

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.28/12

13 December 1972

Limited Distribution

CONTRACTING PARTIES  
Twenty-Eighth Session

Page 164/165

## SUMMARY RECORD OF THE TWELFTH MEETING

Held at the Palais des Nations, Geneva,  
on Tuesday, 14 November 1972, at 5 p.m.

Chairman: Mr. G. SMOQUINA (Italy)

Page

<u>Subjects discussed:</u>	1. Review of International Economic Relations	164/165
	2. Date of the twenty-ninth Session	173
	3. European Economic Community - Accessions	174
	4. Election of Officers	174
	5. Closure of the Session	175

### 1. Review of International Economic Relations

Mr. CUBILLOS (Chile) indicated that after consultations the informal group of developing countries had agreed to request the inclusion in the summing-up by the Chairman of the following text:

"Nevertheless, an important number of developing countries, members and non-members of GATT, stated that they were unable to agree entirely with the objective referred to in the case of the developing countries since it omitted any reference to an improvement in the conditions of access by their export products to the markets of the industrialized countries; to increased participation by the developing countries in world trade; to the problems in the field of price policies; to commodity agreements; to changes in the structures of the agricultural policies of the developed countries; to the deterioration in the terms of trade; and to the need, once the negotiations were completed, to amend the rules that would govern international economic relations in the future. Only a global objective incorporating the elements that had been omitted could provide a guarantee that during the preparatory work techniques and modalities of negotiation would be established that would assure to the developing countries a differentiated treatment consistent with the conditions of their trade, finances and economic development."

Mr. EBERLE (United States) said his delegation had hoped that the summary of aims of the negotiations for developing countries, as presented in the fifth paragraph of the Chairman's summing up, would be an acceptable basis for the Preparatory Committee to begin its considerations. However, as it was unacceptable to a number of developing countries, there was no longer a consensus. His delegation reluctantly had to reserve its position not only on the remarks of the delegate of Chile but also on the fifth paragraph, because the objectives expressed in that paragraph and the means set out in the proposed addition were quite different; there were, moreover, many other means of accomplishing the objectives not mentioned. He expressed concern at the different interpretations of the language used and at the possible ensuing confusion, particularly for the work of the Preparatory Committee, if there was no consensus.

Therefore, while recognizing the right of the delegate of Chile to make his statement, his delegation had to reserve its position on both paragraphs and considered that the Preparatory Committee should start from the beginning of the question if the statement was included in the Chairman's summary.

Mr. HIJZEN (European Communities) said that the Community regretted the situation which had arisen. In the statements it had made in the course of the session, the Community had informed the CONTRACTING PARTIES that it regarded development needs as an important objective of the negotiations. The paragraph proposed did not specify any other objectives, but it already stated how they were to be achieved. The CONTRACTING PARTIES were therefore being asked to take up a position on matters that would form part of the negotiations themselves. He had no authority to prejudge those negotiations. If the paragraph in question was added to the summing up, the Community would not be able to associate itself with a statement that prejudged the negotiations and would have to reserve its position both on that paragraph and on the fifth paragraph.

Mr. GRANDY (Canada) agreed with the previous speakers regarding the inconsistency between the proposed new paragraph and the content of the fifth paragraph and said that his delegation had no objection to the inclusion of the new paragraph provided the fifth paragraph were dropped.

Mr. LAI (Malaysia) said that he had been saddened by the comments of the United States and the EEC. His Government had been concerned that the general objectives first put forward did not fully take into account the interests of the developing countries. The consensus expressed in the Chairman's summing up did not satisfy everybody but had met many of the concerns of developing countries and provided a basis for the work of the Preparatory Committee. His delegation's support of the additional paragraph had been conditional on its not destroying the consensus arrived at; therefore in view of the statements by the United States and the EEC his delegation could no longer support the additional paragraph forming part of the Chairman's summing up.

Mr. BATISTA (Brazil) was in the same position as the Malaysian delegation and was unable to support the inclusion of the new paragraph because of reservations made by other delegations on other parts of the summing up.

Mr. TSURUMI (Japan) appreciated the aspiration of developing countries as expressed in the new paragraph but believed that the fifth paragraph provided an adequate and broad enough basis for the work of the Preparatory Committee to proceed and felt the new paragraph would prejudge that work. Consequently his delegation also reserved their position on the fifth paragraph if the new paragraph were added.

