

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Twenty-Seventh Session

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## SUMMARY RECORD OF THE SECOND MEETING

Held at the Palais des Nations, Geneva,  
on Wednesday, 17 November 1971, at 10 a.m.

Chairman: Mr. Carlos BESA (Chile)

Subject discussed: Trade negotiations among developing countries

The Chairman recalled that the text of a Protocol relating to trade negotiations among developing countries had been distributed in document L/3598. In addition, at the request of the countries which had participated in the negotiations and in order to facilitate consideration of the matter there had been circulated in document Spec(71)116 the text of a draft decision which might cover the arrangements negotiated.

Mr. PATEL (India) expressed his satisfaction about the draft Protocol Relating to Trade Negotiations Among Developing Countries, which embodied the results of the work of the Trade Negotiations Committee. While these results were modest, their importance and significance lay in the fact that it was the first positive effort made by the developing countries for expansion of their trade on a global basis.

In this context he recalled the historical background of these negotiations. In 1965, the Committee on Trade and Development had established a Group on Expansion of Trade Among Developing Countries. In April 1966, the Committee on Trade and Development had come to the conclusion that the establishment of preferences among developing countries, appropriately administered and subject to necessary safeguards, could make an important contribution to the expansion of trade among the developing countries and to the attainment of the objectives of the General Agreement. Later, during the Kennedy Round of trade negotiations, some developing countries had made efforts to negotiate concessions for promotion of trade among them. Although they had not led to concrete results, the preliminary discussions and the exchange of statistical and trade data had convinced a number of developing countries of the potentialities which existed for the promotion of trade among themselves. Accordingly, at the initiative of the developing countries, the CONTRACTING PARTIES at the twenty-third session had established a Trade Negotiations Committee to provide a framework for an exchange of trade and tariff concessions among developing countries.

Many difficulties had been encountered. Developing countries knew little of each other's tariff and commercial policies. Furthermore, detailed studies of import patterns had to be made to identify the products or sectors in which meaningful concessions could be made. In addition, the necessary expertise and technical background was lacking. The developing countries had overcome these difficulties with the assistance of the secretariat, encouraged by the fact that the CONTRACTING PARTIES had repeatedly urged the developing countries to take positive measures for expansion of trade among themselves and had assured them of their sympathetic support and prompt action for implementation of the scheme.

Although the immediate trade creative effect of the scheme was likely to be modest, its main importance lay in the long-term beneficial economic effects which would be derived from the exchange of tariff concessions. Exposure of domestic production to greater competition from industries in other developing countries would lead to efficient production. Liberalization of trade among the developing countries would ultimately lead to liberalization in favour of all contracting parties.

He emphasized that the scheme was open to participation by all developing countries and that any developing country wishing to accede to the Protocol could do so by entering into negotiations with the sixteen participating countries who would take into account the present and future development, financial and trade needs of such country. In addition, paragraph 14 of the Protocol provided that the Committee could agree that an applicant country might accede without negotiations.

He strongly urged the CONTRACTING PARTIES to approve the draft Protocol during the twenty-seventh session. The impact on the trade of other contracting parties was likely to be insignificant. Approval of the scheme by the CONTRACTING PARTIES would be consistent with the conclusions of previous sessions and would be a recognition of the positive will and determination on the part of the developing countries to promote their economic development through greater trade among themselves and thus contribute to the expansion of the world trade.

Mr. EL-SAHEN (Egypt) said that the aim of the General Agreement, to promote trade among Member countries, had shown especially good results for the development of trade among developed countries. The position of developing countries was quite different. Because of both their economic structure and the maintenance of restrictions international trade of developing countries had not improved sufficiently. The CONTRACTING PARTIES had taken several actions

to alleviate restrictions on exports from developing countries. Recognizing that beside these efforts developing countries should also help themselves, the Trade Negotiations Committee of Developing Countries had been established. The efforts of this Committee had resulted in drawing up the Protocol. His delegation felt that this Protocol was in full accordance with the aims and spirit of the General Agreement and in particular of Part IV.

His delegation hoped that these arrangements would result in an increase in world trade through increased opportunities for the expansion of trade between developing countries and, furthermore, that more developing countries would make similar agreements, for which purpose paragraph 14 of the Protocol had been formulated.

