

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.22/10
6 April 1965

Limited Distribution

CONTRACTING PARTIES
Twenty-Second Session

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SUMMARY RECORD OF THE TENTH MEETING

Held at the Palais des Nations, Geneva
on Thursday, 25 March at 10 a.m.

Chairman: Mr. J. LACARTE (Uruguay)

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1. Uruguayan schedule - adjustment of aforos (W.22/15 and Corr.1)

The CHAIRMAN recalled that at the fifth meeting the CONTRACTING PARTIES had agreed to give their concurrence under paragraph 6(a) of Article II, to the adjustment of aforos in the Uruguayan tariff, in so far as they affected concessions in the Uruguayan schedule. The secretariat had distributed the text of a draft decision in document W.22/15 and Corr.1.

The Decision was adopted.

2. Status of protocols (W.22/13)

The CHAIRMAN recalled that at the seventh meeting the CONTRACTING PARTIES had agreed that a closing date for the acceptance of certain protocols should be extended for another year. A draft decision prepared by the secretariat had been distributed in document W.22/13.

The Decision was adopted.

3. Ceylon temporary duty increases (W.22/14)

The CHAIRMAN recalled that at the seventh meeting CONTRACTING PARTIES had agreed to meet the request of the Government of Ceylon for an extension of the time-limit in the Decision of 15 November 1962, to permit the maintenance of certain duty increases as an emergency measure, and the secretariat had been requested to prepare the text of a draft decision. This had been distributed in document W.22/14.

The Decision was adopted by forty-six votes in favour and none against.

4. Peruvian schedule - renegotiation (L/2408)

The CHAIRMAN said that the Government of Peru had asked for a waiver from its obligations under Article II to permit the application of the new, reformed customs tariff, in so far as Peru's concessions under the GATT were concerned, and to proceed subsequently with the renegotiation of concessions under the procedures of Article XXVIII. The Working Party which was appointed to examine this request had submitted a report in document L/2408.

Mr. PRESS (New Zealand), Chairman of the Working Party presented the report. He recalled that the Peruvian Government had found it necessary to introduce a new tariff involving some overall increases in duty rates. The Peruvian Government had expressed its intention and willingness to renegotiate under Article XXVIII. The Working Party was, therefore, requested to provide machinery whereby this could be done and by which the negotiations could be brought into association with the new Part IV of the GATT. The Working Party in making the necessary arrangements had to take account of the situation arising from the fact that some contracting parties had already given effect to Part IV by adopting the Declaration or de facto application while others had not yet done so. The way in which this had been dealt with could be seen in paragraph 2 of the draft decision. Those contracting parties which had adopted the Declaration regarded it as applicable to the negotiations with Peru, whereas other contracting parties had accepted the principle enunciated in Article XXXVI:8 of the new Part IV. Mr. Press observed that the decision was the first of its kind which had confronted the CONTRACTING PARTIES since the introduction of the new Part IV. He thought that the outcome had been the result of the working out of a satisfactory relationship between the old and the new GATT.

The report was adopted.

The Decision was adopted by forty-five votes in favour and none against.

Mr. LETTS (Peru) thanked the Chairman and members of the Working Party for the spirit of understanding that they had shown during the discussions. He said that the decision arrived at had been a compromise in which mutual concessions were made. He announced that it was the intention of the Peruvian Government to bring to a rapid conclusion the negotiations which were provided for under the Decision. The Peruvian Government would be sending experts to Geneva to make rapid contact with interested delegations and would start the process of re-negotiation as soon as possible.

5. European Economic Community - Agreement of Association with Turkey (cont'd)

The CHAIRMAN recalled that when the discussion of this item was adjourned at the ninth meeting it had been agreed that the United Kingdom delegation would consult with the delegation of Turkey under Article XXII concerning certain technical points arising in connexion with the Association Agreement.

