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GENERAL AGREEMENT ON TARIFFS AND TRADE

COUNCIL
15 May 1984

MINUTES OF MEETING

Held in the Centre William Rappard on 15 May 1984

Chairman: Mr. F. Jaramillo (Colombia)

Review of developments in the trading system (special meeting on Notification, Consultation, Dispute Settlement and Surveillance)

The Chairman recalled that at their thirty-fifth session in November 1979, the CONTRACTING PARTIES had adopted the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance drawn up in the Multilateral Trade Negotiations (BISD 26S/210). In March 1980, the Council had adopted a proposal (BISD 27S/20) which provided for reviews of developments in the trading system to be conducted by the Council at sessions specially held for that purpose. The Council had held a number of such special meetings during 1980-1983. He recalled that at its fifth special meeting in July 1983, the Council had agreed that these meetings would also serve to monitor paragraph 7(i) of the 1982 Ministerial Declaration (BISD 29S/9), and that such special meetings would preferably be held twice each year.

He drew attention to the background document entitled "Developments in the Trading System" (C/W/437 and Corr.1) drawn up by the Secretariat, and pointed out how the present document differed from its predecessors. The document was concerned, in principle, with developments in the six-month period from 1 October 1983 to 31 March 1984; the intention was, by confining subsequent documents also to a six-month period, to make it easier to assess changes from one period to the next.

The Director-General said he believed that the Council had now, for better or worse, been given what it had been asking for. It had been said in the Council that previous documentation was too passive, concerned too much with the observance of notification requirements and too little with the substance of the action taken; many Council members had felt that it did not say enough about non-notified measures and that the Council needed more help in order to assess trends in trade policy. The new document represented an endeavour to meet these criticisms, even at the risk of incurring others. The Secretariat had included a large number of trade policy measures that had come to its notice even when they had not been notified, and on occasion had defined them less euphemistically than the parties to them might have preferred. Because information was sometimes incomplete, the Secretariat had certainly made

errors and had issued a corrigendum incorporating suggestions relating to some items of information since sent to the Secretariat by delegations. He hoped that the new document provided the Council with a firmer basis for judgement about the course of events than had been possible at its previous special meetings, and said that the Secretariat intended to continue on this path.

He noted that, even though document C/W/437 was the first of its kind and therefore allowed no comparison with earlier periods, it confirmed all too clearly that trade policy remained in difficulty, even if international trade itself was at last picking up. There was a certain amount of good news in the field of tariffs, but little comfort elsewhere. He hoped that the discussion in the Council would be as concrete as possible since there were many other occasions for making generalized statements about protectionism and liberal trade policies. The unique aspect of these special meetings was that they permitted a broad assessment of recent developments in trade policy on the basis of information about specific measures or policies which had not reached the Council in the form of disputes. Discussion could be based on the record of what had actually been happening in the past six months, and on the commitments undertaken at the 1982 Ministerial Meeting, in the 1979 Understanding, and in the General Agreement itself. He hoped in particular that the document would enable these special meetings to fulfil the task of monitoring the implementation of paragraph 7 of the Ministerial Declaration, assigned to the Council by the CONTRACTING PARTIES.

Referring to the need for transparency, he recalled that at previous special meetings the Council had discussed how present notification procedures might be improved. At the Council's request the Secretariat had been thinking about this subject, and expected to put forward, soon, some ideas which might usefully be considered at the next special meeting. Looking at the present document, however, one could not help wondering whether a more radical approach than had so far been contemplated might be desirable. If each contracting party undertook, as a matter of routine, to inform the Secretariat each month or every third month of any changes in its trade régime, the basis would be established for a thorough-going revision of notification procedures; this would also oblige national administrations to have a focal point to collect the material necessary for such notifications. At the same time, the Council would have taken a long step forward in a direction which many had argued was desirable: in making possible a continuing surveillance of national trade policies.

