

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

2SS/SR.2  
25 November 1964

Limited Distribution

CONTRACTING PARTIES  
Second Special Session

Page 3

## SUMMARY RECORD OF THE SECOND MEETING

Held at the Palais des Nations, Geneva,  
on Wednesday, 18 November 1964, at 3 p.m.

Chairman: Mr. J.H. WARREN (Canada)

	<u>Page</u>
<u>Subjects discussed:</u> 1. Legal and Institutional Framework	3
2. Participation in the work of the CONTRACTING PARTIES - Argentina, Switzerland and the United Arab Republic	9
3. Financial and administrative questions	
(a) Financial position as at 30 September 1964	9
(b) Report by Committee on Budget, Finance and Administration	10
4. Committee III, Report by Chairman	10
5. Action Committee, Report by Chairman	14
1. <u>Legal and Institutional Framework of the GATT in Relation to Less-Developed Countries (L/2281 and Add.1 and Corr.1, C/48, L/2297 and L/2310)</u>	

The CHAIRMAN recalled that at the twenty-first Session in March 1964 the Chairman of the Committee on the Legal and Institutional Framework had submitted an interim report on the preparation of the proposed Chapter on Trade and Development. As there had been a number of outstanding issues which required further study, the Committee had been requested to continue its work. The Committee had held further meetings and had made considerable progress towards reaching agreement on the text of the Chapter, but in the text submitted with its report to the Council in October, there remained some paragraphs on which differences had not been resolved. The Council had initiated a conciliation procedure to resolve these remaining points. Although the discussion in the conciliation group had not yet been concluded, the CONTRACTING PARTIES might wish to have a first discussion of this item. The report by the Committee on Legal and Institutional Framework, the conclusions reached by the Council on 29 October 1964, and the report by the Legal Drafting Group had been distributed in documents L/2281 and Corr.1 and Add.1, C/48 and L/2297 respectively.

The Chairman observed that the Legal Drafting Group had not found it necessary to make extensive changes in the text of the new provisions in order to remove legal drafting imperfections and to ensure conformity between the texts in the two official languages. The text, as proposed by the Group, was set out in Annex A to the Report. Annex B contained a draft Protocol to incorporate the amendments in the General Agreement. In document L/2310, the secretariat had proposed the addition of a paragraph to the Protocol to provide for the amendments to be applied also by those governments which had acceded provisionally. It was suggested that, if this addition to the Protocol were agreed, the Protocol would be open for signature by the governments having acceded provisionally as well as by the contracting parties. The Legal Drafting Group had also recommended a Final Act authenticating the text of the Protocol, to be signed by representatives of the governments taking part in the session.

The Legal Drafting Group, on instruction of the Council, had also looked into the possibility of providing for the new provisions to be applied on a de facto basis pending their formal entry into force. The Group had recommended that this objective could be achieved by the adoption of the Declaration set out in Annex D in document L/2297, whereby the governments represented at this session, including those which had acceded provisionally, would declare their intention to implement the amendments on a de facto basis as from 1 January 1965. It was the intention of the Group that this Declaration would be adopted unanimously without a formal vote or signature. If the Declaration were adopted, the Executive Secretary might be requested to inform any contracting parties and any governments having acceded provisionally which were not represented at the session and to invite them to indicate that they would also implement the amendments on a de facto basis.

The documents mentioned contained proposals and recommendations on various matters which would require attention before the end of the session. At the present meeting, delegations might wish to comment on the conclusions of the Council (C/48) and on the report of the Legal Drafting Group (L/2297) and avoid discussion of matters which were still under examination in the conciliation group.

