1. In accordance with its terms of reference, the Committee on Trade and Development is required to keep under continuous review progress made in the implementation of Part IV of the General Agreement. In pursuance of this the Committee agreed to undertake, at least once a year, a major review with the aid of notifications submitted by contracting parties (COM.TD/24, paragraph 10). The last full review of commercial policy measures adopted by governments was carried out by the Committee at its thirty-second session in November 1976, having as background, notifications submitted by a number of governments in COM.TD/W/246 and addenda as well as information provided in secretariat document COM.TD/W/245. Additional information provided by delegations in the course of that session is contained in paragraph 7 of the Committee's report (L/4438).

2. In the present note, which is intended to assist the Committee in its mid-term review of the implementation of Part IV, an attempt has been made to summarize, from available sources, information on actions taken by governments since the last meeting of the Committee which appear relevant to the provisions of Part IV as well as information on certain developments in other international organizations. The listing of the actions taken may not be exhaustive and the provision of information about these actions does not imply any judgement as to their impact on the trade of developing countries. Measures taken with respect to textiles in terms of the Textiles Arrangement have not been included in the following paragraphs. The precise status of such measures may not always be clear. Note might also be taken of documentation summarizing discussions at meetings of the GATT Council, since some of the measures considered in that body might also have a bearing on the implementation of Part IV.

3. Delegations may wish to provide further details with regard to the implementation of Part IV and other relevant developments in the course of the Committee's meeting.
COMMERCIAL POLICY MEASURES

Tropical products

4. As a result of the negotiations carried out in the Group "Tropical Products", m.f.n. concessions have been implemented by Australia, Canada, EEC, Finland and Sweden. The Generalized System of Preferences contributions have been implemented by Australia, Canada, EEC, Japan, New Zealand, Finland, Norway, Sweden and Switzerland. Austria expects to be in a position to implement its GSP contribution shortly. Certain non-tariff measure actions were also taken by the EEC, Japan and Finland. Further information concerning tropical products is contained in the secretariat note "Developments in the Multilateral Trade Negotiations" (COM.TD/W/255).

Tariffs

5. Following the devaluation of the Australian dollar towards the end of 1976, the Australian Government implemented tariff reductions on some 770 items in the Australian customs tariff. Furthermore, effective 18 March 1977, import duties have been reduced on fatty alcohols, fatty acids of vegetable origin, crude glycerol, glycerol lyes, soaps and detergents for household purposes. The Australian Government also decided recently that the rate of import duty on travel goods, handbags, wallets and belts of leather or composition leather (ex CCCN 42.02.900) would, after staying at 3½ per cent for a further two years, be reduced to 30 per cent in the third year and 25 per cent in the fourth year.

6. The Canadian Government has decided to extend until 30 June 1978 most of the tariff reductions introduced on a temporary basis in 1973 on a wide range of consumer goods. However, tariffs on certain items, including light fixtures and perfumed spirits, will revert on 1 July 1977 to the level existing prior to February 1973. The Canadian Government has authorized, with effect from 15 November 1976, the extension of m.f.n. tariff treatment to Bhutan, Nepal, Somalia, Sudan and the Yemen Arab Republic (L/4027/Add.6).

7. The European Economic Community has suspended the Common Customs Tariff duty on mushrooms, excluding cultivated mushrooms, dried, dehydrated or evaporated, whole or in identifiable pieces or slices, intended for the processing industry (CCT ex 07.04B) from 1 January to 30 June 1977. Common Customs Tariff duties were also suspended on certain agricultural products for use mainly in feeding stuffs until 31 March 1977, seed potatoes until 28 February 1977 (CCT heading 07.01 A), new potatoes until 31 March 1977 (07.01 AII a) and other potatoes until 15 April 1977 (07.01 AIII b). In addition, the EEC increased the zero-duty tariff quota opened for 1976 for raw silk (not thrown) falling under Common Customs Tariff heading 50.02 from 2,500 to 3,000 tons.
8. Finland has exempted, until 30 June 1977, imports of unroasted coffee from import duty.

