GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONTRACTING PARTIES
Twenty-Ninth Session

SUMMARY RECORD OF THE FIRST MEETING

Held at the Palais des Nations, Geneva
on Tuesday, 13 November 1973, at 10 a.m.

Chairman: Mr. B.R. PATEL (India)

Subjects discussed:
1. Adoption of Agenda
2. Order of Business
4. Importation of Educational, Scientific and Cultural Materials

Opening address by the Chairman

The CHAIRMAN welcomed the delegations of Hungary and Singapore which had become contracting parties since the last session, and the delegation of the Philippines, which had provisionally acceded to the GATT. He said that the session and the agenda were short, due largely to the fact that the Meeting of Ministers in Tokyo had taken place recently, and to the fact that the work in connexion with the negotiations would go forward in the Trade Negotiations Committee. He recalled that this session of the CONTRACTING PARTIES was taking place in an anniversary year since it was twenty-five years since the General Agreement had entered into force.

As regards the Report of the Council of Representatives, which was the first substantive item on the agenda, he noted that the report was not only a demonstration of the very wide range of the Council's activities, but it also showed the extent to which the Council was an effective instrument of intersessional management. He thanked the Chairman of the Council, Ambassador Kitahara, on behalf of the CONTRACTING PARTIES, for the guidance he had given to the Council during the past year.

The Chairman commented on the increased use which contracting parties had tended to make of the dispute settlement and conciliation procedures under the General Agreement. These provisions had been revived and some difficult problems had been brought before the Council. The Council, through its procedures, had enabled settlements to be reached in most, if not all, of the cases concerned. He also referred to the great number of cases notified to and being examined under the GATT of new extensions of free-trade areas or regional arrangements. The Council's report reflected the extensive developments and activities in this field.
Under the item "Activities of GATT", the CONTRACTING PARTIES would consider the reports of the Committee on Trade and Development. This Committee had played an important rôle in the preparatory work for the trade negotiations and would undoubtedly have important work to perform also in the coming years. It would continue its function in respect of Part IV of the General Agreement and would thus serve as a forum for following action taken to remove or reduce obstacles to the trade of developing countries. Moreover, it would, especially over the next two years, help to co-ordinate and promote the technical assistance to be provided by GATT to developing countries to help them to participate actively in the multilateral trade negotiations. The Chairman noted also that non-GATT developing countries who had been following the preparatory work for the trade negotiations, had actively participated in the work of the Committee. The Committee intended to provide all developing countries participating in the trade negotiations with the opportunity to contribute to its deliberations. The GATT secretariat would also provide these countries with technical assistance.

In commenting on the Report of the Group of Three, the Chairman recalled that at their twenty-seventh and twenty-eighth sessions the CONTRACTING PARTIES had carefully considered and determined the assignments to be given to the Group. As regards the Group's future rôle, the CONTRACTING PARTIES would, no doubt, ensure that the Group was called upon to perform only such well-defined tasks as could not be accomplished through other machinery.

1. Adoption of Agenda (L/3935)

The CHAIRMAN said that the Director-General of UNESCO has asked for an opportunity for his representative to make a statement regarding certain matters which were also of interest to the CONTRACTING PARTIES. The Chairman proposed that this be done immediately after the discussion on the Report of the Council was concluded. The Agenda proposed in document L/3935 was adopted.

2. Order of Business

The Plan of plenary meetings as proposed in document W.29/1 was approved.

3. Report of the Council (L/3955)

Mr. Kaya (Japan), speaking on behalf of Mr. Kitahara, Chairman of the Council, stated that the fourth report of the Council since the CONTRACTING PARTIES in November 1968 decided that the task of the Council should be enlarged, showed the extent to which the Council was an effective instrument of inter-sessional management. In the nine meetings which the Council had held since the twenty-eighth session of the CONTRACTING PARTIES the Council had dealt with over sixty different subjects. In a great number of cases the Council had been able
to take final action, the results of which were presented in the report for approval; in some cases the Council's recommendations had been submitted to the CONTRACTING PARTIES for decision by postal ballot. The result was that the number of subjects on which the Council recommended action to be taken at the present session was limited.

The following comments were made in connexion with the items dealt with in the report of the Council.

