

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
Twenty-Sixth Session

COUNCIL OF REPRESENTATIVES

Report on Work Since the Twenty-Fifth Session

At their twenty-fifth session the CONTRACTING PARTIES agreed that the Council should undertake a wider range of work in order to relieve the annual sessions of the burden of a long agenda and thus to enable the CONTRACTING PARTIES to concentrate their attention on trade matters of major importance. In addition, the Council was authorized to supervise all aspects of the Work Programme for the Expansion of International Trade agreed upon by the CONTRACTING PARTIES at their twenty-fourth session and to give appropriate guidance to the Committees concerned with that co-ordinated programme. In carrying out its task the Council has held ten meetings since the twenty-fifth session in November 1968. The minutes of these meetings have been issued in documents C/M/52-61. Adoption of this report, which summarizes the action taken by the Council, will constitute approval by the CONTRACTING PARTIES of that action. In respect of the subjects dealt with in paragraphs 28, 29, 31, 34 and 55 specific decisions of the CONTRACTING PARTIES are necessary and the draft decisions recommended by the Council for adoption are attached as annexes to this report. The decisions in respect of paragraphs 29, 31 and 34 will be submitted to a ballot and ballot papers will be distributed when the respective paragraph is reached by the CONTRACTING PARTIES in their consideration of this report.

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1. Membership of Council (C/M/53, C/M/60)

The Council welcomed, at its meeting in April 1969, Trinidad and Tobago and in January 1970, Ceylon as its members.

2. Date of the twenty-sixth session (C/M/54, 55)

In order to allow more time for progress in the various sectors of activities of the CONTRACTING PARTIES, in particular under the co-ordinated work programme, the Director-General asked the Council at its meeting in May 1969 to consider the postponement of the twenty-sixth session, scheduled to take place between 27 October and 28 November 1969, until the second half of February 1970. At its subsequent meeting in June the Council agreed to fix the dates for the twenty-sixth session from 16 to 28 February 1970 (L/3225).

3. Expansion of international trade

(a) Committee on Trade in Industrial Products (C/M/52, 54, 60, 61)

At its meeting in May the Council heard a report (L/3207) by the Director-General on the status of the Committee's work in respect of non-tariff barriers and the tariff study.

The report of the Committee (L/3298) on its meetings held from December 1968 to December 1969 was presented to the Council in January 1970. With regard to non-tariff barriers a number of representatives from developing countries felt that the report did not sufficiently reflect their understanding about the priority to be given to the question of non-tariff barriers of more direct interest to developing countries. Two representatives recorded their reservations on particular parts of the report.

With regard to the proposed Declaration of Intent some representatives expressed their support, while others reserved their position.

At its meeting in February 1970 the Council received a report of the Committee on the Tariff Study, prepared by the Group of Technical Experts (COM.IND/13). Some representatives explained their position, reflected in Section III of the report, regarding the methods of calculating tariff averages and the number of averages to be selected. The Council approved the report of the Committee on Trade in Industrial Products (L/3298 and COM.IND/13) as a whole, subject to the reservations recorded. The Council decided to submit the report as a whole to the CONTRACTING PARTIES for their consideration and adoption. The Council requested the Chairman of the Committee, when introducing the report to the CONTRACTING PARTIES, to reflect the discussion in the Council and the concerns expressed.

(b) Agriculture Committee (C/M/54, 56, 61)

At its meeting in May the Council heard a report by the Director-General on the status of work (L/3207), and in July 1969 the Council adopted a work programme for the Committee (C/W/143).

At its meeting in February 1970 the Council received the report of the Committee on its work since the twenty-fifth session (L/3320). Two representatives reserved their position in respect of certain aspects of the proposed Resolution relating to concessional transactions, which they feared might be contrary to the interests of recipient countries. The Council approved the report and decided that it be submitted to the CONTRACTING PARTIES for their consideration and adoption. The Council noted that the Committee had agreed to revert to the particular problem of oilseeds and vegetable oils. The Council recommended, subject to the two reservations, that the CONTRACTING PARTIES adopt the new Resolution relating to concessional transactions and recommended that, if the Resolution were adopted, the understandings referred to in paragraph 17 of the report be recorded.

4. Import restrictions (C/M/58, 59, 60)

At their twenty-fourth and twenty-fifth sessions the CONTRACTING PARTIES considered proposals put forward by the New Zealand delegation with regard to the problem of continued maintenance of import restrictions applied contrary to the General Agreement. The CONTRACTING PARTIES at their twenty-fifth session instructed the Council to pursue the matter.

