

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
Fifteenth Session

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SUMMARY RECORD OF THE FIFTEENTH MEETING

Held at the Sankei Kaikan, Tokyo, on
Tuesday, 17 November 1959, at 2.30 p.m.

Chairman: Mr. F. GARCIA OLDINI (Chile)

Subjects discussed:

1. Relations with Yugoslavia
2. Programme of meetings for 1960
3. The impact of commodity problems upon international trade - report of Working Party
4. Peruvian import charges - draft decision
5. Rhodesia and Nyasaland/Australia Trade Agreement
6. Application of Article XXXV to Japan
7. Relations with Poland - participation in tariff conference
8. Rectification of schedules

1. Relations with Yugoslavia

The CHAIRMAN recalled that, at the first meeting of the session, the delegation of Yugoslavia had been invited to participate in the work of the session, although the Declaration on Relations with Yugoslavia of 25 May 1959 had not yet entered into force. He went on to say that the Declaration had now been accepted by the required two-thirds of the contracting parties and that consequently both the Declaration and the Decision of 25 May 1959 were now effective. Hence the delegate for Yugoslavia now took his place at the table by virtue of the entry into force of the Decision.

2. Programme of meetings for 1960 (W.15/30)

The CHAIRMAN referred to document W.15/30 and Corr.1 submitted by the Executive Secretary. He added that the adoption of the proposed programme would entail only a small increase in expenditure as most of the meetings were already reflected in the budget for the coming year.

The EXECUTIVE SECRETARY said that the programme represented the extreme limit of what could be supported by the resources of the organization and he requested that contracting parties should not make any additional demands on the organization over and above those strictly necessary for the implementation of the programme.

Mr. PHILLIPS (Australia) said he understood that members of the Panel on subsidies and state trading would find it more convenient for their meeting to be held immediately after the Committee II consultations in February, instead of in April, providing that the necessary documentation was sufficiently advanced by that time.

Mr. PARBONI (Italy) said that he would prefer to see the general discussion in Committee II, at present scheduled for May, held at the end of the round of consultations; only at that time could a fruitful discussion, taking account of the results of all the consultations, take place.

Mr. JHA (India) expressed the concern of his delegation at the size and spread of the programme. There would be difficulties for some contracting parties in providing adequate representation at so many meetings. He suggested that the CONTRACTING PARTIES should show greater restraint in regard to the amount of work to be undertaken and that screening procedures should be devised so as to limit the amount of time spent on less important matters. He proposed that, perhaps at the next session, and as an integral part of the consideration to be given to the organizational and secretariat arrangements, the CONTRACTING PARTIES should examine the possibility of curtailing the time which government representatives had to spend at committee meetings etc., both inter-sessionally and during the sessions. To enable this examination to be usefully carried out it would be of great assistance if the Executive Secretary were to circulate a document on the subject of the organization's working methods. He would suggest that this point be borne in mind when documents for the next session were being prepared.

Mr. PHILLIPS (Australia) said that a general discussion in Committee II, shortly before the sixteenth session, as proposed in the programme, would permit the CONTRACTING PARTIES to review the progress which would have been made by that time and to consider the future work of Committee II. He agreed, however, with the representative of Italy that it would not be feasible to attempt to formulate a set of conclusions at the general discussion in Committee II scheduled for just before the sixteenth session.

Mr. PARBONI (Italy) said he could agree to a preliminary exchange of views in Committee II at the date suggested in the programme. It would have to be borne in mind, however, that it would not have been possible for the member Governments of the European Economic Community to have consulted with each other in the short time between the end of the Committee II consultations in April and the general discussions scheduled for May.

The EXECUTIVE SECRETARY said he saw no difficulty in advancing to February the date of the meeting of the Panel on subsidies and state trading, provided the necessary documentation was available at that time. He proposed that the Panel's meeting should be tentatively arranged for mid-February but that it should be left to him, in consultation with members of the Panel, to fix the final date for the meeting. He agreed with the representative of India that the question of possible procedures to reduce the burden of work on Government representatives which resulted from the length and frequency of meetings of Committees etc. was something which should be carefully studied in connexion with the review of the work of the organization.