Generalized System of Preferences (GSP)

9. Australia has, from 16 July 1976, extended duty-free treatment under its GSP to "Hand-made footwear with outer soles and uppers of leather, having an f.o.b. price not exceeding $2.50 per pair and classified within paragraph 64.02.99 of the Australian Customs Tariff". From the same date, "Footwear with outer soles and uppers of leather, and parts therefor of leather" were excluded from duty-free entry under the by-law arrangement for handicrafts (L/3982/Add.9).

10. With effect from 15 November 1976, Canada has extended its GSP to Bhutan, Nepal, Somalia, Sudan, Yemen Arab Republic, Angola, Mozambique, Cape Verde Islands, Guinea-Bissau, Sao Tome and Principe (L/4027/Add.6). Effective 5 February 1977, Canada has excluded from the GSP colour television sets having an overall diagonal measurement across the picture tube of 16 inches or more, classified under tariff item 44533-1 (L/4027/Add.8).

11. The European Economic Community has, as of 1 January 1977, introduced a number of changes in its GSP. For industrial products, with the exception of footwear and certain iron and steel products (for which ceilings will be maintained at the 1976 level) and of textiles, the year 1971, which served as a basis for the calculation of the level of the ceilings has been changed to 1974. As for textile products, the ceiling has been increased from approximately 75,000 tons to 79,000 tons. Textile and apparel preferences have also been extended to dependant beneficiary territories. The application of ceilings for 1977 has been suspended for all semi-sensitive and non-sensitive industrial products when imported from the least-advanced developing countries in accordance with EEC GSP procedures.

12. Japan, Norway, Sweden and Switzerland have extended their GSP schemes to include additional beneficiary countries. To take account of new products covered by its GSP, the Swiss rules of origin have been supplemented (L/4020/Add.1).

13. The Government of New Zealand has introduced, as of 17 December 1976, duty-free treatment for certain handicrafts produced in developing countries which are beneficiaries of the GSP scheme of New Zealand (L/4366/Add.2).

14. In its GSP for 1977 the United States has granted preferential treatment to forty-five items not previously covered. It has also implemented changes required by the competitive need limitation provisions of the Trade Act of 1974. As a result of these provisions, GSP eligibility has been removed from countries in respect of items for which exports to the United States from those countries
exceeded in 1976 but not in 1975, the specified ceilings, and extended GSP eligibility to some items from countries whose exports to the United States in 1976 but not in 1975, fell below the ceilings. In addition, the United States effected on 27 January 1976, certain modifications to its rules of origin (L/4299/Add.5 and 6).

**Import restrictions**

15. **Australia** has, from 8 December 1976, removed quantitative restrictions on the importation of completely assembled passenger motor vehicles (L/4149/Add.9).

16. With effect from 31 December 1976, **Canada** terminated an Article XIX emergency action taken in November 1976 to restrict imports of fresh, chilled and frozen beef and veal. As of 1 January 1977, fresh, chilled and frozen beef and veal were removed from individual import permit control and are entering Canada under General Import Permit No. 9 of the Canadian Export and Import Permit Act (L/4437 and Add.1). The surtax on textured polyester filament yarn of denier count 199 and less exported to Canada at less than a specified value per pound, which was introduced on 7 July 1976, was withdrawn as of 23 December 1976 (L/4374/Add.2).

17. The **European Economic Community** terminated on 1 April 1977 its emergency action on certain bovine meat (L/4004/Add.14).

18. A global import quota system for leather shoes, plastic shoes and rubber boots was introduced by **Sweden** on 5 November 1975. The Swedish authorities have indicated their intention to terminate, as of 1 July 1977, the import quota system with respect to leather shoes and plastic shoes (L/4250/Add.1).

