Mr. FOGARTY (Australia) stated that his delegation shared the view that the session should not conclude without consideration being given to GATT action related to EEC enlargement. Negotiations between the EEC and applicant countries were well advanced and his delegation considered it essential that preliminary arrangements be made for the conduct of the examination under Article XXIV.

On the separate and more general question of preferential trading arrangements there had been sharp differences of view expressed in Council. The compatibility with GATT of a number of such arrangements had been questioned. It had been claimed that the most-favoured-nation principle and benefits accruing under the GATT had been seriously eroded. The frictions between major contracting parties as a result of these arrangements could pose serious threats to the international trading community. His delegation agreed with the United States that the proliferation of preferential trading arrangements was one of the most important issues facing GATT today. The United States proposal for a statistical analysis of preferential trade was an interesting one and his delegation would reflect upon it. However, the preliminary reaction to the proposal was a favourable one.