

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
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DEFINITIONS FOR ARTICLE XVIII

Proposal Submitted by the Observer for Ecuador

In order to have a measuring unit which would enable the economic situation of a country to be determined in relation to that of another country, or other countries, a unit of measurement should be created to be known as the ECONOMETER, or economic meter.

The ECONOMETER is equivalent to one hundredth of the average gross per caput income of the inhabitants of the ten countries with the highest standard of living in the world.

This average would be established by adding together the gross income of the ten countries selected and dividing that total by the total number of their inhabitants. To simplify the comparison, all values would be expressed in United States dollars. The result would be rounded off to the nearest unit.

To take account of the fact that countries develop at a different rate, the CONTRACTING PARTIES would have to determine each year which ten countries, having regard to the previous year, should be used for determining the new measuring unit, and would have to determine the value of the new unit.

On the basis of the number of econometers, countries would then be grouped as follows:

OPTIMUM economy		90 ECONOMETERS or more
GOOD	"	70 ECONOMETERS " "
REGULAR	"	50 ECONOMETERS " "
POOR	"	25 ECONOMETERS " "
POOREST	"	25 ECONOMETERS " less

The LESS-DEVELOPED COUNTRIES would then be those which, according to their econometric measurement, belong to the following categories: REGULAR, POOR or POOREST.

Note: The establishment of a numerical index would also make it possible to determine from year to year which countries require more assistance and, as the case might be, which countries can give more substantial assistance.

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