The Chairman proposed that the programme of meetings contained in W.15/30 and Corr.1 be accepted with the modification proposed by the representative of Australia. The observations made by the representative of India would also be taken into account.

This was agreed.

3. The Impact of Commodity Problems upon International Trade - Working Party Report (L/1103)

The CHAIRMAN recalled that, at the thirteenth session, a Working Party was established to prepare the annual review by the CONTRACTING PARTIES of trends and developments in international commodity trade. This review was carried out annually by the CONTRACTING PARTIES under the Resolution of 17 November 1956. The Working Party had met during the present session and had submitted its report in document L/1103. The Chairman pointed out that the review of the impact of commodity problems was to be carried out on the basis of the relevant documentation, taking particular account of the report submitted by the CONTRACTING PARTIES' nominee as Chairman of ICCICA.

Mr. JUDD (United Nations) said that he had been asked by Sir Edwin McCarthy, Chairman of ICCICA, to express his regret that he had been unable to attend the present session. The Chairman's report, contained in document L/1047, also took into account the views of the other members of ICCICA. The report was in two parts; in paragraphs 1-19, the Chairman drew attention to certain selected important aspects of commodity problems. The second section, from paragraph 20 onwards, supplemented the information contained in ICCICA's annual report. The material would continue to be brought up to date on a regular basis in the United Nations publication Recent Commodity Developments.

Mr. KASTOFT (Denmark), Chairman of the Working Party, said that the Working Party's report summarized the principal developments in international commodity trade in 1957 and 1958 and in the first months of 1959. The most important part of the analysis carried out by the Working Party was contained in chapter II of the report, which dealt with the impact of fluctuations in commodity prices on primary producing countries. As the report showed, while fluctuations in world economic activity affected trade and prices of primary products, the national policies pursued by both importing and exporting countries also had an important influence and could, in some cases, be a decisive factor in determining the trend of trade and price levels. Having noted the various forms of international machinery, including the GATT, dealing with commodity problems, the Working Party had pointed to the facilities for bilateral and multilateral consultations offered by the General Agreement and, in its conclusions, the Working Party had again emphasized the availability of these procedures. Mr. Kastoft said he wished to draw particular attention to paragraph 37 of the conclusions, and to the last sentence of the report, in which the Working Party had expressed the view that, because of the basic importance of the issues concerned and the extent to which these issues impinged on the General Agreement, they merited constant scrutiny by the CONTRACTING PARTIES.

Mr. BEALE (United States) said that the picture revealed by the report was on the whole encouraging, despite the severe decline in many commodity prices and in the export earnings of many primary exporting countries in the period 1957/58. In the case of many primary commodities there had already been a significant recovery in price and, in the overall picture, an increased volume of sales had often offset the drop in prices. While there was reason to hope that the recent period would prove to have been no more than a temporary reversal in the growth of the export earnings of primary exporting countries, there were some cases where the weakness of the market resulted from the maladjustment of supply and demand; this situation was however being constantly examined by governments with the aim of bringing about the restoration of the necessary balance between supply and demand. In addition, very important work programmes were being carried out by such bodies as the United Nations Commission on International Trade and by the three committees set up by the CONTRACTING PARTIES under the programme for the expansion of trade. Further, it was relevant to note what was being done by international action to help the primary producing countries diversify their economies and to assist them during periods of balance-of-payments difficulties. His Government considered that these combined efforts would enable progress to be made in tackling the important problems involved.

Mr. OAKLEY (Australia) said that the Working Party report made it clear that a high level of economic activity in the industrial countries was essential to high levels of commodity trade. This in itself was not enough, however; in certain cases the moderation of restrictive measures, both tariff and non-tariff, in some countries, and a reduced emphasis on encouraging uneconomic production, was equally essential and in the case of some commodities was the decisive factor. In this respect the Australian delegation considered paragraph 21 of the report to be much too weak and equivocal. Australia had frequently expressed its serious concern regarding price support policies. These could have disastrous effects upon the operation of normal supply and demand factors and could result in a reduction in import demand and in the creation of temporary or chronic surpluses. In the view of the Australian delegation, the report also failed to lay sufficient stress on the role which international action could play in moderating excessive fluctuations in commodity prices. The existence of these problems must have an adverse effect on the attainment of the objectives of the General Agreement and they should be continually to the fore in the deliberations of the three committees set up under the programme for the expansion of trade and in the day-to-day work of the CONTRACTING PARTIES.

