

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.13/25

14 November 1958

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CONTRACTING PARTIES
Thirteenth Session

SUBSIDIES AND STATE TRADING

Draft Terms of Reference for the Panel

(Proposals by the Chairman)

1. To undertake the preparatory work for the review which the CONTRACTING PARTIES will conduct in 1959 of the operation of the provisions of Article XVI, and in particular:

- (a) to examine the range and extent of subsidies maintained by contracting parties, in the light of the notifications submitted by them to the CONTRACTING PARTIES, and of any other relevant information;
- (b) to discuss with the notifying contracting parties any point requiring clarification and any other comment or suggestion put forward by other contracting parties to the Panel concerning the documentation received;
- (c) to make practical suggestions to the CONTRACTING PARTIES with a view to improving the procedure for notifications;
- (d) to assemble materials for the draft report on the operation of the provisions of both sections of Article XVI.

2. To examine the notifications sent to the CONTRACTING PARTIES concerning the products imported to or exported from their territories by enterprises of the kind described in paragraph 1(a) of Article XVII, and to make practical suggestions to the CONTRACTING PARTIES with a view to improving the procedure for notifications under that Article.

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Before the Panel could start its work, it appears desirable for it to have at its disposal a general description of all subsidies, including income or price support measures which are maintained by contracting parties. Under paragraph 1 of Article XVI, the contracting parties are required to inform the CONTRACTING PARTIES of the existence

and working of subsidies, including any form of income or price support which operates directly or indirectly to increase exports of any product from, or to reduce imports of any product into, its territory. Although these notifications received from time to time from the contracting parties contain valuable information, it appears desirable to have a more general idea of the whole field of subsidies. Contracting parties are accordingly invited on this occasion and for the sole purpose of facilitating the review contemplated in paragraph 5 of Article XVI to furnish comprehensive information about the subsidies they operate, whether or not, in their view, these subsidies are likely to increase export or reduce imports of the subsidized products.