

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Trade Negotiations Committee

PROCEEDINGS OF THE TENTH MEETING

Held at the Palais des Nations, Geneva,
on 18 March 1965

Chairman: Mr. E. WYNDHAM WHITE

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1. Progress report by the Chairman

The Chairman recalled that it was nearly four months since the Committee had last met. Much had happened in the meantime, and it might therefore be helpful, and enable the Committee to take stock of where the negotiations now stood, if he were to make a report to it on the position which had been reached.

2. The Chairman added that in his report he would keep to the traditional division of the various elements in the negotiations; as, however, the work developed, those elements would increasingly fuse together, and in the final stages the negotiations, if they were to achieve anything like the ambitious objectives Ministers had set for them, would be concluded not piecemeal but in their totality.

(a) Tariff negotiations

3. It had been agreed at the Ministerial Meeting in May 1964 that the figure of 50 per cent should be adopted as the working hypothesis for the depth of the linear tariff cut and that exceptions lists should be tabled on the basis of this hypothesis. On 16 November 1964 the countries participating on the basis of the linear cut had tabled their lists. Several of those countries had indicated that, subject to reciprocity, they were proposing to make no exceptions at all in the application to their tariff of the linear cut; five other participants had submitted lists of items which they proposed to except from the linear cut.

4. In addition, the countries participating on the basis of the linear cut had also indicated the basis on which they proposed to apply the cut - in large part a technical question relating for example to what the base date would be for the reduction of tariffs - and also their definition of the field to which the linear cut should apply, or, to put it another way, their definition of the products which they felt should be dealt with in the industrial negotiation. Those notifications, taken together with the exceptions lists, constituted what was in effect the offer which the countries concerned were making on their industrial tariff. So much attention had been given to what was, after all, the somewhat limited problem of the exceptions lists, that he felt it might put what had happened in a better perspective if he pointed out that those offers far exceeded, in commodity coverage and in the depth of tariff reductions offered, anything which had previously been made in international negotiation; that several countries had offered a 50 per cent cut in the whole of their tariff, and that the major participants in the negotiations had offered such a cut on what, without giving any secrets away, he could safely say was the major part of their industrial tariff.

5. It had been agreed from the beginning that the exceptions should be the minimum necessitated by reasons of overriding national interest, and that they should be subject to justification on that basis. Following the agreement reached in the Trade Negotiations Committee on 18 November 1964, a group consisting of the countries participating on the basis of the linear offer had met between 18 January and 12 February to conduct the justification process. The group discussion was now being followed by a period during which individual delegations could, by direct contact with one another, follow up in more detail particular points which arose in the group.

6. The Chairman said that the countries which had not participated in the justification process would certainly be interested to know what it had achieved. In answering that question, his remarks would be relevant also to the examination which the Sub-Committee on the Participation of the Less-Developed Countries proposed should take place in the early summer, of exceptions of interest to less-developed countries. The result had not been to establish that some exceptions were justified and some were not. No participant had included items on its list thoughtlessly, and decisions that the inclusions of some items were

quite simply unjustified were hardly to be expected. What had been achieved, and what it could be expected that the later examination of exceptions of interest to less-developed countries would achieve, was this. First the decisions each participant had taken in drawing up its exceptions list had been exposed to severe questioning and challenge, and each of the participants in question had no doubt begun, and would continue, to consider how far they could meet the various points which had been raised. Secondly, the discussion had, by elucidating the difficulties which had led to products being put on the list, given some feeling of what the possibilities for negotiation were and had therefore prepared the ground in an important way for the negotiations proper.

7. It was the last feature to which he personally attached great importance, and it was in that way that he thought those discussions would lead - imperceptibly perhaps, and without any dramatic decision that one stage was over and a new stage begun - to the real negotiation. And, of course, as the procedures relating to the non-linear countries came into effect, the negotiation would not be limited to the linear countries, but would gradually extend to cover all the participating countries.