Mr. da SILVA (Brazil) said that the report brought out the unfavourable situation which had, in the recent past, existed in international commodity markets for producers and exporters. His delegation welcomed the suggestions in paragraph 35 of the report and, in particular, the emphasis placed on the use of the consultation procedures under Article XXII. In connexion with paragraph 37 of the report, in which reference was made to the IMF, Mr. da Silva said that Brazil had already made specific proposals to the IMF aimed at making changes in its machinery for giving support and compensatory financing to offset disequilibria arising from fluctuations in primary commodity prices. Having referred to the importance which Brazil attached to the type of international co-operation referred to in section IV of the report, he pointed to the

statement at the end of paragraph 34 of the report regarding the importance of increasing the export earnings of the primary exporting countries. His delegation did not entirely share the optimism expressed by the representative of the United States. The changes in the situation regarding particular commodities did not give to primary exporting countries an assurance that they would receive the stable income necessary for the maintenance and acceleration of their development programmes.

Mr. HUGHES (United Kingdom) said that the United Kingdom had always considered that the CONTRACTING PARTIES should concern themselves with the question of the impact of commodity problems on international trade. The situation in commodity trade was, at the present time, more favourable than it was when the CONTRACTING PARTIES undertook their review at the thirteenth session. The prospects for the future, likewise, were also more favourable and, in this respect, he found himself in closer agreement with the representative of the United States than with the representative of Brazil. Although in the first half of 1959 prices were on the average 4 per cent lower than in the same period of 1958, an increased volume of sales had enabled the primary exporting countries to increase their total export earnings. The tendency for prices to remain reasonably firm and for the volume of sales to increase was a healthy sign and one which it would be desirable to see continue in the long run. His delegation felt that there was a good prospect that the second half of 1959 would see an increase in the export prices of primary commodities generally; the volume of sales also was likely to continue to rise. There was no one solution to the many problems involved. Several international organizations were dealing with these problems and it was the view of the United Kingdom that the CONTRACTING PARTIES, with their experience and expertise in trade matters, were particularly able to deal with the trade aspects of commodity problems. His delegation fully supported the conclusions in the report and attached particular importance to the points made in paragraph 37.

Mr. PHILIP (France), having referred to the different situation existing in international commodity trade at the present time as compared with last year, said that the revival in world economic activity was now having a favourable effect on the export earnings of the primary exporting countries. An improvement in 1960 in the prices of a number of primary commodities was likely. In commenting on the Working Party's report, Mr. Philip said he felt that the Working Party had perhaps been too cautious on the subject of the important role which international commodity agreements might play in the future. He pointed to some of the advantages which had accrued from existing international commodity agreements and, in this connexion, mentioned the Coffee Agreement which France had signed with Latin American countries and the new Tin Agreement which would be negotiated in 1960. In the view of his delegation, international commodity agreements for tropical products and for a certain number of minerals could offer real advantages.

The CHAIRMAN proposed that the CONTRACTING PARTIES should take note of the Working Party's report and that individual contracting parties should note particularly the Working Party's conclusions (paragraphs 36-39 of the Working Party's report (L/1103)). The Chairman also said that the Working Party would meet again early in the seventeenth session to prepare for the review to be carried out at that session.

This was agreed.

4. Peruvian Import Charges (W.15/34)

The CHAIRMAN recalled that at an earlier meeting the CONTRACTING PARTIES had examined the report of the Peruvian Government under the Decision of 21 November 1958. In the course of the discussion it was pointed out that certain margins of preference on unbound items had been increased and that the Decision of 10 November 1958 should accordingly be amended. For this purpose a draft decision had been circulated by the secretariat in document W.15/34.

The Decision was adopted by thirty-four votes in favour, none against.

Mr. de la FUENTE LOCKER (Peru) thanked the CONTRACTING PARTIES for approving the draft decision, thus permitting the Government of Peru to continue the implementation of its present programme of economic stabilization. He expressed his belief that the result of these measures would justify the action of the CONTRACTING PARTIES.