19. The **United Kingdom** authorities have liberalized, effective 14 January 1977, imports of rum (ex 22.09) from the dollar area. They have also indicated that dollar area quotas on orange juice (20.07 A ex III) and cigars (24.02 B) have been phased out. To offset expected shortfalls in supplies of fresh bananas from normal sources the United Kingdom has established a further supplementary quota of 4,000 tons for imports from the dollar area during 1976-77.

**Import deposit scheme**

20. The **New Zealand** import deposit scheme, which was introduced on 2 February 1976 for a period of twelve months, has been extended for six months until 2 August 1977 (L/4460).
Other developments of interest in relation to Part IV

21. Australia has made a number of changes in its tariff quota arrangements applicable to a range of clothing and textile imports for the year commencing 1 March 1977. Where separate quota categories existed for adult and non-adult garments, all the garments are now subject to the duties previously applying to adult garments. In addition, the above quota duty on woven man-made fibre fabrics has been increased and imports above quota of towelling and knitted man-made fibre pile fabrics have been made subject to an additional duty of $A 2.0 per square metre. Special duty arrangements are being introduced on a range of woven man-made fibre fabrics: duty-free entry under by-law is to be accorded to certain linings and interlinings as used in apparel production and to lightweight sailcloth and provision has been made for the authorization of special tariff quota allocations to meet the genuine needs of apparel manufacturers for lightweight woven fabrics of wholly discontinuous polyester fibres. As regards the levels of tariff quotas, the quotas for knitted outergarment shirts for men, boys and infants and knitted undergarment shirts and woven shirts for men and boys, have been reduced from 12 million and 8.5 million garments to 7 million and 6.5 million garments respectively. In addition, the annual tariff quota levels on acrylic apparel yarn and knitted man-made fibre fabrics have been reduced and tariff quotas have been introduced on towelling and knitted man-made fibre pile fabrics. The Australian Government has also decided to continue tariff quota arrangements beyond the end of 1976 on certain polyester and polyamide yarns, on files and rasps (at the level of 45,000 dozen for the six months to 30 June 1977 compared to 75,000 dozen for the year 1976), and brassières. Tariff quotas have been introduced for most types of uncoated paper and paperboard having an f.o.b. price of not less than $A 750 per ton falling under tariff item 48.01.921. For the period 1 September 1976 to 31 May 1977, clearances for home consumption at the current rate of duty are limited to 45 per cent of total imports, on a weight basis, during the financial years 1974/75 and 1975/76. Imports cleared for home consumption in excess of that quota are subject to an additional ad valorem duty of 15 per cent.

22. Mandatory minimum prices for imported tights introduced by Austria to remain in force until 31 October 1976, have been revised and extended for a further year. A supplementary charge is levied on imports invoiced at less than the minimum. The current minimum prices for tights are: packed ungussetted S 6.60; packed gussetted S 6.90; unpacked ungussetted S 5.90; unpacked gussetted S 6.20; and unfinished S 4.70.

23. Canada has introduced, under the provisions of Article XIX of the General Agreement, global import quotas on a range of clothing items for a temporary period as from 29 November 1976 at levels corresponding to actual imports during the calendar year 1975. These measures will be reviewed by the Canadian Government.
in the light of the final report of the Textile and Clothing Board which is expected to be completed before mid-1977 (L/4453). A three-year global quota has been imposed on double-knit fabrics under Article XIX of the General Agreement, commencing on 8 April 1977, that is, upon the expiry of the interim measure introduced on 8 October 1976. The quota level during the first year has been set at 8.5 million pounds, which will be distributed among Canadian importers on a semi-annual basis. Quota levels for the second and third quota years will be determined at a later date (L/4450 and Add.1). The global quota on imports of 100 per cent worsted spun acrylic yarn in hanks and skein for machine knitting below a certain price level established under Article XIX has been fixed at 2.5 million pounds for 1977, the same level as for 1976 (L/4344/Add.1).