8. At the stage of real negotiation, a great deal would clearly have to be left to direct contact between individual delegations. At the same time, however, it must not be forgotten that the negotiation was a multilateral one and that the best results would not be achieved if simply a series of bilateral agreements emerged under which each country would balance the benefit it received from each other participant against the benefits it was prepared to give to that participant. It was partly for that reason that the Committee and its various Sub-Committees must be kept in being. But in addition he proposed to convene group discussions from time to time when problems had arisen which were more easily sorted out in group discussion rather than bilaterally.

(b) Agriculture

9. At past meetings of the Committee, the Chairman said, when he had turned from the industrial to the agricultural side, the tone of his remarks had changed from one of considerable hope to one of extreme despondency. But at the present meeting his despondency could at least be a little tempered. He had been in close contact with a large number of delegations on the issues involved and now for the first time he thought that the Committee was in sight of making a real start on the agricultural negotiation. The details of the proposals before the Committee were set out in document TN.64/39 which was to be discussed under item 2 of the agenda.

(c) Non-tariff barriers

10. Just before the summer recess 1964, the Sub-Committee on Non-tariff Barriers had established a number of Groups to deal with particular barriers, and these Groups had held their first meetings. The discussions in these Groups had shown that some of the problems involved were more appropriate for bilateral discussion than group discussion, and such bilateral discussions had been proceeding. As regards certain other problems there had been no further activity, not because any particular difficulties had arisen, but because it had been recognized that they were so related to certain other sectors of the negotiations - for example, the tariff negotiations - that further discussion on them was best left until more progress had been made on those other aspects of the negotiations.

(d) Tropical products

11. The Chairman recalled that the Committee had decided at an earlier meeting that the Special Group on Trade in Tropical Products should be incorporated in the trade negotiations machinery. So far no procedural rules for the discussion of tropical products in the negotiations had been drawn up. The Nordic countries had, however, presented to the present meeting of the Committee an important proposal for the reduction or elimination of barriers to trade in tropical products, which would be discussed at a later stage of the meeting. The Chairman suggested that in those circumstances the Special Group should be reactivated and its composition reviewed.

(e) Less-developed countries

12. The Committee would be discussing under a later item on the agenda a specific plan for the participation of the less-developed countries in the negotiations and the Chairman only wished to say that, if a plan along those lines could be agreed upon, those less-developed countries which intended to participate in terms of the principles laid down in the Ministerial Resolution of 21 May 1963 and of the Conclusions embodied in the Ministerial Resolution of 6 May 1964, would now be able to play a full part in the negotiations.

(f) Special structure countries

13. The procedures for the participation in the negotiations of the countries (Canada, Australia, New Zealand and South Africa) which it had been agreed fell into the category of countries with a special economic or trade structure in the terms of the Ministerial Resolution of May 1963, had been agreed some while ago. Under those procedures Canada had already tabled a list of the offers of trade concessions it was prepared to make on its side, and generally he did not think any problem arose on the integration into the negotiations of that group of countries.

(g) Other countries

14. There were a number of other countries which had indicated their wish to participate in the negotiations, but for whose participation the Committee had not yet made final provision. One of those countries was Czechoslovakia, a second was Poland. Another group consisted of countries such as Greece, Turkey, Portugal and Spain. And finally there were countries - Argentina, Iceland, Ireland, Tunisia, United Arab Republic and Yugoslavia - which were seeking accession. The Committee was to deal later in the meeting with the problems in the case of each of those countries and he only wished to say that he could see no reason to suppose that the Committee could not make the necessary arrangements for their full participation in the negotiations.

2. Procedures for the negotiations on agriculture (TN.64/39)

15. The Chairman said that the proposals for the negotiations on agriculture contained in document TN.64/39 were the results of consultations on the basis of an earlier proposal (TN.64/AGR/W.1). He called the attention to the provisions for explanatory discussions in paragraph 3(d), which were a new feature, not included in the original proposal. There had also been some changes in the time-table; the date for the submission of offers had been postponed from 1 April to 16 September. He would suggested a further change in the time-table: the date for the tabling of proposals and for the resumption of the negotiations on grains should be postponed from 12 April and 3 May to 26 April and 17 May. He further suggested that the words "similar proposals and offers" in paragraph 3(b) should be amended to read "the proposals and offers", the proposals and offers relating to meat and dairy products not necessarily being similar to those relating to grains.

