

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Twenty-Fifth Session

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SUMMARY RECORD OF THE FIFTH MEETING

Held at the Palais des Nations, Geneva,
on Friday, 15 November 1968, at 3 p.m.

Chairman: Mr. S. Chr. SOMMERFELT (Norway)

Subject discussed: Expansion of trade

- (a) Trade in industrial products
- (b) Trade in agricultural products
- (c) Trade of developing countries

Miss HARELI (Israel) said that the General Agreement had been conceived twenty years ago as a set of rules for the conduct and expansion of trade between countries, most of which were in a similar stage of economic development. Since then the number of contracting parties had more than trebled and the majority were now developing countries which had to create trade in order to be able to implement trade rules. Trade creation was intimately bound up with development; one could not take place without the other.

The contracting parties had recognized this; and by adopting Part IV and setting up the Committee on Trade and Development, they had accepted new obligations in spirit. Because of its flexibility and the pragmatic way in which it was being applied, there was hope that the General Agreement would be able to answer in practice the demands which would be made on it as a result. Its flexibility would be put to the test as soon as a general scheme for preferences or preferential agreement between developing countries would be ready for implementation.

On the other hand, the discipline of the General Agreement should be welcomed by the developing countries. The contractual obligation to lower tariffs and non-tariff barriers on their own imports was an effective policy tool in raising the efficiency of production, helping infant industries grow up and making exports competitive. This was borne out by Israel's own experience who was at the moment in the process of implementing a policy of liberalization of imports through reduction of tariff and non-tariff barriers. Israel's obligations in GATT had played an important rôle both in the making of the policy decisions and their implementation.

In the fields of industry and agriculture her Government shared the view of the Director-General that it was essential to "move out of the stage of study into that of preparation for action as soon as possible in 1969". The tariff structures in developed countries still had the effect of encouraging imports of raw materials to the detriment of processed and manufactured articles. Citing the copper study (COM.TD/W/74) as an example, she said that if similar studies could be made of other industries, the problems resulting from the tariff structures could be pinpointed for positive action. Israel faced a particular problem since it suffered from a lack of natural resources and its products, of which the main input was skill, generally came up against high tariffs.

As to the problems in agriculture Miss Hareli referred to the rigidity which delayed modernization in this sector. Changes, however, had to be made as part of the rationalization of world economy. The Agriculture Committee was still at the stage of identifying the problems. GATT, however, could influence the necessary development, as had been done in industry. Similarly, pressure by the GATT might help countries to overcome internal resistance against lowering barriers to agricultural imports. She finally mentioned as an important achievement of the Kennedy Round the 50 per cent reduction in the duty on oranges by the United Kingdom, and its immediate implementation.

With respect to non-tariff barriers the speaker emphasized that these would be felt all the more as tariff barriers were being reduced; therefore, the work undertaken in this field should be pressed forward and an examination of the possibility of multilateral non-tariff negotiations should be given high priority. Israel also supported the proposals put forward by New Zealand in document L/3084.

Mr. KAMALUDDIN (Pakistan) said that his country wholly supported the statement by the Chairman that all efforts should be directed towards achieving the full implementation of the Kennedy Round concessions and that priority should be given to the problems of the developing countries. He considered it essential that the Committee on Trade in Industrial Products and the Agricultural Committee in their examination of the problems connected with non-tariff barriers should move out of the stage of study into that of preparation for action as soon as possible in 1969.

Regarding the work conducted by the Committee on Trade and Development his delegation appreciated the measures taken by the individual developed countries to implement the provisions of Part IV. However, it considered the action taken so far as being far from enough. Arrangements should be made for a re-examination of the provisions of Part IV with a view to finding more concrete ways of achieving its aims and objectives in a systematic and concerted manner. The review of Part IV showed that six contracting parties, including one important developed country, had not yet accepted the Protocol. Part IV had been adopted more than three years ago; these contracting parties should now clarify their intentions. The Pakistan delegation fully endorsed the proposal of the Committee that the CONTRACTING PARTIES should again urge the countries concerned to give early consideration to this matter.

The speaker pointed out that the Report of the Committee on Trade and Development showed that specific duties for a number of products had a substantially higher incidence on imports from developing countries than from the developed countries. His delegation hoped that this important matter would be carefully examined by the Group of Technical Experts of the Committee on Trade in Industrial Products. His delegation also hoped that urgent consideration would be given to the creation of tariff sub-positions in the tariffs of developed countries for the purpose of separate identification of all products of export interest to the developing countries with a view to the reduction of tariffs or duty-free entry, and to the elimination of existing duties on all hand-made and other labour-intensive products of these countries.

He also referred to the harmful effects of import restrictions which were inconsistent with the provisions of GATT and which continued to be maintained by the developed countries on products of export interest to the developing countries. His delegation shared the views expressed in the secretariat's note, document L/3114, calling for a renewal and standardization of the procedures of notification on import restrictions.

He referred to the procedure whereby contracting parties invoking articles of GATT as justification for restrictions had to submit to consultation and examination, while contracting parties applying restrictions inconsistently with the GATT seemed to be treated more tolerantly. It was the view of his delegation that the combined maintenance of these restrictions was a matter of great concern to all the developing countries and that the CONTRACTING PARTIES would, at this session, set up an appropriate time schedule for the elimination of these restrictions on the basis of the New Zealand proposal.

Concerning the expansion of trade between developing countries, the speaker pointed out that Pakistan was co-operating on a regional basis with Iran, Turkey and Indonesia. His delegation was also participating in the GATT negotiations for the expansion of trade between developing countries. He hoped that the implementation of a general non-discriminatory and non-reciprocal scheme of preferences by all developed countries to all the less-developed countries would be realized in the shortest possible time, and that the CONTRACTING PARTIES would play a constructive rôle in this important matter.

Mr. PAPIC (Yugoslavia) expressed his country's firm support for the consolidation of the achievements reached, and especially for the implementation of the Kennedy Round tariff cuts. His Government also backed the Director-General's appeal to resist protectionist measures. However, the main and the most complex task of the current session of the CONTRACTING PARTIES was to adopt appropriate decisions both with regard to concrete issues on the agenda and the formulation of a programme of activity for the coming twelve months, with the aim of improving world trade, particularly that of developing countries. He referred to the activities and results achieved by other international bodies during the past year especially in the international monetary field.

Regarding the work programme adopted at the twenty-fourth session, he expressed his Government's disappointment with the implementation of that part of the programme which related to the trade problems of developing countries. On the whole, the main trading problems of the developing countries had remained unsolved. At the same time, the international economic and trade situation had been characterized by an economic recovery in the second part of 1967, and a particularly strong expansion of exports by the majority of developed countries in 1968. The developing countries, however, had failed to share in the expansion of world trade. This demonstrated that the contracting parties could not rely on the free play of international market forces. Regulating and corrective actions were needed. Unlike in the case of developed countries, for which after the Kennedy Round no major trade negotiations could be envisaged without preceding studies and analysis, the main trading problems of the developing countries had been thoroughly studied and identified and were waiting for action and early negotiations. His delegation suggested that the CONTRACTING PARTIES adopt at this session concrete decisions and firm obligations with regard to the trade problems of developing countries as an emergency programme of action. Referring to the work programme of the CONTRACTING PARTIES, their political responsibility and Part IV of the General Agreement, he stressed their obligation to act quickly, and with priority in favour of developing countries, both in terms of preferential solutions and in terms of timing.