He recalled, however, that transparency was not an end in itself. It carried the risk that when one government was shown to be resorting to particular kinds of action, not necessarily covered by GATT rules, others would find it harder to resist pressures to act in the same way. The aim in improving transparency, and the aim, as he saw it, of these special Council meetings, was surely to make the rules a more effective force for the expansion and liberalization of trade.

The representative of Jamaica referred to the changes in Jamaica's licensing arrangements mentioned in paragraphs 15 and 35 of document C/W/437 and explained that the thrust of Jamaica's policy was to liberalize trade. It was open to question whether Jamaica's contertrade arrangements, noted in paragraph 94, fell within the scope of the General Agreement, as set out in paragraph 23. Given the many studies and discussions on countertrade and the substantial amount of "compensation trade", he suggested that the section of the document dealing with countertrade should give a broader and more realistic picture so as to contribute to the understanding of the evolution of trade policy. Not every trade transaction was of equal weight and relevance for the Council's task of monitoring paragraph 7(i) of the Ministerial Declaration. Commenting more generally, he found C/W/437 a very useful document, but felt that it did not enable the Council to evaluate the course of developments in the trading system, in particular the monitoring of paragraph 7(i) of the Ministerial Declaration and the trends in the fight against protectionism. The background documentation was still circulated too late for detailed study and did not refer to some developments which seemed to be more important than certain information in the document. For example, information was missing on efforts in the United States, Japan and the EEC to strengthen their domestic industries in the high technology area, and on important recent developments in antitrust laws in the United States and Europe. He noted a lack of evaluation of the thrust of trade developments in section II of the document, which reported various changes in countries' schemes under the Generalized System of Preferences (GSP) without giving a judgement as to the trends in that system: did this imply that the Secretariat felt that evaluation should be left to the Council? He suggested, in order to enable the Council to discharge its central obligation to make policy judgements, and to build confidence in the operation of the General Agreement, that the factual information should be synthesized in about two pages so as to get at the thrust of trade policy developments.

The representative of the United States considered that the Secretariat document was useful for the Council's discussion and that suggestions for improvement in the notification procedures, such as those put forward by the Director-General, would be acceptable to the United States. Commenting on some of the information set out in document C/W/437, he offered to circulate the text of the bilateral understanding on the use of safeguards, drawn up by the United States and Canada and referred to in paragraph 16, if the Council so wished. As regards the Canadian initiative for exploring with the United States the possibility of establishing free-trade links in certain industrial sectors (paragraph 20), which had been welcomed by the United States, he specified that it included the entire steel sector and not just specialty steel, but that no consideration was being given at this time to textiles and clothing as potential sectors. He doubted the accuracy of press reports regarding the exclusion of $11.9 billion worth of imports from the United States' GSP scheme (paragraph 29), and said that

his authorities were unaware of the reported voluntary export restraints by Korean manufacturers on colour television sets (paragraph 92) and had no part in any such arrangement. Nor had the United States played any rôle in the reported voluntary restraints of South African Steel exports (paragraph 92), which had been initiated by the South African Government in an attempt to influence a countervailing duty case filed by the US domestic steel industry. The information on steel in paragraph 9 of the document should be amended to reflect his comments.

The representative of Peru, referring to the information on Peruvian import arrangements (paragraph 15), said that Peru had been liberalizing its import system since 1979 so that there were considerably fewer import license requirements at present compared to the period before 1979. Peru's import surcharge, referred to in paragraph 56, had been extended for balance-of-payments reasons and had been notified in the context of the consultations carried out in December 1983.

