

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Ad Hoc Committee on Agenda
and Intersessional Business

SUMMARY RECORD

of the Meetings held at the Palais des Nations, Geneva,
on 18 - 20 February 1954

Chairman: Mr. L. Dana WILGESS (Canada)

- Subjects discussed:
1. Membership of the Committee
 2. Request by the Government of India for Authority to renegotiate Nine Items in Schedule XII
 3. Import Restrictions of Peru
 4. Progress of Negotiations in Athens

1. MEMBERSHIP OF THE COMMITTEE

The CHAIRMAN announced that the Government of Belgium had withdrawn from membership of the Committee and he designated the Government of the Netherlands to fill the vacancy.

2. REQUEST BY THE GOVERNMENT OF INDIA (SECRET/7)

The CHAIRMAN said that this was the first time the Committee was presented with a task of this character. The CONTRACTING PARTIES had authorized renegotiations in previous cases but it had always been a matter of only a very few items and only a few government had been involved; the request now received from India, on the other hand, covered a fairly large number of items which were of considerable interest to a number of contracting parties. Furthermore, all contracting parties were interested in the questions of principle involved in the consideration of this request. The discussions at the Eighth Session on the prolongation of the assured life of the Schedules until 30 June 1955 had resulted in an agreement that the CONTRACTING PARTIES would give sympathetic consideration to requests from contracting parties which, having signed the Declaration, felt the need, in exceptional circumstances, to withdraw certain concessions. In accordance with the procedures laid down at the Eighth Session the request of the Government of India had been referred to the Committee which had authority to examine the request and take a decision. The task of the Committee was, therefore, to examine the Indian request, to judge whether the circumstances were exceptional in the sense envisaged by the CONTRACTING PARTIES and to decide whether the Government of India should be authorized to enter into renegotiations on any or all of the nine items.

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Mr. SINGH (India) elaborated certain points in the Indian submission (SECRET/7) in support of his Government's request. In connection with the prolongation of the assured life of the Schedules, he had stated India's case both to the Working Party and to a plenary meeting of the CONTRACTING PARTIES. He had then explained in detail India's special difficulties which had developed since the concessions were originally negotiated. Therefore, while they were prepared to agree to the extension, they would find it necessary to apply to the CONTRACTING PARTIES for authority to renegotiate certain concessions. The CONTRACTING PARTIES had taken note of India's statement and had given an assurance that a request for authority to renegotiate would be sympathetically considered. It was on the basis of that assurance that India had signed the Declaration.

Only about 6 per cent of the duties in the Indian tariff were protective, while the remainder had fiscal aims and had always been a major source of revenue. There were also sales taxes in India but these were levied by the State Governments. The Central Government levied excise duties but not on imported goods and only on those articles which were produced in sufficient quantities to make the imposition worth while. His Government had fully explored the possibility of increasing unbound rates and had in fact raised the duties on forty or fifty items in the last two or three years. There being practically no scope for further additional revenue in that field, they had now to turn to the bound items. The list submitted had been very carefully scrutinized and kept to the absolute minimum. The need for increased revenue was very great; India had an ambitious but realistic five-year plan which aimed at raising the standard of living. But the Plan required vast resources for development projects in the public sector and for assistance in the private. In this context customs duties had an important part to play.

When these concessions were negotiated in 1947 it was expected that changes could be made under Article XXVIII after three years. It was now six years and the position had greatly altered. Certain anomalies had to be removed. For balance-of-payment reasons quantitative restrictions were still maintained; foreign exchange could not be afforded for non-essential and luxury items nor - quite apart from protective considerations - for items which could be produced in adequate quantities within the country. But quantitative import restriction coupled with a low import duty produced an anomalous situation in which the difference between landed cost and internal selling price became very conspicuous. Increased import duties would act as a corrective. Some domestic industries had developed markedly in the last six years, but in these cases the Government was guided by recommendations of the Tariff Commission. There was one such case among the nine items. Although there was now some domestic production of some of the other items as well, the need for revenue was the determining consideration. One item in the list bore a specific duty which was now too low both with regard to the nature of the commodity and the general level of duties applicable to goods of comparable character.