16. The representative of New Zealand, in commenting on the proposed substitution in paragraph 3(b) of "the" for "similar" expressed the view that any confusion would be even more clearly removed if the same wording as in paragraph 3(a) were employed. The first sentence would then read: "As regards meat and dairy products specific proposals, including concrete offers ...". The Chairman said that the amendment proposed by him was not intended to alter the substance of the proposal. He would prefer to change the text as little as possible. The representative of New Zealand said that he took it that it was accepted that the "offers and proposals", however described, were to be of a kind designed to achieve the objectives of Ministers as repeated in paragraph 1. The representative of Uruguay shared the opinion expressed by the representative of New Zealand. The Chairman confirmed that all offers and proposals referred to should be designed to achieve the objectives of Ministers and that the provisions of paragraphs 1 and 2 therefore related to all the proposed procedures which followed.

17. The representative of the United States and of Japan said that they were prepared to accept the proposals contained in TN.64/39 with the amendments proposed by the Chairman.

18. The representative of the European Economic Community said that he was also prepared to accept the proposals. He added that the members of the Committee would recall that the Community had at several occasions in the past taken up the question of creating a Group on Vegetable Oils and Seeds. He did not intend to propose formally at the present meeting the creation of such a group but he reserved the possibility to make such a proposal later on. The Community would for the time being await the development of the discussions foreseen under the procedures to be adopted and assumed that the Committee would be prepared to consider a proposal in the sense indicated at a later moment. The Chairman said he noted the declaration of the representative of the Community. It was clear that the Community was free to make such a proposal whenever it wished and that the Committee would then examine the proposal submitted to it.

19. The representative of Sweden said that his delegation was prepared to accept the proposals in principle although it had only had a limited time to study them, and although the proposals on some important points did not agree with the views held by his Government. Sweden would have liked to see a definition of agricultural products agreed upon by all participants before the beginning of the negotiations. It also felt that it would have been useful if the elements to be covered by the negotiations had been agreed upon before a date was set for the submission of offers; it was to be feared that the proposed procedure would lead to offers of a very varied character and thus to very complicated negotiations. With regard to the negotiations to be carried out in the Groups he had also been instructed by his Government to give some comments. Sweden would like to understand that the final result of the work which was going to be carried out in these Groups, i.e. the proposal for a text of an agreement, would be reviewed in the Committee on Agriculture or the Trade Negotiations Committee before it was finally adopted. The result of the preliminary work in the Groups on the identification of elements to enter into the negotiations should also be discussed in a committee. Those contracting parties which did not take part in the deliberations in one or more of the Groups would thereby be in a position to keep informed of conclusions reached in those Groups and have an opportunity to express their views on those elements and take part in the final decision. At the time when those elements were taken up for final consideration, the Trade Negotiations Committee should also set a time-table for the notification of offers by the countries which were not members of the Groups. The Chairman, referring to the footnote to paragraph 3(a) and to paragraphs 3(c) and 6, which he felt should cover some of the points raised by the representative of Sweden, said that it was in no way the intention that any countries interested in a certain problem should be excluded from the discussions. The conclusions reached in the Groups would be examined by the Committee on Agriculture. It was his understanding, and this was confirmed by the Committee, that the suggestions made by the representative of Sweden were covered by the procedures and provisions of TN.64/39. With regard to the definition of agricultural products he said that the proposed procedure should make it less important; all products would be subject to the same kind of offers procedure, and their exclusion would have to be justified.

20. The representative of Norway asked whether paragraph 3(c) was intended to cover fish and fish products. The Chairman replied that, if a country indicated that it considered fish products to be agricultural products, they would fall under paragraph 3(c). Otherwise they would be considered as industrial products and fall under the industrial negotiating rules. The representative of Norway said that he did not consider the definition in paragraph 3(c) to fit particularly well in the case of fish; for the time being, however, he only wished to request that it should be recorded that the date for the tabling of offers on fish and fish products, to the extent that they had not already been included in the industrial offers, should be 16 September. The Chairman confirmed this and said that it might be useful to have in the Committee a discussion on how negotiations on fish should be conducted.