The representative of Sweden, on behalf of the Nordic countries, expressed satisfaction with the Secretariat document, which improved transparency and gave the Council a better basis for assessing trends in the trading system. The fact that many measures had only come to the Secretariat's attention from sources other than notifications, highlighted the need stressed earlier by the Nordic countries to examine present notification requirements. He welcomed the Director-General's announcement that the Council's next special meeting would have before it a Secretariat paper elaborating on aspects of this problem as a basis for further Council discussion. The Nordic countries had noted from the document for the present meeting that a large number of new tariff and non-tariff protectionist measures had been taken since the last special meeting. At the same time there did not appear to have been any significant dismantling or roll-back of protectionist measures. The Nordic countries considered that the Council's special meetings should emphasize and facilitate review of protectionist measures from the point of view of the commitments in paragraph 7(i) of the Ministerial Declaration. He suggested that informal consultations take place before the next special meeting in order to determine how such an examination could best be arranged.

The representative of India said that his delegation attached great importance to the special meetings of the Council, which served a particularly useful purpose in attempting to assess trends and directions in the development of the multilateral trading system. If the Council failed to make the necessary assessments, this was no fault of the special meetings themselves or of the documentation prepared for them; perhaps delegations would need to be more forthcoming in the discussions. He agreed with the Director-General that the primary focus should be on trying to assess the trends of developments in the trading system, and that there was a need to improve transparency. He agreed with the representative of Jamaica that the present document contained

some references which, though important, were of unequal weight. He also considered that the documentation for future special meetings should be issued earlier than the ten-day rule which applied to documents for Council meetings generally. Referring to information given on the adoption of additional criteria to be used by the United States as part of its internal procedures for monitoring textile and clothing imports (paragraph 12), he regretted that this factually correct information did not give any guidance for assessing developments in textile trade policy by mentioning, for instance, that the adoption of these guidelines had resulted in about 80 calls for consultations to place under restraint textile products which had hitherto been unrestrained. The information on import restrictions by a number of developing countries (paragraph 15) could also have been put in perspective by mentioning substantial import liberalizing measures adopted by some developing countries, such as the import liberalizations introduced by India as reported in document BOP/W/81. The increase in India's duty on imported rayon filament yarn (paragraph 28), an unbound item, had been made solely for revenue considerations and had likewise to be seen in conjunction with India's other import liberalizing measures. Referring to the lack of notifications under Article XXXVII:2(a) (page 28), he regretted the absence of an assessment by the Secretariat as to whether this implied that developed contracting parties were fulfilling their commitments under Article XXXVII:1. He concluded by saying that, his aforementioned suggestions notwithstanding, document C/W/437 provided useful information and constituted a good beginning for the Council review at the macro-policy level.

The representative of South Africa said that the Secretariat document gave a useful overview of major recent developments in the trade policies of contracting parties. Referring to the restraints of South African steel exports to the United States (paragraph 92), he said this measure was in fact a unilateral action by South Africa to limits its steel exports to the United States, in which neither the US Government nor the US steel industry was directly involved. The measure was intended to contribute towards avoiding the disruption of the US steel market and the possible consequences that might have for future exports to that market.

The Director-General said that the intervention by South Africa raised the general question as to what extent actions in the private sector, which had an impact on world trade, should be reported in the Secretariat's documentation. As stated in paragraph 5 of document C/W/437, inclusion of a measure should not be taken to imply any judgement on its legal status under the General Agreement. He appreciated the helpful comments and criticisms that had been made. He agreed that the Secretariat had made only a few comments in the document; normally, it expressed its own views only in the annual GATT report on international trade. It might, however, be useful if, during further refinement of reviews of developments in the trading system, the Council was provided twice a year with an assessment by the Secretariat,

perhaps as an introduction to the Secretariat's documentation for the special meetings. The Director-General shared the preoccupations expressed as to timely circulation of the documentation, and said every effort would be made to ensure that future notes would be circulated more in advance of the special Council meetings; however, the Secretariat was already under considerable pressure in this respect, and he might have occasion to raise this matter in another forum.