5. Rhodesia and Nyasaland/Australia Trade Agreement (L/1009, L/1038)

The CHAIRMAN recalled that, at the fourteenth session, the CONTRACTING PARTIES agreed (SR.14/10) to grant to the Governments of the Federation of Rhodesia and Nyasaland and of Australia a further extension of the time-limit for the completion of the process of adjustment of preferences in their trade agreement. The Government of Australia had notified the proposed adjustments in its preferences on 28 May 1959 (L/1009) and the Government of the Federation of Rhodesia and Nyasaland on 24 August 1959 (L/1038). The Decision of 3 December 1955 required that sixty days should elapse before any such adjustments were made effective and that the contracting party proposing to make the adjustments should consult with any contracting party which claimed to be substantially affected by such adjustments, with a view to reaching a mutually satisfactory solution. The sixty-day period had now elapsed and, as far as was known to the secretariat, no contracting party had requested consultations with the two Governments concerned.

The Chairman proposed that the CONTRACTING PARTIES should take note of the fact that the process of adjustment had been completed.

This was agreed.

6. Application of Article XXXV to Japan

The CHAIRMAN recalled that, at recent sessions, the representative of Japan had reported on consultations between his Government and those governments which continued to have resort to the application of Article XXXV in their relations with Japan. At the fourteenth session it was agreed that this item should appear on the agenda of the present session.

Mr. HAGUIWARA (Japan) recalled that Japan, having acceded provisionally to the General Agreement in 1953, acceded fully in 1955. At that time, fourteen contracting parties invoked Article XXXV against Japan. Although, since then, India and Brazil had ceased to have recourse to Article XXXV the number still remained at fourteen, as a result of the accession to the General Agreement of recently independent countries which had inherited the right to invoke Article XXXV. Having expressed Japan's understanding for the economic problems of newly developed countries, Mr. Haguiwara expressed the view that Article XVIII already provided an adequate framework within which solutions to these problems could be found. A study of some of the measures which had already been taken or which could be taken under Article XVIII would demonstrate to the countries concerned that they had no need to resort to Article XXXV in the case of a single contracting party which was already industrialized. Having said that, it would appear that the "hard core" of the problem of Article XXXV was the invocation of the Article by certain more industrialized countries which, it would seem, had

in general apprehensions about the possible disruptive effects on their markets of the entry of certain Japanese goods. He was convinced that these apprehensions were unfounded. In this connexion he referred to Japan's trade relations with countries, such as the United States and Canada, which had not invoked Article XXXV. Although at times there had been difficulties, Japan's trade relations with these countries had in general been very satisfactory. In the past five years the United States had had recourse to Article XIX against Japan on two occasions in respect of certain relatively unimportant Japanese products. Apart from these two instances, all cases of this kind had been settled satisfactorily for both parties through consultation and, in certain cases, by voluntary control of exports by Japan. This system of control had given generally satisfactory results and was a means of putting into effect the policy of his Government which aimed at an orderly expansion of international trade. Japan's experience with those countries applying full GATT treatment to Japan demonstrated that, given moderation and goodwill, the occasional difficulties in regard to certain products which arose could be resolved within the framework of the General Agreement.

If the CONTRACTING PARTIES considered it opportune to study the general question of the sudden increase in the importation of particular products from certain countries his delegation would be happy to participate, although such a study should not delay efforts to resolve Japan's particular problem. Having pointed out that his Government intended to redouble its efforts and to speed up its consultations with the fourteen countries still invoking Article XXXV, Mr. Haguiwara said that Japan had been greatly encouraged by the statements of a large number of ministerial representatives at the beginning of the session. In conclusion, Mr. Haguiwara requested that this item be retained on the agenda for the sixteenth session of the CONTRACTING PARTIES.

