 Subjects discussed:  
1. Probable date for closing the Session  
2. Restrictive business practices  
3. Votes required for granting waivers  
4. Trade restrictions of orthopaedic equipment  

1. Probable date for closing the session  

The CHAIRMAN reported that he had discussed with the chairmen of the various working parties and with the secretariat, the progress that had been made thus far in the session and the work that remained to be done. The conclusion had been reached that noon, Thursday, 22 November, could be taken as a firm limit for the duration of the session, though every effort would be made to finish before that date. It had been calculated that this should allow sufficient time for all the working parties to complete their assignments and to finalize their reports for submission to the CONTRACTING PARTIES. It should also allow a sufficient number of plenary meetings to deal with the remaining items on the agenda and to receive and adopt the reports from working parties. However, if all the work of the session was to be completed by that date it was essential that the work of the working parties should go forward at meetings and in consultations between delegations as rapidly as possible.

2. Restrictive business practices (L/551, L/568 and Corr. 1 and 2)  

The CHAIRMAN announced that two proposals had been submitted on this question. The delegation of Norway proposed that the CONTRACTING PARTIES should clarify the position in these questions and with that end in view should appoint an intersessional working party (L/568). The delegation of the Federal Republic of Germany proposed that the CONTRACTING PARTIES should take a decision
recognizing that business practices which restrict competition might have prejudicial effects on the trade of contracting parties and requiring governments upon request to enter into consultations on these matters (L/551).

Mr. THAGAARD (Norway) said that it was generally recognized that restrictive business practices in international trade might have harmful effects. This referred especially to international trusts and cartels which could, by the use of measures in the restraint of trade, cause great injuries to the economic development of countries and hamper the expansion of world trade; it was highly important therefore to establish some control of their activities in foreign trade. He said it was generally accepted that both national action and international cooperation were needed in order to deal effectively with such harmful practices and he pointed out that the relevant provisions in Chapter 5 of the Havana Charter related to both the activities of the organization and to the obligations of its members. He referred to the committee appointed by the Economic and Social Council to make proposals with regard to the control of restrictive business practices and to the report submitted by that committee in February 1953. As pointed out in document L/568 the Council had been waiting for comments from the GATT, and, on the other hand, the CONTRACTING PARTIES had postponed their discussions pending a final decision by the Council. His delegation held the view that the CONTRACTING PARTIES should arrive at some conclusion and inform the ECOSOC. The CONTRACTING PARTIES would first have to consider the fundamental question of whether or not they should undertake controlling activities in this field and then to what extent they should charge themselves with the control. A comprehensive study of these problems should be made before the CONTRACTING PARTIES start their final considerations and as this preparatory work would take some time, his delegation proposed the appointment of an intersessional working party to examine the problems involved and to make recommendations to the CONTRACTING PARTIES in time for consideration at the next session. Mr. Thagaard pointed out that the adoption of this proposal would not imply any obligations for any contracting parties. Its aim was to create a basis for discussion at the next session. In conclusion he stressed that the establishment of an effective control of restrictive business practices in international trade was essential to secure fair economic relations between the contracting parties to GATT.

Mr. GUNTER (Federal Republic of Germany) recalled that in 1954 his delegation had proposed that the CONTRACTING PARTIES consider the problem of restrictive business practices within the framework of GATT and he stated that, since then, knowledge of their harmful effects had been enlarged by experience. His Government therefore thought that the CONTRACTING PARTIES should consider the problem with a view to finding some solution, particularly since the ECOSOC had expressed its apprehension of the harmful effects of such practices on international trade and had asked the CONTRACTING PARTIES to give their views on the proposals of its committee. The proposal by his Government (L/551) went a little farther than the Norwegian proposal in suggesting a decision by the CONTRACTING PARTIES to provide a procedure for consultation between governments. It was not unlike the Norwegian proposal however, in that it suggested the CONTRACTING PARTIES reconsider the problem.
thoroughly, and by consultation, endeavour not only to find out where trade was being affected, but also to arrive at some mutual understanding. He supported the proposal by the representative of Norway that the Intersessional Committee or a working party be instructed to study the problem, but his delegation thought that the proposal by his Government should be considered in conjunction with the Norwegian proposal.

