

## SUMMARY OF REPORT

1. There are several dimensions to the gap in the standard of living between rich and poor nations, and radical and fundamental changes in international economic relationships and patterns of production and consumption in developed countries would be needed to close it. This process can be achieved in the very long run. The Group has confined itself to indicating a programme of measures which would at least arrest declines in standards of living in the poorest developing countries and accelerate the rates of growth in the rest of the developing world.
2. The overriding need is to secure for all people acceptable standards of nutrition, clothing, shelter, public health and medical care, and education. This is the minimum tolerable standard of existence.
3. The Group has drawn up basic guidelines which should govern trade in commodities. We regard the integrated commodities programme of the UNCTAD as a major sustained and comprehensive attack on the commodity problem. We urge the adoption of a programme along these lines and that the necessary consultations be concluded before UNCTAD IV in 1976.
4. We believe that indexation is an important element in commodity agreements; that positive characteristics of producer associations should be acknowledged and encouraged; and that, while technological progress in the field of synthetics is not to be halted, it would be appropriate to consider measures which would protect the interests of the primary-producing countries and improve their competitive strength vis-a-vis synthetics. We draw attention to the need for maintaining a high level of investment in non-renewable resources. In examining the form that commodity arrangements might take we consider that at an appropriate stage a general agreement on commodities could be of value.
5. We encourage developing countries to intensify their participation in the GATT multilateral trade negotiations, and recommend that special consideration should be given to aspects affecting the ability of the developing countries to realise the full benefits of trade liberalization. We recommend the examination and modification of rules of origin. We urge that the developed countries should not wait until the MTNs are concluded to introduce concessions beneficial to developing countries.
6. We call for improvement of the generalized system of preferences (GSP) and urge OECD countries to widen the coverage of their schemes and deepen their tariff cuts. We urge developed countries to undertake adjustment measures linked specifically to the promotion of imports from developing countries.
7. We encourage increasing cooperation among developing countries and emphasise the integrated development of key sectors. Developing countries should make greater efforts to identify joint projects for development within the framework of cooperation schemes. Cooperation at sub-regional and inter-regional levels, e.g. in trade, industry

and transport, should be encouraged. Financial and technical support from the developed countries in this area should be increased.

8. We endorse and urge the speedy implementation of the recommendations and conclusions of the World Food Conference and the Commonwealth Ministers' meeting in March 1975. Food production and rural development should be given the highest priority. This is especially important in vulnerable areas, e.g. the Sahel and Bangladesh. Donor countries should help developing countries to secure their needs of fertilizers and to develop their own production. Fishing industries should be given greater attention. More donor countries should pledge support for the International Fund for Agricultural Development.

9. The World Bank and other lenders should be urged to participate in programmes for rural modernisation in an innovative and pragmatic way, including a considerable extension of the financing of local costs of rural development programmes. We look for the speedy achievement of the food aid target of 10 million tons annually and urge that grain stocks be established in developing countries susceptible to hardship in times of shortage.

10. We consider the accelerated development of manufacturing activities a central part of a new economic order. New patterns of international relationships in the field of industrial development are called for. The special needs of the poorer countries who will benefit less from industrial cooperation should be acknowledged. While we were unable to examine in depth the role of transnational corporations in developing countries, the international community should intensify its efforts to find solutions in this field which would avoid the mistakes of the past. We suggest that guidelines might be drawn up for bilateral industrial cooperation between developed and developing countries. This could lead to specific bilateral arrangements.

11. If the transfer of technology is to be effective, it should be not only a continuing process but more concentrated on the needs of the developing countries and integrated into their internal structures so as to become self-generating. We most strongly recommend the establishment of indigenous centres of research and development. We see a strengthened role for UNIDO in the field of industrial cooperation.

12. We view with concern the inadequacy of the transfer of resources from the developed to the developing countries and the limited results which this has yielded so far. We are discouraged by the stagnation in the flow of official development assistance in recent years. We think that a marked increase in the transfer of resources will be needed in order merely to sustain a minimum momentum of development in much of the world and even to maintain conditions of life in many of the poorest countries. We set out particular areas for which a major increase in the transfer of resources is needed.

13. We urge that all developed countries regardless of their economic and social system, and particularly those with per capita GNP of over \$2,000, should without any further delay implement the United Nations target of 0.7 per cent. We believe that the pressing needs of developing countries require an ODA effort equivalent of at least 1 per cent of GNP of the developed countries by 1980. We endorse the terms target adopted by the DAC, i.e. the average grant element of at least 84 per cent. We hope that the terms of assistance, particularly for the poorer countries, would be such that the period of repayment would be at least 40 to 50 years, with a grace period of at least 10 years and a maximum rate of interest not exceeding 1 per cent, and that the terms for the least developed countries should be even more concessionary. We recommend that the balance for the transfer of resources should be shifted increasingly in favour of the poorest countries.

14. We consider that developing countries should have priority call on Special Drawing Rights (SDRs) through some form of "Link" mechanism. We invite the World Bank and other organizations to reconsider the feasibility of drawing up guidelines for the rescheduling of debt for countries suffering from serious and intractable debt servicing problems. These should establish a presumption in favour of automatic rescheduling and relief from external debt of particular developing countries and also should include the writing-off of certain loans, as well as the conversion of existing loans into outright grants to the most seriously affected countries. We support proposals for interest subsidy schemes for increasing the flow of resources to the developing countries on intermediate terms. We also support the use of gold holdings by the IMF for increasing the flow of resources to the poor countries.

15. We were unable to examine in depth measures to enable developing countries to participate more fully in invisible trade, but have put forward preliminary suggestions in the field of shipping.

16. Similarly in the time available we have been unable to examine the question of international institutions in depth, but recommend that Commonwealth Finance Ministers should at the next meeting of their Boards of Governors take up the question of securing changes in the voting rights and managerial structures of the IBRD and the IMF, so as to give the developing countries greater participation in the decision-making in these institutions.