SUMMARY RECORD OF THE NINETEENTH MEETING

Held at the Palais des Nations, Geneva
on Friday, 24 November 1967, at 3.30 p.m.

Chairman: Mr. K.B. LALL (India)

Subjects discussed:
1. Review of the work of the CONTRACTING PARTIES through the last two decades and future programme - summary of conclusions
2. Article VI - Countervailing Duties
3. Appointment of a new Director-General
4. Election of officers
5. Closing of the session

1. Review of the work of the CONTRACTING PARTIES through the last two decades and future work programme

Summary of conclusions (W.24/54 and Add.1 to 4)

Mr. WYNDHAM WHITE (Director-General) in presenting the draft summary of conclusions (W.24/54) said that paragraphs 1 to 9 reflected a recognition of what he would call the almost historical achievements of the GATT over the last twenty years and of the need for contracting parties to prepare to address themselves with equal constructiveness to the problems that lay ahead. He drew attention in particular to paragraphs 7 and 9.

Paragraph 7 reflected the point made in the plenary discussion that it was vitally necessary to secure the full implementation of all the results agreed upon in the Kennedy Round. In this paragraph the Drafting Group had also sought to give expression to the concern of many that the difficulties which might well arise in some countries and in some sectors in implementing these results fully should not be dealt with by restrictive but by positive measures. The Drafting
Group had also drawn attention to the availability of procedures in the General Agreement for dealing with these matters in consultation and by agreement.

The cautionary words used in paragraph 9 reflected a dilemma between the general consensus that there should be important initiatives in the future, and the inhibitions of governments to commit themselves at this point to negotiation while they were exploring possible areas of future action. However this caution should not be construed in a negative sense. It was designed to ensure that the work of the GATT should be ambitious and exhaustive. Against this background the Drafting Group had addressed itself to the task of drawing up a programme of work composed of conclusions by the CONTRACTING PARTIES designed to give effect to the positive objectives stated in the text. This programme was contained in paragraph 10 which was divided into three sections. Section A included proposals relating to exploring the possibilities for further liberalization of trade in industrial products and section B proposals relating to exploring opportunities for further progress in the attainment of the objectives of the General Agreement in the agricultural field. Section C dealt with the problems of special concern to developing countries. Mr. Wyndham White said that it was the general understanding that, in addition to the tasks set out in section C of the Programme of Work, the CONTRACTING PARTIES would take such appropriate action as might be called for in the light of agreements reached at the Second UNCTAD. This was an important understanding, particularly in view of the communiqué which had just been issued relating to the agenda of the UNCTAD which would have before it a study of a programme on the promotion of exports of manufactures and semi-manufactures from developing countries; a programme for the liberalization of non-tariff barriers in developed countries of products of export interest to developing countries; and an analysis of existing quantitative restrictions maintained in selected developed countries on various products of export interest to developing countries. This illustrated that, in addition to the immediate responsibilities of the CONTRACTING PARTIES to deal with problems within the framework of the Agreement, there would be a cumulative and comprehensive effort in the course of the Second UNCTAD to deal with problems of less-developed countries.

Addressing himself to section A on industrial products, he drew attention to the proposal to establish a Committee on Trade in Industrial Products. He said that the inclusion of the words "taking into account the discussion on the subject at the twenty-fourth session", in the terms of reference of the Committee was intended to make it clear, without having to specify each and every suggestion that had been put forward in the discussion that all of these suggestions would be taken into account in the course of exploring the possibilities and opportunities of trade liberalization.
The third paragraph of section A dealt with the question of non-tariff and para-tariff barriers. In the course of the discussion it had become clear that there was widespread support for the idea of drawing up an inventory of these measures, providing for their analysis and, in the light of this analysis, setting up appropriate procedures to deal with the problems disclosed. The draft provided for the notification of measures by the interested exporting countries by 30 April 1968, the consolidation of these notifications by the secretariat, and their submission to the Committee on Trade and Industrial Products for an analysis of the inventory at the governmental level. Following this analysis the Committee would report to the Council which would consider any necessary measures to be taken and which would establish appropriate machinery to deal with the problems identified in the inventory.

The Director-General drew attention to the square brackets in section B dealing with agriculture. He said that the first of these reflected differences of opinion of the Group as to the drafting of the terms of reference of the Committee. There had been some countries in the Drafting Group who had felt that, in view of the introductory part of this paper, it was clear that the work would be directed towards liberalization of trade and that it would therefore be unnecessary to be more specific in the terms of reference of the Agricultural Committee. On the other hand, countries who were particularly concerned about exports of agricultural products had felt that it was desirable to be completely unambiguous on this point, particularly in view of the fact that there had been recognition that in this area the CONTRACTING PARTIES had made less progress in the attainment of the objectives of the Agreement than in the whole of the industrial field.

