

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.17/9  
29 November 1960

Limited Distribution

CONTRACTING PARTIES  
Seventeenth Session

Page 118/119

## SUMMARY RECORD OF THE NINTH MEETING

Held at the Palais des Nations, Geneva, on  
Friday, 18 November 1960, at 10 a.m.

Chairman: Mr. BARBOSA DA SILVA (Brazil)

	<u>Page</u>
<u>Subjects discussed:</u>	
1. Declaration on relations with Poland	118/119
2. Accession of Argentina	121
3. Peruvian import charges	125
4. Programme of meetings for 1961	128

### 1. Declaration on relations with Poland - entry into force

The CHAIRMAN said that the Declaration of 9 November 1959 on relations between contracting parties and the Government of Poland had entered into force on 16 November 1960, by which date it had been accepted by two thirds of the contracting parties. The Declaration having entered into force, the Decision also adopted by the CONTRACTING PARTIES on 9 November 1959 had likewise entered into force. Under the Decision the Government of Poland was invited to participate in sessions of the CONTRACTING PARTIES and in meetings of subsidiary bodies established by the CONTRACTING PARTIES.

The Chairman congratulated the Government of Poland on the entry into force of the Declaration and the Decision and invited the representative of Poland to take his seat at the table.

Mr. AUGUSTOWSKI (Poland) said that his delegation strongly believed that Poland's relations with contracting parties would contribute to a better mutual understanding and to a further expansion of trade. There would be ample opportunities in the future for the principles embodied in the Declaration to be applied. Poland's interest in the work of GATT was well known and he hoped that the participation of his delegation in that work would enable Poland to make a full, practical contribution to the aims of GATT.

Mr. KLUSAK (Czechoslovakia), welcoming the entry into force of the Declaration, said that Poland's association with the GATT was a recognition of its persistent efforts to develop international co-operation in the field of trade. His delegation were convinced that this association, and the fruitful co-operation between Poland and contracting parties which would result, would lead in the near future to Poland

becoming a full member of GATT. Stressing the extent to which Poland had developed its national economy over the last fifteen years, Mr. Klusak said that market opportunities in Poland were being offered to an increasing number of countries throughout the world. It was, therefore, appropriate that the basic GATT principles of equality and most-favoured-nation treatment should be applied fully to Poland.

Mr. SUBARDJO (Indonesia) warmly welcomed the entry into force of the Declaration and Poland's participation in the work of the CONTRACTING PARTIES.

Mr. PHILIP (France) expressed his delegation's great satisfaction that Poland was now more closely associated with GATT. Poland's participation in the work of GATT would, he hoped, lead to increasing co-operation between Poland and the CONTRACTING PARTIES.

Mr. KRUNIC (Yugoslavia), in warmly congratulating Poland on the entry into force of the Declaration, said his delegation hoped that this represented a further step towards the universality of GATT and its ability to adapt itself to the different types of economic systems in the world.

Mr. TNANI (Tunisia) welcomed the association of Poland with the GATT which, he was certain, would lead to positive results.

Mr. GARCIA OLDINI (Chile) recalled that, at an earlier meeting, he had drawn attention to the interest his delegation had in seeing closer collaboration within the GATT between countries with different economic systems. The same considerations applied in the case of Poland with whom Chile had ties of long standing.

Mr. WARREN (Canada) welcomed the association of Poland with the work of the GATT.

Mr. TREU (Austria) expressed the warm satisfaction of his delegation that Poland would now be participating in the work of the CONTRACTING PARTIES, not only because of the significant role that Poland played in world trade but also because of the importance which Austria attached to the further development of its trade with Poland.

Mr. PARBONI (Italy) said that the extent of Italy's trade relations with Poland and the traditional ties between the two countries made Poland's association with the work of the GATT particularly welcome from the point of view of his delegation.

Mr. MATHUR (India), in welcoming the entry into force of the Declaration, said that India had always supported the broadening of GATT's membership so as to strengthen its role in the field of international trade and economic co-operation.

Mr. KYDIS (Greece) expressed the warm satisfaction of his delegation on the entry into force of the Declaration.

Mr. ADAIR (United States) said that his delegation were pleased that the Declaration had entered into force and they joined in welcoming the Polish representatives.