Mr. BEALE (United States) said that his delegation fully supported the position of the representative of Japan and wished to underline the strong statement made during the Ministerial meetings by Mr. Dillon. He hoped that, during the present visit to Japan, other delegations, like the United States delegation, had been impressed by the importance of trade to Japan. His delegation congratulated the Indian and Brazilian delegations on the forward steps which their Governments had taken; they also welcomed the fact that other governments were seriously reconsidering their positions. His delegation hoped that the governments concerned would remove their recourse to Article XXXV at the earliest possible moment.

Mr. WARREN (Canada) said that his Government welcomed the growth of trade between Canada and Japan within the framework of the General Agreement. It was true that certain problems had arisen, but in friendly and constructive consultations and discussions it had been possible to resolve these problems. It was important from the point of view of the principle of equal treatment for all members of the GATT that recourse to Article XXXV should be

discontinued as soon as possible. It was also important from the purely commercial point of view. If it were true that exports from Japan might give rise to problems in the case of certain products, it was equally true that these problems would present less difficulty if world markets were open to Japanese exports. If, on the other hand, only some contracting parties permitted access to their markets, the problem of import competition was intensified.

Mr. KLEIN (Germany) said that for three years his delegation had stressed that there was a general problem underlying the invocation of article XXXV, and that this problem urgently required a solution in the interests of all contracting parties. Although the Federal Republic had not itself invoked article XXXV, certain problems relating to the importation of Japanese goods had arisen and the Federal Republic was studying methods of meeting this problem with the Japanese Government. The importation of Japanese goods and the resultant competition with domestic products had had certain good effects. In some instances it had contributed to the stability of prices and it had urged German industries to make further technical and commercial progress.

Mr. BOSSMAN (Ghana) regretted that his Government still found it necessary to invoke article XXXV in the interests of domestic industries. Japanese goods were, however, admitted at most-favoured-nation rates into Ghana, and the Ghana Government followed a liberal policy in the allocation of funds for trade with Japan. He hoped that, as a result of the bilateral negotiations which took place some days ago between the Ghana trade and goodwill mission and the Japanese Government, progress would be made towards a solution to the problem.

Mr. de la FUENTE LOCKER (Peru) said that Peru was among the first of the contracting parties to support Japan's accession to the General Agreement. It was prepared to support fully any steps which could be taken and which tended to eliminate recourse to article XXXV. His delegation hoped that the present restrictive measures taken against Japan by certain contracting parties would be removed at the earliest possible moment.

Mr. HUGHES (United Kingdom) said that, when the United Kingdom had announced its intention of invoking article XXXV in 1955, it had stated that it was its aim to maintain a high level of trade between the sterling area and Japan, and that it was the hope of the United Kingdom that trading relations between the United Kingdom and Japan, and Japan's trading relations with the rest of the world, would develop in such a way as to permit the United Kingdom and colonies to apply the GATT provisions fully in their trade with Japan. In point of fact in nearly all the colonies imports from Japan were admitted almost without restriction, while United Kingdom imports from Japan were almost half as much again as in 1955. A considerable advance had been made towards improvement in the mutual trade between the two

countries. The United Kingdom did, however, recognize the great importance which Japan attached to the question of the application of Article XXXV by the United Kingdom. The matter had been discussed by Mr. Kishi with Mr. Macmillan when Mr. Kishi was in London this year, and the subject was now being studied in conjunction with the remaining problems relating to the proposed Anglo-Japanese commercial treaty.

Mr. MCFARLANE (Rhodesia and Nyasaland) said that, as his delegation had stated at previous sessions, the Federal Government was prepared to negotiate arrangements for increased trade between Japan and the Federation, but so far no satisfactory arrangement had been concluded. His delegation had had discussions on this subject during the present session with Japanese officials, but so far these discussions had been inconclusive. He hoped to be able to report more favourably at the sixteenth session.

Mr. van OORSCHOT (Netherlands) said that his delegation, at the last three sessions, had expressed the willingness of the Benelux countries to investigate the extent to which Japan's wishes in regard to Article XXXV could be met. The investigation which had taken place had revealed certain fundamental difficulties which had made increasingly apparent the fact that a solution to the problem would have to be found on a multilateral basis. In this connexion, the proposal made by Mr. Dillon (United States) during the Ministerial meetings was of considerable interest. The Benelux countries did not, however, intend to wait until a general solution had been found within the GATT and they hoped to seek temporary arrangements which could promote trade between them and Japan.