Mr. HAGEN (Sweden) said the problems relating to restrictive business practices had been discussed for many years in various international organizations but a commonly acceptable solution was still a long way off. His delegation was of the opinion that the GATT was the right forum for further discussions on this question and welcomed the Norwegian proposal which was worth studying in detail. As there were complicated issues involved, his delegation suggested the appointment of a working party to study the Norwegian and German proposals and report thereon to the CONTRACTING PARTIES by the end of this session.

Mr. AUGENTHALER (Czechoslovakia) said that his delegation would have no objections if the effects of the activities of these enterprises were studied. However, he had certain misgivings about the wording of the proposal by the German Government, and would like it to be clear that the draft decision did not relate to state trading enterprises operating under Article XVII.

Mr. ALPHIPE (France) said that his Government had participated actively in the discussion of this question by the ECOSOC to examine whether international action could suppress the harmful effects of such practices. The conclusion had been reached that present circumstances did not lend themselves to effective international action and that it remained for individual governments to take steps to alleviate the problem. He referred to the disparities between existing national legislation and said that, if governments were to undertake commitments to counter the harmful effects of restrictive business practices, enterprises in countries with legislation against restrictive practices would be at a disadvantage compared with those in countries with little or no legislation. This was the main reason why the ECOSOC had felt in 1955 it was not possible to arrive at any agreement and had recommended that governments continue their efforts through their national legislation. His Government believed that the CONTRACTING PARTIES represented the most qualified international body to deal with such practices and would be ready to agree to procedures with a view to reaching an agreement if it thought that agreement could be achieved; unfortunately, the unfavourable circumstances reported by ECOSOC seemed to be still existent and if the Norwegian proposal was accepted it might lead to the same impasse. On the other hand, the German proposal was of narrower scope and it would be useful to set up such consultative procedures as a means of cooperation and perhaps coming to some parallelism of legislation which could lead to the more effective action envisaged in the Norwegian proposal. His Government therefore supported the German proposal.

Baron BENTINCK (Kingdom of the Netherlands) said that his Government shared the concern expressed on the lack of appropriate international machinery to deal with the harmful effects of restrictive business practices and thought that the GATT was the appropriate forum to consider this matter. He doubted whether the bilateral approach of the German proposal would serve the required purpose and preferred the multilateral approach of the Norwegian proposal. He was uncertain, however, whether there was a sufficient prospect of agreement
on the substance of the matter, and whether the CONTRACTING PARTIES could re-activate the ECOSOC as outlined in the Norwegian draft resolution, though he reaffirmed his support for the general line of thinking behind the proposal.

Mr. GUNDELACH (Denmark) said that his delegation fully supported the Norwegian proposal and recalled that other countries, including Denmark, had made similar proposals at the Ninth Session. His Government still felt the need for a solution to the problem on an international basis and thought the CONTRACTING PARTIES were the appropriate body to consider the question. He supported the proposal by the representative of Sweden for the establishment of a working party to study the problem and report at this Session, but he was also prepared to support the suggestion of a review by the Intersessional Committee.

Mr. PEREZ-CISNEROS (Cuba) said that his Government believed that restrictive business practices had harmful effects on economic development, the level of employment and international trade, and had always welcomed any proposal tending to control these practices through international cooperation. His delegation believed that the GATT was the proper forum to deal with this problem and this fact should be clearly stated to avoid any possible misunderstanding. He supported the Norwegian proposal which might make it possible for provisions for the effective control of restrictive business practices to be included in the GATT. However, he thought that the Norwegian proposal should be strengthened by an additional paragraph in which the CONTRACTING PARTIES recognized the harmful effects of restrictive business practices and, pending a final decision on this subject, made provision for governments to enter into consultations and take any possible measures to eliminate prejudicial effects of such practices.