Mr. PHILLIPS (Australia), in welcoming Poland's association with the work of the CONTRACTING PARTIES, said that Australia looked forward to the development, within the GATT, of the same effective and useful relations with Poland as it had had in the past outside the GATT.

Mr. DE BESCHE (Sweden) expressed the satisfaction of his delegation at the entry into force of the Declaration. This, he hoped, would increase still further the traditional volume of trade between Sweden and Poland.

Mr. RIZA (Pakistan) said that his country had friendly and cordial trade relations with Poland. He welcomed the entry into force of the Declaration which, he hoped, would develop these relations still further.

Mr. GOLAN (Israel) joined in welcoming the participation of Poland in the work of the CONTRACTING PARTIES.

Mr. DE LA FUENTE LOCKER (Peru) associated his delegation with the satisfaction expressed by other delegations on the entry into force of the Declaration.

Mr. CUHRUK (Turkey), in welcoming the participation of Poland in the work of the CONTRACTING PARTIES, said he was sure that this association would represent a further step towards the more universal application of the GATT.

Mr. HAGUIWARA (Japan) offered the congratulations of his delegation to Poland on the entry into force of the Declaration.

The CHAIRMAN, at the conclusion of the discussion, said that the statements which had been made would indicate to the representatives of Poland the warm welcome given by contracting parties to the entry into force of the Declaration and to Poland's participation in the work of the CONTRACTING PARTIES.

## 2. Accession of Argentina (L/1368)

The CHAIRMAN said the report of the Working Party on the Accession of Argentina was contained in document L/1368.

Mr. SAVINI (Italy), Chairman of the Working Party, said that the aspects of Argentina's commercial policy which had been particularly examined by the Working Party were tariff questions, preferences, quantitative restrictions, State trading, agricultural policy and export subsidies. The delegation of Argentina had informed the Working Party of the advanced stage reached in the preparation of a new customs tariff based on the Brussels Nomenclature; there was no possibility, however, of the new tariff receiving parliamentary approval in time for Argentina to participate in the 1961 tariff negotiations. Nevertheless, in the unanimous view of the Working Party, this should not preclude the provisional accession of Argentina covering the interval before tariff

negotiations could take place, the more so as Argentina had agreed to accept a time-limit for this provisional status, namely 31 December 1962. Commenting on preferences between Argentina and certain neighbouring countries, Mr. Savini said that it was provided in the declaration that the elimination of these preferences would not be required, notwithstanding the provisions of Article I, provided that they did not exceed the levels in effect on the date of the declaration. In conclusion, Mr. Savini explained other features of the draft declaration and decision annexed to the Working Party's report which, together with the report, were submitted for consideration by the CONTRACTING PARTIES.

Mr. VALLADAO (Brazil), having referred to the high quality of Argentina's participation in other international organizations, stressed the advantage which would result from Argentina's participation in the work of the GATT. In particular, it would have an important contribution to make to the work of Committees II and III, not only because of its significant rôle in international trade but also because of its position as an important exporter of agricultural products. His delegation were very happy to support the proposals of the Working Party which, they hoped, would be a prelude to Argentina's early full membership of the GATT.

Mr. LACARTE (Uruguay) said that his delegation had looked forward for a long time to Argentina's entry into the GATT. Argentina was a most important trading nation and its absence hitherto had meant an important gap in the ranks of the contracting parties. This situation was happily now being corrected.

Mr. GARCIA OLDENI (Chile) expressed his personal satisfaction and that of his delegation at Argentina's decision to seek accession to GATT. He said that Argentina's presence among the contracting parties would strengthen GATT's position, particularly in Latin America. It would also enable Latin America to enhance its contribution to GATT's activities and play an increasingly important part in the consideration of problems before the CONTRACTING PARTIES.

Mr. DE LA FUENTE LOCKER (Peru), in very warmly congratulating the delegation of Argentina, said that Argentina's membership would both strengthen and broaden GATT's field of action.

