SUMMARY RECORD OF THE NINTH MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 5 April 1966, at 10 a.m.

Chairman: Mr. J.A. LACARTE (Uruguay)

Subjects discussed:

1. Customs Unions and Free-Trade Areas - information furnished
   (a) European Free Trade Association - Stockholm Convention and the Association Agreement with Finland
   (b) Latin American Free Trade Association
   (c) Central American Common Market
   (d) Central African Economic and Customs Union

2. Trade of less-developed countries

1. Customs Unions and Free-Trade Areas - information furnished

(a) European Free Trade Association - Stockholm Convention and the Association Agreement with Finland (L/2603)

The information furnished by the member States of the EFTA (L/2603) had been introduced by the spokesman for the Association at an earlier meeting (SR.23/2).

Mr. LERENA (Argentina) noted that the main objectives of the EFTA countries continued to be the creation of a large and outward-looking European market and the harmonious development and expansion of world trade. He observed that the statistics provided indicated that the expansion in EFTA intra-trade had been accompanied by an increase in trade with third countries, but that imports from the developing countries, in particular Latin American countries, had not increased at the same rate as those from developed countries. He regretted that the report was not more precise as regards trade in agricultural products, both
intra-EFTA and between the Association and third countries. He would welcome the inclusion of more detailed statistics for agricultural trade in the next report. The Fifth Annual Report mentioned, on page 25, that a Working Group had been established to examine the effects of export subsidies maintained by member States on the trade of their EFTA partners. He wondered whether this Working Group would also analyse the effect of these subsidies on the trade of third countries, particularly developing countries.

The bilateral agreements on agricultural products, maintained under Article 23 of the Stockholm Convention, had long caused his Government concern. It would perhaps be appropriate for the CONTRACTING PARTIES to conduct an analysis of these agreements, not with the objective of arriving at conclusions, but rather of assessing their consequences on the trade of both the parties concerned and third countries. A basis for such an examination could be provided by the secretariat, which could prepare a statistical note, to be supplemented by additional information supplied by the member States. Although he had no formal procedural suggestion to make, it would perhaps be helpful to establish a working party. The question of procedures could be determined at the twenty-fourth session, perhaps on the basis of suggestions by contracting parties at the Council meeting preparing for the session.

It was agreed that the secretariat should prepare a study on the lines indicated, and that the procedural question should be dealt with by the CONTRACTING PARTIES at their next session.

The CONTRACTING PARTIES took note of the information furnished.

(b) Latin American Free Trade Association (L/2619)

The information furnished by the member States of the Association, contracting parties to the General Agreement, had been introduced at an earlier meeting (SR.23/7).

The CONTRACTING PARTIES took note of the information furnished.

(c) Central American Common Market (L/2591 and Add.1)

A report by the Government of Nicaragua had been circulated in L/2591 and Add.1.

The CONTRACTING PARTIES took note of the report.
(d) Central African Economic and Customs Union (L/2623)

The statement by the spokesman for the Union, made at an earlier meeting, had been circulated in L/2623.

Mr. GUERILLOT (Central African Republic) said that contracting parties would be kept informed of the implementation of the Union. Document L/2277/Add.1 contained replies to questions posed by contracting parties on the Union which was, he noted, open to all independent African States.

Mr. PHILLIPS (Australia) said that his delegation would welcome the inclusion, in future reports on the Union, of statistics on imports into its member States of temperate agricultural products subject to discriminatory tariff treatment.

Mr. GUERILLOT (Central African Republic) agreed to this request.

The CONTRACTING PARTIES took note of the information furnished.

2. Trade of Less-Developed Countries (Continuation) (L/2614)

Mr. SUZUKI (Japan) mentioned the unique position of Japan in trade with developing countries. At present Japan was their third largest market. Japan's imports from the developing countries had doubled between 1959 and 1964, growing by 15 per cent per annum on average. The Japanese market would become increasingly important for the products of the developing countries in view of its growth potential and it was the firm intention of his Government to promote its trade with them under Part IV of the General Agreement, which his Government had already accepted.