Item 1 - Multilateral Trade Negotiations, and

Item 2 - Programme for Expansion of International Trade

Mr. KAYA (Japan) stated that as the host country to the Ministerial Meeting, Japan welcomed the fact that the Meeting had succeeded in adopting the Tokyo Declaration unanimously, thanks to the co-operation of all participants. It was his Government's view that the momentum gained through the Ministerial Meeting should not be allowed to be lost. He stressed the importance of all participants co-operating towards the early commencement of effective negotiations, as well as towards the successful conclusion of the negotiations.

Mr. MILLER (United States) informed the CONTRACTING PARTIES on the status of the United States trade legislation. The proposed trade legislation had been scheduled to be voted on by the House of Representatives on 12 November, but the President had, with great reluctance, asked that action on the Bill be postponed. The United States Administration regarded the Trade Bill as an essential step in the process of creating a new international economic system that could meet the challenges and opportunities of the coming decade; however, the President had felt compelled to ask that the Bill be temporarily set aside at this time because of the intensive and delicate diplomatic negotiations under way with a view to achieving a durable peace in the Middle East. The President had been concerned that a debate over Title IV of the Bill, relating to trade with countries not now enjoying most-favoured-nation treatment by the United States, as well as the prospect of an amendment to that part of the Bill, could jeopardize the success of the crucial Middle East negotiations. Since all countries had a vital stake in achieving a durable peace in the Middle East, the United States was confident that its trading partners would understand and accept the temporary delay in going forward with the Trade Bill. This temporary delay did not alter the firm commitment of the United States to pursue the new round of multilateral trade negotiations and, in his view, should not prevent the moving ahead with the preparations for the trade negotiations. He furthermore emphasized the strong hope of the United States Administration that the postponement of Congressional consideration would be only a brief one; that this was also the hope of the Congress, had been reflected in a recent public statement by the Acting Chairman of the House Ways and Means Committee.
Mr. STONE (Canada) said that he hoped the multilateral trade negotiations would move forward as quickly as possible, in accordance with the decision taken at the Tokyo Ministerial Meeting. He was pleased that the activities of the GATT over the last six years had now led to the initiation of trade negotiations of an unprecedented scope.

**Item 4 - Anti-Dumping Practices**

Mr. MARTINS (Austria) stated that Austria had adopted, with effect from 1 January 1972, the Agreement on the Implementation of Article VI of GATT. Austria had submitted to the Anti-Dumping Committee its new Anti-Dumping Law which had become effective as of 1 January 1972. At the annual meetings of the Committee in September 1972 and October 1973, Austria had explained its position with respect to the Anti-Dumping Code. The new Anti-Dumping legislation was based on and was in conformity with the provisions of the Code and with Article VI of GATT. The examination of the Austrian Anti-Dumping Law had been terminated at the last meeting, and the Committee had taken note of the information submitted by Austria, which now intended to participate regularly in the meetings of the Anti-Dumping Committee.

Mr. HARRIS (Australia), said that the Australian Government had decided to adhere to the Anti-Dumping Code. An official statement to this effect had been made to contracting parties. A new Anti-Dumping Bill would be introduced early in 1974. Australia's position on the Anti-Dumping Code was consistent with Australia's intention to continue to meet its obligations to the international trading community. The decision of Australia to adhere to the Anti-Dumping Code, like the recent 25 per cent tariff cut, the reduction in the agricultural support prices, and the new Australian system of tariff preferences for developing countries, should also be viewed as an integral part of Australia's contribution to the multilateral trade negotiations.

Mr. LAGERFELT (Sweden) welcomed the statement made by the representative of Australia, and expressed the hope that other countries, both developed and less developed, would follow suit. He pointed out that the Anti-Dumping Committee had endeavoured in its report to highlight some of the broader trade policy implications of its discussions and its work. While this should be welcomed, he felt that there was room for further improvement; there was in particular a possibility of giving the otherwise primarily bilateral discussions a more multilateral character, thus allowing the Committee to pronounce itself jointly on questions of interpretation and principles of a general interest. Agreed interpretations would increase the usefulness of the Committee to its members.