Mr. LALL (India) said that the documents referred to by the Chairman were a testimony to the hard work which the CONTRACTING PARTIES had done in order to distil out of many years of debate and discussion what was needed to amplify and amend the General Agreement so that the CONTRACTING PARTIES would be able to discharge their responsibilities in the field of trade and development. With regard to the portions of the draft Chapter which were being examined by the conciliation group, he hoped that all concerned would make the necessary efforts to complete this important work by the end of the session. The Legal Drafting Group had recommended that Part II of the GATT

should be divided into three Chapters in such a way that the second Chapter would comprise both the new provisions which were currently under discussion and the existing Article XVIII. His delegation would prefer to see the new provisions in an additional section at the end of the GATT, as Article XXXVI, etc. If this approach were technically possible, he hoped that his suggestion would be unanimously accepted.

Commenting on the draft Declaration, on the de facto implementation of the provisions of the Protocol, Mr. Lall suggested that the concluding words "and to the extent that the amendments can in practice be implemented" be deleted. The de facto implementation of the provisions was already qualified in the draft Declaration by the phrase "to the extent permitted by constitutional rules in force". Whether the implementation of the provisions was practicable or not was already taken care of by the phrase "to the fullest extent possible" in the commitment section of the Chapter, and it was therefore not necessary to introduce a further qualification. The Legal Drafting Group had stated in its report that if a detailed reference were made in the text of the General Agreement to the proposed Committee on Trade and Development, it would be difficult for the CONTRACTING PARTIES in the future to be flexible with regard to the name and composition of the Committee. He felt that it would not be contrary to the practice of the CONTRACTING PARTIES if language were introduced at an appropriate place in the Chapter along the following lines: "the CONTRACTING PARTIES shall establish such appropriate bodies as may from time to time be decided upon by the CONTRACTING PARTIES".

Commenting on one of the points raised by the Indian delegate, the CHAIRMAN said that it was his understanding that the phrase "to the extent that the amendments can in practice be implemented" had been included in the draft Declaration in order to cover those instances where action, under the amendments, would not be practicable because of the inability of another contracting party or other contracting parties to take part.

Mr. RAZAFINDRABE (Madagascar) said that his delegation were pleased to observe that the CONTRACTING PARTIES were giving active and concrete attention to the problem of trade and development. The text of the Draft Chapter could perhaps not be decided upon as rapidly as suggested since a text of that kind, to be effective, should have the co-operation of all the developing contracting parties. In view of the importance of the Chapter, time should be allowed for it to be transmitted to the various capitals for consideration by governments. At the United Nations Conference on Trade and Development there had been certain differences of opinion. It was necessary to consult among the various countries so that their ideas could be harmonized and to see if the draft Chapter could be accepted. He hoped that this matter could be taken up at the session in March 1965 and, if possible, that the final decision be deferred until that time. Mr. Razafindrabe added that it was a source of great satisfaction in Africa that the GATT was concerning itself with these matters.

Mr. CAMEJO ARGUDIN (Cuba) said that in a Declaration signed a few weeks ago in Cairo by forty-eight countries, it was stated that "the structure of world economy and the existing international institutions of international trade and development have failed either to reduce the disparity in the per capita income of the peoples in developing and developed countries or to promote international action to rectify serious and growing imbalances between developed and developing countries". The Declaration also contained a paragraph to the effect that the signatories to the Declaration "urge upon all States to implement on an urgent basis the recommendations contained in the Final Act of the United Nations Conference on Trade and Development and in particular to co-operate in bringing into existence as early as possible the new international institutions proposed therein, so that the problems of trade and economic development may be more effectively and speedily resolved". This manifestation of the desires and concerns of the less-developed countries would be reflected in the action of international bodies dealing with economic matters, and in the various bodies of the GATT. During the United Nations Conference some representatives had said that the GATT was capable of overcoming its shortcomings in order to contribute to the elimination of the existing disequilibrium between less-developed and industrialized countries but the discussions in the Committee on the Legal and Institutional Framework had not indicated the adoption of any path which would lead to the rectification of present errors.