As regards action in the implementation of Part IV, Japan had removed its import restriction on cocoa powder as from 1 April and had submitted a draft law to Parliament providing for the removal of duties on cocoa beans and coffee and for the reduction of internal taxes on cocoa products and coffee. Japan had offered in the Kennedy Round the reduction or removal of tariffs and the binding of zero duty on a number of tropical products. Japan was one of the principal producers of tea, and black tea was grown in depressed areas where there were no alternative cash crops. Nevertheless, in view of the strong interest of developing countries in the product, Japan would avoid any increase in the present acreage under cultivation. Japan had increased its imports of black tea in recent years and would make maximum efforts to further increase the import quota for this item, as had been reflected in its offer in the Kennedy Round. The Japanese delegation looked forward to having bilateral talks with the developing countries concerned with a view to finding practical solutions to problems along the line of this policy. Japan had participated positively in the work of the Committee on Trade and Development and many of its sub-groups, and would continue to do so with increasing interest. It was hoped that discussions in the Committee would be based on concrete material.
The Government of Japan had contributed greatly to the expansion of the trade of developing countries. Japan had in recent years been receiving nearly 1,000 technical trainees a year from many developing countries, and had been sending many experts to these countries. It had built thirteen technical training centres in developing countries. In 1964 alone forty missions had been despatched to developing countries to explore the possibilities of investment, establishment of industrial plants and development of resources. Japan had been co-operating economically as well as technically with developing countries in the improvement of the marketability of their products. This had taken the form of contracts for technical services, establishment of joint venture operations for development purposes, granting of loans, deferred payments for exports, etc. It was the avowed policy of the Japanese Government to promote purchases from developing countries by making the maximum possible use of these types of measures of co-operation. Necessary steps had recently been taken for the establishment, in the Japanese Trade Promotion Agency, of a unit entrusted with the work of promoting imports from developing countries. The Japanese delegation appreciated the Uruguayan invitation to the Committee on Trade and Development and would go along with the general consensus in favour of accepting it provided this would not involve an increase in the budget of the GATT.

Mr. PHILLIPS (Australia) expressed appreciation for the effective way in which the Chairman of the Committee, Ambassador Lall, had guided the Committee's work and of the progress made by the Committee in dealing with various problems of less-developed countries in the field of trade and development. As regards residual restrictions, he stated that, in view of their inhibitive effects on trade in general, his delegation would support the establishment of more general procedures to deal with the problem rather than seeking the elimination of these restrictions primarily under the authority of Part IV of the General Agreement. Due account should of course be taken of the special problems of the less-developed countries arising from the continued application of import restrictions on products of particular interest to them. He welcomed the Committee's conclusions concerning the establishment of preferences among less-developed countries, the pragmatic approach envisaged for the formulation of appropriate legal provisions governing the exchange of such preferences and for safeguarding the interests of third countries in the implementation of such preferential arrangements. His delegation supported the adoption of the draft decision on Article XXIII, as regards action under Part IV subject, of course, to the conditions of Australia's acceptance of Part IV. His Government hoped that, pending further consideration of some of the broader aspects of the problem, as reflected in the original joint proposal by Brazil and Uruguay, the new provisions would help the developing countries
in overcoming some of the handicaps they experienced at present in resorting to
the provisions of that Article. In conclusion he thanked the Government of
Uruguay for the invitation to the Committee on Trade and Development to hold its
next meeting at Montevideo and proposed that the Director-General, in consul­
tation with the Uruguayan authorities, might decide on the most suitable time for
such a meeting.

Mr. DE FONSEKA (Ceylon) congratulated the Committee for the work it had done
during its first year of operations, but felt that the results of the almost con­
tinuous efforts made by a multitude of committees and expert groups, to give
effect to the 1963 Ministerial Conclusions and to implement Part IV, had been
rather disappointing. On the positive side one might list the widespread sus­
pension of import duties on tea and tropical timber, the Nordic proposal for the
reduction of duties on tropical products, and the waiver granted to Australia for
the establishment of preferences in favour of developing countries, but it would
not be correct to say that access to the markets of industrialized countries for
the exports of the developing countries in general had been substantially enlarged.
Considering the present state of progress in the Kennedy Round it was even doubt­
ful whether the current trade negotiations would be of much benefit to the
developing countries.

