

GENERAL AGREEMENT ON TARIFFS AND TRADE

MINUTES OF A MEETING OF LESS-DEVELOPED COUNTRIES ON 9, 10, 11 AND 14 DECEMBER 1964

1. The twenty-second meeting of representatives of a group of less-developed countries took place on 9, 10, 11 and 14 December 1964 under the Chairmanship of H.E. Mr. E. Letts, Ambassador of Peru.
2. The meeting was attended by representatives of Argentina, Brazil, Dominican Republic, India^{1 3}, Indonesia, Israel, Jamaica^{1 2 3}, Nicaragua, Nigeria^{1 2 3}, Pakistan^{2 3}, Peru, United Arab Republic, Uruguay and Yugoslavia^{1 3}.
3. The meeting was held to discuss the terms of the participation of less-developed countries in the Kennedy Round. The Group had before it two documents containing draft rules concerning such participation; ~~one~~ an unofficial draft prepared by the secretariat, the second an elaboration of this draft prepared by a small number of developing countries.
4. The representative of the secretariat, speaking at the request of the Chairman, explained that the secretariat's draft had been based on an earlier paper submitted by certain less-developed countries and incorporated proposals or attempted to meet points raised during the meeting of the Trade Negotiations Committee. The purpose of presenting the paper was to help secure agreement on a text which could be presented to the Sub-Committee on the Participation of Less-Developed Countries, perhaps after informal discussions on it with representatives of developed countries. Such a procedure would not of course preclude further suggestions being made in the Sub-Committee itself. It was pointed out by a representative responsible for drafting the second paper that it merely represented an informal effort to elaborate upon the secretariat's draft but that it carried no commitment for the governments of those countries participating in its drafting. It was agreed that discussion should proceed on the basis of the draft prepared by the small group of developing countries.

¹Not represented on 10 December.

²Not represented on 11 December.

³Not represented on 14 December.

5. It was suggested that in paragraph 1 the word "certain" should be inserted before the word "date" in the sixth line, that "1964" should be changed to "1965" in the seventh line and that, in the eighth line, the words "overall objective of" should be inserted before "world trade expansion".
6. The representative of the secretariat suggested that the mention, in paragraph 1, of the proposed Part IV of the GATT might give rise to certain difficulties of a formal nature in view of the fact that the Protocol of Amendment might not have received all signatures by 15 April 1965. It was however pointed out that reference to Part IV was preceded by the word "proposed" and that, if necessary, reference could be made to the "principles and objectives" of Part IV, which had been generally accepted. It was suggested that reference to Part IV was desirable in that it contained a clarification of the concept of reciprocity and it was important that developing countries should be in a position to refer to the principles and objectives of Part IV when they came to actual negotiations.
7. The representative of the secretariat also pointed out that the substitution of the concept of "world trade expansion" for that of "trade liberalization", while not seeming to raise any issue of substance, might give rise to presentational difficulties. It was, however, argued that it would be desirable to obtain acceptance of the objective of trade expansion which would, in any event, encompass the idea of trade liberalization.
8. In reply to a question, the representative of the secretariat explained that in the secretariat's informal draft mention had been made, in paragraph 2, of "items of interest to developing countries" since the provision of complete exceptions lists could give rise to certain problems. In the first place, some developed countries were unwilling to give wide circulation to their exceptions lists in case leakages occurred. Further, certain countries, while not less-developed, but which were primarily interested in agriculture, were not, at this stage, being provided with the exceptions lists. He suggested that items of interest to developing countries could be defined in trade terms. It was, however, pointed out that the limitation to items of interest to developing countries could give rise to problems of definition and it was suggested that it would be desirable to know the attitude of the developed countries towards products which, although not of export interest to the developing countries, were nevertheless substitutes for, or competitive with, such items. A representative drew attention to the fact that certain items might not appear on exceptions lists, not because they were not to be excepted, but because the country concerned regarded them as "agricultural". The representative of the secretariat was also questioned as to the meaning of the words "consolidated list" in the second paragraph of the secretariat draft. He explained that he envisaged that each developed country would make a single list of excepted items which were of interest to all developing countries.

9. Paragraphs 2, 3 and 4 were approved with an amendment to paragraph 3 whereby the words "list of" in the third line would be deleted.