21. The representative of Switzerland said that his Government considered that the proposals for the negotiations on agriculture were sensible. Switzerland was prepared to make its offers on cereals on 26 April and to take part in the ensuing negotiations, as well as in the preparatory work in the other groups. He underlined that the contribution that Switzerland was prepared to make in the agricultural negotiations was dependent upon the offers that the other participants were prepared to make on products of export interest to Switzerland.

22. The representative of Finland said that his delegation was able to accept the proposal as a whole, but it would point out that, since the "other products" mentioned in paragraph 3(c) of the proposal were partly derivatives of those products for which negotiations were foreseen under paragraphs (a) and (b), it was important that the countries which were not taking part in the work of the groups were kept well informed about the proceedings there. The Chairman said that it was his understanding that this would be the case; he referred to his reply to the suggestions made by the representative of Sweden (cf. paragraph 19 above).

23. The proposals for the negotiations on agriculture as contained in document TN.64/39, with the amendments proposed by the Chairman (cf. paragraph 15 above), were adopted.¹

24. The representative of Australia said that the procedures just adopted constituted an important multilateral engagement, which was the result of discussions between the main participants in the negotiations. The countries which had not taken part in the discussions had had a rather limited time to study the proposals, which represented a delicately balanced agreement. It did not fully meet the requirement that there should be parallelism between the negotiations on agricultural and industrial products. Australia was, however, prepared to table its offers on both agriculture generally and on industrial products on 16 September. The offers would be consistent with the Ministerial Decisions as recorded in MIN(63)9, TN.64/27 and TN.64/SR.5 and would be formulated on the basis of Australia's affording full reciprocity for meaningful concessions in agriculture which Australia expected other countries to submit in accordance with the Ministerial Resolutions. The procedures called for submission of specific proposals on cereals by 26 April. Australia had in mind to submit proposals covering the whole range of issues involved in the cereals negotiations and incorporating proposals relating to obligations appropriate to cereals exporting countries. In the light of those comments, Australia could endorse the acceptance of the procedures by the meeting.

¹The proposals as adopted are reproduced in document TN.64/39/Rev.1.

25. The representative of the European Economic Community said that the Community had accepted the proposals contained in document TN.64/39. The Community wanted to make it clear that, when deciding on the contents of its offers, it would take account on one hand of the results of the negotiations on cereals and the confrontation of the agricultural policies referred to in paragraphs 3(b) and (d) of TN.64/39 and on the other hand of the state of progress of the work in the Community on the elaboration of the common agricultural policy. It would probably be superfluous to state that, whatever would be the contents of the offers the Community was going to make on 16 September, the maintenance of the offers would depend on the offers of the partners and particularly on the degree of reciprocity. With regard to the relevant elements that should enter into the negotiations the Community recalled that, in its opinion and subject to the results of the discussions foreseen in paragraph 3(d) of the document, all elements of support were relevant. The representative of the EEC remarked that the exceptions foreseen in paragraph 4 - which dealt with cases where no offers were made - should really have an exceptional character.

26. The representative of Denmark said that he had accepted the proposed procedures although he had hoped that formal negotiation rules could have been agreed. He hoped that all participants would comply with the rules and include in their agricultural offers all products not covered by the industrial negotiations. The Danish offers would be conditional on satisfactory results within the agricultural sector.

27. The representative of Japan stated that agricultural products should be viewed and dealt with as a whole, and offers on them should also be evaluated as a whole, even though specific proposals on cereals might for technical reasons precede those on other products. He further stated that Japan, in accordance with this proposal, would be prepared to make offers in the form of positive lists on the dates stipulated in the proposal, taking into consideration the special characteristics of Japanese agriculture.