The important issue before the CONTRACTING PARTIES was the application of the principles of non-reciprocity. The time had come to entrust the appropriate GATT bodies, including special working parties as proposed by some delegations, with the elaboration of non-reciprocity and particularly with the definition of the principle of preferences. His delegation hoped that all contracting parties would take part in this important task, including those which had not ratified Part IV of the General Agreement and to which he addressed an appeal to do so as soon as possible. To those contracting parties which had concretely contributed to the aims of Part IV, he expressed his Government's appreciation.

With regard to tariffs, he supported the suggestions of the Director-General and welcomed the efforts of those contracting parties which had applied accelerated tariff cuts on some products of interest to developing countries. As a next step, equally urgent efforts should be made to implement tariff concessions immediately and without phasing, on additional items of interest to developing countries. His delegation was hopeful that the favourable response of the governments to these suggestions could be considered in appropriate time. With regard to non-tariff and para-tariff barriers, his delegation shared the view that their elimination was of great importance. Many of them were applied on a discriminatory basis. Those barriers might have a serious impact on the process of trade liberalization and on the effects of tariff reductions.

His delegation hoped that the CONTRACTING PARTIES would at this session come to a decision on residual restrictions, for which the proposal by New Zealand could be a positive basis. He stressed the importance his Government attached to the work of the Committee on Industrial Products and supported the suggestions of the Director-General in this respect. Separately, and at an early date, the Committee should consider the non-tariff and para-tariff barriers

applied on products of particular interest for developing countries. Exports of manufactures by developing countries in 1966 had been of only \$7.6 billion, or 6 per cent of world trade. Therefore, such separate action with positive consequences on the trade of developing countries should not create difficulties for the developed countries.

Turning to trade in agriculture, he said the slow progress in the Agriculture Committee was not encouraging. His delegation therefore proposed that the Agriculture Committee urgently consider solutions for the trade problems of a limited list of products of export interest for developing countries. Meat should be an urgent case, and to this end his delegation proposed the establishment of a separate working party. Due to the import restrictions imposed by some contracting parties and regional groupings, Yugoslavia's agricultural exports and particularly meat had decreased by 25 per cent in 1968, while production had increased. He stressed the frustration and discouragement those restrictions had caused in his country, and which affected the whole economy. The removal of obstacles to exports of tropical goods also called for urgent action. The bulk of these products was exported by some of the poorest countries in the world.

Discussions should centre on the problems of a limited number of products, especially in the industrial field, and on particular trade obstacles. If these issues were mixed up with general considerations, and if their solution was made subject to overall agreements, no results would be possible. Developing countries would have to take full part in the general consideration of problems. He emphasized that the developing countries were fully entitled to seek urgent action by the CONTRACTING PARTIES, as they themselves had made considerable efforts both internally and in the direction of economic co-operation. In this connexion he referred to the various regional schemes of co-operation, inter-regional efforts such as the Tripartite Agreement between Yugoslavia, India and the United Arab Republic, and especially the activity of the Trade Negotiating Committee within GATT. The trade problems of developing countries did not call for sacrifices or concessions that might imperil the economies of the developed world. On the contrary, a positive response to the needs of developing countries would have a beneficial effect on world trade.

He reiterated the hope that the CONTRACTING PARTIES would adopt, at the twenty-fifth session, decisions on the urgent problems. Within the programme of work, which should embrace suggestions made by the Chairman and the Director-General, as well as comments by contracting parties, an emergency programme of action for trade problems of developing countries should be adopted. To this end, setting deadlines for the consideration of the most urgent problems would be most recommendable. The Director-General should consider the possibility of visiting the capitals of those contracting parties whose contribution was particularly important. He should explain, at the highest level, the spirit of GATT and the ideas contemplated and secure the support of those countries for GATT's future actions.

Mr. VON SYDOW (Sweden) speaking on behalf of the Nordic countries referred to the future programme for the expansion of trade, agreed on at the twenty-fourth session, where it had been emphasized that the main task after the Kennedy Round was to prepare the ground for future negotiations. This initial preparatory stage having reached a point where sufficient documentation was available, it was necessary to move to the second stage of seeking solutions to the problems which confronted GATT. This would in his view be the best way, to counter emerging protectionist tendencies which endangered the achievements of the Kennedy Round and other negotiations, and at the same time to move toward liberalization of trade. He expressed the hope that the CONTRACTING PARTIES would at this session reaffirm their determination to carry through the Work Programme parallel with the implementation of the Kennedy Round results.

He expressed the satisfaction of the Nordic countries with the efforts and progress being made by developing countries to expand trade among themselves within the framework of the Trade Negotiations Committee of Developing Countries. He pointed out that although the problems affecting the developing countries were being considered within the various organs of GATT as well as in other organizations, and some progress had been achieved in this direction, the trade statistics for 1967 were a reminder of the need for further action. There was a need for both developed and developing countries to mobilize their efforts for further progress in the interest of the trading community as a whole. In the field of agriculture, he pointed at the imbalance between the material available and formulations of intent. He indicated the complexity of the problems in this field and the importance of establishing sufficient basis for the examinations and negotiations to be undertaken, pointing out the probability that the failure of agricultural negotiations in the Kennedy Round was due to the non-availability of the necessary background preparation.

Turning to the field of agriculture, Mr. Von Sydow referred to the complexity of the problems. One of the reasons that agricultural negotiations failed in the Kennedy Round was perhaps that the necessary background material had not been available in time. Such material had now been assembled by the Agriculture Committee and the examination of the Committee should now be pursued vigorously. While no quick solutions could be expected to the basic problems, solutions were urgently required in the field of dairy products and poultry. However, progress in both fields so far had been disappointing. The problems in these areas were centering on the question of export subsidies. In the battle for markets between the great trading nations, the small exporting countries would be bound to lose.

He expressed the satisfaction of his delegation with the direction of work which had emerged from the first session of the Committee on Trade in Industrial Products, noting that the secretariat's draft tariff study might be useful in deciding on further GATT action in the field of tariff liberalization. His delegation shared the view expressed by other delegations that the Committee take up again for consideration the question of tariff liberalization including the sectoral approach. On the question of non-tariff barriers he considered that classification of such barriers agreed on at the first session of the

Committee was in itself a useful step forward. However, he regretted the lack of agreement on the necessity to set up working parties to deal with the various categories of barriers and expressed the hope that at the next meeting in January proposals with respect to the working parties and their terms of reference would be put forward. With regard to the terms of reference it was the view of the Nordic countries that, while covering as homogenous groups of non-tariff barriers as possible, they should be sufficiently flexible as to allow for constructive negotiations within the respective working parties. Although the priority to be given to the various barriers should be left to the working parties themselves, there was however a need for a time-table to be established by the Committee in view of the urgency of the problems.