Referring to the first sentence of the second paragraph of section B, the Director-General said that it was the understanding of the Drafting Group that the English text was the nearest approach that could be made to reflecting the words "préparer la recherche à un stade ultérieur" contained in the French text.

The most difficult problem throughout this report had been the question raised by the representative of New Zealand, supported by the representative of Australia, regarding the critical situation in the dairy industry. This had also been brought to the attention of the CONTRACTING PARTIES by the international organization representing dairy producers in thirteen countries. In the course of discussion it had also been made clear that at least one other country had felt that there were other urgent and immediate problems which could not wait for solution within the long-term work of the Agriculture Committee. Such problems called for more immediate consideration with a view to finding interim solutions which could then be worked out in the framework of the longer-term work of the Agriculture Committee. Both the countries
concerned with dairy products, and the countries which saw other problems requiring equally urgent attention, had felt that it would be appropriate and desirable to seek, at this session, agreement that the CONTRACTING PARTIES acting together would take steps to set in motion new procedures for a common effort to deal with these problems on the understanding that the approach would be related to, and in the framework of, the longer-term work of the Agriculture Committee. The language of Article XXII made it quite clear that the invocation of that Article was not a hostile procedure nor a litigious one, nevertheless psychologically and politically it could risk having that appearance and therefore might impair the objective of a friendly and collective approach to problems of common concern to the international trading community. This was not a view on which the Drafting Group could report unanimous agreement, and therefore the text in the penultimate paragraph on agriculture still concealed disagreement. The proposal of exporting countries on particular sectors judged to require urgent attention was contained in the final paragraph in square brackets.

The Director-General said that section C relating to the trade of developing countries was largely self-explanatory. He wished merely to recall the general observation he had made earlier on this section.

He concluded by drawing attention to separate proposals of amendment which were before the CONTRACTING PARTIES for discussion in W.24/54, Addenda 1 to 4. These represented suggestions which particular contracting parties wished to put to the plenary and on which they wanted to seek the concurrence of the CONTRACTING PARTIES.

At the suggestion of the CHAIRMAN the CONTRACTING PARTIES agreed to examine the draft text contained in document W.24/54 and Addenda 1 to 4, section by section.

**Introductory part**

Paragraphs 1-4 were approved without change.

Paragraph 5 was approved with the modification indicated in W.24/54/Add.1.

Paragraph 6 was approved without change.
Mr. KING (Barbados) wished to have it recorded, in this connexion, that the developing countries hoped that developed countries would adjust their agricultural policies as far as possible to conform with the principle of providing the maximum access in their markets for the products of developing countries and thus assist towards the early resolution of the problems of these countries.

Paragraph 7 was approved without change.

Mr. King (Barbados) proposed that in paragraph 8 after the words "The CONTRACTING PARTIES" the following words should be added: "took note of the interest in the work of the GATT of countries with centrally planned economies and".

Paragraph 8 was approved with the amendment proposed by the representative of Barbados.

Paragraph 9 was approved with the amendment proposed by the CHAIRMAN that the last sentence should begin: "Further, the CONTRACTING PARTIES agreed that".

Future Work Programme

Paragraph 10 was approved without change.

Industrial products

This section was approved without change.

Agriculture

The CHAIRMAN said that he understood that as a result of informal discussions it had been agreed to replace the final paragraph of section B by the following text: "It was further agreed that in an urgent case where it was generally recognized that there were widespread difficulties affecting significantly world trade in the product, these discussions should be undertaken immediately " (W.24/54/Add.4).

This was agreed.

The Chairman said that he understood, in the light of the discussion during the session, that it was generally recognized that a serious and urgent problem existed in the case of dairy products.

There was no dissent from the view expressed by the Chairman.

Mr. MARSHALL (New Zealand) said that in that case he proposed that consultations on dairy products be initiated not later than 15 December.
Mr. LAHR (Germany, speaking on behalf of the European Economic Community) said that he could agree with the New Zealand proposal on the condition that it be understood that the consultations would be held in the framework of Article XXII of the General Agreement.

The CHAIRMAN said that it was clear that agreement had now been reached on the principal problem in the part of the document dealing with agriculture. However, one small problem remained in respect of the first paragraph on page 7—the question of the square brackets. He understood that there was now agreement to remove the brackets around the second phrase in the first sentence of the paragraph and that the word "covering" in the second square brackets should therefore be deleted.