24. The European Economic Community has established, effective 1 April to 31 December 1977, Community surveillance over imports of phosphate fertilizers (falling under sub-headings 31.03 A1 and 31.05 A11 a) of the Common Customs Tariff).

25. Under Article XIX, Finland has introduced a surcharge on the import of women's panty hose (tights) for a period of six months commencing from 27 December 1976. The surcharge will be equivalent to the difference between the basic price and the import prices of various qualities of tights contained in each consignment (L/4461). Also, with effect from 27 December 1976, Finland has introduced for a period of six months a minimum import price procedure applicable to knee-length stockings made from synthetic continuous man-made fibres (60.03A). Furthermore, Finland has, from 9 February 1977, introduced a levy on imports of rubber footwear, where the import price is below the current Government declared minimum import prices. The Bank of Finland has enlarged the list of imported products that must be paid for in cash before release by the Finnish customs authorities.

26. Iceland has extended the special goods tax introduced in July 1975, and currently levied at the rate of 18 per cent, until 31 December 1977. The list of goods affected remained unchanged.

27. Italy has extended the surveillance of imports of paper and paper products and colour television sets until 30 June 1977 and 31 December 1977 respectively.

28. The New Zealand Government has decided to hold the value of goods imported under the 1977/78 import licensing schedule to the same level as for 1976/77.

29. As of 15 November 1976, the Norwegian Government has extended its temporary automatic licensing arrangements to cover certain clothing items. The Norwegian authorities have stated that the arrangement, introduced as a matter of surveillance only, was not intended to establish any new restraints on imports of products covered by the measures (L/4219/Add.2).
30. Sweden has increased taxes on wines and spirits by approximately 10 per cent.

31. As from 1 November 1976, Switzerland has imposed an additional duty of Sw F 100 per quintal on imports of bottled red wines in excess of the average annual volume imported during the period 1971-1975 (L/4416). Import licences for the import of bottled white wine in 1977 will be restricted to the same level as 1976, i.e. a total of 65,000 quintals gross plus an additional 20,000 quintals set aside to cover hardship cases (L/4181/Add.2).

32. The United States has, as of 15 March 1977, imposed an additional 21.4 per cent duty on imports of cotton yarn from Brazil. This countervailing duty is over and above the normal tariffs on such products which range from a minimum of 3.4 per cent to a maximum of 16.25 per cent plus 3.6 cents per pound. Following investigation and report by the United States International Trade Commission on the domestic sugar industry, the President, on 4 May 1977, determined that a remedy involving import restraints, achieved either through import quotas or tariff increases, would not be a desirable course of action. In noting that the United States is actively participating in negotiations for an International Sugar Agreement, which, if successful, would provide long-term assurances of greater stability in world prices and supplies, the President instructed the Secretary of Agriculture to institute an income support programme which would provide supplemental compensation to growers of up to 2 cents a pound for sales at market prices below 13.5 cents per pound (L/4481 and Add.1). The President also declined the recommendations of the United States International Trade Commission to grant import relief to domestic producers of mushrooms and footwear (L/4478 and Add.1; L/4477 and Add.1). However, he ordered the continued monitoring of mushroom imports and domestic market conditions, and directed a major new federal trade adjustment effort to be undertaken to assist the domestic footwear industry to become more competitive. To facilitate this effort, the President instructed his Special Representative for Trade Negotiations, to seek within ninety days, temporary agreements with foreign footwear exporting nations designed to moderate recent rapid shifts in trade causing injury to United States shoe firms, workers and communities. The President has also ordered a full review of all existing federal trade adjustment assistance programmes for the purpose of developing recommendations to the Congress for an effective new programme, also within ninety days (L/4477/Add.1).

ACTIONS IN OTHER INTERNATIONAL ORGANIZATIONS RELEVANT TO PART IV AND OTHER MATTERS

UNCTAD

33. At its eighth special session in April/May 1977, the Trade and Development Board undertook a review and appraisal of the international development strategy and related United Nations General Assembly resolutions. The report of the Board,
containing submissions by the Group of 77, the developed market economy countries and the socialist countries of Eastern Europe respectively will be transmitted to the General Assembly at its thirty-second session commencing in September this year.