He concluded by drawing attention to the influence on international trade of the overall economic policy pursued by the main trading nations. He emphasized the need to pursue policies of high and sustained economic growth, pointing; the repercussion of a slow-down in growth might in the long run endanger the results achieved through arduous negotiations within GATT.

Mr. GARCIA-INCHAUSTEGUI (Cuba) said that his delegation would support the Director-General in all practical measures that would better the status of developing countries in international trade. A glance at the "International Trade 1967" report of the secretariat provided the reader with the best possible balance of practical results in international co-operation. Accordingly, he pointed out, the share of less-developed countries in international trade had decreased from 21.5 per cent in 1960 to 18.7 per cent in 1967 while that of developed market economy countries had increased from 63.7 per cent to 66.8 per cent during the same period. While a substantial increase in agricultural production had been registered for less-developed countries as a whole their gross national product and industrial production had declined as their populations continued to grow. Less-developed countries were producing more and earning less, according to the report. Although theoretical discussions should not perturb the work of this session, these figures provided the developed contracting parties with a healthy reminder that the poor were getting poorer while the rich were getting richer. Preserving the achievements of GATT was not enough, since that status quo had not yet arrested the diminishing participation of developing countries in world trade.

The achievement of economic development depended on the peoples of the under-developed countries themselves, who in their present situation would have to adopt extraordinary measures to safeguard their economic interests. To win the battle against under-development the GATT would have to keep in step with the times and prove its "flexibility" in favour of the poor.

Though GATT's main objective remained the expansion of trade he reminded the session that in Part IV it was established "that the attainment of these objectives is particularly urgent for less-developed contracting parties". In this context it was a pity that a question of such importance as a general and non-discriminatory preferential system favouring less-developed countries had not been included in the agenda. He agreed with the Director-General on the importance of access to markets and of prices for trade in agricultural products. The recently negotiated Sugar Agreement provided the developed contracting parties with the opportunity to implement a concrete and practical measure in the context of Part IV of the General Agreement.

He stressed the danger of protectionism to which the Director-General had referred in his inaugural statement and pointed out that it was a menace to both developed and less-developed countries. This and other measures, such as embargoes, were not compatible with the rules of the GATT or with international law. These practices were reflected in GATT documents (such as COM.TD/60/Add.4), and despite these facts his country was waging an increasingly successful battle against economic under-development. He hoped that some practical measures in favour of developing countries could be elaborated during this session.

Mr. BRODIE (United States) said that his statement would refer to both items 3 and 14 since these were inextricably related. His delegation found it very difficult to add to what the Director-General had said on item 3.

They shared his views that the approach of the CONTRACTING PARTIES to the expansion of trade must be two-fold. On the one hand, short-term solutions must be sought to the more pressing problems. On the other, the groundwork for new major initiatives to expand world trade should be laid. If the CONTRACTING PARTIES did not act energetically both to deal with immediate and acute problems and to pave the way for a further general advance they would inevitably lose some of the ground gained. His delegation was convinced that attention by GATT to immediate trade problems offered the most effective response to the "pressures to revert to national protectionism". Containment of these pressures was, in their judgment, a matter of highest priority for GATT. While the forces of protectionism had largely been contained in 1968, they had not been defeated. In 1969, they could be expected to resume their campaign with renewed vigour. In these circumstances and using the words of the Director-General, "we must brace ourselves for 1969 and beyond". Governments would find it easier to limit demands for new barriers to the trade of the contracting parties if they had embarked in a significant way on a programme to eliminate or at least substantially reduce restrictions which had for too long a time nullified the results of previous negotiations. It was particularly important in this connexion that the GATT deal at this session with the long-standing problem of quantitative restrictions applied inconsistently with the General Agreement. This problem might be long term in origin; it had become the most acute problem requiring short-term action.

The United States strongly favoured the removal in the near future of quantitative import restrictions which were contrary to GATT or, at minimum, the subjection of those which remained in effect to the continuing scrutiny of the CONTRACTING PARTIES. They agreed wholeheartedly with the observations of the Director-General that there was something inequitable and anomalous about a procedure whereby contracting parties invoking articles of GATT as justification for certain restrictions, had to submit to consultation and examination while contracting parties applying restrictions inconsistently with GATT seemed to be treated more tolerantly.

Toleration by the CONTRACTING PARTIES of such illegal import restrictions fed the forces of protectionism and weakened the defenses of those resisting new restrictions. At the twenty-fourth session it was left that countries would come to the twenty-fifth session prepared to deal with this issue definitively. This session must resolve the issue.

The United States viewed action on quantitative restrictions applied contrary to GATT as a priority and a separable item in the broad programme to reduce non-tariff barriers. These restrictions differed from those to be studied by the Committee on Trade in Industrial Products or the Agriculture Committee since they were clearly illegal and, in their view, not negotiable because they represented an impairment of benefits for which payment had already been made. The quantitative restrictions applied contrary to GATT should be distinguished, then, from others by a decision of the CONTRACTING PARTIES.

The rights of a contracting party to move unilaterally to deal with quantitative restrictions under Article XXIII or other articles of GATT would, of course, be in no way impaired by an agreement on procedures, as for example, in the New Zealand proposal. His delegation believed, however, that joint or multilateral effort to remove illegal restrictions permitted a more palatable general solution. Simultaneous bilateral efforts to eliminate quantitative restrictions were desirable and should be continued.

Quantitative restrictions inconsistent with the GATT were of course not the only problems calling for urgent solutions. His delegation strongly believed GATT had a responsibility for dealing with such problems even if the solutions advanced might be only temporary. Parliaments and public opinion would not be satisfied by being told that these problems were being studied intensively and that something would be done about them sometime in the indefinite future.

Turning now to our longer-term tasks, he referred to the Committee on Trade in Industrial Products. This Committee had an extremely important task before it, both in its study of world tariff structures and in the consideration of possibilities of eliminating non-tariff barriers. The work would take time.

The problems of non-tariff barriers, for example, were extremely complex. This became abundantly apparent during the Kennedy Round. But as the Director-General had indicated, some of the work could soon lead to meaningful solutions to selected problems. There was urgent need to contain and reduce certain non-tariff barriers before the process of emulation of each other's practices results in a self-sustaining growth of impediments to trade. Trade practices did vary considerably amongst countries, and in many cases there was an urgent need to codify or regularize these practices.

However, in spite of the expressed willingness on the part of most countries to move ahead with the work of the Committee, it had accomplished relatively little to date. It had not met until late this year. At that meeting one group of countries resisted the establishment of meaningful working groups or the initiation of meaningful work, in spite of the readiness of all other countries to proceed. If there was no common political will to go beyond the data collection stage, the efforts of the Committee would come to naught. He urged that countries come prepared in the future, at each meeting of the Committee or its groups, to press ahead with the urgent work before it, and was encouraged to have heard previous speakers say that they were willing to do this. The contracting parties should join during the twenty-fifth session in calling on the Committee to set aside procedural differences and come to grips with its essential task.

