

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES  
Eleventh Session

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## SUMMARY RECORD OF THE SEVENTEENTH MEETING

Held at the Palais des Nations, Geneva, on  
Friday 16 November 1956, at 2.30 p.m.

Chairman: Mr. P.A. FORTHOMME (Belgium)

- Subjects discussed:
1. Status of Agreement and Protocols
  2. Procedures for Elections
  3. Intersessional Administration of the Agreement:
    - (a) Report by Intersessional Committee
    - (b) Renewal of arrangements
    - (c) Proposals to expedite the work of the Sessions
    - (d) Election of the Intersessional Committee
    - (e) Programme of work for 1957
  4. Attendance of Ministers at the Session of the CONTRACTING PARTIES
  5. Report of Working Party on Balance-of-Payments Restrictions on Consultations at Eleventh Session
  6. Seventh Annual Report on Discriminatory Import Restrictions

1. Status of Agreement and Protocols (L/517/Rev.2 and L/589)

The CHAIRMAN recalled that when this item was discussed at the sixth meeting it was agreed that it should be taken up again with particular reference to the entry into force of the amendment protocols, the extension of the date for signature, and the establishment of the Organization for Trade Co-operation. The secretariat had prepared an up-to-date revision of the status of the Agreement and Protocols (L/517/Rev.2). In connexion with the amendment protocols and the Organization for Trade Co-operation, the Chairman had distributed draft resolutions in L/589.

(a) Definitive Application of the Agreement

It was noted that the Government of Burma had now accepted the Resolution of 7 March 1955 on the acceptance of reservations to the definitive application of the Agreement. The Resolution had now been accepted by all contracting parties.

(b) Protocols of Amendment

(i) Protocol amending Part I and Articles XXIX and XXX and Protocol amending the Preamble and Parts II and III

The CHAIRMAN said that these Protocols still required a number of signatures and that some of the signatures that had been affixed required confirmation as fully binding. The first of the draft resolutions in L/589 urged the contracting parties concerned to take the necessary action in the near future and proposed an extension of the date for signature until two weeks after the opening of the Twelfth Session.

Mr. STANDENAT (Austria) said that the Austrian Parliament had approved these Protocols and ratification was expected in a few weeks.

Mr. JOCKEL (Australia) said his Government supported the draft resolutions in L/589. In order to make these resolutions more purposeful, however, his delegation proposed that a sentence be added at the end of each resolution instructing the Executive Secretary to bring the resolution to the notice of the contracting parties.

Mr. MACHADO (Brazil) said that his delegation supported the resolutions and also the amendment proposed by the Australian delegation so that they would be brought to the direct attention of governments. It was essential that governments be made fully aware of the position, otherwise the question might be still unsettled at the time of the Twelfth Session; his delegation proposed, therefore, that the secretariat transmit to governments, at least one or two months before the next session, a report setting out the current position, so that delegates could be given adequate instructions.

The CONTRACTING PARTIES approved the first resolution in L/589 as amended by the proposal of the Australian delegation and with the understanding that the secretariat would take into account the procedural arrangements suggested by the Brazilian delegation.

(ii) Agreement on the Organization for Trade Cooperation  
Protocol of Organizational Amendments

The CHAIRMAN stated that only seven governments were parties to the OTC Agreement which could not enter into force until it had been accepted by contracting parties whose territories accounted for 85 per cent of the total external trade of the territories of contracting parties. The second draft resolution in L/589 urged contracting parties which had not yet signed that Agreement and the Protocol of Organizational Amendments to do so in the near future and proposed that the situation should be reviewed again at the Twelfth Session if by that time these instruments had not entered into force; this draft should include provision for extending the date of signature of the Protocol of Organizational Amendments until two weeks after the opening of the Twelfth Session.

Mr. STANDENAT (Austria) said that the Austrian Parliament had approved the Agreement on the OTC and the Protocol of Organizational Amendments; ratification was expected in a few weeks.

Mr. CORSE (United States) said the Agreement on the OTC had been submitted to Congress with the recommendations of the Administration, various cabinet ministers had appeared before the Ways and Means Committee in support of it and the Committee had voted favourably in referring the Bill to the House; however, it had not been brought up before the Session of Congress ended. Under the United States legislative system any pending Bills at the conclusion of Congress lapsed and had to be re-introduced. The legislative programme for the new Congress had not yet been determined. Whether the Bill would be included would be determined in the light of the total legislative programme. He had no objections to the draft resolution, but in the light of the very special circumstances his delegation would be forced to abstain.