Mr. ROTH (United States) said that the particular problem raised by the Governments of New Zealand, Australia and Denmark had been recognized. His delegation agreed that the problem was a serious one and was ready to consult with those Governments immediately. He wished to add, however, that there were other product problems which were of immediate concern to his country. His Government intended to pursue those problems in due course both bilaterally and multilaterally in accordance with GATT procedures. He stressed in that regard that the fourth paragraph of section B, on which agreement had just been reached, provided a constructive and flexible new approach in situations that needed urgent solutions. He considered that it would add a most acceptable and useful device to GATT procedures.

Mr. KING (Barbados) referred to the last line of the second paragraph of section B and asked if the words "shall participate" should not be replaced by "are urged to participate".

The DIRECTOR-GENERAL explained that the aim of the words "shall participate" was to create an obligation for the contracting parties concerned to take part in such an examination, if called upon.

Mr. SOMMERFELT (Norway) said that it was the understanding of his delegation that the participation would be obligatory for contracting parties having a significant influence on the market situation; other contracting parties, for which the problems under examination were important, could participate if they so wished.

Conclusions relating to the trade of developing countries

Point (a) was approved without change.

Mr. SWARUP (India) recalled that the developing countries in their joint statement at the conclusion of the Kennedy Round negotiations had drawn attention to the importance of advance implementation of concessions in favour of
developing countries. His delegation did not request that any drafting change be made in document W.24/54, but he expressed the hope that the developed countries would examine the request of the developing countries with sympathy and expedition.

Point (b) was approved with the amendment indicated in W.24/54/Add.2.

Mr. AOKI (Japan) said that his delegation had not agreed to the amendment; if all other contracting parties were willing to accept it, his delegation would, however, also accept it.

Point (c) was approved without change.

Mr. SOLA (Argentina) wished to have it recorded that it was the understanding of his delegation that the wording of item (c) did not preclude that panels of governmental experts might be established to examine problems relating to the quantitative restrictions maintained by developed contracting parties on products of particular interest to developing products other than industrial products.

Points (d) and (e) were approved without change.

Point (f) was approved with the modification indicated in W.24/54/Add.1.

Points (g) and (h) were approved without change.

The point indicated in W.24/54/Add.3 to be inserted after point (h) was approved.

Point (i), to be renumbered (j), was approved without change.

The CHAIRMAN suggested that the heading of item (j), to be renumbered (k), should read "Special Tariff Problems".

This was agreed.

Mr. KING (Barbados) suggested that the reference to the studies referred to in paragraph 8 of the third report of the Committee on Trade and Development should be replaced by the full text relating to those studies.

It was agreed to attach the full text as an annex to the Programme of Work.

The CHAIRMAN recalled that the Director-General, in his capacity of Chairman of the Drafting Group, had said in his introductory statement that it had been the general understanding that in addition to the tasks set out in section C of the Programme of Work, the CONTRACTING PARTIES would take such appropriate action as might be called for in the light of agreement reached at the Second UNCTAD.
The text, as a whole, of the review of the work of the CONTRACTING PARTIES through the last two decades and conclusions on their future work programme, as amended, was adopted and it was agreed that the text should be derestricted immediately.

2. **Article VI - Countervailing Duties**

The CHAIRMAN recalled that when it had been proposed at an earlier meeting that arrangements should be made for a study of countervailing duties and related matters, some delegations had indicated that they wished to have more time to consider the proposals made (SR.24/13 and SR.24/14).

Mr. ROTH (United States) recalled that the United States and certain other countries had suggested the creation of a working party with broad terms of reference to cover countervailing duties, subsidies and other export incentives. The United States was seeking agreement in principle to the establishment of such a working party but recognized that it would not be appropriate for the time being to consider its terms of reference. He suggested, therefore, that the CONTRACTING PARTIES should agree to the establishment of a working party, but leave its terms of reference to be decided at an early meeting of the Council of Representatives.

Mr. HIJZEN (Commission of the European Economic Community) said that the Community could agree to the establishment of such a group on the understanding that the Council, when decided on its terms of reference and membership, would also establish a time-table for the work of the group.

It was agreed that a working party to study countervailing duties, subsidies and other export incentives should be established and that the Council of Representatives should determine the terms of reference, membership and time-table for the work of the working party.

