

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Sub-Committee on Participation of Less-Developed Countries

DRAFT NOTE BY THE SECRETARIAT ON THE MEETING OF THE SUB-COMMITTEE ON THE PARTICIPATION OF LESS-DEVELOPED COUNTRIES ON 9 MAY 1967

1. In his introduction, the Chairman said that the object of the meeting was to permit less-developed participants to highlight any problem they were encountering at the stage of the negotiations before the high-level representatives of some of the industrialized countries reported to their capitals. He recalled that at the last meeting of the Sub-Committee, it had been stressed that in order to be able to safeguard their interests, less-developed participants should be informed, in the way of a positive offer or otherwise, of the adjustments industrialized countries were introducing to their offers. Only on this basis could meaningful bilateral talks take place. Such positive offers were available from the United States, the United Kingdom and Japan. Other countries had explained that they could not, at that stage, table a positive offers list but were prepared to give any information desired in bilateral talks.
2. He added that negotiations had proceeded during the last days at an intensive pace. Progress had been achieved in some areas; in others certain issues were still outstanding. Some negotiators would be seeking further instructions with a view to settling the substantial elements of the negotiations by 14 May. Nonetheless, a number of issues on the agenda of the Sub-Committee could be dealt with after that date such as the advanced implementation of tariff cuts on products of interest to developing countries. In the meanwhile, less-developed countries should pursue their bilateral talks as actively as possible in order to clarify the actual position with regard to the products of interest to them. He invited discussion on any substantive issue participants felt should be raised in a multilateral forum.
3. The representative of Korea stated that one of the reasons for his country's recent accession to GATT was the opportunity afforded by the trade negotiations to reduce the barriers to products of export interest to Korea. Consequently they had presented lists of requests on a minimum number of items. The results were so far disappointing. Japan in particular had completely failed to give even minor concessions, arguing that these items were either hard-core items or politically sensitive ones. Even though Japan had been urged to improve its offer, this rigid attitude had not changed. Japan's positive offers list ignored all the items in which Korea was vitally interested. Korea appreciated Japan's

problems, but he was concerned by the fact that his country seemed to have been virtually discriminated against and found this situation difficult to understand. He urged Japan to put forward a more positive contribution in the light of the 1964 Ministerial Resolution.

4. The representative of Japan said that practically all of the products on which specific requests had been made by Korea represented hard-core items where the Japanese industry was not in a position to compete with foreign producers. He regretted to say that his Government had found no possibility of improving its offer on these products. He pointed out, however, that his country's offer on the whole represented a very important contribution to the trade interests of less-developed countries, including Korea which would receive concessions on \$20 million of its exports. He wished to assure the representative of Korea that there was no discrimination against his country. There were some sectors excepted from the Japanese offers and they affected all less-developed countries alike

5. The representative of India explained that his delegation had submitted a statement (TN.64/LDC/40) recalling his country's position at the present stage of the negotiations; it was aware of the fact that time was running short and there might not be an opportunity of doing so later. Less-developed countries had entered the negotiations with the hope that factual implementation of Part IV of the General Agreement would result from them. Some progress had been achieved through bilateral talks but it was already clear that the main problems being dealt with in the negotiations were those interesting only the major trading countries and that there had been less opportunity of solving the problems of developing countries. There had not been a sustained effort to give particular attention to the desiderata of less-developed countries in the spirit of Part IV. He hoped that attention could be given to the problems of the developing countries in the course of the next few days making it possible for them to feel that Part IV had been implemented.

6. The representative of Peru wished to express his gratitude to the major participants in the negotiations for the decision to extend the period of substantive negotiations up to 14 May. This would afford more time to solve the problems of all concerned. He extended his appreciation to the Director-General and to the Chairman of the Sub-Committee for the important part they were playing in the final stages of the negotiations. He wished to stress, however, that an extension of the time-limit for the negotiations had not been possible when less-developed countries had asked for it. This reprieve should be used by developing countries to further their bilateral contacts and by developed countries to pay the greatest attention to the requests made to them, such as immediate implementation, more than 50 per cent cuts and maintenance of initial offers.

7. The representative of Chile said that, in his capacity as Chairman of the Committee on Trade and Development, he fully agreed with the closing phrase of the statement submitted by the representative of India that the developing countries

were left with the impression that their problems had not received the priority or the attention they deserved. He stated that it was evident that the trade negotiations were facing a critical situation because the principal trading nations were encountering serious and explicable problems in their mutual negotiations. In the last days of intensive negotiations, these problems had taken up all the time available to them. There had not been time enough to give attention to the requests of the developing countries; requests that, though modest, affected the greater part of the world population. The situation now was such that bilateral talks at a technical level could not influence the positions taken by industrialized countries in respect of the products of interest to less-developed countries. The only possibility left was to depend on the political goodwill of industrialized countries. All other avenues had been explored.

8. The representative of the European Economic Community said that in so far as the Community was concerned, no withdrawal of offers was intended but if, unfortunately, it had to take such action, special care would be taken to affect as little as possible the interest of less-developed countries. He stated that although much publicity had been given in the last days to the negotiations going on between developed countries, it did not mean that the interests of less-developed countries had been accorded a lesser priority. In fact, at the same time as these negotiations were being held, his delegation had had bilateral contacts with delegations from less-developed countries, in order to try to meet the specific requests made to the Community. He wished to state that all efforts were being directed to this end.

9. The representative of Uruguay said the trade negotiations had not really complied with the new spirit that the Ministerial Declaration of 1964 and Part IV had imposed on GATT. Developing countries had had the feeling, throughout the negotiations, that they were marginal elements and that if they did obtain concessions, it was only as a result of what was agreed amongst others. His delegation wished to endorse what had been said by other representatives of developing countries on this matter and state that, in so far as his country was concerned, it would feel free to take any trade policy measure consequent with the defence of its interests and that of other developing countries.

10. The representative of the United States said that his delegation had made very important offers on items of particular interest to developing countries and had spent much time in the last years discussing these problems with the interested countries. He hoped that in these final days any delegation which had any specific problem would contact his delegation. The United States had had bilateral talks with developing countries in the past days and wished to continue them so as to explore the possibility of improving its offers. Certain of their initial offers which had to be withdrawn could be reinstated if other developed countries did likewise.

11. The Chairman pointed out that it was up to individual participants to utilize the remaining days of the negotiations to solve as many of their problems as could possibly be done in a spirit of common effort. He wished to place quite clearly on record that irrespective of how concerned the secretariat had been with other sectors of the negotiations, not a day had passed without assistance being given to less-developed participants and attention afforded to their problems. The Chairman said that this would be the last meeting of the Sub-Committee before the substantial part of the negotiations were finished. He would convene a further meeting of the Sub-Committee at an appropriate time to take up the outstanding points on its agenda, such as the advance implementation.