

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## SUMMARY RECORD OF THE FOURTH MEETING

Held at the Palais des Nations, Geneva,  
on Monday, 18 May, at 2.30 p.m.

Chairman: Sir John Crawford (Australia) for item 1  
Mr. F. Garcia Oldini (Chile) for item 2

Subjects discussed:

1. Chilean import charges
2. Request for accession by Poland

### 1. Chilean import charges (L/975)

The CHAIRMAN drew attention to document L/975 containing a communication from the Government of Chile advising that new measures were being introduced to halt inflation, to increase budget receipts, and to improve the balance-of-payments position.

Mr. GARCIA OLDINI (Chile)<sup>1</sup> said that fiscal and budgetary factors, and reasons of commercial policy, had both influenced the Government of Chile in its decision to introduce an additional customs duty on all goods imported into the country. The CONTRACTING PARTIES had always recognized Chile's right to apply quantitative restrictions to protect its balance of payments and to prevent a further drain on its depleted currency reserves. The compelling reasons determining the Government's policy in this matter stemmed from Chile's virtual dependence on the export of a single commodity, copper. Periodic and violent fluctuations in copper prices had resulted in depressions which affected all spheres of national life.

Nevertheless, Chile had made considerable efforts over the last few years to reduce import restrictions; inter alia, Act No. 12084 should be mentioned. It had not been possible to implement the Act fully and Chile had retained two exchange rates, one which was a really free rate and the other which was known as the "free bank" rate; the latter was the official rate for foreign trade purposes. A list of prohibited imports, to which should be added items not on the list of authorized imports and imports subject to the "Certificate of Need", had also been retained.

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<sup>1</sup> The statement by Mr. Garcia Oldini is reproduced in full in document W.14/12.

The system of advance deposits had proved to have an adverse effect on the normal development of Chile's trade. Moreover, it had been necessary to maintain bilateral agreements. In the meanwhile the economic and financial situation of the country had taken a dangerous turn and inflation had reached tremendous proportions.

Having mentioned the rise in the cost of living and in wages in 1958 and the beginning of 1959, the size of Chile's budgetary deficit and the unfavourable nature of its balance-of-payments situation, Mr. Garcia Oldini gave figures which illustrated the extent and speed of inflation in Chile since 1952. He went on to say that, as would be realized, the problem went far beyond the scope of the General Agreement. Chile had to solve it at any cost and hoped to be able to do so with the support of the CONTRACTING PARTIES.

The provisions of Act No. 13305, which had come into force on 9 April 1959, affected, inter alia, wage adjustments, the public administration, the internal taxation system, the national budget, the country's unit of currency and introduced reforms concerning foreign trade and customs tariffs. With the Agreement of the International Monetary Fund the Government had thought it essential to make substantial changes in the statutory provisions relating to foreign trade, aimed at making Chile's economic relations more flexible and to avoid, so far as possible, bureaucratic interference in matters which should be left to private enterprise. In February 1959 it had been decided to merge the two fields of exchange into a single free exchange rate. At the same time the 2 per cent tax on foreign trade transactions was abolished. Likewise, all public and quasi-public organizations had been forbidden to assume commitments abroad during the current financial year which were repayable over less than eight years; nor might they guarantee any such commitments made by third parties. As regards private business, the International Exchange Commission would issue general regulations, but the Government hoped that any deferred-payment credits or dealings would cover a period of not less than five years. The Government's decision to replace bank deposits in Chilean pesos by dollar bonds issued by the Treasury would also have beneficial effects.

The Government had completely overhauled both the general principles and detailed working of its trading policy. As a first step, a Presidential Decree (No. 5474) had been issued on 24 April giving a schedule of authorized imports; all the goods which might be imported were listed i.e. the goods listed in the former decree, now superseded, plus those which were specifically excluded and all unclassified goods. This new Decree could be enlarged at any time to cover new items, the Government having decided to lift all bans on imports. To ensure that this new policy did not completely disrupt the market, and to permit a gradual shift from the total or partial prohibition of certain goods to the complete abolition of restrictions, a system of advance deposits had been introduced as an interim measure in respect of goods whose import had hitherto been forbidden. In due course these advance deposits would be superseded by new customs duties which might go up to 200 per cent ad valorem c.i.f.

