

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Twelfth Session

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SUMMARY RECORD OF THE NINETEENTH MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 28 November 1957, at 10 a.m.

Chairman: Mr. L. K. JHA (India)

- Subjects discussed:
1. Continued Application of Schedules
 2. United States Waiver - Report of Working Party
 3. Belgian Import Restrictions - Report of Working Party
 4. Consultations under Article XII:4(b); Reports on Consultations with Ceylon, India, Turkey and Japan
 5. Report of the Panel on Applications by Ceylon for releases under Article XVIII
 6. Italian Discrimination - Agricultural Machinery
 7. French Discrimination - Agricultural Machinery
 8. Closing Date for Signature of the Amendment Protocols
 9. Trends and Developments in International Trade (continued)

1. Continued Application of Schedules (W.12/53)

The CHAIRMAN recalled that when this question was discussed at the previous meeting (SR.12/18) it was agreed that contracting parties should be allowed to continue beyond the end of the year their negotiations under Article XXVIII on the items notified by 31 December 1957 and that provision for the completion of these unfinished negotiations should be made in the draft decision and declaration submitted by the Executive Secretary (W.12/16). Revised texts of the draft decision and declaration had now been distributed in document W.12/53.

Mr. WESTERMAN (Australia) proposed that the text of paragraph 4 of the draft decision be amended by the deletion of the requirement that thirty days' notice be given of the date on which modifications and withdrawals would become effective as there was no such requirement in the provisions of Article XXVIII.

The representatives of Canada and South Africa supported this amendment.

The CONTRACTING PARTIES approved the decision, as amended, by thirty-one votes in favour, none against. The CONTRACTING PARTIES then approved the text of the declaration and the Chairman announced that it would be opened for signature by those contracting parties which had not accepted the Protocol Amending the Preamble and Parts II and III.

2. United States Waiver - Report of Working Party (L/754)

The CHAIRMAN, in the absence of Mr. Bertram, the Chairman of the Working Party on Agricultural Waivers, introduced the report. The first part of the report dealt with the United States waiver and the second part with the Netherlands complaint under Article XXIII. In the latter connexion he drew attention to the recommendation in the report that the CONTRACTING PARTIES authorize, under Article XXIII, the Government of the Kingdom of the Netherlands to apply a limit to imports of wheat flour from the United States during 1958.

The CONTRACTING PARTIES adopted the Report of the Working Party and authorized the Government of the Kingdom of the Netherlands to suspend the application to the United States of its obligations under the General Agreement to the extent necessary to allow it to apply a limit of 60,000 metric tons on imports of wheat flour from the United States during the calendar year 1958.

At the request of Mr. ADAIR (United States), it was agreed to derestrict forthwith the Third Annual Report (L/637) submitted by the United States Government under the Decision of 5 March 1955.

3. Belgian Import Restrictions - Report of Working Party (L/753)

The CHAIRMAN, in the absence of Mr. Bertram, the Chairman of the Working Party on Agricultural Waivers, introduced the report and drew attention to the recommendations in paragraph 10 thereof.

Mr. WESTERMAN (Australia) said that his delegation had viewed with concern the fact that individual contracting parties approached the annual consultations under the hard core waiver procedures from the point of view of their own direct interest in the removal of the particular restrictions. When waivers were granted the CONTRACTING PARTIES as a whole should adopt a "public law" approach in order to ensure that the consultations were in the nature of a confrontation in which individual contracting parties would participate regardless of whether their particular trading position gave them the incentive to do so or not. The Australian delegation would continue to pursue the "public law" approach it had adopted since it felt that without such a policy the effectiveness of the consultations and the waivers would be impaired.

The Report of the Working Party was adopted.

4. Reports on the Consultations under Article XII:4(b) with Ceylon, India, Turkey and Japan (L/746/Add.1)

Mr. COZZI, Chairman of the Working Party on Balance of Payments, introduced the report. He said he would reserve his general remarks on the consultations that had taken place during the Session until presenting the last reports on the consultations.

The CONTRACTING PARTIES approved the Reports of the consultations with Ceylon, India, Turkey and Japan.

