

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.17/7

19 November 1960

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CONTRACTING PARTIES  
Seventeenth Session

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## SUMMARY RECORD OF THE SEVENTH MEETING

Held at the Palais des Nations, Geneva, on  
Monday, 14 November, at 2.30 p.m.

Chairman: Mr. TORU HAGUIWARA (Japan)

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1. <u>Belgian import restrictions</u> (L/1340 and MGT(60)76)	

The CHAIRMAN said that the fifth annual report submitted by the Government of Belgium under the Decision of 3 December 1955 had been distributed in document L/1340; accompanying statistical data had been made available in document MGT(60)76.

Mr. DE SMET (Belgium) recalled that, as announced at the sixteenth session, Belgium had liberalized a series of agricultural products on 1 April 1960. Further measures of liberalization affecting a number of products, some of which would be of interest to many contracting parties, would be applied from 1 January 1961. Mr. de Smet, having outlined other main features of the report, mentioning in particular paragraphs 2 and 3, said that the agricultural situation in Belgium had not improved very much as compared with the situation reflected in the reports submitted in earlier years. In stressing his Government's intention to continue its efforts to achieve the progressive relaxation and elimination of the remaining restrictions, Mr. de Smet said that it was intended to eliminate some restrictions before the submission of his Government's next annual report.

Mr. ADAIR (United States), having welcomed the announcement that some thirty-two items listed in the report submitted by the Belgian Government would be liberalized on 1 January 1961, went on to express the concern of his delegation regarding the application of the system of variable import levies, not only in Belgium, but also in other GATT countries, including those where the adoption of the system was contemplated. It seemed clear to the United States delegation that such a system eliminated the benefits of competition and specialization which formed the basis of a multilateral trading system and, when it served unduly to insulate a market from the competition of world prices, it was out of harmony with the principles underlying the GATT and with the GATT objective for the expansion of world trade.

Mr. TAYLOR (New Zealand) expressed his delegation's disappointment that there had been no relaxation of restrictions at all in the dairy sector. On the assumption that the report submitted by the Belgian Government would be submitted to a working party, it was his delegation's hope that the working party would also study the situation which arose from the imposition of import levies by Belgium which, to a considerable extent, detracted from the benefits of liberalization. In New Zealand's view, the use of these levies hardly conformed with the obligation under the waiver to eliminate restrictions on import trade as, in fact, their effect on trade could be as damaging as the restrictions previously in existence. Continuing, Mr. Taylor said that it was most disappointing that the Belgian authorities had not yet been able to establish a programme for the eventual removal of the remaining restrictions; in the absence of such a programme it was difficult for the contracting parties to know whether relaxation would, in fact, take place. In the view of his delegation, a country benefiting from a waiver of this sort, if it were unable to relax restrictions completely, should at least be prepared to establish minimum global quotas and provision for agreed annual increases until their removal on the expiry of the waiver.

Mr. WARREN (Canada) stressed the need for the Belgian Government to make greater progress in the relaxation and elimination of the restrictions under discussion. Like other delegations, the Canadian delegation very much regretted that, for items liberalized earlier in 1960, quantitative restrictions were replaced by import levies which really represented replacing one trade barrier by another. While recognizing the difficulties faced in the agricultural field, both by Belgium and by other countries, his delegation were disappointed that Belgium's approach to the stabilization of farm incomes continued to be based on such a widespread system of import control.

Mr. PHILLIPS (Australia), while welcoming the further measures of liberalization envisaged for 1 January 1961, stressed his delegation's concern that Belgium was still not in a position to establish a programme for the removal of the remaining restrictions. His delegation were also concerned by the implications of the statement on page 8 of the report to the effect that the principal object of the Belgian Government's agricultural policy was to meet domestic demand. Such a policy, if adopted also by other countries, would have unfortunate repercussions on the concept and promotion of an expansion of international trade. On the other hand, Australia welcomed the statement in section 6 of the

report that the Belgian Government would persist in its efforts aiming at the gradual elimination of the remaining restrictions. In conclusion, Mr. Phillips said his delegation also regretted the introduction of the use of variable import levies which was simply another obstacle to trade and which could present particular difficulties for distant overseas suppliers in view of the uncertainty which was attached to the size of the market.

Mr. THRANE (Denmark), having welcomed the announcement in the Belgian report concerning further measures of liberalization on 1 January 1961, asked for confirmation that the removal of the restrictions concerned would not be followed by a system of variable import levies as had been the case for products liberalized earlier this year. His delegation agreed with others that the substitution of one kind of restriction by another meant that real access to the market was not given to exporting countries. Mr. Thrane said that his delegation were also disappointed to see that the Belgian Government had not so far been able to establish a workable programme for the elimination of the remaining restrictions.

Mr. DE SMET (Belgium) confirmed the assumption of the representative of Denmark that the liberalization measures to be taken in January 1961 would not be followed by the imposition of import levies. He went on to stress that, in the view of his delegation, it would be inappropriate and outside its terms of reference for the working party to make an examination of the Belgian variable import levies, such as had been suggested during the discussion. In this connexion he would recall the explanations given by Belgian representatives to a special group at the time the fourth report of his Government was under consideration and to the considerable amount of information likewise provided at the time of Committee II's consultation with Belgium. There would seem to be little to be gained from going over the same ground again.

The CHAIRMAN proposed that the report submitted by the Belgian Government should be referred to the Working Party on Agricultural Waivers and that the following paragraph should be added to the Working Party's terms of reference:

"To examine the fifth annual report (L/1340) by the Government of Belgium under the Decision of 3 December 1955 and to report thereon to the CONTRACTING PARTIES."

This was agreed.

2. Programme for expansion of international trade (L/1326, L/1321, W.17/11)

The CHAIRMAN said that, when the adoption of the agenda was under discussion at the first meeting, he had recalled that the CONTRACTING PARTIES had decided, when inaugurating the programme for the expansion of international trade at the thirteenth session, that they would themselves co-ordinate and supervise the work of the three Committees. During the discussion, therefore, delegations would be able to comment on the progress achieved under the programme as a whole, including the tariff negotiations as well as the reports of Committees II and III. The Chairman also drew attention to document W.17/11 which had been submitted by a group of less-developed countries.