28. The representative of the United States said that it was gratifying that after long discussions the Committee had been able to agree on rules for the agricultural negotiations. It represented an important step in implementing the Ministerial Resolutions. His delegation was able to agree with most of what had been stated by the representative of the EEC and the exporting countries. The importance which his Government attached to the provisions of paragraph 3(d) in fact applied equally to all the steps and procedures provided in the document. The United States would be ready to make the most comprehensive offers possible on the dates fixed. He expressed the hope that other countries would also do their utmost to make maximum offers; the negotiations would be a success only if all participants made such an effort. In considering reciprocity it was necessary, he pointed out, to take into account not only the results in the agricultural sector but all the elements of the trade negotiations.

29. The representative of New Zealand said that he hoped that the important decision just taken meant a move away from the frustrating atmosphere that had characterized the agricultural discussions during the past two years. While from the New Zealand viewpoint there were some deficiencies in the procedures contemplated, they were acceptable to New Zealand. New Zealand would pay fully for concessions received. He noted that New Zealand had been prepared to go along with the proposals earlier made by the Executive Secretary (TN.64/AGR/W.1) though it might not have been possible for one major participant to accept the timing envisaged. He hoped that the future proceedings in the agricultural field would consist in genuine negotiations rather than in abstract discussions.

30. The representative of Argentina said that in accepting the adoption of the proposals contained in document TN.64/39, for their merits as a balanced compromise, his Government wished to make it clear that it had adopted them on the assumption that its participation in the agricultural negotiations of the Kennedy Round would be according to the special criteria established by Ministers in May 1963 for less-developed countries and the principles and objectives of Part IV of the General Agreement.

31. The Chairman said that arrangements would be made for an early meeting of the Committee on Agriculture in order to work out procedural rules consequential on the proposals just adopted. Dates for meetings of the Meat and Dairy Groups would also be fixed as soon as possible.

3. Report by the Sub-Committee on the Participation of Less-Developed Countries (TN.64/41)

32. The representative of the United States said that his Government supported the report. It was gratifying that a plan for the participation of the less-developed countries in the negotiations had been agreed upon. The Kennedy Round would be a major means of improving the trade position of these countries. He asked for confirmation from the Chairman that paragraph B.2 of the report could be interpreted as leaving it open to a developed country to decide whether a specific offer by a less-developed country constituted an acceptable basis for opening negotiations with that country.

33. Representatives of less-developed countries pointed out that this was implied in any negotiation and it would be open to less-developed countries also to judge that the offers made to them by a developed country were not a valid basis for negotiations. It was agreed to add to the report a new paragraph B.6 reading: "With reference to paragraphs 2 and 5 above it was further understood that each participant will have the right to decide whether a basis for negotiation exists".

34. The report as contained in document TN.64/41 with the addition of the new paragraph B.6 as indicated above was adopted.¹

¹The report as amended is reproduced in document TN.64/41/Rev.1.

4. Participation of certain contracting parties not falling into the category of the linear countries or the countries with a special economic or trade structure

35. The representative of Greece recalled that his delegation had already submitted a statement concerning the participation of Greece in the trade negotiations (TN.64/37). He said that Greece had undertaken in its Association Agreement to align its tariff to the Common External Tariff of the EEC in accordance with a fixed time-table. The reductions in the Common Tariff resulting from the Kennedy Round would have serious repercussions on the Greek economy as the Greek tariff was higher than the Common Tariff and the alignment thus would be made towards a lower level than originally foreseen. Those repercussions would not make themselves felt only in the distant future when the alignment was carried out but as soon as the Kennedy Round reductions entered into force. Greece would thus make tariff reductions not less substantial than those of other participants and would in practice apply the linear rule with the only difference that the cuts would be spread out over the full transitional period of the Association Agreement and not only over the period foreseen for the staging of the Kennedy Round reductions. A result of the fact that the Greek tariff reductions were consequences of the EEC reductions was that Greece was practically excluded from the possibility of submitting an exceptions list of its own, taking into account the Greek national interests. Greece was in that respect in a less favourable position than the other participants. Taking its positive offers into account Greece considered itself entitled to benefit from the results of the negotiations, not only in its capacity of participant offering a linear cut but also in its capacity of developing country as defined in paragraph 3(c) of the Ministerial Resolution of 21 May 1963.