It was considered that the new system would permit the Government to come closer into line with the principles and methods of GATT, while keeping the balance of payments in equilibrium and, at the same time, enabling speedy action to be taken against inflation. As was known, the Government had been forced to make a start in applying the new duties and, in so doing, it had selected goods the importation of which was prohibited, either specifically or indirectly, and goods subject to a deposit of 5,000 per cent. In respect of these two types of goods the new duties represented an improvement on the position which existed previously.

Without prejudice to the decision on the specific cases just mentioned, the Government of Chile was asking the CONTRACTING PARTIES to give it a general authority covering the third group of goods which could be imported at present under the advance deposits system and on which the temporary additional duties would, in general, be less onerous than the cost of the deposits. This would permit the Government to continue, in so far as the items bound under the GATT were concerned, to replace advance deposits by additional customs duties.

In conclusion, Mr. Garcia Oldini stressed that the new duties were temporary and that they would be abolished by the end of 1960. Chile's new commercial policy was an important step towards the liberalization of trade, would eliminate administrative barriers and would lead to the gradual elimination of bilateral agreements. Further, generally speaking, the new policy, which would apply to all countries, would not increase the cost of imports, and would not change the pattern of imports or reduce the volume of Chile's trade.

Mr. ANDERSON (International Monetary Fund) invited the attention of the CONTRACTING PARTIES to the background paper which the Fund had supplied, from which it would be noted that in 1957 and 1958 Chile's foreign indebtedness, adjusted for changes in foreign assets, increased by about US\$139 million. This increase in international indebtedness reflected a weak balance-of-payments position, arising from a substantial decline in the international price of copper, and an excessively high level of imports. At the end of 1958 foreign exchange reserves, particularly when considered in the light of medium- and short-term foreign obligations, stood at a very low level.

The Chilean Government had decided that stronger measures should be taken to deal with the inflationary forces at work in the economy. To this end it had devised, and discussed with the Fund, a new stabilization programme. This programme had, as a major objective, the elimination of the large fiscal deficits which had been a major factor in the continuing inflation in Chile. In addition to limiting government expenditures and reorganizing government enterprises, the Government had indicated that it would take measures to increase revenues. One part of the programme of increasing such revenues would be the introduction of temporary import surcharges collected at the customs. At the same time, it was planned that import prohibitions would be eliminated and the use of advance deposits on imports greatly reduced. The Government of Chile had informed the Fund that it would discuss the surcharges with the GATT.

After considering the stabilization programme proposed by the Government of Chile, the Fund, on 25 March 1959, had agreed to a stand-by arrangement in the amount of US\$8.1 million for the remainder of 1959. The Fund was of the opinion that substantially increased revenues were essential to the success of Chile's stabilization programme and to the protection of the country's reserves. Furthermore, the Fund was satisfied that the increase in revenue likely to result from the various measures proposed to the Fund by Chile was not more than was consistent with the success of that programme. In the discussion at the Fund it had been made clear, however, that the question of obtaining approval for increased tariffs in order to raise revenue was a matter for Chile to take up with the CONTRACTING PARTIES.

Mr. BRONDI (Uruguay) said that his delegation fully supported the proposal that a working party should be established to study the problem brought forward by Chile and to try and achieve a satisfactory solution as quickly as possible. There was no doubt that, as a result of recent trends in international trade, there had been a deterioration in the economic situation of countries in the process of developing their economies. In fact, the case of Chile typified a general phenomenon which was to be seen in Latin America and in other under-developed areas of the world. Consequently, the criteria which the CONTRACTING PARTIES applied to the particular problem brought forward by Chile had a special significance for many contracting parties.

Mr. BOUCAS (Brazil) said that the Brazilian delegation had carefully considered Chile's request and had taken note of the measures which Chile had found it necessary to introduce. Through these measures the Government of Chile hoped to pave the way for a new customs tariff and to contribute to the liberalization of international trade. Brazil supported fully Chile's request and favoured the establishment of a working party to examine the question.

Mr. PEREIRA (Peru) fully supported the request put forward by Chile for a waiver which would permit the temporary application of new measures which the increasing seriousness of Chile's economic and financial situation obliged it to introduce.

Mr. AHMAD (Pakistan) pointed out that Chile's problem was an indication of the sudden and unforeseen difficulties which could arise in the less-developed countries. His delegation welcomed the proposal that the problem should be referred to a working party. It also supported the idea that, when applying criteria to Chile's particular problem, the working party should bear in mind the special problems and difficulties which under-developed countries generally had to face.