Mr. TAYLOR (New Zealand), acting Chairman of Committee II, said that the Committee had had only one meeting intersessionally since the submission of its last report to the CONTRACTING PARTIES. At that meeting consultations had been held with Israel and Ghana. The meeting held in October had, in addition to a consultation with Cambodia, been taken up with an analysis, on a global basis, of the effects of individual agricultural policies and systems on international trade in the major group of products which had been under consideration by the Committee during the country consultations. During the meeting, the Committee had discussions on dairy products, meat, cereals and fish and had begun a review of sugar; it postponed the discussion on vegetable oils and the remainder of the discussion on sugar until a future meeting. Having referred to the documents prepared by the secretariat, Mr. Taylor said that, assisted by the information contained in these documents, there had been a valuable exchange of views, although the discussion of the individual products might not have proceeded as far as some members of the Committee might have wished. Mr. Taylor went on to say that drafts for inclusion in the third report of the Committee had been submitted by a number of delegations and it was his hope that, when the Committee discussed the proposed report at a meeting which was expected to take place in February 1961, it would be possible to make considerable progress on a practical basis in reaching agreement on methods for dealing with problems relating to individual products. In conclusion, Mr. Taylor referred to the meeting held at the end of September by a small group of experts to undertake a study of the possibility of measuring agricultural protection. The appointment of the small group had been suggested by the Committee in its second report and the group had submitted an interim report to the Committee's meeting in October. The Committee had considered the report and had agreed with the group that pilot studies should be undertaken to confirm the feasibility of procedures which the group believed would give the best promise of success in measuring agricultural protection.

Baron VON FLATEN (Sweden) presented the report of Committee III. The full text of Baron von Flaten's statement has been distributed in document W.17/31.

Mr. SWAMINATHAN (India), in reference to Committee I, said that, particularly as a result of the discussions at the fifteenth session, India had received some satisfaction inasmuch as procedures of tariff negotiation had been evolved which took into account some of the difficulties of the less-developed countries in particular. Mr. Swaminathan then referred to the current tariff negotiations with the European Economic Community. It had been claimed, he said, that the high level of economic activity generated by the establishment of the Community would be beneficial to all contracting parties and the Indian delegation had naturally had the expectation that the tariff negotiations with the Community would give India a fresh opportunity of adjusting its commercial relations with the countries which were members of the Community. Further, it was also natural that India should expect to start these negotiations from a position not less favourable than its earlier position vis-à-vis these countries and that it would, at the conclusion of the negotiations, have some gains to show. An examination of the common tariff and other arrangements of the Community had, however, disappointed his delegation in regard to this expectation. It appeared that India's position at the beginning of the negotiations would be somewhat unfavourable

in some directions compared with its position previously and that its general position would be particularly unfavourable as regards the simpler types of manufactures. He hoped the Community would take account of these considerations which, he said applied, with necessary modifications, to the 1961 round of negotiations as well.

Having stressed the importance of the agricultural question, Mr. Swaminathan said that the work of Committee II had been fruitful, at least to the extent that procedures had been evolved which would make possible a continuous and careful examination of the problem with a view to seeking generally acceptable solutions. In this connexion, he would like to refer to restrictions maintained by a number of industrialized countries on items like vegetable oils in the name of protecting domestic agriculture, although, in several cases, there would appear to be no justification for such protection.

Commenting on the work of Committee III, which was of special significance for India, Mr. Swaminathan said that the Committee's activities were gathering impetus although the less-developed countries as a whole felt there had so far been little tangible material progress in the removal of impediments which hindered their exports. Mr. Swaminathan went on to refer to the joint note W.17/11 submitted by the less-developed countries for the consideration of the CONTRACTING PARTIES. There was, he maintained, nothing revolutionary or illogical in this document. In this connexion, he quoted extracts from the New York Herald Tribune of 9 November reporting a statement by the President of the Renault automobile company. This statement contained an appeal to the United States not to build small cars comparable to those which Europe exported to the United States; inter alia the statement referred to the desirability of not depriving Europe of the long-range market for small cars in the United States and to the principle that the United States and Europe should each buy from the other the goods in which they were specialists. This concept, Mr. Swaminathan said, was the kind of thing which, in a different context, the less-developed countries had been pressing for. The preamble to GATT mentioned as an objective of the CONTRACTING PARTIES, not only the exchange of goods but also the full use of the resources of the world and expanding production. While there was general acceptance of the need to assist the less-developed countries urgently to increase their export earnings and thus lay the foundations for rapid economic advance, this acceptance had not been translated into action. The less-developed countries had asked that high tariffs, quantitative restrictions, mixing regulations, monopoly arrangements, subsidies and other problems which affected their exports should be tackled energetically. It was a fact that the gap between the industrialized countries and the less-developed countries was still widening. There were human and political implications to this situation which needed urgent and effective attention. The failure of the efforts of the less-developed countries to increase their export earnings would inevitably lead to their continuing and even accentuating restrictive import policies. There was already a tendency for the less-developed countries to orientate their economic development towards import saving rather than export promoting. This was to some extent a direct consequence of the need for the less-developed countries to save on the expenditure of their meagre

foreign exchange resources. Any continuation of the present situation in regard to exports from the less-developed countries would compel them, in their efforts to find resources for the investment required for their economic development, to indulge in quantitative restrictions, monopoly practices, subsidies, etc. The effectiveness or otherwise of action taken by the CONTRACTING PARTIES and, in particular, by the more industrialized GATT members, would determine the pattern and future shape of the economies of the less-developed countries. The choice was between, on the one hand, encouraging these countries from now on, in their evolution, to develop into economies based on a diversified rational international division of labour and a free and expanding exchange of goods and services and, on the other, compelling them to develop into more or less closed systems, with a near-self-sufficient, continental type of economy based on a restricted and limited trading system.

Mr. DE LA FUENTE LOCKER said that the fourth report of Committee III was of particular importance to Peru. The Committee had studied problems which for a long time had been affecting the economies of the primary-exporting countries but the fact remained that there was little progress to show. It was true that some of the higher industrialized countries had removed quantitative restrictions not justified under the GATT but internal taxes, in some cases high tariff levels, continued to impede the development of the exports of the less-developed countries. This situation presented social and other problems for countries such as Peru where population pressures were increasing. The situation demanded international economic cooperation aimed at avoiding the obstacles to commodity trade resulting from protectionist legislation and subsidies in the highly industrialized countries. Mr. de la Fuente Locker pointed out that, for the highly industrialized countries which pursued these restrictive protectionist policies, trade in primary commodities did not have the same great significance as it did for the less-developed countries, bearing in mind the difference in the percentage of total trade which commodity trade represented in the case of these two types of economies. For the less-developed countries, even small commodity price fluctuations could mean the difference between a crisis or a prospering economy. At the same time, the process of industrialization in the less-developed countries required as a prerequisite a policy of price stability and access to markets free from restrictions. It seemed to his delegation that there did not exist a sufficiently deep understanding for the problems faced by the less-developed countries. There was recognition of the existence of these problems, but satisfactory practical results did not seem to have materialized. There was a tendency either to propose theoretical solutions or to seek partial, marginal, remedies. Despite the prosperous economic situation of the industrialized countries, insufficient efforts to remove restrictions had been made. Mr. de la Fuente Locker pointed to the efforts his country had made to avoid restrictive measures such as high tariffs and internal taxes and mentioned its participation in international attempts to find a solution to the problems affecting lead and zinc.