The Agriculture Committee had made somewhat better progress, even though even here there was much room for improvement. His delegation was disappointed in the progress to date. However, they recognized the problems were especially complex in agriculture. They could see growing around the world the destructive pattern of high production, stimulated by price supports leading to subsidies, which in turn, led to trade distortions and new and increased import protection. This in turn gave still further impetus to the expansion of production in importing countries. Some way must soon be found to reverse the general trend of deterioration. The problems were growing in number, scope and intensity. The common agricultural policy of the European Community, to cite but one example, had developed an extremely costly and highly protective system, the application of which had seriously exacerbated the problems of both importing and exporting countries.

The CONTRACTING PARTIES at this session should instruct the Agriculture Committee to move from procedure to substance and seek solutions at an early date to the major problems before it. The Committee should also be called on to be more flexible in its approach, and while searching for more basic and long-term remedies, take advantage of any opportunities to reach medium-term solutions. He thought the Canadian proposal would be useful in this connexion.

Since the Committee on Trade in Industrial Products had already agreed to give special consideration to the problems of the less-developed countries, an acceleration of the activities of this Committee should also lead to increased benefits for developing countries. Similarly, since a large volume of the production and trade of the developing countries comprised primary products, tangible benefits achieved by the Agriculture Committee were certain to rebound to their advantage. His delegation shared the Director-General's views that special attention should be given to the trade problems of developing countries.

The Director-General's statement had outlined the specific GATT activities relative to the task of increasing export earnings of developing countries. His delegation believed that the Committee on Trade and Development should continue to play a central rôle in relation to these activities. He agreed that it was important to avoid theoretical debate and to continue with pragmatic work. In this connexion he said that there should be immediate prospects for the group on tropical products to proceed towards the elimination of tariffs, fiscal duties and other charges in this important sector.

Finally, of course, his delegation anticipated that all contracting parties would continue to lend their full support to the work of the Committee on Trade and Development and the Trade Centre, in which specific trade problems of developing countries could receive particular attention. Mr. Brodie concluded by stressing the need for a new validity and urgency to the programme of work upon which the contracting parties were currently engaged and which should be pursued with renewed energy, courage and imagination in the coming year.

Mr. DE RIVERO (Peru) recalled that the Work Programme of GATT since its twenty-fourth session had been mainly oriented to consolidate the benefits of the Kennedy Round and to avoid any possible regression to protectionism. He regretted that many of these Kennedy Round benefits had been insufficient to satisfy some less-developed countries and that it was in this connexion that the contracting parties, in the previous year's Programme of Action, had recommended the advanced implementation of tariff reductions for items of interest to them. This recommendation had been implemented by some developed countries, but it still did not provide an integral solution to the problems of developing countries. Along with safeguarding what was being achieved with the normal implementation of the Kennedy Round it was also important that priority be given to an accelerated implementation of the concessions favouring less-developed countries.

Regarding the future of GATT's Work Programme and in the light of its first year of activities, he first examined those activities relating to the Committee on Industrial Products' task of consolidating a list of non-tariff barriers. The system used by the Committee to compile this information was to request all countries to notify those non-tariff barriers which affected their exports. This system had not taken into account the fact that less-developed countries with their inherent administrative problems could not produce a complete inventory of these barriers. The shortcomings of this system should be corrected by the contracting parties starting from the first phase of their programme so that a complete inventory would be available before the time came for negotiations.

With regard to this second stage of negotiations in the industrial sector, there were three points which seriously concerned his delegation. The first was the need for the Committee on Industrial Products to devise special norms for less-developed countries so that the relations between some of the barriers of these countries with their own financial, commercial and development needs could be taken into account. The second point concerned the possibility of future negotiations by sectors of industrial products and, within this scope, the elimination of low tariffs and the reduction of high ones. He related these future negotiations in GATT with others elsewhere, notably the meeting scheduled to start at the end of this month in Geneva to discuss a system of preferences. Concretely, if future GATT negotiations on a most-favoured-nation treatment basis were successful, what preferential margin would then be left for developing countries to benefit from a system of preferences? Thirdly, his delegation had had the opportunity to examine Professor Bela Balassa's study on nominal and effective rates of protection after the Kennedy Round. This study provided evidence that for many cases analyzed the effective protection on some manufactures and semi-manufactures had increased as a result of concessions made during the negotiations. It was therefore necessary that the Committee on Industrial Products study this problem and that its conclusions take into account Brussels Tariff Nomenclature items 1 to 25, as well as those manufactures from 25 to 99, since the former constituted the greater part of exports from less-developed countries.

Referring to the general situation of developing countries within the GATT, Mr. de Rivero said it was necessary to study new procedures which would enable GATT to adapt with more understanding its rules to the particular structural problems of these countries. Many developing countries needed to readjust their tariffs or to apply other restrictions. This did not mean that less-developed countries did not find within GATT the necessary instruments to alleviate their particular problems, but simply that it would be useful to imagine other procedures that would go beyond the consultations provided for in Article XVIII. In the context of recent world economic problems the need to reconsider the difficulties incurred by less-developed countries, due to their structural problems, had become ever more pressing.

Mr. GROS ESPIELL (Uruguay) recalled that a year ago at the twenty-fourth session of the CONTRACTING PARTIES, Uruguay had welcomed the Work Programme that was to continue and complete the work of GATT after twenty years of activity. On that occasion, they had recognized the importance of the Kennedy Round negotiations for certain sectors of the world, but noted that fundamental interests and the aspirations of a majority of less-developed countries had not been taken into account. Nevertheless, his country had cherished great hopes because the Work Programme then approved took into consideration the problems of less-developed countries. The action envisaged was concrete; it referred to the industrial sector, but even more important for his country, the Work Programme contained precise operational guidelines for the agricultural sector, in which his eminently agricultural country had always advocated action. His delegation had maintained the concept that priority in the Work Programme should be given to those problems that had least benefited from the Kennedy Round.

At the first meeting of the Agriculture Committee his delegation, and others whose interests lay nearly exclusively in agricultural trade, had reiterated this position. His delegation had not been satisfied when examining the programme in the light of what had been done during the past year. To illustrate the lack of effective progress, he recalled two aspects of the problem: one concerned the United States and the other France. Both demonstrated how, even in the cases of highly industrialized countries, economic and political problems had distorted everyday economic life with consequences that had forced them to adopt unorthodox measures so as to comply with the General Agreement. What then was to be thought of the situation of less-developed countries which, to the epidemic of their economic crises, had to add the problem of structural endemic situations? This situation was aggravated by the fact that the solutions to the problems of less-developed countries were deliberately marginalized. He manifested his agreement with the Director-General in the sense that it was necessary to call on the political will of all the contracting parties to solve the problems within this institution.

In regard to the work of the Committee on Industrial Products, it was evident that, by the very structure of their trade, developing countries were in a situation of inferiority vis-à-vis industrialized countries. Thus developing countries had not been able to fully answer the questionnaires presented to them by the secretariat due to their lack of experience in industrial products. Therefore, the list that the Committee had compiled of obstacles in international trade applied by highly industrialized countries to the manufactured exports of developing countries was incomplete. But had the same questionnaire procedure been applied in the Agriculture Committee, developing countries would have been prepared to notify those barriers that raised obstacles to the access of their goods in the international market. The situation of developed countries was different: their permanent machinery in this organization, their experience and the information they gathered through the consultation procedure in the Balance-of-Payments Committee on the situation regarding the barriers applied by less-developed countries, gave them an advantage in the compilation of information on the barriers used by those with a lesser advantage in international trade.