Mr. GILDEA (United Kingdom) said that in the consultation with Turkey his delegation had taken the view that under Article XXIV:5(a), the institution of the interim agreement for the formation of a customs union as far as Turkey was concerned, related to the time when the duties on imports from the EEC and on imports from other contracting parties would begin to diverge. At that time the duties should not on the whole be higher than they were in September 1963 when the Agreement was signed. The view of the Turkish delegation, however, was that the date in question should be December 1964 the date of the legal entry into force of the Agreement. The discussions had been very complex and so far it had not been possible to reach complete agreement; but given time and some procedure under which the assistance of the CONTRACTING PARTIES would be made available, he believed that a satisfactory and practical solution could be found. If a general body were established to deal with any problems relating to the customs union and the interests of other contracting parties, his delegation would agree that the specific problem of the United Kingdom could be dealt with by that body. However, the United Kingdom delegation would prefer the setting up of a panel or working party to assist the United Kingdom in dealing with the question it had raised and to provide the necessary guidance and interpretation to enable the United Kingdom to complete its Article XXVIII negotiations with Turkey. Mr. Gildea suggested that a working group be established with the following terms of reference:

"to consider what will be the proper interpretation of the principles of paragraphs 5(a) and 6 of Article XXIV when, in the course of forming a customs union with the EEC, the Turkish Government reduces its tariff in successive stages towards the Community on the one hand and towards other contracting parties on the other".

Mr. EMRE (Turkey) said that his delegation was prepared to co-operate with the United Kingdom delegation in finding a mutually acceptable solution. However, he could not agree with the terms of reference proposed. He suggested that the Working Party be asked -

"to consult under Article XXII with the Government of Turkey concerning its tariff reductions in successive stages towards the Community on the one hand and towards other contracting parties on the other".

The CHAIRMAN suggested that while thought was being given to the proposals put forward by the United Kingdom and Turkish delegations, representatives might consider whether the following general conclusions would be acceptable:

- (a) to adopt the report of the Working Party;
- (b) to note the diverging views which exist with regard to the compatibility of the Ankara Agreement with the General Agreement;
- (c) to note that the parties to the Agreement are prepared to provide further information on the plan and schedule for the formation of the customs union and, in particular, to provide the text of the Additional protocol;
- (d) to keep the matter on the agenda of the CONTRACTING PARTIES, so that at any time when any contracting party feels that it would be useful to resume the examination of the provisions and implementation of the Agreement it could bring the matter forward for discussion either during the course of a session or at a meeting of the Council which would also have the authority to submit the matter to a working party if so requested;
- (e) to note that this would not prejudice the responsibilities of the CONTRACTING PARTIES under the General Agreement nor the rights of individual governments under relevant provisions of the GATT.

Mr. HIJZEN (Commission of the European Economic Community) said that the Community could accept the five points suggested by the Chairman. As for point (d) he believed that the arrangements provided for therein were the same as those already existing for other regional agreements submitted under Article XXIV. He recalled that in the case of the Community, for example, a procedure existed under which if a contracting party believed that there had been a new development, that contracting party could place the matter on the agenda. If he had correctly understood the Chairman's proposals in that sense, he could accept them.

The CHAIRMAN, commenting on the terms of reference proposed by the delegate of Turkey, said that under paragraph 2 of Article XXII the CONTRACTING PARTIES "may, at the request of any contracting party, consult with any contracting party or parties in respect of any matter for which it has not been possible to find a satisfactory solution through consultation under paragraph 1". The United Kingdom could therefore request that the matter under discussion be dealt with under paragraph 2 since the consultation which had taken place under paragraph 1 of Article XXII had not been successful.

Mr. GILDEA (United Kingdom) maintained that his delegation had the right to request a consultation under Article XXII concerning the problem of the interpretation of Article XXIV in relation to changes in the Turkish tariff in the course of forming a customs union.

Mr. HIJZEN (Commission of the European Economic Community) said that he was unable to see how a working party, in consulting with Turkey, could interpret an Article of the GATT. In the conclusions proposed by the Chairman it had been mentioned that none of the rights of individual governments would be prejudiced under the procedures outlined.