Referring to comments on certain gaps in document C/W/437, he said his suggestion made earlier in the meeting in favour of notifications by contracting parties at regular intervals on the totality of changes in their trade policies, was precisely directed at remedying problems resulting from piecemeal notifications. Responding to the comment that the present document included too much information on countertrade arrangements but did not look into important developments in national anti-trust and industrial policies, he invited the Council to give more guidance to the Secretariat on the areas to be covered by the documentation for the special meetings. Improvement of the documentation also required a co-operative effort on the part of delegations which, for instance, might reply more quickly to the Secretariat's requests for comments or information on matters to be included.

The representative of Canada said with reference to paragraphs 7 and 29 of document C/W/437 that the Canadian legislation to extend its GSP scheme for a further ten-year period until June 1994 had been introduced into Parliament but had not yet been enacted. In reviewing the document, his authorities had been struck by the wide range of measures taken over the period under review which had not been formally notified to the GATT. No doubt there were other measures as well, either positive or negative, which could be included. The fact that these measures could be brought to the attention of the contracting parties in a systematized, if unofficial, way was a positive development. It would be an even more positive step if governments would undertake to notify these measures and if transparency could be improved. About half of the measures listed in the document, for example on tariffs and related measures, were trade-liberalizing and half were trade-restrictive. Although this type of calculation was not adequate to assess the impact of a particular measure on trade, it did show trends, and over time would make it possible to obtain a broader awareness of the trading environment as a whole. While he wanted to be cautious in drawing specific conclusions from a document of this nature, certain general observations might be in order: first, judging from the range of measures taken, it was clear that protectionist pressures were being widely felt both by developed and developing countries; second, notwithstanding this situation, many contracting parties had for the most part been able to hold their ground against such pressures and some constructive steps towards liberalization, including in areas of interest to developing countries, had been taken, such as liberalizing actions by India, by Japan and recently by Turkey; third, the range of

measures taken by developing countries pointed to the serious economic difficulties they were experiencing. Canada shared the view that the main task before the international trading community was the completion of the Ministerial work program. Its early completion was the basis on which to approach further trade liberalization; and Canada could only regret that the work had not proceeded more quickly. One other worrying feature concerned the state of the dispute settlement system. Of the 13 disputes under Article XXIII referred to in the document, three-quarters had involved delays of one sort or another in the final resolution of the matter in spite of the Ministerial Decision on dispute settlement procedures (BISD 29S/13). This did not bode well for the international trading system, and there was a clear need for the contracting parties both to strengthen and respect the established procedures. His delegation would have more to say on this general point at a future date.

The representative of Nigeria said that the measures referred to on page 10 (paragraph 28) and on page 13 (paragraph 36) of document C/W/437 had been taken mainly for balance-of-payments reasons. In response to the consultations with Nigeria in the Committee on Balance-of-Payments Restrictions, his authorities had recently reduced the rate of the highest Nigerian tariffs from a high of 500 per cent to a low of 200 per cent. Other liberalization measures had also been announced recently and details of these would soon be given to the Secretariat. He supported the statement by the representative of Jamaica concerning GSP exclusions, and urged the Secretariat to include more information on these in future documentation.

The representative of Korea referred to the information given in document C/W/437 on the five-year tariff reforms in Korea (paragraph 28), and explained in detail the evolution of his country's import liberalization policy, namely its tariff reform and advance-notice system for import liberalization. Tariff rates would be reduced for 734 items in 1984 and for 981 items by 1988. The average Korean tariff rate would be reduced from the current level of 23.7 per cent to 21.9 per cent in 1984 and to 18.1 per cent in 1988. Furthermore, the ratio of items which had tariff rates below 20 per cent would increase from the current 61.9 per cent to 71.2 per cent in 1984 and to 91.4 per cent by 1988. The objective of the advance-notice system under the five-year import liberalization program for 1984-1988 was to provide domestic manufacturers with more reliable long-term planning and to give domestic firms, foreign exporters and consumers time to adjust to the new trade environment. Under this program, a total of 1,181 items among the currently restricted 1,560 items on the basis of CCCN 8 digits would gradually be freed from import restrictions from 1984 to 1988. He regretted that, in spite of continued efforts by Korea to pursue its trade liberalization policy, 165 Korean export items were currently under various restrictive measures by developed countries, and urged those countries to roll back and dismantle their

various import restriction measures and to open their markets more widely to developing countries, including Korea. Referring to the information on voluntary export restraints (paragraph 92), the Korean delegation was not aware of any voluntary restraints by Korean manufacturers of exports of colour television sets to the United States.

