

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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19 July 1974

MINUTES OF MEETING

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on 19 July 1974

Chairman: Mr. P.S. LAI (Malaysia)

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1. Status of Article XXIV:6 negotiations with the European Communities

The representative of the European Communities stated that the Communities considered the renegotiations under Article XXIV:6 of the General Agreement now to be terminated. The Council of the European Communities would formally conclude the results of the renegotiations the following week. It was the intention that on 31 July at midnight the schedules of concessions of the Six and of Ireland, the United Kingdom and Denmark would be withdrawn and replaced by two new schedules of concessions for the Community of Nine, one relating to the European Economic Community

and one to the European Coal and Steel Community. The Communities had now initialled agreements with the great majority of the contracting parties who had engaged in negotiations with them.

The representative of the United States stated that the United States considered that the negotiations pursuant to Article XXIV:6 of the GATT had not achieved satisfactory results, with respect to compensation for concessions with respect to wheat (ex 10.01) and rice (10.06 B) in the schedule of Denmark; with respect to wheat (10.01 A), barley (10.03), corn (10.05 B, 10.05 C), rice (10.06 A, 10.06 B) and sorghum (ex 10.07 A) in the schedule of the United Kingdom; and with respect to rice (10.06) in the schedule of Ireland. The United States therefore reserved its rights to resume the negotiations with respect to such products.

Taking the above elements into account, the United States reserved its rights under Article XXVIII to withdraw substantially equivalent concessions,

- with respect to the cereal items listed above,
- with respect to any modification made by the European Communities to its schedules pursuant to its reservation referred to by the representative of the Communities¹,
- with respect to any modification made by the European Communities to the draft schedules for the European Communities referred to in the Report of the Delegations to the European Communities and the United States to the Article XXIV:6 Negotiations, and
- with respect to any failure by the European Communities to implement, in whole or in part, the concessions contained in the draft EC schedules on or before 31 July 1974 (unless another date was specified in the schedules with respect to any concessions).

The United States joined with Australia and the European Communities to propose that the time-limit laid down in paragraph 3 of Article XXVIII of the General Agreement should not apply to these reservations, but that action taken under these reservations could take place upon the expiration of 30 days from the day on which written notice was given to the CONTRACTING PARTIES. The United States, Australia and the European Communities sought the approval of the GATT Council for this modification of the time-limits laid down in Article XXVIII.

¹See page 4.

The United States, for its part, was ready to join in the following declaration of the United States, Australia and the European Communities, which read as follows: "Notwithstanding this divergence of opinion and taking account of the complexities of the problems involved in cereals, the United States, Australia and the European Communities agree to continue discussions with a view to seeking through international negotiations, agreed solutions to the problems arising in the field of international trade in cereals".

The representative of Australia stated that Australia considered that the negotiations pursuant to Article XXIV:6 of the GATT had not achieved satisfactory results with respect to rights on oats (10.04) in the schedule of Denmark; with respect to wheat (10.01), oats (10.04) in the schedule of Ireland; with respect to wheat (10.01), barley (10.03), oats (10.04), rice (ex 10.06) and sorghum (10.07 C) in the schedule of the United Kingdom. Australia therefore reserved the right to resume discussions with respect to such products.

Taking the above elements into account, Australia reserved its rights under Article XXVIII to withdraw substantially equivalent concessions,

- with respect to the cereal items listed above,
- with respect to any modification made by the European Communities to its schedules pursuant to its reservation referred to by the representative of the Communities¹,
- with respect to any modification made by the European Communities to the draft schedules for the European Communities referred to in the Report of the Delegations of the European Communities and Australia to the Article XXIV:6 negotiations, and
- with respect to any failure by the European Communities to implement, in whole or in part, the concessions contained in the draft EC schedules on or before 31 July 1974 (unless another date was specified in the schedules with respect to any concessions).