The CHAIRMAN agreed that the proposed working party would not be in a position to interpret the General Agreement. The United Kingdom proposal provided only for the working party to consult on the question of interpretation. This was an important nuance which should be borne in mind.

Mr. EVANS (United States) said that the United Kingdom had raised a practical problem arising from the simultaneous operation of Articles XXVIII and XXIV. This situation raised questions which would seem to justify the creation of a group to consider the issue. While he did not necessarily agree with the representative of the Community that it was not legal under Article XXII to propose the consideration of a question of interpretation it was not necessary for the consultation under Article XXII to take up the legal issue. His delegation would support the proposal for a working party to resolve the practical problem raised by the United Kingdom.

Mr. GILDEA (United Kingdom) proposed that the terms of reference be amended to read:

"to consider what will be the proper application of the principles of paragraphs 5(a) and 6 of Article XXIV when, in the course of forming a customs union with the EEC, the Turkish Government reduces its tariff in successive stages towards the Community on the one hand and towards other contracting parties on the other, and to assist in the conclusion of negotiations under Article XXVIII".

Mr. Gildea felt that this would not require the working group to make a general interpretation but only to find a practical solution to the problem posed. This would be along the lines proposed by the United States delegation and he hoped that this would obtain general acceptance.

Mr. EMRE (Turkey) reiterated the proposal he had made on the terms of reference to be given to the working party. He said that rather than see any reference to controversial matters he would prefer no mention to be made of Article XXIV.

Mr. SWARUP (India) said that his comments related to a slightly different matter but would also cover the point under discussion. From the conclusions proposed by the Chairman, it was noted that there were diverging views regarding the compatibility of the Ankara Agreement with the General Agreement. His delegation would have preferred if the original suggestion made by the United Kingdom delegation that the working party be kept in session had been accepted. The working party would be able to look into the problem as a whole, including the problem raised by the United Kingdom, and would enable the CONTRACTING PARTIES to review the matter at the next session. He added that such a procedure followed from point (d) of the conclusions proposed by the Chairman. Further, he assumed from the comments by the Chairman that the matter could be raised in the Council later in the year. However, if it were the view of the CONTRACTING PARTIES that the whole matter need not at this time be referred back to the working party, then his delegation would agree with the proposal of the United Kingdom delegation that the particular question raised by them should be dealt with. Mr. Swarup said that as he was not clear whether a distinction could be made between the practical and the legal aspects of the problem he felt that the terms of reference proposed by the delegation of the United Kingdom would enable the matter to be examined in a comprehensive manner.

Mr. Swarup mentioned that his delegation had requested a consultation with the Community on tobacco because it was felt that the Community arrangements on tobacco were preferential in nature. His delegation thought that steps should be taken to mitigate the effects on third countries, and was interested in having a consultation arranged as soon as possible. He hoped that this aspect of the matter would not be lost sight of.

The CHAIRMAN informed the delegate for India that a request for a consultation on tobacco could be made by his government at any time.

Mr. HIJZEN (Commission of the European Economic Commission) agreed with the Chairman that the Government of India could request a consultation on tobacco at any time. Turning to the question of the terms of reference for the consultation between the United Kingdom and Turkey, Mr. Hijzen suggested that they be amended to read as follows:

"To consult on the question raised by the United Kingdom with the Government of Turkey concerning the reduction of bound rates in the Turkish tariff in the implementation of the Ankara Agreement".

Mr. Hijzen explained that the phrase "on the question raised by the United Kingdom" would make it quite clear that the consultation would relate to the specific problem of the reduction of bound rates. He therefore wondered whether it was really necessary to make any reference to the interpretation of any Article of the GATT.