With reference to the problem of residual restrictions, he agreed with the Director-General that there was something anomalous and inequitable about a procedure whereby contracting parties invoking articles of GATT as justification for certain restrictions had to submit to consultation and examination while contracting parties that applied restrictions inconsistently with GATT seemed to be treated more tolerantly. He said that equity was also lacking in other sectors. The urgent problems of the people in less-developed countries was an anomaly in itself. The Committee on Industrial Products should give priority to the analysis of the non-tariff barriers that actually affect the exports or the possibilities of exports of manufactured and semi-manufactured goods from developing countries. Developing countries with the impartial assistance of the GATT secretariat should compile all the data that could contribute to concrete action. The horizontal diversification that less-developed countries should pursue could only come after an acceptable level of vertical diversification had

been reached. For this, differential tariffs and their incidence on the trade of less-developed countries, and the protection that they afforded domestic producers, were problems that needed solutions; these solutions deserved priority.

Referring to the agricultural sector he stated that dissatisfaction of his delegation was growing. The result of academic discussions would be a postponement of a solution to urgent problems. While approving the programme of work of the Agriculture Committee he felt that it was necessary to make a beginning with those problems which had been treated in the Kennedy Round but which had not been concluded. He referred in this connexion to dairy products and beef. In the particular case of beef, prolonged studies had been carried out, and in his view priority consideration should now be given to this important sector. Problems in the beef sector could not be left aside. He, therefore, formally proposed the establishment of a group on meat during the present session, so as to make possible a dialogue between producers and consumers with the aim of reaching an equitable solution in this sector.

The Uruguayan delegation wished to see the secretariats of GATT and UNCTAD co-ordinate their calendar of meetings. Lack of co-ordination between the calendars of the two institutions did not facilitate the task for many small delegations, such as his, whose personnel was limited. To conclude he hoped that the implementation of the Work Programme approved at the twenty-fourth session would serve as a guideline for future work. If GATT was to play a fundamental rôle in its sphere of competence it should concentrate on the solution of the most urgent problems of the world today, and especially on those of the developing world.

Mr. IL YUNG CHUNG (Korea) said that his Government realized the important rôle of GATT in the field of international trade in general and in that of the trade of developing countries in particular. Many trade problems of the developing countries still remained unsolved and constituted the most important task of GATT in the future. The programme for trade expansion adopted at the GATT ministerial meeting in 1958 and later Part IV had had for main purpose the expansion of trade and acceleration of economic development of the developing countries. However, their implementation had been discouragingly slow. It was hoped that the countries who had not yet accepted Part IV would do so in the near future.

The trade of developing countries was expanding comparatively slowly and the consequence of this trend was an ever-widening gap between developing and developed countries. Technological backwardness, unfavourable competitive positions on the part of the developing countries, and various non-tariff barriers maintained by the developed countries against the products of export interest to the developing countries, constituted one of the main reasons to make this gap ever wider.

With the conclusion of the Kennedy Round negotiations, it appeared that the problems relating to non-tariff and para-tariff barriers were of the utmost importance. The basis for solution of these problems had been laid at the twenty-fourth session and certain preparatory progress had been achieved. As the Director-General had suggested in his statement, it was essential for the contracting parties to move out of the stage of study into that of preparation for action as soon as possible in 1969. He drew attention to the report of the Committee on Industrial Products in which it had been agreed that there was need for early action in respect of non-tariff and para-tariff barriers to the export of developing countries.

At this stage of GATT work it was quite proper to consider the removal of import restrictions applied contrary to GATT and not covered by waivers. With regard to this issue, which figured as item 14 on the agenda, his delegation supported in principle the proposal made by the Government of New Zealand.

He underlined the great importance of a preferential tariff scheme for exports of developing countries and expressed the hope that an early implementation of this could be facilitated by active co-operation between GATT, UNCTAD and other international organizations concerned. His delegation was encouraged to see the great interest of many developing countries for negotiations on expansion of trade among themselves, and appreciated the efforts made by those countries to refrain from applying protective measures.

He concluded by saying that the liberalization of world trade so far achieved should be maintained and accelerated and that the implementation of the tariff concessions should be carried out to schedule.

Mr. BESA (Chile) stressed the importance of the Director-General's comment on protectionism. At a time when the world was searching for greater unity, the GATT should remain a forum where solutions of world interest as opposed to interests of particular regions could be sought for collectively. He emphasized that any protectionism would be uneconomic and would provoke a recession of disastrous consequences for the world economy and principally for developing countries. Nevertheless, it was undeniable that the inherent characteristics of under-development made it immensely difficult for developing countries to put in practice policies of liberalization. This reality, and the community of interests among nations he had referred to, imposed upon all concerned the need to find ways for international trade to serve as an instrument of development. This would permit corresponding progress in the process of liberalization. The disparities of wealth between different regions of the world was a challenge to the imagination and to reason. This challenge should be accepted.

Mr. Besa summarized his statement into five points: (i) The liberalization of world trade was an indispensable process for the economic growth of humanity as a whole; (ii) Under-development impeded the application of liberal policies; (iii) Since the process of liberalization was of interest to all, the struggle against under-development was of concern to all; (iv) Therefore, a joint effort should be made by all to determine in what way international trade could serve as a tool for development. This was a task accruing to GATT; (v) All that could be done by international action did not exonerate nations from the duty to help themselves. These premises should guide the efforts of the contracting parties and should be taken up as a collective effort and not as a form of aid to less-developed countries, since the problems involved were of collective concern.

Certain measures had been sufficiently studied and their implementation should no longer be delayed; such was the case for the elimination of barriers to trade and discrimination which obstructed the free trade of tropical and temperate zone agricultural goods, higher prices for these goods and for primary commodities in general, and international financing of buffer stocks. Also the debate on the issue of a system of preferences for the industrial exports of developing countries had dragged on unnecessarily. The mechanism of preferences was indispensable to permit the export of goods efficiently produced in developing countries to the markets of industrial countries. This last aspect had a very special interest for his country and, since GATT was fundamentally a negotiating organism, he thought the matter should first be dealt with within the Committee on Trade in Industrial Products. At the initiative of less-developed countries negotiations could be initiated in the Committee with the purpose of eliminating differential duties affecting specific products within specific sectors. This could turn out to be the first conscious step to world industrial specialization and it would provide for the more efficient use of the labour force in both developed and less-developed countries. This problem deserved priority in the considerations of the contracting parties. If this idea were accepted, as he hoped it would be, the secretariat could be instructed to formulate a plan on how a preferential scheme could be tackled in the Committee on Trade in Industrial Products. Chile could immediately propose sectors worthy of study within the scope of the objectives outlined.