5. Report of the Panel on applications by Ceylon for releases under Article XVIII (L/751, Add.1 and Corr.1)

Mr. TREU (Austria), Chairman of the Panel, introducing the report, said that in accordance with its terms of reference the Panel had considered the applications submitted by the Government of Ceylon for releases under Article XVIII to enable the implementation of an Act of Parliament which was designed to facilitate the marketing of industrial products of domestic origin by enlisting the aid of the traders under a scheme of licensing of imports. On 30 October 1957 the Ceylon Government had signed the Protocol Amending the Preamble and Parts II and III of the General Agreement and accordingly the Panel had investigated all the aspects of the applications in the light of the provisions of Section C of Article XVIII (revised), after having first ascertained whether Ceylon was eligible under paragraph 4(a) of that Article and thus entitled to have resort to Section C of the same Article. Whenever the applications involved items the duties on which were bound under the GATT, the Ceylon delegation had entered into consultations with the parties interested in accordance with paragraph 18 of Article XVIII. At the time the Panel ended its deliberations, it had not been informed that all these consultations had been successfully completed. It therefore recommended that the Intersessional Committee be given necessary powers to complete the procedure provided for in paragraph 18. Paragraph 3 of the report indicated that the period set in paragraph 18 for the conduct and conclusion of the consultations with the parties concerned would expire on 29 December 1957. If the CONTRACTING PARTIES accepted the draft decision and if they were satisfied that Ceylon had made all reasonable efforts to reach an agreement, they would have to concur in the proposed measures as set out in the decision. In concluding, the Chairman expressed the gratification of the Panel for the excellent documentation submitted by the Ceylon delegation and for its wholehearted co-operation.

The CHAIRMAN said that the implementation for the first time of Section C of Article XVIII was of particular importance as it set a pattern for the examination of future applications. The view had been taken that in the altered concept of the Article the Panel procedure was more appropriate than the working party technique. He thought that the experience gained at this Session as shown by the Report of the Panel amply justified this choice. He invited the CONTRACTING PARTIES first to approve the draft decision annexed to the report, as amended by L/751/Corr.1, and to give the Intersessional Committee, as indicated in paragraph 11 of the report, the necessary powers to complete the procedure provided for in paragraph 18 of Article XVIII. Contracting parties could then address themselves to paragraphs 49 and 50 of the report setting forth the Panel's recommendations regarding future procedures in dealing with Article XVIII applications.

Mr. KAWASAKI (Japan) supported the conclusions of the Panel as contained in the report. His delegation was gratified to have been able to conclude the consultations with Ceylon in a spirit of mutual understanding, and hoped that the release would materially benefit industrialization in Ceylon.

Mr. SWAMINATHAN (India) sympathised with the problems and plans of the Ceylon Government. As the Indian textile industry was of particular importance to his Government, his delegation had paid careful attention to the applications concerning textiles and was glad to report to the CONTRACTING PARTIES that a spirit of goodwill had animated all the discussions with the Ceylon delegation.

Sir Claude COREA (Ceylon) expressed the appreciation of his delegation to the CONTRACTING PARTIES and in particular to those contracting parties which had a great interest in some of the applications. He however regretted that the consultations with the United States, which unlike India and Japan had no substantial trading interest in the applications, had not yet been concluded.

The CONTRACTING PARTIES approved the draft decision, as corrected, and instructed the Intersessional Committee to complete the procedure provided for in paragraph 18 of Article XVIII.

Mr. ADAIR (United States) preferred terminal dates to be set for the implementation of the releases in order to ensure that they would be put into effect within a reasonable period of time. His delegation could accept the part of the decision relating to the duration of the releases if a recommendation were inserted in paragraphs 49 and 50 of the report that when releases would be granted in the future, they would expire on specified dates.

Mr. TREU (Austria), Chairman of the Panel, pointed out that the Panel had proposed periods of three to five years for the releases rather than terminal dates, because the Ceylon delegation had declared that the release would be implemented only as long as necessary. The specification of a terminal date could have unfavourable psychological effects on the domestic manufacturers benefiting from the measures.

Sir Claude COREA (Ceylon) added another reason for not fixing terminal dates for releases under Article XVIII. Applications were frequently submitted at a time when the establishment of an industry was still being prepared. Consequently, when obtaining the release the initial date from which the measure was to take effect was not always precisely known.

Mr. MACHADO (Brazil) thought that a recommendation to the effect of determining terminal dates for releases could constitute a modification of the Article itself, and might therefore be unacceptable to his Government. The peculiar features of each application should be taken into account.

