

2. Maintenance of controls over trade in agricultural products, to protect domestic farm prices and incomes.
3. Creation of customs unions and free trade areas which serve partly to increase trade among members of these blocs, and also, by increasing their incomes and demand, to increase their extra-bloc trade.
4. Opposition to systems, other than customs unions and free trade areas, designed to increase some countries' trade at the expense of others.

The developing nations, with a majority in UNCTAD, do not accept these precepts of international trade. A large number of the LDCs see the most-favored-nation principle as discriminatory against their interests. The Final Act of the First Conference rejected these "non-interventionist", non-discriminating principles of GATT in favor of an interventionist role for trade policy--the guidance of both the geographical and commodity structure of trade to conform to predetermined objectives. The General Principles of the Conference endorsed policies including:

1. Establishment of targets for MDC-LDC trade.
2. Infant industry protection in the LDCs. (This raises a complex problem, for the entire production structure of the low-income countries could be regarded as an infant industry.)
3. Recommendations aimed at maintaining markets for LDC commodities in the developed countries in face of entrenched MDC policies--agricultural protection, development of synthetic substitutes for LDC products, and international movement of surpluses at cut-rate (in short, de facto dumping.)
4. Establishment of a fund to compensate LDCs for deterioration of their terms of trade--that is, a decline of prices of their exports relative to their imports.
5. Increases in multilateral aid, and easing of terms of bilateral aid, with provision for repayment in local currency or merchandise.
6. Endorsement of measures to improve LDC balance of payments on service account (shipping, insurance, tourism, etc.)