In October 1969 the Director-General introduced to the Council a document (L/3260 and Corr.1) which described the factual situation regarding the use of quantitative import restrictions and contained, for the Council's consideration, proposals on how to deal with this problem. The proposals covered all remaining import restrictions, whether or not contrary to the GATT, and suggested the establishment of a Joint Working Group, acting as an agent of the Committee on Trade in Industrial Products and the Agriculture Committee.

Many representatives expressed interest in the suggestions and supported the proposals. On the other hand, questions were raised as to whether the inclusion of certain countries in the list of countries to be consulted was appropriate. Reservations were made with regard to the fact that the proposals did not distinguish between import restrictions which were and which were not contrary to the General Agreement, and it was stated that illegal restrictions should not be regarded as negotiable. Concern was expressed about the relation between the work of the proposed Joint Working Group and similar work under way in the Committee on Trade in Industrial Products, the Agriculture Committee and the Group on Residual Restrictions under the auspices of the Committee on Trade and Development.

The Council continued consideration at its meeting in December. Several representatives felt, although some did not agree with every detail in the proposals, that they could accept the establishment of a Joint Working Group and considered that such a Group should be temporary and should accomplish its task and report at an early date. It was also pointed out that measures of so-called "self-restraint" should be among those to be examined in the Group. It was also felt, however, that agricultural import restrictions should not be considered out of context of agricultural policies as a whole, so that the work of the new Group would be arranged so as to contribute to work under way in either the Agriculture Committee or Group 4 of the Committee on Trade in Industrial Products.

The suggestion was made that terms of reference of the new Group should be carefully drafted, in particular because of differing ideas concerning the definition of the measures to be reviewed and the scope of the Group's activity.

At its meeting in January, the Council continued its considerations. In order to get the work under way representatives accepted the establishment of a Joint Working Group without specifying terms of reference. Some representatives outlined their position with regard to subsequent action in the field of import restrictions and other measures having similar effects. Attention was drawn to the importance that developing countries attached to the dismantling of import restrictions maintained against products of export interest to these countries. Several representatives of developing countries felt that the Joint Working Group should also be an agent of the Committee on Trade and Development.

The Director-General stated that should the Council decide to set up a Joint Working Group on the basis of his proposal it would be his intention to have informal discussions with interested delegations before the twenty-sixth session on the question of the organization of the work of the Group.

The Council agreed to establish a Joint Working Group, composed of the members of the three Committees, to conduct consultations with contracting parties on the maintenance of quantitative import restrictions along the lines suggested in Section III of document L/3260, bearing in mind the discussions in the Council.

5. Balance-of-payments import restrictions (C/M/53, 56, 59, 60)

The Council determined the 1969 programme for consultations to be carried out by the Committee on Balance-of-Payments Import Restrictions concerning import restrictions maintained under Article XII or Article XVIII:B. In meetings held in March, July and November 1969 the Committee carried out consultations with twelve countries. The reports on these consultations were submitted to the Council in the following documents:

Brazil	(BOP/R/33)	Korea	(BOP/R/30)
Ceylon	(BOP/R/32)	New Zealand	(BOP/R/35)
Chile	(BOP/R/37)	Pakistan	(BOP/R/39)
Iceland	(BOP/R/31)	Spain	(BOP/R/41)
India	(BOP/R/42)	Tunisia	(BOP/R/36)
Israel	(BOP/R/40)	Turkey	(BOP/R/34)

The Council adopted these reports and also approved a programme for consultations in 1970.

6. South Africa - Disinvocation of Article XII (C/M/60)

The South African Government notified the CONTRACTING PARTIES of its decision to disinvoke its recourse to the provisions of Article XII as justification for the application of its remaining import restrictions (L/3277). In January 1970 the South African representative made a statement to the Council in which he explained his Government's policy with regard to the remaining import restrictions. He assured the Council that these restrictions would be progressively dismantled in

compliance with South African obligations under the GATT and as speedily as circumstances allowed. The Council took note of the statement.

7. Peru - Modification of import restrictions (C/M/59)

In December 1969 the Government of Peru notified an extension of the list of products prohibited for import, in order to strengthen the country's balance-of-payments situation. The Council considered whether the measure constituted prima facie a substantial intensification of the import restrictions requiring a consultation in accordance with paragraph 12(a) of Article XVIII. The Council agreed that a consultation be initiated with Peru under the provisions of paragraph 12(a) of Article XVIII as early as practicable in 1970, in combination with the regular consultations under Article XVIII:12(b).

8. Israel - Import deposits scheme (C/M/60)

At its meeting in January 1970 the Council was informed by the representative of Israel of the introduction by the Israelian Government of a system of import deposits which aimed at improving the balance-of-payments situation. The scheme covered imported goods only where customs duty was paid at a rate higher than 30 per cent. The rate of deposit would be 50 per cent of the value of the imported goods, with certain exceptions, repayable after a period of six months. The deposit would earn interest at the rate of 6 per cent per annum.

