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Trade Negotiations Committee

PROCEEDINGS OF THE THIRTEENTH MEETING

Held at the Palais des Nations, Geneva,
on 8 July 1966

Chairman: Mr. E. WYNDHAM WHITE

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1. Review of the progress of the negotiations

1. The Chairman recalled that on 3 January he had transmitted to the governments of all the countries participating in the Kennedy Round a report outlining the steps which had seemed to him to be necessary in order to bring the negotiations to a successful conclusion in the early part of 1967. No government had taken any formal position with respect to this report. But the programme set out in the report had, in practice, been generally accepted as the working basis for the negotiations. Many of the steps which he had then suggested had been taken some time after the target date proposed, whilst some important steps remained still to be taken.

2. He had pointed out that precise initial offers had not yet been tabled by certain participants on all industrial products on which they had indicated that they were prepared to negotiate. These offers had, in the interval been, or were about to be, tabled. This had inter alia created the possibility of activating negotiations in such sectors as pulp and paper, chemicals, aluminium and steel. The negotiations on these products had been, or would shortly be, actively engaged bilaterally or multilaterally or by a combination of bilateral and multilateral techniques.

3. He had also indicated that countries other than those participating on the basis of a linear reduction should specify the initial offer that they would make and that all these countries become fully integrated into the negotiating process. This condition had, by and large, now been achieved.

4. He had also suggested that it was desirable that participants define their position with regard to the special offer made by Poland and to the negotiating proposals of Czechoslovakia. In these matters little progress had taken place and he hoped that these questions could be actively pursued in the coming weeks and at the latest when active work was resumed in September.

5. He had made certain suggestions for the procedure to be followed with respect to cotton textiles. In the meantime a pragmatic basis had been established for continuing these discussions on a bilateral basis without awaiting the outcome of the pending discussion of the fate of the Long-Term Arrangement. The result of the discussion on this latter point would clearly have important repercussions on the scope of tariff reduction in the course of the present negotiations.

6. The major lacuna had, however, been the absence of comprehensive offers on agricultural products. He had suggested that it was indispensable that specific offers be tabled on a fixed date which should not be later than 30 April. This had proved incapable of fulfilment but he had some confidence that such offers could now be expected to be put forward at the latest by the end of this month. This appeared to him to be the latest possible date if they were to achieve their objective. Such a move would make it possible to engage in intensive and continuous negotiation on agricultural products from the beginning of September. He hoped it would be the consensus of the Committee that this decisive step - by all the governments concerned - would in fact be taken by the end of July. In one important agricultural sector an earlier start could be made. All the principally interested countries had tabled proposals on the various elements which had been defined as relevant to the negotiation of a cereals arrangement. Discussion on cereals would, therefore, be resumed already later in July.

7. They had also now received all the offers on tropical products and a representative group of interested governments would review these offers at a meeting the following week.

8. He had also in his report laid particular emphasis on the participation of the less-developed countries in these negotiations, a point to which he had subsequently reverted in a statement before the CONTRACTING PARTIES at their last session, and he would like to recall the terms in which he had dealt with this

point when he had defined as the second major objective of the Kennedy Round "a series of activities to meet the urgent trade and economic development problems of less-developed countries" and had suggested that special responsibilities rested on the shoulders of the more highly developed countries which had, in the Ministerial Resolutions on which the trade negotiations were based, committed themselves specifically to making use of the negotiations to contribute in a substantial way to the solution of these problems.

9. The long delays which have intervened in the progress of the negotiations had, he knew, occasioned concern to some of these countries lest their problems be set aside and receive insufficient attention. It was high time that the desiderata of the less-developed countries should be given more concrete form. They had been expressed to him in general terms under a number of headings: first, the elimination from exceptions lists of products of special interest to the less-developed countries; secondly, reduction of duties on these products beyond the 50 per cent which was the general working hypothesis; thirdly, accelerated application of the reduction agreed upon on these products, by exempting them from the phasing which was proposed for the tariff reductions in general, fourthly, an effort to maximize reduction of tariff and non-tariff barriers on tropical products; and fifthly, for some countries, consideration of the problem of compensation for loss of preferences consequent upon reductions in most-favoured nation rates of duty. It must, he thought, be their endeavour in the coming weeks and months to translate into more specific terms, and in particular into terms of particular products of export interest to the less-developed countries, these desiderata expressed in general terms.