Mr. GILDEA (United Kingdom) said that he found it difficult to understand why the Turkish delegation was opposed to the mention of Article XXIV in the terms of the reference. With regard to the texts proposed by the delegations of Turkey and the European Economic Commission, he noted that neither of the proposals referred to any provisions of the Agreement or even to the General Agreement at all. There was, therefore, not sufficient precision in their proposals for the working party to know what it was to do. In his second proposal the word "interpretation" was replaced by the word "application", and as for the question of bound rates this was covered by the phrase referring to negotiations under Article XXVIII.

The CHAIRMAN suggested that further discussion be deferred until the delegations principally concerned reached agreement on a text.

6. Training Programme and Technical Assistance (L/2383)

The CHAIRMAN said that a report covering the period since the twenty-first session had been distributed in document L/2383. This report described the GATT Training Programme in Geneva, the Joint GATT/ECA Courses in Africa, and Assistance to less-developed countries in connexion with commercial policy problems.

The DEPUTY EXECUTIVE SECRETARY presented the report. He said that in view of the fact that one of the most important problems for the developing countries was the establishment of the necessary corps of trained officials in the field of commercial policy, the Director-General had always considered the activities of the secretariat in this field to be of particular importance. As could be seen from the report, the secretariat had endeavoured to increase the facilities made available under the three aspects of GATT's work in this field, and the present training course had been the most extensive one the secretariat had so far organized. He expressed gratitude on behalf of the Director-General to the United Nations authorities for their financial and administrative assistance in the carrying out of the training courses, and thanked those governments which had been kind enough to receive the GATT trainees during their visits to various countries. He underlined that the secretariat would continue their endeavour to extend the facilities offered to the largest extent possible without any loss in the efficiency of the courses. Finally, the secretariat would continue to organize the programme of the courses in accordance with developments in the thinking and practice of trade policy in connexion with economic development.

The delegates of Yugoslavia, India, Peru, United States, Pakistan, Uganda and Nigeria expressed appreciation to the CONTRACTING PARTIES for making available training facilities and technical assistance to the less-developed countries. It was felt that the GATT courses not only assisted in the training of government officials on commercial policy but they also helped in promoting

cordial relations between the administrations of countries participating in the GATT. They pledged their full support for the continuation and extension of the courses. One delegation, commenting on the training courses in Africa, hoped that the secretariat would be in a position to establish more regional training programmes.

The report was noted.

7. Impact of commodity problems upon international trade

The CHAIRMAN recalled that, at the beginning of the session, the Committee on Trade and Development had been requested to carry out the annual review of trends and developments in international commodity trade. It was understood that, whilst the Committee would review those commodity problems which affected the trade of less-developed countries, there would be an opportunity before the close of the session to discuss any problems in commodity trade which were of particular interest to other contracting parties.

Mr. DONOVAN (Australia) expressed disappointment that since the nineteenth session, when the Working Party on Commodity Problems was last convened, discussions on this item had failed to deal with the central points relevant to commodity trade. There had been, for example, no discussion in the GATT similar to that which regularly occurred in the meetings of the United Nations Commission on International Commodity Trade, where the commodity situation in general and its effect on international trade and on the economies of member countries were examined. The extensive and worthwhile discussion of commodity problems in the United Nations Conference on Trade and Development had showed the growing recognition of the importance of the problems involved. While it was encouraging to see this discussion reflected in increased activity in the UNCTAD and in the GATT groups dealing with the problems of particular commodities, Australia was concerned that there had been no general discussion at the present session, and that the GATT organization as a whole had not been giving consideration to commodity trade either in general, in order to determine how widespread the problems were and their aggregate effects on international trade, or in relation to the problems of international trade in particular commodities. Australia felt obliged therefore to indicate some disquiet at the trends of discussions on this item over the past few years. In its view, it was not enough for the discussion to be limited to a few set speeches followed by the CONTRACTING PARTIES "noting" the views expressed. The Australian delegation would welcome the views of other delegations on this matter.