Mr. Singh then proceeded to illustrate briefly the reasons for each item in the request. In the proposed negotiations for the withdrawal of the concessions Indian was ready to explore all possibilities of offering other concessions in compensation. He said the request was urgent and that the negotiations, if authorized, could start immediately with those countries which were prepared. He expressed the hope that the contracting parties would give their full co-operation in this matter.

Mr. LECUYER (France) said he was very conscious of the difficulties confronting the Indian Government and he well remembered the discussion at the Eighth Session and the conditions on which Indian had agreed to sign the Declaration. He had no doubt that if it were proven that exceptional circumstances existed the Committee would decide in favour of India's request. The Committee should, however, take full account of the importance of the question; they were dealing with a new and difficult procedure arising out of a Decision of the CONTRACTING PARTIES and the utmost care should be exercised in taking their decision in view of the precedent which would be established. Turning to the substance of the matter, he was surprised to note that the case put forward by the Indian representative was based principally on fiscal grounds. It was difficult to see how duty increases on the items in question could substantially add to the revenue already derived therefrom. Consequently he wondered whether the matter was really so important as to warrant the action proposed. The Committee had no information as to the amount of revenue which the Indian Government expected to derive from the increase and he thought it would help if they could be told what duties were to be imposed on these items. In order that a decision might be taken by the Committee it was important that they should know what effect the proposed duty changes would have on Indian revenue and imports. Moreover, he wished to know whether India wanted to be entirely free with respect to these items or merely to make adjustments.

Mr. SINGH (India) agreed that the matter before the Committee was very serious and should be examined with care. His Government had hoped to submit their request at the time of the Eighth Session but had been unable to do so because they had not then completed their study of the whole question and did not wish to approach the CONTRACTING PARTIES until they had examined all the alternatives. He confirmed that in all cases but one the prime consideration was the revenue which his Government would derive from the duties. The Five Year Plan exerted such strong pressure on resources that the Government were hard put to find revenue for its implementation. As for the amount of revenue expected he was not in a position to answer at present, but would point out that in the circumstances in which they found themselves every small increment of revenue would help. As for the rate of duties envisaged for the items in question, he suggested that this was a matter which could better be dealt with in the negotiations as he did not know whether his Government had taken any decision.

Mr. COUILLARD (Canada) said the Committee had to consider not only the Indian case but also the General Agreement itself. The Agreement had been foremost in the minds of all when they were engaged in the difficult discussions on the rebinding of the Schedules at the Eighth Session. His Government considered that, although the concessions in the various Schedules were not perfectly balanced, some kind of equilibrium had been maintained which it was undesirable and even dangerous to alter except in the gravest circumstances. If relief was to be granted to a contracting party this should be done only after searching and thorough enquiry. The Committee had an obligation to consider the Indian request sympathetically, but above all, it had to protect the General Agreement. They should, therefore, examine the circumstances underlying the Indian request and ascertain whether they were of an exceptional nature and whether sound reasons existed for modification. After that, each item should be examined separately.

The Indian representative had said that conditions had changed since 1947 when the concessions were first bound. This, however, was a point which could be invoked by every other contracting party and, in a sense, with even stronger force by the more developed countries whose industries had moved ahead so rapidly in this period. He agreed that a binding of duties for a period of six years did give rise to the need for certain adjustments, but the Indian Schedule, again, in no way differed in this respect from those of other contracting parties. He did not contend that these arguments were not valid, but that by themselves they were not sufficient to prove the case for modification of items. The only other point raised by Mr. Singh in support of his Government's request was that based on the revenue requirements of his Government for the implementation of the Five Year Plan. He supported the request of the representative of France who has asked that the Committee be given some indication of the increase in revenue which the Indian Government expected to derive from the modifications in these duties. It would certainly be helpful if the proposed new levels of duty could be divulged, if not to the Committee, at least during the negotiations.