The CONTRACTING PARTIES approved the second resolution in L/589 as amended by the proposals of the Chairman and the Australian delegation and with the understanding that the secretariat would take note of the procedural arrangement suggested by the Brazilian delegate.

The representative of Czechoslovakia also asked that his abstention be recorded.

#### Protocol of Rectification to the French Text

The CONTRACTING PARTIES agreed to extend the closing date for signature of the Protocol of Rectification to the French Text until two weeks after the opening of the Twelfth Session.

#### Procès-Verbal of Signature concerning the Protocol of Organizational Amendments Procès-Verbal of Rectification concerning the Protocol amending Parts I and Articles XXIX and XXX, the Protocol amending the Preamble and Parts II and III, and the Protocol of Organizational Amendments

The CHAIRMAN suggested to the delegations of countries which had not yet signed should endeavour to arrange for their governments to take the necessary action as soon as possible.

#### (c) Protocols of Rectifications and Modifications

The CHAIRMAN said there were four Protocols of Rectifications and Modifications, the first having been drawn up in November 1952, which had not entered into force as they still required the signature of one or more contracting parties. He proposed that these governments should endeavour to take the necessary action as soon as possible.

#### (d) Protocol of Terms of Accession of Japan

(e) Sixth Protocol of Supplementary Concessions

The CHAIRMAN drew attention to the fact that some of the contracting parties which had participated in the negotiations for the accession of Japan and in the 1956 Tariff Conference and which had schedules of concessions annexed to these Protocols had not yet given notification of the entry into force of their schedules. When this was discussed at the sixth meeting the delegations of some of these countries had reported that although the required notification had not been given the concessions were, in fact, being applied. He stressed the desirability of bringing all these concessions into effect as soon as possible.

Mr. POLLARD (United Kingdom) said his Government had recently approved the concessions provided for in the Sixth Protocol of Supplementary Concessions and they would enter into force in forty days.

(g) Declaration on the Continued Application of Schedules

It was noted that since this item was discussed at the sixth meeting the Declaration had been signed by the Government of Nicaragua; otherwise the position was unchanged.

2. Procedures for Elections (L/537)

The CHAIRMAN recalled that at the close of the previous session the representative of Pakistan had proposed a procedure to be followed when the CONTRACTING PARTIES were required to hold elections. The proposal had been referred to the Intersessional Committee for further study, and the conclusions and recommendations of the Committee were set out in document L/537. In brief, the Committee had concluded that, at the present time, it was neither necessary nor desirable for the CONTRACTING PARTIES to lay down rigid rules for the conduct of elections. For the annual election of the Chairman and Vice Chairmen of the CONTRACTING PARTIES the Committee had recommended that the CONTRACTING PARTIES should proceed along the general lines proposed by the delegate for Pakistan at the Tenth Session. This procedure had been followed at the present session: there had been closed meetings of the Heads of Delegations, with no records taken, at which the election of candidates had been discussed with a view to reaching unanimity on nominations.

The CONTRACTING PARTIES approved the report and the conclusions of the Intersessional Committee.

3. Intersessional Administration of the Agreement

(a) The Report of the Intersessional Committee on Action between the Tenth and Eleventh Sessions (L/548)

The CHAIRMAN said the only point in this Report which still required consideration was in paragraph III, where the Committee drew attention to the fact that in the past only one copy of SECRET documents had been made available to each contracting party. For the greater convenience of governments in

dealing with GATT matters the Committee recommended that in future one copy should be sent to permanent delegates in Geneva and to liaison officers in addition to the copy sent to governments.

The recommendation concerning the distribution of SECRET documents was approved and the report of the Intersessional Committee was adopted.

(b) Renewal of Arrangements

The CHAIRMAN recalled that the intersessional arrangements for the administration of the Agreement as adopted by the CONTRACTING PARTIES at the end of their Ninth Session, (Basic Instruments and Selected Documents, Third Supplement, pp. 9 et seq.) had been renewed at the Tenth Session, and he proposed that these arrangements should remain in force for the period between the Eleventh and Twelfth Sessions.

It was agreed to renew the arrangements for the administration of the Agreement for the period between the Eleventh and Twelfth Sessions.