Mr. PHAN VAN PHI (European Communities) stated that since the adoption of the Anti-Dumping Code an annual examination had taken place in which the EEC had taken an active part. He found it disappointing, however, that the anti-dumping practices followed by one signatory of the Code, namely the United States, were not always

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1The statement is contained in document L/3963.
in accordance with the provisions of the Code, and some cases had been discussed at the last meeting of the Committee. He added that the EEC believed that in certain cases anti-dumping procedures continued to be implemented by certain countries in a manner not in accordance with the provisions of the Code and this could raise doubts on the approach to be taken to deal with other non-tariff obstacles during the next round of multilateral negotiations.

Mr. MILLER (United States), referring to the comments made by the previous speaker, said that the United States believed the administration of its Anti-Dumping Regulations to be entirely consistent with the provisions of the Anti-Dumping Code. At the recent meeting of the Anti-Dumping Committee, the United States representative had explained in detail how the actions taken conformed with the Code and had also described a number of changes made in the administration of the United States Regulations in response to suggestions made in the Committee. He recalled that many members of the Committee had expressed satisfaction with the improvement in United States administration of anti-dumping provisions.

Mr. HUSLID (Norway), Chairman of the Anti-Dumping Committee, said that he had noted with interest the comments made on the work of the Committee, especially the Swedish suggestion as to possible improvements. While recognizing the existing differences of opinion, as expressed in the Committee, he felt that the frank discussions had led to a better mutual understanding of the positions taken. He welcomed the decision of the Australian Government to adhere to the Code.

Mr. DUNKEL (Switzerland) associated himself with the views expressed earlier by Sweden. He said the Committee had so far focussed mainly on the administration of the various national laws. It would be desirable that the Committee in the future concentrate more on questions of principle and on the trade policy context within which national anti-dumping practices were integrated. He suggested that the secretariat might in due course prepare a background paper based on the experience of recent years.

Item 8 - Article XIX Action
- European Communities - Magnetophones

Mr. KAYA (Japan) referred to the statement made by the representative of Japan at the Council on 30 April 1973 and repeated that his delegation was of the opinion that the import restriction maintained by Italy was not consistent with Article XIX which required global application. This was not the case here since the measure did not apply to the other members of the Communities and to the associated countries. He stated that consultations with the Communities were in progress on this subject and it was his hope that a satisfactory settlement could be reached at an early date.
Mr. CLARK (Canada) supported the Japanese view and noted with satisfaction that consultations were in progress which would hopefully lead to a mutually satisfactory solution being found at an early date.

Mr. PHAN VAN PHI (European Communities) said that when it came to the question of the use of Article XIX by the Community, he had made the Community's views known i.e. that while these measures should apply *erga omnes*, they need not apply to countries which had an agreement with the Community in accordance with Article XXIV. The Community was always prepared to enter into consultations and consultations had been held on this subject.

**Item 9(c) - United Kingdom - Dollar Area Quotas**

Mr. NORIS RODRIGUEZ (Cuba) expressed his solidarity with regard to the concerns expressed by the Commonwealth Caribbean countries in view of the competition faced by their exports on the United Kingdom market. At the same time, he expressed the hope that the United Kingdom would remove once and for all the restrictions on Cuban products on its market.

Mr. CUMBERBATCH (Trinidad and Tobago) thanked the Panel for the understanding shown of the problems of the Commonwealth Caribbean countries in respect of the commodities in question. He hoped that the intention of the two parties to the dispute not to harm the interests of these countries would be fulfilled.

**Item 9(d) - United States Tax Legislation (DISC)**

Mr. DYMOND (Canada) recalled the views expressed at the meeting of the Council on 29 May 1973 that the DISC in fact constituted a trade distorting export subsidy. Referring to the Panel set up by the Council, he said that Canada would give a detailed presentation of its views in this forum.

**Item 11 - Customs Unions and Free Trade Areas; Regional Agreements**

- Agreements concluded with the European Communities

Mr. STONE (Canada) recalled that the Canadian authorities had on many occasions expressed their concern with the frequent lack of conformity of a number of free-trade areas with the provisions of Article XXIV of the General Agreement. Not containing plans and schedules, they were not interim agreements leading to the formation of a free-trade area; often the trade coverage of free-trade agreements did not conform to the "substantially all the trade" requirements and in some cases the agreements contained regulations of commerce and rules of origin which were more restrictive than those existing prior to the agreements, thus violating paragraph 5(b). Finally, the late notification of some agreements was not in conformity with the provisions of paragraph 7(a).
Item 12 - Trade Arrangements between India, Egypt and Yugoslavia

The CHAIRMAN drew attention to the Council's recommendation for adoption of the draft Decision reproduced in Annex I to the Report.