The CHAIRMAN proposed that the CONTRACTING PARTIES approve, in general terms, the recommendations of the Panel contained in paragraphs 49 and 50, take note of the proposal by the representative of the United States and agree to explore the matter more fully on another occasion.

Mr. ADAIR (United States) said that his delegation would not at this time be able to agree on this matter.

Miss SEAMAN (United Kingdom) supported the proposal of the Chairman. The CONTRACTING PARTIES when examining this matter would no doubt have in mind all the precedents which they themselves had created and the reasons which they had indicated.

The CONTRACTING PARTIES approved the recommendations contained in paragraphs 49 and 50 of the Report.

6. Italian Discrimination against Imported Agricultural Machinery (L/649)

The CHAIRMAN recalled that when this complaint by the United Kingdom (L/649) was brought before the CONTRACTING PARTIES at a previous meeting (SR.12/5) it was agreed that the United Kingdom and Italian delegations would continue the bilateral discussions undertaken by their Governments and that the results would be reported before the close of the Session.

Mr. JARDINE (United Kingdom) referred to the statement he had made at the previous meeting in which he had explained that his Government's complaint had arisen from the fact that the Italian Government granted loans on specially favourable terms to Italian farmers for the purchase of tractors and other agricultural machinery of Italian, but not of foreign, origin. In reply, the Italian representative had stated that the budget for the current year did not include any appropriation for the special fund and consequently, since 1 July 1957, new loans were granted only at the rate permitted by the reimbursement of earlier loans. This, however, did not improve the situation since under the arrangements there was a rotating fund under which loans repaid could be loaned again to continue the discriminatory practice. In bilateral discussions the United Kingdom delegation had sought without success an assurance from the Italian delegation that measures would be taken to remove the discrimination by amending the legislation so as to apply the loans to purchases of imported as well as Italian agricultural machinery. At the 1956 Tariff Negotiations the Italian Government bound the import duty on wheeled tractors at 32 per cent in return for concessions in the United Kingdom tariff. At the previous meeting when this matter was discussed the Italian representative had stated that pending the ratification of the Sixth Protocol of Supplementary Concessions the Italian authorities proposed to apply unilaterally the rate of duty bound with the United Kingdom. The bilateral discussions had revealed, however, that while some procedure was on the point of being implemented to give effect to this undertaking, the reduction in fact had not yet been made. In the circumstances, therefore, the United Kingdom delegation was disappointed at the results so far achieved in the course of bilateral discussions and accordingly requested that this item be included on the agenda of the Intersessional Committee. Furthermore, the United Kingdom reserved the right to request that this matter be examined by a panel should no progress be made in the interim period.

Mr. PARBONI (Italy) said that as requested his delegation had entered into bilateral discussions with the United Kingdom and Danish delegations. In the course of these discussions he had given explanations of the scope of the law in question and the method of application of the rotating fund

established by it. Although he regretted that the consultations had not yet achieved any final results he pointed out that this question was now being examined by the competent Italian authorities, and accordingly he suggested that consultations with interested contracting parties be pursued through normal diplomatic channels. In these circumstances, therefore, he had no objection to the request of the United Kingdom that this item be referred to the Intersessional Committee. The delay in giving effect to the bound duty on tractors was due to protracted procedures of Parliamentary ratification. It was precisely for that reason, however, that the Italian Government had taken the initiative to invoke powers which enabled it to put these duties into effect; these procedures would shortly be implemented and the 32 per cent duty on tractors would become effective, perhaps early in December.

Mr. CHRISTENSEN (Denmark) associated himself with the remarks and the proposal of the United Kingdom delegation.

The CHAIRMAN suggested that bilateral discussions be continued between the contracting parties concerned and if no agreement was reached the question could be referred to the Intersessional Committee.

The CONTRACTING PARTIES approved this procedure.

7. French Discrimination against Imported Agricultural Machinery (L/695)

The CHAIRMAN recalled that at their Fifth Meeting the CONTRACTING PARTIES had agreed that the United Kingdom and French delegations would continue the bilateral discussions undertaken by their Governments on this matter and would report to them before the close of the Session.