Mr. SINGH (India) agreed with Mr. Couillard on the importance of preserving the balance of the concessions and assured him that his Government would not have made their request if they had not found themselves in the urgent need to make adjustments. The period during which the concessions had been bound was one in which vast changes had taken place in India. At the beginning they had found themselves with a very rudimentary industrial structure and they were now engaged in a strenuous process of development. He repeated that he was not able to indicate what increase in revenue was envisaged; careful consideration had been given to the items before they were finally selected for modification and, taken together, the increase should be appreciable.

Mr. AZIZ AHMAD (Pakistan) said that this request was of the greatest interest to his Government because their position was very nearly the same as that of India. In consideration of the arguments put forth at the Eighth Session, his Government had agreed to bind their Schedule until the end of June 1955, but if

the Committee found that they could accede to the Indian request he had to say that his Government would consider carefully whether they would not also wish to make some adjustments in their Schedule. He was not sure what was meant by the Indian representative when he said that one of the Government's aims was to save foreign exchange; he could not see how this aim could be squared with that of an increase in revenue.

Mr. SINGH (India) said that the reference was purely incidental and that obviously when there was some domestic production the Government would be glad to save foreign exchange.

Mr. GREENWALD (United States) agreed with the Canadian representative in stressing the importance of the case and thought the words of the representative of Pakistan provided a clear illustration of the consequences which might follow. He attached importance to the principle of agreeing to renegotiations in exceptional circumstances, but he was also concerned with the "case for the GATT" as the Canadian representative had put it. The decision on this matter might have repercussions in his own country, which was at present engaged in a review of its foreign economic policy and, in particular, of its attitude towards the General Agreement. If the Indian request were acceded to he would call attention to the procedural requirements in the United States which would have to be satisfied. With regard to the information supplied by the Indian Government in document ~~SECRET~~/7 he wished to point out that there were some policy implications which he could not accept and the statistics did not give the whole story because of the existence of quantitative restrictions. He realized that the Indian representative was not at present in a position to indicate the level of duties which were envisaged by the Indian Government for the items under discussion, but he thought perhaps the Committee might be informed as to whether the new duties which would be imposed would be bound under the Agreement. Further, he would like to ask the Indian representative to indicate why their request had such an urgent character.

Mr. SINGH (India) replied to the representative of the United States that there was a real urgency in this case and that it was only because his Government wanted to restrict their request to the minimum number of items that they did not present it at the Eighth Session. As for the level of duty which would be imposed after renegotiation he was not in a position to give a reply. He would say, however, that, generally speaking, they would want a free hand on the nine items and were prepared to offer concessions on other items as compensation.

The CHAIRMAN communicated the following figures on Indian revenue:

	Year 1951-1952 (million Rs.)	Import duties on the nine items as a pro- portion of national revenues
Import duties collected on the nine items	12.1	
Total import duties collected	1,412.8	.86%
Total customs revenue (including export duties)	2,316.9	.52%
Total budgetary revenue of Union Government	5,153.6	.23%

Mr. GREENWALD (United States) recalled the statement by Mr. Singh in which he had spoken of a protectionist motive for the proposed increase on one of the items, and asked whether it would not have been possible for India to apply to the CONTRACTING PARTIES under Article XVIII.

Mr. SINGH (India) replied that the possibilities of acting under Article XVIII had been carefully scrutinized as had, for that matter, all other avenues, but he could say that there was only one case in which development considerations had been advanced and that was the case of the fifth item in SECRET/7. It had been thought, however, that this could be considered with the others.