His delegation considered that the achievements of the Committee were only a starting point, leading, it was hoped, to further expansion in the field of economic co-operation among developing countries.

He hoped that the Protocol would receive the sympathetic consideration of the CONTRACTING PARTIES and would be adopted during the session.

Mr. ISKIT (Turkey) said that as a developing country, Turkey had participated actively and from the outset in the initial phase of the negotiations among the sixteen participating countries. The consolidated schedule, which all contracting parties had had an opportunity to study and which listed the products on which concessions had been granted, was only a first step towards strengthening trade exchanges among developing countries.

During the preparation of the draft Protocol, the participating countries had given particular attention to the machinery for acceding to the Protocol and to the enlargement of concessions. Indeed, as stated in paragraph 14 of the draft, the Protocol was open for accession to all developing countries. The Turkish Government considered that adoption of the principle according to which each applicant country would accede to the Protocol on terms consistent with its present and future development, financial and trade needs as well as past trade developments, was one of the most significant examples of solidarity that had been seen in recent years. The Turkish Government also considered that a preferential scheme established among developing countries situated in various regions of the world would constitute a valuable instrument for the development of inter-regional trade.

Referring to the draft decision prepared by the secretariat, the Turkish representative noted that it was identical in form to the decision adopted by the CONTRACTING PARTIES in the spring for the implementation of the generalized system of preferences. In the view of the Turkish Government, the legal machinery and the consultation procedure established by the Protocol, which constituted an integral part of the overall system envisaged, afforded sound contractual guarantees for the implementation of the concessions exchanged within the context of the preferential scheme among developing countries, thereby precluding any danger of discrimination.

The Turkish representative urged the CONTRACTING PARTIES to adopt the draft decision at the current session.

Sir Frederick MASON (United Kingdom) said that although he could give only the initial reactions of his Government to the Protocol, he welcomed the progress represented by the conclusion of what might be regarded as an initial phase in the negotiations. His delegation had taken a positive and constructive attitude to the negotiations, which it regarded as a potentially important contribution to the expansion of trade among the countries concerned. He welcomed the intention to make the Protocol open for accession to all developing countries and to extend the product coverage of the concessions. He had noted the potentialities of the agreement for reversing present trends and eventually increasing the percentage of their total trade which developing countries carried out with each other.

His delegation did, however, have some concerns at the fact - which contrasted to some extent with the provisions of the General Scheme of Preferences - that non-participant developing countries were denied immediate access to the concessions. The Protocol, in paragraph 14, did make provision for new accessions, but it was not clear who were to be the judges of an applicant's developmental, financial and trade needs, nor on what criteria such decisions would be taken. While any necessary negotiations for accession proceeded, de facto discrimination against the applicant and other non-participants, and in favour of the participating countries, would take place. Furthermore, it was not clear whether or not the Protocol would be open to accession by developing dependent territories.

In addition, he sought clarification as to how the new Protocol fitted in with the existing Tripartite Agreement since the decision taken by the CONTRACTING PARTIES on this agreement was in some respects contingent on the results of these negotiations.

As regards the draft decision, his view was that it was quite essential for the Protocol to be the subject of a waiver from Article I, and that, as proposed, any arrangement should be subject to annual review, especially in relation to extended coverage and new participation. He therefore was of the view that there were a number of issues which contracting parties ought to examine carefully. The negotiations were not in their results exactly what was generally expected. Although recognizing that after four years of work the participants were anxious to put the scheme into operation, he supported the suggestion that this question be remitted to a working party which could if necessary meet during the session and which should prepare a report incorporating agreed understandings on some of the points at issue, for example on any non-tariff barriers to be included. The CONTRACTING PARTIES might then revert to the matter when this report became available, or possibly leave it to the Council to decide at its next regular meeting.

Mr. FOGARTY (Australia) emphasized the major practical and legal significance to the CONTRACTING PARTIES and to the General Agreement itself of the proposed arrangements for tariff preferences which constituted an important departure from the most-favoured-nation principle embodied in Article I of the General Agreement. His delegation fully understood and sympathized with the needs of developing countries and recognized the important contribution that this scheme of tariff preferences, appropriately administered and subject to adequate and meaningful safeguards for the interests of third contracting parties, could make to the trade of developing countries. His delegation shared the view that the CONTRACTING PARTIES should have adequate opportunity to submit the proposed arrangements to a comprehensive examination.