In conclusion, Mr. de la Fuente Locker said that the time had come to give the GATT programme for the expansion of trade practical application. Solutions must be found particularly insofar as the problems of the less-developed

countries were concerned. It was to be hoped that, with the assistance of document W.17/11, the highly industrialized countries would see their way clear to taking the practical steps that were necessary.

Mr. NASRUDDIN (Malaya) said that his delegation likewise regretted that the results of the work of Committee III had not been all that had been expected. Having referred to document W.17/11, to which Malaya subscribed, Mr. Nasruddin went on to give certain statistics relating to the less-developed countries. He said that the combined trade of the countries which had subscribed to document W.17/11 represented about 12 per cent of the total trade of all the contracting parties and it was noteworthy that these eighteen countries represented 14 per cent of the total GATT membership. The eighteen countries concerned were producers of raw materials and depended primarily on the exports of these commodities. The needs of these countries posed a problem as well as a challenge. Disregarding humanitarian considerations, there was the important practical fact that the population of these countries, amounting to 800 million, was not an insubstantial market and even a modest increase in their export earnings would stimulate increased trade exchanges with the industrialized countries.

Mr. Nasruddin, having stressed the importance of rubber and tin to Malaya's economy, said that his Government was trying to diversify its outlets for these products and was therefore anxious to see the removal of barriers which at present existed in certain countries. As Malaya had also embarked on an industrial development programme, he would urge the industrialized countries to reconsider their attitude towards the problem of exports of industrial goods from the less-developed countries. For the reasons which he had outlined, his delegation strongly commended the recommendations of Committee III as well as the appeals of the less-developed countries set out in document W.17/11.

Mr. DARAMOLA (Nigeria), commenting on the report of Committee III, said that his delegation agreed with the Committee's decision not to establish for the present a third list of products for detailed examination. Such further examination would involve the danger that the basic problems which had been identified and stated might be obscured and even lost sight of. The attention of the Committee should now be focussed mainly on finding out the extent to which contracting parties had complied, or were complying, with the Committee's recommendation referred to in paragraph 44 of its report (L/1321). Mr. Daramola quoted this recommendation. The necessary procedure should take the form of confrontation, on a country-by-country basis, in respect of specific commodities, each contracting party's attention being drawn to the obstacles noted in the commodity documents prepared by the secretariat and categorical statements being invited from that contracting party as to the specific steps it had taken to remove such obstacles and, if it had taken none, the reasons for the inaction. Continuing, Mr. Daramola said his delegation considered that the less-developed countries should themselves participate more fully in the work of Committee III in order to give it a continuing firm sense of direction, based on their own practical experience of the difficulties which the Committee was set up to

overcome. Nigeria would like to serve on the Committee. Close association with one another on the Committee would also enable the less-developed countries to identify and formulate the problems facing them in achieving the objectives set out in points 3 (a) and (b) of the basic work programme to which, his delegation felt, attention should now be directed. Secondly, and in the long term, it appeared that the CONTRACTING PARTIES would sooner or later have to consider, within the framework of the GATT, practical steps to rationalize the productive capacity of the Member countries to ensure that, over an area the boundaries of which were capable of progressive adjustment, competition was replaced by cooperation. This would almost certainly involve on the part of the industrialized countries an orderly but progressive withdrawal both from the primary processing of tropical agricultural produce, and from such light manufactures as could be more cheaply produced for export by the less-developed countries. His delegation recognized that this proposition posed a problem which, though long-term, remained nevertheless very real. Implementation of the proposition would need to be most carefully phased. The magnitude of the problem was also recognized, but his delegation believed that its ultimate solution was not beyond the ingenuity of GATT.

Mr. ADAIR (United States), having referred to the progress made by the three Committees set up under the GATT programme for the expansion of trade, said that any discussion of that programme must, under present circumstances, take into account the great influence which the policies of the EEC would have upon the programme. Having welcomed the EEC's initiative in including an item relating to the Rome Treaty on the agenda, Mr. Adair said his delegation would look forward with particular interest to what was said concerning the Community's common agricultural policy, a matter which was important in connexion with the Tariff Conference and also with the work of the Committees on trade expansion. Mr. Adair went on to say that delegates might recall that, at the opening of the Tariff Conference on 1 September 1960, the United States representative had emphasized the inability of the United States to reach a satisfactory overall settlement in the first round of tariff negotiations unless the problems relating to an important part of the agricultural sector were dealt with in accordance with GATT principles. This issue had been and was currently being discussed in the negotiations. In view of the importance of a liberal common agricultural policy to **third countries** as well as to members of the Community, the United States Government hoped that the European Economic Community would discuss its proposals for a common agricultural policy in the GATT before they become established EEC policy. Not only would the common agricultural policy be of great significance to the members of the Community, but they would also be highly relevant to all phases of the GATT programme for the expansion of trade. Suitable opportunity to discuss the proposals could be afforded, either at the seventeenth session or soon thereafter, perhaps in Committee II. The United States delegation would therefore welcome an offer by the representatives of the Community to discuss in the GATT, at an early date, the Commission's proposals for a common agricultural policy.



