

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/4/Rev.1\*  
12 March 1965

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## Committee on Trade and Development

### MINUTES OF MEETING HELD AT THE PALAIS DES NATIONS, GENEVA, ON 9 AND 10 FEBRUARY 1965

1. Following its establishment by the CONTRACTING PARTIES at their meeting on 8 February, the Committee on Trade and Development held its first meeting on 9 and 10 February 1965. The present Minutes have been prepared by the secretariat in accordance with the wishes of the Committee.<sup>1</sup>
2. The Committee had before it the following documents:
  - (i) document TD/1, setting out the membership and terms of reference of the Committee;
  - (ii) document TD/2, listing matters which the Committee may wish to take up;
  - (iii) document TD/W.1, containing a survey of trade flows and trade measures in respect of products on the priority list of items notified as being of export interest to less-developed countries;
  - (iv) document L/2341, containing a survey of the activities of Committee III and a summary of unfinished business of that Committee.<sup>2</sup>
3. In considering the organization of its work, and to establish an order of priority for taking up the matters entrusted to it, the Committee addressed itself in particular to the headings listed under points (i) to (vii) in paragraph 3 of document TD/2. These were:
  - (i) establishment of procedures for the implementation of the Committee's functions in relation to the commitments embodied in the new Part IV of the Agreement. These would cover:

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\* Approved by the Committee on Trade and Development at its meeting on 4 March 1965.

<sup>1</sup>As instructed by the Chairman on the basis of a proposal by the delegate of Indonesia, the secretariat is examining the question of preparing summary records for future meetings of the Committee.

<sup>2</sup>The Committee also had before it document L/2307/Add.1 - an appendix to the last report of the Chairman of the Action Committee, surveying the implementation of the Action Programme.

- (a) arrangements for receiving reports in connexion with measures by contracting parties falling within the scope of the new Chapter;
  - (b) review of the reports so received and arrangements for such consultations or exchange of views as may be appropriate;
  - (c) suggestions and recommendations to appropriate bodies e.g. the Tariff Negotiations Committee and its Sub-Committees, the Special Group on Trade in Tropical Products, etc.;
- (ii) a review of the present situation in respect of the Action Programme in relation to the commitments in the new Part IV;
  - (iii) identification of an additional list of items of special interest to less-developed countries to which the commitments in the new Part IV would apply;
  - (iv) proposals for amendment of the General Agreement (Articles XVIII and XXIII) and for authorization of use of import surcharges for balance-of-payments problems;
  - (v) examination of proposals relating to the establishment of preferences;
  - (vi) Programme of Development Plan Studies: procedures for examination and discussion of individual studies submitted by the secretariat;
  - (vii) discussion of other matters which had been proposed for study and examination at earlier meetings of Committee III or the Action Committee or which had been the subject of a preliminary exchange of views and allowed to lie over for fuller discussion at a later date. Among these were:
    - (a) the rôle of adjustment assistance in promoting changes in patterns of trade and production aimed at providing larger openings for imports from developing countries;
    - (b) proposals relating to commodity problems submitted at the UNCTAD in respect of which the GATT could take an initiative;
    - (c) measures for giving assistance to less-developed countries in export promotion.

4. There was general consensus in the Committee that the overall responsibility for the examination of the above matters must rest with the Committee as a whole. At the same time it was recognized that, after an initial review, the Committee might find it necessary to set up ad hoc working parties or groups to carry out the detailed examination of some of the proposals and matters listed above. In particular, the delegate of Jamaica emphasized the need for a thorough examination, by a working party or group, of proposals relating to preferences.

5. The following is a summary of the principal points which emerged from the Committee's discussions on the specific items listed in its programme of work.

Establishment of procedures for the implementation of the Committee's functions in relation to the commitments embodied in the new Part IV of the Agreement

6. Speaking at the invitation of the Chairman, the Deputy Executive Secretary outlined some of the elements which might need to be provided for in the reporting procedures adopted by the Committee for keeping under review implementation of the provisions of the new Part IV of the General Agreement. It was suggested that these procedures might be designed so as to bring to the notice of the Committee (a) all notifications received from contracting parties under paragraph 2(a) of Article XXXVII; (b) any action which had been taken by contracting parties to lower or eliminate any tariff or non-tariff barriers referred to in paragraph 1 of Article XXXVII, including periodic progress reports concerning these matters; (c) notable developments in the activities of bodies directly concerned with the trade negotiations, and (d) developments and initiatives in the field of commodity trade. It was agreed that the secretariat should prepare a paper on reporting and review procedures for the next meeting of the Committee to enable the latter to make appropriate arrangements.

7. In connexion with the discussion under this item, a question was raised concerning the stage reached in the work of the Sub-Committee on the Participation of Less-Developed Countries in the Kennedy Round. It was noted that the Sub-Committee would be meeting in the near future to finalize procedures for the participation of less-developed countries in the trade negotiations and that the Committee on Trade and Development would have further opportunities for keeping itself in touch with the progress made.