Mr. de Fonseka noted with concern the conclusion which might be drawn from
Section VIII of the report that the lists of products drawn up by the developing
countries for consideration by the Group on the Examination of Products of Export
Interest to Developing Countries carried no juridical implications for the purpose
of Part IV of the General Agreement. He expressed the hope that the products
notified by the developing countries as being of export interest to them would be
taken into account by the developed countries in the implementation of Part IV.
It was a matter of disappointment that certain items of major importance to the
developing countries continued to be subject to restrictions applied inconsistently
with the provisions of the GATT. Referring to the statement by the representative
of Japan on measures envisaged to be applied to imports of black tea, one of the
items still subject to restrictions in Japan, he felt that the measures were not
sufficiently comprehensive. He urged the Japanese authorities to review this matter
de novo and to relax further the restrictions on this product, independently of
action envisaged in the context of the Kennedy negotiations, so as to make it
possible for countries like Ceylon to obtain a more adequate share of the Japanese
market for that product. He emphasized that the stated objective of contracting
parties to assist the developing countries to diversify and develop their economies
would not be achieved unless access to world markets was enlarged not only for the
newer lines of exports but also for their traditional exports.

Mr. de Fonseka recalled that the developing countries had made proposals
regarding measures to be adopted to assist them to become more competitive in
world markets and thus enable them to obtain a more equitable share in world trade. He expressed the hope that those proposals would be given careful consideration. Commenting on the envisaged establishment of preferences among developing countries, he stated that although such arrangements might be of some considerable long-term importance, one might easily over-estimate the immediate benefits which would result from such preferences. Taking account of the present pattern and structure of world trade, preferences granted by the industrialized countries to the developing countries and the removal of barriers to their trade would be of greater immediate benefit to the developing countries in overcoming their very urgent trade problems. This matter should be kept in mind in drawing up the Committee's work programme and in establishing priorities.

Mr. AKWEI (Ghana) said that consideration of the report of the Committee on Trade and Development afforded a timely appraisal of the situation with regard to the trade and development of the developing countries in the light of the objectives of the Development Decade, the 1963 Ministerial Conclusions and Part IV of the General Agreement. He regretted that the overall trade and development prospects of these countries had deteriorated. Moreover, many tropical products continued to be subject to severe import restrictions and high fiscal charges. Violent price fluctuations in the markets of primary commodities like cocoa, sugar and coffee had drastically affected the foreign exchange earnings of the developing countries and consequently the implementation of Part IV, as indicated in the report, was a cause for disappointment. The statement by the Japanese representative, which referred to the liberalization of a cocoa product and the contemplated removal or reduction of duties and internal taxes on cocoa, cocoa products and coffee, was to be welcomed.

The deadline set in the 1963 Ministerial Conclusions for the removal of restrictions had not been fully complied with by many of the developed countries, and little attempt had been made by them to relax or remove the restrictions maintained inconsistently with the provisions of the General Agreement. There had also been no clear indication of the intention of the countries concerned regarding the removal of such restrictions in the consultations held by the Group on Residual Restrictions. In these circumstances the CONTRACTING PARTIES might consider adopting new rules to ensure that such quantitative restrictions were brought under some effective international control. Given the present reluctance on the part of the developed countries to take appropriate action for the removal of restrictions, his delegation would suggest the setting up of a working party entrusted with recommending appropriate action which would lead to multilateral consultation and action in this field.