Mr. Adair then referred to the important question of the use of Article XXVIII. Having explained the reasons which had led to the inclusion of Article XXVIII in the GATT, Mr. Adair said that it was never contemplated that the Article would be used for general tariff increases. The overriding concept remained that countries applying the GATT would continue their interest in fostering further trade expansion through the lowering of tariffs and their willingness to work to this end in negotiations pursuant to the GATT. In actual practice, however, there appeared to have been some recent tendency to overlook this basic framework. Notwithstanding the substantial use made of Article XXVIII:4 since the close of the last "open season", fourteen contracting parties had notified items to be renegotiated during the 1960 season. Among other different actions being taken by various contracting parties under Article XXVIII was the renegotiation of concessions affected by tariff revisions, the withdrawal of substantial segments of Schedules, an increase in tariffs on items formerly subject to quantitative restrictions, the withdrawal of concessions as a precautionary measure, so as to permit a later increase on these items if desired and, finally, large-scale changes in nomenclature, sometimes entailing substantial tariff increases not matched by reductions. Mr. Adair stressed the need for more restraint in the use of Article XXVIII so as to avoid jeopardizing the whole programme for tariff reduction.

Commenting on Committee II which had now reached a crucial stage in its work Mr. Adair said that, although the Committee had not yet completed the difficult task involved in the first phase of its assignment, the facts set out in the documentation prepared for the Committee's use and summarized in the draft outline of a report which the Committee would use as a basis for discussion at its next meeting, left little doubt that virtually all governments had intervened in one way or another to assist or support their agricultural producers. Mr. Adair then mentioned some of the consequences of this intervention, which gravely distorted normal patterns of production and trade. However, Mr. Adair continued, all the ills he had mentioned could not be ascribed solely to agricultural protectionism, while the policies of governments in this field could not be governed solely by economic considerations. For these reasons, Committee II had recognized the need to proceed with careful deliberation in completing its analysis. In the meantime, the facts the Committee had assembled, and the draft outline of a report which it had circulated, would be of value to governments and would, it was to be hoped, of themselves strengthen the hands of those within each country who saw the disadvantages of high levels of protection for agriculture and were seeking greater moderation in this matter.

In reference to Committee III, Mr. Adair said that the Committee's report was of particular interest, as it concentrated on certain manufactured goods and took account of the possibilities and need for developing markets for these goods, which were within the capacity of the less-developed countries to produce, both in these countries themselves and in the industrialized countries. The United States Government regarded the work of Committee III

as one of the most important current responsibilities of the CONTRACTING PARTIES. Having commented on the fact that the indebtedness generated by foreign aid had to be serviced and that, in any case, it was not to be expected that the gap between the less-developed countries' prospective earnings and import requirements could be filled by aid alone, Mr. Adair said that the United States considered that the initiative under Committee III was the most important of all the general efforts being made by the international community to alleviate the trade problems of the less-developed countries. Stressing the unique character and critical importance of the GATT programme and the fact that the work of the Committee was intended to give impetus to an urgent, extra effort by contracting parties, Mr. Adair said the programme must not be allowed to fail. Mr. Adair went on to say that the United States was reviewing such of its measures as might adversely affect the trade of less-developed countries, with particular reference to those cited in Committee III, for the purpose of determining where there was opportunity for early action modifying or eliminating them. Those measures of the United States which had been specifically cited in the Committee's report were generally such as could not be altered without amending basic legislation or carrying out certain administrative investigations which took time. Thus, it could not be predicted what changes in existing measures affecting the trade of less-developed countries might in time be possible. He could say that the question of modifying certain other measures had been opened and that he hoped to be able to report further progress in time. Further, he could assure the contracting parties that the United States would continue to give its earnest attention to what could be done to improve the trade prospects of the less-developed countries in United States markets and elsewhere. His delegation hoped comparable assurances could be given by other governments, particularly by the governments of continental Europe.

Mr. DARKO-SARKWA (Ghana) said his delegation wished to place on record their dissatisfaction with the attitude shown so far towards the recommendations of Committee III by the industrialized countries. As his delegation had frequently pointed out in the past the industrialized countries, in order to show the sincerity of their professed interest in helping the less-developed countries in their economic development, should reduce the high fiscal charges and tariffs on imports from these countries, particularly on those basic commodities which only these countries produced. So far as his delegation could see, the industrialized countries had made little progress towards the liberalization of imports from the less-developed countries. A further examination by Committee III of the obstacles to the trade of the less-developed countries in other products would be a waste of valuable time if, as a result, the report of Committee III would have to be shelved and not implemented. His delegation felt that the industrialized countries should take the Committee's work seriously and begin to implement measures which would take account of the recommendations of the Committee, thus demonstrating their good faith as regards assisting the less-developed countries to improve their capacity to earn more revenue from exports so as to enable them to implement their economic development plans.

Mr. TOWNLEY (Rhodesia and Nyasaland) said that, while the report of Committee III reflected a widespread awareness by all members of the Committee of the particular problems facing a large and growing number of individual contracting parties, it had not been nearly so satisfactory in being able to record any substantial progress in the way of positive action. The great variety in their patterns of production and stages of development made the problems facing the less-developed countries equally varied in nature and urgency. Many of the problems identified in the Committee's present and earlier reports, and in document W.17/11, affected the Federation and were real and urgent, just as some or all of the other problems referred to in those documents were real and urgent for other countries associated with document W.17/11. A number of practical solutions were suggested in document W.17/11, which his delegation commended to the CONTRACTING PARTIES with an earnest request that they be consciously accepted and, even at the cost of some sacrifice, put into effect. This would be the only practical way in which the CONTRACTING PARTIES could give evidence of the sincerity of their determination to reduce or remove altogether the obstacles now standing in the way of the expansion of the export earnings of the less-developed countries and the establishment of the conditions in which those countries could generate the investment so vital to their progress and development.

Mr. TNANI (Tunisia) said that his delegation attached the greatest importance to its forthcoming consultation with Committee II and to the work of the Committee in general; in this connexion Mr. Tnani mentioned the difficulties Tunisia had with its agricultural exports, particularly wine.

In reference to the report of Committee III Mr. Tnani said his delegation subscribed, in respect of many points, to the conclusions contained in the report. They endorsed the view that the industrialized countries should adapt their tariffs so as to facilitate the entry of products from the less-developed countries. The industrialized countries should also, in the forthcoming tariff negotiations, grant tariff concessions not necessarily on a reciprocal basis in respect of products of particular interest to the less-developed countries. Further, the industrialized countries should accept the fact that the less-developed countries needed, not only to increase their foreign exchange earnings from traditional exports, but also to develop their trade in other products, thus diversifying their economies. Mr. Tnani went on to say that the industrialized countries should inform Committee III of the particular characteristics and needs of their markets, while his delegation welcomed the principle whereby the under-developed countries would communicate to the Committee information on their plans for industrial development. On one point, however, Mr. Tnani said his delegation would have to reserve their position; this was the suggestion that Committee III should not establish, for the moment, a new list of products to be studied. In this connexion it would be as well to remember that some countries had become GATT members after the original lists had been elaborated. Tunisia, for example, was interested in phosphates and cement; he hoped that the Committee would reconsider their

suggestion in the light of these considerations. In conclusion, Mr. Tnani underlined the benefits which would result from an increase in trade exchanges between the less-developed countries themselves.