Mr. Camejo Argudin said that an attempt had been made in the GATT to achieve the impossible by trying to harmonize incompatible interests. The draft Chapter could not have embodied anything but the reflection of these contradictions and his Government had no alternative but to view this project with a certain reserve. It was fairly obvious that in the draft Chapter there were no truly satisfactory and really binding commitments and his delegation was concerned that the new Chapter might be used as a smoke-screen for confusing world opinion. The excellent statement of principles and objectives in the preambular section was weakened by the qualifying phrase "to the fullest extent possible" in the section on commitments. Here again was a departure from the projects which were adopted by the United Nations Conference on Trade and Development. The absence of an article providing for the granting of preferences to the developing countries, without conditions of reciprocity, was an additional example of the lack of reform to decrease the innumerable disadvantages under which the less-developed countries conducted their trade. The Final Act of the United Nations Conference had stated, in particularly clear terms, that the developed countries should concede preferences to all developing countries without requiring any preferential treatment in return. The results of the work of the Committee on the Legal and Institutional Framework had at least the merit of indirectly describing realities and proved that the GATT did not have the necessary prerequisites for achieving a transformation of the unjust rules which had been regulating the world trading system.

Mr. BRESSON (Upper Volta) supported the suggestion of the delegate of Madagascar to postpone the decision on the adoption of the Chapter. While tribute should be paid to the work which had been accomplished, he felt that the less-developed countries should have more opportunity of examining the text. Without wishing to prejudice the final position which would be taken, he would appreciate if more time were made available so that certain trends and tendencies could be reconciled.

Mr. SUZUKI (Japan) drew attention to the fact that, through the invocation of Article XXXV, nearly half of the contracting parties were not applying the General Agreement to Japan, and that most of the countries concerned were those which had acceded to the GATT under the provisions of Article XXVI:5(c). This was a deplorable situation and should be a matter of grave concern to all contracting parties. He would once again appeal to these countries for an early withdrawal of the application of Article XXXV. The Japanese Government would not be in a position to assume legally any obligations arising from the new Chapter with respect to those contracting parties. It would also be difficult for his Government to extend benefits to these countries in the context of the Kennedy Round. The intent of the present statement was not to make accusations, but was only the expression of a sincere wish to have the co-operation of the contracting parties with a view to normalizing trade relations between Japan and the less-developed countries concerned.

Mr. SAKELLAROPOULO (Canada) emphasized that the Chapter was of great importance not only to developing countries but to developed countries as well. The fact that this was a joint enterprise deserved particular stress. It should be borne in mind that the proposals which were being discussed were not a reaction to something which had happened in another place at another time. The work being undertaken was a continuation of the patient and not entirely unsuccessful efforts over many years in the GATT aimed at adapting it to changing world circumstances and particularly to the emerging problems of the developing countries. If this perspective were not held in view, justice would not be done to the work of the CONTRACTING PARTIES. In continuing the work of the conciliation group it was important that the group approach its remaining tasks bearing in mind what had already been achieved, and it would be seen that the situation as regards the Chapter was much less serious than those who had concentrated unduly on what was still to be done might be led to believe.

Mr. EVANS (United States) said he would not attempt any specific answer to one of the statements which had been made. If that statement represented the view of the majority of less-developed countries represented at the session, the picture would be a very depressing one because it would mean that the work which was near completion had been doomed to failure from the very outset. Even more depressing would be the consideration that those less-developed countries which were seeking some worthwhile commitments from the developed countries would have no place to go since action in any other international organization would be equally doomed to failure.

As to the suggestion that consideration of the draft Chapter be postponed until a later date, it should be stressed that it would not be in the interest of the less-developed countries, or in the interest of contracting parties generally, to seek such a delay unless it became inevitable through failure to reach agreement on the text. Contracting parties would not be finally committed if in signing the Protocol containing the Chapter they were to indicate that their signatures would be "ad referendum" or would be subject to ratification. Under this procedure contracting parties would be fully protected as far as the assumption of obligations by them was concerned.