10. This was the general picture of the state of the negotiations as he saw it. The participating countries were now in a position to enter into the decisive negotiating stage. He felt they could do so with confidence, but also with a full realization of the intensive effort which was required if they were to pull it off.

11. He suggested that the period of intensive negotiation, beginning immediately after a brief recess in August, should be directed towards building up a position of maximum negotiating opportunities which would provide the basis on which the participating governments could, by the middle of November, reach an assessment against which they could reconsider their initial negotiating position. The fruits of these assessments and reconsiderations would then be shared with the other negotiators so that by, say, the end of November governments would be in a position to consider, against a comprehensive background, the negotiating instructions with which to equip the negotiators for the final bargaining stage, which he envisaged starting in mid-January and hopefully leading to an overall and positive settlement in the following weeks.

12. With full consciousness of the magnitude of the task he had outlined he nevertheless presented this programme with some confidence to the Trade Negotiations Committee because he sensed that governments of all participants were imbued with a determination to bring the negotiation to a successful conclusion within the few remaining months that lay before them.

13. The representative of the United Kingdom said that his delegation agreed in general with the Chairman's statement. They attached a high degree of importance to three points. The first was the time-table for the remaining part of the trade negotiations. His delegation felt that without laying down hard and fast rules, if the negotiations were to be successful they had to be concluded in the early months of 1967 and the bargaining stage involving the specific modification of offers had to begin by the end of November at the latest. The second point, which was linked to the first, related to the tabling of offers. He appreciated the difficulties that existed in the agricultural sector, but expressed the hope that outstanding offers would be tabled by the end of the month. This was of cardinal importance not only for the whole negotiating time-table but also because agriculture must be included as an integral part of the end result of the negotiations. The third point related to the participation of the less-developed countries. Some of these countries seemed to feel that this aspect of the negotiations had been neglected or even ignored. But there might be some misunderstanding on this point. The United Kingdom and other developed countries had been active in discussing with developing countries the latter's problems. However, because of the structure of their trade, many less-developed countries could become fully engaged in the negotiations only when offers were tabled on agricultural products. This phase in the negotiations seemed to be approaching. Offers on tropical products had been tabled; a start could be made on those offers and work intensified in September. The trade negotiations must result in substantial progress for the less-developed countries, otherwise it would not be a success. In conclusion the representative of the United Kingdom expressed his qualified optimism that negotiations in all sectors could be concluded within the time period referred to by the Director-General.

14. The representative of Japan said that his delegation could accept the Director-General's conclusions and suggestions on the time-table for the negotiations. His delegation was fully conscious of the importance attached by less-developed countries to the need for an expansion of their trade and his Government would give serious consideration to the requests of the less-developed countries. He emphasized that a practical and realistic approach was necessary and concluded by expressing the hope that those countries would find it possible to define their contributions to the objectives of the negotiations in a more concrete manner.

15. The representative of the United States said that, as regards the time-table for the remaining part of the negotiations, his delegation was in complete agreement with the Director-General. The tabling of full agricultural offers before the summer break was the key to success. His delegation was prepared to complete its offer by that time and he hoped that others would do the same. He agreed that intensive and continuous negotiations should begin in September, that participants should be able to make an overall assessment of the negotiations by November and that the final bargaining should start in January so that the negotiations should be concluded in the early months of 1967. His delegation regarded this as a tight but realistic time-table. With regard to industrial products, it was essential that the full 50 per cent cut was applied to as wide a sector as possible. He emphasized that his delegation regarded the complete inclusion of agriculture as an absolute necessity. With regard to cereals his delegation was not pessimistic. With regard to other agricultural products it was essential that important concessions were exchanged on temperate agricultural products. His delegation regarded as of crucial importance the finding of solutions to the problems of the less-developed countries and the Kennedy Round as an important opportunity for all of us. There were on the table offers of great interest to less-developed countries and his delegation had asked these countries to indicate their negotiating desiderata in concrete terms. His delegation was prepared to review its offers to ensure that less-developed countries obtained the maximum possible results. He stressed the importance of the forthcoming meeting on tropical products for the improvement of offers in this area. He recalled also that his delegation had made important offers on cotton textiles and said that this sector should be included with major concessions in the Kennedy Round. He recalled that it had been agreed to include non-tariff barriers in the negotiations, that delegations had specified the non-tariff barriers on which they wished to negotiate and that one or two of these barriers were under examination. His delegation was prepared to do its share in this area but said that any participant would find it difficult or impossible to move if others did not do the same. In conclusion he said that he had taken note of the fact that continuous and intensive negotiations would be necessary starting this month and continuing after the summer break. His delegation would be present; it was essential that all delegations should be.