His Government felt there had not been adequate time to examine the draft protocol, decision and schedule of concessions, the latter having been distributed just two weeks ago. Therefore, he was not able to express a definitive opinion on the document on behalf of his Government.

Mr. ARCHIBALD (Trinidad and Tobago) pointed out that Trinidad and Tobago was not a participant in the scheme. This was due to the fact that at the time the negotiations were beginning his Government had been involved in the negotiations leading to the establishment of the Caribbean Free Trade Area. However, his authorities had always supported the principles of these negotiations and had followed them as closely as was possible for a non-participant.

In the view of his delegation, the conclusion of these negotiations constituted one of the most significant events in the history of GATT, for it represented an initiative taken by developing countries themselves on the basic principle of self-help and was an exercise in reciprocity for mutual benefit. The scheme represented the outcome of these efforts and deserved the approval of the CONTRACTING PARTIES.

In his view, the terms of entry in the draft protocol were fair as well as necessary. When the matter had been discussed in the Informal Group of Developing Countries, there had been general recognition that the participants in the negotiations had made an effort to obtain reasonable and practical conclusions and that the terms of entry had been drawn up with a strong sense of fair play in regard to non-participants.

He stressed the frustration that developing countries had felt regarding action that could be, or could have been, taken on their behalf in the GATT, over the past several years. In his view, it could be psychologically damaging if action taken by developing countries to help themselves were to be unduly held up. He recalled that the CONTRACTING PARTIES had encouraged this exercise in self-help among developing countries and expressed the hope that its first accomplishment should not be postponed too long.

Mr. KAYA (Japan) stated that his Government was in favour of the draft decision, in principle, as contributing to an expansion of trade amongst developing countries, but pointed out that his delegation, like other delegations, required more time to examine the proposal or needed additional information so that the CONTRACTING PARTIES might be assured of a meaningful outcome of these negotiations.

He noted that the rights of GATT with regard to the possible consequences had been duly preserved. He wished to call attention to the provisions for a major review of the Protocol by the Committee to determine whether the arrangements should be modified, enlarged or terminated. Under the terms of the draft protocol this review was to take place after five years. The draft decision, on the other hand, provided for a major review only before the end of the tenth year. The view of the Japanese delegation was that the decision should be reviewed after five years, like the arrangements under the Protocol.

Mr. PROPPS (United States) recognized the extended effort of the developing countries and emphasized the significance of this arrangement which constituted an exercise in self-help. It was evidently intended to set a framework for further co-operation and negotiations amongst all developing countries.

He agreed that the establishment of preferences among developing countries could make an important contribution to the expansion of trade amongst developing countries, if they were appropriately administered and subject to necessary safeguards. Arrangements should be made, therefore, for the examination of the matter.

His Government was not yet in a position to make the constructive and forward-looking comments that this question warranted and hoped that arrangements could be made for a post-session examination. The importance of this development required that contracting parties made maximum contributions to its success and that the decisions established should be those which appeared most appropriate after careful and conscientious study.

Mr. AMIN (Pakistan) expressed the hope that the draft Protocol for a system of preferences among developing countries would receive the same sympathy from the CONTRACTING PARTIES as reports on progress on this subject had received in the past. He recalled that it had been recognized by the CONTRACTING PARTIES that arrangements as covered in the Protocol would, if suitably administered, contribute to the expansion of trade, especially among developing countries.

It was his delegation's opinion that the terms of the protocol were quite fair since they were open to all developing countries, whether members of GATT or not.

The results of the negotiation had been modest; this had been in part due to the fact that there were few products that could be exchanged among developing countries. He expressed the hope that other countries would join the scheme and that this effort, which had to be viewed as a self-help measure, could then be continued.

With regard to the proposed examination of the arrangements, he hoped that this could be completed at this session so that new arrangements could be put into force.

Mr. APOSTOLIDIS (Greece) remarked on the historical significance of the negotiations. On the one hand, they had been carried out by developing countries on their own initiative and were therefore the expression of creative solidarity. On the other hand, they showed that GATT was adjusting to the new conditions of international co-operation and the second development decade.