Mr. ADAIR (United States) said that, hitherto, the fact that Argentina had not been a contracting party had weakened GATT's claim to represent on a comprehensive basis trading countries with market economies; quite apart from the emergence of the Latin American Free Trade Area, therefore, the United States greatly welcomed Argentina's initiative. As regards the Latin American Free Trade Area, the consideration of this by the CONTRACTING PARTIES had been, and would continue to be, greatly facilitated by Argentina's presence. While it was disappointing that Argentina's customs tariff would not be approved in time to permit its participation in the 1961 tariff negotiations and that its full accession would accordingly be delayed, his delegation were hopeful that this situation would be rectified within the next two years. In conclusion, Mr. Adair said that his delegation fully supported the adoption of the draft decision and looked forward to accepting the declaration.

Mr. PHILLIPS (Australia) said that his delegation likewise welcomed Argentina's provisional accession and looked forward to the time when Argentina could become a full GATT Member. He felt that Argentina's presence in the GATT would help to strengthen the position of those contracting parties which were endeavouring to make the GATT a more effective instrument for furthering trade in agricultural products.

Mr. ANIEL-QUIROGA (Spain) said that his delegation warmly welcomed the coming accession of Argentina.

Mr. HARTOGH (Netherlands), speaking on behalf of the Member States of the EEC, warmly welcomed the provisional accession of Argentina. The commercial relations between the countries of the Community and Argentina had always been of particular importance and it was their hope that Argentina's accession to the GATT would further benefit these relations.

Mr. TREU (Austria) said that his delegation likewise welcomed the provisional accession of Argentina and were happy to support the adoption of the draft decision. He also expected to sign the declaration, subject to ratification, before the end of the session.

Mr. DE BESCHE (Sweden), in welcoming Argentina's participation in the work of the GATT, said that his delegation likewise supported the adoption of the draft decision before the CONTRACTING PARTIES.

Mr. GOLAN (Israel) welcomed Argentina's provisional accession which, he was confident, would not only strengthen the GATT but would also contribute to the cordial relations which existed between Israel and Argentina.

Mr. WARREN (Canada) associated his delegation with the welcome given to Argentina's provisional accession. They looked forward to the day when Argentina would become a full GATT Member.

Mr. CUKRUK (Turkey) said that Argentina's participation in the work of the CONTRACTING PARTIES would be a further step forward in giving GATT more universal application. His delegation looked forward to Argentina's full accession at an early date.

Mr. MATHUR (India) said he wished to join the other representatives who had spoken in welcoming Argentina's decision to seek admission to the GATT. His delegation supported the draft declaration and looked forward to the early participation of this important trading nation in the activities of the CONTRACTING PARTIES.

Sir Edgar COHEN (United Kingdom) said the fact that Argentina had not been a contracting party had always been a source of weakness in the GATT. His delegation very warmly welcomed Argentina's provisional accession and hoped that the introduction of its new tariff and its subsequent tariff negotiations with contracting parties would take place as soon as possible so as to enable Argentina to move towards full GATT membership.

Mr. HAGUIWARA (Japan) also warmly welcomed Argentina's provisional accession. Japan and Argentina had important trade relations and he hoped that the provisional accession of Argentina, followed subsequently by its full accession, would further these trade relations and contribute to the attainment of the GATT objectives.

The CONTRACTING PARTIES approved the draft declaration in Annex II of document L/1368, providing for the provisional accession of Argentina, together with the draft decision inviting Argentina to participate in the work of the CONTRACTING PARTIES, by thirty-two votes in favour and not against. The report as a whole was approved.

The CHAIRMAN then invited the representative of Argentina to take his place at the table.

Mr. ZAEFERER TORO (Argentina), having made reference to the Declaration providing for his country's provisional accession to GATT, said that the objectives which inspired the GATT coincided with those underlying Argentina's traditional economic and commercial policy in international trade. His Government wished to become a full GATT Member but the fact that Argentina's new customs tariff was not yet completed, thus precluding the possibility of tariff negotiations for the time being, made it necessary to envisage provisional accession for an interim period. The extent to which Argentina would apply the GATT during that period would be seen from the Declaration. Mr. Zaeferer Toro went on to say that, as the final tariff was subject to approval by Parliament, it would be understood that he could give no firm commitment as to when this process would be completed.