Mr. HAGUIWARA (Japan) informed the Committee that he was under instructions from his Government to ask that Japan be co-opted as a full member of the Committee in view of its interest in the case before them. His Government were greatly interested in trade with India, and when they bound 90 per cent of their tariff, under the Declaration of 24 October 1953, they purposely included items which were of interest to Indian exporters. The Japanese Schedule, therefore, contained some concessions which might be considered as being granted directly to India. They were also substantially interested in some of the nine items under review and, therefore, his Government would wish to have an assurance that, if the Committee granted the Indian request, they would be consulted as a party having a substantial interest. He thought these facts would justify Japan's becoming a full member of the Committee for the purpose of the present discussion. However, if it were agreed that Japan had a right to be a member and that by giving up their right no precedent was established, he would not insist.

His Government had the greatest sympathy with the request, but was not quite clear about certain points. In the first place, the Indian delegate had said that they wanted a free hand on the items which would consequently be deleted from Schedule XII. Compensation, therefore, could not consist of bindings at the present level on other products because it would then not balance the withdrawals. On the other hand, if duties were reduced on other items the loss of revenue might offset the gain on the items withdrawn. He also wished to point out that in the statistics contained in document SECRET/7 it was clear that there were other suppliers besides those mentioned because the figures for total imports did not always coincide with the total of imports from the countries named.

The CHAIRMAN stated that the Committee was obliged to co-opt interested parties in accordance with paragraph 6 of the Report of the Working Party on the prolongation of the Schedules (G/54). Moreover, by a Decision of the CONTRACTING PARTIES of 23 October 1953, the CONTRACTING PARTIES had invited Japan to participate in the sessions of the CONTRACTING PARTIES and of subsidiary bodies. However, in order to deal expeditiously with the matter it would be opportune if the Committee were kept to a minimum. As observer, the representative of Japan was entitled to intervene in the discussion and not being a full member of the Committee would not affect Japan's rights when it came to negotiations.

Mr. SINGH (India) said that if the Committee should decide that Japan had a substantial interest in any of the items his Government would be pleased to consult with them. Unfortunately, the figures in his possession of Japanese exports to India were incomplete and he could give no precise reply as to the importance of Japanese trade in the items in question.

Mr. FUCITO (Italy) said that his Government was interested both in the principle involved and in particular items. The greatest care should be exercised in order to avoid setting a dangerous precedent. He agreed that, in accordance with the instructions of the CONTRACTING PARTIES, they should grant consideration to the request of the Government of India, but they should see that the circumstances in which the Indian Government found itself were truly exceptional. On his part he would be glad if the Government of India could seek alternative ways of solving their difficulty. It did not seem that a substantial increase in revenue, which appeared to be the object of the request, could be obtained by any increase of duties on these products. In fact, the possibility could not be ruled out that the higher duties might reduce imports to such an extent as to bring in less revenue than before.

Mr. VALLADAO (Brazil) said that his Government had no specific interest in the items but were greatly interested in the question of principle. The Committee was faced, on the one hand, with an undertaking by the Indian Government not to modify their rates of duty until 30 June 1955, and, on the other hand, with the request to authorize negotiations with a view to modification of nine rates of duty. His Government was in favour of accepting the Indian request. The Committee, therefore, should not be so much concerned about reconciling

different legal possibilities as to finding a practical solution which would give satisfaction to the Indian Government.

Mr. UEL (Czechoslovakia) wished to inform the Committee of the interest of his Government in certain items. If negotiations were held they would wish to consult with the Government of India.

Mr. SINGH (India) thanked the representative of Brazil for his remarks and in reply to the representative of Italy wished to assure him that the case had been taken most seriously in his country and that they had been at great pains to reduce the list to the very minimum. Their special difficulty arose out of the exceptional circumstances in which they found themselves. If the Italian or Czechoslovak Government had a substantial interest in any of the items his Government would be glad to consult.

