

negotiations had produced no significant benefits for most developing countries. They expressed the hope that continuing efforts would be made under the auspices of GATT and UNCTAD to enable developing countries to secure improved access for their products to international markets with a view to increasing their foreign exchange earnings, while making every effort to increase trade among themselves.

48. They stressed the dangers of excessive protectionism in a number of Foreign industrialized countries for agricultural products of export interest to Commonwealth countries.

49. While it was recognised that Commonwealth trade must be seen in the larger context of global trade of which it was a vital part, they agreed there was continuing scope for the expansion of Commonwealth trade and for this purpose there was need to strengthen the well-established links amongst Commonwealth members.

50. Heads of Government took note of the Secretary-General's report that, in pursuance of an earlier decision, the Secretariat had begun a study on the feasibility of Commonwealth co-operation to assist in trade promotion. They looked forward to the completion of this study.

51. The Meeting took note of the special difficulties of Lesotho and other African landlocked Commonwealth countries. These countries expressed the hope that all concerned would find it possible to accede to or ratify the international convention on the transit trade of landlocked countries. Heads of Government hoped that all countries concerned would make every effort to provide adequate transit facilities to the trade of such landlocked countries.

52. Heads of Government reiterated the importance of continuing close consultation by the British Government with Commonwealth Governments in regard to developments of interest to them concerning the British application for entry into the European Economic Community.

53. In discussing the international monetary situation, Heads of Government stressed the importance of restoring stability in world payments—and of adapting the world monetary system to meet evolving needs. They stressed the need for providing adequate international liquidity for implementing and activating as early as practicable the scheme for Special Drawing Rights through the International Monetary Fund to supplement

reserve assets. They regretted that it had not been possible as yet to get the necessary broad international agreement on a special link between international action to increase liquidity and the needs of developing countries. They hoped that further consideration would be given to establishing such a link.

54. They expressed the hope that more liberal trade policies would follow from improvements in the international payments system.

55. Some Heads of Government felt that Commonwealth countries should call for a world monetary conference, open to all members of the I.M.F., to reappraise the World Monetary System since Bretton Woods and to make recommendation for its improvement, and that there should be a Commonwealth Meeting prior to such a Conference. Others while sympathising with these objectives felt that it would be inappropriate to attempt to achieve them through such a conference and that it would be better to continue official discussions through existing channels.

56. The meeting discussed international assistance for economic development, and noted with concern that the net transfer of resources from industrialized to developing countries had stagnated at a level which was inadequate to facilitate an acceptable rate of economic development in the developing countries. A critical situation was emerging for a number of countries because of the burden of debt servicing. Heads of Government expressed the hope that countries which had not already done so would be in a position to signify their acceptance of an early date for complying with the UNCTAD resolution on the target of 1% of gross national product at market prices. They stressed the urgency of the replenishment of the resources of the International Development Association and expressed the hope that all countries concerned would follow the lead already given by some in effecting such replenishment.

57. Heads of Government noted with approval the recent tendency on the part of some Commonwealth countries to soften the terms of their loans which they are extending to the less developed Commonwealth countries. They considered that Commonwealth donor countries should take the lead in seeking further improvements in the terms of international aid generally, and hoped that donor Governments would view sympathetically in appropriate cases the granting of more flexible terms.