The Council agreed to refer the examination of the scheme to the Committee on Balance-of-Payments Import Restrictions, it being understood that the Committee would meet at the earliest date possible and would take into account the discussions in the last consultation with Israel in November 1969.

9. Spain - Import deposits scheme (C/M/60)

At its meeting in January 1970 the Council was informed by the representative of Spain of the introduction by the Spanish Government of an import deposits scheme. The measure had been introduced to restore the general economic equilibrium of the country and the deteriorating balance-of-payments situation. The scheme would be in force until 31 December 1970. The deposit would amount to 20 per cent of the value of the goods to be imported and would be reimbursed six months later.

The Council agreed to refer the examination of the scheme to the Committee on Balance-of-Payments Import Restrictions, it being understood that the Committee would meet at the earliest date possible and would take into account the discussions in the last consultation with Spain in November 1969.

10. Consultations on international trade in dairy products (C/M/59)

Under the Conclusions adopted by the CONTRACTING PARTIES at their twenty-fourth session, the Council established in December 1967 a Working Party on Dairy Products to conduct consultations under Article XXII:2 on urgent problems in international trade in dairy products.

In December 1969 the Director-General, Chairman of the Working Party, presented a report on progress made (L/3295), as a result of which he had been able to draw up the text of an Arrangement Concerning Certain Dairy Products (L/3296). The Arrangement applied to skimmed milk powder. Other products could be added at a later date. It had been agreed that it was the intention of the Working Party as a whole to go ahead as soon as possible with its work on butter and butterfat.

The Council congratulated the Working Party on the progress made in respect of skimmed milk powder and took note of the report.

The Working Party held a further meeting on 12 January 1970, in which it established the definitive text of the Arrangement (L/3324). The Working Party also decided, under Article VIII, paragraph 1(b) of the Arrangement, that the Arrangement would enter into force, for those participants having accepted it, on a date to be agreed by the Working Party. This Decision has been recorded in a Procès-Verbal relating to the Arrangement.

11. Federal Republic of Germany - Currency measures (C/M/58)

The Council at its meeting of 29 October 1969 heard a statement by the representative of the Federal Republic of Germany informing the Council of recent economic policy measures taken by his Government. These measures included the revaluation of the German mark by 8.5 per cent on 27 October and the lifting of the extraordinary tax measures affecting German trade, introduced in November 1968.

12. Italy - Administrative and statistical fees (C/M/59)

At the meeting of the Council in December 1969, the United States delegation submitted a complaint concerning the application by Italy of certain administrative and statistical fees, which the United States Government considered inconsistent with Italy's commitments under the General Agreement. The Italian representative stated that the fees were commensurate with services rendered as permitted under the General Agreement. The abolition of the fees was under consideration in the Italian Parliament, and he therefore proposed to wait for the outcome of this consideration. The United States reserved the right to revert to the matter again at a forthcoming meeting.

13. United Kingdom - Import deposit scheme (C/M/52, 53, 55, 58, 61)

The CONTRACTING PARTIES at their twenty-fifth session established a Working Party to examine the import deposit scheme introduced by the United Kingdom in November 1968, and its implications. The Working Party consulted with the United Kingdom and, in accordance with the provisions of Article XV, with the International Monetary Fund. In its report to the Council (L/3193) the Working Party concluded, without prejudice to the rights of contracting parties under the General Agreement, that the United Kingdom import deposits were not more restrictive than measures that an application of the provisions of Article XII permits.

The Council adopted the report of the Working Party and noted that the Working Party would continue to be available as necessary.

At its meeting in October 1969 the United Kingdom representative informed the Council that the import deposit scheme would be extended for a further twelve months, but that the rate of deposit would be reduced from 50 to 40 per cent. The Working Party met again in January 1970 and submitted its report to the Council in February (L/3334).

The Council adopted the report and noted that the Working Party intended to have another meeting, possibly in June.

14. United Kingdom - Steel loyalty rebate (C/M/61)

At the twenty-fourth session the Council was instructed to establish a Working Party to conduct a consultation under paragraph 2 of Article XXII concerning the loyalty rebate granted by the British Steel Corporation on sheet steel. At its meeting in December 1967, the Council appointed a Working Party. One meeting of the Working Party has been held.

At its meeting in February 1970 the Council took note of a communication from the United Kingdom delegation (L/3271) that the loyalty rebate granted by the British Steel Corporation had become non-operative after 14 June 1969 and decided to terminate the Working Party established for the conduct of the consultations.