Mr. Donovan recalled that his delegation had intervened in the Committee on Trade and Development during the discussion on some special aspects of the general problem which was now being considered to point out that some items and some commodity problems were of direct interest to all contracting parties and

of crucial importance to some. It could well be that for particular commodity problems a form of international arrangement might be the most satisfactory solution. In such cases, special aspects of the problems could not be dealt with separately or in isolation. The Australian delegation considered that because of the wider issues involved, these problems should be dealt with in such a way that full consideration could be given to all aspects and to the interests of all contracting parties concerned. For this reason, the CONTRACTING PARTIES should not avoid their responsibilities in this field and the debate on this item should reflect its great importance.

Mr. MORENO (Cuba) said that during the United Nations Conference on Trade and Development particular importance had been given to the problems of commodity trade. In spite of the discussions in that Conference and various recommendations by subsidiary bodies of the GATT, no concrete measures had been taken to solve what was a fundamental problem for the less-developed countries. The various obstacles to trade in commodities had remained and no arrangements had been made for maintaining prices at suitable levels. In fact there had been a perfecting of the policies of certain countries, such as the basing of trade relations on very heavy and difficult loan conditions thereby further aggravating problems in the commodity field. Lack of progress in the commodities field had led to further deterioration in the terms of trade and added to the existing disequilibrium. In order to obtain solutions to the problems of less-developed countries in this area of trade, more energetic efforts were required from the CONTRACTING PARTIES and the Committee on Trade and Development.

Mr. ONYIA (Nigeria) agreed that there was need for the CONTRACTING PARTIES to arrange for the convening of the Working Party on Commodity Problems before taking up the matter in plenary. Referring to the information submitted by the United States concerning action taken under Public Law No. 480, he said it was recognized that the United States carried out consultations with countries which were likely to be affected by these operations. However, this by itself was not enough. The CONTRACTING PARTIES should address themselves effectively to the new developments in international commodity trade. He felt that because of the tendency of the industrialized countries to be self-contained, the complementarity that had always existed between contracting parties was gradually disappearing. More serious study of this problem was necessary to see what possible measures could be adopted to ensure that this balance was maintained. The Working Party on Commodity Problems should be asked to look into the effects of providing food for the hungry on the markets of less-developed countries which depended on traditional markets for their export earnings. The Working Party should also be requested to make a fairly wide

analysis of the effects of changes in the pattern of world trade between industrialized countries and countries depending mainly on the exports of commodities. Some commodities which were of direct interest to industrialized countries were covered by commodity arrangements, but as regards other commodities, such as cocoa, it had not been possible to arrive at any satisfactory arrangements.

The CHAIRMAN said it had been suggested that at recent sessions the subject had not been dealt with in all its fullness and detail. At future sessions any contracting party could propose the convening of the Commodities Committee before the matter was discussed in plenary.

8. Trade of less-developed countries - report by the Committee on Trade and Development; Trade Information and Trade Promotion Advisory Services (L/2410)

Mr. ONYIA (Nigeria) presented the report of the Committee on behalf of the Chairman of the Committee, Mr. Lall (India). He recalled that, at its first meeting in February, the Committee had held a preliminary exchange of views on matters falling within its terms of reference and on the organization of its work. At that meeting the Committee had agreed in principle to the carrying out of a detailed examination of the various items within its terms of reference, with assistance where appropriate, of ad hoc working parties or groups. The Committee had also instructed the secretariat to prepare background papers which would enable it to agree on a work programme and decide the terms of reference of such groups.

Mr. Onyia said that at its recent meeting the Committee had had a very full and thorough discussion on almost all items on its agenda, and the report contained in document L/2410 reflected essentially the consensus reached in these discussions. Mr. Onyia pointed out that in some instances the report recorded only the operative decisions reached. It would be observed that the Committee had established appropriate reporting procedures which would enable it to keep under review the implementation of the provisions of the new Part IV. Further, it had established detailed terms of reference for a number of the ad hoc groups which had been charged with the specific responsibility of examining and submitting findings and recommendations on a number of important problems falling within its field of activity. Thus ad hoc groups with detailed terms of reference had been set up to deal with the following items:

- examination of products of interest to less-developed countries;
- measures for assisting adjustments in the structure and pattern of trade;
- study of development plans;
- amendments to the General Agreement;
- commodity problems;
- expansion of trade between less-developed countries;
- preferences in favour of less-developed countries by other countries;
- residual import restrictions affecting products of interest to less-developed countries.