Mr. JARDINE (United Kingdom), referring to his statement at the previous meeting, said that the complaint related to the grant by the French Government of a subsidy to purchasers of agricultural machinery which only applied when the equipment to be bought was of French manufacture. On that occasion the French delegate had expressed his hope that the question could be settled before the close of the Session because all ministries except one had already given their approval to cancel the measure. His delegation had kept contact and, while making due allowance for the difficulties caused by the delay in forming a new French Government, it was disappointed that news had not yet been received of the settlement of this question in the manner foreshadowed. This question should be taken up in the Intersessional Committee if action has not been taken to remove the discrimination in the meantime.

Mr. DONNE (France) said that his delegation had conducted consultations with the United Kingdom and Sweden. As he had announced at the fifth meeting, the French services in charge of the preparation of the 1958 budget, which had been approached before the Session by the United Kingdom and Swedish Embassies in Paris, had pursued the study of this problem in the light of the General Agreement. These services had now proposed to the Minister of Finance to re-establish the subsidy for purchases of foreign agricultural machinery. A

communication which he had received the previous day from Paris permitted him to declare that the Minister of Finance had accepted the proposals of the services of the budget and would submit them to the French Government. He agreed to the proposal to have this question taken up in the Intersessional Committee if necessary, but hoped that his delegation would soon be in a position to state that the discrimination had been removed.

Mr. HAGEN (Sweden), while sharing the regrets of the United Kingdom delegation that consultations had not yet led to a solution, was gratified to hear that satisfactory developments had taken place. He hoped that this question would be finally settled before the next meeting of the Intersessional Committee.

Mr. CHRISTENSEN (Denmark) supported the proposals of the United Kingdom.

The CONTRACTING PARTIES agreed that if the question was not satisfactorily settled it could be referred to the Intersessional Committee.

8. Closing Date for Signature of the Amendment Protocols (W.12/52)

The CHAIRMAN recalled that when this question was discussed at a previous meeting (SR.12/16) it was agreed that the closing date for the signature of the three Amendment Protocols, drawn up at the Ninth Session, should be extended until the Thirteenth Session. At the same time the Executive Secretary was instructed to prepare a draft resolution reaffirming the resolutions of the Eleventh Session urging contracting parties which had not yet signed these Protocols or the Agreement on the Organization for Trade Co-operation to do so as soon as possible. The draft resolution had been distributed in document W.12/52.

Mr. VARGAS-GOMEZ (Cuba) said that the resolution would give a clearer picture of the situation of the reference therein to "some" contracting parties for whom the Protocol Amending the Preamble and Parts II and III had entered into force be amended to specify the exact number of contracting parties in that situation; namely, twenty-eight.

Mr. MACHADO (Brazil) said that while his delegation had no objection to the resolution it nevertheless considered that when the Intersessional Committee reviewed the situation it should make appropriate recommendations, to those contracting parties which had not signed the instruments in question, well in advance of the Thirteenth Session in order to ensure effective action at that time.

The CHAIRMAN said that the Intersessional Committee would take stock of the position sufficiently in advance of the Thirteenth Session for timely remainders to be sent to contracting parties concerned.

The CONTRACTING PARTIES then approved the resolution as amended by the proposal of the representative of Cuba.

9. Trends and Developments in International Trade (W.12/49)
(continuation of discussion at the Thirteenth Meeting)

The CHAIRMAN recalled that no clear and definite conclusions had emerged from the debate on commodity problems. At their Thirteenth Meeting, the CONTRACTING PARTIES had accepted his proposal to convene a few delegations on a representative basis to determine whether agreement could be reached and what further action to take under the Resolution of 17 November 1956. At the Ministerial Meeting attention had been paid to three main issues in international trade: firstly, the fact that the trade of less-developed countries was expanding less rapidly than that of the industrialized countries; secondly, the grave problems caused to primary producers by violent short-term fluctuations in prices which affected their ability to contribute to the expansion of international trade; and, thirdly, the question of the widespread use of protective devices in international trade in agricultural products. The main conclusion of the Ministerial Meeting was that these matters needed further study by the CONTRACTING PARTIES. From subsequent discussions on the subject the general viewpoint had emerged that it would not be appropriate to have separate and isolated studies on these three issues but that there would clearly be an advantage in having them all considered in a single comprehensive examination. Indeed it had been felt that the issues were closely linked and were in a way only three aspects of the same problem.