Mr. Evans felt that the general interest of less-developed countries had been most ably represented throughout the work of the Committee and it was difficult to conceive of any further points which could have been submitted in favour of commitments by developed countries towards the developing countries. All those put forward had been considered in great detail. It was therefore safe to assume that at the end of the present session a text would be agreed which would contain the maximum commitments which the developed countries were prepared to accept. It was very desirable from the point of view of the less-developed countries that they should take advantage of the present willingness of the developed countries to make these very substantial commitments. The less-developed countries would have nothing to lose by the adoption of such a text, although it might not contain all they had wished, and they might lose something by postponing its adoption.

The CHAIRMAN said that the notion of a chapter embodying provisions for the special benefit of the developing countries had been formally endorsed by the CONTRACTING PARTIES and a time-table of work had been established at the twenty-first Session for drawing up the text of the new Chapter. The present session had been convened particularly for finalizing this work, and delegations had gathered from all over the world because of important progress already made in this task, and the expectation that the work could be completed by the end of the session. He pointed out that, if a final text were approved, those delegations who had suggested a different time-table, would not be required to bind themselves finally at this session. He enquired whether it was the wish of the contracting parties that the work on the draft Chapter be continued at the present session.

Mr. BRESSON (Upper Volta) said he had suggested the postponement of a decision on the draft Chapter in order to reconcile certain trends, an exercise which circumstances had not so far made possible. It was evident that if within a few days the less-developed countries present at the session were able to reconcile certain divergent points of view they would be able to give a positive reply.

Mr. RAZAFINDRABE (Madagascar) said that while in the GATT there was talk of concluding, elsewhere there was talk of a beginning. His delegation wished to see these aims reconciled and a certain time was needed to resolve this situation. He had no intention of casting doubt on the value of the work which was being presently undertaken in the GATT. His delegation was willing to lend its support in finding solutions which would be tangible and lasting.

The CHAIRMAN said that it appeared that the general view was to continue the work in hand. The views expressed and suggestions made would be noted and the discussion would be resumed at a later meeting, at which time delegations would hope to have before them a report on the outcome of the conciliation procedure.

2. Participation in the work of the CONTRACTING PARTIES - Argentina, Switzerland and the United Arab Republic (L/2290)

The CHAIRMAN said that at the recent meeting of the Council of Representatives consideration had been given to the period of validity of the arrangements for the provisional accession of Argentina, Switzerland and the United Arab Republic. The three Declarations providing for such provisional accession would expire on 31 December 1964 and, since the action required to bring about the accession of these countries under Article XXXVIII would not be concluded by that date, the Council had decided to make the necessary arrangements for the Declarations to be prolonged for a further period. Accordingly, instruments for extending the Declarations had been prepared and opened for acceptance. At the same time the Council decided to recommend an extension of the Decisions inviting these three Governments to participate in the work of the CONTRACTING PARTIES for the same period.

The Draft Decisions proposed by the Council in document L/2290 for extending the validity of the Declarations on the provisional accession of Argentina, Switzerland and the United Arab Republic were adopted unanimously.

3. Financial and administrative questions

(a) Financial position as at 30 September 1964 (L/2305)

The CHAIRMAN said that the Executive Secretary had distributed his report on the financial position as at 30 September 1964 in document L/2305. Outstanding contributions were listed on page 4 of that document. Since the report was prepared the contribution for Nicaragua had been received. It was observed that the Committee on Budget, Finance and Administration, in paragraphs 6 and 7 of its report (L/2269), had expressed concern about the tendency of some contracting parties to be in arrears with their contributions. He hoped that the delegations concerned would bring the matter to the notice of their governments and would do what they could to see that contributions were paid promptly so that the financial management of the secretariat would not be impeded. The Chairman also drew attention to document L/2306 which had been distributed for the information of delegations.

Mr. GARCIA OLDINI (Chile) said that within a few days his Government would be in a position to forward its contribution.

Mr. MARQUEZ BELLO (Argentina) said that his Government had that day paid its contribution for 1963 and part of its contribution for the year 1964.

The report and the comments made were noted.