Mr. Zaeferer Toro then referred to the spirit of understanding and solidarity in the GATT which took full account of a country's national independence, its geographical position and its traditional ties of friendship with other countries on the same continent. All this was reflected in the terms of the Declaration covering Argentina's preferences with neighbouring countries, its reciprocal trade with Bolivia and its rights as a participant in the Latin American Free Trade Area. His Government had taken the decision to accede to the GATT because of its support for the principle of non-discrimination in trade and because of its conviction that the use of restrictions eventually had adverse effects on the country applying them. Likewise, to try to confine trade between countries within a certain area could have serious consequences because of the social and political implications which would result from the inability of outside countries to earn sufficient from their exports to finance their economic development. In conclusion Mr. Zaeferer Toro thanked the CONTRACTING PARTIES for the warm welcome his Government's application had received.

The CHAIRMAN, in congratulating the delegation of Argentina, expressed his personal satisfaction at the decisions just taken by the CONTRACTING PARTIES. Argentina had close ties with many contracting parties and would play an important rôle in the GATT.

3. Peruvian import charges (L/1334/Rev.1)

The CHAIRMAN recalled that by the Decision of 21 November 1958, the CONTRACTING PARTIES granted to the Government of Peru a waiver from the provisions of Articles I and II to permit the maintenance of certain surcharges on imports. This was granted as "an emergency measure designed to overcome the existing threat to monetary reserves and to ensure the success of the stabilization programme". Under the terms and conditions attached to the waiver, the Government of Peru was required to submit an annual report on action taken to reduce or eliminate the surcharges and to consult with the CONTRACTING PARTIES as to the nature of its balance-of-payments difficulties, etc. The first annual report was received by the CONTRACTING PARTIES at the fifteenth session; the report was discussed in a plenary meeting and it was then agreed that the discussion should constitute the "consultation" required by the Decision.

The Chairman then drew attention to document L/1334/Rev.1 containing the second annual report by the Government of Peru and suggested that a discussion in the present plenary meeting should constitute, as a year ago, the consultation required by the Decision. The report also contained a request for an extension of the waiver.

Mr. DE LA FUENTE LOCKER (Peru) said that the improvement in Peru's economic situation since the beginning of the year had been due to the energetic measures taken by his Government in collaboration with the Central Reserve Bank. Having described some of these measures, which covered the monetary, financial and fiscal fields, Mr. de la Fuente Locker said that at the same time particular attention had been paid to increasing the exchange reserves of the Central Bank, which at the present time amounted to almost \$37 million. While this represented a significant improvement compared with 1958, when the reserves fell dangerously low, these nevertheless still remained vulnerable in view of the needs of the country. As a less-developed country exporting primary commodities and importing capital goods, manufactures and essential foodstuffs like wheat, meat and fats, it continued to be essential for Peru to be able to count on a favourable level of export receipts so as to build up its reserves of foreign exchange to the equivalent in value of at least two or three months' imports.

Mr. de la Fuente Locker pointed out that, as was indicated in his Government's report (L/1334/Rev.1), the import surcharges had also contributed to the improvement in Peru's economic situation. However, given the importance of the fiscal sector in the economy of a less-developed country, it was essential to ensure a budgetary balance between public receipts and expenditure. Unavoidable public expenditure had to be offset by an increase in fiscal receipts from direct and indirect taxation and not by inflationary measures. Thus the disappearance of a fiscal measure, such as the import surcharges for example, could have detrimental effects, possibly leading to new inflationary tendencies. Such considerations called for caution on the part of the Government and the need to avoid any abrupt change in the fiscal régime. Further, it should be remembered that, although this was not intended, the surcharges had inevitably had a protectionist effect in the commercial and manufacturing industry sectors; here again an abrupt change would be undesirable.

However, despite the surcharges, there had been a considerable increase in Peru's imports, which indicated that the export interests of contracting parties had not been prejudiced. On the other hand, the considerable increase in Peru's exports could enable the country's economy to be established on a sound foundation, although this depended essentially on the stability of commodity prices and on the policies of importing countries insofar as these affected Peru's main exports. Mr. de la Fuente Locker then mentioned another consideration. Peru had specific import duties and the surcharges represented an increase in these specific duties; bearing in mind the appreciation in the Peruvian sol of about 43 per cent since 1953, the incidence of Peru's specific duties had diminished in the same proportion.