The Chairman therefore proposed that further action under the Resolution could appropriately take the form of a study by a panel of independent expert economists, not representing governments, which would study these problems in a purely objective manner and attempt to clarify the issues. In the past, discussions in the GATT on commodity problems had shown considerable divergences of views; one of the most important delegations had not found it possible to associate itself with the early approaches of the CONTRACTING PARTIES to work in this field. The delegation had now indicated, however, that it could support the proposal for an expert study provided the terms of reference of the panel were not such as to prejudge the issues and to lead to any conclusions in advance of the study. Having regard to these factors, he had prepared a draft decision for consideration by the CONTRACTING PARTIES. The opening paragraph referred to the concern that had been expressed in the course of the debate on trends and developments in international commodity trade, but did not imply that a conclusion had been reached on the significance of these trends. In fact, it was precisely because the CONTRACTING PARTIES had not arrived at any conclusion that they wished the matter to be examined further in a fact-finding enquiry. The members of the panel would not be governmental experts; they would be fully independent and serve in their personal capacity. Paragraph (d) of the draft decision indicated that the experts were not requested to comment upon the policies of individual countries. They were instructed not to make recommendations for action by the CONTRACTING PARTIES but merely asked to prepare an objective study in order that governments might be able to re-assess their policies in the light of an expert analysis and presentation of facts. It was further understood that the report would not be released to the public until the CONTRACTING PARTIES had had an opportunity to examine it and comment upon it and unless they agreed to its release together with such comments as member governments might wish to make.

Sir Claude COREA (Ceylon) said that his delegation did not think that at this stage a further enquiry into the problems arising in international commodity trade was really necessary. Sufficient material was available to assess the significance and the implications of recent trends and developments. The excellent report by the Chairman of ICCICA had forcefully brought out the dangers threatening international trade and the economies of the less-developed countries, and International Trade 1956 set out clearly that the trade of under-developed countries had not kept pace with the expansion of trade of the more industrialized countries. All that was needed now was action by the CONTRACTING PARTIES. His delegation would not oppose a further fact-finding enquiry but was gravely concerned that the panel of experts, as implied in paragraph (d) of the draft, might not be free to exercise independent judgment on all the problems under review, particularly on the policies of individual countries which were causing some of the present difficulties. What would be the purpose of hiring expert knowledge and preventing it from taking into account these policies which were basic to the problems under consideration? To expect some benefit from the fact-finding enquiry, this deficiency should be removed.

Mr. WESTERMAN (Australia) emphasized the usefulness of a fact-finding enquiry by a panel of independent people not associated with GATT or with any government, which would be as irrefutable as possible and could be referred to as presenting a fair picture of the present problems of trade in primary commodities. Indeed to make progress in this field the CONTRACTING PARTIES must first agree on a statement of facts to be used as a basis for further action, which should not in any way be clouded by judgment on the policies of individual countries. Most certainly, however, the policies which gave rise to the trends which the panel was expected to assess were part of the study. That was, for example, evidenced by point (e) of the draft decision, which instructed the secretariat to provide data of the extent to which trade in agricultural products had failed to benefit from liberalization measures. Although the draft decision was not precisely what his delegation had hoped, having regard to the interests of so many countries, it represented a thoroughly acceptable proposal.

Mr. VALLADAO (Brazil) recorded his delegation's support for the draft decision but considered that paragraph (b) should be amended to include a reference to work done by other intergovernmental organizations in this field.

Mr. MERINO (Chile) underlined the importance which his delegation attached to a solution of these problems; the draft was well balanced and he did not consider it would encounter the opposition of other delegations which had previously held difference viewpoints on this question. Accordingly his delegation would support it.

Mr. CHRISTENSEN (Denmark) acknowledged the complicated task that would be entrusted to the panel of experts and the difficulties with which they would be confronted. It would be unwise to encumber their studies with the much more

complicated task of proposing solutions to problems which even the CONTRACTING PARTIES themselves could not hitherto solve. A fact-finding survey would be necessary before they could proceed in this matter and he therefore supported the draft as it stood.

Mr. HAGEN (Sweden) believed that considerable material on the subject was already available and that the secretariat could therefore be entrusted with the task of compiling information. However, his delegation would not object to the appointment of a panel of experts. As national administrations were already hard-pressed by demands for information from many international organizations, the panel should avoid burdening the CONTRACTING PARTIES with additional requests for data and documentation.