15. European Economic Community (C/M/61)

At the meeting of the Council in February 1970 the representative of the European Economic Community, in a statement circulated in document L/3332, brought formally to the notice of the CONTRACTING PARTIES that on 1 January 1970 the Common Market had completed its transitional period and had entered the definitive stage. He pointed out that the administration of the complete customs union could not come under the provisions of the General Agreement which govern and regulate the achievement of a customs union.

The Chairman said that there was unlikely to be unanimity in interpreting the legal situation and it therefore seemed wiser to agree not to pursue such an examination at this time whilst noting, however, that such a decision was without prejudice to the legal rights of all contracting parties under Article XXIV, so that it was open to any contracting party to raise on the agenda of the Council or on the agenda of the CONTRACTING PARTIES, any specific matter arising under Article XXIV in relation to the Community. Furthermore, as in the case of all contracting parties, any action taken by the Community, which was related to the Community's obligations under the General Agreement, could be raised on the agenda of the Council or on the agenda of the CONTRACTING PARTIES.

The Council took note of the statement.

16. Association between Greece and the European Economic Community (C/M/60)

The Council took note of the annual report on developments under the Association presented by the Government of Greece (L/3319).

17. Association of Turkey and the European Economic Community (C/M/60)

The Council took note of the statement by the representative of Turkey concerning the implementation of the Association Agreement during 1963 (L/3321).

18. Association between the European Economic Community and African and Malagasy States (C/M/60)

The member States of the Community and the Governments of the African and Malagasy States, associated with the EEC, informed the CONTRACTING PARTIES of the text of a new Convention of Association which had been signed on 29 July 1969 at Yaoundé (L/3283). At its meeting in January 1970 the Council established a Working Party to examine the new Convention.

19. Agreements of Association between the European Economic Community and Morocco and Tunisia (C/M/56, 60)

The European Communities informed the CONTRACTING PARTIES of the text of the Agreement establishing an Association between the EEC and Morocco (L/3227 and Add.1) and of the Agreement establishing an Association between the EEC and Tunisia (L/3226 and Add.1). The Council established a Working Party for the examination of the two Agreements (L/3312). The Working Party held its first meeting in February 1970.

20. European Free Trade Association and the Finland/EFTA Association

(a) Information furnished by member States (C/M/59)

The Council took note of the information furnished by the member States of the European Free Trade Association and the Finland/EFTA Association on developments under the Stockholm Convention and the Agreement of Association (L/3284).

(b) Accession of Iceland (C/M/61)

In February 1970 the Council considered a Decision of the European Free Trade Association Council regarding the accession of Iceland to the Convention establishing the European Free Trade Association and to the Agreement creating an Association between the member States of EFTA and Finland. The Council noted that this accession would be effective as from 1 March 1970. The Council established a Working Party to examine the terms of accession in the light of the relevant provisions of the General Agreement.

21. Latin American Free Trade Association (C/M/61)

The contracting parties, members of the Latin American Free Trade Association, presented a report to the Council at its meeting in February 1970 on developments in the Association since the last session (L/3336). The representative of Peru, speaking on behalf of the contracting parties members of LAFTA, in a comprehensive statement, supplemented the information provided in the report. The statement was distributed in document L/3349. The Council decided, in order to allow for more time to study the information provided and to have a fruitful discussion, to revert to this matter at its next meeting after the twenty-sixth session.

22. Central American Common Market (C/M/61)

At its meeting in February 1970 the Council noted that no information on developments in the Central American Common Market in recent years had been received. The Council decided to revert to this matter at its next meeting after the twenty-sixth session.

23. Arab Common Market (C/M/61)

At its meeting in February 1970 the Council received a report from the United Arab Republic on progress made in the Arab Common Market (L/3340). The Council decided, in order to allow for more time to study the information provided and to have a fruitful discussion, to revert to this matter at its next meeting after the twenty-sixth session.

24. Central African Economic and Customs Union (C/M/61)

At its meeting in February 1970 the Council received a report by the representative of Gabon on recent developments in the Central African Economic and Customs Union (L/3344). The Council took note of the report.

25. New Zealand/Australia Free Trade Agreement (C/M/60)

The Council took note of the information furnished by the member States of the New Zealand/Australia Free Trade Agreement on developments under the Agreement in 1969 (L/3309).

26. United Kingdom/Ireland Free Trade Agreement (C/M/55)

The Council took note of the third annual report on the United Kingdom/Ireland Free Trade Agreement submitted by the member States (L/3286).

27. Caribbean Free Trade Association (C/M/58, 61)

A Working Party to examine the Caribbean Free Trade Agreement was established at the twenty-fifth session (L/3156/Rev.1). The Council noted that the Working Party, which is still awaiting certain information, had not been able to meet before the twenty-sixth session.

