

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

MINUTES OF THE MEETING OF A GROUP OF LESS-DEVELOPED COUNTRIES ON 19 OCTOBER 1964

1. The nineteenth meeting of the representatives of the Group of Less-Developed Countries took place on 19 October 1964 under the Chairmanship of H.E. Mr. E. Letts, Ambassador of Peru.

2. The meeting was attended by representatives of Argentina, Brazil, India, Israel, Jamaica, Nigeria, Peru, Trinidad and Tobago, United Arab Republic and Uruguay. The Group considered the manner in which its representatives should proceed in the informal discussions with representatives of developed countries to be held in the afternoon of 19 October. In considering this aspect of its work the Group had before it a paper prepared by the secretariat INT(64)562. The Group also considered certain formulations relating to the Draft Model Chapter and contained in INT(64)547/Rev.1, INT(64)560 and INT(64)565.

Preferences (INT(64)562)

3. A member recalled that it was the present attitude of the United States Government to oppose the granting of preferences by developed countries to developing countries and, except on a regional basis, by developing countries to one another. The attitude of the United States was not, he considered, immutable but for the present it would seem wise to concentrate attention on the acceptance of the concept of preferences in the Draft Model Chapter and on the establishment of appropriate machinery to consider the matter further. Although by proceeding on this basis a number of important differences between developing countries and developed countries would remain unresolved, it was, in the circumstances, the best means of ensuring progress.

4. Turning to INT(64)562 this same member expressed the view that it was a corollary of his observations that, at present, there was need only for action in respect of point (ii), as far as legal provisions were concerned, and point (iii) of paragraph 11, and point (iii) of paragraph 12.

5. A number of representatives emphasized that, in terms of their instructions, the acceptance of the principle of universality of preferences to developing countries, whether accorded by developed countries or by other developing countries, was a pre-condition of the establishment of any machinery to consider this question. Another member was however of the view that the terms of reference of new institutions to deal with preferences should mention the possibility of departures from the rule of non-discrimination between developing countries to take account of the interests of developing countries at a lower stage of development.

6. It was agreed that the member whose views are set out in paragraphs 3 and 4 should, on his own initiative, and without committing other members of the Group, ascertain the reaction of developed countries to his proposals. It was suggested that the concept of preferences could be best expressed by the adoption of the language of a proposal by India and the United Arab Republic as contained in L/2196/Rev.1, page 8 with, in square brackets, the amendment of this text proposed by Nigeria as set out on the same page. On the terms of reference of the institutions to be established to deal with preferences, the member concerned suggested the following topics for inclusion:

- (a) the depth, scope and duration of the preferences to be accorded;
- (b) the requisite safeguards for the interests of countries not benefiting from such preferences;
- (c) the special needs of countries at a lower stage of development and in particular, any departures from the rule of non-discriminatory treatment as between less-developed countries in the application of preferences to which these needs may give rise;
- (d) the mode of negotiating preferences and of amendment of preferences already in force; and
- (e) the implementation of the decisions reached by the relevant committee on the above, and any other, issues falling within its purview.

7. It was agreed that the member mentioned in the preceding paragraph should discuss with one or two other members of the Group a suitable formulation for consideration by the developed countries.

8. On the general subject of the work of the GATT in relation to preferences, a member expressed the view that the GATT should provide the legal basis for the granting of preferences, but that the detailed consideration of the implementation of preferences should be undertaken by the institution created for this purpose within the United Nations. Other members of the Group were, however, of the opinion that it would be quite appropriate for the GATT to proceed to a detailed examination of preferential schemes.

DRAFT MODEL CHAPTER

Paragraph 2(g) (INT(64)547/Rev.1)

9. A member proposed a number of amendments to the existing agreed text of paragraph 2(g) so that it would read as follows:

- (g) there is need for the contracting parties to provide flexibility in the application of the provisions of the Agreement to enable less-developed contracting parties to use such special measures as may be necessary to promote their trade and development without discrimination between such contracting parties and also to meet their difficulties arising from a shortage of foreign exchange in relation to growing import needs associated with their economic development.

Paragraph 3D (INT(64)560)

10. A member proposed a new formulation of paragraph 3D and this has been distributed as INT(64)566.

Paragraphs 3A and B (INT(64)565)

11. It was pointed out that, in the first sentence of paragraph 3B, the figure "1" should be deleted in the two places in which it occurred. It was proposed that the second sentence of the paragraph should be amended to read as follows:

"The matter may be reported to the CONTRACTING PARTIES by any interested contracting parties if it appears that any provision contained in paragraph A above is not being given effect to."

12. It was agreed that the next meeting of the informal Group should be held at 10.00 a.m. on 20 October.