Mr. van Oorschot then pointed out that, while the Benelux countries' imports from Japan had shown a steady increase, their exports to Japan had shown a corresponding decrease. In this connexion, while welcoming Japan's recent liberalization measures, he wondered whether Benelux goods were as easily obtainable in Japanese shops, as were Japanese goods in Dutch shops. In conclusion Mr. van Oorschot pointed out that the application to Japan of Article XXXV by the Benelux countries did not have a serious effect in practice. His delegation held the view, however, that every effort should be made to solve the problem on a multilateral basis as quickly as possible.

Mr. TOUCH KIM (Cambodia) said that the question of the invocation of Article XXXV by Cambodia would be regularized during the forthcoming discussions in connexion with a trade agreement between Japan and Cambodia. His delegation had been instructed to begin negotiations with Japanese Government experts with a view to working towards a draft trade agreement. His delegation expected that these bilateral discussions would have results satisfactory to both countries.

Mr. SUJAK BIN RAHIMAN (Malaya) said that the question of the invocation of Article XXXV by Malaya was being given serious consideration by his Government. Preliminary trade talks with Japanese officials had taken place a few months ago, and the question of the invocation of Article XXXV by Malaya had been discussed although, in fact, the invocation of Article XXXV had not had unfavourable effects on trade with Japan. No agreement with Japan had been reached during these preliminary discussions, but final discussions would take place next year, and the question of the invocation of Article XXXV would receive the most serious attention.

Mr. MORIARTY (New Zealand) said that when the bilateral agreement between Japan and New Zealand had been signed in September 1958, his Government had stated that within three years from that date it would investigate the possibility of extending full GATT treatment to Japan. This intention would be carried out and discussions would in due course take place with the Japanese Government. Mr. Moriarty went on to say that, during the fourteen months of the operation of the agreement, New Zealand had extended full most-favoured-nation treatment to Japan. He added that in that period New Zealand had not had to request Japan to take any action to limit its exports to New Zealand.

Mr. PHILIP (France) said that he regretted that France was not yet ready to remove its application of Article XXXV to Japan. This was certainly not due to a lack of goodwill. Further, France was very conscious of the advantages which would accrue from the development of its trade with Japan. The desire to reinforce its commercial ties with Japan had been demonstrated by the broadening of the trade agreement between the two countries and by the expected effects of the liberalization list which had recently been published and which covered Japanese imports including products in which the trade was important. Whilst, therefore, the question of France's goodwill was not in doubt, its continued application of Article XXXV could only be explained by the existence of a real problem and by the serious risks which free access for Japanese goods to the French market could cause for certain essential French industries. These risks had their origin in factors and conditions existing in Japanese industry and applied equally in the case of certain other countries in the process of development. It was normal to seek for Japan and countries in a similar situation a way of increasing their exports while, at the same time, ensuring that this increase did not have serious disruptive effects on the markets of importers. In his view, it was unsatisfactory to have to choose between the invocation of Article XXXV on the one hand and the full application of GATT on the other hand. A more realistic and flexible way of dealing with the matter was desirable.

Mr. TNANI (Tunisia) said that Japan had a right to the same advantages and obligations as other countries within the GATT. His Government was ready to examine sympathetically any multilateral or bilateral steps which might be taken in this matter and which took full account of the principle of non-discrimination.

Mr. PHILLIPS (Australia) said that in July 1957 Japan and Australia has signed a treaty of commerce; largely due to the treaty an expansion of trade between the two countries had taken place. Under the treaty Australia extended most-favoured-nation tariff and licensing treatment to Japan. There was, therefore, no discrimination in so far as Japanese imports into Australia were concerned, and Japan was free to compete with other most-favoured-nation countries. In return Japan had accepted certain commitments in regard to access for Australian goods to the Japanese market. The treaty of commerce provided for discussions to take place before July 1960, with the object of exploring the possibility of applying full GATT treatment to the trade between the two countries.