Mr. DONNE (France) pointed out that the enquiry, which Mr. Philip had had in mind, was a universal study. If, however, the CONTRACTING PARTIES felt that at the present stage they could not go beyond appointing a panel of experts with the terms of reference now proposed, his delegation would suggest to amend paragraph (c) of the draft decision to broaden the scope of the examination by the experts. The panel of experts should be requested to assess medium-term prospects not simply in the light of expected increases in agricultural efficiency in industrialized countries, but also in the light of expected increases in levels of production in all countries. He further supported the proposal by the delegate of Brazil.

Mr. ADAIR (United States) said that as his delegation had indicated on previous occasions it was prepared to discuss problems of this nature provided that the terms of reference were not such as to lead to preconceived conclusions. The draft in its present form was a proposal which his delegation could agree to.

Mr. SANDERS (United Kingdom) said he had observed that the discussions on this rather wide range and complex group of questions had brought forth a number of separate aspects; the question of trends in commodity trade generally, certain trends in agricultural trade and the effectiveness of the working of the rules of the General Agreement in the agricultural sector. He concurred with the view that the bringing together of these different aspects in the draft decision was the best practical method of gathering the basic facts that seemed necessary for further studies in this field. Accordingly, his delegation would support it. He stressed, however, that the study should be regarded as an objective and impartial fact-finding exercise which in no way would prejudice consideration of this question by the CONTRACTING PARTIES. In this connexion he drew attention to the preamble which took note of the concern expressed regarding certain trends in international trade and pointed out that some clarification might be necessary since it might be interpreted as implying more than was intended. In his view it simply reflected the concern expressed by some contracting parties individually and it was not intended to imply that it was endorsed by all contracting parties or the CONTRACTING PARTIES collectively. An additional reason for the exercise of caution in the

presentation of the draft arose from the fact that there could be some damage to the interests of particular traders or countries if the body responsible for watching the course of international trade gave the impression that it felt alarmed or unduly concerned at the situation.

Mr. REISMAN (Canada) commented on the terms of reference of the proposed panel. As the delegate for Ceylon had said, if the exercise were to be useful it would need to go further than a mere collection of facts. Indeed, if all that was wanted were statistics, the task could be entrusted to statisticians. Furthermore, by defining too narrowly the mandate of the panel the CONTRACTING PARTIES might jeopardize their chances of securing a high-grade body of experts. The panel should examine and analyse the effects and implications of the policies that are followed in international trade as far as they relate to primary commodities and agricultural products, without however, passing judgment on the policies of individual countries or making recommendations to the CONTRACTING PARTIES. On the basis of the study the CONTRACTING PARTIES would be able to decide on appropriate action. His delegation supported the proposal which in its opinion would lead to a valuable and expert contribution in the field of economic analysis of the problems arising in connexion with international commodity trade.

Mr. SHAW (Federation of Rhodesia and Nyasaland) also seconded the proposal to establish a panel. The experts should confine themselves to the preparation of a factual report.

Mr. OSMAN ALI (Pakistan) was gratified to note that commodity problems were at last being tackled in a practical way. This delegation did not consider the draft decision to be perfect because it did not instruct the experts to devote their attention to all the points in which his government was interested. His delegation would endorse the proposal and support the amendments proposed by the representatives of Brazil and France.

Mr. CISNEROS (Cuba) hoped that after so many unsuccessful discussions on the difficulties arising in the trade in primary commodities, the CONTRACTING PARTIES, at their Thirteenth Session, would finally have the study which would assist them in achieving real progress in this field. His delegation, though preferring more far-reaching action, would accept the draft decision with the amendments proposed by the French and Brazilian delegates on the understanding that the terms of reference of the panel would be interpreted in the way explained by the representative of Canada. He enquired about the procedure for the appointment of the panel.

Mr. SWAMINATHAN (India) noted with gratification that the CONTRACTING PARTIES were at last taking action in this important field of their functions. His delegation believed that the draft decision embodied the greatest measure of common agreement that could be reached on the mandate of the panel and would therefore accept it with or without the two proposed amendments.

Mr. PRESS (New Zealand) said that although his delegation would support the draft decision it shared the regret expressed by other delegations that it had not been possible to go further in this direction.

Mr. HOOGWATER (Kingdom of the Netherlands) stated that the attitude of his Government to these problems was well known and his delegation was prepared to accept the draft decision.

Mr. PARBONI (Italy) said that his delegation would support the draft decision since it appeared the best approach to a study of those aspects of trends in international trade which had been referred to during the Ministerial Meetings. He felt, however, that the scope of the study should be as universal as possible and therefore supported the amendment proposed by the representative of France.