16. The representative of the European Economic Community agreed that a time-table as indicated by the Chairman was necessary if the negotiations were to be brought to a speedy conclusion. He had taken note of the Director-General's wish to see agricultural offers on the table and said that they had taken all necessary steps to accelerate their work and hoped to present their offers within the time-limit mentioned. He went on to say that they realized the importance of the problems of the less-developed countries. They had met bilaterally with some of these countries. The fact that they had not met with others reflected the

fact that the Community had not tabled its agricultural offers rather than that the Community did not attach sufficient importance to the problems of these countries. He concluded by assuring the chair that the Community realized that an extremely active stage of the negotiations in Geneva was being entered and by expressing the opinion that the negotiations could be brought to a successful conclusion.

17. The representative of Denmark said that, when agricultural offers were tabled on 16 September 1965, his delegation had decided not to table full offers because the EEC was, for reasons they all understood, not in a position to do so. No new dates for the tabling of full offers had since been fixed. However, it remained the basic concept of the trade negotiations that it should cover all sectors. It was of vital necessity for his delegation that positive results were obtained in the agricultural sector. The stage had now been reached where the tabling of complete agricultural offers was a prerequisite of the successful outcome of the negotiations. His delegation had, therefore, recently tabled complete agricultural offers in the expectation that others would do so in the next few weeks. Their offers were, in accordance with the agreed principle, concrete and specific. Their offers on tropical products provided for the elimination or the reduction by at least 50 per cent of Danish duties even in cases where the duty had an important revenue rôle. His Government did not expect reciprocity from less-developed countries.

18. Their agricultural offer was conditional on a correspondingly constructive attitude by other developed countries. In the case of failure they would be forced to make important withdrawals, not only in the agricultural, but also in the industrial sector. It was the view of his delegation that it was necessary to follow the time-table suggested by the Chairman if the negotiations were to be successfully concluded in the early spring. Some flexibility in the time-table was, however, necessary. One could not, for instance, be sure that the complex negotiations on agricultural products for which general arrangements were envisaged would be concluded by November.

19. The representative of Norway said that his delegation agreed to the time-table outlined by the Chairman, on the understanding that it was sufficiently flexible to take care of the different problems and particular needs of the various participants. His delegation would participate actively in the crucial stage of the negotiations starting in the autumn. He recalled that his delegation had tabled a linear offer with no exceptions on industrial products and had tabled comprehensive offers on agricultural products. His country's export products were, however, particularly hard hit by exceptions made by other participants in one form or another. In conclusion he said that his Government was fully aware of the problems of the less-developed countries. A bill was

shortly to be presented to the Norwegian Parliament proposing to abolish rates of duty on a series of products of particular interest for the less-developed countries. It was the aim of his Government to make the abolition of these duties effective as from 1 January next year.

20. The representative of Switzerland said that his delegation agreed in all respects with the Director-General's assessment of the negotiations. It was axiomatic that the trade negotiations must benefit less-developed as well as developed countries. He agreed with the time-table proposed by the Director-General but said that, while the negotiations during the period September to November would primarily deal with the main problems, the solution of which was essential for the success of the negotiations, the main delegations must be prepared to deal during this period with other problems of great importance to the smaller participants. These participants were in some cases also important suppliers of products under negotiation between the principal participants. His country was ready to play an active part in the negotiations. He concluded by saying that considerations of reciprocity were important for his Government both in the agricultural and in the industrial sectors.

21. The representative of Canada said that his delegation supported the suggestions made by the Director-General who had rightly stressed the importance of the less-developed countries in the negotiations. A period of intensive negotiations was being approached. His delegation hoped that this implied that the partial offers were indeed negotiable. If not, it would be difficult for his delegation to be optimistic about the outcome.

