

referred to the Contracting Parties. The Contracting Parties may allow the applicant contracting party to modify or withdraw concessions if they find that the compensation offered is inadequate.

In addition, procedures are established under which, in cases where no measure of commercial policy consistent with the General Agreement, such as tariffs or subsidies, would be practicable to protect a new industry in a country in the early stages of development during the first years of production, that country would be able to apply non-discriminatory restrictions on imports for such a transitional period.

The most significant change from the existing provisions of the Agreement would be that which would enable the country concerned to restrict, without the prior approval of the Contracting Parties, the importation of a commodity when the rate of duty on that commodity is not bound under the Agreement. In such a case, however, any other contracting party which is injured may withdraw substantially equivalent concessions granted under the Agreement.

In connexion with these proposals for assistance for economic development and in view of the special responsibilities of the United Kingdom towards its colonies, the Contracting Parties, by a separate decision, extended to the United Kingdom the right, effective immediately, to give special assistance to its colonial territories which depend largely on the U.K. market, through actions which would otherwise have been inconsistent with the provisions of the Agreement. These rights will apply only in cases where the industry or branch of agriculture of the colonial territory would be benefited, but not industry or agriculture in the United Kingdom or any other country. The United Kingdom will report annually to the Contracting Parties on any such measures adopted.

In the course of their consideration of problems in the field of economic development the Contracting Parties also adopted a Resolution recognizing that an increased flow of capital into countries in need for investment from abroad and, in particular, into under-developed countries would facilitate the objectives of the General Agreement by stimulating economic development of these countries whilst at the same time rendering it less necessary for them to resort to import restrictions. They recommended that contracting parties who are in a position to provide capital for international investment and contracting parties who desire to obtain such capital should use their best endeavours to create conditions calculated to stimulate the international flow of capital, having regard in particular to the importance of providing by appropriate methods for security for existing and future investment, the avoidance of double taxation, and facilities for the transfer of earnings upon foreign investments.

Subsidies

Provisions, additional to those already in the Agreement, are proposed in order to limit the harmful effect of export subsidies. In the field of primary products contracting parties would be under an obligation