10. There was considerable discussion of the position of developed countries whose prime interest in the trade negotiations was agriculture. Discussion on the position of these countries was related to both paragraphs 1 and 5 of the draft. Representatives of these countries pointed out that their difficulty was one of timing. A situation might arise in which, on the predetermined date for indication of contributions, the work of the Committee on Agriculture had not advanced sufficiently for them to be able to assess the rules governing negotiations on agricultural products. In such a situation they would be unwilling to give any indication of the extent of their contribution. They suggested therefore that it would be desirable if, in determining the date by which developing countries should indicate their willingness to contribute, a reservation could be made enabling their countries to withhold such an indication until such time as the rules for negotiation on agriculture became known. In this connexion it was pointed out that there might be difficulty in withdrawing "offers" if, at a later stage, it were found that the framework for negotiations on agriculture would not produce results satisfactory to developing countries interested in agricultural products.

11. Other representatives however drew attention to the fact that the date of 15 April had been designated "tentative". Moreover, they pointed out the developed countries would expect developing countries wishing to avail themselves of the procedures outlined in paragraphs 2, 3 and 4 of the draft, to provide an indication, by a specific date, of their willingness to make a contribution. Many developing countries would be prepared to give such an indication in order to participate in negotiations on manufactured products. It would be possible for them to withdraw their "offers" if, at a later stage, it became apparent that satisfactory progress on agriculture had not been made. It was further emphasized that developed countries considered that the provision of details of their exceptions lists was in itself tantamount to an offer and they would require an assurance that the developing countries would, by a certain date, be indicating whether or not they were willing to contribute to the trade negotiations.

12. It was also pointed out that if developing countries, whose primary interest was in agriculture, were unwilling to participate on the conditions laid down in paragraphs 1 and 5 of the draft, they could, in terms of paragraph 7, continue to be represented on the Committee on Agriculture and thus participate in the same manner as countries such as Australia and New Zealand. Representatives of countries primarily interested in agricultural

products emphasized however that they also wished to enter into negotiations concerning manufactured products and would not want to be precluded from participation in such negotiations by reason of the fact that they were unable, on 15 April 1965, to give an indication of the contribution they were prepared to make.

13. It was agreed that the text of paragraph 5(a) should be amended to enable countries with a predominant interest in agricultural products to postpone indications of their contributions until such a date as sufficient progress had been made in the establishment of rules for agricultural negotiations.

14. It was agreed that it would be desirable to separate reference to non-tariff barriers from the problem posed by agriculture since non-tariff barriers were applied to manufactured products as well as agricultural and thus were of interest to most less-developed countries. It was suggested that the text of paragraph 5(b), as it stood, might present presentational problems since the developing countries were seeking formal recognition of a condition the applicability of which was relevant even in the case of the offers of developed countries. A number of representatives emphasized however the importance they attached to the question of non-tariff barriers and one representative suggested that the concept of compensation for the maintenance of barriers on bound items should be introduced into paragraph 5(b).

15. It was recognized that the agreed amendments to paragraph 5 would pose a problem concerning the participation of countries, primarily interested in agricultural products, which might avail themselves of the opportunity to defer presenting indications of contributions. It was agreed, therefore, that the first sentence of paragraph 6 should be deleted and the question of the manner of participation in these circumstances should be discussed in the Sub-Committee on the Participation of the Less-Developed Countries.

16. Paragraph 7 was approved without amendment.

17. A representative enquired whether the wording of paragraph 8 was sufficiently wide to meet the needs of the developing countries as regards their participation in the Kennedy Round. He pointed out in this connexion that there might be some doubt as to whether points arising from the proposed Part IV of the General Agreement could be taken up by the Sub-Committee. He did not, however, wish to make any formal amendment to the text at that stage. It was agreed that note should be taken of this point, but generally it was felt that the wording in paragraph 8 was sufficiently wide.

18. The text of paragraph 9 was approved without amendment.

19. It was agreed at the meeting on 11 December that the secretariat should, taking into account the proposals and suggestions made on that and previous days, revise the draft which would however remain a draft emanating from the Group itself. A revised draft was accordingly presented to the Group on 14 December.

20. There was some discussion in the Group on how best to proceed on the matter of defining the terms of participation of developing countries in the Kennedy Round. It was generally agreed that it was of paramount importance to proceed rapidly on this matter if developing countries were to be provided with an opportunity of considering the exceptions lists at an early date. The Group decided that the best means of assuring speed would be to discuss, in the Sub-Committee on the Participation of Less-Developed Countries, a revised draft by the secretariat which would, as far as possible, take into account views expressed in the Group. It was pointed out, in this connexion, that it would be preferable to attempt to attain the objectives of the developing countries by amending the revised secretariat draft rather than by presenting a draft from the Group which would inevitably be regarded by the developed countries as the "maximum" position of the developing countries.
21. It was also agreed that the secretariat's revised draft, should, if possible, be discussed in an informal meeting with representatives of developed countries prior to the meeting of the full Sub-Committee.
22. The representative of the secretariat undertook to supply the representatives of the Group with the secretariat draft on 16 or 17 December.