Mr. MILLER (United States) recalled the United States position, as expressed in the Council, that it did not approve of this waiver for this period but had no objection to the Council referring the matter to the CONTRACTING PARTIES.

The CONTRACTING PARTIES adopted the Decision.

Item 13(a) - Brazil - Renegotiation of Schedule

Mr. ABBOTT (European Communities) recalled that when a further extension of the waiver was required last year to allow the renegotiation of the Brazilian Schedule to be fully concluded, negotiations were outstanding with only one contracting party - the United Kingdom. He informed the CONTRACTING PARTIES that proposals to conclude this negotiation had been put forward by the Brazilian delegation and had been accepted by the United Kingdom Government in June. As of this time, however, the agreement had still not been signed between the parties although no further matter for negotiation remained outstanding.

In the light of this situation, the position of the Community was that, since all the negotiations on Brazil's schedule had been substantially concluded, there should be no question that the present waiver, which lasts until the end of the year, should be extended. On the contrary, he urged the delegation of Brazil to bring the negotiation to a speedy conclusion by the usual procedure of signing the agreement.

Mr. HILDYARD (United Kingdom) said that the United Kingdom, as the only country with which Brazil was still in negotiation under Article XXVIII, wished to see these negotiations brought to a satisfactory conclusion as quickly as possible. As far as the United Kingdom was concerned, this could have been done at any time in the past five months, since the Government of Brazil was informed on 3 June 1973 of the United Kingdom's readiness to accept the formal offer of compensation which they had made. His delegation had had no answer and he knew of no new circumstances which had arisen since June which might call into question the balanced settlement which had been agreed. Nor did he know any reason why the negotiation should not be concluded on that basis before the end of the year - that is, before the expiry of the present waiver.

Mr. SOUTO MAIOR (Brazil) said that he was aware of the situation and would contact the delegation concerned about the matter shortly after the present session.
Item 13(d) - Indonesia - Renegotiation of Schedule

The CHAIRMAN drew attention to the Council's recommendation that the draft Decision reproduced in Annex II to the Report be adopted.

Mr. MILLER (United States) said that his delegation could support the waiver. Although the usual practice in questions of renegotiations under Article XXVIII was to grant an initial waiver for one year, he could, in view of the explanations given by the representative of Indonesia, accept the two-year period suggested. He hoped, however, that the Council would continue the general approach that waivers of this sort would be of a duration of one year.

The Decision was adopted by fifty-three votes in favour and none against.

Item 13(e) - New Zealand - Tariff Free Quotas for Handicraft Products

The CHAIRMAN recalled that the New Zealand request for a waiver had been referred by the Council to the CONTRACTING PARTIES for consideration, and drew attention to the draft Decision reproduced in Annex III to the Report.

Mr. MILLER (United States) said that his delegation had re-examined its position on this matter in view of the discussion in the Council, but that the United States remained opposed to granting the waiver. There were alternative methods available to reach identical results without resorting to a waiver e.g. the introduction of reduced or zero-duty tariff quotas on an m.f.n. basis or the inclusion of the products in New Zealand's Generalized System of Preferences. He had noted the views expressed in the Council that this was an exceptional case and would, as such, constitute no precedent; he thought, however, that it would not be difficult in future for developed contracting parties to argue similar cases and that the small trade flow involved, therefore, was not worth the risk of increasing the number of cases of discriminatory preferences.

Mr. SOUTO MAIOR (Brazil) said the Brazilian position had been made known when the Council discussed the matter, i.e. that Brazil was not in a position to support New Zealand's request for reasons which were not very different from the ones advanced by the United States. He was in full sympathy with the situation of the islands concerned and favoured any measures taken to foster the development of their economy but he regretted that the measures which had been chosen were of a discriminatory nature. He hoped that if it was the predominant view of the CONTRACTING PARTIES that this decision be adopted that efforts would be made to bring these concessions within the scope of the Generalized System of Preferences, rather than creating discriminatory treatment. If discrimination was accepted at this stage, he hoped that New Zealand and the beneficiaries of
the measures would find ways of modifying their planned arrangements in such a manner as to make them of a non-discriminatory nature.

