

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## MINUTES OF A MEETING OF A GROUP OF LESS-DEVELOPED COUNTRIES ON 15 OCTOBER 1964

1. The seventeenth meeting of the representatives of a group of less-developed countries took place on 15 October 1964 under the Chairmanship of H.E. Mr. E. Letts, Ambassador of Peru.
2. The meeting was attended by representatives of Argentina, Brazil, Central African Republic, Chile, Cuba, India, Indonesia, Israel, Jamaica, Nigeria, Peru, Tunisia, United Arab Republic, Uruguay and Yugoslavia.
3. The group considered a draft text on Section 3A of the Draft Model Chapter prepared by the secretariat and contained in INT(64)557. The group also adopted, subject to certain amendments and reservations, the draft texts contained in INT(64)543, 544/Rev.1, 546, 547/Rev.1 and 552/Rev.1.
4. Section 3A (Commitments)

A number of members felt that it was necessary to add after "for compelling reasons" in the preamble of Section 3A, the phrase "of national interest" or "of overriding national interest". It was pointed out in this connexion that the concept of overriding national interest had been accepted in the base text for the Kennedy Round. Another member proposed that the words "compelling reasons" should be deleted altogether and replaced by a clause such as "except when overriding national interest necessitates". The same member suggested that if his formulation was accepted there would be no need to include "legal reasons" as an instance of national interest since it could be presumed that measures required by national interest would be given legal form. On the other hand it was suggested that "legal" and "national interest" reasons were distinct and provision should be made for both in the text.
5. A number of members emphasized that unless the qualifying clause "of national interest" were inserted in the preamble to Section 3A, the text would be unacceptable to them.
6. A member pointed out that the European Economic Community would experience very real difficulties in accepting a text which excluded the possibility of supra-national interests. The same member suggested that it might in fact be desirable to leave the text vague at this point since if specific reference was made to "national interest" the developed countries would argue, on strong grounds, that they were the best judges of what constituted their national interests.

7. There was discussion, in the group, on paragraph 2 of the formulation and in particular on whether "may" in the third line should be replaced by "shall". It was recalled, in this connexion, that "shall" had appeared in original text and that if "may" were to remain, this might enable the developed countries to avoid carrying out their obligations. . . Other members underlined the necessity to ensure that consultation occurred since the developed countries would then be seen to be responsible for the non-fulfillment of obligations in accordance with decisions arising from such consultations.

8. Other members pointed out that although it should be incumbent upon the developed countries to report infringements of the standstill provisions in subparagraphs 1(b) and 1(c)(i), departures from the commitments contained in subparagraphs 1(a) and 1(c)(ii) should be reported by other contracting parties. In this connexion it was also stressed that a distinction might have to be drawn between "reporting" and "referring" since there would undoubtedly be cases of reported failures to fulfil obligations which were not sufficiently important to be referred to the CONTRACTING PARTIES. It was, however, pointed out that the consultative machinery proposed for reviewing the commitments under Section 3A could act as a filter and only refer to the CONTRACTING PARTIES matters which it considered sufficiently important.

9. The question was also raised as to the listing of products which would fall under the provisions of Section 3A, since, with the present wording, they would cover a considerable number. A member suggested that initial commitments could apply to the Committee III lists and those products notified to the Trade Negotiations Committee by developing countries as being of particular interest to them.

10. A member drew attention to the fact that, by inserting the text of the interpretative note (INT(64)541) into the actual text of the Draft Model Chapter, the reasons why this note had been drafted had in fact been lost sight of. He suggested, therefore, that the report of the Committee should set out the reasons why consultation procedures had been established and for this purpose the wording of the first sentence of INT(64)541 could be employed:

"It was recognized that the words 'to the fullest extent possible' could considerably detract from the effectiveness of the commitments in so far as they could have the effect of leaving their applicability exclusively to the subjective judgment of each contracting party subject to them."

11. One member of the group stated that he had not had time to discuss INT(64)557 with his delegation and requested that discussion of the paper be adjourned until a later date. This was agreed.

12. The Deputy Executive Secretary, speaking at the request of the Chairman, suggested that, although there did not appear, at present, to be much prospect of progress being made in the informal negotiating group, it was possible that once it was clear that advances towards agreement could be made on most of the topics of the Draft Model Chapter, such negotiations on the section "Commitments" might fruitfully be resumed.

13. The group then considered a number of texts which it had previously discussed with a view to their adoption by the group as a whole:

Paragraph 1(b) (INT(64)543)

The text was adopted without amendment.

Paragraph 1(c) (INT(64)544/Rev.1)

The text was amended to read as follows:

"recognizing that individual and joint action is essential to further the development of the economies of the less-developed contracting parties in order to bring about a rapid and substantial increase in their standards of living and a concomitant reduction in wide economic disparities between the less-developed contracting parties and the more developed contracting parties."

Paragraph 1(d) (INT(64)546)

The text was adopted without amendment.

Paragraph 2(g) (INT(64)547/Rev.1)

The text was amended to read as follows:

"there is need for the Agreement to provide flexibility in the application of its provisions to enable less-developed contracting parties to use such special measures as may be necessary to promote their trade and development without discrimination between such contracting parties and also to meet their difficulties arising from a shortage of foreign exchange in relation to growing import needs associated with their economic development."

Paragraph 2(h) (INT(64)552/Rev.1)

The text was adopted subject to specific reservations by two members.

14. The Group decided that the agreed texts should be submitted that afternoon to the Legal and Institutional Framework Committee by one of their members, as representing amendments to the Draft Model Chapter proposed by "most developing countries".