(c) Proposals to expedite the work of the Sessions (Spec/237/56)

The CHAIRMAN said that ways and means of expediting the work of the Sessions had been discussed at a meeting of the Heads of Delegations and it had been agreed to submit to the CONTRACTING PARTIES the Executive Secretary's proposals set out in Spec/237/56.

Mr. ROCHEREAU (France) thought there was a contradiction between the emphasis placed on increasing the authority of the CONTRACTING PARTIES and the desire to accelerate the work of the Sessions by placing more responsibility on the Intersessional Committee. The CONTRACTING PARTIES met only once a year and for a period of some four to six weeks, whereas other international organizations were in almost permanent session. He recognized that it was reasonable that the Intersessional Committee should undertake as much preparatory work as possible but he thought it undesirable to consider that plenary meetings were held merely to record decisions. He re-emphasized the importance attached by his delegation to the work of the CONTRACTING PARTIES and the hope in their future. In his opinion the main advantage of annual sessions lay in the opportunities afforded to leaders and members of delegations to discuss difficult problems in private and official meetings. His delegation would not wish this essential character of the GATT to be overlooked. The measures which might be adopted to establish the scope of the Intersessional Committee and the field of competence of the CONTRACTING PARTIES should not conflict with the objectives of the Agreement to ensure the efficacy of decisions taken and to afford an opportunity for formal and informal discussion.

Mr. GARCIA OLDINI (Chile) shared the preoccupations of the French representative and emphasized that the work of the GATT should not be too technical for it to be easily explained to the public. The GATT should not merely be an instrument of control but should become a forum for the discussion of important economic and commercial problems. He thought that if too much emphasis were placed on the preparatory work of certain working parties and if an important part of the work were transferred to the Intersessional Committee, the limited and specifically technical character of the GATT would be stressed and the effectiveness of its work and resolutions reduced. The Executive Secretary, he believed, shared these preoccupations and he would ask him to explain the scope of his proposals.

The CHAIRMAN said that in his opinion the Executive Secretary had tried to concentrate interest on questions of primary importance by avoiding the loss of time occasioned by work on technical questions which could be adequately prepared before the session.

The EXECUTIVE SECRETARY said that, as he had explained to the Heads of Delegations, he shared the preoccupations of the French and Chilean representatives. He agreed that attention should be concentrated more on the mechanics of the work of the CONTRACTING PARTIES than on attempting to limit the debates in plenary session, which he regarded as important. The proposals submitted should be viewed against this background. In the past he had observed that the beginning of the Session often had to be devoted to a preliminary examination of agenda items and this often involved a considerable loss of time. It had, therefore, been suggested that the intersessional procedures should provide for a meeting of the Intersessional Committee one month before the opening of each session, with the object of determining whether adequate documentation was available. It had been intended that that meeting should also be attended by contracting parties not members of the Committee to afford an opportunity for a preliminary exchange of views resulting in a clarification of the issues on which instructions from governments would be based.

He had therefore ventured to suggest some proposals which had the preliminary approval of the Heads of Delegations. In future the provisional agenda should be circulated a little earlier. The Intersessional Committee should take its function of examining documentation more seriously and if it felt the documentation was inadequate it should recommend that the consideration of the item in question be deferred to the next session, unless it was not possible, or reasonable, for such documents to be provided. In paragraph 5 of the proposals it was suggested that the Committee should try to clarify and define the issues involved. Concerning the suggestion in paragraph 6 that the Committee should establish working parties, he had intended to go somewhat further, but in view of the general desire to proceed with caution, he had limited the suggestion to the establishment of a technical Working Party on Trade and Customs Regulations and Schedules and of a Budget Working Party. This would involve a substantial saving of time as, when these working parties meet during the session, the number of meetings dealing with questions of greater substance have to be limited. In conclusion, the Executive Secretary said that the proposals were modest, but if they were effectively carried out, it would lead to a saving of time and the efficient and rapid conduct of sessions.

Mr. MACHADO (Brazil), agreeing with the proposals of the Executive Secretary, said that there was a danger in waiting for the last meeting of the Intersessional Committee before considering questions which might arise shortly after a session and might require more urgent attention. Such questions should be examined at the first available opportunity and full use made of all the meetings of the Committee.