The representative of Pakistan said that document C/W/437 helped to monitor specific trade policy developments and to discharge the Council's basic task of taking a broad overview of the evolution of the international trading system. He expressed the view that protectionism had been on the increase despite the expansion of world trade. The document could be fruitfully used in order, first, to highlight import-liberalizing measures such as those introduced by Pakistan (paragraph 33) in response to its recent consultations in the Committee on Balance-of-Payments Restrictions; second, to correct misconceptions about the trade policies of various contracting parties, such as the examination by Canada and the United States of the possibility of establishing free-trade links (paragraph 20), which concerned developing countries; and, third, to seek and give further information. He referred in this context to the additional criteria used by the US administration as part of its internal procedures for monitoring textiles and clothing imports (paragraph 65) and invited the US delegation to advise the Council on the consultations with supplier countries and on how the United States intended to proceed in this matter.

The representative of Colombia informed the Council of various amendments and liberalizations of his country's import licensing régime over the past months which would later be duly notified to the Secretariat. The import licensing requirements were due to Colombia's balance-of-payments difficulties and its low level of foreign currency reserves, which had been adversely affected by the high level of interest rates, reduction of demand, deterioration of Colombia's terms of trade and by protectionist restraints by its major trading partners.

The representative of the European Communities said that C/W/437 provided a reference document, as well as a stimulus for discussion. It gave raw facts, more or less clearly defined, but did not - and should not - evaluate them. It was the task of Council members themselves, individually and collectively, to make an overall assessment of developments in the trading system and to see what conclusions could be drawn from the factual information set out in document C/W/437. The Council would best achieve this, not by individual members seeking to defend themselves, but by engaging in a genuine dialogue. He referred to certain imperfections in the document and said that, in spite of references to liberalizing measures, it did not bring out the successful efforts of contracting parties at resisting protectionist pressures. He noted that, while it was possible for an individual contracting party to lack transparency in its trade measures, the Community, as a multinational entity, was obliged to be fully transparent in its trade

policy discussions and decision-making. Referring to various statistics on the Community's foreign trade in 1982/83, he said its global trade deficit of about 26 billion ECU in 1983 and its trade deficit of about 5.5 billion ECU towards developing countries in 1983 demonstratd that the Community had successfully resisted protectionist pressures. In attempting a political assessment, it appeared that notwithstanding certain tensions which were inevitable in international economic relations, the multilateral GATT system had held fast and the GATT work program had proved useful, despite the criticism of it when it was adopted.

The representative of Singapore stressed the importance which his country attached to monitoring the implementation of paragraph 7(i) of the Ministerial Declaration. Document C/W/437 provided useful information on developments in the trading system over the period under review but, on its own, was insufficient for providing the Council with a basis for analyzing or drawing conclusions on whether paragraph 7(i) had been observed or not. He supported the Nordic proposal to hold informal consultations on how future special meetings of the Council might best review and assess developments in the trading system and examine how contracting parties had fulfilled their undertakings under paragraph 7(i).