International co-operation based on identical rules for all participants could not ensure equitable development of trade. The rules of international co-operation must be adjusted to different levels of development; equality would be an injustice. The Protocol was open for accession to all developing countries, and an undertaking had been given that the conditions obtaining for each member would be consistent with its level of development. For the least developed countries, provision had been made for a liberal and expeditious procedure.

The only question that arose was whether or not the Protocol could be accepted at the present session of the CONTRACTING PARTIES. Recognizing that any decision must be the subject of reflection, the Greek representative pointed

out that the problem of tariff items did not warrant an examination of trade relevance on the part of the developed countries. Referring to the general commitments set forth in the Protocol, he noted that the provision by which the CONTRACTING PARTIES had authorized the exercise was subject to two conditions - that the preferences should be appropriately administered and that they should be subject to the necessary safeguards. The participating countries alone were in a position to know whether they had properly administered the concessions granted and to establish the most adequate safeguards for ensuring that national interests were not threatened by such liberalization.

For those various reasons, he therefore considered that there was no need to establish a working party. Contracting parties had had an opportunity to take cognizance of the documents pertaining to the matter, and any questions could be answered during the discussion.

Mr. MARQUES PORTO (Brazil) expressed on the one hand a feeling of pride for the achievement of the Protocol on the establishment of preferences among developing countries. On the other hand, he was concerned that its approval by the CONTRACTING PARTIES might possibly be delayed. Although it was not perfect, the Protocol represented an important step forward for developing countries and would contribute to the increase of their export income. In the present situation, where a protectionist offensive was going on, the scheme of the developing countries represented positive action. Any delay would postpone the solution of the problems of developing countries. He stressed that, although the number of developing countries participating in the Protocol was limited, it was open for accession to all developing countries. Furthermore, the arrangement of reducing tariff barriers could eventually be extended to non-tariff barriers. He hoped that there would be no opposition to this initiative taken by the developing countries and that by the end of the session the Protocol would be accepted. Any questions which might be raised by other contracting parties should be answered immediately.

Mr. SOLARI TUDELA (Peru) said that after an exercise of four years developing countries had reached a positive result, which they now submitted to the CONTRACTING PARTIES. Although more than thirty countries had started negotiations in the Committee on Trade Negotiations Among Developing Countries, sixteen developing countries had eventually exchanged concessions. These concessions were incorporated in some fifty agreements including more than 500 concessions. He noted that some delegations had stated their approval, in principle, of the Protocol whilst others had raised objections to its immediate approval. In reply to questions raised, he stated that paragraph 1 provided that concessions exchanged pursuant to the Protocol were applicable to all developing countries parties to the Protocol and that, in accordance with paragraph 14, the Protocol was open for accession to all developing countries upon approval by a two thirds majority. He felt that it should be possible to give an answer to all questions raised by other contracting parties during the present session. He stressed that the developing countries involved would feel frustrated if the Protocol was not approved, especially since such approval would be in agreement with previous decisions of the CONTRACTING PARTIES encouraging developing countries to work out concessions among themselves.

Mr. RAMAROZAKA (Madagascar) underlined that the development of trade relations among developing countries was a matter of constant concern for the Malagasy Government which had recognized that a phase of concrete achievements had been reached in the matter. The long and difficult work which had led to that result deserved prompt approval by the CONTRACTING PARTIES; because, however, of the interest which Madagascar, as one of the least developed of the developing countries, attached to the problem, his delegation, which had not taken part in the negotiations, wished to ask some questions and obtain some explanations. The documents had been communicated only recently, and his delegation was not yet in a position to state its Government's definitive position on the problem. He therefore requested that the matter be referred to a working party.

Miss HARELI (Israel) recalled that at the twenty-sixth session the CONTRACTING PARTIES had invited as many developing countries as possible to participate in the work so that the results of the negotiations which were to be looked at in a constructive and forward-looking spirit could make the greatest possible contribution to the expansion of trade among developing countries. This invitation had taken on increased importance in view of the fact that trade between developing countries had declined as a percentage of their total imports.

Although the proposed schedule of preferences covered only a small part of trade between developing countries, it was a beginning and participating countries firmly intended to see it enlarged, particularly through the inclusion of additional participants.