Mr. RYAN (Australia) said that the statement by the Director-General presented a valuable survey of the work currently in progress in accordance with the conclusions reached by the CONTRACTING PARTIES at their previous session, and of the way in which it might most fruitfully be advanced over the coming months. His delegation agreed entirely that one essential aim of the CONTRACTING PARTIES should be "to pursue the serious preparatory work that is already under way so as to permit negotiations, whether on a broad or on a more limited basis, whenever the moment is politically right". It was therefore vital that each of the main committees concerned with the implementation of the

programme of work on industrial products, agriculture and expansion of the trade of developing countries should press ahead vigorously and that there should be substantial progress in all three fields of activity. This called for special efforts in the agriculture sector and the fields of activity of interest to developing countries, where the results had not matched those on industrial products. He fully recognized the importance of the work of the Committee on Trade in Industrial Products, and the urgent need to the export earnings of the developing countries. In respect of the latter, a statement had already been made on action Australia was taking in relation to preferences. His delegation welcomed and supported the idea of preferential arrangements among developing countries, subject, of course, to appropriate safeguards.

Referring to agriculture, Mr. Ryan supported the statement by the Director-General that agriculture had fallen behind in the general move to trade liberalization. His delegation was in agreement with the programme established by the Agriculture Committee and he was confident that progress would be made leading to subsequent meaningful negotiations. He hoped that governments at the next session of the CONTRACTING PARTIES would be able to consider more action. In view of the critical situation in the dairy field he felt that progress had been too slow. The situation was worsening at a rapid rate, which made it imperative that a solution be found. He expressed his interest in the suggestions to give priority consideration to the basic problems in respect of meat.

Australia, Mr. Ryan continued, paid particular regard to the question of import restrictions applied contrary to the GATT, and had given it - and particularly the proposals put forward by New Zealand - careful consideration since the twenty-fourth session. Australia's approach was, as always, essentially pragmatic. Australia wished to see a continued movement, in the GATT and in other appropriate fora, towards further liberalization of trade, which it firmly believed to be a vital basis for the continued improvement in living standards throughout the world. He warmly congratulated New Zealand for its initiative, and strongly endorsed the principles underlying its proposals that the abolition of all quantitative restrictions contrary to GATT was a desirable objective. It was important to obtain as complete information as possible on the residual restrictions still being imposed by contracting parties, and essential that countries maintaining such restrictions should provide it. Consideration needed also to be given to the way such information might best be utilized by the CONTRACTING PARTIES. In the case of restrictions on agricultural products, for example, there would be merit in notifying such restrictions to the Agriculture Committee which would then be able to take them into account in its deliberations. A more difficult question was what the GATT could or should do about these so-called residual import restrictions. There was much merit in establishing some form of consultation procedure to consider these restrictions, perhaps along the lines pursued by the Committee on Balance-of-Payments Restrictions. His delegation agreed with the statement by the Director-General that there seemed "something inequitable and anomalous about a procedure whereby contracting parties invoking articles of the GATT as justification for certain restrictions, have to submit to consultation and examination, while contracting parties applying restrictions inconsistently with GATT seemed to be treated more tolerantly". His delegation, therefore, hoped

that those countries applying residual import restrictions would agree to participate fully in such consultation procedures, which, in his view would be equitable, and would reflect the true spirit of the GATT. The pragmatic and real test of the success of any procedure which might be devised would be whether or not as a result the sum total of barriers to world trade was reduced. The common goal, he recalled, was a real and substantial opening up of markets, both for agricultural products, against which the remaining restrictive barriers on world trade were primarily directed, and for industrial products.

Mr. LACZKOWSKI (Poland) congratulated the Director-General for the realism and the will to progress expressed in his statement. The Work Programme under discussion was of great interest to his delegation who saw in it possibilities of progress towards the gradual elimination of obstacles of trade. He supported the proposals to establish working parties under the Committee on Industrial Products. He hoped there would be enough political will on the part of the principal trading partners to oppose any return to protectionism.

As regards agriculture, he said that during the Kennedy Round his delegation had always supported the search for solutions which would lead to more order in international trade in agricultural products. He had always sided with those who saw in the organization of markets the solutions to the present chaos of trade in certain agricultural commodities. It had been the merit of GATT that during the Kennedy Round, it had brought for the first time agricultural products into a multilateral negotiation. It was positive indeed that the Agriculture Committee would be discussing problems individually, not only those concerning international trade but also the conditions of production. It might be useful to consider the fact that in a number of developed countries, the consumption of certain agricultural products was well below a reasonable level because their price was too high on the internal markets. This aspect of the problem should not be neglected by the Committee. As his delegation had suggested in the Committee they believed in reaching a standstill. Situations varied a great deal between different agricultural products. In certain cases, a standstill could be reached fairly easily. It would be useful to create within the Committee an ad hoc group which would review, even before work on the projected studies was completed, those sectors which would lend themselves more easily to a standstill agreement. This could lead to the formulation of new negotiating techniques.

Regarding the problems of development, he referred to his statement in document COM.TD/60/Add.13, and said his delegation expected to progress along those lines, and to participate fully and effectively in the future work of the Committee on Trade and Development. He wished to take this occasion to pay homage to those developing countries who did not under-estimate the rôle of work and their own efforts to promote their development. In this context, the example of Japan and of some European countries deserved to be studied.

Finally, he said that in view of Poland's accession and of the possible accession of Romania, the contracting parties might usefully acquaint themselves better with the problems of centrally-planned economies, so as to be prepared for tasks that might well arise some time in the future. Poland's accession to GATT last year had been an act of faith and of realism. For Poland, the GATT was not only an organization which during its twenty years' existence had contributed to the development of international trade, but principally the only commercial treaty established on a world scale. In the GATT Poland had never sought fictitious solutions and had offered real concessions. It was therefore natural that it sought real concessions in return from its partners. In his opinion, the success of GATT was largely due to the efficiency of its secretariat. Because the contracting parties' interest in GATT was of a commercial and not a political nature, it would be regrettable to see this efficiency sacrificed.

Mr. PERERA (Ceylon) welcomed the statements of the Director-General and his emphasis on action. This concerned mainly the elimination of low tariffs, tariff reductions in certain sectors of industry and the problem of differential duties between raw materials and semi-manufactured and manufactured products. The Ceylonese delegation pointed out that there was also a considerable amount of unfinished business after the Kennedy Round in regard to those developing countries whose economies were based on the export of primary commodities and processed and semi-processed agricultural products.

Citing his own country's main product, he said that tea was primarily a tropical product, produced largely in developing countries, which fell under the eight-point programme of action adopted at the ministerial meeting of the CONTRACTING PARTIES in 1963. But in some industrial countries no progress had been made towards the achievement of the objectives set out at that time, for they continued to maintain very high duties on tea. His delegation urged, therefore, that consideration should be given to the immediate elimination of duties on tropical products.