28. Trade arrangements between India, United Arab Republic and Yugoslavia (C/M/57, 61)

In accordance with paragraph 1(b) of the Decision of 14 November 1968 (16S/17) the participating States informed the CONTRACTING PARTIES of a Protocol extending the scope of the Trade Expansion and Economic Co-operation Agreement of 1967 between India, the United Arab Republic and Yugoslavia (L/3242). The Protocol entered into force on 1 October 1969. In September 1969 the Council requested the three participating States to consult with respect to the Protocol and established a Working Party to carry out the consultation (L/3247). The Working Party was also to carry out the review of the Decision of 14 November 1968 as provided in paragraph 1(c) of the Decision and to prepare a recommendation as to the extension, modification or termination of the Decision.

The Working Party conducted the consultation on 26 September 1969 and carried out the review of the Decision on 18 December 1969 and 2 February 1970. The report of the Working Party (L/3341) was submitted to the Council in February.

The Council noted that the Working Party generally felt that it was too early to make a final judgment on the operation and on the effects of the Agreement. The Council also noted that the draft Decision prepared by the Working Party contained an elaboration of the provisions of the Decision of November 1968 with a view to defining more clearly the procedures for consultation in respect of modifications in the Agreement and any recommendations that the CONTRACTING PARTIES might find it necessary to make in connexion with the Agreement.

The Council adopted the report of the Working Party and approved the text of the draft Decision (reproduced in Annex I) and recommended its adoption by the CONTRACTING PARTIES.

29. Brazil - Renegotiation of Schedule (C/M/53, 60, 61)

In April 1969 the Government of Brazil requested a further extension of the time-limit provided for in the Decision of 27 February 1967 (L58/75), which authorized the application of rates of duty in the new Brazilian customs tariff which were in excess of the rates bound in the Brazilian Schedule, pending completion of renegotiations under Article XXVIII. The Council agreed to recommend the further extension of the time-limit to complete the negotiations before the end of the twenty-sixth session. The Decision approved by the Council was adopted by postal ballot (L/3205). In January 1970 the representative of Brazil reported to the Council on the progress of the renegotiations.

At its meeting in February 1970 the Council considered a request from the Government of Brazil for a further extension of the waiver because, given the short period of time available, it might prove materially impossible to conclude the renegotiations within the time-limit of the existing extension.

The Council agreed to recommend the further extension of the time-limit until a forthcoming meeting of the Council when the Government of Brazil expects to be in a position to report on the conclusion of the negotiations, provided that this be done before the end of the twenty-seventh session of the CONTRACTING PARTIES. The Council approved the text of a draft Decision (reproduced in Annex II) and recommended its adoption by the CONTRACTING PARTIES by means of a ballot taken at the twenty-sixth session.

30. Ceylon - Increases in bound duties (C/M/59)

At the December 1969 meeting of the Council, the representative of Ceylon recalled the Decision of 25 November 1968, (L63/22), under which Ceylon was authorized, pending completion of its tariff reform, to maintain in effect certain increased duties and certain increased margins of preference. In accordance with paragraphs 1 and 2 of the Decision, Ceylon was required to inform the CONTRACTING PARTIES of the final results of the tariff reform and to enter into negotiations with interested contracting parties by 1 October 1969. The Government of Ceylon indicated that it had not yet finalized the tariff reform, and that it felt that it would serve no useful purpose to enter into negotiations and consultations on the basis of the existing duties, and therefore requested an extension of the dates mentioned in the conditions of the waiver.

Since the Decision, in accordance with its paragraph 4, was valid until 31 December 1970, the Council agreed to recommend to the CONTRACTING PARTIES that the period for Ceylon to report on the final results of the tariff reform and the date at which Ceylon should initiate any negotiations under Article XXVIII be extended until 1 October 1970. Should it appear that the negotiations will not be finished in time before the expiry of the waiver, the Council will consider the matter of its possible extension before the end of 1970 in the light of the circumstances.

31. Chile - Renegotiation of Schedule (C/M/54, 61)

In May 1969, the Government of Chile requested a further extension of the time-limit in the Decision of 30 December 1966 (15S/83), which authorized the Chilean Government to put into force its new tariff pending completion of negotiations for the modification or withdrawal of concessions in its Schedule. The Council agreed to recommend the further extension of the time-limit to complete the negotiations before the end of the twenty-sixth session. The Decision approved by the Council was adopted by postal ballot (L/3224). In February 1970 the Council considered a request for a further extension of the time-limit in the Decision, because it had not appeared possible to conclude the remaining negotiations within the prescribed time-limit.

The Council agreed to recommend the further extension of the time-limit to complete the negotiations before 1 January 1971. The Council approved the text of a draft Decision (reproduced in Annex III) and recommended its adoption by means of a ballot taken at the twenty-sixth session.