Mr. CAMEJO-ARGUDIN (Cuba) said his delegation had studied with interest and sympathy the request put forward by Chile. For several reasons Chile's request deserved to be studied by a working party and he therefore supported the proposal that a working party should be set up.

Mr. SWAMINATHAN (India) expressed his delegation's understanding of Chile's difficulties and referred to the great efforts which Chile had made to move away from the exchange regulation type of control in her economy and in her foreign trade. He strongly supported the establishment of a working party where Chile's request could be sympathetically examined.

Mr. PARBONI (Italy) said that his delegation supported the request put forward by Chile. He realized how serious the reasons were for the introduction of the new import duty which, together with other measures, aimed at improving Chile's internal economic situation. Chile had pointed out that the new duty was of a temporary character and the Italian delegation hoped that, as Chile's economic situation improved, it would be possible for the duty to be eliminated. Nevertheless, there were certain technical and juridical aspects to be studied and he therefore supported the proposal that a working party should be established.

Mr. BEINOGLIOU (Greece) having expressed his delegation's sympathy with Chile in its difficulties, referred to the value of the statement made by the representative of the International Monetary Fund. He said that his delegation supported Chile's request and favoured the establishment of a working party to examine the problem.

Mr. BEALE (United States) said that the United States appreciated the situation which confronted Chile and recognized its need to strengthen its financial position. His delegation supported Chile's request for a waiver, for a limited time, to permit the application of temporary surcharges on imports. He considered it desirable to establish a working party to examine the question.

Mr. SUJAK BIN RAHIMAN (Federation of Malaya) pointed out that the difficulties which Chile was facing could arise in the case of any country whose economy depended on one or two primary commodities. His delegation supported the proposals which Chile had put forward.

Mr. JARDINE (United Kingdom), having expressed his Government's sympathy with Chile in the difficult economic and financial situation in which it found itself, noted that the proposed surcharges on imports were intended to replace past import prohibitions and restrictions as well as the advance deposits system. The United Kingdom representative in the International Monetary Fund had welcomed the virtual abolition of the advance deposit system and the assurances from Chile that surcharges on imports would be non-discriminatory. However, the surcharges would in fact constitute a barrier to international trade and, when imposed on bound items, were contrary to the provisions of Article II of the General Agreement. Contracting parties, therefore, would wish to assure themselves that their interests were reasonably safeguarded. The United Kingdom supported the proposal that the question should be referred to a working party.

Mr. SCHWARZMANN (Canada), expressed his delegation's sympathy towards the problem faced by Chile and its appreciation of Chile's genuine efforts to move away from a policy of import restrictions and bilateral trade arrangements. There were, however, certain problems involved in the request, and he supported the proposal that a working party should be set up to study these problems.

M. DE LACHARRIERE (France) said that the French delegation was appreciative of the action which Chile was taking in order to try to solve its balance-of-payments difficulties. He hoped that the measures concerned would be temporary and that their effects would be such as to permit the disappearance of the measures. He agreed that a working party should be established to examine the question.

Mr. SVEC (Czechoslovakia) pointed out that the General Agreement did not provide adequately for many types of problems which faced the less-developed countries, for which the only solution was by means of a waiver or an exception. The problem now brought forward by Chile was an example of this. He expressed his delegations' understanding for Chile's needs and for its desire for economic development.

Mr. HAGEN (Sweden) said that his delegation had been impressed by the Chilean case and were glad to hear that it was intended to apply the new surcharge on imports non-discriminatorily. He looked forward with interest to the further information which Chile would supply to the working party.

Mr. SPREUTSIS (Belgium) stated that the Belgian delegation was aware of the difficulties facing Chile and would support the proposal that a working party should be set up to study the question.

Mr. CUHRUK (Turkey) said that his delegation was aware that the aim of the measures proposed by Chile was the reinforcement of the financial and monetary position and would support the proposal to refer the matter to a working party.

Mr. KLEIN (Federal Republic of Germany) expressed sympathy with Chile's difficulties. He supported the establishment of a working party and hoped for a satisfactory solution to the problem.

The CHAIRMAN said that the discussion had indicated that the CONTRACTING PARTIES were in sympathy with Chile's difficulties and were in agreement that a working party should be set up to carry out the necessary technical examination.