22. The representative of Sweden said that his delegation could support the suggestions of the Director-General as a guideline for the future conduct of the negotiations. He said that the sector discussions were extremely useful, but that reciprocity should not be required within each sector. It was difficult to foresee the timing of the sector discussions on pulp and paper in which his delegation had an interest but he hoped that solutions would be found on a multi-lateral basis later this year. His delegation welcomed the programme suggested for the agricultural side of the negotiations and was prepared to make its contribution. Its agricultural offer, which had been presented on 16 September last, was to be elaborated in certain sectors in the light of the current review of Sweden's agricultural policy. However, his Government had already put into effect duty reductions or eliminations on certain important tropical products (see COM.TD/25). Referring to the suggestion that withdrawal lists should be presented in November he said that the position of small countries was different from that of the major participants and that flexibility was required. His delegation hoped that it would be possible for other participants to improve their offers and stressed that the outcome in the paper and pulp sector would be the determining factor in the Swedish attitude to withdrawals. He ended by referring to the concerns of the less-developed countries and by saying that his delegation would work actively for the success of this aspect of the negotiations and of the negotiations as a whole.

23. The representative of Finland agreed on the whole with the Director-General's assessment of the situation which would, if there was a degree of flexibility, provide a general framework for the conduct of the negotiations. The offers of Finland's principal negotiating partner in a particular sector dominated its whole attitude to the negotiations. Referring to the less-developed countries, he said that his delegation would be making every possible effort to meet their special requirements in concrete commercial terms.

24. The representative of Austria said that the suggestions made by the Director-General represented the only way to bring the negotiations to a successful conclusion within the time available. It would perhaps, however, be a little difficult for them to present withdrawal lists as early as November. He referred also to the final outcome in the iron and steel sector, which was of great importance to his delegation and was still unclear. Other speakers had outlined the position of the smaller industrialized countries with relation to the problems of the less-developed countries. His delegation was prepared to join in any initiative designed to contribute to a solution of these problems on which there was general agreement. While it was perhaps too early to enter into details, his Government would eliminate at the end of this year residual quantitative restrictions still maintained on products of interest to less-developed countries, so that they would profit fully from tariff reductions made in the trade negotiations.

25. The representative of Australia said that his delegation agreed with and welcomed the time-table which had been outlined by the Director-General and had been heartened by the statements by major participants of their determination to find acceptable solutions on agriculture. They also supported previous speakers about the importance of the trade of less-developed countries in these negotiations. They regarded it as of fundamental importance that the negotiations should succeed in all sectors. Australia planned to be in position in September in Geneva, to play its part in bringing the negotiations to that successful conclusion.

26. The representative of Chile said that his delegation, after having previously had some bilateral exploratory discussions, had now entered into multilateral negotiations, which he hoped would be fruitful for the development of the trade of the developing countries. He noted with satisfaction that the Kennedy Round had recently got a new impetus through the decisions taken by the European Economic Community. The representative of Chile referred to a number of recent statements by well-known statesmen who had all stressed the importance to less-developed countries of trade development. The statements at the present meeting of the Trade Negotiations Committee had given him more hope for a successful conclusion of the negotiations. He particularly mentioned in this connexion what the representative of the United Kingdom had said about a Kennedy Round without success for the less-developed countries being a Kennedy Round without success at all. The fact that agricultural offers would soon be tabled,

that intensive negotiations had started in some industrial sectors and that there obviously existed a political will to carry on, indicated that it would be possible to make a general evaluation of the situation in November. He considered, however, that an assessment of the situation with regard to products of particular interest to the developing countries should be made as soon as possible. He hoped that the industrialized countries would reconsider their exceptions lists and attach a greater importance to the negotiations on agricultural and tropical products, so that the developing countries would get a reason to modify their feelings concerning the Kennedy Round.

27. The Chairman said that he had envisaged that the Sub-Committee on the Participation of the Less-Developed Countries would meet later in July and that he would be referring to this again under item 2 on the agenda.