Australia joined with the United States and the European Communities to propose that the time-limit laid down in paragraph 3 of Article XXVIII of the General Agreement should not apply to these reservations, but that action taken under these reservations could take place upon the expiration of 30 days from the day on which written notice was given to the CONTRACTING PARTIES. Australia, the

¹See page 4.

United States and the European Communities sought the approval of the GATT Council for this modification of the time-limits laid down in Article XXVIII.

Australia, for its part, was ready to join in the following joint declaration of Australia, the United States and the European Communities, which read as follows:

"Notwithstanding this divergence of opinion and taking account of the complexities of the problems involved in cereals, the United States, Australia and the European Communities agree to continue discussions with a view to seeking through international negotiations, agreed solutions to the problems arising in the field of international trade in cereals."

The representative of the European Communities stated that the European Communities considered that the concessions offered by the new Common Schedules provided full compensation for the withdrawal of all the concessions listed in Schedules XIX, Section A, parts I and II, XXII, XL, XL bis and LXI, parts I and II, in respect of which other contracting parties held negotiating rights.

Noting, however, that some contracting parties took a different view, and had reserved their rights under Article XXVIII, the European Communities had inserted in its schedules a reservation of rights which enabled it to take equivalent action if other contracting parties invoking the provisions of Article XXVIII were to withdraw concessions following these Article XXIV:6 renegotiations in connexion with the enlargement of the Communities. The text of this reservation was as follows:

"The European Communities reserve the right of modifying the present schedule of concessions to restore the balance of concessions if a contracting party invoking the provisions of Article XXVIII:3 were to withdraw concessions following the Article XXIV:6 renegotiations in connection with the enlargement of the Communities. If such modifications should take place, the Communities, acting in conformity with the provisions of Article XXVIII:2, and in the framework of the procedures and modalities of negotiations followed in the course of renegotiations, shall endeavour to maintain the concessions granted to each of the third parties to the renegotiations at a level no less favourable than that provided by the current schedule, each of them preserving vis-à-vis the Communities the rights arising from the provisions of Article XXVIII."

The European Communities joined with the United States and Australia to propose that the time-limit laid down in paragraph 3 of Article XXVIII of the General Agreement should not apply to these reservations, but that action taken under these reservations could take place upon the expiration of thirty days from the day on which written notice was given to the CONTRACTING PARTIES. The European Communities, the United States and Australia sought the approval of the GATT Council for this modification of the time-limits laid down in Article XXVIII.

He added that the European Communities, for their part, were ready to join in the following joint declaration of the United States, Australia and the European Communities which read as follows:

"Notwithstanding this divergence of opinion and taking account of the complexities of the problems involved in cereals, the United States, Australia and the European Communities agree to continue discussions with a view to seeking through international negotiations, agreed solutions to the problems arising in the field of international trade in cereals."

The representative of Canada stated that it had not been possible for Canada to reach agreement with the European Communities in the Article XXIV:6 negotiations arising from the enlargement of the Communities. In the view of the Canadian Government the compensatory adjustments offered by the Communities did not maintain the level of mutually advantageous concessions that was provided for in the GATT prior to enlargement. Canada expected to continue the negotiations with a view to reaching satisfactory results. Meanwhile Canada reserved its rights under the GATT.

The representative of Poland stated that his country was one of the countries which had entered into renegotiations with the Communities. These renegotiations had been concluded and the respective protocols had been initialled. He added, however, that it had not been possible, within the framework of the Article XXIV:6 negotiations, to resolve all the problems arising for Poland as a result of the enlargement of the Community. The most important of these unresolved problems was Poland's exports of bacon to the United Kingdom market. His Government had therefore asked by letter addressed to the Communities to seek a mutually acceptable solution to this problem.

The representative of Japan informed the Council that his Government had completed the renegotiations with the European Communities on 16 July and he expressed the hope that the remaining problems with some other contracting parties could be settled at an early date. His delegation could support the

proposed decision on the understanding that the rights of third countries under the GATT would be adequately protected. He assumed furthermore that the decision could be reviewed at an appropriate time if so requested by any contracting party, under normal GATT procedures.