Mr. NORWOOD (United States) said that his Government had a tradition of opposition to restrictive business practices; domestic anti-trust legislation dated back to the last century. It was against this background that the United States had taken a keen interest in the possibility of eliminating restrictive practices which adversely affected international trade, and had played an active role in recent years to reach some international understanding on the question. The basic difficulty encountered in the attempts to reach some international control agreement, which was clearly brought out at the ECOSOC in May 1955, was that the various countries did not share a sufficiently common economic philosophy with respect to such practices and did not have comparable legislation and enforcement programmes. Unfortunately, the situation had not changed sufficiently since that time for his Government to believe that international agreement could be reached now. With a view to developing a basis for a solution, his Government urged that other governments continue their efforts to develop effective domestic procedures against restrictive practices and oppose, by existing means, the harmful restraints to international trade resulting from such practices.

His delegation had read the German proposal with great interest as the United States Government believed that consultation among governments on restrictive business practices was a useful means of encouraging action to eliminate the harmful effects of specific practices, as well as an important means of narrowing the differences in policy among nations on this subject. However, his Government had not yet had time to study the German proposal and, therefore, his delegation had not received any final instructions.
Mr. SIMONET (Austria) said that his delegation felt that restrictive business practices could have harmful effects on international trade and that this question was well within the competence of the CONTRACTING PARTIES. The GATT was therefore the most appropriate body to study the effects on international trade, which, in view of the complexities involved, should first be dealt with on an international level. For these reasons his delegation supported the Norwegian proposal and suggested that a group of experts be appointed to deal with the particular problems to be investigated. He supported the setting up of an Intersessional Working Party and thought it essential that all contracting parties be invited to participate.

Mr. POLLARD (United Kingdom) thought that the GATT would be the proper place for such an agreement when it was reached. He supported the remarks by the representative of France that the only effective action contracting parties could take at present would be through internal legislation to control restrictive business practices in their own countries, and therefore his Government would welcome such moves by countries which now had laws on this matter. The Norwegian proposal envisaged supra-national action rather than an agreement to implement existing legislation, while the German proposal was in bilateral terms and did not attempt to approach the problem on a multi-lateral basis. He did not think the time was ripe to tackle the problem again, but would not oppose any further study by the Intersessional Committee or a working party.

Mr. MATHUR (India) did not think the time was ripe for concerted international action on this matter. The pattern of international trade was rapidly changing for India, and a state trading organization had been established for economic reasons. His Government, therefore, would have to consider the problem carefully but would support any proposal for further study.

Mr. GARCIA OLDINI (Chile) recognized both the harmful effects of restrictive business practices and the competence of the GATT to take up such problems. He did not think that the initiative for action should rest on individual countries and expressed the view that collective action would be needed if concrete results were to be obtained. He supported the setting up of an intersessional working party but considered that its terms of reference should be wider and more flexible than those suggested in the Norwegian proposal. This working party could take account of the viewpoints of experts, as suggested by the representative of Austria, and could draw up proposals, for consideration by the CONTRACTING PARTIES, based on the means and possibilities of achieving effective collective action, flexible enough to take account of all circumstances.

Mr. NAUDE (Union of South Africa) shared the views expressed that the GATT was the right framework to consider the problem but felt that the differences in the character and scope of national legislation were important considerations. However, he doubted whether the time was ripe for the GATT to undertake such a task; it seemed unwise to impose an additional burden on GATT at the present time. He had no objections to the Intersessional Committee reviewing the matter but thought it might be more realistic to adopt the German proposal for intergovernmental consultation before developing further methods of tackling the problem.
Mr. ISBISTER (Canada) said that Canada also had considerable experience in dealing with restrictive practices. He agreed with the views expressed that there might well be harmful effects on international trade and recognized the difficulties of defining the circumstances where this was the case. The discussions that had taken place in recent years had shown, however, that the question of control of restrictive business practices was still in the early formative stage, and that it was too soon to reach an agreement between governments and to administer it effectively to suppress the harmful effects. He recalled the history of tariff reduction and the slow evolution of new ideas and methods, and said that it would be unrealistic to assume that progress in the field of restrictive business practices would be any faster. There were two approaches to the problem - a negative and a positive approach. The negative approach consisted of action through domestic legislation, but this alone would not be sufficient, and must be supplemented by a positive approach, that of ensuring every opportunity for competition, as the forces of international competition were a powerful instrument if allowed to work.