(b) Report by the Committee on Budget, Finance and Administration  
(L/2269 and Add.1)

The CHAIRMAN recalled that the report by the Committee on Budget, Finance and Administration, with estimates of expenditure in 1965 and a proposed scale of contributions, had been submitted (in document L/2269 and Add.1) to the Council of Representatives at the end of October. The Council had recommended the adoption of the report.

The "Resolution on the Expenditure of the CONTRACTING PARTIES in 1965, and the ways and means of meeting such expenditure" annexed to the report on pages 8-14 was adopted.

The report as a whole, including the scale of contributions in the addendum, was adopted.

4. Committee III - Report by the Chairman (L/2304)

Mr. DONOVAN (Australia) Chairman of Committee III, presented a report on the work of the Committee (L/2304). The meeting which was held on 12 November 1964 had been scheduled primarily to consider the status of the Committee's work, and to examine what further action should now be taken to ensure that progress in carrying out the important tasks entrusted to the Committee would continue. The Chairman of the CONTRACTING PARTIES had pointed out at the first meeting of the session, that if the proposed Committee on Trade and Development were set up, the meeting described in document L/2304 would have been the last meeting of the Committee. Committee III was of course aware of the proposed institutional changes and had adjusted itself to the need for ensuring continuity of work, to which end a number of suggestions had been made. A note on the current status of the work in Committee III would be found in document L/2311. The Committee had also asked the secretariat to prepare a paper giving a more detailed summary of the work completed by the Committee, and also showing the matters which still remained to be dealt with. It was the Committee's feeling that such a summary would facilitate discussion in the Committee on Trade and Development in relation to the work it would take over from Committee III.

Mr. Donovan, in drawing attention to the work which was initiated in Committee III and which needed to be completed to give full effect to the spirit and letter of the Ministerial Conclusions adopted in May 1963, recalled that, at that meeting, Ministers had agreed that the Action Programme might subsequently be extended to cover an enlarged list of products. With a view to enlarging the product coverage of the Programme, less-developed countries, in October 1963, had notified to the Committee for study some 170 new tariff items of special export interest to them. Having in mind the significance of the Committee's work in this regard, and wishing to expedite work, representatives of less-developed countries had selected from the larger list approximately eighty items for priority study. Further, the Committee had made the necessary arrangement for the collection of data which would permit a detailed examination in respect of these products to be carried out in the Committee. This data was now available in document COM.III/136.

At its last meeting the Committee had agreed that a meeting should be convened early in January 1965 to examine in the first instance the list of products selected for priority study for their possible inclusion in the scope of the Action Programme. It was not intended to preclude examination of additional products at a subsequent date. It was suggested that if the new Committee on Trade and Development had come into existence by January 1965 it should be convened to carry out this examination. There were a number of other matters, particularly in relation to point (viii) of the Action Programme, some of which had been referred to Committee III by the Action Committee, which the new Committee would also need to keep under review. Notwithstanding certain initial difficulties, progress had been made in relation to the programme of trade and aid studies entrusted to Committee III, as was also the case with the new trade information and trade promotion services established by the CONTRACTING PARTIES on recommendation of Committee III. In Section C of the report it was noted that arrangements were in hand for an examination of development plans early in 1965. In concluding Mr. Donovan said that he regarded it as an honour to have served as Chairman of Committee III and his association with the Committee should be regarded as a token of the contribution of his country to the work of the Committee.

Mr. NAZIR (Indonesia) said that in international conferences relating to the development of less-developed countries, especially in the recent United Nations Conference on Trade and Development, many developed countries had stated that Committee III had been established solely for the benefit of the less-developed countries. This was not entirely true because the development process which was now taking place in the developing countries was of paramount importance not only for the developing countries, but for the entire family of nations. With this in mind his delegation felt that the opening of markets and any assistance given by developed countries towards an expansion of the trade of the developing nations was a moral obligation on their part. Thus the work of those bodies of the GATT which dealt with the problems of less-developed countries should be regarded as

being conducive to the interest of all countries. The national efforts of the less-developed countries which were aimed at social and economic development should be complemented by positive action by the developed nations. This positive action should include measures to abolish trade barriers whether or not they were inconsistent with GATT, and the according of the highest priority in the elimination of tariff and non-tariff barriers to products of interest to less-developed countries without expecting reciprocity.