Mr. RABAEUS (Sweden) stressed the importance of bearing in mind the objectives of the General Agreement. Many representatives were concerned about the danger of setting a precedent in this matter. He understood their apprehension, but did not feel that the decision of the Committee would necessarily constitute a precedent. The case was, by its very nature, an isolated one and no two such requests could possibly present sufficient similarities to be judged and decided upon in exactly the same manner. He also wished to emphasize that the undertaking of the CONTRACTING PARTIES to give sympathetic consideration to such requests should not be interpreted to mean that the decisions would always be favourable. It was his Government's understanding that the Committee must find the existence of exceptional circumstances before giving a favourable decision as otherwise the Declaration on the Continued Application of the Schedules would be worthless.

The CHAIRMAN then asked the Committee members whether they agreed, in principle, to grant the request of the Government of India.

Mr. AZIZ AHMAD (Pakistan) asked the Chairman whether a decision in India's favour would amount to acceptance by the Committee that the circumstances on which the request was based were exceptional.

The CHAIRMAN confirmed that a favourable decision by the Committee would imply that the circumstances had been recognized by the Committee as exceptional.

Mr. MACHADO (Brazil) said that, while he agreed with the Chairman's reply it was the view of his delegation that the exceptional circumstances were not the only reason for granting the request. There were other factors, such as the need for increased revenue, the need for protection and balance-of-payment requirements which were all very good grounds and contributed to creating the special situation of India. It was in this context that he would support a favourable decision.

Mr. LECUYER (France) agreed with Mr. Machado in so far as their decision should be based on a number of elements which characterized the case as a whole. It was in this sense that there could be no talk of precedent, because each case would be different.

Mr. COUILLARD (Canada) agreed with the previous speakers in that a precedent could only be established if two cases were identical, which could not happen in questions such as the one they were at present examining.

Mr. SINCLAIR (United Kingdom) expressed disagreement because, in his view, precedents had been set before, and the decision they were about to take could in future be taken as a precedent, though only with the greatest care. It would always be necessary to take account of all factors which contribute to the taking of a decision.

Mr. MACHADO (Brazil) asked the Chairman for a definition of "exceptional circumstances".

The CHAIRMAN replied that it was not possible to give a precise definition. In each case the CONTRACTING PARTIES or the Committee had to examine all the circumstances and after weighing them carefully determine whether, taken together, they were to be considered as exceptional.

The Committee then agreed, in principle, to authorize the Government of India to enter into renegotiations for the modification of the concessions listed in document SECRET/7.¹

The Committee then examined a draft report which had been prepared by the secretariat (IC/W/24 and Rev.1).

Mr. MACHADO (Brazil) proposed that the condition on which the authority was granted, namely that as a result of the negotiation the concessions in Schedule XII would be no less favourable to the trade of other contracting parties than those at present contained in that Schedule, should be replaced by the phrase which appears in paragraph 1 of Article XXVIII - the Article governing the case before them.

The CHAIRMAN replied that Article XXVIII did not apply to the present case, that the Committee was acting under the terms set out in the report of the Eighth Session Working Party (document G/54) which had been approved by the CONTRACTING PARTIES, and that the request of the Government of India for authority to renegotiate the nine items was being granted by the Committee under the powers delegated to it by the CONTRACTING PARTIES in paragraph 6 of that report.

¹ After the close of the meeting the Executive Secretary received a communication from the Cuban Government through its Consulate General in Geneva advising that it was not opposed to granting the authority requested by the Government of India.

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Mr. MACHADO (Brazil) maintained his view that the Article did apply and that it was the Committee's task to authorize the Government of India to operate under that Article which, in consequence of its signature of the Declaration on the Continued Application of the Schedules, it could not do without such an authorization.