Mr. THAGAARD (Norway), in replying to the statements made by some delegates that the time was not ripe for establishing control of restrictive business practices in international trade as many countries had insufficient domestic legislation concerning the control of trusts and cartels, said that it was necessary to keep apart two different questions with respect to such legislation. The first was the question of legislation relating to control of trusts and cartels which operated on the domestic market without in any way affecting international trade. In his view the countries which based their economy mostly on private enterprise should maintain close control of restrictive business practices on the domestic market; however, this was a question of internal policy and it was up to the governments themselves to decide whether and to what extent they should introduce control in this field. In this connexion he drew attention to the fact that there were very few domestic trusts and cartels in most of the underdeveloped countries. But, as for the control of restrictive business practices in international trade, it was generally recognized that both international co-operation and national action were needed in order to deal effectively with them. The proposal set forth by the committee of ECOSOC contained provisions not only with regard to the activities of the proposed international organization to be charged with the task of carrying out the control, but also with respect to the obligations of the members to co-operate with this organization. He referred to Article 5 of the committee's proposal and pointed out that the Havana Charter had similar provisions in Article 50. The extent to which obligations should be imposed on members would, however, depend on what sort of international control might be agreed upon. If the control should be more limited than proposed by the committee, the obligations of the members would also be less extensive. As there might be many alternatives it did not seem appropriate at present to require that the different states should legislate on this matter. To his knowledge no state, with the exception of Norway, had legislation which gave the authorities power to counteract restrictive business practices which were harmful to other countries but not to the country itself. The first thing to be done in order to promote international co-operation in this field would be
to draw up an international agreement specifying the obligations which the participating countries should undertake to make international co-operation effective. Countries should be left sufficient time to take the necessary legal steps before the international control became effective.

The CHAIRMAN said that the discussion had brought out the complexities and difficulties of the problem, and he had noted that no exception had been taken to the view that the GATT was competent to deal with the matter. He suggested that both proposals be referred to the Intersessional Committee, with instructions to submit a report and recommendations to the Twelfth Session. He said the Committee was fully representative, and in addition any interested contracting party could be co-opted on request.

The CONTRACTING PARTIES agreed to this procedure.

3. Votes required for granting waivers (L/532)

The CHAIRMAN recalled that at the Tenth Session the representative of Cuba had put forward his Government's objections to the granting of waivers from obligations of Part I of the Agreement under the voting provisions of Article XXV:5(a). The CONTRACTING PARTIES had instructed the Intersessional Committee to consider this question and to report "as to whether a sufficient foundation exists for the CONTRACTING PARTIES to go into the matter thoroughly at the Eleventh Session". The Committee considered that the Government of Cuba had put forward important considerations that should be taken into account and decided to recommend that the CONTRACTING PARTIES "should affirm their intention to proceed with caution in considering requests for a waiver from obligations in Part I or from other important obligations of the Agreement and to take appropriate measures to safeguard the interests of contracting parties". The measures that might be taken to safeguard the interests of contracting parties were set out in document L/532. These recommendations were now submitted to the CONTRACTING PARTIES for approval.