Mr. DENMAN (United Kingdom) emphasized the danger of wide-spread reservations being made and felt that the representative of Chile was perhaps confusing means and ends as the objectives set out in the fifth paragraph could have covered the points made in the additional paragraph and several others. He suggested that the Chilean statement should appear in full in the summary record and said that if it was included in the summing up his delegation had no alternative but to join the stand taken by the United States and the EEC.

Mr. PATEL (India) endorsed the suggestion of the delegate of the United Kingdom, which would protect the concerns of the delegate of Chile, and said the summing up as presented by the Chairman would be acceptable to his delegation.

Mr. SAMARANAYAKE (Sri Lanka) stated that in his intervention in the morning he had made the suggestion to accommodate the proposal of Argentina and Chile on the basis that it would not result in upsetting the delicate balance set out in the Chairman's summary, particularly paragraphs 4 and 5. However, the statements just made by a number of representatives withdrawing their support to the fifth paragraph in the event that the Argentinian and Chilean proposals were included in the Chairman's summary would result in upsetting this balance. He therefore withdrew the support of his delegation to the Argentinian and Chilean proposal. He added that the views expressed on this matter by the two latter delegations might be reflected adequately in the Summary Records.

Mr. BARVE (Kenya) agreed with the views expressed by the representatives of Malaysia and Brazil and if the addition of a new paragraph would result in reservations by major developed countries his delegation could no longer support its inclusion.

Mr. KHALLAF (Egypt) hoped that consensus and unanimity could be reached as it was beneficial to all. In the event that the delegate of Chile would not accept the inclusion of his statement in the summary record alone, he proposed a compromise which offered some flexibility, although his delegation had found the Chairman's summing up acceptable as it was. He proposed that the fifth paragraph be amended to read: "It was also agreed that the multilateral trade negotiations should inter alia aim to..." (as in the existing paragraph 5), with the addition of a sentence such as: "Further elaboration of other objectives of multilateral negotiations, especially from the point of view of developing countries, should be accomplished in the Preparatory Group mentioned below."

Mr. THAJEB (Indonesia) associated his delegation with the views expressed by the representative of Malaysia and did not insist on the inclusion of an additional paragraph at the expense of the consensus reached.

Mr. DUNKEL (Switzerland) said that his delegation supported the United Kingdom representative's proposal.

Mr. ARCHIBALD (Trinidad and Tobago) said the Chairman's summing up was a distinct advance on the Council meeting where the declarations of intent regarding the negotiations had been made and gave therefore a solid basis for future work. Although having sympathy for the points raised by the delegate of Chile, which he hoped would be given a technical examination by the relevant committee, his delegation placed importance on consensus of results and, if the new paragraph would destroy that consensus, he regretted that his delegation would not agree with its inclusion in the summing up.

Mr. KIRCA (Turkey) said that his Government attached importance to the multilateral negotiations and hoped to participate in them. His Government realized that it was necessary that work in GATT should go forward by a series of consensuses. He could understand the motives of the delegations which were pressing for the inclusion of a new paragraph, but the important thing for the international community and for the developing countries in particular was for progress to be made on the basis of established procedures. The fifth paragraph represented a considerable step forward for the views generally held by the developing countries. The Turkish delegation was anxious that a consensus should be achieved, since that was the only way of making progress and promoting the interests of all; it was therefore not in a position to support the proposed text and entirely concurred with the Chairman's summing up. It hoped that the interests of the developing countries would be duly taken into account in the work of the Preparatory Committee.

Mr. SANTAMARIA (Spain) agreed with the statements made by the representatives of Malaysia, Brazil and Trinidad and Tobago in support of the summing-up as made by the Chairman.

Mr. SOLBERG (Norway) said that the problem seemed basically only one of formulation and suggested a link between the summing up and the summary records. He proposed replacing paragraph 5 by a sentence saying that a number of developing countries had specific views on the negotiations to come and that those specific views were properly set out in the summary records.