In the course of its work the Committee had also reviewed the work of the Expert Group on the Trade Information Centre, and had discussed the further orientation of the Centre's activities. The approval given by the Committee to the controlled expansion of the Centre's activities had since been reflected in the decision of the Committee on Budget and Administration to increase the staff and the budget allocation of the Centre. The Committee had also approved a time-table for the meetings of the Groups established by it and had arranged to meet again on 29-30 June with a view to receiving the reports of the Groups on their findings and recommendations, and to take stock of the position in the light of the detailed work to be carried out over the next three months. Mr. Onyia hoped that the work that would be carried out in the various Groups, and the review to be conducted by the Committee at its next meeting, would constitute a solid contribution to the solution of the many important problems which appeared in the work programme of the Committee, thereby giving real impetus to the efforts made in the GATT to seek solutions to the trade and development problems of the less-developed countries.

Mr. HAKIM (Indonesia) said that although the present session appeared to be of a less spectacular character than some of the previous ones, it was nevertheless an important one because it was at the present session that efforts were being made to give content to the range of activities on trade and development which were recently added to the scope of the GATT by way of the new Part IV. The GATT was in a state of transition. The activities of bodies which had previously dealt with the problems of less-developed countries had now been merged into and taken over by the Committee on Trade and Development. This Committee would be the main instrument for the implementation of Part IV and it was on this Committee that the larger part of the attention of the less-developed countries would be focussed. The achievements of the Committee would be to a large extent the yardstick by which the usefulness of the GATT would be measured, at any rate by the developing countries. He realized that it would take some time before the most efficient way of coping with the manifold problems in the field on trade and development were found. Nevertheless, it should be kept clearly in mind that time was running short. He felt that it was unnecessary for him to elaborate on the reasons why this was so. He would merely stress that the economic problems of the developing countries and of the new emerging nations were becoming more acute day by day. The populations of these countries were increasing rapidly but their standards of living were being raised too slowly. It was fortunate that there was an increasing awareness that this state of affairs and the great dangers it presented for the future of all should not continue, and that ways and means should be found to arrive at a new pattern of world trade creating a new basis for the relationship between developing and industrialized countries.

Mr. Hakim said that the United Nations Conference on Trade and Development had made a first important step towards finding solutions for new economic and financial relationships. The GATT should also work in that direction. He felt that it was evident that the new nations of the world would not abide by the rules of an antiquated system of world trade and finance which was so much to their disadvantage. This should not be looked at as a threat but as a mere point of logic. It was difficult to forecast what would happen in a world where there was an ever increasing gap between the developing countries and the industrialized countries but it was certain that if the situation continued there would be wide and serious repercussions for all. It was essential therefore, particularly for the new Committee on Trade and Development to act with speed, courage and imagination. It was in this Committee that the old established countries would be given the opportunity to show that they could look imaginatively into the future and that they were fully aware of the tremendous changes in the less-developed areas of the world that would fundamentally affect the whole pattern of world trade. The GATT, by enlarging the scope of its activities, had given itself a new lease of life. It was hoped that it would make the best use of it by showing that progressive and dynamic spirit, which was required in the contemporary world.

Mr. Hakim went on to comment on items covered in document L/2410 which were of particular interest to his country. He said that the question of commodity problems was of vital interest to Indonesia because more than 70 per cent of its exports consisted of primary commodities. In his view, the main problems confronting the Committee were the attainment of improved, stable, equitable and remunerative prices for exports of primary products from the developing countries, the relationship between natural and synthetic products and the removal of barriers to trade. He was pleased that it had been found possible to formulate satisfactory terms of reference for the working groups which would be dealing with this matter. He agreed with the view that the attainment of improved prices for the exports of these commodities was of paramount importance to developing countries but it should also be borne in mind that for third countries not belonging to any regional groupings the removal of barriers to trade was also important.

