I would like to take this opportunity on behalf of my delegation to address items under agenda items 2(a) and 2(b) with the possibility of reverting to these and other subjects at a later point in the meeting if it seems appropriate. I take this opportunity to welcome the progress which the tropical products negotiations have undergone since the last meeting and certainly over the past year or thereabouts. There is certainly much to be said for the proposition that these negotiations have progressed further and faster than other elements of the MTN. They are not complete yet but we are here at a point we are not at in other elements of the negotiations, that is to say, that we are at the point where there are offers on the table and negotiations going forward. It seems to me that that should be both a cause for satisfaction and a benchmark of progress. I noted, as the distinguished delegate of the European Communities did a moment ago, that while speaking for my delegation, we did not expect to receive any bouquets; in fact, an air of disappointment does seem to pervade the observations of the developing countries. We also share a sense of disappointment in that disappointment. We do so in part because there has, in fact, been progress made, perhaps not the degree of progress all of us would have liked, but nonetheless solid progress with which we should have some sense of satisfaction. Moreover, certainly for our part, we are prepared to go forward with a constructive spirit in seeking additional progress.

Part of the reason that I have this view is that, speaking specifically to the scope and contents of the offer presented by the United States, we feel that our offer represents a measurable and important element of progress. We have proposed an
offer on 148 separate items valued at over $1 billion in trade in 1974. Our offer is for n.f.n. tariff concessions and, on that basis, we are prepared to bind our offer. The offers cover products in which developing countries have a major share of the United States market. Our offer is not confined to primary products but also includes concessions on processed and manufactured forms of these products, which can reduce or eliminate problems of tariff escalation on these products. I mentioned a moment ago that the United States intends to bind concessions which we are offering on an n.f.n. basis. Bound n.f.n. concessions, I need not remind this Group, are permanent, are not subject to competitive need or other quantitative limitation and they thereby give developing countries greater certainty in development planning and are useful in attracting new investment. In addition, with few exceptions, the United States offer applies the maximum duty reductions permitted under the Trade Act of 1974. Indeed, on fifty-seven of the items included in the United States offer, that is, nearly 40 per cent of all the items in our offer, the tariff reduction offered is to duty free.

I might add, in that connexion, that under our negotiating authority, the Trade Act of 1974, the non-dutiable status of items takes on particular importance in a variety of regards. As one aspect of this, the United States legislation requires proof of injury to domestic producers before countervailing duties can be applied to offset export subsidies applied to non-dutiable items. In addition, there is a significant qualitative difference between dutiable and non-dutiable items. On dutiable items there is a broad range of measures that come into play, such as customs forms, valuations and the like, which are either unimportant or irrelevant for duty-free items. Hence, the value of duty-free binding is much greater than an evaluation of the tariff reduction alone would indicate. I would observe, in that connexion, that many of my colleagues sitting in this room have participated in the discussions in the Group "Tariffs" in which colleagues from Canada have indicated to us the importance which they attach to removal of duties on items currently carrying a duty of 5 per cent or less because of what they perceive as a quantifiable and qualifiable difference in the value of such concessions.

I would also like to comment under the heading of scope and contents upon the observations made by several delegations concerning the failure on the part of the United States and some other developed countries to make offers with regard to some products on request lists of developing nations. It is true that there are some items on which offers are not made. But it is the position of my Government that failure of the United States to put forward an offer on such products does not indicate non-negotiability of that item. It indicates that we are, at least at this stage, not making an offer in the "Tropical Products" Group but we are prepared to negotiate on these and all other items in other elements of this negotiation. We have, of course, included in our offer a number of products which
are not generally within the context of what one would consider a tropical product, as have other developed nations as well, and I would call attention to the admonition in the headnote to our offer, which indicated that our offer was without regard to a definition of the term "tropical products".

I should observe also, that we have noted the comments of a number of developing countries on the position of the United States concerning contributions by the developing countries to the tropical products negotiation. The position which my Government has taken, and which is familiar to this Group, has been stated at each of the four previous tropical products meetings, going back to March 1975. At the meeting in October of 1975, the United States indicated that we would specify the contributions that we would seek and observed at that time that we felt it not useful to re-open the question of paragraph 2(ii) of the Guidelines since our position on that issue had not changed. Our position, as this Group will recall, was that that paragraph incorporated by a reference the provisions of the Tokyo Declaration and particularly the principle of non-reciprocity, and thereby incorporated by reference the terms of paragraph 5 of the Tokyo Declaration which speak to the nature of the contributions which developed countries might properly expect from developing countries. I should also recall to the minds of the delegations in the room the mandate of the United States Trade Act which we operate under and which is familiar, I am sure, to most of you, that "a United States negotiating objective under Sections 101 and 102 shall be to enter into trade agreements which promote the economic growth of both developing countries and the United States and the mutual expansion of market opportunities". We have, of course, in our bilateral conversations with governments set forth our views on this subject in even greater detail.

I should point out also that the value of the offer which the United States has advanced, in our view, is a vindication of the contributions that we are seeking from developing countries. In all cases, the nature of those contributions that we seek is consistent with paragraph 5 of the Tokyo Declaration. We have sought, and will continue to seek, contributions which, at least in our view - and we are prepared to negotiate, of course - are consistent with the individual development, financial and trade needs of the beneficiary countries in each case. In many cases, the type of tariff concession we have indicated, when implemented, can contribute directly to the economic development projects and investment plans of the beneficiary country involved. In no case has the United States sought full reciprocity for the concessions which it is offering. In some cases, the contributions sought by the United States have included a request that import licensing not be applied to a specific product identified for tariff reductions since the tariff reductions themselves would not ensure trade in these items. We did not request, in these cases, the elimination of an entire import licensing system and we qualified our request by stating that in the
event of overriding considerations due to temporary balance-of-payments problems or the like, the United States would expect that the country in applying the remedial balance-of-payments measures on these products, would do so as a part of action taken on broader categories, recognizing, of course, the appropriateness in certain cases of such measures.

The United States has prepared its offer and the contributions it is seeking carefully. It has not tabled them on a take-it-or-leave-it basis. We are ready to engage in serious negotiations on the elements of both our offers and our suggested contributions. We are seeking to learn what the principal beneficiary countries to our offer are themselves prepared to contribute to the liberalization of world trade in the context of the tropical products negotiations. The United States is not prepared to make unilateral concessions in these negotiations but rather, considers itself governed by the provisions of paragraph 5 of the Tokyo Declaration, as we all are.

I should note in this connexion, in closing, that the United States has conducted consultations with thirty-five countries to date. We have thought those thirty-five consultations to be useful but, to be frank, we have not yet received as much feedback from the governments with whom we have been consulting as would be desirable. In fact, in our judgement, a basic impediment to further progress in this negotiation appears to be lack of attention by governments, not delegations, to offers. If I calculate correctly, document Spec(76)18 distributed by the secretariat shows that a total of 361 request lists were submitted to offering countries but in respect of only 111 cases have requesting countries met with the offering participant. That is to say, in fewer than one third of the cases bilateral meetings have, in fact, taken place, even the first time round. In our view, it is very important that the Group undertake a further round of intensive bilateral consultations and plurilateral consultations, which we are certainly prepared to undertake on a product basis, as a number of delegations have suggested. The effort that we should have before us is to energize and expedite that process so that governments can exchange views on how these negotiations might be advanced so that, in fact, we can move more promptly towards the finalization of the negotiations.