34. At its tenth session in November 1976, the Committee on Tungsten, in addition to reviewing recent developments in the tungsten market and discussing the question of the exchange of information on tungsten, considered alternative approaches to a tungsten stabilization arrangement. The Trade and Development Board took up the Committee's report at its special session in April 1977 and decided to establish an ad hoc intergovernmental group of experts on tungsten to examine and assess proposals for the stabilization of the world tungsten market.

35. The Committee on Economic Co-operation Among Developing Countries, at the second part of its first session, in May 1977, adopted a resolution requesting UNCTAD, in establishing the work programme on economic co-operation among developing countries, to give special attention to the initiation of studies in a number of specified areas.

Integrated programme for commodities

36. The Ad Hoc Intergovernmental Committee, which has the task of co-ordinating matters relating to the integrated programme for commodities, met in November 1976 and March 1977. It has arranged schedules of meetings on products being taken up under the integrated programme for commodities and agreed that a thorough review of progress achieved in the implementation of Resolution 93(iv) and of the schedule of meetings should be carried out at its next meeting.

37. Following three preparatory meetings, a United Nations Negotiating Conference on a Common Fund under the integrated programme for Commodities took place in the period 7 March to 1 April 1977. The next meeting of the conference has been scheduled for November/December 1977.

38. The second Preparatory Meeting on Copper, in May 1977, considered the report of the Intergovernmental Group of Experts on Copper, created to, inter alia, examine appropriate measures and techniques, including their financial implications, required to achieve the objectives of the integrated programme. The meeting decided to recommend to the Ad Hoc Intergovernmental Committee that the Intergovernmental Group of Experts on Copper should be reconvened as soon as possible and should be entrusted with the task of identifying the possible economic elements of an international arrangement on copper and of recommending such other measures as it might consider necessary by the end of December 1977.
39. The Preparatory Meeting on Jute and Jute Products has held meetings at expert level to prepare a report on a detailed programme of action for jute and jute products in order to implement Resolution 93(iv) with respect to these items. This report, which is to be considered at the fourth Preparatory Meeting (scheduled for July 1977), recommends a programme of research, development and market promotion and calls for further consideration of various possible market stabilization measures and of the question of production cost reduction. The Preparatory Meeting has also considered the question of market access. Developing countries expressed the view that frontier protection on jute products had contributed to the displacement of jute by synthetics in some traditional markets and requested the removal of tariff and non-tariff measures still applied by developed countries. Certain developed countries, in addition to describing their actions in liberalizing access for jute products, suggested that import treatment applied to jute and jute goods in other regions should be explored.

40. The first Preparatory Meeting on Rubber, held in January 1977, agreed that measures designed to reduce excessive volatility in the international rubber market and to achieve stable conditions at price levels which were remunerative and just to producers and equitable to consumers, would be in the interests of both consumers and producers. The meeting decided that at its next session (scheduled for June 1977) it would discuss specific proposals and identify the possible elements of international arrangements in accordance with Resolution 93(iv). Producer countries also urged action on certain other measures, including the question of improved access to markets which would in particular be applicable to semi-processed and processed rubber products.

41. At the fourth session of the Intergovernmental Group on Tea, held in London in February 1977, it was decided, following agreement in the Sub-Group of Exporters on the basic objectives of an International Programme on Tea, that an ad hoc working party should be convened to consider the framework of a possible International Tea Agreement. Amongst other issues, the question of access to markets was discussed, taking into account the concessions and contributions on tea implemented in the context of the MTN. Delegations of exporting developing countries expressed the hope that importing countries continuing to apply duties to tea would liberalize such trade, particularly with respect to packaged tea.