32. Italy - Special fiscal treatment for bananas of Somalia (C/M/59, 60)

In December 1969, the Government of Italy requested a further extension of that part of the Decision of 21 November 1967 (15S/87), which authorized the Italian Government to apply the Italian consumption tax, in the case of bananas originating in Somalia, at a lower rate than for bananas of any other origin. The Council agreed to recommend a temporary extension of the Decision, until 28 February 1970, in order to give governments the possibility to examine the request at a later meeting of the Council. The Decision approved by the Council was adopted by postal ballot (L/3318).

In its meeting in January 1970 the Council agreed to recommend a further extension of the Decision until 31 December 1970. The Decision approved by the Council has been submitted to postal ballot.

33. Turkey - Stamp duty (C/M/53, 54, 56)

On 11 November 1967, the CONTRACTING PARTIES decided (15S/90) to waive the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Turkey to maintain the stamp duty of 15 per cent ad valorem on all imports, as a temporary measure, to be abolished at the latest by 31 December 1972. At its meeting in April 1969 the representative of

Turkey informed the Council of a series of measures which the Turkish Government had recently adopted in order to alleviate pressure on the balance of payments. These measures included an increase in the rate of the stamp duty from 15 to 25 per cent ad valorem. To be properly understood the measure had to be examined in the context of the overall balance-of-payments situation of Turkey. The Turkish Government requested an amendment of the waiver.

At its meeting in May 1969, the Council considered the increase in the stamp duty sufficiently important to warrant examination of the request by a special Working Party. Accordingly, a Working Party was appointed to meet immediately after the consultation under Article XVIII:B with Turkey in the Committee on Balance-of-Payments Import Restrictions (L/3209).

At its July meeting the Council adopted the report of the Working Party (L/3229) and agreed to recommend the requested amendment of the waiver. The Decision approved by the Council was adopted by postal ballot (L/3246).

34. Uruguay - Import surcharges (C/M/61)

At its meeting in February 1970 the Council considered a request from the Government of Uruguay for a further extension of the Decision of 8 May 1961 waiving the provisions of Article II to the extent necessary to enable the Government of Uruguay to apply temporary import surcharges. The representative of Uruguay stressed that the current situation of the national economy and the necessity to pursue a strict policy to protect the international reserves justified the maintenance of the surcharge system.

Some representatives expressed concern about certain elements of flag discrimination in the system. The representative of Uruguay pointed out that this was part of his Government's shipping policy and did not, in their view, discriminate against imports.

In view of the relationship with the Uruguayan balance-of-payments position the Council requested the Committee on Balance-of-Payments Import Restrictions to examine the Uruguayan request in conjunction with Uruguay's balance-of-payments consultations which should take place as early as possible in 1970. The Council agreed to recommend the extension of the Decision for five months, to 1 August 1970, on the understanding that Uruguay would be ready for consultation in the Committee on Balance-of-Payments Import Restrictions not later than May 1970. The Council approved the text of a draft Decision (reproduced in Annex IV) and recommended its adoption by means of a ballot at the twenty-sixth session.

35. Malawi - Schedule and tariff preferences (C/M/53, 55)

The CONTRACTING PARTIES by their Decision of 20 November 1967 (15S/89) suspended the application of the provisions of Articles I and II of the General Agreement to the extent necessary to enable the Government of Malawi to apply the new customs tariff which had been introduced on 1 January 1967. The CONTRACTING PARTIES also decided to examine the extent and nature of any consequent changes in preferential margins. In April 1969, the Council confirmed the appointment of a Working Party to carry out this examination and adopted its first report (L/3194). In June 1969, the Council adopted the conclusions of the final report of the Working Party (L/3218) to the effect that it did not find it necessary to recommend that Malawi take further action at this time to ensure that the new customs tariff was in conformity with the obligations under Article I of the General Agreement. The Council was informed that the renegotiations of the Malawi Schedule had also been concluded.

36. European Economic Community/Citrus fruit (C/M/57, 59, 61)

In September 1969 the Council considered a request by the European Economic Community for a waiver from the provisions of Article I in order to enable the EEC to apply a reduction of 40 per cent in its customs duties in respect of certain citrus fruit originating in Israel and Spain. The representative of the European Communities said that the tariff reductions were motivated in the framework of a scheme to maintain balance, stability and price discipline in the marketing of citrus fruit produced in the Mediterranean area, and were subject to certain conditions. Several members of the Council expressed concern regarding the measures. It was felt that the system was open to objection not only in itself but also in that it created a dangerous precedent; it derogated from one of the fundamental principles of the General Agreement and impaired the rights of contracting parties.