The CHAIRMAN said that the suggestion of the Brazilian representative was helpful, but thought it was covered by paragraph 10 of the Intersessional Procedures which provided for a meeting of the Committee to consider any matter requiring urgent action.

Mr. CORSE (United States) said that the suggestion in paragraph 5 should be underlined, particularly the latter part relating to clarifying and defining the issues involved. At the last meeting of the Intersessional Committee, possibly because this proposal had not then been made, the Committee did not define several of the issues which had caused delay in the conduct of the present session. He was prepared to accept the proposals, but pointed out that in the case of complaints where a report was required from the defendant, the lack of such report should not exclude the item from the agenda and this should apply also to annual reports under waivers.

Mr. WILGRESS (Canada) thought the suggestions of the Executive Secretary were along the right lines as contracting parties had for some time wanted to make the Intersessional Committee a more effective instrument in preparing for the work of sessions. The experience in the past in this respect had been disappointing, due to the fact that delegates or governments had not taken the work of the Committee sufficiently seriously and this would perhaps be remedied by placing more responsibility on the Committee. At the beginning of sessions, it had always been found that it was not possible to take up many important items because delegations had not carried out the necessary preparatory work, and this had unduly prolonged the sessions. He believed that the Committee could do useful work in clarifying issues and in defining the scope of items and therefore careful consideration should be given to these proposals which were designed to increase the importance of sessions and make them more effective.

Mr. POLLARD (United Kingdom), in supporting the proposals, pointed out that the preparatory work was divided into two stages: firstly, definition and clarification of issues in Geneva and, secondly, taking up positions on the items when clarified in the national capitals and obtaining the necessary instructions from governments. This problem could be solved either by extending the consideration of agenda items backward in time or by holding sessions later in the year. He agreed that some subjects could be more profitably discussed at earlier meetings of the Committee than the one immediately preceding the session.

Mr. STÄNDENAT (Austria) considered that careful attention should be given to the preparation of work for sessions, but he shared the preoccupations of the Chilean representative. Meetings of the Intersessional Committee should not become meetings of the CONTRACTING PARTIES with limited participation. The Executive Secretary had taken these preoccupations into account by eliminating certain working parties from his proposals. Care should also be taken that the Committee did not take decisions which governments not represented would later find it difficult to reverse. He therefore suggested including in the proposals a clause to the effect that the contracting parties would in no way be bound by the preparatory work of the Committee.

The CHAIRMAN said the discussion had shown general support for the proposals of the Executive Secretary. Concerning the point made by the United States representative, the Executive Secretary had tried to take this into account by providing that the Intersessional Committee should not exclude items from the Agenda unless **absolutely necessary**. Concerning the remarks of the Austrian representative he believed that it was clear from the text of the Agreement and the intersessional procedure that the Committee was not an executive body, its actions and decisions therefore had to be discussed and approved in plenary meeting. As the Committee had a broad representation, contracting parties could be confident that their interests would be taken into account. Contracting parties which were not members should follow its deliberations and make suggestions so that the Committee would be successful in completing much preparatory work before the sessions. He was doubtful whether the suggestion of postponing the date of the regular session until later in the year should be entertained. It seemed to be generally agreed that the proposals would contribute to the efficient conduct of sessions.

The proposals in Spec/237 were approved and it was agreed to amend rule 2 of the Rules of Procedure for sessions of the CONTRACTING PARTIES as follows:

"The provisional agenda for each session shall be drawn up by the Secretary in consultation with the Chairman and shall be communicated to the contracting parties at least five weeks before the date of meeting. It shall be open to any contracting party to propose items for inclusion in this provisional agenda up to six weeks from the date of meeting."

(a) Election of Intersessional Committee (Spec/233/56)

The CHAIRMAN said that the criteria for the composition of the Committee and other relevant considerations were set out in Spec/233/56 which also indicated the distribution of membership by geographical area which had been followed in the election of the Committee at the last two sessions.

Mr. HAGEN (Sweden) said that Denmark, Finland, Norway and Sweden, as they shared only one seat between them, appeared to be under-represented and suggested that the membership of the Committee be increased to eighteen.

Mr. CAPPELEN (Norway) supported the request of the Swedish representative and suggested that the additional seat should be given to Denmark.

