

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

LDC/M/41
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Special Distribution

MINUTES OF THE MEETING OF A GROUP OF LESS-DEVELOPED COUNTRIES ON 6 JUNE 1966

Prepared by the Secretariat

1. The forty-first meeting of the informal group of less-developed countries in GATT was held on 6 June 1966, under the Chairmanship of H.E. Dr. José Antonio Encinas del Pando, Ambassador of Peru. The meeting was attended by the representatives of Argentina, Brazil, Chile, Ghana, India, Indonesia, Israel, Jamaica, Nigeria, Pakistan, Peru, Spain, United Arab Republic, Uruguay and Yugoslavia.
2. The group had before it the following documents:
 - minutes of the previous meeting of the group (LDC/M/40)
 - annotated provisional agenda for the meeting of the Committee on Trade and Development on 7 and 8 June (COM.TD/W/23)
 - review of programme of work for the Committee on Trade and Development (COM.TD/W/24)
 - status of the protocol amending the GATT to introduce a Part IV on trade and development (L/2658)
 - suggested procedures for the exchange of tariff preferences among developing countries (Spec(66)36).
3. In introducing the discussion the Chairman recalled that the group at its previous meeting had agreed that matters of special interest to less-developed countries having direct relevance to the Kennedy Round should be dealt with by the Committee on Trade and Development on a priority basis. It was further agreed that consideration of the remaining matters with which the Committee had concerned itself, would not be postponed sine die but would be taken up by the Committee at a later stage of its work towards the end of the current year. The group was in agreement with the annotated provisional agenda and the programme of work suggested by the secretariat in documents COM.TD/W/23 and COM.TD/W/24, which appeared to be in line with the thinking of the group.

4. On the basis of the secretariat paper L/2658, the group noted that, as at 3 June, forty-two contracting parties had accepted the protocol amending the GATT to introduce a Part IV on trade and development and another three acceptances were required to place Part IV on a de jure footing. It was observed that, as far as the acceptance of the protocol by some of the major industrialized countries was concerned, the situation appeared disturbing. The group agreed that some special efforts might need to be made, particularly in the case of those less-developed countries which had not yet ratified or accepted the protocol relating to Part IV with a view to getting the matter expedited. The representative of Brazil informed the group that legislative action by his Government had already been completed and a formal notification in this regard was expected to be issued very shortly.

5. With respect to the implementation of Part IV, the group reiterated that the Committee, taking into account its recommendations set out in paragraph 9 of L/2614, give consideration to what further arrangements should be made to ensure that comprehensive and comparable information was obtained from all contracting parties concerning action taken by them to implement the provisions of Part IV of the General Agreement.

6. It was unanimously agreed that the Group on Residual Restrictions should be instructed by the Committee on Trade and Development to extend the scope of its work to include products of export interest to less-developed countries notified in the context of the Kennedy Round. It was further suggested that products of export interest to developing countries as identified by the UNCTAD should also be discussed by the Group on Residual Restrictions.¹ Contracting parties maintaining import restrictions and which had not yet ratified or accepted Part IV, should be invited to participate in the work of the Group and co-operate in the exploration of possibilities for the elimination of such restrictions. Although the question of compensation would be further examined by the Group on Legal Amendments to the General Agreement, it was agreed that the Group on Residual Restrictions, in carrying out the country-by-country discussions on restrictions, should keep that proposal in mind and, where appropriate, should also cover the question of the use of adjustment assistance measures by industrialized countries as one of the means of securing the elimination of import restrictions.

¹The UNCTAD document TD/B/C.1/PSC/8, dated 20 May 1966, sets out thirty-eight primary, agricultural and non-agricultural products which have been identified as being of special export interest to less-developed countries. With the exception of petroleum, all other products are being dealt with within the relevant subsidiary bodies of the GATT.

7. It was recalled that matters relating to the expansion of trade among less-developed countries (other measures) and the participation of less-developed countries in the Kennedy Round, had already been discussed at length by the group at its previous meeting. It was, however, felt that, in order to facilitate discussion in the Committee on the question of the participation of less-developed countries in the Kennedy Round, it would be useful if the Deputy Director-General were requested to make a statement on the developments in the Kennedy Round as several matters within the competence of the Committee had a direct bearing on the Kennedy Round.
8. The group had a preliminary exchange of views on the secretariat paper Spec(66)36 which sets out suggested procedures for the exchange of tariff preferences, either on a most-favoured-nation or preferential basis, between less-developed countries. It was suggested that a small working party composed of members of the group should be established to study the paper and report back to the main group its findings as to the suitability of the suggested rules for the conduct of such negotiations between less-developed countries. Several members of the group, while not opposed to the suggestion, indicated that it would be necessary for them to seek instructions from their respective governments on the question. The group agreed to consider the question of establishing a working party at its next meeting to examine these suggestions which it was expected would have been forwarded in the meantime to governments.
9. With respect to the invitation by the Government of Uruguay to hold a meeting of the Committee on Trade and Development in Montevideo, the group noted that the CONTRACTING PARTIES had already given their approval in principle for holding such a meeting. In this connexion the representative of Uruguay informed the group that, in accordance with a communication which he had recently received from his Government, he had notified the Director-General that, in fixing the dates for the meeting of the Committee on Trade and Development in Montevideo, consideration might be given to the fact that the ninth regional conference of the FAO would be in session in Montevideo during the first half of December 1966, and there was also a possibility of other meetings being in progress at the same time.
10. The representative of Spain informed the group that although his delegation had wished to participate regularly in the work of the group, this had not been possible owing to the limited manpower available to his delegation in the past. The Spanish delegation had now been strengthened and he would be attending the meetings of this group as regularly as circumstances permit. He fully agreed with the strategy with which the group had been trying to solve the problems of less-developed countries, and promised to recommend to his Government that they speed up formalities for the acceptance of Part IV.
11. The group agreed to hold its next meeting on 20 June 1966.