The CHAIRMAN said the intention of the CONTRACTING PARTIES had been made perfectly clear; if they had intended that any dispensation which might be granted to a contracting party should result in the application of the provisions of Article XXVIII they would have said so and certainly would not have prescribed procedures which were at variance with those contained in that Article. Moreover, the CONTRACTING PARTIES had actually cited precedents, such as those of Pakistan and Brazil, which went back to 1948, and which could not be considered as falling under Article XXVIII. Furthermore, in the cases mentioned conditions had been imposed upon the requesting parties which were not contemplated by the Agreement, but which the CONTRACTING PARTIES were entitled to impose in granting special dispensation.

A discussion ensued in which, while Mr. Machado maintained his point that the phrase should reproduce the words of Article XXVIII, the Chairman's interpretation of the juridical aspect of the question, namely that Article XXVIII did not apply to the case before them, was supported by Mr. Garcia Oldini (Chile), Mr. Lecuyer (France), Mr. Sinclair (United Kingdom), Mr. Couillard (Canada), Mr. Aziz Ahmad (Pakistan), Mr. Fucito (Italy), Mr. Westerhoff (Netherlands), and Mr. Rabaeus (Sweden).

Mr. SINGH (India) also agreed with the Chairman's view, but hoped that no additional obligations would be imposed upon his Government in the negotiations and hoped that words similar to those in Article XXVIII could be used.

Mr. Garcia OLDINI (Chile) although he agreed with the Chairman's view, also felt that no new obligations should be imposed on India and, to meet the representative of Brazil, proposed the insertion of the words: "as far as possible".

Neither this formula nor another proposed by the Chairman were acceptable to Mr. MACHADO (Brazil) on the grounds that, if the same words as those of Article XXVIII were not used, then it was clear that something else was meant. He would, therefore, abstain on this point. He insisted that by imposing obligations not contemplated by the Agreement the Committee was going beyond its powers. He asked where such a provision as that under discussion could be found in the Agreement.

The CHAIRMAN repeated that the Committee was not operating under any specific provision of the Agreement but under the delegated authority of the CONTRACTING PARTIES. A procedure had been established on the basis of the precedents cited. The Committee, therefore, had a right to examine the case and decide the conditions on which the dispensation could be given. It was not necessary that

any conditions accompanying a decision of the Committee should be found in one of the Articles of the General Agreement, nor, for that matter, were there to be found anywhere in the Agreement specific provisions entitling the Government of India to renegotiate certain items notwithstanding the obligations incurred in signing the Declaration on the Continued Application of Schedules.

After the representatives of the United Kingdom and Australia had expressed their support of Mr. Oldini's amendment, the following text was approved by the Committee, with the abstention of Mr. Machado:

"The Committee granted the authority to enter into negotiations on the understanding that they would be conducted with a view to maintaining a level of concessions no less favourable to the trade of other contracting parties than those at present contained in Schedule XII."

Mr. FUCITO (Italy) proposed that the text should be so amended as to make it clear that, if after the end of the negotiations any government raised an objection and the Committee were convened, the Government of India would not be free to withdraw the item concerned until a decision had been taken by the Committee.

The CHAIRMAN replied that it was clear that, if an objection were lodged and the Committee were reconvened, no action could be taken by the Government of India on the item in question until the Committee had taken its decision.

The Chairman then invited the Committee to consider the determination of the contracting parties which should be deemed to be substantially interested in the items under negotiation and which would, therefore, have a right to be consulted by the Government of India. A number of members of the Committee and the observers of several other contracting parties pronounced their interest in certain items and Mr. SINGH (India) agreed that they would be consulted: their names were listed in the Committee's report. Several others and also the representative of Japan claimed an interest in certain items; Mr. SINGH stated in reply that the trade statistics in his possession did not show that these claims were warranted but he was ready to obtain further data and to discuss them privately.

The representatives of Australia and Sweden indicated that their Governments would not claim substantial interest in any of the items.

Mr. GREENWALD (United States) said he was not able to specify all the items in which the United States might have a substantial interest. A very important element in any determination of that kind was the selection of the base year upon which a judgement should be based. Quantitative restrictions influenced trade to such an extent that the import statistics had to be very carefully scrutinized before any decision could be taken.