Mr. ALZAMORA TRAVERSO (Peru) expressed appreciation for the efforts of the developing countries to incorporate into the summing-up of the Chairman those elements which they believed should be included in the negotiations, such as the increase in the share of developing countries in world trade and the principle of differential treatment. The statements of the United States, the EEC, Japan, the United Kingdom and Canada had been very formalistic with respect to the objectives and confirmed the initial hesitations of the developing countries in respect of the negotiations. The paragraph that had been proposed by developing countries represented their views only, it reflected their interests in the negotiations and did not prejudice the consensus of the developed countries. The summing-up of the Chairman was a summary of the discussions that had taken place during the session and was not a consensus, as clearly appeared in the sixth paragraph of the summing-up. It was legitimate that the positions and concepts expressed by developing countries be duly reflected in the summing-up. The reservations formulated by some developed countries were their own responsibility and would inform world opinion of the results of the discussions.

Mr. TAK CHAE HAN (Korea) supported the view of the representative of Malaysia because his delegation did not want to see the preparations for the forthcoming negotiations disrupted at the beginning.

Mrs. ZAEFFERER de GOYENECHÉ (Argentina) deeply regretted the restrictive position taken by those developed countries that had formulated reservations and maintained her position that the proposed paragraph should be included in the summing-up of the Chairman. The restrictive interpretation by certain developed countries of the objectives mentioned in the fifth paragraph of the summing-up was becoming more and more evident.

Mr. GARRIDO RUIZ (Mexico) reiterated his support for the Chilean and Argentinian proposal. The interests and objectives of developing countries should be duly reflected in the summing-up of the Chairman in order to provide guidance to the Preparatory Committee. Mexico attached the greatest importance to the growth of the relative share in world trade of the developing countries and to the need to amend the rules that would govern international economic relations in the future.

Mr. HILLEL (Israel) said that his delegation had already expressed its very keen interest in the forthcoming negotiations. It was necessary that there should be active and genuine preparations for them. His delegation fully supported the Chairman's summing up, which in its view was the only conclusion that should be approved by the CONTRACTING PARTIES. Reservations might jeopardize the objectives and conduct of the negotiations.

Mr. LLINAS-CASTANON (Cuba) supported the Chilean proposal and associated his delegation with the statement made by the Peruvian delegation.

Mr. VELLISAROPOULOS (Greece) said his delegation attached importance to the consensus reached; it supported the proposal to include the text of the Chilean representative's proposal in the summary record, but not in the summing up.

Mr. WALKER (Jamaica) noted that his compromise proposal of the morning had not been accepted. He considered that it was a long, hard struggle to get developed countries to agree on further improvements for the trade of developing countries. He believed the Chairman's summing up represented some advance and that the consensus reached should not be jeopardized, nor should developed countries be in a position to make reservations. Stressing the importance of achieving a consensus, he urged those who were diffident about accepting the Chairman's summing up to reconsider their position.

Mr. DELGADO (Senegal) said that his delegation appreciated the fact that the wording of the additional paragraph now included the elements referred to at the morning meeting. The point then had been to include an element that had been entirely lacking in the original proposal and it had therefore been a matter of substance; but now the question no longer arose. In the absence of a consensus on an additional text, his delegation could accept the summing up as proposed by the Chairman.

Mr. NUNES de CARVALHO (Portugal) commented on the wide spectrum of developing countries. He also shared the views of the Malaysian and Brazilian delegations as his delegation considered that the Chairman's summing up was an excellent synthesis of the consensus arrived at and provided a realistic and constructive basis for the work of the Preparatory Committee where the views of the Chilean delegation would also be considered.

Mr. TOMIC (Yugoslavia) said that his delegation proposed to accept the summing up in the form in which it had been presented by the Chairman. With regard to the requests made by a number of developing countries, his delegation suggested that the Chilean representative's proposal should appear as a separate statement, which would be taken into account by the Preparatory Committee.

Mr. JARAMILLO (Colombia) supported the proposal of the Chilean representative to include a new paragraph in the summing up.

Mr. DYETT (Guyana) said his delegation was of the view that the fifth paragraph offered the CONTRACTING PARTIES an opportunity to move to the next stage; the Preparatory Committee was the place where the implications of that paragraph would be examined and details worked out. If inclusion of the paragraph proposed by Chile had the effect of reservations being placed on the fifth paragraph, his delegation would not be able to associate itself with the Chilean proposal.

