

turned into a surplus, while the surpluses of France and Germany have been reduced, as has the deficit of the United States.

Problems remain. The United States must continue to reduce its balance-of-payments deficit. The large deficit of the United Kingdom, though partly due to temporary factors, gives reason for concern. It calls for economic policies designed to bring about a lasting improvement in the United Kingdom's external financial position. The situation will be kept under close examination in the Organization. Ministers noted the series of measures which had already been decided upon. They further noted the temporary character and non-discriminatory form of the import surcharge and that the United Kingdom Government was firmly resolved to reduce it in a non-discriminatory manner and abolish it at the earliest possible moment.

The ministers noted with satisfaction that the Organization will undertake a special study of the balance-of-payments adjustment process and play an active role in the multilateral surveillance of means to finance imbalances, as requested by the ten countries parties to the General Arrangements to Borrow.

5. The ministers directed the Organization to continue its efforts to stimulate activity to improve the capital markets of member countries of the Organization. They considered that increased effectiveness of capital markets was especially important for facilitating the financing of economic growth and for contributing to balance-of-payments equilibrium.

6. The ministers reviewed the situation of the two consortia for aid to Greece and Turkey. Greece has recently submitted a new request for financial assistance and there should now be renewed activity by the consortium. While the consortium for Turkey has provided substantial external aid in support of Turkish development, the financing of such development will require increased efforts by the interested members of the OECD and by the Turkish authorities to strengthen the efficiency of the economy. The consortium is currently studying new proposals for achieving its goals in the coming years.

7. The ministers reviewed the situation after the United Nations Conference on Trade and Development. They instructed the Organization to continue its work in analyzing the trade, financial and other development problems raised during the Conference and co-ordinating member countries' efforts to formulate constructive policies designed to further the economic expansion of the developing countries.

8. The ministers noted a continuing though moderate increase in the development aid provided by member countries in 1963 and the geographic broadening of aid by donor countries. The total of new commitments, however, has been stagnating in recent years and there is a need for a renewal of the upward trend in this field.

Moreover, too large a part of the financial resources flowing to some less-developed countries has been in the form of short and medium term credits. For this and other reasons, the rapidly growing debt service burden of such countries gives reason for concern.