The Council established a Working Party to examine the request (L/3249).

At its meeting in December the Council considered the report of the Working Party (L/3281). In view of the divergence of opinion, the Working Party had not attempted to draft a waiver for consideration by the Council. The representative of the European Economic Community expressed disappointment with some of the views expressed in the Working Party. However, taking into account the opinions expressed by the majority of the members of the Working Party, the Community had decided to withdraw its request for a waiver.

In February 1970 the Council was informed that a draft regulation providing for the abolition of the system had been presented to the European Parliament and would probably be considered in March. The Council of Ministers of the Communities would deal with the matter immediately thereafter.

37. Reports under waivers

The Council took note of the reports submitted by the governments concerned in accordance with the provisions of the following waivers granted by the CONTRACTING PARTIES:

- (a) Australia/Papua-New Guinea (L/3255) (C/M/58)
- (b) Australia/Preferences for Less-Developed Countries (L/3282) (C/M/60)
- (c) United Kingdom/Article I (L/3236) (C/M/58)
- (d) United Kingdom/Dependent Overseas Territories (L/3235) (C/M/58)
- (e) United States/Automotive Products (L/3256) (C/M/58)

38. Franco-German Treaty on the Saar (C/M/59, 60)

The Council took note of the twelfth annual report (L/3292) submitted by the Governments of France and the Federal Republic of Germany under the Decision of 22 November 1957 (6S/30).

The Council took note also of a statement made on behalf of Germany and France that as from 1 January 1970, with the complete elimination of customs duties within the EEC, there was no longer need for the waiver, which could therefore be considered as terminated.

39. United States/Agricultural import restrictions (C/M/60)

The Council received the fourteenth annual report submitted by the Government of the United States under the Decision of 5 March 1955 (3S/32) and established a Working Party to examine the report during the twenty-sixth session and to report to the Council at its first meeting after the session.

40. Article XXVIII - Renegotiations under paragraph 1 (C/M/59)

At its December 1969 meeting, the Council extended, until 30 June 1970, the time-limit for the conclusion of the renegotiations under paragraph 1 of Article XXVIII of certain concessions notified by a number of contracting parties in 1969.

41. Article XXVIII - Requests for renegotiations under paragraph 4

- (a) Austria (C/M/53)

In April 1969 the Government of Austria requested authority to enter into negotiations for the withdrawal of an item from its Schedule. The Council granted the authority to renegotiate.

- (b) Canada (C/M/55)

At its June meeting the Council was informed of a request by the Government of Canada for authority to renegotiate an item in its Schedule. Subsequently the request was withdrawn.

(c) New Zealand (C/M/53, 56)

In April 1969 the Government of New Zealand requested authority to renegotiate three items in its Schedule, and in July 1969 New Zealand requested authority to renegotiate an item contained in Part II of its Schedule. The Council granted the authorities requested.

(d) Israel (C/M/52)

In November 1968 the Council granted authority to the Government of Israel to enter into negotiations for the modification or withdrawal of several concessions in its Schedule. In April 1969 the Government of Israel requested authority to make certain changes in the list of concessions to be modified or withdrawn. The Council agreed to the changes in the authority granted.

42. Kennedy Round tariff reductions - Implementation by Switzerland (C/M/59)

In December 1969 the Council was informed that the Government of Switzerland intended to introduce certain measures to combat inflationary pressures and that amongst these would be measures to facilitate importation. To this end, it envisaged the simultaneous implementation of several stages of tariff reductions resulting from the Kennedy Round. However, as these measures were only one of the elements of an overall programme, the formal decision of the Swiss Government could only be taken within the next few weeks. Because of inevitable technical delays it would not be possible to put this programme into operation on 1 January 1970. In these circumstances the Government was forced to delay by no more than three months the tariff reduction it would have been due to implement at the beginning of 1970. While the Swiss Government undertook to proceed with this tariff reduction, together with the tariff reduction due on 1 January 1971, on 1 April 1970 at the latest, it was the intention to implement these reductions at a date earlier than this final date and, in addition, to make the fifth and final cut at the same time.

The Council welcomed the intention of the Swiss Government to implement the remaining cuts of its Kennedy Round concessions at a date not later than 1 April 1970, although, for technical reasons, this advance implementation implied that the third cut would have to be delayed for a short period.

At its meeting in February 1970 the representative of Switzerland informed the Council that his Government had decided to implement the three remaining tariff cuts on 1 March 1970.

43. Application for accession

(a) Colombia (C/M/52, 61)

At the twenty-fifth session the CONTRACTING PARTIES were informed by the Government of Colombia of its wish to accede to the General Agreement. In January 1969 the Council considered a formal application by the Government of Colombia to accede and appointed a Working Party to examine the application.