Mr. VALDEZ (Ecuador) supported the proposal made by the Chilean representative. Some developing countries had not supported the inclusion of the new paragraph only in order to maintain the fifth paragraph as it was.

Miss CILIA (Malta) associated her delegation with the views expressed by the representatives of Malaysia and Brazil. She considered that the consensus should not be jeopardized and could support the summing up of the Chairman.

The CHAIRMAN, referring to the lengthy discussion which had just taken place, urged the contracting parties not to jeopardize the major result of those negotiations. The contracting parties, by a majority which he could not even specify, had supported the proposal by a number of contracting parties that nothing should be added to the summing up laid before them that morning and that the comments made in the draft amendment submitted by the Chilean representative and all the statements made during the meeting should be reported in full in the summary record. To enable the session to be closed without losing the satisfactory results achieved, he formally requested the CONTRACTING PARTIES to accept that proposal.

Mr. CUBILLOS (Chile) said that when he had supported and amended the Argentinian proposal there had practically been agreement to include the new paragraph in the summing up. When the meeting was resumed the representatives of a number of developed countries expressed a reservation concerning the fifth paragraph of the summing up and not on the new paragraph, which was attributed to the developing countries only. This, in his view, constituted political pressure by the large industrial powers on the developing countries. He interpreted this situation to mean that there was no serious consensus on the summing up by the Chairman. If the developed countries made a reservation on the fifth paragraph it meant that they were in fact not willing to carry out what was stated in that paragraph. It appeared that only a few countries had power to decide, while the great majority of countries, members and non-members of GATT, particularly the developing contracting parties, would always have to subject themselves to the pressures exerted by the large trading powers. He thought this situation was regrettable. In his view, the formulation of reservations to the fifth paragraph of the summing up constituted undue pressure exerted on the less-developed contracting parties. He did not agree that his proposal should only be reflected in the summary record of the session and insisted that a new paragraph be added to the summing up of the Chairman.

Mr. ENGONE (Gabon) said that his delegation was concerned at the feeling that, although each delegation had the right to state its views, the positions they upheld were not perhaps given the same weight. It would be better if the most developed countries ceased to believe that, in the negotiations, all they needed in order to obtain what they wanted was to act in concert. His delegation supported the Chilean representative's suggestion and the text he proposed. During the discussion, the developing countries had been asked to specify what their objectives were, and they could not therefore be blamed now for stating what they expected from the negotiations. His delegation agreed that the proposed texts should be reproduced in the summary record, so that, during the ensuing stages of the negotiations, the developed countries would know what the objectives of the developing countries were.

Mr. LAI (Malaysia) pointed out that his earlier support to the proposed new paragraph had been given only provided that the consensus already reached was not destroyed. There seemed to be an overwhelming majority who preferred that the position of the delegate of Chile and his colleagues be duly reflected in the summary records. Therefore he urged the delegate of Chile and his colleagues to accept that proposal as he was sure the Preparatory Committee would take into consideration all elements in his statement.

After some further discussion the CHAIRMAN stated that all points made in the discussion would be duly recorded in the Summary Records of the session. He concluded that, while some contracting parties reserved their position, his summing up was approved by the CONTRACTING PARTIES.

This was agreed.

Mrs. ZEAFFERER de GOYENECHÉ (Argentina) recalled that her delegation had made a formal reservation on the fifth paragraph of the summing-up. The fact that the proposed additional paragraph was not included in the summing-up left out the views of an important number of developing countries on the objectives of the forthcoming negotiations. Her delegation therefore reserved its position in respect of both the fourth and fifth paragraphs of the Chairman's summing-up.

Mr. LLINAS CASTANON (Cuba) considered the position taken by the developed countries unacceptable; he formally reserved his delegation's position on the whole of the Chairman's summing-up because it did not take into account the interests of the developing countries.

Mr. CUBILLOS (Chile) regretted that while some delegations were making efforts to reach a compromise, the CONTRACTING PARTIES had elected not to take into account in the summing-up the proposals of an important number of developing countries. His delegation formally reserved its position on the fourth and fifth paragraphs of the Chairman's summing-up, as long as the concepts contained therein had not been duly clarified and elaborated upon in the Preparatory Committee.