The EXECUTIVE SECRETARY, referring to the consideration of this matter by the Intersessional Committee, recalled that a member had raised a question as to the meaning of the reference to "arbitration" in paragraph (d) of the recommendations. It had been clear from the discussion in the Committee that what was intended was arbitration by the CONTRACTING PARTIES, or when not in session by appropriate intersessional machinery, that is, arbitration procedures strictly comparable to those provided in the United Kingdom Article I waiver. He had circulated a redraft of paragraph (d) of the Committee's recommendations, which put this point quite clearly, and suggested that if the CONTRACTING PARTIES adopted the recommendations they should adopt paragraph (d) in the revised form.
Mr. VARGAS-GOMEZ (Cuba) said that the recommendations of the Committee did not solve the problem outlined by his Government at the Tenth Session. He recalled that the Cuban delegation had put forward the view that waivers from obligations in Part I of the Agreement, owing to their fundamental nature, should be authorized only by a unanimous vote, and not by a two-thirds majority. He pointed out that the Cuban delegation had never maintained that the provisions of Article XXV:5(a) could not be applied to Part I of the Agreement, but only that the voting system used by the CONTRACTING PARTIES to grant waivers affecting the provisions of Part I, which implied a modification of those provisions, was not correct. Having made this explanation he stated that his delegation did not intend to press this point any further, as it felt bound to accept the views of the majority. The recommendations of the Committee were a step forward, paragraph (c) in particular, but the real effectiveness of these provisions would lie in the spirit in which they were implemented. He added that his Government's attitude in future with respect to waivers would be more flexible, and would take account of the provisions of paragraph (c) of the Committee's recommendations.

Mr. KLEIN (Federal Republic of Germany) thought that the provisions of paragraph (c) merely stated the obvious considerations that would be taken into account when applications for a waiver were received; the specification of such procedures opened a suspicion that they might not be followed after all. In addition, he did not think that the provision in paragraph (e) for an annual review was desirable. However, as the text was generally acceptable to the CONTRACTING PARTIES, he did not wish to press these proposals. He expressed the opinion that the CONTRACTING PARTIES should have freedom to grant waivers on the merits of each individual case, as no two cases were exactly alike; he pointed out that waivers applied for in the last two years had been approved only with considerable difficulty.

The CHAIRMAN suggested that the recommendations of the Intersessional Committee (with the amendment to paragraph (d)) be adopted as guiding principles to be followed by the CONTRACTING PARTIES whenever they are called upon to consider applications for waivers from Part I, or from other important obligations of the Agreement.

This was agreed.

4. Trade restrictions on orthopaedic equipment (L/496)

The CHAIRMAN, referring to document L/496, said that the Secretary-General of the Council of Europe had transmitted a resolution adopted by the Council's Committee of Ministers which dealt with removal of barriers to trade in orthopaedic equipment and artificial limbs, and had asked the CONTRACTING PARTIES to study this question and to inform the Council of their conclusions.

1 The statement by the representative of Cuba is reproduced in full in L/579.
The resolution suggested that these appliances should be freed of all customs duties and import restrictions, and that customs formalities on imports should be reduced to a minimum.

Mr. EFFERMANN (Representative of the Council of Europe) referred to the recommendation which the Committee of Experts on Public Health of the Council of Europe had addressed to the Committee of Ministers. This recommendation requested the Committee of Ministers to invite the governments of member countries to take measures to free artificial limbs and orthopaedic equipment of all customs duties, prohibitions and import restrictions, and to reduce to the minimum customs formalities. After considering this recommendation, the Committee of Ministers had decided to request the CONTRACTING PARTIES to study the question.

Mr. SZE (Representative of the World Health Organization) said that his Organization was interested in the question of customs duties and import restrictions on orthopaedic equipment and artificial limbs because it had a direct bearing on its programmes of medical rehabilitation for the disabled. In recent years the Organization had assisted several countries to carry out such programmes. In many underdeveloped countries which were promoting the establishment of medical rehabilitation services, there was a great need for orthopaedic equipment which could not easily be satisfied because of technical and financial difficulties. Due to the complexity of fabrication of such equipment, underdeveloped countries would for some years to come have to import these appliances. Their cost was high and often beyond the means of the disabled, usually unassisted by social security benefits. The result was that many disabled victims had to go without a properly fitted prosthesis, thus remaining a burden to their society.

These problems had been considered at a conference on prosthetics convened by the World Health Organization with the cooperation of the United Nations and various non-governmental international agencies in 1954. In discussing administrative problems the participants at the conference had recognized the importance of customs duties and trade restrictions as a factor hindering the rehabilitation of disabled persons. As mentioned in the report of the conference, the participants had expressed the opinion that the abolition of barriers to trade in orthopaedic equipment and artificial limbs would bring about more economical production methods and ensure the availability of high quality appliances in all countries. The Organization shared the view of the conference on this point, and wished to see this question discussed in order to reach a satisfactory solution.

