

RESTRICTED

GENERAL AGREEMENT ON
TARIFFS AND TRADE

C/M/16/Add.1*
4 July 1963

Limited Distribution

COUNCIL
19-21 June 1963

MINUTES OF MEETING

Addendum

1. The Annex referred to at the end of the third paragraph on page 4 is attached hereto.
2. On page 8 replace the second paragraph by the following:

"The text of the draft decision in document C/W/60 after an improvement in drafting, was approved, and the Council, acting under the authority conferred upon it by the CONTRACTING PARTIES, agreed to the granting of the waiver to the Government of Chile."

* English only/anglais seulement.

ANNEX

THE ACTION COMMITTEE

Statement by the Executive Secretary at the
Meeting of the Council on 21 June 1963

When the Council was considering the establishment of the Action Committee, the Executive Secretary was asked for his views on the rôle to be played by the Committee and its relationship to existing GATT organs having responsibility in the field of trade questions affecting less-developed countries and also to the other new bodies being established in implementation of the Conclusions adopted by the Ministers at their meeting in May. The following is a synopsis of the Executive Secretary's statement:

1. Continuity in the work of Committee III, which has a broad, all-embracing programme, should be maintained. The work of the Action Committee should not impinge directly on this programme, but it would act as a sort of catalyst and support for the work of Committee III, particularly whenever major difficulties arose which required close and urgent attention and the solution of which was a condition for moving forward with the work of Committee III. The CONTRACTING PARTIES would continue to look to Committee III to develop the longer-range and continuing programmes as opposed to ad hoc or specific suggestions. It is for this reason that it has been suggested that the Chairman, for the time being, of Committee III should be an ex officio member of the Action Committee. Further, in one way or another, the Executive Secretary's Special Advisor on Development should be closely associated with the work of the Action Committee.
2. The Action Committee would not exercise any direct supervision or control over the Working Group on Preferences or the Committee on the Legal and Institutional Framework of the GATT in Relation to Less-Developed Countries, but it would follow very closely the work of these two bodies and would be prepared to intervene and assist if they should run into serious difficulties. While these two bodies would report directly to the CONTRACTING PARTIES it would be appropriate for the Action Committee to take cognizance of their reports before they were considered by the CONTRACTING PARTIES and if it were thought useful the Committee would make suggestions, comments or recommendations which the CONTRACTING PARTIES would consider when they took up the reports.
3. A question was asked about contracting parties, which are not members of the Action Committee, being represented by observers at its meetings in order that their views should be fully reflected in the Committee's recommendations. In view of the very great importance of the work of the Committee its meetings should be programmed well in advance so that contracting parties not members, could send observers to present their views. This would be particularly important if the Council should decide to establish a small committee.

4. If a small committee were established it would be both feasible and appropriate that it should meet frequently, whereas this would be more difficult with a larger group. Assuming that a limited group is appointed it would be expected to accelerate and to give a new dynamism to the work in this field, and it could be expected to meet frequently and at fairly regular intervals.

5. The CONTRACTING PARTIES would profit from having an objective and careful analysis of the progress made each year in the work related to the trade of less-developed countries, and therefore the Action Committee should submit a careful, considered and specific report to each session. Further, however, the Committee would have the responsibility for keeping individual contracting parties informed regularly and frequently so that all governments would be kept on the alert as to how this central and important programme was developing. Therefore after each meeting the Committee should draw up a brief report on what had been done, on the situation as it saw it, and the problems foreseen.

6. Finally, a question was asked about the proposal by Ministers of less-developed countries (MIN(63)7, paragraph 27) that a working group should be formed "to study the ways and means for enabling the less-developed countries to obtain from the industrialized countries loans on soft terms". This proposal was less well-defined by the Ministers and, before deciding on the appropriate institutional means for dealing with such new activities, it might be best to give it further consideration on the basis of more specific proposals in Committee III. Then the question would arise whether it would be appropriate and convenient for Committee III itself to establish a subsidiary working group; alternatively Committee III might refer the matter to the Action Committee, if it felt that some other type of action was called for.