Mr. ALZAMORA TRAVERSO (Peru) expressed his disagreement and made a formal reservation regarding the manner in which the position of the developing countries on this item was presented in the summing up. He pointed out that many useful and specific suggestions had been made during the discussions, and that the summing up contained what appeared to be the principal points that had emerged in the discussion. He stressed that the new paragraph proposed by many developing countries was also a principal point of the discussion. If the third paragraph reflected the views of a number of contracting parties, the views of other contracting parties should also appear in the summing-up of the Chairman.

The CHAIRMAN declared the discussion concluded; the four reservations which had been expressed would be duly recorded.

## 2. Date of the twenty-ninth session

The Chairman recalled that at the meeting of the Council on 25 October 1972, the Director-General had made a suggestion that the next regular session of the CONTRACTING PARTIES be held from 12 to 23 November 1973. It should be understood that it would be open to the Council to agree on alternative dates should developments make a change of dates desirable.

The CONTRACTING PARTIES agreed to fix the date of the twenty-ninth session as proposed by the Chairman with the understanding suggested.

3. European Economic Community - Accessions

Mr. EBERLE (United States) recalled that when the subject of the accessions to the European Economic Community had been discussed on 2 November, during the CONTRACTING PARTIES consideration of the report of the Council, it had been agreed that the discussion could be resumed later in the session, if necessary (SR.28/2, page 18). He welcomed the statement of the Community regarding the examination under Article XXIV:5(a) being conducted in the Working Party on the Enlargement of the European Communities. His delegation remained concerned, however, about the statistical and methodological problems on which the Working Party had not reached a consensus. He expressed the hope that a consensus would soon be reached. If, however, this was not the case, his delegation would wish to refer this matter to a very early meeting of the Council for an appropriate ruling or decision.

Mr. HIJZEN (European Communities) replied that the Community would do its best to solve the problems in the Working Group. Any contracting party had the right to submit a problem to the Council and the Community would be present in such a case.

Mr. GRANDY (Canada) stated that his delegation would like to associate itself with the concern expressed by the United States delegation.

4. Election of Officers

The following nominations were made:

Chairman of the CONTRACTING PARTIES

Mr. B.R. Patel (India)

Vice-Chairmen of the CONTRACTING PARTIES

Mr. B. Nioupin (Ivory Coast)

Mr. R. Martins (Austria)

Mr. M. Petrescou (Romania)

Chairman of the Committee on  
Trade and Development

Mr. P. Nogueira Batista (Brazil)

Chairman of the Council of Representatives

Mr. H. Kitahara (Japan)

The CONTRACTING PARTIES agreed to elect the officers nominated.

5. Closure of the Session

The Chairman in his closing remarks assured the CONTRACTING PARTIES that he had tried to serve them with faith, having been conscious that the past year was a decisive one. He expressed his gratitude to his two colleagues in the Group of Three, the Chairman of the Council and the Chairman of the Committee on Trade and Development, for the enriching spirit in which they had performed their work together. He was also very grateful for the permanent collaboration which he had received from the Director-General and the staff of the secretariat.

As the day of his departure from Geneva after almost five years approached, he felt he could not have concluded his mission in a more significant and enlightening way and he thanked all delegations for the co-operation and for the constructive manner in which they had contributed to the work of GATT.

Mr. PATEL (India) expressed his sincere thanks for the honour the CONTRACTING PARTIES had done him and his country by electing him to the office of Chairman. The CONTRACTING PARTIES had finished a most fruitful year and had taken at this session important decisions that would provide a point of departure for the very important work that lay ahead. After paying special tribute to the outgoing Chairman and to Mr. Archibald for the way in which he had guided the Council, he pledged that he would endeavour to the best of his ability to contribute to the tasks that lay ahead.

Mr. GUILBERT (Ivory Coast), on behalf of Mr. Nioupin, Mr. WILLENPART (Austria), on behalf of Mr. Martins, Mr. PETRESCOU (Romania), Mr. BATISTA (Brazil) and Mr. KITAHARA (Japan) thanked the CONTRACTING PARTIES for their election.

The session closed at 8 p.m.