

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED  
LIMITED C  
GATT/CP.5/29  
21 November 1950  
~~ORIGINAL: ENGLISH~~

CONTRACTING PARTIES  
Fifth Session

## SECOND INTERIM REPORT OF WORKING PARTY "A" ON ARTICLE XVIII

### The Measure Relating to Seed Oil Notified by Italy

1. The Working Party examined the statement of considerations submitted by the Government of Italy (GATT/CP/49/Add.1) together with the texts of laws and decrees contained in document GATT/CP/49. The Working Party noted that the measures notified related to three industries, namely those for the production of radio electric sets, synthetic organic dyes, and seed oil. This interim report deals only with the measure relating to seed oil.

2. The representative of Italy stated that the notified measure relating to seed oil consisted of a tax on the manufacture and also on the importation of seed oil provided for by successive laws and executive decrees, the texts of which were contained in GATT/CP/49 as Annexes IV to VIII. Notification had been made under paragraph 11 of Article XVIII by the Italian Government in respect of the maintenance of this tax with a view to obtaining a release from its obligations under paragraph 2 of Article III of the Agreement.

3. A discussion took place in the Working Party concerning the effects of the tax, in the course of which reference was made to the Report of Sub-Committee A of Committee III of the Havana Conference, which dealt with the corresponding article in the Havana Charter.<sup>1)</sup> In this connection, the representative of Italy informed the Working Party that there was a substantial domestic production of seed oil.

4. The representative of Italy, after further consideration, then withdrew the notification under paragraph 11 of Article XVIII in respect of the measure relating to seed oil. The Working Party consequently did not proceed to examine the substance of the notification. As a result, the Decision taken by the Contracting Parties on 13 August 1949 permitting the Italian Government to maintain the notified measure pending a decision under paragraph 12 of Article XVIII is not required with respect to the items affected by the measure, namely, Tariff Items 139(a) and (c): raw linseed oil and soya oil, and may be considered as terminated.

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<sup>1)</sup> Paragraph 54 of the Report (E/CONF.2/C.3/59), which is reproduced on page 64 of Reports of Committees and Sub-Committees (ICITO/1/8), reads as follows:

"The Sub-Committee was in agreement that under the provisions of Article 18 regulations and taxes would be permitted which, while perhaps having the effect of assisting the production of a particular domestic product (say, butter) are directed as much against the domestic production of another product (say, domestic oleomargarine) of which there was a substantial domestic production as they are against imports (say, imported oleomargarine)".