Mr. Akwei noted the views expressed by some industrialized countries, that the successful implementation of the current trade negotiations would ensure the full implementation of the Ministerial Conclusions. Stressing the expectations of the
developing countries in the Kennedy Round and their concern with the developments in the negotiations, he suggested that the CONTRACTING PARTIES consider in this session what alternative action would be available to ensure the implementation of the Ministerial Conclusions. He hoped that the potentialities of the Kennedy Round would be more meaningfully redeployed by a renewed sense of urgency, primarily on the part of the industrialized countries. As regards fiscal charges maintained by industrialized countries on coffee, cocoa and tea, the fact that they had been acceptable as negotiable in the current negotiations provided no assurance that they would in fact be removed. The way in which some developed countries were applying the principle of non-reciprocity vis-à-vis developing countries was not satisfactory; many of the industrialized countries regarded the non-reciprocity principle as being qualified by considerations of "past trade developments", and as a result developing countries were often asked for concessions. It was hoped that the CONTRACTING PARTIES would consider taking appropriate measures to ensure that in the negotiations the principle of non-reciprocity was applied in the sense in which it had originally been conceived. Alternatively, in case the non-reciprocity principle could not be guaranteed in a form not prejudicial to developing countries, negotiation on fiscal charges should be transferred to another machinery in the GATT with procedures for confrontation and justification.

Noting the attempt of the Expert Group on Adjustment Assistance Measures to highlight those measures that were designed deliberately to promote imports from the developing countries, Mr. Akwei urged the countries concerned to be more specific in their future reports so as to enable the Group to pay particular attention to the effect of adjustment assistance measures on items in the exceptions lists in the Kennedy Round and also to the assessment of their impact on the trade opportunities of the developing countries. He suggested that permanent contact and co-ordination of activities be established between three groups; namely the Expert Group on Adjustment Assistance Measures, the Working Group on Preferences, and the Sub-Committee on the Participation of Less-Developed Countries. Under the existing procedures freedom to resort to surcharges, in a real emergency, seemed to be impeded. It was hoped that the CONTRACTING PARTIES would reconsider the recommendation of the Committee regarding "discussion on specific proposals", and consider whether it might not be worthwhile to charge the secretariat to carry out more studies and, if need be, recommend alternative ways of dealing with the problem of surcharges. The exchange of preferences among less-developed countries could be a dangerous principle unless carefully analysed and studied. This would impose restriction on the industrial potential of weaker less-developed countries vis-à-vis the more highly developed among them. It was suggested that greater consideration and attention be given to an alternative system by which smaller less-developed countries could be grouped into large economic regions. Then, such grouped countries might be encouraged to negotiate preferences with other less-developed countries. In the matter of regional economic groupings, a particular responsibility devolved on the developed countries to refrain from adopting trade policies hampering the formation of economic groupings among less-developed countries in particular regions. Where such policies already existed, a study on appropriate compensation should be seriously made with a view to providing recommendations which the developed countries concerned could consider.
Mr. SMID (Czechoslovakia) commented on a number of problems dealt with by the Committee and its sub-groups. His Government attached importance to policy measures aimed at assisting the developing countries in their efforts to expand and diversify their exports. The dynamic changes presently occurring in the structure of industries in most of the developed countries should make it possible to introduce changes to assist the developing countries in their quest for general economic equality and in their efforts to make their foreign trade into an effective instrument of growth. Czechoslovakia had initiated a process of structural changes in its economy which took fully into account the potential of accelerated growth offered by the opportunities for complementing Czechoslovakia's economic needs with those of the developing countries. This policy could be expected to provide a solid basis for expanding trade with the less-developed countries in the years to come. He agreed that the envisaged preferential arrangements among the less-developed countries might also be relied upon to bring about a better utilization of the resources of the developing countries and to stimulate their development, an objective which might also be furthered by preferences granted by developed countries to the developing countries. He felt, however, that, useful as preferential schemes might be in the context of a comprehensive effort for assisting the less-developed countries, one should be aware of the inherent limitations of preferences as a tool for the development of trade. Mr. Smid expressed his delegation's support for the adoption of new procedures for the utilization of Article XXIII by less-developed countries, as set out in the draft decision annexed to the report. He welcomed the work done by the Expert Group on Trade and Aid Studies as a basis for determining the measures which should be taken by contracting parties for promoting the economic development of the less-developed countries concerned. In concluding he expressed appreciation for the invitation which the Government of Uruguay had extended to the Committee on Trade and Development. His delegation would be pleased to go to Montevideo if it were agreed to hold a meeting of the Committee in Uruguay.

