Mr. Chairman, as has been repeatedly emphasized, the Kennedy Round presents contracting parties with a uniquely important opportunity for achieving the objectives of trade liberalization and therefore, it can be looked upon as the major instrument by which the objectives of Part IV can be realized at the present time. During the recent session of the CONTRACTING PARTIES, a number of important industrialized countries have affirmed their intention to give effect to their commitments under Part IV in the context of the Kennedy Round. It follows from this that the successful conclusion of the trade negotiations remains for the moment the paramount concern of the CONTRACTING PARTIES and of the Committee on Trade and Development.

I think therefore that this Committee is very well advised in following the lead given by its Chairman and arranging its work in such a way as to accommodate a successful conclusion to the Kennedy Round within the fairly limited time available. Having underlined the importance of this operation, I might be expected in my capacity as Chairman of the Sub-Committee on the Participation of the Less-Developed Countries in the Kennedy Round, to make a fuller report than I am actually in a position to do at this date. This is not because activities within the Kennedy Round have been slackening or have been at a low level. On the contrary, I think we are all aware that there has been a gratifying acceleration of activities over the last two or three months and that it has been possible to activate negotiations in a number of different fields. We have already entered a stage in the negotiations where the initial committee work, so to speak, has to a large extent been terminated. The ground rules for the negotiations in various fields, including those relating to the participation of less-developed countries, have been laid down and it is now a matter of the interested parties getting together and negotiating their specific interests either bilaterally or in small groups.

There is also the fact that, despite the quickening of activities and the significant progress achieved over the last two or three months, it is still true that in a number of important areas some participating governments have not yet been in a position to table their full offers. This is the case particularly in the
field of agriculture and tropical products. In these circumstances, I will have very few remarks to make concerning the present stage of the negotiations. It is too early to make any evaluation of the direction in which the negotiations are going and where the concerted efforts of bodies such as this Committee should be concentrated.

However, I think it would be relevant and opportune for me, once again, to underline the importance of the time factor in the current negotiations. Once the initial offers on all outstanding areas, in particular in the field of agriculture and tropical products, have been tabled by those governments which have not yet been in a position to do so, the amount of time that will be available for the conclusion of negotiations will be fairly limited and it can be foreseen that activities at that stage will be extremely intensive. It is, therefore, of the utmost importance that work which can be done on the basis of the material which is presently available be done now. I think it is therefore relevant to repeat the appeal which has been made by the Sub-Committee on the Participation of the Less-Developed Countries at an earlier stage, that this material be used for the most active bilateral or group negotiations without delay.

I must indicate, at the same time, that there are a number of issues of a broad and multilateral nature which still confront the Sub-Committee on the Participation of the Less-Developed Countries, and which it has been unable to deal with, due among other things to the reasons to which I have already referred. The three major issues are, firstly, the request for cuts deeper than the 50 per cent in certain areas; secondly, earlier implementation of cuts on items of interest to less-developed countries than otherwise foreseen in the overall plan; and thirdly, the question of compensation to less-developed countries, which, as a result of the negotiations, will be affected by the reduction or disappearance of preferences they now enjoy. With regard to the question of compensation for loss of preferences, I might point out, as has been done in the Sub-Committee itself, that in the final result of the negotiations, the countries concerned will automatically obtain some compensation in the form of other trade concessions. However, as will be the case for the other two issues I have mentioned, it will only be at the closing stage of negotiations when all the relevant facts are available that it will be possible to make precise evaluations. As far as requests for deeper cuts and earlier implementation of cuts are concerned, it is necessary to have supporting evidence and justification as is customary in trade negotiations. I might add in this connexion that an exercise which one might call the "defining of priorities" on the existing very broad list of items would be useful and advisable not only from the point of view of setting out the specific issue to which I have just referred but also for the final stage of the negotiations. This "defining of priorities" could helpfully be undertaken by the participating countries at this stage. I have said some time ago that the GATT secretariat stands ready to give such technical assistance as the participating countries require from us and would like to repeat this offer now.
I should also like to refer to the important problem of negotiations for the exchange of trade concessions between less-developed countries and to advise against reverting in future meetings on this subject to an academic discussion of the issues involved, but that we proceed on the basis accepted by the CONTRACTING PARTIES themselves a few months ago. Such an approach presents a practical opportunity for obtaining results within the current trade negotiations.

Finally, Mr. Chairman, another reason why I have not gone into greater detail in reporting to this Committee is that it would be the intention of the Chairman of the Trade Negotiations Committee to convene a meeting of that Committee, possibly in the early part of July. This meeting will afford an opportunity to all participating countries, including the less-developed countries, to take stock of the situation.