Mr. de la Fuente Locker said it was not possible to contemplate exempting only the items in Peru's GATT Schedule from the surcharges. The products covered by the Schedule represented more than 50 per cent of the value of Peru's total imports; it would be inequitable to give these items preferential treatment and the distortion in the pattern of imports which would result would be prejudicial to the traditional pattern of Peru's imports generally. The progressive removal of surcharges by groups of products was the best solution and, as would be seen from the report before the CONTRACTING PARTIES, the Government of Peru had already taken an important first step in this direction.

In conclusion, Mr. de la Fuente Locker said that, in the light of the considerations he had just outlined in supplementing his Government's report, Peru was requesting the CONTRACTING PARTIES to grant an extension of the deadline of 21 November 1958 for a period of three years.

The CHAIRMAN said that, as the consultation with Peru concerned balance-of-payments difficulties etc., the CONTRACTING PARTIES were required, under Article XV, to consult with the International Monetary Fund.

Mr. LEBFARD (International Monetary Fund) said that the Fund had transmitted to the CONTRACTING PARTIES the Executive Board's decision relating to the last consultation with Peru under Article XIV of the Fund Agreement and the background material prepared in connexion with that consultation. The Fund had also supplied a supplementary paper, dated 7 October 1960, to supply background information on recent developments. With respect to the substance of the matter before the CONTRACTING PARTIES, the stabilization programme of the Government of Peru had been implemented vigorously and had met with success. The attainment of a high degree of internal and external stability had permitted the withdrawal of some of the surcharges which had been levied under the CONTRACTING PARTIES Decision of 21 November 1958. The Fund believed that, if the situation should continue to remain favourable in the months ahead, it should be possible to find ways to withdraw the remaining surcharges without endangering the stability of the Peruvian economy or the level of its foreign exchange reserves.



Mr. GARCIA OLDINI (Chile) expressed his delegation's support for Peru's request in document L/1334/RGV.1 for an extension of the time-limit. Chile had had experience of the type of difficulty which was involved when a less-developed country attempted to restore its economic equilibrium. The Government of Peru had made considerable efforts and its action in removing a significant number of the import surcharges demonstrated its wish and intention to eliminate the surcharges progressively.

Mr. BUTLER (United States) said that his delegation wished to commend the Government of Peru for its action in removing in June 1960 the surcharges on a considerable number of items. Mr. Butler went on to say that the basic purpose of the waiver was to serve as an emergency measure to overcome the threat to Peru's monetary reserves and to ensure the success of its stabilization programme. From what the Fund representative had just said, this purpose appeared to have been achieved. His delegation were therefore somewhat disappointed to see a request for more time to deal with the remaining surcharges. If the CONTRACTING PARTIES had not been so hard pressed for time at the present session, his delegation would have been inclined to suggest that a working party be established to consider the request. On the other hand, they did understand the technical difficulties involved in dismantling a system of surcharges once established, and the need for time to deal with them. His delegation were, therefore, sympathetic to the needs of the Government of Peru and were prepared to agree to an additional period of one year to meet these technical difficulties; they would, however, expect the remaining surcharges to be gradually abolished during that period.

Sir Edgar COHEN (United Kingdom) said that he supported the statement made by the representative of the United States which coincided with the views of the United Kingdom delegation.

Mr. WARREN (Canada) said that, in view of the statement of the representative of the IMF, the CONTRACTING PARTIES could reasonably expect the surcharges to be eliminated within a period considerably less than three years. His delegation recognized, however, that it took a little time for the necessary adjustments to be made once emergency measures of this sort had been in force; they would, therefore, support the idea of the progressive dismantlement of the surcharges and the extension of the waiver for one year only.

The CHAIRMAN suggested that, as at the fifteenth session, the discussion which had taken place should be regarded as the consultation with the Government of Peru provided for in the waiver. Contracting parties had expressed their readiness to grant Peru an extension of the waiver, but most of the representatives who had spoken considered that the extension should be for one year only. He proposed that the Executive Secretary should prepare a draft decision accordingly, for consideration at a later meeting.

This was agreed.