Mr. HARTOGH (Netherlands), speaking on behalf of the Member States of the European Economic Community, commented on the report of Committee III. The full text of Mr. Hartogh's statement has been distributed in document W.17/25.

Mr. HIJZEN (Commission of the European Economic Community) said that the Community recognized that less-developed countries had difficulty in offering tariff concessions which balanced those accorded by the developed countries. In this connexion he would recall the offer of a linear reduction of tariffs made by the Community at the time of the Decision of the Council of Ministers on 12 May 1960. This offer which, of course, applied to the second phase of the tariff conference and which called for reciprocity, was in fact addressed to other industrialized countries. It did not aim at strict reciprocity on the part of the less-developed countries during the forthcoming multilateral negotiations. In addition, the Community wished to recall that, in 1958, it decided to extend to all third countries the benefit of tariff reductions which the Member States had accorded to each other in their reciprocal trade, provided that customs duties would not be reduced below the level of the common tariff. In certain cases, tariff reductions had again been accorded at the time of the second internal tariff reductions which took place on 1 July 1960. Finally, the Community wished to recall that, in the course of renegotiations undertaken by less-developed countries with a view to the withdrawal of concessions under Article XXVIII, the Member States had shown understanding and had taken full account of the needs of the less-developed countries to be able to have recourse in a flexible manner to tariff measures both for development and for fiscal purposes.

Moreover, in response to the wishes of the less-developed countries, the Community did not exclude the possibility of its having, during the course of the forthcoming negotiations, an exchange of tariff concessions with other industrialized countries on products which were also of interest to the less-developed countries.

Mr. SLAWAT (Indonesia), commenting on the future work of Committee III, said that his delegation were of the opinion that there was no need at present to establish a third list of products for detailed examination. The basic features of the problems of the less-developed countries had already been identified by Committee III and the most important thing, at the present time, was to confront the highly industrialized countries with the problem as set out in the Committee's report. Thereafter, the industrialized countries could make the decision as regards their compliance with the recommendations put forward by the Committee. Having referred to document W.17/11, which had the full support of his delegation, Mr. Slawat stressed certain points which were of particular significance for his delegation in view of the negotiations with

the European Economic Community under Article XXIV:6. At the time the CONTRACTING PARTIES originally discussed the Rome Treaty, his delegation had expressed uneasiness about the high tariffs on most of Indonesia's export commodities. He considered the present moment opportune to draw the attention of the CONTRACTING PARTIES again to this problem. In conclusion, Mr. Slawat pointed to the unanimous view held by the less-developed countries that, in tariff negotiations, it should be recognized as an underlying principle that reciprocal and equal concessions from the less-developed countries should not be insisted upon by the industrialized countries.

Mr. RIZA (Pakistan) said he wished to emphasize a few aspects of Committee III's report which, it seemed to him, needed a clearer understanding. First, countries still maintaining restrictions should realize that the output of the less-developed countries in the case of most of the items concerned was limited, and the removal of the restrictions would be very unlikely to result in a sudden expansion of imports which would damage the economy of the importing country. A gradual removal of restrictions would be more likely to create a greater rush of imports. In the light of this consideration, he would suggest that contracting parties should give thought to the possibility of experimenting with one or two commodities in this way. The second point he wished to emphasize was that economic development in Africa and Asia could not be checked; the countries would find the means for this development from one source or another. The less-developed countries in the orbit of the free world had so far depended on three sources for financing their development programmes, namely, direct aids from friendly countries, long-term loans, and increases in their foreign exchange earnings through expansion of their export trade. The former two were not necessarily and not always the most convenient methods of financing, and the less-developed countries would certainly prefer it if the latter source namely, the expansion of their export trade, would give increasingly substantial results. On the other hand, the developed countries who were the actual or potential source of direct aid or loans would be better off if they were to concentrate on allowing the expansion of the export trade of the less-developed countries and receiving something in return for their outlay of finance.

Having said that the problem was not so difficult in the case of primary commodities like cocoa, coffee and tea, where competition with domestically produced products did not arise, Mr. Riza turned to the question of manufactures where the situation was likely to be different. He stressed that the time had come when the developed countries must give thought to making adjustments in their lines of production and rationalizing their industries and specializing in those products requiring elaborate technical skill, know-how and huge investment capital. With the industrial growth of the less-developed countries it was natural and economical that these countries should first concentrate on developing industries for which they had the natural advantages of local raw materials and manpower. Any hindrances or restrictions likely to affect the expansion of the export of these manufactured items were, therefore, likely to be misunderstood and resented by these developing countries. Mr. Riza went on

to say that he would therefore urge the developed countries to bring to bear a positive approval to this problem. If positive steps were not taken to ensure that the less-developed countries also gained in economic stability through the expansion of their own trade, it was quite probable that they might start looking for alternative sources or adopt such other measures as might not be conducive to strengthening the economy of the free world.

Commenting on the Tariff Conference, Mr. Riza said that, in respect of the bulk of their imports, there was little scope for the less-developed countries to reduce their already low tariffs. There was the further consideration that these countries needed the use of the tariff to raise finance for their development programmes. It was to be hoped that the industrialized countries for their part would take a liberal attitude toward the granting of concessions benefiting the less-developed countries. As for Pakistan, there was a lack of balance between the concessions given by it in the past and those it had received. These, in a way, therefore, constituted advance concessions, for which Pakistan should be given credit.

Mr. GOLAN (Israel) pointed out that, in its efforts to promote exports, Israel had been facing the same kind of obstacles as had been identified in the report of Committee III, and which had been further elaborated and emphasized in document W.17/11; his delegation fully subscribed to this document.

Mr. PERERA (Ceylon) said he would not repeat what had already been said by the representatives of less-developed countries. He simply wished to endorse what had been said by these representatives and to commend to the serious attention of the CONTRACTING PARTIES both the report of Committee III and the note submitted by the group of less-developed countries in document W.17/11.

Mr. CASTLE (New Zealand) said that, unfortunately, Committee II had not been able so far to make positive recommendations. This did not mean that the Committee's work had been unfruitful, as it had drawn the attention of the CONTRACTING PARTIES both to the magnitude of the agricultural trade problem and to the damage that had been caused to agricultural exporting countries through the retention of restrictions by many potential importers.