42. The sixth session of the Intergovernmental Group on Meat, held in October 1976, considered, inter alia, questions of market access and related problems. It adopted a set of Guidelines for International Co-operation in the Livestock and Meat Sector, aimed at securing balanced expansion in meat production, consumption and trade. The Guidelines call for measures both at the national level and in respect of trade policies, the latter being concerned with ensuring
that the consequences of instability arising in national livestock and meat industries do not harm the livestock economies of other countries, especially those of developing countries.

43. The twentieth session of the Intergovernmental Group on Rice took place in Rome during March/April 1977. In addition to examining the world rice situation and outlook for 1976/77, national and regional rice policies and longer-term trends, it reviewed the action taken by governments to adjust supplies to demand on world markets and other measures relating to the Guidelines for National and International Action recommended by the Group at its fifteenth session. The Group discussed, among other things, the question of export aids which had been introduced or increased by some countries. While delegates noted that the subject of export aids was a matter for negotiation in the MTN, the Group decided to continue to review developments concerning this matter in the context of the rice trade as part of the general review of the follow-up to the Guidelines.

44. The Intergovernmental Group on Jute, Kenaf and Allied Fibres, at its twelfth session in October 1976, reviewed trade developments and outlook and considered the indicative price range for Bangladesh jute. It agreed to recommend a range of US$314–$16 per long ton. Delegations from producing countries reiterated their belief that barriers to trade, particularly non-tariff measures such as quotas and autolimitation agreements, were still substantial despite improvements made in the arrangements between India, Bangladesh and the EEC. Delegations from several consuming countries said that the level of protection in Western Europe was relatively low, that existing quotas were not presently being fulfilled and that greater attention should be paid to highly protected markets in other regions. The Group also heard reports on, and expressed its support for, progress in the formation of Jute International.

45. The Intergovernmental Group on Oilseeds, Oils and Fats at its eleventh session in March 1977, reviewed, inter alia, the short-term outlook for oilseeds, oils and fats. Among other things, it also examined certain GSP schemes as they related to oils and fats. In its conclusions on policy implications, it considered that it would be appropriate for countries to avoid the imposition of any new measures which could limit imports and consumption of vegetable oils and fats taking particular account of the interests of developing countries, to extend and improve the benefits of GSP schemes and to remove existing tariff and non-tariff barriers.

46. The twelfth session of the Intergovernmental Group on Hard Fibres took place in New Delhi in March 1977. In relation to sisal and henequen, the Group agreed that the ceiling of the indicative price range for fibres should be raised by US$25 per ton so that the new recommended price range would be US$450–550 per metric ton East African UG c.i.f. Europe and that the existing arrangement involving a global quota and individual quotas remain unchanged. In relation to coir, the Group considered a proposal for the establishment of a Coir International.
At its fifty-first session in May 1977, the Committee on Commodity Problems considered, inter alia, developments in the world commodity situation, specific commodity matters, and reviewed international action relating to agricultural commodities in other fora. In the consideration of the main issues arising from the current world commodity situation, delegations from developing countries expressed concern at the restrictive trade measures and support policies being applied in a number of developed countries. They stated that the coverage of agricultural commodities under GSP schemes had been limited, and urged their improvement and extension as an important means for enlarging the developing countries' share of international trade. Several delegations from developed countries stated that their agricultural policies were aimed at stabilizing production and incomes of farmers with a view to ensuring balanced development in the domestic sector. They also stated that considerable improvements had been made in their GSP schemes, which affected a wide range of agricultural commodities.

The World Food Council will hold its third meeting at Ministerial level in Manila from 20-24 June 1977. The Ministerial Meeting will have before it a number of draft recommendations which were considered by a preparatory meeting of the Council held in Rome from 9-14 May 1977. The draft recommendations, which the Preparatory Meeting agreed to transmit to the Manila Ministerial Meeting without commitment on the part of members of the Council are concerned with the following matters: eradicating hunger and malnutrition; increasing food production in developing countries; international system of food security; food aid; agricultural inputs; policies and programmes to improve nutrition; and food trade.