The CHAIRMAN enquired whether the CONTRACTING PARTIES would agree to invite governments to submit to the secretariat their comments on the resolution and details of their duties, restrictions and formalities affecting trade in these products. This information could then be distributed to all contracting parties and the question examined at the next session. Alternatively, the CONTRACTING PARTIES might decide to commend the resolution to the earnest consideration of all contracting parties.
Mr. MARTINEZ (Cuba) wished to know whether this resolution concerned commercial or philanthropic imports of orthopaedic equipment.

Mr. POLLARD (United Kingdom) said that his Government viewed with great sympathy any recommendation on humanitarian grounds put forward by the Council of Europe. However, the need for international action in this matter was not clear. The CONTRACTING PARTIES could not play an effective role because the evil arose wholly from the imposition of tariffs and restrictions by individual countries. The remedy was for those countries not to hamper imports of such appliances, both for humanitarian and economic reasons. The only action that the CONTRACTING PARTIES could take was to advise the Council of Europe to draw up a recommendation impressing on such countries that the removal of these barriers to trade was a simple and easy solution of their difficulties.

Mr. KLEIN (Federal Republic of Germany) said that his delegation would be prepared to take any action which would meet the request submitted by the Committee of Ministers. The German Government would be willing to participate in an agreement providing for a special import regime for orthopaedic equipment and artificial limbs. This would require preliminary study concerning a common definition of these appliances so as to circumscribe the range of items to be covered. He therefore proposed to institute a group of technicians which could study the problem.

Mr. AUGENTHALER (Czechoslovakia), appreciating the humanitarian considerations of the request, supported the proposal to invite contracting parties to communicate the duties, restrictions and formalities affecting the trade in these appliances. As many tariff items would be involved, a study of the question would be technically complicated.

Mr. OSMAN ALI (Pakistan) shared the view of the delegate for the United Kingdom. Since a solution depended on a decision by the governments themselves, this request should be considered by individual governments without going through the process of examination by the CONTRACTING PARTIES. His Government would be willing to give sympathetic consideration to any proposal for facilitating trade in such appliances.

Mr. NORWOOD (United States) said that his delegation was prepared to submit information on customs duties and customs formalities on these products. This information would, however, be of doubtful utility since the problem did not really call for an international agreement. The CONTRACTING PARTIES could take note of the request and commend it to the attention of their governments directly or through the intervention of the Council of Europe.

Mr. GARCIA OLDINI (Chile) referring to the statement by the representative for the World Health Organization, said that this request had not only humanitarian but also technical and economic aspects. An international organization could not make a recommendation to governments to reduce barriers to trade in these items because such a recommendation would in a way constitute an
indictment of the governments. Only the World Health Organization could do so on humanitarian grounds and it was for that body to address itself to the governments. As to the technical and economic aspects of the problem they could be brought to the attention of the governments for their study. He could not agree to take a resolution advising the governments to grant more favourable treatment for these appliances.

Dr. ISBISTER (Canada) said that his Government would be prepared to report what tariffs were applicable on orthopaedic equipment. The CONTRACTING PARTIES might prepare a questionnaire and examine, on the basis of information supplied by the governments, how trade in these appliances was affected by customs duties, restrictions and formalities. In addition it might be possible to draw up a draft resolution advising the governments to ascertain whether it would be possible for them to improve upon the terms of entry of these appliances and to indicate whether they would be ready to do so. He suggested to carry this item forward at a later meeting where a resolution might be drafted and given consideration.

Mr. PFEFFERMANN. (Representative of the Council of Europe) pointed out that the Member Governments of the Council had been consulted, but wished to be informed by the CONTRACTING PARTIES about specific aspects of the problems in the light of existing customs regulations.

Mr. POLLARD (United Kingdom) asked whether the question could be referred to the Working Party on Trade and Customs Regulations.

Mr. NAUDE (Union of South Africa) suggested that the CONTRACTING PARTIES take note of the request, and transmit it to their governments for such consideration as they might be able to give to it.

