

developing countries to some developed countries. Other ministers could not share this view, and stressed that the fundamental aim of the arrangements contemplated was the granting of new advantages to the exports of developing countries.

8. Ministers recognized the very large importance for developing countries of their exports of primary products, which provide the bulk of their earnings and will continue to do so for some time to come. They noted with interest the work being done in this field by various bodies, including the study to be undertaken by the International Monetary Fund and the International Bank for Reconstruction and Development.

9. Ministers noted that certain branches of world agricultural production appeared likely to expand in the years ahead. They agreed that the relationship between supply and commercial demand, bearing in mind the food needs of developing countries, would warrant careful attention, and instructed the Organization to consider how best to approach these problems, including the establishment of a special group.

Ministers considered the report of the Secretary-General on the food problem of developing countries, in which he examined the gap between food needs in these countries and food availability from their domestic production, commercial imports and food aid. They instructed the Organization to pursue its work on the proposals contained in the Secretary-General's report.

10. The flow of public development aid increased slightly in 1966, but private capital exports to developing countries declined. An increase in the total flow of resources to these countries seems to be taking place in 1967. Some countries are now expanding their aid programmes; some countries have fixed medium-term objectives for their future increase. Notwithstanding these efforts, prospects for the following years seem less favourable.

Moreover, the slow economic progress and the prospect of rapid increases in population in many developing countries give reason for concern.

Ministers requested the Development Assistance Committee to pursue its studies and efforts to increase the volume and improve the quality and effectiveness of aid.

11. Ministers heard a statement by Dr. Prebisch, the Secretary-General of UNCTAD. They agreed that member countries should make every effort to ensure the success of the Second UNCTAD and should continue their consultations in OECD to this end.