36. The Committee agreed that Greece should be accepted as a full participant in the negotiations on basis of the proposal made in TN.64/37.

37. The representative of Turkey said that it had not yet been possible for his Government to define the basis on which it would participate in the negotiations. A decision would, however, be taken in the very near future.

38. The representative of Portugal, recalling the exposé made before the Committee by the Portuguese Minister on 4 May 1964, informed that his Government was preparing a list of offers which would form a reasonable basis for participation in the Kennedy Round negotiations, in which the basic criteria were fortunately different from those prevailing in previous GATT tariff reduction exercises. It was expected that the list would be submitted by 1 July 1965. Portugal would take as active a part in the negotiations as it possibly could, but its participation would of course depend on the offers, mainly regarding the Portuguese traditional exports, it received from the industrial countries. The Chairman said that Portugal would be considered as a full participant in the negotiations as from the date of the submission of its offer.

39. The representative of Spain recalled that the Spanish Minister had pointed out at the Ministerial Meeting in May 1964 that his country was in a special situation because of its particular economic structure and degree of development. On the one hand Spain was a developing country whose industry needed an adequate tariff protection which did not allow it to reduce its tariffs in the same manner as the industrialized countries. On the other hand it was a country which depended, because of the special structure of its foreign trade, to a large extent on its exports of agricultural goods, particularly of the Mediterranean type, to the main industrialized countries in Europe. In order to obtain in the negotiations a balance between the gains and the concessions as the Ministers agreed in May 1963, the rules for the negotiations on agriculture must foresee the removal of the barriers - tariff and non-tariff - which blocked the access to the traditional markets for the Spanish agricultural products and which hindered an expansion of its production and exports, essential in order to eliminate the chronic and increasing deficit in the Spanish balance of trade. In summary, Spain adhered to the philosophy and the principles inspiring the Kennedy Round. On the basis of a balance between advantages and concessions, and of a reciprocity which should not be strict but take the degree of its economic development into account, Spain would prepare a selective list of offers which would be presented when the rules and procedures to govern the agricultural negotiations were known and Spain thus would be able to evaluate the advantages it would derive from the trade negotiations. The Chairman said that Spain would, after having submitted its offer, be considered to be a full participant in the negotiations.

40. In reply to a question the representative of Israel said that his Government would be submitting, on 15 April, a notification on their participation in the negotiations.

41. The Chairman recalled that Czechoslovakia had tabled its offers on 16 November 1964 and asked whether it could be considered as a full participant on the basis of those offers. The Committee agreed that Czechoslovakia should be considered as a full participant in the negotiations.

5. Arrangements for participation of countries seeking accession

42. The Chairman said that the task of the Committee was to arrange for the participation in the negotiations of the countries seeking accession: Argentina, Iceland, Ireland, Tunisia, the United Arab Republic and Yugoslavia. He suggested that the simplest procedure would be for each of those countries to notify him at an early date of the date and of the basis on which they were prepared to submit their offers.

43. The representative of Iceland said that his Government proposed to participate in the tariff negotiations on the basis of a non-linear offer for tariff reduction. The decision had been taken in view of the tariff structure and the character of the Icelandic economy. Icelandic tariffs were generally high with an average tariff incidence of 25 per cent in 1963. In spite of that, 17 per cent of the 1963 imports had been duty-free and 8.6 per cent had carried an insignificant specific duty. However, half the total imports had carried duties of 35 per cent and higher. The tariffs had originally been levied for revenue purposes but through the years some of the rates had become protective as home market industries had emerged under the shelter of the high tariff wall. With that type of tariff structure it was not hard to understand that there was a

