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GENERAL AGREEMENT ON TARIFFS AND TRADE

MINUTES OF THE MEETING OF A GROUP OF LESS-DEVELOPED COUNTRIES ON 16 OCTOBER 1964

1. The eighteenth meeting of the representative of a group of less-developed countries took place on 16 October 1964 under the Chairmanship of H.E. Mr. E. Letts, Ambassador of Peru and, in his temporary absence, Dr. Pablo Bosch, Consul General of Uruguay.

2. The meeting was attended by representatives of Argentina, Brazil, Central African Republic, Chile, Cuba, Indonesia, Israel, Jamaica, Nigeria, Peru, United Arab Republic, Uruguay and Yugoslavia.

3. The group considered a draft text of Section 3 of the Draft Model Chapter prepared by one of its members and contained in INT(64)561 and an amendment to this working paper by another member contained in INT(64)564. The group also considered briefly the proposed text of paragraph 2(g) as contained in INT(64)547/Rev.1.

4. A member of the group who had, on the previous day, presented proposals by the group to the meeting of the Legal and Institutional Framework Committee (see paragraph 14 of LDC/M/17) informed the meeting that he had been asked by the Deputy Executive Secretary whether it would be possible for the group to indicate which of the developing countries were supporting the various texts. This request had been made on the suggestion of the European Economic Community. It was pointed out, in this connexion, that the developed countries themselves had not indicated whether or not they accepted the proposals of the previous day. It was also emphasized that the group could not be regarded as representative of all developing countries but that the consensus of its opinion could certainly be regarded as representing the views of most developing countries. It was decided that in the circumstances the Chairman and the member concerned should inform the Deputy Executive Secretary that it would not be possible to give a list of the developing countries supporting each individual proposal.

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

It was recalled that, on the previous day, in the meeting of the Legal and Institutional Framework Committee, the United States had been unable to accept the clause "without discrimination between such contracting parties". The meeting discussed the concepts conveyed by this clause. Some members took the view that the developing countries should be afforded sufficient flexibility to adopt discriminatory measures against developed countries whilst not discriminating amongst developing countries. Such discrimination need not necessarily take the form of tariff preferences. Other members recalled that this paragraph had been included in the "Principles and Objectives" section to cover the type of flexibility provided for in Article XVIII.

They suggested that if tariff preferences or other forms of discrimination were to be involved, this matter should be discussed within the framework of the Working Group on Preferences. It was, they suggested, most unlikely that the developed countries would accept the present formulation and that, therefore, the text should be amended in a manner which would either avoid mentioning discrimination or which would not imply the possibility of discrimination against developed countries. It was decided that discussion on this subject should be resumed at a later date.

Paragraph 3A (INT(64)561 and 564)

The group discussed, in some detail, but without reaching any conclusion, the clause qualifying "to the fullest extent possible" in the first sentence of paragraph 3A. In particular discussion centred on the desirability of including the concept of "national interest" since this might be used to their own advantage by the developed countries and it would be difficult to refute justification made on the grounds of "national interest". It was also pointed out that the developing countries themselves had, on an earlier occasion, adopted the view that interpretation of "national interest" should not be made the subject of discussion by the CONTRACTING PARTIES. A number of different formulations were proposed in this connexion:-

(i) "compelling reasons of national interest"
(ii) "compelling reasons involving national interest"
(iii) "compelling reasons of overriding national interest"
(iv) "compelling reasons of force majeure"
(v) "overriding reasons of force majeure"
(vi) "compelling reasons of exceptional national importance"
(vii) "compelling and exceptional reasons"
(viii) "compelling reasons of national importance"
(ix) "compelling reasons of exceptional national importance"
(x) "reasons of paramount importance"

5. It was decided that it would be advisable to discuss the matter with the developed countries after further examination of the different formulations proposed. Two members were delegated by the group to approach the developed countries on this matter.

6. A member pointed out that the words "accord high priority" in sub-paragraph (a) were superfluous in view of the qualification contained in the first sentence of paragraph 3A. Whilst there was general agreement that this was in fact the case, it was decided that there would be little point in re-opening this issue since the developed countries appeared to be unwilling to compromise.

7. There was considerable discussion of paragraph B and the group had before it two formulations, the first in INT(64)561 and the second in INT(64)564. During discussion, it was agreed that the following points should be made clear in any revision of the text of paragraph B:

(i) although the contracting party failing to fulfil its obligations in sub-paragraph (a) and sub-paragraph (c)(i) should be responsible for reporting non-fulfilment, any contracting party should be empowered to report instances where it appeared that there was non-compliance with the obligations contained in the other sub-paragraphs;

(ii) "reporting" and "referring" should be distinct processes;

(iii) the nature of "joint action" needed to be qualified. In this connexion it was decided that the draft text should contain an alternative formulation which would be likely to be acceptable to the United States;

(iv) the different purposes of consultation should be brought out. Thus consultation would cover an examination of the justification of non-compliance as well as seeking means of facilitating the implementation of the provisions;

(v) the principle of bilateral consultation should be preserved.

8. A member emphasized that, within the framework of his country's general reservation concerning the text of the Draft Model Chapter, he wished to have recorded a particular reservation in connexion with paragraphs 3A and B.

9. A revision of the text of paragraph B of Section 3 was agreed and appears in INT(64)565.

10. It was decided that the next meeting of the group should take place at 10 a.m. on 19 October 1964.