MINUTES OF THE MEETING OF THE INFORMAL GROUP OF
LESS-DEVELOPED COUNTRIES HELD ON 15 AND 16 MARCH 1966

Prepared by the Secretariat

1. Another in a series of regular meetings of the informal group of less-developed countries in GATT was held on 15 and 16 March 1966 under the Chairmanship of H.E. Mr. C. Valenzuela, Ambassador of Chile.

2. The meeting was attended by the representatives of Argentina, Brazil, Chile, India, Indonesia, Israel, Jamaica, Madagascar, Malta, Pakistan, Peru, Sierra Leone, Trinidad and Tobago, the United Arab Republic, Uruguay and Yugoslavia.

3. The group addressed itself to the following subjects:
   - proposed amendments to the draft decision relating to the Australian request for a waiver to grant tariff preferences to less-developed countries;
   - accession of Switzerland to the General Agreement;
   - possible date for holding the next meeting of the Cotton Textiles Committee.

4. The group had before it the report of the Working Party on the Australian request for a waiver to grant tariff preferences to less-developed countries (L/2527), the proposed amendments to the operative paragraph 6 and to the final sentence of the draft waiver (C/W/103), and the possible amendments to the operative paragraphs 3 and 4 of the draft decision which were also acceptable to the Government of Australia (C/W/104).

5. With regard to the proposed amendments to the operative paragraph 6 and the final sentence of the draft waiver, which took care of the views of certain delegations, it was generally felt that while not adding anything new to the substance of these paragraphs, these amendments tended to overstate the concept of a review. It was agreed that the less-developed countries would have no difficulty in going along with the modifications proposed, but the Chairman of the group of less-developed countries should be requested to make a statement at the twenty-third session of the CONTRACTING PARTIES to the effect that the envisaged annual and five-year reviews of the operation of the waiver per se would
not be meaningful unless they were specifically directed to evaluate whether the objectives of the preferential scheme were being achieved. If this was not the case, necessary steps should be taken to improve the scheme for the benefit of all less-developed countries.

6. As regards the new texts of the operative paragraphs 3 and 4 of the draft decision which had been formulated following the bilateral consultations and which were also acceptable to the Government of Australia, it was recognized that the amendments went a considerable way towards meeting the view points of less-developed countries. Some delegations were not wholly satisfied with the new texts which to them appeared to leave the initial decision to exclude a particular country from the scope of the preference on particular items almost entirely to the discretion of the Australian authorities. Other delegates thought that the amended texts were less prejudicial to the interests of less-developed countries when compared with the original texts of these paragraphs. Attention of the group was drawn to the fact that informal talks with the leader of the Australian delegation had revealed that the proposed texts of paragraphs 3 and 4 had been put forward in the hope that they would be acceptable to less-developed countries in their present form. The Australian delegation had received very limited instructions as far as any drafting changes in these paragraphs were concerned. It, therefore, seemed very unlikely that efforts on the part of less-developed countries to achieve major changes in the draft would be fruitful.

7. It was generally agreed that if the element of ambiguity in the new text of paragraph 4 of the draft decision relating to the use of the words "substantial injury to its trade with Australia" could be removed through slight drafting changes, less-developed countries would accept the new version of the paragraph in question. It was agreed that to this end the Australian delegation may be asked to include the words "in the products concerned" at the end of the first sentence of the revised operative paragraph 4 of the draft waiver. After contacting the Australian delegation, the Chairman informed the group that Australia was prepared to modify the text of the new operative paragraph 4 as suggested.

8. Mr. Mathur, the Assistant Director-General, informed the group that the Director-General of the GATT wished it to be brought to the notice of the group of less-developed countries that he was to make a statement in the meeting of the Council on 15 March in connexion with the accession of Switzerland to the General Agreement. Switzerland had entered into tariff negotiations some years ago, but the accession of Switzerland could not be finalized on the basis of these negotiations because of certain difficulties in its agricultural sector. Subsequently, in connexion with the discussions which had been going on in regard to the treatment of agricultural products in the context of the Kennedy Round, the Swiss authorities had extended certain assurances with regard to the general approach to the question of agricultural products, which in the view of the
Director-General appeared to provide a basis for transforming the provisional accession of Switzerland into a full one. Accordingly the intention of the Director-General was to summarize the position of Switzerland vis-à-vis GATT in the meeting of the Council, and to indicate that the text of a draft decision providing for Switzerland's full accession to the General Agreement without further delay would be placed before the CONTRACTING PARTIES. To this draft decision a draft protocol will be annexed setting out the various safeguards and assurances which Switzerland had given in regard to its treatment of agricultural products, and also the various legal formalities which the accession would involve.

9. As for the timing of the request made by Switzerland for accession to the General Agreement, it was stated that it had a close relation with the work in the Kennedy Round relating to the treatment of agricultural products. Some members of the group stressed that the issue should not be prejudged and that sufficient time should be given for examination of this matter. They considered that it would be in line with the practice followed by the GATT to appoint a small working party to look into the régime of Switzerland in agricultural products and the assurances extended by Swiss authorities. Mr. Mathur explained that the Director-General's proposals did not preclude appropriate examination of the question.

10. Disappointment was expressed over the postponement of the meeting of the Cotton Textiles Committee, which was originally scheduled to take place on 16 and 17 March 1966, for reasons advanced by the United Kingdom (GATT/AIR/544). It was recognized that in the circumstances which led to the postponement of the meeting, it would be difficult to get the Committee to meet earlier than 14 April 1966.

11. The group agreed to hold another meeting on Monday 21 March 1966 at 10 a.m. in Salle XIV, Palais des Nations, Geneva, to discuss the agenda of the twenty-third session of the CONTRACTING PARTIES.