The representative of Yugoslavia said that developments over the past six months in the trading system had not facilitated international trade or contributed to world economic recovery. Except for certain advanced tariff reductions in the framework of the MTN tariff cuts and some improvements in their GSP schemes by some contracting parties, protectionism had been increasing in the trade policies of developed countries, particularly protectionism outside GATT disciplines and primarily in sectors which were vitally important to developing country exports, such as textiles and clothing, steel, agriculture, motor vehicles and consumer electronics. He referred to the conditions of economic recovery in some developed countries and noted that, while it was expected that these countries would contribute to liberalizing trade and to the resolution of balance-of-payments difficulties of developing countries, they had resorted increasingly to import restrictions as well as to anti-dumping and other non-tariff protective measures against alleged unfair competition. The share of developing countries in the overall imports of developed countries in the last few years had declined as a direct result of escalation of such measures. Recent growth of non-tariff barriers and voluntary restraint agreements prevented competition and lessened the positive impact of trade on the process of structural adjustment of the world economy. He expressed concern over the increased search for short-term solutions to trade problems and over some major trading partners' questioning the carrying out of internationally assumed obligations, specifically the principles of special treatment for developing countries and of non-discrimination

and non-reciprocity on which the Generalized System of Preferences was based. He emphasized that, in the Ministerial Declaration, contracting parties had committed themselves to work towards completing and reinforcing the GATT multilateral trading system as the only reliable instrument for the development of world trade, and to contribute through concrete actions to restoring confidence in the basic GATT principles and rules. The first step in that direction should be the elimination of obstacles to exports from developing countries as well as the establishment of more favourable conditions for access of goods from developing countries to industrialized country markets.

The representative of Spain emphasized that the task of the special meetings of the Council was to review developments in the trading system and to monitor paragraph 7(i) of the Ministerial Declaration. In his view, many comments had been addressed to specific issues or trade policy measures without approaching the real subject at hand, i.e. an assessment of trends in international trade. This might also have been due to the nature of document C/W/437, which was good but was a purely informative reference document without any real assessment of trends in international trade. He suggested that the Council proceed differently in future by inviting the Secretariat to provide in this or in a separate background document a brief summary of trends in international trade. If the Council were to receive such a summary in advance, it could then proceed to a useful assessment of trends in trade and of compliance with paragraph 7(i) of the Ministerial Declaration. Since there were two special meetings of the Council each year, it might review in detail the annual GATT report on international trade during one special meeting and the suggested summary during the other.

The representative of Hungary expressed satisfaction with document C/W/437, which was short, factual and objective. He supported the suggestion that future documentation should differentiate among the various measures according to their relative importance for world trade. Referring to the term "state-trading countries" used in the corrigendum to paragraph 94 (document C/W/437/Corr.1, page 4), this term had no legal status or generally accepted definition in the GATT system and should be avoided. In the specific context of paragraph 94, his delegation would have preferred the original language of the Turkish regulation in question, which spoke of "countries implementing nationalized foreign trade practices".

The representative of Israel also expressed satisfaction with document C/W/437 and said there should be room for both a "micro-review" of specific developments and a "macro-review" of the overall evolution of the trading system in the special Council meetings. As for monitoring paragraph 7(i) of the Ministerial Declaration, he noted there was no indication in the document that Israel had taken any restrictive trade measure inconsistent with GATT. He encouraged the Director-General to pursue his efforts at increasing transparency, and

suggested that the Secretariat ask contracting parties for additional information on trade measures such as the granting of preferential treatment (page 39 of document C/W/437) which had not been notified. As regards the lack of evaluation of the various measures taken, he suggested the document might usefully have included references to balance-of-payments measures assessed in the Committee on Balance-of-Payments Restrictions.