The CONTRACTING PARTIES approved the establishment of a working party with the following membership and terms of reference:

Chairman: Mr. E. Elson (Federal Republic of Germany)

<u>Members:</u>	Belgium	Sweden
	Brazil	Union of South Africa
	Canada	United Kingdom
	Chile	United States
	France	Uruguay
	Pakistan	

Terms of Reference:

In the light of the discussion in the plenary meeting, to examine the Chilean request for a waiver of obligations under Article II and to make recommendations to the CONTRACTING PARTIES.

2. Request for accession by Poland (L/967)

The CHAIRMAN drew attention to document L/967 which contained a communication from the Government of Poland expressing their desire to accede to the General Agreement pursuant to Article XXIII. The Chairman recalled that the question of relations with Poland had been discussed at a meeting of Heads of delegations during a meeting of the Intersessional Committee in April, 1958. An opportunity had been afforded for contracting parties to put forward questions concerning the economic system and trade policy of Poland and these questions, together with the answers furnished by the Polish Government, had been distributed to contracting parties prior to the thirteenth session.

Mr. MODRZEWSKI (Poland, Vice-Minister of Foreign Trade), recalled that Poland had participated in the work of the CONTRACTING PARTIES as an observer since the twelfth session. After a study of the principles of the General Agreement and of its practical application by the CONTRACTING PARTIES, the Polish Government had decided to apply officially for accession. The principles which inspired Poland in the conduct of its trade relations with foreign countries were the same as those expressed in the preamble to the General Agreement and his Government was of the opinion, bearing in mind the possibilities for further expansion demonstrated by Poland's increased foreign trade during 1958, that collaboration within the framework of the General Agreement would accelerate expansion of trade between Poland and the contracting parties, which had already increased by 50 per cent since 1950.

Mr. Modrzewski stressed that Poland was striving to increase its imports and to make its import policy more elastic to the extent permitted by economic development and by the improvement in its balance of payments. Poland's economic planning was based to a very great extent on a programme of development of trade relations with foreign countries, and the continuous development of the economy was increasing the market for many products exported by contracting parties while, at the same time, developing the production of goods for which Poland was looking for new foreign markets.

The Polish Government did not believe that the fact that the Polish economy was based on different principles from those of most contracting parties would stand in the way of successful collaboration within the framework of the GATT and they were ready to accept the obligations arising from membership provided that Poland was granted corresponding rights. If, however, it proved impossible for Poland to be admitted at present to full membership, his Government would be prepared to accept provisionally some other suitable form of closer co-operation with the CONTRACTING PARTIES. Certain proposals and suggestions had been submitted in this connexion to the meeting of Heads of delegations in April, 1958, and Poland would now be prepared to consider other proposals directed towards this objective<sup>1</sup>.

Mr. BELLE (United States) said that his delegation had listened with interest to the Polish statement. During the past two years the United States had given practical evidence of its desire to assist Poland in improving economic conditions and raising standards of living, and it was gratifying that the

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<sup>1</sup> The statement by Mr. Modrzewski is reproduced in full in Press Release GATT.

credits which had been extended to the Polish Government had contributed to the achievement of those objectives. The United States had given careful consideration to Poland's request and had studied the information which had been submitted last year. As a result, it had come to the conclusion that Poland could not meaningfully undertake the full range of obligations required by the General Agreement and his Government was not therefore prepared to support full accession by Poland at this time. It might be possible, however, to establish some form of mutually advantageous relationship between Poland and the contracting parties within the framework of the General Agreement and his delegation proposed, therefore, that the CONTRACTING PARTIES should study whether a limited form of Polish participation would be feasible and if so what the specific nature of such participation should be. The United States would be prepared to take part in an intersessional working party established under appropriate terms of reference.

Mr. HAGEN (Sweden) said that his delegation was pleased to note Poland's interest in establishing closer relations with the CONTRACTING PARTIES and hoped that a mutually advantageous solution could be found. The examination of Poland's foreign trade system last year had indicated that the General Agreement in its present form did not provide a fully satisfactory working basis for the accession of countries with centrally controlled economies. Accession by such countries would necessitate a review of the General Agreement to include additional provisions ensuring reciprocity of rights and obligations. Pending such a review, which would require reflection and study, closer relations with Poland should be established to enable her to take part in the work of the CONTRACTING PARTIES. Sweden would welcome the establishment of a working party to consider the problems arising from the mutual wish of Poland and the CONTRACTING PARTIES to formalize their relations. He suggested that the working party should begin work during the present session and present its recommendations to the CONTRACTING PARTIES at the fifteenth session.