Mr. LENDRUM (New Zealand) recalled that the matter had been fully discussed at the last Council session, where, apart from the reservation by the United States, there had been widespread support for the New Zealand waiver application. He believed that the discussion had been well summarized in the Council’s Report. The reasons for New Zealand’s waiver request were outlined in the present draft decision. However, he wanted to emphasize the minuteness of the proposed scheme, and of the beneficiary countries. The total value of the tariff quotas would be $50,000, and the beneficiaries were small islands. The important point was that the handicraft industry was one area in which these countries could develop their exports, using their labour force within the existing social structure, and readily available raw materials. New Zealand was the only logical market in which these exports could be developed - but the New Zealand market was small, and the object of the scheme might be defeated if it were broadened at this stage to encompass all developing countries, many of whom had a capacity to supply large quantities of sophisticated handicrafts.

In making this request, the New Zealand Government was conscious that it was contrary to Article I of the GATT, as well as of the view that there should be no discrimination between developing countries. This was, however, a special case situation, involving small island countries which by most criteria were amongst the least developed. He did not believe that this waiver constituted a precedent of any major dimension; rather it was the type of situation for which the waiver procedure was designed. He urged the CONTRACTING PARTIES to give the waiver application their fullest and most sympathetic consideration.

Mr. MARIADASON (Sri Lanka) pointed to the importance of assisting the export of some handicraft products from several developing countries in the South Pacific. His delegation had requested some additional time to consider the proposal, but could now support the application of New Zealand for a waiver and noted the limited dimension of the request.

Mr. KIRCA (Turkey) said the Turkish delegation fully shared Brazil’s concern to avoid discrimination among developing countries with regard to trade measures taken in their favour and subscribed in principle to his statement. However, his delegation appreciated the specific character of the measures taken by the New Zealand Government and, given the fact that the islands concerned were among the least advanced of the developing countries, it supported the waiver request.
Mr. THAJEB (Indonesia) said that, after having heard the statement of the representative of New Zealand, he could support the request for the waiver.

Mr. KASASA (Zaire) said that at the Council meeting, his delegation had favoured New Zealand's waiver request. He reiterated that support, as these measures were designed to help one of the least developed regions of the world.

Mr. STONE (Canada) said that, although sharing the concerns expressed by others about the departures from the non-discriminatory applications embodied in the GATT, in this case Canada would not oppose the waiver.

Mr. CUMBERBATCH (Trinidad and Tobago) said, his delegation reiterated its support for the request. He thought the measures were commendable and hoped that the CONTRACTING PARTIES would give their full support.

Mr. VEliSSARIOPOULOS (Greece) also reiterated the support of his delegation for the request as it had done in the Council.

Mr. NIYI (Nigeria), supporting the application, appealed to delegations not to let the issue loom too large in the framework of international trade relations.

Mr. SALEEM (Pakistan) reiterated the support his delegation had given to the proposal already in the Council, on the grounds of the specific nature of the request and the special difficulties of the islands concerned.

Mr. NArsIMHAN (India) said his delegation would not oppose the decision.

The CONTRACTING PARTIES adopted the Decision. There were fifty-three votes in favour and two against.

Item 14(a) - Australia - Tariff Preferences for Developing Countries

Mr. HARRIS (Australia) said that the Australian system of tariff preferences for developing countries had, since it came into operation in 1966, been progressively expanded in the light of experience. The Australian Government had now decided to replace the scheme by a more comprehensive one, details of which would be submitted to the CONTRACTING PARTIES in the near future. The essential elements of the new scheme would be that existing concessions would be carried over into it, accompanied by a progressive reduction in tariffs on imports of manufactured and semi-manufactured products from developing countries, with only a few exceptions. Furthermore, a wide range of primary processed products would be included. The initial margin of preference would be 10 per cent.
ad valorem below general tariff rates, the objective being to reduce the rate of duty applying to imports from developing countries by 10 per cent ad valorem at the end of each two-year period until imports of particular products would become competitive on the Australian market.