The representative of Japan said that cooperation was indispensable for rolling back protectionism and for supporting the present trend towards economic recovery. For this reason, Japan had proposed that preparations for a new round of multilateral trade negotiations should be started expeditiously. However, in the course of the recent economic recovery, protectionist measures had been increasing and some of them could be considered to imply a retreat from the commitment to the principles of multilateralism. A strengthening of the non-discriminatory multilateral trading system and of the rule of law in international trade was indispensable to cope with these problems. He said it was a sad fact that the present trade environment for developing countries was not bright. Japan had implemented a series of measures to increase imports from those countries. The dynamic economic progress and expansion of trade achieved by an increasing number of developing countries, in particular by Japan's Asian neighbours, had been an encouraging development. Japan shared the view that it was necessary to renew cooperative efforts to successfully complete the 1982 Ministerial work program. The idea of a new GATT round and faithful implementation of the Ministerial Declaration were mutually reinforcing. Japan would therefore make every effort to bring all the items of the work program to a successful completion. Turning to the short-term prospects, he said that, as indicated in document C/W/437, Japan had exerted its utmost efforts to open up its market through a series of measures, in spite of domestic difficulties. The new set of external economic measures taken by Japan on 27 April 1984, notified in document L/5648, was in line with Japan's basic trade policy of steadily implementing paragraph 7(i) of the Ministerial Declaration. Although it was usually painful for any nation, including Japan, to open up its markets, Japan was implementing a series of import liberalizing measures including: tariff reduction of specific items (listed in the Appendix of document L/5648); advanced implementation of the MTN tariff reductions, including those of agricultural products; extension of tariff-exempt items under the Agreement on Trade in Civil Aircraft; relaxation of import restrictions on some agricultural products; import liberalization of manufactured tobacco products; further improvements in standards and certification systems; market-opening in the high-technology sector; promotion of the liberalization of the financial and capital market; and promotion of international investment. He also referred to the Prime Minister's policy of encouraging the Japanese public to buy imported goods.

The representative of Australia expressed appreciation for Japan's initiatives in trying to reinforce moves towards trade liberalization and towards greater fulfilment of the Ministerial work program, even though in its bilateral trade with Japan, Australia would wish to see some greater relaxation, particularly with regard to some agricultural items. He endorsed the idea that notification should not be seen as an end in itself and that informal consultations be held to see how greater focus could be given to the reviews undertaken by the Council at its special meetings. The secretariat documentation should in future reflect more on trends and on the broader implications of trade policy measures. Referring to document C/W/437, he would have preferred somewhat greater nuance in certain parts of the text, for example in paragraph 18 concerning Australia's support for promotion of preparations for a new round of multilateral trade negotiations. He was concerned that the GATT work program was progressing too slowly, recalling that Australia's earlier reservations were made not because the Ministerial Declaration went too far, but because it did not go far enough.

The representative of the European Communities, referring to the series of economic measures notified by Japan (documents L/5570 and 5648) and designed to open the Japanese market, noted that various Japanese newspapers as well as the US Administration had characterized the measures as being insufficient. The Community had welcomed the latest Japanese measures, as well as the political spirit behind them, and had hoped that this would also lead, among other things, to an effective improvement of administrative practices in the acceptance of foreign test data. On the whole, the Community had been encouraged by the Japanese Prime Minister's statement that "it is an important responsibility for Japan to attain economic growth led by the expansion of its domestic demand", although the market-opening measures concerned only two per cent of the Community's exports to Japan. He hoped that Japan's political declarations would be fully matched by actions at the administrative level, since the impact of the measures could be assessed only through their implementation. He hoped that Japan would continue to make further moves in this direction.

The representative of Japan, referring to the statement by the representative of the European Communities, said the fight against protectionism and the effort at trade liberalization had to begin at home, as it did in Japan.

The Chairman said that the comments made by representatives should assist the Secretariat in preparing for the next special meeting a document which would facilitate the Council's task of assessing trends in international trade and in the trade policies of contracting parties. Referring to the proposal made by the Nordic countries, he suggested that informal consultations be held before the next special meeting to enable the Council to examine more efficiently the implementation of the Ministerial Declaration and of the GATT work program.

In response to a question raised by the representative of Nigeria, Mr. Mathur, Deputy Director-General, confirmed that the list of bilateral trade agreements on page 39 of document C/W/437 reflected only the knowledge of the GATT Secretariat and that it was doubtful whether this list was complete.

The Council agreed that the review of developments in the trading system (special meeting on Notification, Consultation, Dispute Settlement and Surveillance) had been conducted.