He drew attention to the inhibiting effects on the trade of developing countries of tariffs levied on products originating in developing countries which vary according to the degree of processing or of tariffs which were higher when commodities were exported in packaged form rather than in bulk. Developing countries had also incessantly urged that countries applying internal and fiscal charges should progressively reduce them in order to provide free and uninhibited access to the markets of developing countries. Internal taxes were, in a number of cases, so high that combined with various charges for internal distribution, they prevented a growing consumption. In addition to these charges the products of developing countries faced other non-tariff barriers, particularly quantitative restrictions which were imposed in varying degrees by a number of industrial countries. Since some of these restrictions had no justification under the General Agreement, his delegation welcomed the New Zealand proposal. His delegation also welcomed the reference of the Director-General to the anomalous situation whereby countries applying Articles of the GATT to justify certain restrictions had to submit to examination and consultation while contracting parties applying restrictions inconsistently with the GATT were treated more tolerantly.

With regard to Part IV, his delegation, while welcoming it, felt that so far it had remained largely a collection of kind words rather than a positive and tangible expression of the political will of the CONTRACTING PARTIES to expand the export earnings of developing countries.

Concerning the expanded balance-of-payments consultations, Mr. Perera expressed serious doubts about the necessity or even possible efficacy of these consultations. The GATT would only duplicate the work done by other organizations. He considered that more fruitful work could be done by GATT if studies were conducted on a sectoral basis, whereby developing countries exporting the same type of products and confronted with similar problems could participate in joint discussions. Consultations of this type would be much more meaningful especially if they would deal with various trade, production and marketing policies, restrictive business practices and transportation problems.

Mr. MUNOZ VARGAS (Spain) noted the very favourable reaction of many delegations to the statements of the Chairman and of the Director-General. Both contained an analysis of the fundamental problems which the contracting parties were to face in their future activities. He recalled that his Government gave much importance to the consolidation of the results obtained during the Kennedy Round and to the need to fend off future protectionist tendencies. His delegation had already stressed at the twenty-fourth session that priority should be given to the urgent problems of trade in agricultural products. In the light of the results obtained in the Kennedy Round, the countries which now faced the most acute problems were those whose principal revenue in their trade balance proceeded from the export of agricultural products. This was why his delegation participated actively in the Agriculture Committee and attached great importance to its work. After having compiled a great wealth of information the Committee was now proceeding with the identification of the principal problems so that, at a future date contracting parties could agree on mutually acceptable solutions. He shared the opinion of the Director-General that a distinction should be made between those problems that were particularly urgent and called for solution on a short-term basis, and those that were more general and could be studied at greater length. Nevertheless, he urged that the Agriculture Committee act as fast as possible so that certain important objectives such as the free access to markets for the principal agricultural products, the elimination of tariff and non-tariff barriers, and the establishment of a just order in matters relating to prices could be achieved to correct this disequilibrium of the Kennedy Round results. On this point, and in special relation with the subvention policies of this country, his delegation considered with great interest the concrete proposition that had been made by the Canadian delegation on 29 October.

Part IV of the General Agreement provided the contracting parties with a good instrument to take measures that would favour an increase in the export-income of developing countries. In the future activities of the different committees and working groups of GATT, the needs of developing countries should be given the priority which in all justice they deserved. For his Government the principle of non-reciprocity will have been respected if, after every negotiation completed in GATT, results were obtained that would reduce the disequilibrium presently existing.

Regarding residual restrictions, the Spanish delegation shared the views of the Director-General to the effect that there was something inequitable and anomalous about a procedure whereby contracting parties invoking Articles of the GATT as justification for certain restrictions, had to submit to consultation and to examination, while contracting parties applying restrictions inconsistently with GATT seemed to be treated more tolerantly. It was generally the developed contracting parties which applied restrictions incompatible with the General Agreement without being submitted to consultation or examination procedures.

With respect to the work of the Committee on Industrial Products he urged that differential tariffs between raw materials, semi-manufactures and manufactures should receive very special consideration. All contracting parties had recognized the necessity for developing countries to achieve a greater diversification of their exports and higher prices per export unit. Regarding the inventory being compiled on tariff and non-tariff barriers, less-developed countries should be able to rely on the help of the secretariat to identify those obstacles that hampered their trade. Thus the gaps that appeared in the inventory, and that were due to the poor information available to these countries, would be narrowed. He thought that the adequate framework within which these problems should be solved was provided for by Part IV of the General Agreement.

Mr. BAFFOE (Ghana) welcomed the statement of the Director-General in which he had pin-pointed the areas on which attention should be focussed. Commenting on the section of the statement in which the Director-General had drawn attention to the principles and objectives of GATT, and called for the creation of conditions favourable to the expansion of the export earnings of developing countries, for the political impetus necessary for the realization of these objectives, and warned against stagnation in a field of activities as changing as world trade.

While admitting the achievements of the past in some sectors, he pointed out that in other sectors such as tropical products, the progress made had been disappointing. Although he admitted that commendable efforts had been made by individual contracting parties to eliminate or reduce tariff and non-tariff barriers on exports of interest to developing countries, he stressed the preference of his delegation for joint action by the CONTRACTING PARTIES, and the adherence to target dates in the implementation of work programmes. The alternative to joint action could well be recourse to bilateral negotiations thus putting in question the concept of multilateralism which was the essence of GATT.

On the question of the review of the implementation of Part IV, he referred to the operative paragraph 5 of Article XXXVI which called for increased access at the most favourable terms, of the processed and manufactured products of export interest to developing countries, to the markets of developed countries. To realize this objective it was necessary for developed countries to accept and apply the concept of structural adjustments. This was a matter which his delegation would emphasize in any subsequent review of Part IV. As to the principle of non-reciprocity in trade negotiations, he said there were ambiguities

in paragraph 8 of Article XXXVI and the explanatory notes, and that this needed to be defined more clearly. During the Kennedy Round negotiations, some offers on products of interest to developing countries had been withdrawn because of lack of reciprocal or even token offers forthcoming from them. In his view, this was due to the absence of a precise definition of the form such offers should have taken.

Returning to the question of tropical products, Mr. Baffoe expressed doubt as to the necessity of reactivating the Special Group on Tropical Products especially since the problems confronting trade in tropical products had been sufficiently outlined and identified, even before the ministerial meeting of May 1963. The failure to implement the Action Programme and to keep to the target dates set was due to lack of political will. Referring to the suggestion contained in paragraph 5 of document SGTP/10 that informal consultations be held with interested countries in respect of particular tropical products, with a view to identifying action to be pursued in the Group, he asked whether the consultations would be at intergovernmental level or in the form of direct appeals from the Director-General to the individual countries concerned. He stressed the need for a joint action in this regard.

As long as restrictions continued to be maintained on semi-processed primary commodities and semi-manufactured products of developing countries there was the danger that they might be forced to resort to the expensive practice of bilateral arrangements. It might also lead developing countries to retaliate, to break GATT rules and protect their trading frontiers. This was an urgent problem, since many developing countries like Ghana were anxious to export not only primary commodities but also processed and semi-processed products which they produced efficiently.

Finally he appealed to contracting parties to make use of the rich experience they had built up, in tackling the problems facing them and not to allow sectional interests and lack of political will to divert them from taking the right action, the failure of which might be to force developing countries whose interest has been affected to resort to retaliation, protectionism and bilateralism.