In view of the similarity of the proposed scheme to those of other industrialized countries, it would in future be covered by the GSP waiver and the special waiver for Australian Tariff Preferences would be discontinued.

Item 17(a) - Accession of Hungary

Mr. NYERGES (Hungary) said his delegation was pleased to attend the session as a contracting party and he expressed his thanks to all the countries which had voted in favour of Hungary's accession to the GATT.

Item 17(a) - Provisional Accession of Tunisia

The CHAIRMAN drew attention to the Council's recommendation for adoption of a draft Decision, reproduced in Annex IV to the Report, extending until 31 December 1975 the invitation to Tunisia to participate in the work of the CONTRACTING PARTIES. The CONTRACTING PARTIES adopted the Decision.

Item 18 - Consultation on Trade with Poland

Mr. JOKO (Poland) said that the prolonged maintenance by some contracting parties of discriminatory quantitative restrictions vis-à-vis Polish imports gave rise to serious concern to his Government. Poland had been a member of the GATT for six years. It had respected in its trade relations the provisions of the General Agreement and had considerably surpassed its import commitments. He regretted, however, that this had not been followed by the realization by some contracting parties of their commitments towards Poland. Since 1970, these countries had refused to set a final date for the termination of the transitional period for elimination of discriminatory quantitative restrictions. Poland considered the end of 1974 as a realistic date for the complete elimination of such restrictions, but this had not been accepted during the annual consultations. As an alternative these countries had indicated their willingness to terminate the transitional period at the end of 1974 provided, however, that the possibility for further maintenance of an unidentified number of discriminatory restrictions be left open after that date, a solution which was unacceptable to Poland since it had been agreed in the Protocol on Poland's Accession to end the transitional period in such a way that "any inconsistency with the provisions of Article XIII has thus been eliminated". This agreed conclusion must be regarded as an integral part of the balance of mutual rights and obligations ensuing from the Protocol on Poland's Accession.
Persistent refusal by some countries to agree on the elimination of discriminatory restrictions against Polish goods, distorted the balance of advantages under GATT and deprived Poland of her full and legitimate rights as a contracting party. In his view, such a position was not justified as the countries concerned were amply safeguarded against any possibility of market disruption in trade with Poland by the relevant provisions of the General Agreement as well as by additional stipulations contained in the Protocol on Poland's accession.

He hoped that the countries concerned would look constructively into the situation and endeavour to eliminate all remaining restrictions by the end of 1974. He thanked the Government of Austria, which had officially informed his Government about its determination to eliminate remaining discriminatory restrictions by that date.

Mr. TEESE (Australia), Mr. LIVINGSTON (Argentina), Mr. NTI (Nigeria), Mr. MODORAN (Romania), Mr. TOMIC (Yugoslavia), Mr. SALEEM (Egypt) and Mr. NORIS RODRIGUEZ (Cuba) strongly supported the Polish request that a date be set for the termination of the transitional period and that remaining discriminatory restrictions be eliminated.

Mr. WILLENPART (Austria) stated that in addition to the existing bilateral Long-Term Trade Agreement, modalities had been agreed between Austria and Poland concerning the elimination of quantitative restrictions not consistent with Article XIII of GATT by 1 January 1975.

Mr. NARASIMHAN (India), Mr. RAHMAN (Bangladesh), Mr. STONE (Canada), Mr. CASTILLO (Spain), Mr. JAKS (Czechoslovakia) and Mr. BRUM (Uruguay) also strongly supported Poland's request that a date be set for the termination of the transitional period and for the elimination of the remaining discriminatory restrictions.

Mr. NYERGES (Hungary) congratulated Poland on its patience and its perseverance. In his opinion there was a clear obligation namely, to set a date to terminate the restrictions; this obligation, to which a reservation was attached which said the contrary, had been violated. He believed that in many respects this matter constituted a test case for the usefulness of the General Agreement for each country whether small or big, which according to the same Agreement should be equal. Referring to the question of the notifications of remaining restrictions, he pointed out that this was a matter of simple notifications of measures applied by industrialized countries. He expressed the hope that these notifications would be made clear, useful and precise. Finally, he supported Poland's request that restrictions which were not in accordance with Article XIII be eliminated by 31 December 1974 at the latest.
Mr. PHAN VAN PHI (European Communities) said that the question of the establishment of a terminal date had been discussed in the Working Party. In his view it was not so easy to compare economic mechanisms of countries with different economic structures. Moreover, he had had some recent information to the effect that there had been changes in Poland's economic structure and trade practices, which he thought could be usefully discussed in the Working Group. As to the date itself, he recalled that compromise formulae had been discussed and he felt that the Working Group should resume the discussions in an effort to reach a conclusion.