3. **Appointment of a new Director-General**

The CHAIRMAN said that for twenty years the CONTRACTING PARTIES had been spared the difficulty of finding a successor to their distinguished Director-General; therefore, there was no precedent to go by. Mr. Wyndham White, though pressed to stay, had repeatedly explained the reasons that impelled him to go. As Chairman of the CONTRACTING PARTIES he had felt that the best way to show respect to the distinguished Director-General was to respect his wishes. As a result of the consultations held by the heads of delegations, unanimous agreement had been reached on the proposal to elect Mr. Olivier Long as Director-General to the CONTRACTING PARTIES. Mr. Long, a citizen of Geneva, had been Head of the Economic Section of the Joint Relief Commission of the International Red Cross; delegate of the International Red Cross in London; on the staff of the Federal Political Department, subsequently transferred to the Swiss Legation at Washington; Federal Council delegate for Trade Agreements; Minister Plenipotentiary; Head of the Swiss Permanent Delegation to the European Free Trade Association; Chairman of the Council of EFTA at the level of Permanent Representatives and, currently, Ambassador to London.

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The appointment of Mr. Olivier Long to the post of Director-General was approved by unanimous acclamation.

The Chairman requested the Government of Switzerland to spare the services of Mr. Long as soon as possible. He also requested that Mr. Wyndham White continue in the meantime to discharge his responsibilities as Director-General.

Mr. SCHAPPNER (Switzerland) expressed, on behalf of the Swiss Government, deep gratitude for this choice which was a tribute to the international rôle of Switzerland in the world today.

Mr. WYNDHAM WHITE (Director-General) said that he was deeply moved by the generous statements addressed to him during the last few days and said that it was with both pride and humility that he had received so widespread an expression of support to continue to serve. His refusal to do so had been one of the hardest decisions he had ever taken. He repeated, however, that he thought this was a good time for the organization to make a change and prepare itself for the great challenges of the future. He had been particularly moved by the practically unanimous insistence of the less-developed countries that he stay. He hoped that in the course of his work they had found him genuinely understanding and sympathetic to their problems; if he could ever be of assistance they would never turn to him in vain. He was pleased to welcome the appointment of the new Director-General and felt that he was leaving an organization in good shape and in good hands.

The CONTRACTING PARTIES showed their appreciation for Mr. Wyndham White by a standing ovation.

4. Election of officers (W.24/57)

The CHAIRMAN said that, at the meeting of heads of delegations that morning, it had been agreed to propose the election of the following officers for the ensuing year:

Chairman of the CONTRACTING PARTIES: H.E. Mr. S. Chr. Sommerfelt (Norway)

Vice-Chairmen of the CONTRACTING PARTIES:
- Dr. Otto Benes (Czechoslovakia)
- Mr. F.P. Donovan (Australia)
- H.E. Mr. S. Osman Ali (Pakistan)

Chairman of the Council of Representatives: Sr. Carlos Besa Lyon (Chile)

Chairman of the Committee on Trade and Development: H.E. Mr. Sule Kolo (Nigeria)

These officers were elected.
5. Closing of the session

The CHAIRMAN welcomed the new Chairman of the CONTRACTING PARTIES and remarked that this twenty-fourth session had been a momentous one. On its twentieth anniversary the CONTRACTING PARTIES had reflected upon their past work and on the development of the General Agreement into an instrument of paramount importance in international trade. They had also looked to the future which, of course, was more important. They had known before assembling and before Ministers joined the deliberations, that they would not be embarking upon new initiatives but rather an exchange of views on exploratory work that might be undertaken in preparation for whatever initiatives might eventually be decided. As a result, the preambular part of the conclusions contained a most significant statement governing the work of the CONTRACTING PARTIES for the future. Here had been recognized the value of what had been done in the past, and confidence had been expressed in the GATT as a basis of future trading relationships. It had been agreed to prepare for new initiatives although it was not forecast what these initiatives would be. All hoped that the longer-term programme, as it evolved, would bring ways and means of greatly alleviating the serious problems facing those countries which were heavily dependent upon exports of agricultural products, and also the great difficulties which still stood in the way of the advance of developing countries toward a better and more prosperous future.

He expressed the unanimous and heartfelt thanks of the CONTRACTING PARTIES and their deep and sincere gratitude to Mr. Eric Wyndham White for his outstanding services to them. The GATT, as it now functioned, was largely his creation and all contracting parties were deeply sorry that he had felt it necessary to leave. As the Deputy Prime Minister of New Zealand had said, Mr. Wyndham White was leaving with honours thick upon him and the knowledge that he carried with him into his new career the heartfelt good wishes of the CONTRACTING PARTIES.

The Chairman declared the session closed at 6.45 p.m.