Mrs. ZAEFFERER DE GOYENECHE (Argentina) said that her Government was prepared to co-operate with the Director-General and with the contracting parties in a new and possibly decisive effort to arrive at a reasonable agreement to improve the access to markets, in accordance with the objectives of the General Agreement. She noted that in many aspects the programme the contracting parties were presently considering reflected a considerable cut back if compared with the Action Programme established by the Ministers in 1963. But there was still time to make an effort to find a basis for mutually convenient understandings.

Problems in sectors of fundamental importance to many countries had become more acute for lack of international action and the consolidation of protectionist concepts. In the agricultural sector, for example, with certain exceptions, GATT's twenty years of activity had demonstrated that it alone could not confront deliberate protectionist policies. Countries highly dependent on

this sector had reasons to doubt the efficiency of the present mechanisms unless they were to be complemented by the necessary political will, referred to by the Director-General. Without the spirit that had brought GATT into being, protectionist policies would be applied in a spirit of reciprocity thus dividing the world of international trade into water-tight compartments and reducing trade relations to a stage that supposedly had been overcome.

Progress in the Agriculture Committee had been slow. It had taken the Committee one year to collect information which in part was already available during the Kennedy Round. The Argentine delegation had accepted the new approach of examinations on a problem-by-problem basis on the understanding that problems for particular commodities were duly considered at the appropriate time. It was essential that action be initiated as the problems were identified. She made clear that the acceptance of the programme of work of the Agriculture Committee did not imply that Argentina had renounced the demand for immediate treatment of the serious problems existing for meat. After three years of exploratory work in the Kennedy Round political decisions were not taken at the last moment because of protectionist pressure on some of the participants. Since then the situation had grown worse. Beef exports from Argentina in 1968 had fallen very considerably. Bilateral representations had proved inadequate. Appropriate procedures should now be established for dealing with the problem urgently. In this connexion the proposals made by Uruguay and Yugoslavia deserved careful consideration.

The Argentine delegation agreed with the Director-General concerning the task entrusted to the Committee on Industrial Products and in his suggestion that the will to pass from study to action as problems were identified should clearly be established where possible. Referring to the Committee's treatment of tariff problems she stressed her delegation's appreciation for the way they had been dealt with, and for the value of the secretariat's basic study on differential tariffs and specific duties. She hoped its handling by government experts would not alter the form and sense the study had been given.

Referring to the report of the Trade and Development Committee, Mrs. de Goyeneche said that Part IV of the General Agreement had not yet adequately served its purpose. The gap between industrialized countries and those that were not had widened. It was necessary that the contracting parties contribute in this field with the political will to help developing countries, not only with financial and technical assistance but also by adopting trade measures developing countries could benefit from. By adding Part IV to the General Agreement, GATT had undertaken very clear responsibilities. No new instruments were necessary; what was needed was a more positive use of those already existing. The delegation of Argentina had already made a proposal in the Committee on Trade and Development for the creation of a working group to assess the efficiency of the procedures employed and the practical results obtained. The group should make sure that the present mechanisms were fully utilized before any new mechanism was suggested. It would be very desirable

for the contracting parties to make a recommendation in this sense to the Committee on Trade and Development so that at its next meeting it could be given due consideration.

In conclusion, she referred to item 14 of the agenda on "Import Restrictions Applied Contrary to GATT and not Covered by Waivers". The problem called for immediate solution inasmuch as it caused prejudice to the economies of many contracting parties and hampered the establishment of a system of preferences for developing countries; it also damaged the prestige of GATT. The Argentinian delegation considered that the New Zealand proposal, in document L/3084, provided a practical method of eliminating these restrictions without harming the legitimate interests of contracting parties. Her delegation fully supported it.

Miss BRAZIL (Ireland) said that on becoming a member of the GATT, in December 1967, Ireland was glad to have been given the opportunity of co-operation with other contracting parties in the major objectives of this body - a multilateral expansion of world trade within a framework of greater freedom from unilaterally maintained trade barriers.

Referring to the work of the Agriculture Committee, she said that in Ireland, agriculture was the predominant industry in which nearly one third of the population was engaged and which accounted for more than one half of total exports. Irish agriculture was pre-eminently an export industry and its well-being and future growth were much bound up with export markets. In recent years Ireland had continued to suffer sharply from the instability of prices and the unpredictability of market outlets for agricultural products. The extent to which any country could assert its agriculture depended on such circumstances as the relative position of agriculture in the economy and the proportion of output exported. On these rested the capacity of the non-agricultural sector to support the agricultural, and was markedly less in Ireland than in many European countries. It was naturally a great disappointment for Ireland that the achievements of the Kennedy Round for international trade in industrial goods were not matched by like achievements for agricultural goods. The establishment of the Working Parties on Dairy Products and Poultry was therefore welcomed. The Irish delegation realized that it would not be easy for the Agriculture Committee to surmount the difficulties, but the work which it had now undertaken would, it was hoped, lead sooner rather than later to satisfactory solutions.

Mr. BEECROFT (Nigeria) said that coming as it did after UNCTAD II the present session of the CONTRACTING PARTIES was expected to give a new impetus to the solution of the problems facing developing nations. Expressions of good intents and wishes and the establishment of working parties were not enough to solve problems and he therefore hoped that the CONTRACTING PARTIES would adopt concrete proposals in respect to the problems of the developing countries. He called for a review of the studies made in respect of the Work Programme adopted at the last session and the adoption of an entirely new approach in dealing with the problems of the developing countries.

The Committee on Trade and Development should be strengthened and become the focal point and forum for dealing with all the trade problems relating to the developing countries. The Special Group on Trade in Tropical Products

should be taken over by the Committee on Trade and Development, as well as all the problems affecting the trade of developing countries in the field of agriculture and in the industrial sector, at present the responsibility of the Committee on Agriculture and of the Committee on Industrial Products. The Nigerian Government wished to have the question of vegetable seeds and oils transferred from the purview of the Committee on Agriculture to the Committee on Trade and Development. After taking over the functions of the Special Group on Trade in Tropical Products, the Committee on Trade and Development should establish an order of priority, giving high preference to vegetable seeds and oils. He emphasized in this regard the need for co-operation with other international organizations active in these fields.

Mr. Beecroft suggested that, as a follow-up to the proposal made by his Government in 1961 for duty-free entry for all tropical products, the Director-General should, as soon as possible, undertake consultations with interested contracting parties with a view to drawing up a specific programme for the elimination of duties and other barriers on processed and semi-processed tropical products. This was a field in which the trade barriers confronting the trade of developing countries had been fully identified by the GATT and many other international organizations. Given the political will, it should be possible to enter into fruitful negotiation immediately with a view to successful conclusion and implementation of the results by the twenty-sixth session of the CONTRACTING PARTIES. Such a successful negotiation in the GATT would pave the way for the elaboration of the scheme of preferences to be granted by the developed to the developing countries.

In conclusion, Mr. Beecroft reaffirmed the support of his delegation for the proposal of New Zealand on residual restrictions maintained contrary to GATT.