Mr. RYDFORS (Sweden) said that in view of the difficult nature of many of the problems dealt with by the Committee, it was not surprising that important progress had not been made in all the various fields of work undertaken by the Committee. Difficulties should not discourage contracting parties from continuing the efforts to find solutions to the vital problems for developing countries to expand their trade. His delegation considered the trade and aid studies of great value. They gave a good illustration of the needs of the countries concerned and helped his country to understand better what practical measures were of value for their economic development. The competent authorities were studying how a country like Sweden could more specifically assist the developing countries in the field of trade information and promotion. The study should lead to increased and more meaningful Swedish contribution through multilateral, as well as bilateral, channels to the GATT centre. Trade promotion and marketing were complex matters and it was to be hoped that countries with more experience and better resources would offer assistance. He congratulated the Committee on having been able to arrive at a draft decision on procedures under Article XXIII.
Mr. MORENO (Cuba) said that notwithstanding considerable efforts made by many contracting parties and by the Committee the results achieved so far in the implementation of Part IV of the General Agreement had confirmed the view of his delegation that the new Chapter was not an adequate instrument for solving the problems of less-developed countries. Indeed, since the United Nations Conference on Trade and Development almost two years ago the terms of trade of many of the developing countries had further deteriorated. To make matters worse there had also been unjustified duty increases on products of special export interest to developing countries, and whatever growth in trade had taken place had primarily accrued to the developed countries. Obviously, Part IV was neither an effective tool for facilitating the access of the products of developing countries at remunerative levels to world markets, nor institutionally adequate in overcoming the chaotic situation existing in international commodity markets, particularly in respect of such products as sugar, cocoa and coffee. He expressed the hope that governments would take effective action to overcome the serious and urgent problems affecting trade and economic development of the developing countries so that when the Committee submitted its next report some real progress would be seen.

Mr. KHALIL GAMAL ELDIN (United Arab Republic), referring to the statement he had made when this agenda item had last been discussed, suggested that contracting parties consider the establishment of a special working group along the lines of the Sub-Committee 1 of the former Action Committee whose functions had now been taken over by the Committee on Trade and Development. The Group should be given the task of examining in a pragmatic manner the possibilities for the full implementation of the 1963 Ministerial Conclusions, in particular the early elimination of remaining quantitative restrictions. He suggested that the contracting parties still applying such restrictions should be invited to draw up a liberalization programme with definite target dates, for instance by the end of 1966, for import liberalization. Failing that, appropriate compensation should be given to the developing countries for the loss of trading opportunities resulting from the continued maintenance of restrictions inconsistent with the General Agreement. He also appealed to contracting parties which had not so far accepted the Protocol introducing Part IV to the General Agreement to do so at an early date. He expressed pleasure at the unanimous agreement of contracting parties that the establishment of preferences among the developing countries could make a significant contribution to trade expansion of those countries and to the attainment of the objectives of the General Agreement. This should make it possible for the developing countries to put forward concrete proposals for the establishment of such preferences drawn up in conformity with the spirit of Part IV. His delegation approved the suggestions contained in the Committee's report regarding further work to be undertaken in relation to various matters of major trade interest to the developing countries. Finally, his delegation was thankful to the Government of Uruguay for the invitation to the Committee on Trade and Development to hold its next meeting at Montevideo. He suggested that for the time being the date for convening the meeting might best be left open.
Mr. PROPPS (United States) pointed out that, in judging both the progress made and the remaining problems to be dealt with, one would have to bear in mind that Part IV had been in existence on a de facto basis for little more than one year and that the Kennedy Round of trade negotiations, obviously of major interest to the developing countries for expanding their trade not only relating to action under Part IV but also in relation to the 1963 Ministerial Conclusions, was still in progress. The United States was now actively negotiating in the Kennedy Round with some twenty developing countries. Total imports into the United States from these countries taken together amounted to approximately $2,100 million, out of which imports worth $1,300 million already entered the United States duty free. On $600 million of the remaining $800 million worth of imports from these countries which were dutiable, the United States had offered a general 50 per cent cut in duties, and in respect of certain products imported mainly from tropical countries his Government had offered to eliminate duties completely. In the view of his delegation developing countries which had not so far chosen to take part in the trade negotiations were neglecting an important opportunity to further the expansion of their trade. His delegation would indeed welcome wider participation of developing countries in the current trade negotiations. Other action taken by the United States to give practical effect to the 1963 Ministerial Conclusions included the elimination of all quota restrictions on imports of lead and zinc, as well as various other measures set out in the United States reports on the implementation of Part IV. He felt, however, that as regards a further reduction in trade barriers, one would have to look in the first instance to an accelerated tempo in the Kennedy Round negotiations to enable his Government to take new steps also in the context of Part IV.