Mr. Hakim expressed appreciation for the initiative taken by the Nordic countries in the Kennedy Round of trade negotiations in stressing the importance of the removal of trade barriers which hampered the trade of developing countries. As regards measures for assisting adjustment in the structure and pattern of production and trade, he felt that this was a wide field which offered many possibilities for international co-operation. He welcomed the setting up of a working group to consider the amending of Articles XVIII and XXIII of the General Agreement. He noted that useful suggestions had been made on how trade between developing countries could be expanded and for the establishment of preferences by industrialized countries in favour of developing countries. He hoped that the Working Group on Preferences would interpret its terms of reference in the widest possible sense. Commenting on the activities of the Trade Centre, Mr. Hakim felt that the Centre could develop gradually into a very useful

medium for the expansion of the developing countries. In this context he stressed the desirability of providing training facilities for participants from developing countries on an all-expenses-paid basis, including transport. He hoped that it would be feasible to create a special GATT fund for this purpose. He added that Indonesia appreciated the readiness of various countries to take an active part in this training scheme.

In conclusion, he emphasized the importance attached by his Government to international co-operation provided that this co-operation was based on the principle of full equality between sovereign States without any political strings whatsoever. It was the firm conviction of Indonesia that whatever the results of international co-operation might be, it was above all the strength, efforts and perseverance of a nation as well as its own identity and conceptions which would ultimately be the factors deciding its survival and growth in the modern world.

Mr. KOPCOCK (Yugoslavia) said that since the twenty-first session most of the efforts in GATT concerning the trade problems of developing countries had been concentrated on the drawing up of the new Part IV. Consequently, less attention had been given to other important problems. For example, it had not been possible to conclude the work on the establishment of the fourth list of products of interest to developing countries which had been undertaken by the former Committee III, although the preparatory work of the secretariat in this connexion had been completed. As regards the Programme of Action some progress had been made in the elimination of a number of trade barriers affecting imports of interest to less-developed countries. However, a great number of such products were still subjected to restrictions in the developed countries. In the field of tropical products, liberalization measures had been taken only in respect of tea and tropical wood. No concrete results had so far been achieved regarding the question of preferences except perhaps that it had been possible to clarify a certain number of problems. His delegation had noted the results already achieved by the Trade Centre as well as the activities of the secretariat concerning the study of the development plans of certain developing countries. His delegation was therefore optimistic that the time used for the drafting of the Part IV had not been lost.

Turning to the report of the Committee on Trade and Development, Mr. Kopcock said that his delegation was in full agreement with the method of work adopted by the Committee in establishing a certain number of rather small groups which could accomplish their tasks in a fairly short period of time and could submit recommendations in clear terms concerning the future action of the Committee. He stressed that the results of the work of the Committee would depend not only on the organization of its work but mainly on the political will of the contracting parties, particularly of the developed contracting parties. Yugoslavia was ready as on previous occasions to make its full contribution to the success of the work of the Committee and would be ready to take an active part in those Working Groups which had been set up during the present session.

Mr. DO LAGO (Brazil) said that over two years ago the representative of Brazil in Committee III proposed the setting up of an international trade information centre in GATT. The CONTRACTING PARTIES following the guidance provided by the Group of Experts had recognized the need for the services envisaged, in the context of the expansion of trade of less-developed countries, and had approved the proposals leading to the effective organization of the Centre, according to a step-by-step approach keyed to the maximum practical use of the services provided. The International Trade Centre was now a reality and had produced a large volume of high quality work with its extremely limited means. The Committee on Trade and Development had endorsed the conclusions and recommendations of the Group of Experts and the approval of the CONTRACTING PARTIES would launch the Centre with adequate means at its disposal into a phase of sustained but controlled growth. The activities of the CONTRACTING PARTIES in trade promotion would open a hitherto unexplored and fruitful field of international economic co-operation. The Brazilian delegation was confident that the efforts and resources utilized in this field would prove to have the very highest yields leading not only to the expansion of exports from less-developed to developed countries, but to other less-developed countries as well.