The representative of Argentina mentioned that his delegation was still negotiating with the Communities. He felt that the situation of Argentina was seriously prejudiced by the enlargement of the Communities both in terms of the level of tariffs and the treatment of imports of products of particular interest to Argentina. While his delegation continued to seek with the Communities an identification of the legal situation of his country under Article XXIV:6, Argentina reserved all rights as a contracting party and as a developing country concerning any losses accruing to it. His delegation also wanted to join other delegations which supported the extension of the time-limit for invoking such rights in the future, not only in the specific cases mentioned by the United States, Australia and the Communities, but also for all sectors in which countries had not obtained equitable compensation.

The representative of Romania fully associated himself with the statement made by Argentina.

The representative of Malaysia stated that in the course of the Article XXIV:6 negotiations with the Communities, his delegation had sought to obtain duty-free entry for Malaysian exports into the enlarged Community, in particular for palm oil, coconut oil, canned pineapples, plywood, pepper, frozen prawns and shrimps, which had entered the United Kingdom free of duty up to 31 December 1973. His delegation had only recently received the final offer from the Communities and more time was needed for his Government to assess the adequacy of the compensation. He hoped that this matter could be concluded in the near future. He also expressed hope that in case of any retaliatory action among the major trading countries the interests of developing countries would be fully protected.

The representative of India stated that it had not yet been possible for his delegation to conclude the negotiations under Article XXIV with the Communities. His delegation intended to pursue their efforts to reach a settlement but some more time was needed. He earnestly hoped that it would be possible to reach a mutually acceptable settlement. In the meantime India reserved its rights under the General Agreement.

The representative of Yugoslavia confirmed that his country's negotiations with the Communities had been completed. However, it had not been possible to obtain compensation for the losses in the exports of meat to the

United Kingdom market. In accepting the agreement he expressed the hope that this question could be taken care of in bilateral talks with the Communities in the future.

The representative of Brazil stated that his delegation could support a decision to extend the time-limit. He furthermore informed the Council that agreement had been reached with the Communities and that the protocol had been signed on 18 July.

The representative of Uruguay stated that his country's position was analogous to that of Argentina and that the Argentine statement applied also to Uruguay.

The representative of the European Communities pointed out that the Community had sought a decision of the Council for a prolongation of the six-month time-limit laid down in Article XXVIII:3, in the context of two bilateral negotiations, namely with the United States and with Australia. The Community could not support any decision for a prolongation which went further than the two bilateral agreements with the reservations specifically referred to.

The representative of Argentina referred to the negotiation position of other countries which had not reached a conclusion. He asked that these also should have the benefit of a prolongation of the time-limit.

The representative of the Communities replied that the Article XXIV:6 negotiations were conducted in accordance with the procedures of Article XXVIII and were a set of bilateral negotiations with various contracting parties; it was in the context of two such bilateral negotiations that the Community had agreed to seek a prolongation of the time-limit, but no such agreement had been made in any of the other bilateral negotiations.

The Chairman drew the Council's attention to the statements of the representatives of Australia, the European Communities and the United States and their respective reservations of rights in connexion with the Article XXIV:6 negotiations with respect to the enlargement of the Communities.

The Council agreed that the six-month period referred to in Article XXVIII:3 would not apply to actions pursuant to these reservations and that such actions could be taken at any time upon expiration of thirty days from the day that written notice is given to the CONTRACTING PARTIES.

The Council also took note of the statements by several contracting parties of their intention to continue the negotiations and of the statements and reservations made by a number of contracting parties, and the Council

recognized that the decision is without prejudice to the rights under the General Agreement of any contracting party.