Following receipt by 31 March 1977 of the required notifications of agreement with the text of the Agreement to establish an International Tea Promotion Association, the Agreement is now open for signature. The Agreement will enter into force six months after the date on which governments of at least seven countries have deposited their instruments of ratification, acceptance or approval, provided that their total volume of exports of tea accounts for at least two thirds of the total volume of all countries qualified to participate in the Agreement.

The eighth session of the International Cocoa Council took place in London in March 1977. The main item for discussion was the review of the minimum and maximum prices under Article 29(2) of the Agreement. Although no decision was taken on a new price range, it was agreed that there should in principle be an
upward revision of prices, that the Executive Committee should continue its deliberations on this issue and report to the Council at its next meeting in July 1977, and that in order to facilitate future reviews a permanent body should be set up to conduct studies on the world cocoa economy.

International Tin Agreement

51. After having had its period of provisional application extended until 30 June 1977, the fifth International Tin Agreement will enter definitively into force on 1 July 1977, following acceptance by the required number of countries.

United Nations Sugar Conference

52. A United Nations Sugar Conference was held in Geneva in April–May 1977 with the objective of negotiating an International Sugar Agreement. The Chairman of the Conference has been authorized to consult with interested delegations on the reconvening of the Conference at an appropriate time in the future.

ACP/EEC Convention of Lomé

53. Six additional countries have acceded to or signed agreements on accession to the Lomé Convention, bringing the number of ACP member States to fifty-two. These are Surinam, the Seychelles, the Comoro Islands, Sao Tomé and Principe, the Cape Verde Islands and Papua New Guinea. About 24 million units of account have been allocated to nine ACP countries as the initial transfers under the export earnings stabilization scheme to compensate for shortfalls in earnings from exports of certain commodities during 1976. At the recent EEC/ACP Council of Ministers' Meeting, it was agreed, inter alia, to include a number of additional items in the coverage of the STABEX scheme.

Association of Natural Rubber Producing Countries

54. On 30 November 1976, the five founder members of the Association of Natural Rubber Producing Countries – Indonesia, Malaysia, Thailand, Sri Lanka and Singapore – signed an International Natural Rubber Agreement on Price Stabilization. The Agreement provides for a joint buffer stock of up to 100,000 tons initially and production controls when necessary in order to stabilize rubber prices.

London Economic Summit

55. The communique issued by the leaders of seven major western countries following their economic summit meeting in London in May 1977 covered trade, among other issues. With reference to trade, the leaders committed themselves
to providing strong political leadership to expand opportunities for trade to strengthen the open international trading system, which would increase job opportunities. Protectionism was rejected because it would foster unemployment, increase inflation and undermine the welfare of the people. They agreed to give a new impetus to the Tokyo Round of Multilateral Trade Negotiations with the objective of making substantive progress in key areas in 1977. In this field it was stated that structural changes in the world economy must be taken into consideration. The appendix to the communiqué expanded on each of the issues mentioned in it, including relations with developing countries.

Conference on International Economic Co-operation (CIEC)

56. The Conference met at Ministerial level in Paris from 30 May to 2 June 1977. In their report the participants registered agreement on a number of issues and measures relating to energy, raw materials and trade, development and finance. With regard to raw materials and trade, agreement was reached, inter alia, on the establishment of a Common Fund with purposes, objectives and other constituent elements to be further negotiated in UNCTAD, research and development for natural products competing with synthetics, measures for international co-operation in the field of marketing and distribution of raw materials, measures to assist importing developing countries to develop and diversify their indigenous natural resources, improvement of the GSP, identification of areas for special and more favourable treatment in the MTN and certain other trade questions. The texts agreed on these issues and measures appear in the annex to the report. The Conference agreed that the CIEC was only one phase in the ongoing dialogue between developed and developing countries which should continue to be pursued actively in the United Nations system and other existing appropriate bodies.