From the documents prepared by the secretariat and from the recent discussion in the Committee, it was apparent that there was indeed a very widespread use of non-tariff measures which were having a substantial effect in limiting the expansion of trade opportunities. As regards dairy products which, together with meat, were of primary interest to New Zealand, it was evident that practically all countries were using non-tariff measures affecting production, consumption, export and import of these products. Further, it was evident that important tariff concessions were being either nullified or frustrated by the measures. When the Committee drafted its next report early in 1961 it was to be hoped that there would be agreement among the major importing and exporting countries on recommendations aiming to improve this situation. As regards meat, the high level of demand existing in the world at the present time removed the need for the maintenance of restrictions. In New Zealand's view, Committee II was now in a position to take practical steps to overcome the problems which had been so clearly defined, and it was to be hoped that there would be no delay in agreeing on satisfactory measures for alleviating and rectifying the present difficulties.

Mr. Castle went on to say that, at the sixteenth session, his delegation had referred to the need to find some solution to the problem of access for agricultural imports which would enable meaningful tariff negotiations to take place. In this connexion, a critical stage had now been reached and it had already been stressed in the Tariff Negotiations Committee itself that, unless some solution was found to the problem of agriculture in Europe, a satisfactory outcome to the current series of negotiations could not be expected. Commenting on the work of Committee II in connexion with the measurement of agricultural protection, Mr. Castle said that his delegation were hopeful that a method would be devised which would enable countries to make such measurements and that, having done so, the results would persuade them that it was in their own interests, as well as in the interests of the exporters, to move to a freer world market for agricultural products.

In conclusion, Mr. Castle referred to the report of Committee III and to document W.17/11. As regards New Zealand's own policies, he would mention that raw materials and tropical foodstuffs entered free or at a low rate of duty. Nevertheless, his Government was continuing to explore what further action could be taken.

Mr. KAMALAPRIJA (Cuba) paid tribute to the Chairman of Committee III for the way in which he had tried to bring together the conflicting points of view and interests in the Committee.

Mr. KRUNIC (Yugoslavia), in reference to Committee II, said that the progress so far made by the Committee had not been as much as had been hoped for but, given the complexities of the problems involved, contracting parties could nevertheless be satisfied with the work that had been done. Committee II had a task of great importance because, particularly in view of the increasing number of new members, it was more than ever necessary to demonstrate through deeds the effectiveness of GATT. Failure to solve the problem of agricultural protection in industrial countries would not only further undermine the balance in the GATT provisions, but would also cause the interest of potential new members to become less. His delegation felt that a solution to the problems concerned could be found through the co-operation of governments and by using the pragmatic approach which was characteristic of GATT. The rules of GATT covering trade in agricultural products were clear; what was necessary was the application of those rules through the medium of negotiation and consultation. The Tariff Conference could also have favourable consequences in the agricultural field if agricultural exporting countries could succeed in getting results which would put their efficient agricultural production in a better position vis-à-vis protected uneconomic production. Finally, Mr. Krunic expressed the hope that, at its next meeting, Committee II would find it possible to reach definite and precise conclusions.

Commenting on Committee III, Mr. Krunic said that the Committee was dealing with one of the fundamental problems of world trade, namely the inequality resulting from differences in levels of economic development. Pointing out that, as in the case of Committee II, the tangible results of the work of Committee III were still awaited, Mr. Krunic concluded by drawing attention to document W.17/11; he said that his delegation were ready to support most of the conclusions contained in that document.

Mr. PHILLIPS (Australia), having referred to the perhaps critically important stage reached in the work of Committee II, said that there had already been sufficient examination in the Committee to demonstrate the justification for Australia's well-known views about the disparity between the conditions under which agricultural products entered into international trade as compared with those which applied to industrial products. Mr. Phillips went on to say that it should not be assumed, because of its patience in the face of the slow progress which had so far been made by Committee II, that Australia was satisfied simply because the problems concerned were receiving attention. Commenting on the draft of the report which the Committee was in the process of preparing and which, he recognized, had no status at this stage, Mr. Phillips said that the draft seemed to be taking the right direction, in the sense that it highlighted important issues such as the high level of price or income support in importing countries, the difficulty of reconciling these measures of protection with the principles and obligations of GATT and the fact that insufficient attention appeared to have been paid by countries to the consequences for international trade of price support policies. In connection with his reference to the critical stage of



Committee II's work, Mr. Phillips pointed out that, as was known, Australia's participation in the forthcoming round of tariff negotiations was largely contingent upon the willingness of the industrialized countries to negotiate conditions of entry for agricultural products. His delegation would hope that countries would take an honest and careful look at their protection for agricultural products with a view to seeing to what extent and in what ways they could negotiate reductions which would have consequential benefits for agricultural exporters and thereby for international trade as a whole. Failure to do so would considerably reduce the scope and success of the negotiations for countries like Australia. Finally, Mr. Phillips expressed his delegation's satisfaction that Committee II had been able to make a start on the question of the measurement of agricultural protection, although it was regrettable that it had taken two years to get this under way.

Commenting on the common agricultural policy of the EEC, Mr. Phillips said he hoped the Community, in the formulation of this policy, would take account of the concerns about levels of protection and the techniques used which had been made known by agricultural exporters in Committee II. His delegation, like others, considered it would be in the interests of all if the EEC's proposals could be discussed in the GATT forum.

Turning to the report of Committee III, Mr. Phillips said that the Committee's report showed progress on the first list of products, but it had to be recognized that much of the progress described resulted from action which contracting parties should be taking in any case and could not be considered as a response to the views expressed by Committee III. Further, what response there had been had come from the smaller rather than the bigger contracting parties. The question of manufactures produced by the less-developed countries raised issues of fundamental importance as it was the tariff which these countries considered to be the main obstacle to their exports. The main question was whether contracting parties were maintaining tariffs of a higher level than they actually needed; it would, of course, be difficult to make a judgment on this. In conclusion, Mr. Phillips said that, given the complexities of international trade, it was difficult to solve major problems in this field in the short term. What was needed, in the context of the work of both Committee II and III, was some movement towards a solution, with some tangible, practical benefits accruing in the short term.