28. The representative of Peru, who also spoke as the Chairman of the informal group of less-developed countries, said that, although he had listened with satisfaction to some of the statements by representatives of industrialized countries, there remained a great deal of concern among the less-developed countries. There was no substitution for a successful outcome of the Kennedy Round. The negotiations were not an abstract exercise but were of vital importance to the developing countries with respect to their development level, their social progress, etc. The documentation presented in the Economic and Social Council had underlined that development of international trade was far from satisfactory from the point of view of the developing countries. There must be substantial progress for these countries, if the Kennedy Round should be considered as a success. If the industrialized countries were not able to withdraw goods of special interest to developing countries from their exceptions lists, the situation would be serious. Other aspects of particular interest to the developing countries were greater than 50 per cent cuts on certain products, an accelerated implementation of the agreed reductions and a reconsideration of the offers on certain agricultural products. He expressed his sincere hope for the success of the Kennedy Round; the autumn would, however, be a period of hard negotiations for the participants.

29. The representative of India said that participation by his Government in the negotiations had been an act of faith. The conclusion to which they were being driven was that the fears that they had had at the outset were becoming even more real. The time-table outlined by the Director-General provided possibilities for withdrawals but even on the basis of the offers so far tabled India would be suffering a net loss in its trading opportunities, rather than a net gain. Looking at the situation from the point of view of the CONTRACTING PARTIES as a whole it seemed to him that while the determination which had been expressed to bring this great enterprise to a successful conclusion within the time-table indicated was ground for satisfaction, progress towards the aims of the negotiations relating to less-developed countries had been slow. This was perhaps inevitable since the problems of the less-developed countries were

structurally more difficult. Even in this area there were some encouraging signs. There was a great deal of awareness that the great expansion of world trade in the future would come from the improvement of the import capacity of the less-developed countries. He also welcomed the statements made by certain delegations, including those of Norway and Sweden, during the course of the meeting.

30. He went on to refer to the five points contained in the Chairman's opening statement, the first of which was the elimination from exceptions lists of products of special interest to the less-developed countries, and suggested that the linear approach should be applied in solving the trading problems of less-developed countries.

31. This was especially necessary since, the efforts made in previous negotiations on an item-by-item basis had led to a reduction in duties on products of interest to developed countries while tariffs on products of special interest to less-developed countries remained almost as high as when GATT was established. He expressed the hope that delegations would take action on the five points designed to increase opportunities for the exports of less-developed countries in concrete commercial terms. If in November his delegation came to the conclusion that the offers available did not lead to such an increase in our export opportunities, his delegation would have seriously to consider what it would withdraw.

32. In conclusion he said that participants now appeared to know the weak sectors of the negotiations and how to tackle them. A time-table had also been suggested for the negotiations as a whole. The same procedures and time-table should not be applied to the area of the negotiations concerned with the improvement of the trading opportunities of the less-developed countries. He would make suggestions as to what needed to be done in this area at the forthcoming meeting of the Sub-Committee on the Participation of the Less-Developed Countries.

33. The representative of Yugoslavia said that many expectations had been attached to the Kennedy Round. The less-developed countries had hoped not only to benefit from direct concessions obtained by them but also to derive indirect advantages from the overall results of the negotiations. So far, however, the results had not at all come up to expectations, and with respect to measures in favour of the developing countries very little indeed had been achieved since the beginning of the Kennedy Round in 1963, both in so far as manufactured products and other goods were concerned. He recalled that, quantitative restrictions being one of the main obstacles to the exports of the developing countries, negotiations on non-tariff barriers were of great importance to them and should not be neglected in favour of the tariff negotiations. Since Yugoslavia had submitted its list of products of particular export interest and, in October 1965, its offers list, his delegation had in contacts with several industrialized countries urged them to withdraw from their exceptions lists certain products of particular interest to Yugoslavia. Actions relating to products of interest to

developing countries should not be made dependent on the outcome of the negotiations between the developed countries. He fully shared the hope expressed by U Thant that the trade negotiations should take a step forward already in 1966. The time-table suggested by the Chairman was acceptable to his delegation.

34. The representative of New Zealand said that he was heartened by the optimistic atmosphere reigning at the present meeting of the Committee, in particular with regard to the negotiations in the agricultural sector. New Zealand would certainly do its part in the September-November period in order to create maximum negotiating opportunities, and he hoped that the other participants would approach the problems in the same spirit. Some delegates had referred to possible withdrawals; in his opinion it was premature and defeatist to start discussing in such terms at the present stage. Instead all participants should aim at a balance at the highest possible level.

