

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## MINUTES OF THE MEETING OF THE INFORMAL GROUP OF LESS-DEVELOPED COUNTRIES ON 17 OCTOBER 1966

Prepared by the Secretariat

1. The forty-eighth in a series of meetings of the informal group of less-developed countries in GATT was held on 17 October 1966 under the acting chairmanship of H.E. M. Carlos Valenzuela, Ambassador of Chile. The meeting was attended by the representatives of Argentina, Brazil, Central African Republic, Chad, Chile, India, Indonesia, Israel, Jamaica, Nigeria, Pakistan, Peru, Sierra Leone, Spain, Trinidad and Tobago, Tunisia, the United Arab Republic, Uruguay and Yugoslavia.
2. Before the group moved to their discussion of the agenda proposed during the preceding meeting, the Chairman made a statement on the recent meeting of the Committee on Budget, Finance and Administration in which he had participated. Of the matters discussed in that Committee, three were of particular interest to the group. First, there was the question of members whose contributions were three years in arrears. Two of these countries happened to be in a rather delicate situation and the Committee was able to understand their difficulties. Secondly, the budget for 1967 had registered an increase of roughly \$700,000 over that of 1966. This increase was attributable to the activities of the International Trade Centre, the increased volume of other work undertaken in the interest of less-developed countries and the natural increment of ordinary expenses such as the Pension Fund costs, etc. In his view, the budget was not inflated and the scope for economies was small. However, certain industrialized countries had expressed concern over the continued rise in expenditure and some had received strict instructions as to the maximum contributions their governments could envisage. Thirdly, there had been considerable discussion on the structure of the scale of contributions. The new scale proposed by the secretariat would lead to a more equitable distribution of the financial burden while continuation of the old scale would mean that certain less-developed countries would be faced with a considerable increase in their contributions either in 1967 or thereafter. Mr. Valenzuela concluded by stressing the need for developing countries to pay more attention to budgetary matters and hoped that members of the group would reflect on his statement in preparing for the next meeting of the Council at which this matter would be considered.

3. A discussion took place on the basis of the Chairman's statement. One delegate suggested that the informal group should discuss at a future meeting this question of assessment of contributions with a view to formulating a scheme which would be more rational and more equitable for all developing countries. Another delegate proposed that, since the Budget Committee had concluded its work, and another opportunity for discussion at that level would not present itself until next year, developing countries having views on the subject would have to make them known at the next meeting of the Council. It was also felt that there should be an examination of the usefulness of some of the organs of GATT in certain meetings with a view to reducing conference expenditure so as to lessen the budgetary burden of contracting parties, especially the developing countries. It was noted that since the proposal for a contingency fund was rejected, the GATT was now faced with the position of having no finance for any unforeseen expenditure. The depletion of the GATT working capital fund had made the financial situation precarious.

4. The delegate of Nigeria, referring to the proposal he had made at a previous meeting for a discussion in the informal group of the structure and organization of the GATT secretariat (paragraph 10 of LDC/M/45), expressed the view that budgetary matters should be discussed in the general context of that question. Another delegate thought that the question of the structure and organization should be examined on the basis of concrete views or proposals since it would not be profitable to dwell on generalities. The Nigerian delegate however, thought that the details of the structure of the secretariat could be requested from the secretariat and that "generalities" would provide a starting point for the discussion of more specific points.

5. It was agreed that questions relating to the budget could be taken up by developing countries at the next meeting of the Council of Representatives and that the discussion proposed by Nigeria should take place at a future meeting of the informal group.

#### Negotiations for expansion of trade among developing countries

6. The group recalled that in accordance with paragraph 5 of the procedures for the negotiations, requests lists should be tabled by 15 October although it was understood that the submissions of some delegations might be delayed slightly. The group was informed that the Governments of Argentina, Brazil, Chile, India, Israel, Jamaica, Peru, Trinidad and Tobago, United Arab Republic, Uruguay and Yugoslavia either had submitted or would shortly be submitting their **requests lists**. Some of these delegations would **at this stage submit indicative lists** which would not include data on tariff rates, but hoped to be able to submit complete lists following the forthcoming meeting of governmental experts. The representative of Nigeria said that the position of his country had not changed from that stated in paragraph 3 of document LDC/M/45. The Chairman observed that eleven developing countries had given a concrete indication of their active

participation in the negotiations. Other countries were likely to join in in the next few days. It seemed, therefore, that a meeting of governmental experts could fruitfully be organized in the near future. It was agreed that the meeting of governmental experts should be held on Monday, 7 November. It was understood that this would be a preliminary meeting in which experts would contact their opposite numbers in the various participating delegations and obtain supplementary information or explanations on the requests lists exchanged. Such an exchange of views should enable participating countries to draw up more precise and complete requests lists. It was, of course, understood that in the process countries would be free to withdraw items from and to add new items to the provisional requests already made.

7. Mr. M.G. Mathur, Assistant Director-General, recalled that under the suggested procedures for these negotiations, participating countries should supply copies of their customs tariffs or available tariff and statistical data. Some delegations might have difficulty in drawing up requests lists because others had not been able to furnish such material. The availability of this material within the secretariat would facilitate its task in providing technical assistance in this matter to delegations.

#### The forthcoming meeting of the Committee on Trade and Development

8. The group reviewed the provisional agenda for the meeting of the Committee on Trade and Development scheduled for 18 October. The Chairman noted that one of the items was the future programme of work of the Committee and expressed the hope that contracting parties, in preparing for this discussion, would direct their attention to the longer-term programme of the Committee, bearing in mind activities that needed to be taken up after the completion of the Kennedy Round. The next meeting of the Committee to be held in Uruguay, in the view of the Chairman, should provide an opportunity for the formulation of new ideas, and the setting of new directions for the work of the Committee in the field of trade and development. It would also be an opportune time to evaluate the situation of the developing countries in world trade, and certain findings in the recent GATT annual report on "International Trade 1965" might serve as a basis of discussion.

9. On the question of participation of developing countries in the Kennedy Round, the Chairman observed that there were several very important points which should be given particular attention, especially the accelerated implementation of cuts in favour of developing countries and the problem of minimizing the risks which developing countries stood of losing valuable concessions through the withdrawal of offers by industrial countries. As was pointed out in the secretariat note on proposals for the agenda for the January meeting (COM.TD/W/28) the Kennedy Round negotiations should have advanced sufficiently by that time to enable the developing countries to review the possible outcome of the negotiations from their point of view.

10. On the question of expansion of trade among developing countries, it was the intention of the Chairman of the informal group to address the Committee at its forthcoming meeting and to inform it of developments in this area. However, it was not envisaged that there would be any discussion of this particular question. He hoped that developing countries would bear in mind that discussion on this subject was proceeding satisfactorily in the informal group which appeared to him to be the proper forum for raising questions relating to the negotiations in the first instance.

11. The group concurred in these views of the Chairman. It was generally agreed that the proposed date of 23-27 January 1967<sup>1</sup> for the meeting of the Committee on Trade and Development in Uruguay appeared to be the most suitable.

12. It was agreed that the Chairman of the informal group would convene the next meeting of the group in the light of circumstances.

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<sup>1</sup>The Committee on Trade and Development subsequently set the dates for its meeting in Uruguay for 16-20 January 1967.