The less-developed countries should be allowed to compete more favourably in the markets of the developed countries even though this might imply a temporary deviation from the most-favoured-nation principle. The developed countries should adopt and adapt their production and trade policies to enable an increase in the imports from less-developed countries, and an increase in their export earnings through suitable and remunerative prices for raw materials. The developed countries should also allow the less-developed countries flexibility in the application of the GATT rules in the light of their development and trade needs. It was realized that these points were embodied in the new Chapter on Trade and Development. However, the Indonesian delegation believed that these important points should be stressed at the present session of the CONTRACTING PARTIES. It was hoped that the session would adopt the new Chapter and establish a Committee on Trade and Development to take over the tasks of Committee III, the Action Committee, and other bodies which had been stressing the importance of positive action to promote the trade of less-developed countries and that the Committee would find solutions to the unresolved problems in a way which would be satisfactory to all concerned in the spirit of the new GATT.

Referring to paragraph 5 of the Committee's report, Mr. Nazir expressed pleasure that the lists of products of interest to less-developed countries would be taken into consideration by contracting parties in the Kennedy Round. This was significant not only for the less-developed contracting parties, but also for those countries which had not yet decided to join the GATT family.

Mr. HAMZA (United Arab Republic) said that the statement by the representative of Indonesia reflected many ideas which were of concern to all developing countries.

Mr. VALLADAO (Brazil) drew attention to the fact that the present stage reached by Committee III had taken many years. In the Kennedy Round, he hoped that developed countries would bear in mind the interests of less-developed countries in drawing up lists of exceptions and in dealing with products from less-developed countries.

Mr. GARCIA OLDINI (Chile) said that Committee III was largely responsible for breaking through the wall of indifference which had blocked the desires of the developing countries, and for having pulled the GATT out of the narrow confines of its original conception. The new Chapter, which pointed to some new action by GATT, was a result of the work of Committee III. He hoped that the work of the Committee on Trade and Development would be equally fruitful.

Mr. ONYIA (Nigeria) said that since the accession of his country to the General Agreement in 1960, it had been a member of Committee III. During that period Committee III had done a most useful work in transforming what had hitherto been a club of industrialized countries into an organization comprised of countries which all believed in an expansion of world trade. The new Committee on Trade and Development would be of particular importance to those countries which, like Nigeria, depended chiefly on a limited number of tropical products. Committee III had done considerable work on the problem of access to markets, but there was still much to be done. Some countries were now able to sell all the products they could produce and what they now required was a certain amount of stability and a certainty of remunerative prices. It was hoped that this aspect would be emphasized in the work of the new Committee and taken up at the earliest date. In concluding, Mr. Onyia said that it would be useful to know what would be the future of the Special Group on Tropical Products.

The CHAIRMAN, in reply to the question raised by the delegate of Nigeria, said that at a meeting of the Tariff Negotiations Committee in June, it had been decided that the work previously carried out by the Special Group on Tropical Products would be incorporated in the work of the Kennedy Round.

Mr. RISTIC (Yugoslavia) said that Committee III was the body where the closest co-operation had been achieved among the less-developed countries in defence of their common interests. Committee III had established a common list of items of interest to less-developed countries, a most important contribution at a time when the Kennedy Round was about to commence. Committee III had left a heavy inheritance to the new Committee on Trade and Development and he hoped that it would carry out satisfactorily the work begun by Committee III.

The CHAIRMAN thanked Mr. Donovan for his report and, on behalf of the CONTRACTING PARTIES, endorsed the expressions of warm appreciation by the previous speakers for the great contribution which Mr. Donovan and his predecessor, Mr. Phillips, had made to the work of Committee III.