35. The representative of Uruguay said that the attitude of his Government towards the Kennedy Round had so far been rather paradoxical: dominant scepticism although with an underlying faith in a final settlement. The statements he had just heard by the representatives of the industrialized countries - among others the Scandinavian countries and Austria - had given him reason for a certain optimism, but there remained nevertheless many sources of concern for the developing countries. What they would obtain from the negotiations would to a great extent depend on the outcome of the negotiations between the industrialized countries. These countries should bear in mind what had been said by the representative of Chile and - in another context - by the Secretary-General of the United Nations. He hoped that the possibility of withdrawals, to which certain speakers had referred, would remain only a remote possibility.

36. The representative of the United Arab Republic recalled that his Government had made efforts since the very beginning of the negotiations to participate actively in them in the expectation that they would lead to a significant liberalization of world trade. It was the intention of the United Arab Republic to accede fully to GATT in the course of the negotiations. A specially established delegation had come three times to Geneva to take part in the negotiations. The first time had been at the justification procedure, when his Government had been disappointed at seeing most of its main exports included in the exceptions lists. The second time had been at the submission of the offers of the developing countries, when the United Arab Republic had offered a reduction and binding of a number of tariff rates. The third time had been for bilateral negotiations with some industrialized countries. His Government had transmitted to those countries lists of products which it wished to have withdrawn from the exceptions lists or for which it requested a tariff cut of more than 50 per cent. The industrialized countries had, however, at that stage been unable to give any definite replies. He felt that it was now necessary to establish a firm plan for the negotiations for elimination of items from the exceptions lists, for tariff cuts of more than 50 per cent, for accelerated implementation of measures in favour of developing countries and for actions with regard to tropical products.

37. The representative of Indonesia said that he could fully support the Chairman's suggestions concerning the time-table for the remaining part of the negotiations. He also wished, as the spokesman of a developing country, to support the views expressed by the representative of India. He hoped that the Kennedy Round - despite the many difficulties encountered - would lead to substantial results.

38. The representative of Israel recalled that in accordance with the procedures for their participation in the negotiations, the developing countries were entitled to submit their agricultural offers one month after the submission of the offers of the developed countries. The Chairman said that developing countries who so wished could avail themselves of that facility.

39. The Chairman said that it could be deduced from the interventions that had taken place that there was a large consensus in the Committee in favour of the analysis which he had given at the opening of the discussions and of the broad outline of the programme which he had suggested for the final stages of the negotiations. There were three main elements in the programme. The first of them being the absolute need for the completion of agricultural offers not later than the end of July. Secondly, the active pursuit of negotiations in the remainder of July where possible and in any case continuously from the beginning of September. And thirdly, the desirability of proceeding to give concrete expression to the desiderata which had been expressed to him by the developing countries under five points.

40. The Chairman said that the objective of the intensive negotiations which were now to begin was the building up of a position of maximum negotiating opportunities. The November exercise should not be concentrated on withdrawals, but on assessment and reconsideration of negotiating positions which would lean in the direction of increasing the negotiating opportunities and not reducing them. It was an unfortunate accompaniment of the linear approach that, from the outside at least, the negotiations quite naturally appeared to be concerned principally with exceptions. The positive side, the overall linear reduction, was easily overlooked but it was still there.

41. He had taken note of what had been said by a number of speakers that they had felt to some extent out of the picture and that they were not sufficiently in touch with the negotiations. He perfectly well understood that feeling, but it was almost inevitable in negotiations of the size of the Kennedy Round where so much depended upon the ability and willingness of the major trading countries to establish a positive and constructive ground for negotiations. But until that stage had been reached, it was in fact very difficult for the smaller countries to be able to get their own interests into focus. From the beginning of September there would be a far wider and more

general and continuous participation by all the delegations than there had been in the preparatory phase of the negotiations. That development would make it absolutely essential that delegations should be adequately manned and staffed on a continuing basis to make such broad and continuous contacts possible. In the past the negotiations had been characterized by meetings which had been scheduled to take place at a given date and to last a certain time, and negotiators had left Geneva and then come back after an interval. Such a procedure had now been overtaken by events. It would be possible to interrupt discussions only for brief periods when instructions were sought; these should then be resumed rapidly without the formality of fixing dates in advance.

