

*GATT—Communiqué*

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 connection 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 underdeveloped 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 not to use subsidies which increase exports so as to obtain for themselves more than a fair share of world trade. In the field of non-primary products no new or increased export subsidies would be permitted. The contracting parties

agreed that there should be a re-examination to determine before the end of January 1957 whether existing export subsidies on non-primary commodities can be abolished or whether the maintenance of the stand-still should be extended for a further period.

In connection with the consideration of export subsidies the contracting parties formulated additional provisions concerning the use of anti-dumping and countervailing measures by importing countries.

*Problems of Commodity Trade*

The contracting parties adopted a resolution providing that if a contracting party decides to liquidate any agricultural surpluses it should do so in such a way as to avoid unduly provoking disturbances on the world market that would adversely affect other member countries. They recommend "that when arranging the disposal of surplus agricultural products in world trade, contracting parties should undertake a procedure of consultation with the principal suppliers of those products and other interested contracting parties, which would contribute to the orderly liquidation of such surpluses including, where practicable, disposals designed to expand consumption of the products, and to the avoidance of prejudice to the interests of other contracting parties, and that they give sympathetic consideration to the views expressed by other contracting parties in the course of such consultations".

The contracting parties also recommend that, whenever practicable, any contracting party intending to liquidate a substantial quantity of strategic stocks of primary commodities should give advance notice and should consult fully with any contracting party which considers itself substantially interested and requests such consultations.

The amended agreement would also include a new provision that would enable a contracting party whose economy depends on the export of a small number of primary commodities to consult with the organization on measures taken by another country which seriously affected that contracting party's exports of the commodities in question.

During the course of the review the contracting parties established a working party to consider a proposal for a convention which might govern international action on problems arising in the field of international trade in primary commodities. The working party, acting in the capacity of an expert group, concluded that it could not put its recommendations into final form until the interested governments had studied its preliminary