1. The informal group of developing countries in GATT held its sixty-fourth meeting on 9 June under the Chairmanship of H.E. Dr. José Antonio Encinas del Pando, Ambassador of Peru. Present were the representatives of Algeria, Argentina, Chile, Ghana, India, Israel, Jamaica, Korea, Nigeria, Pakistan, Peru, Turkey, United Arab Republic, Uruguay and Yugoslavia.

2. At the request of the Chairman, the Deputy Director-General addressed the group on the current situation of the Kennedy Round negotiations in relation to developing countries. The Deputy Director-General recalled that it had been agreed at the last meeting of the Sub-Committee that once the draft schedules of concessions became available, an opportunity would be afforded for developing countries to discuss them and to exercise multilateral pressure in an endeavour to resolve the remaining problems. Now that most of the schedules had been received he had convened the Sub-Committee for 13 June. At that meeting the Sub-Committee should deal with all outstanding problems concerning the interests of developing countries, in particular, the questions of advance implementation, deeper cuts, and compensation to developing countries for the loss of preferences. On the requests of developing countries, the secretariat had held a number of discussions with the industrialized countries on the problems of advance implementation, hard core items and compensation. The indications that had been obtained were, however, that the major industrialized countries were prepared to consider the question of advance implementation on a most-favoured-nation basis only. Some of these countries had emphasized that their attitude should not be taken as representative of their stand on the question of preferences as such. In the case of the United States the limitation was of a legal nature, while for the others, it seemed to have arisen either from their unwillingness to take steps which the United States might be unable to match or from a reluctance to enter, at this stage, into a field verging on preferences. A number of industrialized countries had indicated their intention to implement some concessions of particular interest to developing countries at an early date after the conclusion of the negotiations, although the lists of such concessions when eventually presented might be somewhat limited in character. At the last meeting of the Sub-Committee, the United Kingdom and certain other delegations had taken the view that a final settlement on the question of advance implementation should not be attempted at this stage but should be pursued in the Committee on Trade and Development. It would seem that,
considering its importance, developing countries might be well advised not to insist on a final solution of the problem before the end of the Kennedy Round. Unilateral action by individual industrialized countries should be welcomed and the understanding should be affirmed that the problem would be tackled on a continuing basis.

3. The Deputy Director-General further noted that the secretariat's discussions with the industrialized countries relating to linear or deeper cuts on certain products of interest to developing countries had revealed no better prospects than the developing countries themselves had been able to ascertain in their bilateral negotiations. It would, therefore, be entirely appropriate for developing countries to raise this question in the forthcoming meeting of the Sub-Committee if for no other reason than putting the matter on record for future reference. At this stage it was difficult to give an overall evaluation of the results of the Kennedy Round, but the secretariat, as directed by the Committee on Trade and Development at its Punta del Este meeting, had already started on an objective analysis. The secretariat would endeavour to complete the preliminary study by the end of the month and it could be presented to the Committee on Trade and Development for consideration.

4. The Deputy Director-General also recalled that the question of compensation to developing countries for the loss of preferences resulting from the negotiations had been discussed time and again in the Sub-Committee on the Participation of Less-Developed Countries but that it had not been possible to arrive at a common understanding. It was not likely that the forthcoming meeting of the Sub-Committee would give any better results.

5. The Deputy Director-General thought that it would be appropriate for the developing countries to propose that suitable provisions be included in the final instruments embodying the results of the Kennedy Round recognizing the existence of all such "unfinished business", viz the questions of advance implementation, compensation for loss of preferences, as well as the trade negotiations being pursued for the exchange of concessions among developing countries.

6. Referring to a comment made regarding the lack of demarcation in the responsibilities of international bodies dealing with problems of developing countries, the Deputy Director-General considered that there was no reason why difficulties arising in this regard could not be resolved through more effective co-ordination between the organizations concerned.

7. In reply to a question concerning the cereals agreement, the Deputy Director-General said that a number of exporters and importers had entered into a binding commitment as regards maximum and minimum prices as well as food aid.
Although these commitments had been negotiated by a limited number of participating contracting parties all contracting parties were free to seek clarification as to how the arrangement would affect their interests and to discuss the detailed operation of these provisions. This opportunity was now being provided through the meetings of the Cereals Group. A certain number of developing countries had indicated that they considered the agreement beneficial to their trade. Any adverse effect which the agreement might have on the interests of certain developing countries would seem to be more than compensated for by the very significant increase in food aid that the agreement would bring about.

8. Several members of the group expressed concern over the way in which the last stage of the Kennedy Round had been conducted. It was stated that, for one reason or another, developing countries had been denied adequate and effective opportunities of participating in the negotiations. Owing to the lack of political will on the part of major participants, the results of the Kennedy Round seemed disappointing in the benefits that it conferred on the developing countries, especially when viewed against the objectives accepted by Ministers and the commitments laid down in Part IV of the Agreement. The hope was expressed that the end of the Kennedy Round would be the beginning of a new programme of intensive work aimed at solving the trade and development problems of developing countries.

9. The group then entered into a discussion of matters relating to the appointment of senior officials of the secretariat and one delegation announced that it intended to propose that the question of proper election procedures be included on the agenda for the next Council Meeting. After an exchange of views, the group agreed to adjourn the discussion until its next meeting, which it agreed should take place on 20 June 1967.