The representative of Canada stated that the representative of the European Communities had indicated that the Communities intended to insert in their schedules words aimed at enabling it to withdraw concessions in certain situations. When his delegation received the Communities' new common schedules it would examine them to ascertain the nature and extent of the adverse implications for Canada's rights under the GATT. Following the examination his delegation might wish to raise the matter with the CONTRACTING PARTIES.

The representative of the European Communities remarked that the reservation had been brought to the attention of the Canadian delegation some time ago and it had been explained to the Canadian delegation why the Communities considered to be fully entitled to have such a reservation embodied in their schedules of concessions.

2. India - Renegotiation of Schedule XII (L/4055)

The Chairman recalled that under the Decision of 16 March 1973 the Government of India was authorized to modify certain bound rates of duty pending the completion of the necessary renegotiations by 30 June 1974. He then referred to document L/4055 in which the delegation of India had requested a further extension of the time-limit for the conclusion of the negotiations.

The representative of India stated that the negotiations had reached such an advanced stage towards the end of June that his delegation had been confident that they would be concluded within the prescribed time limit. It was for this reason that his delegation had not considered it necessary to seek an extension of the waiver at the last Council meeting. However, a few outstanding problems still remained for which a short extension had become necessary. He expected that the negotiations would be resumed in September and he envisaged their completion in October. Under these circumstances, he asked for an extension of the time-limit until the end of the thirtieth session of the CONTRACTING PARTIES in November.

The Chairman drew attention to the text of a draft decision, circulated in document C/W/243, to facilitate consideration by the Council of the Indian request.

The Council agreed to recommend an extension of the time-limit until the end of the thirtieth session of the CONTRACTING PARTIES and approved the text of the draft decision with the agreed time-limit and recommended its adoption by the CONTRACTING PARTIES.

The draft decision was submitted to a vote and the Chairman invited members of the Council having authority to vote on behalf of their governments to do so. Ballot papers would be sent by mail to those contracting parties not represented at the meeting.

3. Agreement between the European Economic Community and Egypt (L/4054 and Corr.1)

The Chairman said that the Council considered the Agreement between the EEC and Egypt at its meeting in October 1973 and established a working party to carry out a more detailed examination of the provisions of the Agreement in the light of the relevant provisions of the GATT. The report of the Working Party had been circulated in document L/4054.

Mr. Mariadason (Sri Lanka), Chairman of the Working Party, said that the Working Party had addressed itself to several specific issues, namely trade coverage, anti-dumping and rules of origin. There had also been discussion on some general questions related to the Agreement.

He noted that the Working Party had been unable to reach unanimous conclusions as to the compatibility of the Agreement with the provisions of the General Agreement, and in particular those of Article XXIV. Some members were of the opinion that no plan and schedule existed, making it impossible to make a finding whether the Agreement would result in a free-trade area within a reasonable period, and that the trade coverage was inadequate. Some members had suggested that it would have been preferable for the EEC to have taken account of Egypt's interests through its Generalized System of Preferences. The parties to the Agreement considered that the requirements of Articles XXIV:5-9 had been fulfilled, and cited the developments towards economic integration in the region concerned, the political will of the parties to establish free trade, and the provisions of the Agreement itself as substantiating their view. They did not consider that it would have been possible within the context of the Generalized System of Preferences to achieve the objectives they had set themselves.

He concluded by stating that the Working Party felt that it should limit itself to reporting the opinions expressed on these issues.

The representatives of Canada, Japan and the United States pointed out that they had expressed reservations on the Agreement which were stated in the report.

The Council noted the differences of view expressed and adopted the report.

The Council agreed also that the parties to the Agreement would be invited to submit their first biennial report in April 1976 in accordance with the calendar fixing dates for biennial examination of reports on developments under regional agreements.

4. Arab Common Market (L/4046)

The Chairman drew attention to a communication by the delegation of Egypt (L/4046) which contained a note on developments in the Arab Common Market. This note had been submitted under the biennial reporting procedures on developments under regional arrangements.

