

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

LDC/M/32
1 February 1966

Special Distribution

MINUTES OF THE MEETING OF A GROUP OF LESS- DEVELOPED COUNTRIES ON 19 AND 21 JANUARY 1966

Prepared by the Secretariat

1. The thirty-second in a series of regular meetings of a group of less-developed countries was held on 19 and 21 January 1966 under the chairmanship of H.E. Mr. E. Letts, Ambassador of Peru.
2. The meeting was attended by the representatives of Algeria, Argentina, Brazil, Chile, Cuba, Ghana, India, Indonesia, Israel, Jamaica, Pakistan, Peru, Tunisia, United Arab Republic, Uruguay and Yugoslavia.
3. There was an exchange of views on the approach which should be adopted by less-developed countries in the Council meeting on 24 January, to bring the Australian preferential scheme more in line with the suggestions and proposals made by less-developed countries during the recent meeting of the Working Party on the Australian Request to Grant Tariff Preferences to Less-Developed Countries. In this connexion some members of the group indicated that they had received definite instructions from their headquarters to vote in favour of the waiver in its present form, if it were put to vote. Others indicated that they were still awaiting instructions from their governments. The members of the group who had received instructions from their governments to vote in favour of the Australian waiver indicated that they might wish to make a declaration at the time of voting to the effect that: (i) there were many aspects of the waiver which were not in line with the general stand of less-developed countries on the question of preferences as a whole; (ii) the benefits which might accrue to less-developed countries from this preferential scheme might not be meaningful; (iii) but that the less-developed countries, taking into account the special economic position of the Australian Government, welcomed this gesture as a positive step towards assisting the economic development of less-developed countries.
4. The attention of the group was drawn to the fact that the Australian delegation had not made known the position of the Australian Government on several amendments proposed by less-developed countries for modifying the draft decision annexed to the Working Party's report, notably paragraph 3 of the operative part of the draft decision. One delegation informed the group that its recent informal contacts with the Australian delegation had revealed that the Australian

delegation was inclined to improve paragraph 3 of the operative part of the draft decision, but not to the extent proposed by less-developed countries. It was also felt that the Australian Government could also consider other amendments which would further improve the draft decision from the viewpoint of less-developed countries.

5. After a long and inconclusive discussion on the issue as to whether it would be profitable to re-open negotiations in the Council meeting and/or, if necessary, to take the matter to the twenty-third session of the CONTRACTING PARTIES, it was agreed that the Chairman of the group would contact the leader of the Australian delegation who had recently visited Canberra and invite him to attend a meeting of the group, so that he might explain his Government's views on the amendments to the draft decision proposed by less-developed countries at the last meeting of the Working Party.

6. Having contacted the leader of the Australian delegation in accordance with this request the Chairman informed the group that the leader of the Australian delegation advised him that he had raised the issues involved with the competent authorities, and was informed that the report of the Working Party, and paragraph 3 of the operative part of the draft decision in particular, was still being examined. As this process was not yet completed, he had not received final instructions on the issues in question. In the circumstances, he would prefer not to address the informal group at the present time as he would have nothing new to add. He had also pointed out that contacts had already been established by the Australian Government with the governments of those countries which had expressed a special interest in paragraph 3 of the operative part of the draft decision.

7. In the light of this information it was felt by some delegates that there seemed to be no profit in continuing further negotiations and that it would be useless to continue debate in the Council meeting or to let a decision be postponed until the session of the CONTRACTING PARTIES. Other members of the group maintained that there was still a possibility for further negotiations with the Australian delegation on some of the amendments proposed by less-developed countries. In this connexion it was also suggested that the position taken by the Australian delegation in the forthcoming meeting of the Council may also need to be taken into account.

8. Commenting on the work to be undertaken by the less-developed countries aimed at the expansion of trade between less-developed countries, members of the group pointed to the rather considerable obstacles to be overcome, in particular the payments aspect of such trade expansion. The attention of the group was also drawn to work in this regard being undertaken by the United Nations Conference on Trade and Development, where an Expert Group would deal with this question some time in March 1966. Further, the group on International Monetary Issues of the

UNCTAD was dealing with matters relating to the adequacy of liquidity for less-developed countries. Members of the group urged that, taking into consideration the work being done at the UNCTAD Expert Group and also the proposals made in the earlier meetings of the informal group, delegations should come prepared to enter into substantive discussion on this subject at the next meeting of the group. In this connexion it was also suggested that any consideration of the question of trade expansion between less-developed countries should not necessarily be limited to the trade-creating effects of any measures which less-developed countries might have to adopt to expand trade between themselves.

9. In relation to the progress being made in the Kennedy Round, it was recalled that, at the time of tabling offers, less-developed countries had made a declaration which embodied the intention of less-developed countries to contribute to the aims and objectives of the Kennedy Round, partly by way of measures aimed at the expansion of trade between less-developed countries, an objective which constituted an integral part of the offer of each less-developed country participating in the Kennedy Round. It was stressed that it was important that these declarations should now be translated into concrete proposals. It was also pointed out that, as the United States authority to negotiate would be expiring in July 1967, less-developed countries should make every effort to see that the progress being made in the Kennedy Round would be such as to permit the negotiations to be completed at a reasonable time before the expiry of the deadline set for the United States.

10. Concerning the acceptance and ratification of Part IV of the General Agreement, it was observed that, so far, thirty-eight contracting parties had accepted the Chapter. As its implementation required ratification by forty-five contracting parties, less-developed countries were requested to make an urgent appeal to their governments to take the necessary action for ratification at an early date.

11. It was agreed that the group should meet again within ten days, in order to give full consideration to the issues mentioned in paragraphs 8 to 10 above.

12. The Chairman informed the group that he would very shortly be leaving Geneva to take up duties in the Foreign Office of the Peruvian Government. The group noted with regret that Ambassador Letts would be unable to continue as Chairman of the group. Work on trade and development problems in the GATT had been particularly intense and strenuous over the past two years. Members of the group paid tribute to the very able, devoted and effective way in which Ambassador Letts had guided their deliberations during this very important period of GATT history.

13. H.E. Mr. C. Valenzuela, Ambassador of Chile, was unanimously elected as the next Chairman of the group.