The CHAIRMAN proposed that the CONTRACTING PARTIES could meet the Swedish request by deciding to increase the composition of the Intersessional Committee for the ensuing year to eighteen members; the election of seventeen members could be held as planned, and Denmark could be co-opted; the size of the Committee could be reviewed at the Twelfth Session.

This was agreed.

An election by ballot was held. After the ballot papers had been examined and counted by the tellers, Mr. Arents (Belgium) and Mr. Mathur (India), the CHAIRMAN read their report on the results.<sup>1</sup> The following seventeen contracting parties had received the highest number of votes cast and each of them was supported by more than a simple majority of the contracting parties, thus meeting the accepted criteria:

Australia	Federal Republic	Norway
Belgium	of Germany	Pakistan
Brazil	Greece	Peru
Canada	India	Federation of Rhodesia
Chile	Indonesia	and Nyasaland
France	Italy	United Kingdom
		United States

The CHAIRMAN said that these countries, together with Denmark, would constitute the Intersessional Committee until the Twelfth Session.

(e) Programme of Work for 1957

Mr. STUYCK (Belgium) enquired whether the Executive Secretary could establish a provisional programme of work for 1957. It was desirable that the tariff negotiations with Brazil and Switzerland should be held as soon as possible and be terminated before the beginning of the Twelfth Session, particularly as one delegate was sometimes given responsibility for the conduct of tariff negotiations and also with the work of the CONTRACTING PARTIES.

Mr. STANDENAT (Austria) supported the request of the Belgian representative.

The EXECUTIVE SECRETARY said that at the end of each session he drew up a plan of work for the succeeding year. Also after each session he sent a communication to governments drawing attention to the important decisions taken and to questions on which action was expected by them before the following session; on this occasion possibly he would include in this communication an indication of the work programme.

4. The Attendance of Ministers at Sessions of the CONTRACTING PARTIES

The CHAIRMAN recalled that a proposal that trade ministers of the contracting parties should be invited to attend the Eleventh Session had been considered by the Intersessional Committee at its meetings in September and October. As a result of enquiries made at that time it was found that it would not be possible to arrange for a ministerial meeting at the present session.

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<sup>1</sup> This report was in fact submitted at the subsequent meeting.

However, the Intersessional Committee had recommended that the proposal that trade ministers should attend sessions on suitable occasions should be included in the agenda. The proposal had been discussed by the Heads of Delegations, but should delegates wish to take the opportunity for further discussion he suggested that the following questions might be considered:

- (i) whether the CONTRACTING PARTIES considered that in principle trade ministers should be invited to attend sessions of the CONTRACTING PARTIES;
- (ii) if so:
  - (a) whether a ministerial meeting should be envisaged for the Twelfth Session,
  - (b) in what period during the Session it would be most helpful for the ministers to be present, and
  - (c) the establishment of an agenda for the ministerial meeting.

Mr. CARIN (Turkey) thought that if there were to be a meeting at ministerial level it should be well organized and well prepared. He suggested that delegates on their return home should endeavour to interest the administration of their governments in the proposal and, if this met with success, it would lead to the attendance of responsible ministers. The agenda for a ministerial meeting would consist essentially of GATT policies and their future. He was not in favour of regular annual meetings of ministers, but he thought there was a good case for arranging such a meeting at the Twelfth Session.

Mr. MACHADO (Brazil) said that provided there were definite decisions to be taken at the next Session it would be of great benefit to have the highest authorities in the trade field present. When a responsible person had to make a decision there would be a more detailed examination of the problem than would otherwise be the case. He suggested that a week should be set aside for discussions at ministerial level some two weeks after the opening of the Session. He did not think that ministerial meetings should necessarily be held each year, but at the next Session the trade ministers of all the contracting parties should meet to reach definite conclusions on the fundamental problems of international trade.

Mr. STUYCK (Belgium) said that from the discussions at sessions of the CONTRACTING PARTIES he had gained the impression that the GATT, as with other international organizations, deserved the full attention of governments and that the CONTRACTING PARTIES could well request ministers to take part in their deliberations. The attendance of ministers would present an occasion

for a discussion of the broad questions of international trade, and, in addition, the ministers might also concern themselves with any specific problems raised during the Session that required decisions at the highest level. The question whether ministers would be prepared to attend future sessions might depend on the results of the first meeting; therefore the **CONTRACTING PARTIES** should consider how to ensure regular attendance at future sessions; if the **CONTRACTING PARTIES** adopted the principle of having ministers to discuss the annual reports on international trade, they would have an excellent basis for the inauguration of such meetings.