Mr. KAWASAKI (Japan) said his Government was prepared to consider a request for accession. Certain technical questions would need to be examined and he therefore supported the proposal for the establishment of a working party.

Mr. SCHWARZMANN (Canada) said his delegation welcomed the Polish initiative in formally seeking closer relations with the CONTRACTING PARTIES. Canada enjoyed close and cordial trade relations with Poland and considered that Polish participation in the General Agreement would contribute to a further expansion of trade between Poland and the contracting parties. Because of the nature of the Polish economy, however, the precise form and extent of this relationship would require careful examination. In order that rapid progress could be achieved, he hoped that it would be possible for a working party to initiate study at this session to explore whether and to what extent a meaningful exchange of rights and obligations could be achieved; their concrete proposals should be presented to the CONTRACTING PARTIES at the fifteenth session. He assured the Polish representative that the Canadian delegation would be prepared to participate in a sympathetic and constructive examination of their request.

Mr. SWAMINATHAN (India) reiterated the view of his delegation that membership of GATT should be as widespread as possible. India had close and cordial trading relations with Poland and would welcome any workable form of association



which Poland could achieve as a result of a sympathetic examination of their request by a working party. His delegation would be prepared to contribute to this examination.

Mr. JØRGENSEN (Denmark) said his delegation welcomed the Polish application. In view of the considerable flow of trade between Denmark and Poland, it attached great importance to the participation of Poland in the work of the CONTRACTING PARTIES. Complex problems were involved, however, in bringing relations between Poland and the contracting parties into conformity with the rules of the General Agreement and he therefore supported the establishment of a working party to examine the position.

Sir John CRAWFORD (Australia) said that the Polish application must be taken seriously. It should be an agreed objective of GATT policy to open its membership as widely as practicable. The practical test guiding the Australian Government was whether would-be members could assume obligations consistent with the benefits to be derived, and his delegation had noted with interest the Polish representative's affirmation that this test was a reasonable one. The Australian Government was ready to join with other contracting parties in a good faith examination of the Polish application and therefore strongly supported the establishment of a working party, which should preferably begin work during the present session. As a basis for this work there was the information already submitted by Poland, while some of the relevant issues had been under examination in connexion with the application of Yugoslavia.

Difficulties arose in this application. The Polish tariff was not a guide to trading possibilities and state trading affected both the degree of access open to traders with Poland and the practical interpretation of non-discrimination. Practical solutions could be found, however, if the Polish Government were willing to move nearer to a multilateral system of trading through global quotas and other devices in which normal competitive considerations more obviously applied. Unless the Polish Government were prepared to give some practical meaning to most-favoured-nation treatment in this way, they could not reasonably expect an unqualified and fully binding extension of most-favoured-nation tariff treatment by contracting parties.

The final attitude of the Australian Government would be determined by a desire to find a practical form of association and by the application of the test requiring a reasonable balance of obligations and benefits between Poland and the contracting parties.

Mr. TREU (Austria) welcomed the application of Poland, which was among Austria's most important trading partners, and supported the proposal that a working party should be established. Careful consideration had been given to the application and it was realized that the nature of Poland's economic system gave rise to some difficulties with regard to the provisions of the General Agreement. He therefore shared the view previously expressed by the representative of Sweden that it might be necessary, at a later stage, quite independently of the Polish request, to consider whether the General Agreement should not be modified so as to apply to all types of economies.

Mr. BEINOGLU (Greece) welcomed the idea of working with Poland under the auspices of the GATT. He had noted the Polish statement that no insurmountable obstacles would be created by their economic regime and hoped that a meaningful form of co-operation would be drawn up by a working party during the inter-sessional period.

Mr. VALLADAO (Brazil) welcomed the initiative of Poland in applying to accede to the General Agreement which he felt should have as widespread a membership as possible. Problems connected with the application for membership of countries with an economic system different from that of most contracting parties would have to be faced however, and Brazil considered that the Polish and Yugoslav applications should lead the CONTRACTING PARTIES in the near future to consider whether general rules should be established to cover such applications. His delegation was glad to hear that Poland would be prepared to accept a limited form of membership and supported the establishment of a working party to examine the question.

