1. At the twenty-third session the CONTRACTING PARTIES adopted a decision on procedures under Article XXIII and agreed that work should be continued on the two outstanding issues mentioned in paragraph 46 of the Committee Report L/2614. The Committee on Trade and Development agreed at its last meeting that the Group on Legal Amendments should be convened to resume examination of the outstanding issues, taking into account any new proposals circulated in advance by interested delegations.

2. The Group met on 1 December 1966 to discuss a joint proposal by the delegations of Brazil and Uruguay for a supplementary decision on procedures under Article XXIII, which had been circulated in document COM.TD/F/W/7.

3. Some members of the Group recalled that the decision on procedures under Article XXIII had been adopted only nine months ago. They felt that, unless there were very good reasons to the contrary, it would be preferable to await practical experience on action under the decision before any alterations were contemplated. Others felt that not only had the proposal little to add to what was already provided under Article XXIII, but adoption of such a proposal would complicate the existing procedures and limit the choice of solutions which could be worked out in any given case. Other members pointed out that the Group had been given a mandate by the Committee on Trade and Development following the clear understandings reached at the twenty-third session that these issues would be further examined, and that the agreed provisional agenda for the next meeting of the Committee to be held in January in Uruguay had indicated that the Committee expected to receive a report from this Group.
4. The Group proceeded to a preliminary exchange of views in the course of which the sponsors of the proposal provided clarification on certain points. With regard to the reference in paragraph 1 of the proposal to "the elimination of the measures complained of", the sponsors thought that the recommendations mentioned in paragraph 1 should be taken to cover not only measures applied inconsistently with the provisions of the GATT but all measures causing damage to the trade of developing countries. Some members expressed the view that this would be going beyond the legal obligations provided for in Article XXIII under which only in cases where the measures complained of were causing nullification or impairment of rights or benefits under the General Agreement could a recommendation be made for their removal. Some members of the Group enquired whether the term "other measures of a commercial policy or other character" employed in paragraph 1 of the proposal meant financial compensation. They drew attention to the statements made by them on this question in previous meetings of the Group. The sponsors replied that it was not intended that the Panel's recommendations should be limited to any particular method of adequately offsetting the damage suffered. Financial compensation would only be one of many possibilities and no country would be obliged to give financial compensation if it were not in a position to do so. Paragraph 1 of the proposal had provided that any particular measures would be recommended only if this were agreed on by the parties concerned.

5. Some members felt that paragraph 2 of the proposal by providing for the suspension of obligations by the developing contracting party prior to the consideration of the recommendation of the CONTRACTING PARTIES by the developed country concerned would make the eventual satisfactory adjustment more rather than less difficult. The sponsors recalled that their views and intentions on this point were fully reflected in the records of previous discussions of the Group. In their view governments should have no difficulty in accepting paragraph 2 since sufficient guarantees were provided to ensure that the country suspending concessions or other obligations under the General Agreement could not act in an arbitrary manner.
6. One member of the Group suggested that since the purpose of the present exercise was to find ways and means of ensuring that the developed countries carried out their obligations vis-à-vis the developing countries, governments of developed countries might wish to give consideration to the possibilities of suspending or removing duties on items of export interest to developing countries which were subjected to quantitative restrictions. Several representatives, while indicating that they would report the suggestion to their governments, considered that the Group was not the proper forum to raise such a matter. Certain other members gave preliminary views on some of the difficulties which this proposal would present to their governments.

7. The Group agreed to adjourn in order to facilitate informal consultations and to enable delegations to receive further instructions from their capitals. It was agreed that the Group should reconvene on 9 December 1966 at 3 p.m.