4. Programme of meetings for 1961 (W.17/39)

The EXECUTIVE SECRETARY having referred to the need for a modification in document W.17/39 so as to give more time for meetings of the Committee on Balance-of-Payments Restrictions, said that he wished to comment on the omission in document W.17/39 of any provision for a meeting of the CONTRACTING PARTIES in the spring of 1961. He fully recognized the importance of the contacts made between trade officials at sessions of the CONTRACTING PARTIES, but the difficulties and speed of work involved in a three-week session were increasing and precluded the proper consideration of the important issues which were coming before the CONTRACTING PARTIES. Acceptance of the proposal would not involve a decision of principle by the CONTRACTING PARTIES; the substantive question of whether there should be two sessions each year would be considered by the CONTRACTING PARTIES at some later stage.

The Executive Secretary said that, in making the proposal, he had also been influenced by the fact that contracting parties would have delegations, including senior officials, in Geneva for the 1961 tariff negotiations. Should it be necessary to convene a special session of the CONTRACTING PARTIES to deal with matters going beyond the competence of the Council it would, therefore, be easier to arrange this than in normal years. It should also be noted that a rather longer Council meeting had been provided for in May to compensate for the absence of the spring session of the CONTRACTING PARTIES, while the autumn session had been extended from three to four weeks.

In conclusion, the Executive Secretary said that, in his view, there should be no change in the budgetary appropriations if the proposal to hold one session only in 1961 was accepted. Apart from the possibility of having to convene a special session of the CONTRACTING PARTIES, the extra burden of work which would devolve upon the Council might require the Council to meet more frequently than had been provided for.

Mr. GARCIA OLDINI (Chile) said he agreed that it was very difficult to accomplish in three weeks all the important tasks which confronted the CONTRACTING PARTIES. He had also noted the Executive Secretary's statement that any decision to hold only one session of the CONTRACTING PARTIES in 1961 would not be a decision of principle and that it would not prejudice the CONTRACTING PARTIES' consideration of the substantive question in the future. Nevertheless, he had some difficulty with the Executive Secretary's proposal, as he failed to see how the work of the CONTRACTING PARTIES, which could be accomplished only with great difficulty in two three-week sessions, could be more easily accomplished in one session of four weeks. He appreciated that, when the Council had been established, the CONTRACTING PARTIES had envisaged the possibility of returning to one session a year in due course, but he thought it had been recognized that it would be necessary to wait a while so as to be able to judge, in the light of experience, the extent to which the Council did in fact reduce the burden on sessions of the CONTRACTING PARTIES.

Mr. HAGUIWARA (Japan) said that, while Japan favoured a considerable delegation of responsibility to the Council thus permitting a return to one session a year, it was doubtful whether the Council had been established long enough to enable this to be achieved in 1961. Further, in view of the changes in the Administrations of certain contracting parties, it was for consideration whether there might not be particular advantages in having a spring session in 1961, possibly at Ministerial level. However, his delegation were prepared to support the views of the majority on the question. Should, however, it be decided to hold only one four-week session in the autumn of 1961, it was important that very thorough preparatory work for the session should be done by the Council. It might also be necessary to add a few extra days to the session to provide for a Ministerial meeting.

Mr. PHILLIPS (Australia) said that Australia also attached considerable importance to the Council as a step towards increasing the effectiveness of GATT. Nevertheless, his delegation felt that further consideration needed to be given to the question of the type of work and activities the Council could best undertake. For this reason, his delegation would have seen merit in an earlier meeting of the Council than was envisaged in document W.17/39 and would support a meeting of the Council in February. In the view of his delegation the Council should, at its next meeting, undertake a comprehensive review of the work of the CONTRACTING PARTIES and submit proposals to the eighteenth session concerning the future rôle of the Council. He, like the representative of Japan, looked forward to the time when it would be possible to return to one session of the CONTRACTING PARTIES a year but he, likewise, had doubts as to whether the time had yet arrived for this to be done. He hoped, however, assuming that the Council got fully into its stride during 1961, that it might be possible to return to one session a year from the end of 1961.

Mr. GRANDY (Canada) said he felt it was premature to judge the effectiveness of the Council by the results of its first meeting. The Council could not assume greater responsibilities unless it were given really important functions to carry out. His delegation considered it would be an incentive to the Council if it knew that, during its meeting in May, it had to dispose of whatever minor items it could and carry through the preparatory work for the autumn session of the CONTRACTING PARTIES in such a way that the CONTRACTING PARTIES would be able to complete their tasks at that session without undue difficulty. His delegation strongly supported the Executive Secretary's proposal to dispense with the spring session in 1961 without prejudice, of course, to the future consideration of the substantive question by the CONTRACTING PARTIES.