The representative of Canada said that the report appeared to concentrate on general policies. He requested that future reports should provide more detailed information on progress achieved with respect to dismantling of trade barriers.

The Council took note of the report.

5. EEC - Association with certain non-European countries and territories (L/4047)

The Chairman referred to a report on developments within the framework of the Association between the EEC and certain non-European countries and territories, submitted under the regular biennial reporting procedure on developments under regional arrangements.

The representative of Australia referred to a statement in the report that future biennial reviews within GATT should no longer be necessary. He felt that these reviews were of interest to his Government in view of the trade links existing with the countries and territories in question and suggested that the biennial review should be continued. He also noted that overseas territories no longer applied quantitative restrictions on imports from the Community and enquired whether this was also the case for imports from other contracting parties.

The representative of the United States recalled the United States views on the incompatibility of the provisions of the trading arrangements with the requirements under Article XXIV. He stated that until there was a decision by the CONTRACTING PARTIES that the requirements were fulfilled the arrangements should continue to be subject to periodic examination. He further considered that the information supplied in the document did not permit a meaningful examination of the arrangements and he enquired about the effects of the Community enlargement on these arrangements.

The representative of Canada supported the views expressed by the representatives of Australia and the United States.

The representative of the European Communities confirmed that, except for a few quantitative restrictions stated in the report, there were no tariffs nor quantitative restrictions on trade between the Communities and the parties to the Arrangement. On the other hand the overseas countries and territories were free as to their trade policy with respect to third countries. As regards the question of biennial reporting he felt that since the transitory period was completed and the free-trade area established such reporting should no longer be necessary. This would not preclude any contracting party from raising any question relating to the trade arrangements with the Community authorities. Moreover, the matter could always be placed on the agenda of the Council at the request of any contracting party.

The representative of the United States repeated that the arrangements should continue to be subject to periodic examinations. It was only in the opinion of the Communities that the arrangements constituted a free-trade area. This was not the opinion of other contracting parties, nor had such an opinion been established by the CONTRACTING PARTIES.

The representative of Australia supported the position taken by the United States.

The representative of the Communities did not consider that it was necessary to have a ruling by the CONTRACTING PARTIES that the free-trade area was in accordance with the provisions of Article XXIV. He repeated that contracting parties interested in any information could request such information and any contracting party was free to put any item on the agenda of the Council.

The Chairman proposed to refer to this matter at the next Council meeting. This was agreed.

The Council took note of the report.

6. Turkish stamp duty (L/4053)

The Chairman said that under the Decision of 3 July 1973 the provisions of Article II were waived to the extent necessary to enable the Government of Turkey to maintain in effect a stamp duty on imports of products for which the duties were bound in the Turkish Schedule. The Decision also provided for a report one year from the date of the Decision which had been circulated in document L/4053.

The representative of Turkey introduced the report and pointed out that his Government had continued its efforts to improve the tax system and to liberalize further its imports, in spite of its negative effects on the Turkish balance of payments of increased prices of many imported goods.

The Council took note of the report.

7. European Communities - Emergency action on bovine meat
Notification by the European Communities (L/4004/Add.6)

The representative of Yugoslavia referred to the decision of the European Communities to suspend beef imports into the Communities from third countries. This measure caused Yugoslavia and other countries not only serious balance-of-payments problems but would also lead to serious disruption of trade and of production. His country found itself in a particularly serious situation, because it was a traditional exporter of beef to the Communities, and practically all its exports were directed to the Communities. He felt that this action might have an effect on the rules of conduct and the spirit of GATT and could lead others to take similar action against imports from the Communities. The Community measures would furthermore affect importing countries which followed a more liberal import policy, because of possible diversion of pressures to their markets.

His delegation suggested therefore, as a short-term measure, that the Community should re-examine its situation, taking into consideration the damage caused to exporting countries and the effects on production policies for the future. His delegation therefore asked for consultations under Article XXII while reserving the right to communicate to the Council in due course the results of such negotiations. For the long term his delegation appealed to interested governments to find a solution through international co-operation in the field of meat trade.