Mr. VASSILIOU (Greece) said that, as the representative of Greece had stated during the Ministerial meetings, Greece had never discriminated against Japanese imports; on the contrary it had endeavoured to favour these imports. However, Greece expected Japan to show the same understanding insofar as Greek imports into Japan were concerned, and he hoped that the Japanese Government would make every effort to achieve a more satisfactory balance in the trade between the two countries.

Mr. JHA (India) said that the discussions had revealed recognition of the fact that the invocation of Article XXXV in regard to Japan by so many contracting parties was not only a matter of concern as between those contracting parties and Japan, but also to the CONTRACTING PARTIES as a whole. This common concern arose, not only because of the fund of goodwill towards Japan, but also because of the concrete consideration that such problems as there might be in disinvoking Article XXXV were likely to be reduced as more countries withdrew their recourse to the article. His delegation were aware of the difficulties and apprehensions which other countries had in this matter. India itself had applied Article XXXV to Japan for a period of time although, even at that time, it had given Japan the treatment which it would have received if India had not invoked Article XXXV. India's experience had been that no problem had, in fact, arisen which could not have been dealt with within the framework of the General Agreement. His delegation had been heartened by the fact that some contracting parties were already giving de facto treatment to Japan, even though they were invoking Article XXXV. His delegation hoped that this situation was of a transitory character which would soon resolve itself, and that the period of transition would be as short and smooth as possible.

The CHAIRMAN said that the debate had again revealed the difficulties and complexity of the problems involved. It had also revealed a desire to find a solution to these problems. He proposed that the item should be included on the agenda for the sixteenth session of the CONTRACTING PARTIES.

This was agreed.

7. Relations with Poland - Participation in Tariff Conference (L/1049)

The CHAIRMAN directed attention to the communication which had been received from the Government of Poland and circulated in document L/1049. He called upon the representative of Poland to present his Government's proposal.

Mr. AUGUSTOWSKI (Poland) said that his Government was prepared to implement the provisions of paragraph 1, Part A of the Declaration on Relations between the CONTRACTING PARTIES to the General Agreement and Poland, which looked to an expansion of trade on the basis of mutual advantage. For this purpose his Government was prepared to offer minimum import commitments in exchange for tariff concessions at the tariff conference in 1960-61. He expressed the hope that contracting parties would show interest in this proposal. Such negotiations would not deviate substantially from the accepted rules for negotiations. Poland did not have a customs tariff but any minimum import commitments negotiated would constitute firm undertakings by his Government. This type of arrangement would enable other countries to establish a share for their products in the Polish market. Although contracting parties might not yet be prepared to discuss this proposal in detail, it might be useful to arrange preliminary discussions during the intersessional period with countries interested.

Mr. BEALE (United States) said that his delegation felt that in view of the fact that the Decision regarding Poland had only been taken recently it would be premature to attempt to reach a conclusion on the Polish request at this meeting. The CONTRACTING PARTIES might agree that those contracting parties which were interested in the offer of the Polish Government should use the opportunity between now and the sixteenth session to consult directly with the Government of Poland. He proposed that the Polish request be considered again at the sixteenth session.

Mr. PARBONI (Italy) said that the type of negotiations envisaged by the Polish Government were of a complex nature and, therefore, he supported the proposal that the question be taken up again at the sixteenth session.

The CHAIRMAN suggested that contracting parties which wished to take advantage of the offer by Poland to negotiate minimum import commitments against tariff concessions should consult directly with the Government of Poland and that the question be included on the agenda of the sixteenth session.

This was agreed.

8. Rectification of Schedules (W.15/33)

The CHAIRMAN drew attention to document W.15/33 which recalled the reference made by the Executive Secretary (SR.15/11) to the lengthy delays experienced in the entry into force of the protocols of rectification and modification to the schedules to the GATT which had been drawn up annually by the CONTRACTING PARTIES. The Executive Secretary's note described the alternative procedure of "certification" which had been agreed upon at the eleventh session, but which had not become effective because of the delay in the unanimous acceptance of the protocol amending article XXX.

The Chairman enquired whether the contracting parties agreed to instruct the Executive Secretary to proceed in future in accordance with the proposal put forward in paragraph 4 of document W.15/33. If so the secretariat would proceed accordingly.

This was agreed.

The meeting adjourned at 5.5 p.m.