Another point was raised by Mr. COUILLARD (Canada) who submitted that a country might not be greatly interested in any one of the items and yet might have a considerable interest in the group taken as a whole. The CHAIRMAN agreed that each contracting party had an interest in every other contracting party's Schedule, and, in this case, in Schedule XII as a whole; if, therefore, a government felt that it had no substantial interest in any one product but that its general interest in the nine products was substantial it could raise the question at an appropriate moment.

Mr. SINCLAIR (United Kingdom) said that any criteria which might be accepted in the present discussion for the determination of substantial interest should not be taken as constituting a precedent for such questions should always be determined on a case-by-case basis.

The CHAIRMAN agreed and pointed out that the Committee was proceeding empirically and that the question would be left with India and with the party claiming substantial interest. He was sure that both sides would wish to avoid recourse to the Committee. In any case they were not laying down any criteria for the determination of substantial interest.

Mr. GREENWALD (United States) wished to clarify some of the issues raised by the Indian submission. He said that his delegation could not accept the implications of certain statements in paragraphs 2 and 3 of SECRET/7; in particular, he could not agree that the removal of quantitative restriction should be dependent upon the level of import duties. Further, he wished it to be noted that these matters had not been discussed by the Committee.

Mr. LECUYER (France) agreed with the representative of the United States, but felt that any mention of the arguments in SECRET/7 in the Committee's report might lead to misunderstanding as to their importance. He did not think that the Indian Government meant to imply that they were bartering liberalization against higher rates of duty.

Mr. AZIZ AHMAD (Pakistan) thought that the Indian representative would agree that the Committee had given sympathetic consideration to their request. It was, however, important to record that a number of members of the Committee felt perturbed about the possible repercussions on the Agreement itself. The statement by the United States representative was an attempt to place on record that some aspects of the case were not to the liking of the Committee and that the Committee had gone to the furthest limit to accommodate the Indian request.

Mr. GREENWALD (United States) suggested adding in the report words to the effect that the decision of the Committee did not involve the acceptance by the Committee of any of the policy implications contained in document SECRET/7.

This was agreed.

Mr. SINGH (India) said that his Government's submission in document SECRET/7 was intended to illustrate the overall position of the country and that he had not intended to base his case on all the points raised therein.

The Report was approved, as amended.

Mr. SINGH (India) thanked the members of the Committee for the goodwill and understanding they had shown.

3. IMPORT RESTRICTIONS OF PERU

The CHAIRMAN informed the Committee that the Government of Peru had issued a decree in November 1953 whereby the importation of passenger cars and station wagons into Peru had been prohibited for a period of six months. The Executive Secretary, on seeing the press reports, had telegraphed to the Peruvian Government on 2 December, to enquire whether this restriction was imposed for balance-of-payment reasons and to suggest that if this was the case Peru should supply details to the CONTRACTING PARTIES in view of the consultation requirements in paragraph 4(a) of Article XII of the Agreement. In the absence of a reply, the Executive Secretary had written to the Peruvian Government on 15 January 1954 reminding it of the provisions of Article XII:4(a) and repeating the request for information. He had so far received no reply.

4. PROGRESS OF NEGOTIATIONS IN ATHENS

In reply to a question by Mr. Sinclair (United Kingdom) regarding the state of the discussions and negotiations between Greece and a number of contracting parties which had been arranged at the Eighth Session, the DEPUTY EXECUTIVE SECRETARY indicated that a summary record of the discussions which had taken place in Athens had been received. The attention of the Greek Government might now be drawn to the fact that the countries interested in the Greek negotiations will be present in Geneva from 5 April 1954 for the negotiations on the Indian item and that it might be convenient for the discussions initiated in Athens to be continued at that time. He said the Executive Secretary would write to the Greek Government.