The representative of Australia expressed deep concern at the EEC measures which had culminated in the decision of 16 July to restrict imports of meat still further. He recognized the difficult situation in which the EEC found itself and that it required corrective action. However, he protested the form of action taken because it had led to hardship for countries involved in trade in meat. He also expressed the fear that the EEC might revert to export subsidies for shipments to markets which were traditional markets for Australian exports. He said the action would introduce further instability into the world's meat market. He pointed to the abrupt impact of these measures on Australia's trade and on world trade in general and regretted that the Community

had not sufficiently taken account of the interests of its trading partners. The measures had operated in a way that had placed a disproportionate burden on foreign suppliers, which was particularly regrettable as the problems stemmed at least as much from domestic policies of the EEC as from imports. Australia had diversified and had invested in beef production; it was an important supplier of the European market. He viewed with real concern that beef was not being allowed to reach consumers at prices that would lead to higher consumption in the EEC. Any prolongation of these measures was likely to lead to a disappearance of confidence on the part of beef producers. In 1973 there had been strong pressure on the Australian Government to impose export restrictions in order to lower domestic prices. At that time the Government had resisted such measures, but it was not certain that it would be able to do so in the future. His delegation was examining the situation in the light of Australia's rights under the GATT.

The representative of New Zealand said that he regretted the measure, although he fully understood the EEC's problems. His authorities had consulted with the EEC bilaterally during the previous week, and the problem was also under consideration elsewhere. He hoped that stability in the EEC would soon be reached but agreed with Australia that the burden was falling disproportionately on imported products. New Zealand, while not a major supplier to the EEC, was nevertheless the world's third largest meat exporter and was therefore concerned about the international repercussions and multilateral complications to which unilateral action would lead. In that connexion he pointed to the closing of the Japanese meat import market earlier in the year. He hoped that the Community would soon be able to solve its problems, but not at the expense of its foreign suppliers. He called for a concerted effort to restore stability in world meat markets. He suggested that if the situation deteriorated further the Council should meet at short notice and he reserved the right to call for such a meeting. While there were good signs for the MTNs to get under way in the autumn, these negotiations would essentially deal with long-term trading conditions. The Council should, however, keep the present short-term problem under review.

The representative of Romania expressed his government's grave concern at the situation which had provoked very serious difficulties for his country's producers. Considerable export revenue losses had been suffered and these obviously had adverse effects on development needs. His country's producers had not been given the possibility to adapt themselves to the new situation in the absence of prior consultations. He reserved the right to revert to the question in the framework of GATT which he believed offered a favourable possibility for finding solutions to long-term and short-term problems.

The representative of Uruguay called for a modification in the EEC's system which operated through both tariff and non-tariff measures. This system offered a very efficient protection for the Community's interests but resulted in situations which led to uncertainty and damage to others because of rapid price changes and insecurity of access. If all countries operated their farm policies in that way chaos would result in world markets. He called on the EEC to respect the interests of its partners and, in line with the provisions of the General Agreement and the importance of maintaining fair trading conditions, to improve its procedures so as to spread the burden more equitably.

The representative of the United States supported the expressions of concern. The United States was not a supplier of the Community but risked becoming a secondary market for the exports of countries directly affected. The Community was not alone in having to face depressed prices. The United States and others who were now barred from the EEC's market were in a similar position. The EEC's action would increase pressures on those who were at present trying to resist restrictions.

The representative of Hungary pointed out that substantial interests of his country had been affected by the Community's new measures, and he reserved his position and all rights to find appropriate remedies. His authorities preferred to settle the problems under the General Agreement which contained clear-cut rules and obligations. They would support all initiatives aiming at settling both short and long-term problems, with a view to avoiding such developments in future. He noted that the Community was ready to undertake consultations. This was certainly desirable but it would have been preferable if the offer to consult and consultations themselves had taken place before the event. This would have made it possible to exchange views on possible solutions and many difficulties could have been avoided. While the European Communities' meat situation might be serious, this was also true as regards his country, which was not, however, responsible for the situation.