42. The Chairman welcomed the statements of Sweden, Norway and Austria in which these countries had stated that they had taken, or proposed soon to take, action in favour of certain products of special interest to less-developed countries. He hoped that similar action would be taken by other participants.

2. Arrangements for the negotiations in the immediate future

43. The Chairman said that the Committee would wish to make arrangements for the negotiations in the immediate future. Although he had so far concentrated mainly on the active phase of negotiation in September, he did not think that one should waste the rest of July. Even though time was running short, there must be a summer recess. This recess should be in the month of August. In the remainder of July a number of bilateral and multilateral discussions would, he hoped, be pursued, particularly in those sectors where negotiations had been somewhat slow to develop and where certain elements for those negotiations had been missing but were now on the table - chemicals, steel, aluminium, pulp and paper, and textiles. There would also be a further meeting to discuss the question of a possible anti-dumping convention on 13-15 July. The Group would at that meeting try to reach agreement on some basic issues in order to enable some sort of a draft text to be prepared by the secretariat which would provide the basis for real progress in this very important matter in September and October. A meeting of countries principally concerned in trade in tropical products would be convened on 21 and 22 July to review the offers which were now on the table from all participating countries. It was also the intention to resume towards the end of July discussions on the proposals which had been tabled for the negotiation of an arrangement on cereals. The Chairman would convene, in consultation with governments concerned, a meeting of the Sub-Committee on the Participation of Less-Developed Countries towards the end of July, when some important outstanding problems could be discussed in further detail. With regard to the agricultural offers, there seemed to be a consensus that they should be completed not later than the end of July. If, in practice, it

turned out that the process was not complete until the very end of the month, it would unfortunately not be possible to arrange for any exploratory talks on the agricultural offers before the beginning of September. If, however, the situation should develop so that the completion of the agricultural offers could be effected some time before the end of July, there would obviously be some advantage in having exploratory talks, whether bilaterally or multilaterally, or both, before the summer recess. In view of the heavy workload in the autumn, the Chairman expected that all participants would take the necessary steps to see that they would be equipped to resume active negotiations on all fronts as from the first of September.

44. The representative of Israel pointed out that the membership of certain negotiating groups, e.g. the Group on Cereals and the Group on Chemicals, had been limited to the countries having a substantial share of the trade in the products in question. The outcome of the negotiations in those groups would, however, be of great importance to other participants whose interest in the trade of the product in question was not significant in terms of world trade but was important to them. He realized that it was essential to keep the groups small, but some arrangements had to be made whereby participants not taking part in the Group could be informed about the proceedings in them. The Chairman agreed that an adaptation of the present procedures had become necessary. He suggested that the group documents should be made available to all participants. He pointed out, however, that some of the negotiating groups were not officially established bodies subordinate to the Trade Negotiations Committee. Those Groups would have to agree on their own arrangements in this respect.

3. Participation in the negotiations

45. The Chairman said that the Republic of Korea, which had notified that it wished to participate in the negotiations with a view to acceding to the General Agreement, had automatically become a full participant on presenting its offer in accordance with the procedures for the participation of the less-developed countries. The offer, which was a combined offer for accession and the negotiation of new concessions, had been tabled the previous day.

46. The representative of Korea said that the offer tabled by his Government contained specific tariff offers on individual products. It was submitted in accordance with the procedures for the participation of less-developed countries. His delegation also wished to express its readiness to study and negotiate with other less-developed countries, so wishing, measures designed to increase trade among themselves. He expressed the hope that it would be possible to open negotiations without undue delay. While his delegation intended to contact other delegations for that purpose, it would make it possible for his Government to save time in the preparation for the negotiations, if other delegations, after having examined Korea's offer, would indicate to his delegation whether they would like to enter into

negotiations with Korea. His delegation would be prepared at any time to clarify any points on which other participants in the negotiations would like further information.

47. The Chairman pointed out that, including Korea, there were now thirty-eight full participants in the trade negotiations. Since the last meeting of the Committee, Iceland had become a participant on presentation of a full linear offer, without exceptions on industrial products and with a limited number of exceptions on agricultural products. Ireland, Portugal and South Africa had become full participants when they had submitted their positive offers. He welcomed these countries as members of the Trade Negotiations Committee.