Mr. Propps supported adoption of the draft decision on Article XXIII. As regards the suggestions made for the further work of the Expert Group on Adjustment Assistance Measures he felt that, for the immediate future, it might be most practical if the secretariat were to obtain from governments additional information for consideration by the Trade and Development Committee. He expressed the hope that the Expert Group on Trade and Aid Studies which had studied the development plans of Nigeria and Uganda would soon be in a position to examine the development plans of other less-developed contracting parties which had requested that their plans be studied. In relation to the conclusions reached on the establishment of preferences among developing countries his Government emphasized that such preferential arrangements should provide a reasonable expectation of increased productivity through the enlargement of markets for the products concerned. He thanked the Government of Uruguay for its invitation to the Committee on Trade and Development to hold a meeting at Montevideo and suggested that the question of the date and agenda be considered again by the Committee.

Mr. SOMMERFELT (Norway) informed the CONTRACTING PARTIES that on 1 April, his Government had ratified the Protocol Amending the General Agreement to Introduce a Part IV on Trade and Development. He stressed that the discussions held in Parliament in connexion with seeking legislative approval for ratification had again shown the importance which Norway attached to the adoption of measures for assisting the less-developed countries; this might be taken as a good augury for the spirit in which Norway intended to live up to the implementation of Part IV.
Mr. PINCH (United Kingdom) stated that, while it was appropriate in an assessment of the Committee's work to bear in mind the overall problems facing the developing countries in the expansion of their export trade, it was only too clear that against this background the progress made so far by the Committee and its sub-groups was unlikely to have the same presentational impact as the demonstration of the underlying problems. Another matter to be borne in mind in assessing the progress made by a particular country or group of countries in implementing Part IV would be their relative starting positions, for example, in relation to the use of such measures as quantitative restrictions and the other barriers to trade referred to in Part IV. Finally, one might wish to recall that Part IV had been applied on a de facto basis for little more than one year and that the reporting procedure under Part IV was still in an evolutionary stage.

The United Kingdom had participated in the work of all the sub-groups established by the Committee and it was a matter of satisfaction that - as noted in the report - significant progress had been made by some of the groups, for instance, those dealing with adjustment assistance measures, trade expansion among less-developed countries, legal amendments to the General Agreement, trade and aid studies, and also as regards the GATT International Trade Centre. While preparing for the work that was still to be done, one should not under-estimate the results achieved so far. However, the adoption of appropriate measures for the expansion of the trade of the less-developed countries would be prominently in the mind of the United Kingdom delegation in the Kennedy Round negotiations. As regards the specific suggestions in the report for further work to be undertaken, his delegation would wish to come back to some of these suggestions at a later stage when they were taken up for detailed consideration and decision.