Mr. BARBOZA CARNEIRO (Brazil) said that the Council of Europe wished to know whether there were people in certain countries which could not benefit from orthopaedic equipment because it was not produced domestically and duties imposed thereon were too high. As stated by the delegate for Chile, the World Health Organization was the most appropriate international body to enquire where such conditions prevailed. The CONTRACTING PARTIES could tackle the subject after information had become available.

Mr. MARTINEZ (Cuba) said that the Council of Europe requested the CONTRACTING PARTIES to carry out a technical study of the tariff aspects of the problem. Such a technical study could be conducted by the secretariat which might send its findings to the Council.
Mr. PHILIP (France) also pointed out that the CONTRACTING PARTIES were requested to give technical advice to shed light on a discussion which would take place later. He proposed to collect information on the customs aspects of the problem and to transmit this information to the Council of Europe.

The CHAIRMAN in summing up the discussion suggested that the CONTRACTING PARTIES should invite governments to submit to the secretariat their comments on the Resolution and details of their duties, restrictions and formalities affecting trade in orthopaedic equipment and artificial limbs.

5. Report of the Working Party on the Belgian Import Restrictions (L/570)

Mr. BERTRAM (Federation of Rhodesia and Nyasaland) introducing the report of the Working Party (L/570) recalled that the CONTRACTING PARTIES when granting the waiver on 3 December 1955, had found that there was a reasonable prospect for the Belgian Government eliminating the quantitative restrictions over a comparatively short period, particularly because of the existence of an agreement between the Belgian and Netherlands Governments providing for the harmonization of their agricultural policies. Members of the Working Party had expressed disappointment that, due to the failure to hold the meeting of the Benelux Ministers at the time originally planned, the Belgian Government had not been able to produce a precise programme for the progressive elimination of the restrictions. The Belgian delegation had, however, undertaken to communicate the results of the meeting of Benelux Ministers to the CONTRACTING PARTIES immediately after it had been held. Emphasizing the importance of having a clear idea of the programme for future action, the Working Party had considered that the next report should contain adequate information to enable the CONTRACTING PARTIES to formulate an opinion of the programme at the Twelfth Session. In paragraph 6 of its report the Working Party had summarized the progress that had been made in the relaxation of restrictions. In paragraph 14 it recommended that the CONTRACTING PARTIES take note of the first annual report and request the Belgian Government to include in future reports more detailed information on the programme of relaxations, the reasons for maintaining restrictions, commitments under bilateral agreements regarding the importation of products covered by the waivers, import quotas and the relevant administrative regulations. The Working Party had also stressed the necessity for advance information to be given on import quotas in order to avoid any disadvantage for exporters of distant countries.

Mr. Bertram drew attention to the view expressed by the Danish representative regarding the influence of quantitative restrictions and internal price support measures on the creation of export surpluses, and to his suggestion to give special consideration to the elimination of restrictions on commodities of which Belgium was a net exporter. One small correction had
to be made to the report. The last sentence of paragraph 8 mentioned that "it was suggested that the Belgian Government should publish such information" on the establishment of quotas. Actually the Working Party had considered it necessary to publish such information and the word "suggested" had therefore to be replaced by "considered". The Working Party wished to thank the Belgian Delegation for their assistance and their readiness to supply all information requested by members.

Mr. GRANDY (Canada) said that the first annual report had not contained as much information as would be expected in future reports. His delegation attached particular importance to the request for detailed information on the future programme for progressive relaxation. The procedure of the periodic review had been instituted to provide a safeguard for the CONTRACTING PARTIES, and his delegation had been pleased to note that the Belgian delegation had given this annual examination serious attention.

Mr. JOCKEL (Australia) stated that his delegation also wished to underline its interest in the recommendation contained in paragraph 14 of the report. The request for giving full details on the reasons for maintaining the restrictions was particularly important. Recognizing that some of the measures taken had indicated a beginning of the programme of progressive relaxation, he hoped that at the next review much greater progress could be shown.

The report of the Working Party was approved.

The meeting adjourned at 5 p.m.