

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

MINUTES OF A MEETING OF A GROUP OF LESS-DEVELOPED COUNTRIES ON 21 OCTOBER 1964

1. The twenty-first meeting of the representatives of a Group of Less-Developed Countries took place on 21 October 1964 under the Chairmanship of H.E. Mr. E. Letts, Ambassador of Peru.

2. The meeting was attended by representatives of Argentina, Brazil, Chile, Cuba, India, Indonesia, Israel, Jamaica, Peru, Southern Rhodesia, Trinidad and Tobago, Uganda, United Arab Republic, Uruguay and Yugoslavia.

Draft Model Chapter

Paragraph 3D (INT(64)560 and 566)

3. The member responsible for drafting INT(64)566 proposed certain amendments to his draft so that it would read as follows:

"The less-developed contracting parties shall promote measures aimed at expanding trade and, particularly, at furthering co-operation amongst themselves bearing in mind the importance of a world-wide expansion of trade. The less-developed contracting parties undertake to implement, to the fullest extent possible, those of the foregoing provisions as are conducive to the expansion of their reciprocal trade, and are compatible with their current economic and financial needs, the nature of their economic and financial structures and their programmes of development."

4. It was pointed out that the text might carry with it the implication that developing countries would be subject to the consultation procedures contained in paragraph 3B since these consultation procedures arose out of the phrase "to the fullest extent possible" which now appeared in the text of INT(64)566 as revised. A number of members emphasized that there should be no need on the part of the developing countries to enter into consultations of the type provided for in paragraph 3B.

5. A member enquired whether it would not be possible to drop the whole concept of commitments for developing countries as contained in the last sentence of both INT(64)560 and INT(64)566. However it was pointed out that developed countries were likely to take a firm stand on the inclusion of such a provision.

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6. It was decided that the members responsible for the drafting of the two papers under discussion should collaborate in formulating a draft acceptable to them both.

Paragraphs 3A and 3B (INT(64)571)

7. The Group discussed the proposal by the European Economic Community, made earlier that afternoon, for the inclusion of the words "with a view to reaching solutions satisfactory to those contracting parties" at the end of the second sentence of paragraph 3B.

8. A number of members commented that the superficially innocuous nature of this amendment probably disguised a point of substance. It might be, it was suggested, that the Community interpreted their amendment to exclude the possibility of majority decisions by the CONTRACTING PARTIES recommending action by developed countries. It was also suggested that with this wording the developed countries might use the consultations as a forum for requesting reciprocal action on the part of the developing countries. On this latter point it was suggested that the explanatory note to paragraph 2(h) could contain a reference to paragraphs 3A and 3B so that the concept of reciprocity on the part of developing countries would be specifically excluded in the context of commitments by developed countries. One member made the point that it was difficult to envisage an instance where a developed country could demand reciprocity from a developing country in the course of a consultation under paragraph 3B.

Preferences

9. It was agreed that the representative of India should present, on behalf of most of the developing countries, a proposal aimed at establishing the legal principle of preferences. It was also agreed that other less-developed countries would be free to propose amendments to the Indian formulation in the Working Group, particularly in view of the fact, as was pointed out, a number of developing countries had not seen the Indian draft.

10. It was further decided that discussion on the "working hypothesis" approach should await a draft proposal from the secretariat.