In reply to questions raised as to the membership of the preference scheme, she reiterated that from the outset an invitation had formally been extended to all developing countries, whether contracting parties or not. Furthermore, the draft Protocol specifically stated that initial participating countries would take account of the present and future development, financial and trade needs of every country seeking to join. She drew particular attention to the fact that in certain circumstances an applicant country could accede to the Protocol without any negotiations.

As to questions with regard to the criteria to be used when considering the applications for accession of further countries, she said that it was the view of her Government that applications should be handled in a pragmatic manner and, as expressed in Part IV, in conformity with the principle of non-reciprocity. It would be contrary to this tradition if rigid criteria and rules were stipulated.

Mr. LUYTEN (European Communities) pointed out that already in 1964 the Community had advocated a system of preferences among developing countries. That idea had progressively gained ground and the delegation of the Communities was glad to see that after difficult negotiations an agreement had been possible; it was to be hoped that the agreement would represent only the starting point for a system that would facilitate trade among developing countries. If a working party was established, it would be the appropriate forum for raising any particular questions concerning the texts which had been submitted. Such a working party should begin its work without delay and should report at the current session in order not to hold up the entry into force of the scheme.

Mr. RYDFORS (Sweden), speaking on behalf of the Nordic countries, pointed out that the Nordic countries had for a long period of time argued for further trade expansion among developing countries and had supported conclusions at previous sessions favouring the negotiation of tariff concessions, on certain conditions, among developing countries. They noted, therefore, the conclusion of these negotiations with great satisfaction. He considered it to be a serious drawback, however, that not all developing countries were included and that the concessions applied to a limited number of products only. He expressed the hope that the present arrangement represented only a first step toward a more comprehensive scheme.

The Nordic countries had not had adequate time to examine the trade effects of the scheme. They would, therefore, favour the setting up of a working party to study the draft Protocol and to examine its legal implications.

Mr. WARDROPER (Canada), welcomed the completion of the negotiations leading to the drawing up of the draft Protocol, which his delegation would approach with a constructive and forward-looking spirit. His delegation, however, shared the views expressed earlier that a working party should be set up during or after the session to give consideration to some of the details.

Mr. WILLENPART (Austria) believed that the implementation of the arrangements under the Protocol could be an important element in the international development strategy and could contribute to the economic development of developing countries. His delegation therefore appreciated that the arrangements should be open to all developing countries, whether contracting parties to the GATT or not.

His delegation agreed with the contents of the draft decision which provided for necessary notification and consultation procedures. He felt that the proposed annual review would give an opportunity to examine further progress towards the objectives. Should further examination of the issue be thought necessary, he hoped it would not take too long and that results satisfactory to all could be achieved during this session.

Mr. THIEMELE (Ivory Coast) said that the Protocol concluded among sixteen developing countries after four years of negotiations constituted an important step for the expansion of trade among developing countries. The scheme would surely solve part of the trade problems of developing countries, supplementing the progress attributable to the generalized system of preferences, to the extent that it was broadly applied. His Government had not had an opportunity to examine the Protocol and the concessions in detail, and hoped to be able to do so. Although the system proposed was for the moment limited to sixteen countries, it represented an essential process for the development of developing countries. The principles underlying it were acceptable to his Government. The CONTRACTING PARTIES should therefore support it.

The participating countries were among the most advanced of the developing countries. At the outset, thirty-four or thirty-six countries had participated in the Trade Negotiations Committee, ten of them not contracting parties. Only sixteen countries had participated in the adoption of the Protocol, because the others had clearly been unable to obtain the advantages they wanted in the bilateral negotiations. Furthermore, most of the concessions were in respect of manufactured or semi-finished products. In his delegation's view, that implied that before bringing the scheme into operation, GATT must be prepared to make a special effort in favour of the less advanced countries which were not benefiting either under the generalized system of preferences or under the draft Protocol.

He wondered whether the participating countries were disposed to accord a special status to the less advanced developing countries, consistently with Part IV of the General Agreement, excluding if possible any requirement of reciprocity; he also wondered at what level the future development, finance and trade needs mentioned in paragraph 14 of the draft Protocol would be evaluated.

He would like the draft Declaration set forth in document L/3598 to be more explicit.

No doubt replies would be furnished within the framework of the working party, whose terms of reference would be to examine in detail the text of the Protocol and the waiver decision which the CONTRACTING PARTIES would be invited to adopt.