5. Action Committee - report by the Chairman (L/2307 and Add.1)

Mr. LALL (India), Chairman of the Action Committee, presented a report on the work of the Committee (L/2307). He drew attention to the Annexes attached to the report (L/2307/Add.1). Annex I dealt with the survey of action taken as well as of those problems which remained in relation to points (i) to (viii) of the Action Programme. The second Annex summarized the main points taken up by the Action Committee at its meeting on 9 November. Mr. Lall said it should be left to future statisticians to judge what in concrete terms had been the contribution of the work of the Action Committee towards creating and enlarging the trading opportunities of the less-developed countries.

Referring to the concluding sentence of paragraph 4 of his report, Mr. Lall mentioned the hope there expressed that the United Kingdom Government would give urgent consideration to the need for the adoption, during the period of emergency, of measures to avoid damage, arising from the imposition of import surcharges, to the exports of less-developed countries. In paragraph 5 a suggestion was made that the CONTRACTING PARTIES might wish to consider the reiteration of the dates fixed for the termination of quantitative restrictions. Mr. Lall recalled that the GATT Ministers in their Conclusions in May 1963 had indicated 31 December 1965 as the terminal date for the final and complete dismantling of quantitative restrictions. They had also envisaged that, in the meantime, progressive and gradual steps should be taken towards final elimination. Also in paragraph 5 the CONTRACTING PARTIES were invited to consider what specific steps need be taken to examine the case for compensation and devise ways and means for the enforcement of obligations in this regard and for the expansion of trading opportunities for developing countries while quantitative restrictions continued to be maintained. In this connexion a suggestion was made that a small Panel might be appointed with instructions to consider certain points and to report to the CONTRACTING PARTIES at their annual session in 1965.

Paragraph 6 of the report recorded that progress in expanding trade in tropical products had been rather slow and it was hoped that the CONTRACTING PARTIES would be able to determine how best they could make a decisive contribution to solving the problems of the less-developed countries in this field. To the extent to which it might not be possible for these problems to be fully covered in the course of the Kennedy Round of Trade Negotiations, the CONTRACTING PARTIES might wish to entrust this task to the envisaged Committee on Trade and Development. Paragraph 7 drew attention to the need for an early decision with regard to the possibility of reducing or eliminating

tariffs on products of interest to less-developed countries in advance of the trade negotiations. While it might be said that this particular desire had been overtaken by events since the Kennedy Round had now been launched, it should not be thought that it was no longer necessary to consider what steps could be taken in advance of the conclusion of a negotiation which would take a long time to complete. Paragraph 9 drew attention to a suggestion by Committee III with regard to the expansion of lists of products of interest to less-developed countries. The hope was expressed that the CONTRACTING PARTIES would consider how best this expectation could be fulfilled. Personally, he felt that this could best be achieved through the mechanism of the proposed Committee on Trade and Development.

Concluding, Mr. Lall thanked the contracting parties for the honour conferred upon him and for the privilege of presiding over the work of the Action Committee. He expressed his appreciation for the assistance of the Chairmen of Sub-Committees 1 and 2 and hoped that the work done by the Action Committee and its Sub-Committees would provide a good basis for the further work of the CONTRACTING PARTIES in a very important field.

Mr. HAMZA (United Arab Republic), referring to paragraph 6 of document L/2307, pointed out that cotton was one of the important items of interest to less-developed countries. This product was still under quota restriction in one of the most important markets. Cotton formed some 70 per cent of his country's exports and he hoped that, in the context of the work which would be carried out in the Committee on Trade and Development, the new Chapter would lead to a happier result for trade in this important commodity.

The CHAIRMAN noted that a number of suggestions had been made which would fall within the proposed terms of reference of the Committee on Trade and Development. However, the Chairman of the Action Committee had suggested that some interim work might be done. In the circumstances, it might be desirable to continue discussions on this item at a later meeting. Meanwhile, he would hope to have proposals for submission to the CONTRACTING PARTIES regarding some of the procedural points raised by the Chairman of the Committee.

The meeting adjourned at 6 p.m.