M. de LACHERAÏERE (France) said that his delegation viewed favourably the Polish request. He supported the establishment of a working party to consider the questions which arose in connexion with this application and to report to the CONTRACTING PARTIES at their fifteenth session on the form which relations between Poland and the General Agreement should take. The working party should meet during the present session and should give consideration, not only to specific aspects of the Polish economy and of Poland's relations with the General Agreement, but to the more general problem of relations between the General Agreement and state-trading countries with a centrally planned economy. In the view of the French delegation, the working party could not avoid a study of this problem in connexion with the Polish case, even if it were not expressly included in its terms of reference.

Mr. AHMAD (Pakistan) said that the Government of Pakistan had given careful consideration to Poland's request for accession. Pakistan had cordial trade relations with Poland and the request had therefore been considered with sympathy and understanding. In view of the differences between a centrally controlled economy and that of most other contracting parties, problems would arise, but his delegation felt that serious efforts should be made in a working party to find a speedy and satisfactory solution.

Mr. JARDINE (United Kingdom) said that his delegation had listened with interest to the statement by the Polish representative. Because of the nature of the Polish economy this request raised very difficult problems and it was, therefore, the view of the United Kingdom that a limited form of association and not full accession would be the right solution. He agreed that the best course would be for a working party to meet intersessionally to consider in what manner Poland might be brought into association with the CONTRACTING PARTIES.

Mr. KOCH SAN (Cambodia) said that his Government supported in principle the eventual participation of Poland in the General Agreement and would support any practical solution leading to such participation.

Mr. SVEC (Czechoslovakia) expressed the opinion that, from the point of view of the GATT, the question of the accession of Poland was of great importance. When trends in international trade were discussed at the thirteenth session, it was agreed that there were two main goals to be attained: the development of trade between the industrialized and the less-developed countries, and the development of trade between countries with planned economies and those with market economies. A very important question was whether the General Agreement was in fact an instrument through which these two goals could be achieved. Was it accessible to all countries on an equal basis, irrespective of differences in levels of economic development and in social and economic systems? The economic system of Czechoslovakia was similar to that of Poland, and Czechoslovakia had succeeded in operating under the rules and principles of the General Agreement. The attitude adopted by the CONTRACTING PARTIES to Poland's application would also, to a great extent, constitute an answer to the more general question which he had raised. Therefore, Czechoslovakia supported Poland's request for accession.

Mr. PANDELAKE (Indonesia), in supporting Poland's accession to the General Agreement, expressed the view that Poland's participation would be of benefit to the work of the CONTRACTING PARTIES. He supported the establishment of a working party to examine the question.

Mr. BOSSMAN (Ghana) said that, in the view of his delegation, Poland's present request was a natural sequence to its past and present association with the CONTRACTING PARTIES. Ghana was therefore in favour of the establishment of a working party to examine the technicalities involved.

Mr. MERINO (Chile) supported the setting up of a working party to study the problems connected with Poland's application. This would not be an easy task, but it should be possible to achieve a solution which would permit a limited participation by Poland in the General Agreement.

Mr. SOLBERG (Norway) said that, in welcoming Poland's application for accession, the Norwegian delegation wished to point out that each country had its own individual trading system, and that each country should, therefore, have its own rules for accession. The working party should show a great deal of flexibility, but it should not go too far and thus lose the integrity of the General Agreement. Norway appreciated the assurances given by Poland that it intended to apply more liberal trading rules and that it wished to co-operate more closely with the CONTRACTING PARTIES. His delegation supported the proposal for the establishment of a working party.

Mr. AUNG SOE (Burma), in supporting the proposal to establish a working party, considered that it should be possible to work out a solution which would permit a closer relationship between Poland and the CONTRACTING PARTIES.

Mr. TIKKINVAARA (Finland) said that his Government appreciated Poland's initiative in applying for accession. Finland had a trade agreement with Poland which was based on the principle of mutual advantages. He favoured the establishment of a working party.

The CHAIRMAN said that the discussion had shown general support for a closer association between Polaid and the CONTRACTING PARTIES and for the establishment of a working party to study the question and to submit concrete recommendations to the CONTRACTING PARTIES at the fifteenth session. The terms of reference and composition of the working party would be decided later in the session.

This was agreed.

The meeting adjourned at 4.45 p.m.