Mr. TOMIC (Yugoslavia) welcomed the conclusion of the trade negotiations and stressed the importance of this achievement for the expansion of trade among developing countries.

His country had joined in the negotiations from the very beginning and had made sincere efforts to bring about their success. The expansion of trade among developing countries on the basis of mutual benefit would contribute to the overall expansion of trade which was of interest to all contracting parties.

In his view the arrangement provided for in the Protocol was an initial step in the setting up of a new system. It provided for broader participation by other developing countries on the basis of mutual benefits. The arrangement should be applied flexibly, in its implementation as well as when new countries acceded, in particular in respect of the least developed among developing countries. He hoped that further co-operation among developing countries under this scheme would continually improve and that the number of members and the volume of trade concessions would increase. He recalled that the CONTRACTING PARTIES had agreed to look at the results of the negotiations in a constructive and forward-looking spirit.

His delegation therefore invited the CONTRACTING PARTIES to approve the proposed decision permitting the implementation of the Protocol. This would enable the concessions to be implemented at an early date. Any postponement could not be without prejudice to the interests of the developing countries. The CONTRACTING PARTIES had already recognized that the establishment of preferences among developing countries could make an important contribution to the expansion of their trade and to the attainment of the objectives of GATT.

He urged the CONTRACTING PARTIES to give their understanding to this exercise in self-help and stated that he would be prepared to answer any question but not to enter into proceedings that would lead to the postponement of approval.

Mr. SANTAMARIA (Spain) stated that his delegation had taken an active part in the negotiations among developing countries. He recalled that the CONTRACTING PARTIES had authorized the initiation of such negotiations with the understanding that the concessions granted would not be extended to developed countries. In his delegation's view, therefore, the CONTRACTING PARTIES had already recognized the principle of a waiver from the most-favoured-nation principle with regard to developing countries. For this reason he expressed surprise that some delegations considered that there had not been enough time to examine the arrangements. The concessions to be granted did not require any examination, since the principle on which they were based had already been accepted. As regards any questions for clarification, he said that his delegation was in a position to give any additional clarifications required.

He also stressed the importance of these negotiations within the context of the efforts made to promote international trade. Taking, furthermore, in account the difficulties the negotiations had faced, he concluded that there was no justification for delaying the necessary approval. His delegation favoured therefore a discussion and decision on the subject at the present session.

Mr. DUNKEL (Switzerland) said that for a long time his country had been encouraging action by the developing countries with a view to increasing opportunities for trade among themselves.

Two courses seemed conducive to expansion of trade among developing countries. One of them - the creation of regional groupings - had the particular advantage of promoting the conditions for economic integration and at the same time for achieving major economies of scale. The other consisted in an effort to achieve generalized trade liberalization among all developing countries. Such liberalization would be achieved by extending to the developing countries as a whole the results of negotiations conducted on a reciprocal basis.

These considerations of principle had been taken into account in the examination of the Protocol for whose implementation a waiver was being requested.

At the current juncture, the Protocol did not establish the principle of automatic extension of the concessions agreed upon to the developing States as a whole. Nevertheless it contained provisions designed to allow non-participating developing countries to accede to it. The Swiss delegation, for its part, would wish those provisions to be the subject of close examination.

Accordingly, the Swiss delegation considered that the waiver that was being requested from the CONTRACTING PARTIES should bring out the responsibility taken on by the participating countries, on the one hand vis-à-vis other developing contracting parties and in particular the less advanced among them, and on the other hand in respect of the General Agreement itself.

His delegation was prepared to participate in a positive spirit in the examination of the modalities of the proposed waiver at the present session of the CONTRACTING PARTIES.

Mr. PRADHAN (India) recalled that discussions in the Group on the Expansion of Trade Among Developing Countries had shown that there had been a genuine desire to explore the possibilities of negotiating non-discriminatory preferences among developing countries, taking into account the differences in degrees of development among developing countries as well as the interests of third countries. In his view, the ultimate result should be an arrangement ensuring non-discrimination among developing countries.