Mr. OSMAN ALI (Pakistan) said that his Government accepted the idea in principle, subject to the condition that there would be enough items of sufficient importance to justify the presence of ministers and that there would be adequate preparation beforehand. The Intersessional Committee, no later than June, could determine what items could appropriately be considered by ministers so that the questions could be thoroughly examined in the capitals to ensure correct briefing. It should not be expected that ministerial discussions would necessarily lead to decisions, as ministers might have to refer questions back to their cabinets; nevertheless, this should not detract from the usefulness of the discussions. He thought that the meeting should take place towards the beginning of the session in order that the ministers could give general directives for the remainder of the work to be done.

Miss SEAMAN (United Kingdom) recognized the important considerations that had led a number of contracting parties to feel strongly in favour of a meeting of ministers, but pointed out that ministers had important commitments at home. The United Kingdom delegation, therefore, could not take the responsibility of advising its minister to attend a session of GATT until they had had an opportunity of comparing the importance of the items on the agenda with other commitments in the United Kingdom.

Mr. PORTOCARRERO (Nicaragua) supported the remarks of the delegate of the United Kingdom.

Mr. SWAMINATHAN (India) said that in principle his Government accepted the desirability of the attendance of ministers, but, owing to commitments at home, there would have to be a sufficient number of important items on the agenda if India were to be represented by a minister at such a meeting. He suggested that the decision would be facilitated if governments could be informed four to six weeks before the session of the number of ministers that would be attending. He referred to a suggestion that the session be divided into two parts: firstly, the examination of some questions by working parties, and secondly, the plenary discussions; he thought this would lend itself admirably to timing the presence of ministers for the beginning of the session so as to give the broad directives to be followed by the working parties.

Mr. WILGRESS (Canada) said his delegation was in favour of the regular attendance of ministers at the sessions of the CONTRACTING PARTIES as he would like to see the GATT fulfil the same rôle for ministers of commerce as the International Monetary Fund did for ministers of finance. He was not prepared to say, however, whether his Government would be represented by a minister at the next session as this would be influenced by other commitments as well as the items coming up for consideration. It was important that lists of the topics ministers would be expected to discuss be circulated well in advance so that their attendance could be ensured and preparations made beforehand. He said that it would be preferable for ministers to attend the early stages of the session, if not the opening days then some two weeks afterwards as suggested by the representative of Brazil.

Mr. ROCHEREAU (France) said that his delegation recognized the great interest that would result from the presence of ministers. He stressed, however, that in order to give full meaning to their participation their attendance at every session should not be taken for granted, but should depend on the importance of the questions being examined by the CONTRACTING PARTIES at any particular session. The comparison with the IMF was not convincing. The French delegation believed, therefore, that it would be better at this stage to see whether and when ministers could take part in the sessions of the CONTRACTING PARTIES.

Mr. WIRESINGHA (Ceylon) recalled that the Minister of Commerce of his Government had been present at the opening day of the Session and had stated his views in support of meetings at a ministerial level in the early stages of sessions. Provided the agenda was prepared well in advance with an indication of the dates ministers were expected to be present then only unforeseen circumstances would prevent the attendance of his Minister at the next Session.

Mr. CORSE (United States) said that for several years the chairman of his delegation had been the chief economic policy officer of the Department of State and that this practice was expected to continue.

Mr. STANDENAT (Austria) said that his Government had been one of the few to reply favourably to the Executive Secretary's communication regarding representation by ministers at the Eleventh Session and he re-stated the view held by his Government that ministerial meetings would be of great benefit to the CONTRACTING PARTIES. With respect to the proposals for regular meetings of ministers he thought it would be preferable, if, at this stage, the CONTRACTING PARTIES envisaged the convening of one single properly prepared meeting. The ministers themselves could then decide as to future procedures. The importance of the agenda should not be exaggerated since ministers discussed items of relatively little importance at meetings of other international organizations; nevertheless such meetings were important in creating contacts between ministers who would then be in a better position to understand the daily work of the organization.

Mr. GUNDELACH (Denmark) said that, his Government was favourable to the attendance of ministers at the sessions of the CONTRACTING PARTIES on the condition that the agenda contained suitable items of a general interest. With respect to the procedures to be followed for holding such a meeting he associated himself with the remarks of the representative of Pakistan.