greater need for an over-all revision of tariff rates rather than a general linear reduction. Already the Government was taking steps to reduce the high tariff. In 1964 some tariff reductions had been made and further reductions were being considered. The Government intended to continue its efforts in this field and trusted that the success of the present tariff negotiations would facilitate that process. It was the intention of the Icelandic Government to match fully the benefits extended to Iceland through the GATT negotiations. As a base date for any tariff reductions which might be undertaken as a result of the negotiations, the Icelandic Government proposed 5 March 1964, the date of approval of Iceland's provisional accession. By selecting that base date Iceland proposed to take account of tariff reductions carried out before the conclusion of negotiations thus anticipating the benefits of the present tariff negotiations. It was not yet possible to state precisely what offer Iceland could make, as long as the Committee had not agreed on negotiating rules for the fisheries sector. Over 90 per cent of Icelandic exports consisted of fish and fish products, and it was consequently of vital interest to Iceland that the negotiations included those products. In discussions which had taken place since Iceland acceded provisionally, it had had an occasion to state that the trade problems of the fisheries should primarily be solved on the basis of general tariff reductions. The Icelandic Government hoped that its view would be shared by others and would be reflected in the offers which would be made for the fisheries sector. When such offers had been made, Iceland would be in a position to table its own offers along the lines which he had indicated.

6. Participation of Poland

44. The Chairman recalled that on 29 June 1964 the Sub-Committee on Non-Tariff Barriers had set up a special group to examine, on the basis of a note by the delegation of Poland (TN.64/NTB/15), the request of Poland to participate in the negotiations. The Group had drawn attention to certain points where further elucidation was needed. Some of those had been elucidated in informal discussions between delegations.

45. The Chairman proposed that the Committee should formally invite Poland to submit an offer at an early date on the understanding that Poland would, as from the tabling of the offer, become a full participant in the negotiations. This was agreed. The representative of Poland said that his Government would submit its offers on 1 April 1965.

7. Procedure for discussion of tropical products (TN.64/40)

46. The Chairman recalled that it had been decided that the Special Group on Tropical Products should be included in the Kennedy Round machinery. There had, however, not been any discussion on the rules for the negotiations on those products. It was therefore gratifying that the Nordic countries had suggested a procedure which had been circulated in TN.64/40.

47. The representative of Sweden introduced the joint proposal by the Danish, Finnish, Norwegian and Swedish Governments. His statement has been reproduced in full in TN.64/W.4.

48. The representative of several less-developed countries (India, Brazil, Nigeria, Ivory Coast and Indonesia) expressed their appreciation of the proposal, which in their opinion would be a valuable basis for further discussions. They pointed out, however, that the proposal by no means covered all problems in relation to tropical products, including the existence of preferences.

49. The representatives of the United Kingdom and of the United States shared the appreciation of the proposal and thought that it would be a good basis for further negotiations. The representative of the United Kingdom said, with reference to the last sentence of paragraph 2 of the proposal, that it would be necessary that a fairly large group of industrialized countries were prepared to take the same measures at the same time.

50. The representative of the European Economic Community said that he had taken note of the proposal of the Nordic countries; the Community reserved its position and would examine the question at a later date.

51. The representative of Brazil asked if the secretariat would be in a position to prepare the list of tropical products mentioned in paragraph 1 of TN.64/40. The Chairman said that the secretariat would do that.

52. It was agreed that the terms of reference of the Group on Tropical Products should be "to pursue further the question of trade in tropical products with a view to working out arrangements and procedures for their treatment in the trade negotiations". The membership would consist of the countries which were already members: Brazil, Cameroon, Ceylon, EEC, Ghana, India, Indonesia, Ivory Coast, Nigeria, Sweden, the United Kingdom and the United States, and of the following new countries: Canada, Denmark, Dominican Republic, Jamaica, Japan, Peru and Portugal. The African States, associated to EEC, not yet members of the Group, were invited to consult with the Chairman regarding their participation in the Group.

The Chairman said that arrangements would be made for the Group to meet as soon as possible.

8. Release of documents

53. The Chairman proposed that the documents relating to the negotiations on agriculture (TN.64/39) and to the participation of less-developed countries (TN.64/41) should be released immediately because of the great public interest in those items. This was agreed.