Mr. XYDIS (Greece) said that it should be recognized that the economic development of the less-developed countries should be the object of special treatment on the part of the developed countries. This should consist of a greater absorption by the developed countries of primary products produced by countries in the process of development, so as to contribute to the diversification of these countries' economies. He commended both the report of Committee III and document W.17/11 to the attention of the CONTRACTING PARTIES who, he hoped, would act on them.

Mr. RYSKA (Czechoslovakia), in reference to the report of Committee III, said that the existing international machinery did not measure up to the needs of the less-developed countries. Deliberate action should be taken by the industrialized countries to accelerate changes in the pattern of world production and the direction of trade. His delegation favoured the development of processing industries of domestic raw materials in the less-developed countries. Continuing, Mr. Ryska said that he would like to eliminate certain misconceptions which appeared to exist regarding Czechoslovakia's economic system. In this connexion he would point out that recently Czechoslovakia had reduced, inter alia, the price of coffee by 12 per cent, although changes of this sort were of minor importance compared with the influence exercised on the volume and pattern of imports by the growth of Czechoslovakia's economy and by the increasing purchasing power of the population. Mr. Ryska then gave some details of the economic and social improvements, including the lowering of price levels and increases in salaries, that had been effected since the war. An increase of 30 per cent in personal consumption was envisaged by 1965. This indicated the extent to which Czechoslovakia's imports would expand and the increasing opportunities that would be presented to its trading partners. He then quoted figures indicating the substantial percentage increases in such imports as cocoa, coffee, rice, tea, tobacco, natural rubber, wool, cotton and jute. It should be recognized that such remarkable and uninterrupted progress was the result of planned, rational development. The commodity by commodity approach was inadequate to solve the problem which really should be tackled comprehensively.

Mr. OLDINI (Chile) in reference to paragraph 7 of document W.17/11, where it was stated that the less-developed countries could not offer reciprocal tariff concessions to counterbalance those in the tariffs for their exports, said that he had been interested to hear the comments of the representative of the United States and of the Commission of the EEC which had a bearing on this problem. Continuing, Mr. Oldini said that there was, in any case, a need both to define what was meant by reciprocity and to attempt to equate it with the notion of equity, taking into account all the relevant factors, including the fact that restrictions on international trade obliged the less-developed countries to restrict imports, with a consequential slowing down of economic development and a lowering of living standards. Mr. Oldini then referred to another point taken up in document W.17/11 which again invited contracting parties to re-examine their commercial policies with a view to eliminating measures which impeded the efforts of the less-developed countries to establish their own processing industries. It was logical that countries producing raw materials should be given every encouragement to process those materials domestically. What the less-developed countries wanted was the kind of help which would enable them to help themselves; the greater their ability to live on their own resources, the less their need for foreign aid. What was needed was a durable solution and a point of departure for this kind of action would be found in paragraph 48 of Committee III's report.

Mr. DE BESCHE (Sweden), in reference to Committee II, said that the shortness of the Committee's report by no means reflected the amount of work and progress achieved so far. He then commented on the last part of the Committee's report dealing with the question of the measurement of agricultural protectionism, where

reference was made to Sweden as one of the countries invited to participate in the planned pilot studies. Sweden was willing to take part in this work. Its acceptance of the invitation to participate took for granted, however, that the studies would be as restricted as possible without, however, thereby jeopardizing their aim, and that the material already available, in particular the extensive documentation from the recent consultations on Sweden's agricultural policies, would be used.

Mr. de Besche then commented on Committee III. He said that the task of increasing the export earning capacity of less-developed countries was an essential part of the general problem of assistance to these countries. If developing nations could find no outlet on the world market for their products, they would never be able to place their economies on a sound basis and all technical and financial assistance would have been in vain. The manner in which this problem was solved would also have a decisive bearing on the relationship between industrialized and non-industrialized countries and on the future of world trade itself. Against the background of the aims and objectives of the General Agreement the task of Committee III could not be taken lightly, and the CONTRACTING PARTIES must assume the responsibility of accomplishing the task which was before them. They should, therefore, not restrict themselves to merely approving the Committee's report; they should instead strengthen the appeals of the Committee by recommending all member countries to undertake a serious review of their tariffs, internal fiscal charges, quantitative restrictions and restrictive State trading. There were many fields where it should be possible to achieve practical, if limited, solutions. The CONTRACTING PARTIES could, therefore, instruct the Committee to continue to analyze the effects of obstacles to trade, wherever they may be found, to consider the feasibility of a system of consultations or negotiations and to draft specific recommendations for action to be taken within the framework of GATT.

Mr. WARREN (Canada), in reference to the 1960-61 Tariff Conference, said it was of the greatest importance that the work being currently done during the first phase of the conference should succeed and that it should succeed soon. The renegotiations involved were very complex and special efforts would have to be made particularly in the agricultural field. It was difficult to visualize the renegotiations being completed satisfactorily without agricultural exporting countries finding some way in the renegotiations to be assured of the opportunity of competing on the markets of the Six on reasonable terms. Success in the current renegotiations might be a prerequisite for the success of the round of negotiations beginning in 1961. Commenting on the common agricultural policy of the EEC, Mr. Warren said he supported the United States suggestion that the EEC should be invited to discuss their proposals for a common agricultural policy with the CONTRACTING PARTIES. To be useful, such a discussion should take place in good time, before the authorities of the Community took their final decisions in this matter.

In reference to Committee II, Mr. Warren said that the consultations conducted by the Committee had revealed clearly the widespread use of non-tariff measures of protection and the consequential impairment of tariff concessions. His delegation hoped that the Committee would be able to arrive at a realistic

appraisal of the adverse effects on trade of these measures, and that the Committee would be in a position to communicate its views to the contracting parties before the eighteenth session.

Mr. Waaxen said that Canada strongly supported the work of Committee III and hoped governments, both of industrialized and less-developed countries, would, in the development of their commercial policies, take full account of the need to assist in promoting the economic development of the less-developed countries by opening up better opportunities for an expansion of their trade.

Mr. VALLADAO (Brazil) referred to the analyses of the problems concerned and to the appeal of the less-developed countries contained in the documents now before the CONTRACTING PARTIES. While, since the sixteenth session, certain governments had given evidence of a greater understanding of the problems of the less-developed countries, this was not so in the majority of cases. In some sectors there was a tendency for the situation to become aggravated because of measures taken to the detriment of the export interests of the less-developed countries. To be successful, the work and recommendations of Committee III must find the industrialized countries receptive. The Committee had posed the problems and had suggested the solutions. In reference to document W.17/11, Mr. Valladao said it was to be hoped that the industrialized countries would not approach the forthcoming tariff negotiations motivated only by commercial considerations.

