

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF A GROUP OF LESS-DEVELOPED COUNTRIES HELD ON 22 JULY 1965

1. Another in the series of meetings of representatives of a group of less-developed countries took place on 22 July 1965 under the Chairmanship of H.E. Mr. Letts, Ambassador of Peru.
2. The meeting was attended by representatives of Argentina, Brazil, Ceylon, Chile, Cuba, India, Indonesia, Israel, Jamaica, Malta, Pakistan, Peru, Rhodesia, United Arab Republic, Uruguay and Yugoslavia.
3. The discussion covered (a) a review of the Kennedy Round negotiations; (b) preferences; (c) expansion of trade among less-developed countries; (d) relations between the GATT and UNCTAD; (e) work programme, etc.

The Kennedy Round negotiations

4. There was general expression of disappointment that the spirit behind Part IV of the GATT as well as the Ministerial Conclusions of 1963 and 1964 had not so far been demonstrated in the context of the Kennedy Round. With respect to Part IV it was felt that the phrase "overriding national interest" had been interpreted too loosely by developed countries in the preparation of their exceptions lists. The developed countries had also not taken account of the word "priority" in handling concessions in favour of less-developed countries. There was therefore general agreement that the list of offers so far presented by developed countries fell far short of what had been expected. It was noted that the majority of items of interest to less-developed countries had appeared on the list of exceptions submitted by the developed countries, thus instead of the lists of items of interest being used to afford substantial benefits to less-developed countries, they were being employed to their disadvantage. In the view of one member this development could be regarded as the practising of discrimination against less-developed countries within a non-discriminatory framework.
5. Consideration was then given to the most practical approach for the less-developed countries to take in the next stage of the negotiations. Two possibilities were put forward. The first possibility which envisaged the withdrawal of the less-developed countries from the negotiations unless they received satisfactory assurances of more sympathetic consideration of their interests, was not considered desirable at the present stage of the negotiations though most members thought it could be resorted to later on if it were found that the prospects

of less-developed countries in the Kennedy Round negotiations had not improved. It was agreed that for the present the less-developed countries should strongly express their disappointment in the offers made by the developed countries; and that they would continue to take part in the negotiations in the expectation that the situation would change. It was suggested that in addition, the less-developed countries should indicate to the developed countries that taking into account the likely outcome of the Kennedy Round negotiations, they considered that the real solution to their problems lay in the granting of preferences by developed countries in favour of the less-developed countries. The less-developed countries should also make more active effort to foster arrangements to expand their mutual trade and develop their economies. Members of the Group felt that in view of technical difficulties caused by the fact that the initial multilateral examination of the offers made by the developed countries had been carried out only during the holiday period and the additional information for an evaluation of these offers had only now become available, those less-developed countries which had agreed to make a statement of offers on 1 September, might be obliged to ask that the date fixed for the tabling of their offers be postponed for another month.

Preferences

6. There was general agreement that further progress on the question of preferences should not be allowed to be hindered by arguments from developed countries that the problems of the least developed amongst the developing countries should first be solved. It was felt that a frank discussion between the least developed of the developing countries and other less-developed countries could lead to a mutually satisfactory solution of the difficulties faced by the former in accepting a generalized scheme of preferences. The less-developed countries should insist on being left to settle their problems among themselves.

7. There was also discussion on the Australian request for a waiver to grant preferences to less-developed countries. Members of the Group generally welcomed the Australian initiative as an important step forward in the field of preferences. Several members stressed the importance of careful consideration and examination of the proposal by less-developed countries. They felt that whilst the proposal should be examined in a positive and helpful spirit, the fact that it posed certain problems which might become critical in the future, and that it might be considered as setting a precedent, made it necessary that it should be subjected to a careful and searching scrutiny. Others, while agreeing with this view, felt that whatever was decided in the Australian case, should in any event, be regarded as a special case partly because this was a pilot experiment and, partly because Australia's situation was unique. It was pointed out by one member that certain aspects of the Brasseur Plan were built into the Australian proposal and should be studied carefully. It was stressed that individual countries should not be given the right to decide the extent of preferences and the countries which should receive preferences on the basis of a unilateral determination of the competitive position of industries in different countries and of the characteristics of different

economies. This involved a number of risks and dangers, rather, it was felt that it was the international community which should take such decisions. It was suggested that in the future discussions on preferences, a distinction should be made between "countries" and "territories of metropolitan countries" and agreement reached that discussion on preferences should cover only "countries", leaving discussions in respect of territories to be taken on an ad hoc basis.

Trade among less-developed countries

8. There was unanimous agreement in the Group that every effort should be made by less-developed countries to promote early action for the expansion of trade among themselves. One member suggested that for this purpose an Action Committee and an Action Programme should be established at an early date. This suggestion was welcomed by the Group. Several members stressed the need for practical proposals being put forward at the next meeting of the Group on the Expansion of Trade Among Less-Developed Countries.

Relations between the GATT and the UNCTAD

9. Several representatives emphasized the need for harmony and co-operation between the work of the UNCTAD and the GATT. The Group recognized the need to avoid a situation in which the simultaneous discussion of the same problems in both forums could work against the interests of the less-developed countries.

Work programme etc.

10. One member of the Group recalling the discussion in the last meeting of the Committee on Trade and Development on the work programme, reminded the Group of the many ideas for improving the situation of the less-developed countries which had emerged from work of the various sub-groups established by the Committee on Trade and Development. He pointed out that many of these ideas had not been apparent when attention was first drawn in the Ministerial Conclusions of 1963 to "other measures" for improving the trade and assisting the economic development of less-developed countries. As experience over the last months had shown, efforts in this direction would entail a considerable amount of work. However, the proposals now under consideration had indicated many interesting possibilities for progress. The less-developed countries should therefore continue to press on with the work in hand, despite the heavy work programme with which they would have to cope. It was suggested that a possible solution to the problem of the heavy work programme would be for governments to reinforce their staffs, in the Geneva missions and in their capitals, particularly in the latter. This could be brought to the attention of governments of less-developed countries by a communication addressed to them in the name of the Group.

11. The attention of the Group was drawn to the necessity of greater interest being taken by less-developed countries in ensuring that they were represented in the GATT secretariat also at the senior staff levels.

12. The Group agreed on a suggestion by the Chairman that in view of the importance of the Australian proposal on preferences, it would be advisable for the present Group to meet to exchange views two or three days before the opening of the Working Party dealing with the Australian proposal. The Chairman would communicate the date of this meeting to representatives later on. The Chairman stressed the importance of having these informal meetings of the Group representative of the interests of the less-developed countries, and expressed the hope that every effort would be made by delegations from less-developed countries to see that they were represented.