GENERAL AGREEMENT ON
TARIFFS AND TRADE

NOTE BY THE SECRETARIAT

It is the understanding of the secretariat that the attached text reflects
the present state of thinking of certain delegations on proposed additions to
Part IV.

It is circulated in order to facilitate further discussions and negotiations.

PROPOSED ADDITIONS TO PART IV

XXXVI (g) - recognizing that a fuller participation by the less-developed
countries in an improved framework of rights and obligations under
the General Agreement would be to the advantage of both developed
and less-developed contracting parties;

XXXVI 8 bis - As their economic, financial and trade situation improves, less-
developed contracting parties will assume progressively greater
obligations under the General Agreement in the field of tariff and
non-tariff measures. The CONTRACTING PARTIES will periodically
review the operation of this provision in the light of the developing
countries' overall trade and development situation.

XXXVI bis - 1. The present agreement shall not prevent, subject to the
following provisions, the establishment of measures or procedures
designed to provide differential and more favourable treatment to
developing countries with respect to the provisions of the General
Agreement concerning tariff\(^1\) and non-tariff measures, provided that
in each case such treatment is in order to respond to the particular
circumstances and the development needs of developing countries and
to the extent that individual development needs continue to justify
such treatment.

1 bis. Differential and more favourable treatment with respect to
the provisions of the General Agreement concerning non-tariff
measures shall be governed by the provisions of arrangements multi-
laterally negotiated under the auspices of the General Agreement.

\(^1\)This provision shall not permit binding in the GATT of preferential tariff
rates and margins.
XXXVI bis - 2. The CONTRACTING PARTIES recognize that such differential treatment:

(a) shall not prevent reduction of customs duties and elimination of other restrictions to trade on the basis of the most-favoured nation clause;

(b) shall be designed to facilitate the trade of beneficiary countries and not to set up obstacles to the trade of other contracting parties.

3. Without prejudice to other relevant provisions of the General Agreement, any contracting party wishing to take action pursuant to paragraph 1 above or wishing to modify such action and any contracting party benefiting from such action shall promptly inform the CONTRACTING PARTIES and provide them with all information required so as to permit them, if necessary, to make any recommendations that they may judge appropriate with respect to the provisions of the General Agreement.

4. Each contracting party granting differential and more favourable treatment or benefiting from it shall afford adequate opportunity for consultations at the request of any other contracting party which considers that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of the arrangements introduced by virtue of this clause.

5. Any contracting party which considers that the arrangements introduced by virtue of this clause or their later extension are being applied inconsistently with this clause or that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of the arrangements or their subsequent extension and that consultations have proved unsatisfactory, may bring the matter before the CONTRACTING PARTIES which will examine it promptly and will formulate any recommendations that they judge appropriate.