The representative of Argentina called upon the Community to take measures that would increase domestic consumption and suggested that the Community make excess production available to the World Food Programme. He stressed the need for consultations between the Community and its trading partners, which should lead to both short and long-term solutions. However, short-term action should not hide the need for solutions in the long term. There was, therefore, need to review the present measures thoroughly as well as to analyze all existing measures. He stated that consultations should have taken place before the measures were taken, as this would have reduced the harm done.

The representative of Brazil also stressed the need for prior consultations. He regretted that measures had been taken unilaterally to deal with problems generated domestically, without regard to interests of other trading partners, especially developing countries. He noted that these measures had been taken in spite of certain agreements reached within the OECD.

The representative of Poland pointed to the possible far-reaching repercussions which the measures might have on other sectors. Poland had important beef exports to a number of EEC countries and his authorities were deeply concerned at the very adverse effects the measures would have on these Polish exports. He considered that the measures were contrary to the letter and spirit of the General Agreement and expressed dissatisfaction in respect of the measures themselves and the way they had been implemented. The measures had been taken without regard to the interests of third countries and without any prior consultation which would possibly have allowed other solutions to be found. He asked the Community to reconsider the measures as a short-term solution, and in the long term to collaborate towards the creation of a more stable beef market. His delegation reserved the right to revert to the matter in GATT.

The representative of the European Communities noted that several speakers had recognized the Communities readiness to enter into consultations. He would not wish to prejudge their contents or result. He pointed out, however, that the measures had not been taken lightly and had, in fact, been adopted within a broader framework which included measures in the domestic market such as making meat available at reduced prices to low-income groups and publicity measures to stimulate consumption in general. At the same time measures had been taken to curb production by discouraging producers from large slaughterings, all these measures carrying a very considerable financial burden for the Community. He pointed out that this was not the first time that a contracting party had resorted to a safeguard clause. An abnormal situation existed all over the world and other measures had been taken in important meat markets. Several speakers had referred to the need for introducing orderly marketing in the meat sector, and this was a direction which the Community was ready to follow.

The Council took note of the statements made.

8. Portugal - Temporary trade measures

The representative of Portugal referred to his delegation's statement at the meeting of the Council on 27 May, regarding certain temporary trade measures introduced by his Government. He informed the Council that these measures,

which were due to expire at the beginning of June, had been prolonged for another month. These emergency measures had now been abolished and replaced by a new scheme, which was set up by decree-law No. 307/74 of 6 July.

According to this new scheme the Committee for the Control of External Trade established in early May was kept in operation, but the powers that had been given to it to prohibit or to impose restrictions on imports and exports of certain goods had been abolished. The Committee was given competence however to continue to decide on the licensing of import and export operations exceeding, respectively, five million and two and a half million escudos, in order to detect and prevent fraudulent invoicing practices. The Committee was also entrusted with the task of following the development of imports of non-priority consumer goods and exports of goods essential to supply the home market and to propose, if necessary, any measures it may consider appropriate. He noted that the new scheme was not inconsistent with any GATT rules or obligations.

The Council took note of the information.

9. Observer Status - Request from Iran

The Chairman informed the Council of a letter received from the Permanent Representative of Iran expressing his Government's interest in the activities of GATT and seeking to obtain formal status of observer to the GATT Council. He recalled that Iran was participating in the multilateral trade negotiations and that, as signatory of the Havana Charter, the Government of Iran was normally invited to attend meetings of the CONTRACTING PARTIES as observer. The objective of the present request was therefore to enable the Iranian delegation to attend as observer in future also the meeting of the Council and working parties.

The Council invited the Director-General to respond favourably to the request by the Iranian Government.