Sir Edgar COHEN (United Kingdom) said that he, like other representatives, doubted the wisdom of dispensing with the spring session of the CONTRACTING PARTIES in 1961. Very important questions might arise at about that time in connexion with the Tariff Conference, and the stocktaking and review which might well be necessary should be carried out by the CONTRACTING PARTIES rather than the Council, which would not be in a position to add materially to the guidance already available from the Tariff Negotiations Committee. The desirability of dispensing with the spring session in 1962 could be looked at later in the light of the situation obtaining at that time.

Mr. BRUNET (France) said that his delegation agreed with the views expressed by the representative of Canada. 1961 would be a critical year for the Council. There was a danger, if really important tasks were not entrusted to the Council until 1962, of the Council being transformed into what amounted to an Intersessional Committee. His delegation, therefore, supported the Executive Secretary's proposal that there should only be one session of the CONTRACTING PARTIES in 1961.

Mr. SWAMINATHAN (India) associated his delegation with those representatives who doubted the wisdom of dispensing with the spring session of the CONTRACTING PARTIES in 1961. More experience of the working and effectiveness of the Council was necessary before the decision to return to one session a year could be made.

Mr. RIZA (Pakistan) said he agreed with the representative of the United Kingdom that important developments in connexion with the Tariff Conference during the first half of 1961 might require the attention of the CONTRACTING PARTIES. Further, important developments were also likely to arise in connexion with some of the questions which the CONTRACTING PARTIES had been discussing at the present session and it was doubtful whether the CONTRACTING PARTIES would wish to wait for twelve months before discussing themselves these developments. 1961 was likely to be a very important year for the GATT and he considered that it was necessary for there to be two sessions of the CONTRACTING PARTIES during that year.

Mr. SUBARDJO (Indonesia) supported the views expressed by the representative of the United Kingdom. It was desirable to have more experience of the work and effectiveness of the Council before deciding only to have one session of the CONTRACTING PARTIES a year.

Mr. FERERA (Ceylon) likewise supported the views put forward by the representative of the United Kingdom, adding that, in the case of Ceylon, there was the further consideration that it had not been possible for Ceylon to provide adequate representation on the Council to enable it to become a member of the Council.

Mr. KLEIN (Federal Republic of Germany) said that his Government had hoped that the Council would be able to dispose of many minor items, thus enabling the CONTRACTING PARTIES to deal with the really important items in one session of three or four weeks each year. However, he recognized the validity of the point of view expressed by the representative of the United Kingdom and by other representatives. He therefore wondered whether the answer might not be for the CONTRACTING PARTIES to meet in the spring of 1961 and for the autumn session to be dispensed with.

Mr. ADAIR (United States) said that his delegation also looked forward to one session of the CONTRACTING PARTIES a year. However, on balance, his delegation favoured a session of the CONTRACTING PARTIES in the spring of 1961. This would still give the Council a chance to prove its effectiveness by doing the necessary preparatory work for the session and by making it easier for the CONTRACTING PARTIES to complete their task within the three-week period.

Mr. DE SMET (Belgium) said that he also felt that the ultimate aim should be to have one session of the CONTRACTING PARTIES each year. While, however, sympathizing with the views put forward by the representatives of Canada and France regarding the need to give the Council the maximum authority possible, he felt it would be wise to have two sessions of the CONTRACTING PARTIES in 1961, particularly as this would not affect the budget appropriations for that year.

Mr. HARTOGH (Netherlands) said that the decision was a difficult one but that, on balance, his delegation were inclined to support the proposal of the Executive Secretary for one session in 1961.

Mr. DE ERSCHKE (Sweden) said that, while agreeing with the views about the Council expressed by the representatives of Canada and France, his delegation felt that the United Kingdom representative had demonstrated the probable need for a session of the CONTRACTING PARTIES in the spring of 1961. His delegation therefore supported the view that there should be a session at that time.

The CHAIRMAN proposed that, in the light of the discussion, a final decision on the programme of meetings for 1961 should be taken at a later meeting.

This was agreed.

The meeting adjourned at 12.40 p.m.