Mr. LENDRUM (New Zealand) joined other delegations in supporting Poland's appeal for the establishment of a terminal date for the discriminatory restrictions.

Mr. LAGERFELT (Sweden) said that his country had probably closer relations with Poland than many others. He continued to regret that it had not been possible to agree on a compromise formula, which would have met most of the real considerations that presented themselves in this matter.

Mr. BRILLANTES (Philippines) hoped that appropriate steps would be taken in order to arrive at a definite conclusion regarding the setting of a terminal date.

Item 19 - Consultation on Trade with Romania

Mr. MODORAN (Romania) referred to the Romanian views on the first round of consultations with Romania and emphasized three main points - the elimination of discriminatory restrictions, the disinvocation of Article XXXV, and the inclusion of Romania in the Generalized System of Preferences. As 1974 would be a decisive year with regard to the elimination of discriminatory restrictions, he reiterated Romania's request for their elimination before the end of 1974. However, the emphasis on this point in no way undermined the importance of the other two points.

Mr. WHANG (Korea) noted that the Government of Romania had called for the elimination of all discriminatory restrictions and the disinvocation of Article XXXV towards Romania by those countries which resorted to it. He supported Romania in this matter, but recalled that Romania, upon its accession to the GATT, had invoked Article XXXV with respect to his country. Korea had not invoked Article XXXV with respect to Romania. His Government had taken all necessary steps to develop trade relations with all countries, irrespective of their economic or political system, and he, therefore, hoped that Romania would disinvoke the application of Article XXXV towards Korea.
Mr. TEESE (Australia), Mr. JAKS (Czechoslovakia), Mr. NORIS RODRIGUEZ (Cuba), Mr. TOMIC (Yugoslavia), Mr. NARASIMHAN (India), Mr. JOJKO (Poland), Mr. NYERGES (Hungary) and Mr. SALEEM (Pakistan) supported Romania in calling for a more rapid liberalization of the discriminatory restrictions maintained by contracting parties on imports from that country.

**Item 20 - Application of Article XXXV to Japan**

The CHAIRMAN said that, at the request of the Japanese delegation, a list of contracting parties which continued to invoke Article XXXV vis-à-vis Japan had been circulated in document L/3956. After the document had been prepared the Government of Gabon had notified its decision to disinvoke Article XXXV, as set out in document L/3959.

Mr. KITAHARA (Japan) expressed his appreciation to the four contracting parties - Jamaica, Congo, Sierra Leone and Gabon - who had disinvoked Article XXXV since the previous session. He pointed out, however, that thirteen countries still continued to invoke the Article with respect to Japan, and he strongly appealed to these countries to disinvoke the Article and to enter into normal GATT relations with his country.

Mr. HARRIS (Australia) noted that some progress had been made and hoped that further progress towards disinvocation of Article XXXV would be accelerated so that this item could disappear from the agenda of the CONTRACTING PARTIES.

Mr. NARASIMHAN (India) said that, as a representative of a country which was among the first to disinvoke Article XXXV, he supported the Japanese appeal. He commended the special treatment Japan, under the Generalized System of Preferences, was extending to developing countries.

Mr. STONE (Canada) urged those countries still applying Article XXXV to disinvoke the Article.

Mr. NYERGES (Hungary) said that his Government had not invoked Article XXXV against any country, and supported the Japanese delegation.

Mr. TOMIC (Yugoslavia) also strongly supported Japan's request.