Mr. CHRISTIE (South Africa) said that the draft was acceptable, though his delegation felt, as others had, that the panel should take into consideration studies that had been made by other international organizations.

Mr. SUJAK BIN RAHIMAN (Federation of Malaya) was in accord with the draft decision, but joined with the enquiry by the representative of Cuba as to the procedures for the appointment of the panel of experts.

Mr. U HLA MAUNG (Burma) did not think that a panel composed of experts of international repute could be confined to the assembling of facts and be precluded from making any judgments as to how those facts impinged on international trade and would affect future trends and developments. Paragraphs (c) of the draft provided for such assessments and his delegation would support the draft on the understanding that the panel would not be merely a fact-finding group but would have a certain amount of freedom in formulating judgments.

Sir Claude COREA (Ceylon) thought that it was unwise and dangerous for the very purpose of the exercise to restrict the terms of reference of the panel merely to give effect to a compromise. The facts and figures which the experts were expected to collect were to a large extent the direct result of policies followed by various governments. Was it, for example, reasonable to prevent the panel from giving its views on the policies of subsidization and the disposal of surpluses as pursued by several governments? These policies, their implications and repercussions on trade should therefore be studied by the experts. Otherwise statisticians would suffice.

The CHAIRMAN considered that it might be advantageous if he reviewed the draft decision, as set out in document W.12/49, in the light of the discussion that had taken place. In the first instance, he referred to the preamble and, by way of explanation, he pointed out that the wording thereof merely described certain trends in international trade; it was quite clear that it did not represent the collective view of all contracting parties either as to the interpretation of the trends or the concern felt about them.

In order to correct the interpretations of many delegations that the study would become a purely statistical exercise, the Chairman referred to paragraphs (a) and (c) of the draft decision. Paragraph (a) provided for an "expert examination of past and current international trade trends and their implications" and in paragraph (c) the experts were requested to make forecasts in the light of the facts and the trends as they saw them.

In connexion with paragraph (b) of the draft decision, several delegations had advanced the point that past studies by other international organizations should also be taken into account. The Chairman thought that there would be little difficulty in accepting such an amendment but he considered it unnecessary to encumber the draft with additional wording on this point; indeed, there would be many important reference sources for the panel and since they could not all be enumerated it was perhaps preferable not to specify any particular references. As an alternative, therefore, he preferred to record that such past studies were clearly a part of the data to be supplied to the experts.

In order to clarify the question raised by the representative of France, the Chairman pointed out that the reference in paragraph (c) to the levels of consumption and agricultural efficiency in industrialized countries related to a matter which had had a special bearing on previous discussions; namely, the effects of agricultural protectionism in industrialized countries. Accordingly, while this point was being included here because the assessment to be made by the experts should take into account trends in consumption and agricultural efficiency in industrialized countries, this was only one aspect of the study; there was no implication that the study would be confined to their experiences alone since a global approach would be adopted in making the required assessment.

The view had been expressed that paragraph (d) of the draft decision which stated that the panel "be requested not to include in its report any judgment on the policies of individual countries or any recommendations in regard thereto" would exclude the panel from examining the particular policies of various governments. It was clear, however, by implication, that the facts to be examined by the panel would be those arising from existing governmental policies and that there were no restrictions on the experts in formulating their assessment of the effects of the various policies as they saw them. The intent of paragraph (d) was that the panel should not comment on either the desirability or undesirability of the policies as such. Moreover, if the experts were in fact called upon to make judgments it would no doubt be difficult for them to come to agreed conclusions and accordingly there was the danger that they would submit different and conflicting reports as to what should be done. It was hoped, therefore, that the report which would present the facts would be so illuminating as to enable the CONTRACTING PARTIES themselves to come to agreed decisions and to form their own judgments on the situation.

The Chairman, in conclusion, drew attention to the method to be adopted for the selection of the expert panel and stated that it would be necessary for the Executive Secretary to have an approved list of economists of high repute whom he could approach with a view to securing their services.

After the representatives of France and Ceylon had proposed amendments to paragraphs (c) and (d) respectively of the draft decision, the Chairman suggested that the draft be submitted for adoption at a later meeting and in the meantime the latter representatives could consult with other delegations with regard to their proposed amendments.

This procedure was approved.

The meeting adjourned at 1.15 p.m.