A review of the present situation in respect of the Action Programme in relation to the commitments in the new Part IV

8. Some members of the Committee expressed the view that the Committee on Trade and Development should adopt the procedures for confrontation and consultation followed by Sub-Committee I of the Action Committee so as to ensure maximum progress. The secretariat was requested to prepare a paper on the relationship of the Action Programme to the commitments in Part IV of the General Agreement.

Examination of products of interest to less-developed countries

9. The Committee took note of document TD/W.1 containing a survey of trade flows and trade measures in respect of an additional list of items notified as currently or potentially of export interest to less-developed countries. The Committee agreed that the document should be examined at the Committee's next meeting in March with a view to identifying the items of interest to less-developed countries in the context of the commitments embodied in the new Part IV of the General Agreement.

Proposals for amendment of the General Agreement (Articles XVIII and XXIII) and for authorization of use of import surcharges for balance-of-payments problems

10. It was generally accepted that proposals for amendments of the General Agreement (Articles XVIII and XXIII and the authorization of use of import surcharges for balance-of-payments problems) might best be taken up for study in an ad hoc group. The Committee agreed that the group should address itself specifically to the concrete proposals on these points already submitted to the secretariat and any other proposals which might be presented before its next meeting. In this connexion, the Committee requested the secretariat to submit for its next meeting a paper containing the terms of reference and suggestions concerning the composition of the group. It was also agreed that the same group could also take up the study of the proposal submitted by India for compensating less-developed contracting parties for trade losses resulting from the application of quantitative restrictions inconsistently with the GATT.

Examination of proposals relating to the establishment of preferences

11. The Committee felt that proposals relating to the granting of preferences might be entrusted to a working group. The Committee considered that the work of such a group should be based on concrete proposals submitted by contracting parties and decided that contracting parties wishing to do so should be provided a further opportunity for submitting such proposals. A decision to establish the group could be taken at the next meeting. The representative of Indonesia suggested that the Committee as a whole should also have an opportunity for discussing the problem. In stressing the need for adequate examination, the representative of Jamaica indicated that work done earlier in the Working Party on Preferences should also be taken into account.

Programme of Development Plan Studies: procedures for examination and discussion of individual studies submitted by the secretariat

12. There was general agreement that the detailed examination of these studies could best be carried out by an ad hoc group of experts suitably qualified in this field. To enable such a group to be set up and for governments to undertake adequate arrangements for representation, the secretariat was requested to prepare a paper for the next meeting of the Committee, setting out an outline of the points which the discussion of the plan studies could be expected to cover and the terms of reference of the group.

13. Discussion of other matters

(a) Adjustment assistance

The Committee noted that contracting parties had been requested to submit data on domestic policies and legislation relating to adjustment assistance. The Committee agreed that contracting parties who had not yet furnished the information should again be requested to do so and the information received should be circulated so that at its next meeting arrangements for an adequate study of this problem might be made.

(b) Trade between less-developed countries

A number of delegations stressed the importance of a study of possibilities of expanding trade between less-developed countries and the practical measures which could be taken in this connexion. The Committee requested the secretariat to submit a brief outline of a study of the problem so that the Committee could discuss this at its next meeting and decide how the matter should be proceeded with.

(c) Stabilization of markets for primary commodities

A number of delegations drew attention to the vital importance of commodity trade to the export earnings of many less-developed countries and to their programmes of development. If the Committee on Trade and Development was to make a major contribution to the trading problems of these countries, it should deal not only with the question of access but also with that of securing stable, equitable and remunerative prices. With a view to enabling the Committee to consider the question and in particular the initiatives which could be taken in the GATT framework, the secretariat was requested to submit for the next meeting of the Committee a short note covering broad trends in commodity trade in recent months, initiatives in the field of commodity organization taken in various forums and any possibilities which may appear to offer themselves in the near future for action by contracting parties.

In this context, it was also pointed out by the Deputy Executive Secretary that the task of the CONTRACTING PARTIES in keeping themselves informed of developments in this field would be materially facilitated if the Committee could arrange to discuss, on a regular basis, the GATT annual publication "International Trade". This would also be useful to the CONTRACTING PARTIES in connexion with their responsibilities under paragraph 2(d) of Article XXXVIII.

(d) Measures for assisting less-developed countries in the field of export promotion

It was suggested that contracting parties should send their proposals on the subject to the GATT Trade Information Centre, which should, on the basis of such notifications, prepare a paper for discussion in the Committee. It was agreed that the activities of the Trade Information Centre which until now have been guided by an Expert Group should henceforth fall within the purview of the Trade and Development Committee. It was agreed that the report of the Expert Group on the Trade Centre should be submitted to the Committee for discussion before being presented to the CONTRACTING PARTIES.

It was further agreed that the GATT secretariat should carry out a study of the question of export risk insurance referred to in paragraph 3(vii)(c) of document TD/2.