Mr. NIYI (Nigeria) said that the reasons for his country invoking Article XXXV were still in existence. In spite of the imbalance in trade between Nigeria and Japan he recognized the growth of Japanese investment in Nigeria which, to a great extent, compensated the adverse effects of that imbalance. He would convey Japan's appeal to his authorities and, in the light of the present state of the Nigerian economy, he was certain that it would be given due consideration.
Mr. KITAHARA (Japan) expressed his gratitude for the statement made by the representative of Nigeria. He suggested that consultations on this subject be held between the two governments.

Mr. THAJEB (Indonesia) said that his delegation also supported the Japanese request.

Mr. LIVINGSTON (Argentina) said that his delegation favoured the elimination of all discriminatory restrictions and therefore supported the Japanese request.

Mr. WILLENPART (Austria) said that in December 1972, Austria and Japan had agreed to prolong their existing bilateral trade arrangement until 31 December 1973. Under this arrangement Austria had continuously liberalized its imports from Japan. With the exception of very few hard core cases, Japanese imports now received the same treatment as those of other contracting parties. As a result of these liberalization measures Japanese imports had increased from 1970 to 1972, by 135 per cent. He added that Austria had agreed to enter as soon as possible into negotiations with the Japanese Government with the objective of disinvoking Article XXXIV against Japan.

**Item 25 - Status of Protocols**

The CHAIRMAN drew attention to the text of the draft Decision reproduced in Annex V to the Report, extending the closing date for the acceptance of the Protocol Introducing Part IV of the General Agreement until the end of the thirtieth session.

Mr. NARASIMHAN (India) said that Part IV had been in existence for more than eight years and it was a matter of regret that a number of contracting parties had not yet accepted the Protocol. This was a matter of great concern to developing countries, and he urged the adoption of the Protocol by those contracting parties which had not yet done so.

The Decision was adopted.

**Item 27 - Administrative and Financial Questions**

The CHAIRMAN drew attention to item 27(d) dealing with the Report of the Committee on Budget, Finance and Administration. He pointed out that the Council had approved the recommendations made in the report and recommended the adoption of the report by the CONTRACTING PARTIES.
The CONTRACTING PARTIES adopted the Report of the Committee on Budget, Finance and Administration (L/3944), including the recommendations contained therein, and the Resolution on the Expenditure of the CONTRACTING PARTIES in 1974 and the Ways and Means to meet such Expenditure.

Having adopted the individual items the CHAIRMAN asked whether the Report of the Council as a whole could be adopted.

The Report of the Council was adopted.

4. Importation of Educational, Scientific and Cultural Materials

The CHAIRMAN recalled that the Director-General of UNESCO had asked for an opportunity for his representative to address the CONTRACTING PARTIES.

Mr. BEHRSTOCK, representative of UNESCO, brought to the attention of the CONTRACTING PARTIES a UNESCO meeting to be held in Geneva from 26 November to 3 December. The meeting was to review the operation of two UNESCO international agreements reducing tariff and trade obstacles to the international circulation of educational, scientific and cultural materials. He recalled that the main agreement, the so-called Florence Agreement, originated at the third session of the CONTRACTING PARTIES, held in Annecy in 1949, when it was suggested that UNESCO might sponsor a convention which would abolish customs duties on books, works of art, educational films and recordings, scientific equipment and other materials needed for educational and economic development. The Agreement was adopted by the UNESCO General Conference in 1950. The Agreement was now adhered to by almost seventy contracting States. As the agreements were closely linked with GATT, it was decided by UNESCO to convene the forthcoming conference in Geneva so as to facilitate the participation of the permanent delegations accredited to GATT.

He explained that the purpose of the conference was to review the practical operation of the two agreements and to advise on the need to supplement the agreements through protocols which, without revising the existing texts, would broaden their application in order to take account of the spectacular technological advances which had resulted in the emergence of a wide range of new materials during the past twenty-five years. The UNESCO General Conference of next year would then consider the recommendations of the Geneva Conference and would decide on the adoption of new international instruments designed to promote the flow of educational, scientific and cultural materials throughout the world. He emphasized that the conference was not only open to the countries which were parties to the agreements but to all 131 UNESCO Member States on an equal basis.
The CHAIRMAN thanked the representative of UNESCO. Contracting parties would certainly be aware of the importance of the pending review of the two agreements and they appreciated the reasons for UNESCO'S decision to hold the conference in Geneva.

The meeting adjourned at 1.05 p.m.