He pointed out that there had originally been thirty-seven countries in the Trade Negotiations Committee. For technical and other reasons, some countries had not been able to conclude the negotiations. It had been decided at that time that those countries in a position to proceed with negotiations should undertake to develop the scheme and present it to the CONTRACTING PARTIES who were looking forward to the outcome of these negotiations. Thus, countries able to participate went ahead to create a scheme which in his view was concrete and practical.

With regard to non-participants, all that could be done was to draw up the scheme with the intention that all other developing countries whether or not members of the Trade Negotiations Committee or the GATT would be able to adhere to the scheme as quickly as possible, taking into account their particular problems. India desired that all developing countries adhere to the scheme. He suggested that some countries had not participated in the negotiations as they were unsure as to the ultimate reaction of the CONTRACTING PARTIES. If the CONTRACTING PARTIES would approve the arrangement, it would encourage non-participating developing countries to seek admission to the scheme.

With regard to the question as to who would examine the financial and trade needs of applicant countries, and in what manner, he referred to paragraph 14 which gave that responsibility to the Committee of Participating Countries.

Pertaining to the question of possible accession of dependent territories, the representative of India stated that he could only refer to paragraph 1 of the Protocol.

With regard to the question of the least developed of developing countries and of non-reciprocity, he referred again to paragraph 14 of the draft protocol where it was stated that a country may accede to the Protocol without negotiation on terms agreed with the Committee.

He considered that there would be time during the session for the participating countries to reply to any questions regarding the scheme and he did not think that this examination should unduly delay approval of the draft protocol. Furthermore, he did not understand why the trade benefits of the scheme should be examined, as the benefits of such a preferential arrangement had long been recognized, given appropriate administrative arrangements and necessary safeguards. The Protocol was moreover quite clear with regard to administrative arrangements and safeguards.

With regard to the examination of the effects on participants and non-participants, he recalled the experience of the Tripartite Agreement where it was agreed, when this Agreement was first established, that assessment of the trade effects would not be practical until that arrangement had had time to operate.

In this context, he referred to the provision for consultations in the Protocol and to the existing safeguard arrangements within the GATT.

He emphasized that any desire for further information by contracting parties could be satisfied during the session and thus there was no need for a working party. He urged the CONTRACTING PARTIES to approach this item with a view to giving their approval by the end of the session, as the scheme could not begin to function until the Protocol entered into force.

Mr. SANG YONG PARK (Korea) recognized that the results of the negotiations were modest but felt that the spirit and accomplishments of the participating developing countries deserved support not only as a significant and constructive development but also as an unequivocal manifestation of self-help amongst developing countries and furthermore as a contribution to the expansion of world trade.

His delegation strongly urged the CONTRACTING PARTIES to approve without undue delay the draft Protocol and draft decision designed to give effect to the result of the trade negotiations.

Mr. KOMPAORE (Upper Volta) noted that the adoption of the Protocol gave the GATT an opportunity to show its interest for the developing countries. His Government could not but approve the principle of the scheme under discussion. It was an initiative which should find within GATT the encouragement that would enable it to develop and ultimately to attain the objective. It was proof that the GATT methods were efficacious and could yield very constructive results; it was consistent with the aspirations of GATT for the expansion of international trade to be beneficial to developing and developed countries alike. His delegation therefore hoped that approval would be given to the scheme and likewise to any scheme based on negotiations that would be conducive to mutual agreement among the less advanced developing countries with a view to a system of preferences, even on a regional basis, that would facilitate their own development within the framework of international trade.

Mr. APOSTOLIDIS (Greece), in reply to certain questions, explained that certain developing countries had been unable to take part in the negotiations because of technical difficulties which frequently prevented them from taking an active part in initiatives in the international field and accounted for their absence from the exercise under reference. In reply to the question concerning the principle of reciprocity, he pointed out that as his delegation had always underlined, the only international co-operation was that adopted to all levels of development. The Protocol brought out clearly that reciprocity was relative and was adjusted to the economic circumstances of each country participating or entering into negotiations. Such relative reciprocity could consist of the absence of any counterpart. Some delegations had drawn attention to the fact that the Protocol did not provide for automatic extension. The fundamental principle underlying the Protocol was that of responsible negotiation, not negotiation of gifts. Consequently, automatic extension was not conceivable; on the other hand, negotiations could be without any concrete content, depending on the level of economic development of the contracting party concerned.

The meeting adjourned at 12.45 p.m.