Mr. PEREZ CISNEROS (Cuba) thought that the meetings would be more useful if they were held annually, as the underlying principle was to bring governments themselves in direct contact with the work of GATT. At every session ministers would have the opportunity to discuss trade policies and become better acquainted with the GATT; that frequent contact would contribute towards the future effectiveness of the General Agreement.

The CHAIRMAN said the discussion had indicated that in principle it would be advantageous if trade ministers were to attend sessions of the CONTRACTING PARTIES and that such meetings should be held early in the session. Although some delegates had spoken in favour of an annual meeting he thought it might be preferable at this stage to arrange for a ministerial meeting in 1957 with the possibility that the ministers themselves might find it necessary to repeat the experience. He suggested that the Inter-sessional Committee be instructed to take the necessary steps in arranging for a meeting of ministers at the next session and establish as soon as possible a suitable agenda for discussion by ministers and circulate it to contracting parties. The first item on such an agenda could be a debate on the Annual Report on International Trade.

The CONTRACTING PARTIES approved this procedure.

5. Report of Working Party on Balance-of-Payment Restrictions on Consultations at the Eleventh Session (L/588)

Mr. NAUDE (Union of South Africa), Chairman of the Working Party, presented the report on the consultations conducted under Articles XII:4(b) and XIV:1(g) and under the waivers granted from the obligations of paragraph 6 of Article XV. He said the report was self-explanatory and commended it for approval.

The CHAIRMAN expressed the indebtedness of the CONTRACTING PARTIES to the International Monetary Fund for its cooperation in the consultations.

The CONTRACTING PARTIES agreed to record that these consultations had been concluded, and adopted the report of the Working Party.

6. Seventh Annual Report on Discriminatory Import Restrictions (L/587 and W.11/30)

Mr. NAUDE (Union of South Africa), Chairman of the Working Party on Balance-of-Payments Restrictions, introduced the report and commended it for approval.

Mr. GARCIA OLDINI (Chile), referring to paragraph 20 of the report, said he was now able to make a statement on the import and exchange control system in his country. The recent exchange reforms introduced in Chile formed part of a stabilization programme to control inflation by, inter alia, restricting the expansion of credit, eliminating budget deficits, granting more favourable terms to export undertakings and by reforming the exchange and import systems. The credit policy of the Central Bank had already shown satisfactory results and the obligation to make periodic adjustments in salaries and wages to take account of increases in the cost of living had been abolished. The large copper and nitrate producing companies had been granted more favourable exchange facilities, and measures had been taken to stimulate foreign investment in these industries. The reforms which had been approved by the International Monetary Fund provided for the elimination of preferential exchange rates and the establishment of a single free rate of exchange for most current transactions. Quantitative restrictions had been reduced and the number of products which might be freely imported had been increased. It had, however, been necessary to maintain certain financial controls and import restrictions to safeguard the balance-of-payments position. Import permits had been abolished and importers could operate freely within the limits of the permitted imports list which would be extended as circumstances allowed. The importation of products not figuring on this list was prohibited. The changes introduced in the exchange and import systems tended to make them more favourable and to eliminate restrictive practices. It should, however, be borne in mind that these measures might encounter serious difficulties in the future.<sup>1</sup>

Mr. ISBISTER (Canada) thanked the Chilean representative for his statement and expressed the hope that the Chilean delegation would continue to keep the CONTRACTING PARTIES as thoroughly informed of their exchange and import systems in the future.

Mr. GOLDSTEIN (United States) associated himself with the remarks of the Canadian representative and was grateful for the comprehensive information on the Chilean position and on the policy of the Chilean Government.

The CHAIRMAN thanked the representatives of the International Monetary Fund for their valuable assistance in the preparation of the report. He drew attention to document W.11/30 which contained notes on the system and method of import restrictions maintained by the countries having recourse to Article XIV. These notes would be annexed to the report, and any delegate wishing to propose any changes to the notes relating to his country's restrictions should communicate with the secretariat before leaving Geneva so that they could be incorporated in the definitive text.

The Seventh Annual Report on Discriminatory Import Restrictions was adopted.

The meeting adjourned at 5.45 p.m.

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<sup>1</sup> The full text of Mr. Garcia Oldini's statement is reproduced in L/604.