In conclusion, Mr. Do Lago, emphasized that the Trade Centre was designed to act as a catalyst. In other words, it was to help the less-developed countries help themselves in this field. It would not possibly do by itself all the work that should be done. The active co-operation of developed countries was required and his delegation was pleased to note that co-operation had been offered by them and was in the process of being efficiently organized and institutionalized. As far as the developing countries were concerned they should fully participate in the carrying out of the tasks of the Centre so that they would receive the entire benefit of its services and would be able actively to promote their own trade interests.

Mr. RAZAFINDRABE (Madagascar) felt that the report of the Committee on Trade and Development was one of the most important reports concerning the problems of developing countries which had ever been submitted to the CONTRACTING PARTIES. His delegation felt that the present session of the CONTRACTING PARTIES was for the first time in favour of developing countries because on this occasion the CONTRACTING PARTIES had dealt with the problems of developing countries with the participation of the developing countries themselves. Some of the work had been difficult and the discussions had been frank. His delegation had been pleased that it had been able to explain its concern and its problems not only to the developing countries, but also to the developed countries. He was pleased that it had been possible to find some common ground concerning a certain number of points on which the greatest difficulties had existed about a year ago. His delegation would certainly mention during the coming meeting of the United Nations Trade and Development Board that it had been able to find an adequate forum in the GATT for the frank and open discussion of its problems.

Mr. ONYIA (Nigeria) welcomed the programme of activities of the working parties and ad hoc groups which would be dealing with the matters contained in the report. He was pleased that the Group on Commodity Problems had been established, though it was noted that the work begun by the Group on Tropical Products was still to be finalized. His delegation would nevertheless participate actively in the Group on Commodity Problems. Mr. Onyia felt that the success of this Group would determine the value to be placed on the new Part IV of the General Agreement.

Mr. SWARUP (India) expressed appreciation for the very business-like manner in which the Committee on Trade and Development had mapped out its programme of work. In view of the interest of his country in primary commodities, tropical products, manufactures and semi-manufactures, his delegation was particularly heartened that all aspects of the problems of the trade of less-developed countries had been taken into account in the programme of the Committee. His delegation looked forward to participating in all the Groups which had been established, and it was hoped that the Committee would provide solutions to the pressing problems of the less-developed countries.

Mr. MORENO (Cuba) said that in the Committee on Trade and Development varying and sometimes divergent views had been expressed. This showed, really, that attempts were being made to find appropriate solutions to the problems discussed. He added that the position of his country with respect to the new Part IV of the General Agreement remained the same as that expressed by his delegation during the Second Special Session of the CONTRACTING PARTIES.

Mr. VALENZUELA (Chile) said that during the past few years both in the GATT and within the United Nations structure, a certain amount of work had been done with respect to the problems of less-developed countries. More light had been shed on these problems by the many studies and examinations which had been made. The present stage should now be to find solutions to the problems which had been clearly defined. He stressed that a fragmentary approach should not be utilized in the attempt to find solutions. The problem of economic development was a universal one and solutions should not be sought which mitigate against the legitimate interests of any particular part of the world. As a universal effort was being made in the Committee on Trade and Development, his delegation considered it worthy of congratulation

Mr. GILDEA (United Kingdom) expressed satisfaction at the approach taken by the Committee in dealing with the matters placed before it. The Committee had shown its intention to carry on the GATT tradition of getting down to concrete problems. He hoped that it would be possible to look back over the years and realize that the Committee on Trade and Development was the beginning of real efforts to deal with the problems of the developing countries, and to improve their trade prospects.

The CHAIRMAN suggested that discussion on the item be adjourned until the afternoon.

The meeting adjourned at 12.45 p.m.