Mr. VALENZUELA (Chile) said that perusal of the Committee's report and the remarks of the preceding speakers, had led his delegation to believe that contracting parties had indeed made a positive effort to further the objectives of Part IV, while revealing at the same time the obstacles that had not so far lent themselves to a greater advance in depth. He stated that, since the specific problems involved had already been commented upon in some detail, he would refer only to a general matter of relevance to the work of the CONTRACTING PARTIES in the field of trade and development which was of some concern to his delegation, namely the often observed relegation of the trade problems of the developing countries to a relatively low level of priority in political platforms and governmental programmes and policies. This attitude found its reflection in the low priority which news media in the developed countries generally gave to the staggering problems with which the developing countries were faced. In these circumstances it was not surprising that the general level of public awareness in the developed countries of the problems of the developing countries was low and that effective international action in dealing with these problems was slow. He expressed the hope that contracting parties would give this matter their serious consideration and that through their work they would be able to generate greater interest and a greater awareness of these problems as a basis for immediate and effective action on the part of all concerned.
Mr. STEDTELD (Federal Republic of Germany) said that, in view of the wide range of problems dealt with by the Committee, it was not surprising that the progress made over the last year showed some significant variations from item to item. The report also showed that while some encouraging progress had generally been made, much work still needed to be done, for instance in relation to the question of the establishment of preferences by developed countries in favour of less-developed countries. As regards the findings of the Expert Group on Adjustment Assistance Measures, he noted with interest the distinction made between measures of a general nature and those used specifically for facilitating an increase of imports from developing countries. He felt that, useful as this distinction might be, there were so many other overlapping dynamic factors contributing to adjustments in the structure of an economy - to mention only a few, automation and substitution, regional integration, changing consumer preferences - that in practice it might not be too useful to attempt to isolate the different adjustment assistance measures required for dealing with one or more of these problems. In his view the basic question was whether governments were prepared to pursue an active policy favouring structural adjustments within the overall framework of a competitive market economy. The Federal Republic had adopted an active policy in this regard and the various measures taken had been notified to the Expert Group. He explained that, moreover, the whole question of adjustment assistance to facilitate structural adjustments in his country’s economy was currently the subject of a full-scale review.

Commenting on the study of the development plans of Nigeria and Uganda, Mr. Stedtfeld recalled that the Federal Republic had actively participated in the work of the Expert Group dealing with this matter and would continue to do so. He supported acceptance of the recommendations set out in paragraph 52 of the report for follow-up action on the work of the Expert Group. His delegation also supported the suggestion made in paragraph 53 of the report that the GATT International Trade Centre should explore possibilities for obtaining concessional rates for the participation of exporters from less-developed countries in trade fairs in industrialized countries. The Federal Republic had for some years included some provision in its budget to assist exporters from less-developed countries to participate in trade fairs in the Federal Republic. His delegation would be pleased to accept the invitation extended by the Government of Uruguay to the Committee on Trade and Development if the CONTRACTING PARTIES decided to schedule a meeting of the Committee in Montevideo.

Mr. KOFFI (Ivory Coast) commenting on the question of preferences granted by developed countries to less-developed countries and speaking as the representative of one of the countries enjoying such preferences within the framework of a free-trade area, recalled that it had been agreed at the last UNCTAD session that the existing discriminatory preferential systems could be replaced by preferences of a more general nature provided compensation was afforded to countries for the loss of existing privileges. He suggested that a working group might be set up to deal with the problem of compensation arising from the generalization of preferences.
As regards preferences among less-developed countries, although this would contribute considerably to the expansion of their trade, his delegation had to reserve its position as regards the non-discriminatory application of such preferences. In Africa there was a remarkable tendency towards regional groupings where efforts were being made to co-ordinate industrialization projects on the basis of larger markets. More effective trade expansion could be achieved if preferences were granted within regional groupings rather than among all less-developed countries. Mr. Koffi expressed appreciation for the invitation of the Government of Uruguay and hoped to be able to participate in a meeting of the Committee in Montevideo.

The meeting adjourned at 12.15 p.m.