Having expressed the hope that it would now be possible for more rapid progress to be made by Committee II, Mr. Valladao supported the suggestion of the United States delegation in connection with a possible discussion of the EEC's common agricultural policy in the GATT forum and expressed the hope that the Community would be able to agree with this suggestion.

Mr. IBSEN (Norway) said that his delegation fully supported the future work programme proposed by Committee II. It likewise welcomed the report of Committee III. His Government considered that the question of the trade relations between the industrialized and the less-developed countries was one of the most important in the world today. It was not sufficient for the industrialized countries only to make loans and direct investments in the less-developed countries. They should do more to facilitate the flow of exports from the less-developed countries.

Mr. LINDLEY (United Kingdom), in reference to Nigeria's request to become a member of Committee III, said his delegation would welcome the participation of Nigeria in the Committee. Mr. Lindley went on to say that his delegation supported the comments made by the representative of the United States about the use of Article XXVIII. His delegation considered that the whole structure of GATT would be weakened if a number of contracting parties withdrew bindings on the grounds that, at some future time, they might wish to increase the tariffs on certain items which they had bound.

Mr. CUHRUK (Turkey) said that most of the observations he would have made had already been made by earlier speakers. Having commented on the fact that account was taken during the work of Committee I of certain concerns of the less-developed countries, Mr. Cuhruk said that, as a result of the work of Committee II, the effects of national agricultural policies on trade in agricultural products were now better understood, and the Committee had reached a stage in its programme when it could begin the attack on the causes of the present difficulties. As regards Committee III, the practical results achieved by the Committee were disappointing. Stressing the great importance of Committee III to the less-developed countries, Mr. Cuhruk said that, if the suggestions contained in document W.17/11 submitted by a group of these countries were acted upon, the difficulties surrounding their exports and export earnings would be greatly alleviated.

Mr. BA GALE (Burma) stressed the great importance of the work of Committee III to Burma; this work was also, in the view of his delegation, of equal importance to the industrialized countries. Commenting that most less-developed countries felt that they did not derive the advantages they should from membership of the GATT, Mr. Ba Gale said he felt that the optimism of his delegation as to the outcome of the Committee's work would not be misplaced, recognizing that it was, presumably, the universal desire to uplift living standards in the less-developed countries.

The CHAIRMAN at the end of the discussion said that, as he moved the adoption of the reports of Committee II and Committee III, he was certain that the discussion which had taken place and especially the earnest appeal which had been put forward by the less-developed countries would be given due weight by delegations and governments.

The report of Committee II (L/1326) and the report of Committee III (L/1321) were adopted separately by the CONTRACTING PARTIES.

The Chairman went on to say that Committee III would have a short meeting before the end of the session to draw up a programme of work for the inter-session period. He then proposed that, as requested by the two countries concerned, Tunisia should become a member of Committee II and Nigeria a member of Committee III.

This was agreed.

3. Central American Free Trade Area (L/1302 and Add.1-2)

The CHAIRMAN said that the CONTRACTING PARTIES, by the Decision of 13 November 1956, had agreed that Nicaragua was entitled, in accordance with paragraph 10 of Article XXIV, to claim the benefits of the provisions of Article XXIV for participation in the Central American Free Trade Area. The Treaty entered into force in July 1959 with its acceptance by the Governments of El Salvador, Guatemala and Nicaragua. Under the Decision of 13 November 1956 Nicaragua was required to furnish an annual report "on the progress achieved towards the elimination of tariffs and other restrictive regulations of commerce within the free-trade area". Accordingly, this item now appeared on the agenda of the CONTRACTING PARTIES for the first time. The first annual report by the Government of Nicaragua (L/1302) explained that, since the Treaty had not been in operation for a full calendar year, it was not possible to provide statistical data showing the development of trade under the Treaty. The Government of Nicaragua stated that, next year, a report on trade development and on other activities "intended to bring about the economic integration of the area" would be provided. The Chairman said that in these circumstances and in view of the fact that Nicaragua was not represented at the present session, he would suggest that the first report (L/1302) be noted and the Executive Secretary be asked to arrange, after consultation with the Government of Nicaragua, for developments under the Treaty to be examined in 1961 either by the Council or at a session of the CONTRACTING PARTIES; this examination to take place when a representative of Nicaragua could participate.

This was agreed.

Mr. PASTORI (Uruguay) said that the delegation of Uruguay wished it to be noted that, in their opinion, paragraph 10 of Article XXIV of the GATT did not apply to free-trade areas which included members which were not contracting parties to the GATT where the Treaty or Convention establishing such area was in conformity with Article XXIV.

4. Nicaragua-El Salvador Free Trade Area (L/1288)

The CHAIRMAN said that, in the absence of a representative of Nicaragua, he had examined the report submitted by the Government and had found that there was no significant change from the reports submitted in the previous two years. He therefore suggested that, as on earlier occasions, the report should be noted.

The CONTRACTING PARTIES took note of the report submitted by the Government of Nicaragua.

5. Certification of rectifications and modifications of schedules (L/1324 and Add.1)

The CHAIRMAN recalled that it was agreed at the fifteenth session that, instead of putting modifications and rectifications of schedules into Protocols requiring the signature of every contracting party, the CONTRACTING PARTIES

should in future follow the procedure of certification envisaged in the revised Article XXX, although the amendments to that Article had not yet entered into force. As shown in document L/1324, amendments to about ten schedules had been prepared for certification. These amendments resulted from action under various Articles of the General Agreement. Individual contracting parties had been asked to indicate their approval of the rectifications and modifications as distributed and it was intended to ask the CONTRACTING PARTIES at this session to adopt the text of the decision set out in Annex C to document L/1324. However, as explained in the addendum to L/1324, which had just been distributed, it would not be possible to obtain approval of the lists during the present session. In these circumstances, the proposed decision with the amendments to the schedules annexed to it, could not be adopted at the present session. Nevertheless the CONTRACTING PARTIES might agree upon the text of the decision so that, when final approval of the lists had been obtained from individual contracting parties, the decision with the lists annexed could be submitted for adoption without delay, possibly by postal ballot.

The CONTRACTING PARTIES found that the text of the decision in Annex C in document L/1324 was acceptable. They also agreed that the decision and the annexed schedules, after these have been approved, could be submitted by postal ballot for adoption.

The meeting adjourned at 7.15 p.m.