In February 1970 the Council noted that a memorandum on the foreign trade régime of Colombia had been submitted to the CONTRACTING PARTIES and that a number of contracting parties had put forward questions in connexion with the memorandum. The Working Party would be convened some time after the replies from the Colombian Government had been received.

(b) Romania (C/M/61)

In February 1970 the Council noted that the Working Party, established in November 1968 to examine the application of the Government of Romania to accede to the General Agreement, had held three meetings. The Working Party continues its examination.

(c) Hungary (C/M/56)

An application from the Government of Hungary to accede to the General Agreement was considered by the Council at its July meeting. The Council appointed a Working Party to examine the application (L/3248).

(d) Democratic Republic of the Congo (C/M/61)

A communication from the Government of the Democratic Republic of the Congo (L/3339) announcing its desire to initiate negotiations with a view to accession under Article XXXIII was considered by the Council at its meeting in February 1970. The Council welcomed the initiative taken by the Congo and agreed to set up the usual procedures for dealing with the application and asked the representative of the Congo to elaborate a Memorandum on the Commercial Policy of his Government.

44. Provisional accession

(a) Tunisia (C/M/59)

At its meeting in December 1969 the Council considered a request by the Government of Tunisia for a further extension of the period of validity of the Declaration on its Provisional Accession (8S/15) and of the Decision of 12 November 1959 (8S/14) inviting Tunisia to participate in the work of the CONTRACTING PARTIES.

The Council agreed to the extension of the provisional accession until 31 December 1970 and approved the text of the Sixth Procès-Verbal Extending the Declaration. The Procès-Verbal (L/3294) is open for acceptance by governments participating in the Declaration.

The Council also agreed to recommend to the CONTRACTING PARTIES the adoption of a decision providing for the extension of the Decision of 12 November 1959 inviting Tunisia to participate in the work of the CONTRACTING PARTIES. The Decision was adopted by postal ballot on 26 January 1970 (L/3325).

(b) United Arab Republic (C/M/59, 60, 61)

At its meeting in December 1969 the Council considered a request by the Government of the United Arab Republic for a further extension of the period of validity of the Declaration on its Provisional Accession (11S/46) and of the Decision of 13 November 1962 (11S/48) inviting the United Arab Republic to participate in the work of the CONTRACTING PARTIES.

The Council agreed to the extension of the provisional accession until 31 December 1970 and approved the text of the Fifth Procès-Verbal Extending the Declaration. The Procès-Verbal (L/3293) is open for acceptance by governments participating in the Declaration.

The Council also agreed to recommend to the CONTRACTING PARTIES the adoption of a Decision providing for the extension of the Declaration of 13 November 1962 inviting the United Arab Republic to participate in the work of the CONTRACTING PARTIES. The Decision was adopted by postal ballot on 26 January 1970 (L/3326).

At its meeting in February the Council also noted that the Working Party on the Accession of the United Arab Republic had held its first meeting.

45. Switzerland - Review under the Protocol of Accession (C/M/53, 58)

Under paragraph 4 of its Protocol of Accession the Government of Switzerland reserved its position with regard to the application of the provisions of Article XI of the General Agreement to permit it to apply certain import restrictions pursuant to existing legislation. The Protocol requires the CONTRACTING PARTIES to conduct a thorough review of the application of the provisions of paragraph 4 every three years.

At its meeting in April 1969 the Council established a Working Party to conduct the first triennial review of the application of the provisions of paragraph 4 of the Protocol. The Council adopted the Working Party's report (L/3250) at its October meeting.

46. Poland - Protocol of Accession (C/M/54, 61)

The Protocol for the Accession of Poland provides in its paragraph 5 for an annual consultation with a view to reaching agreement on Polish targets for imports from the territories of the contracting parties as a whole in the following year. In the course of these consultations the CONTRACTING PARTIES are also required to review measures taken by contracting parties pursuant to the provisions of paragraph 3 of the Protocol. In May 1969 the Council established a Working Party to conduct, on behalf of the CONTRACTING PARTIES, the second annual consultation with the Government of Poland provided for in the Protocol of Accession. The report of the Working Party (L/3315) was presented to the Council at its meeting in February 1970 and adopted.

47. Application of Article XXXV to Japan (C/M/60)

At the meeting of the Council in January 1970 the representative of Japan appealed to those contracting parties invoking Article XXXV against his country to disinvoke the Article. He said that about thirty countries were still invoking Article XXXV, of which twenty-three had taken over the invocation from their metropolitan countries upon their entry into the GATT on independence. While this had been the case for a great number of newly-independent countries, several of them had disinvoked the Article at a later date. He expressed his concern that since November 1968 no further disinvocations had been made. It was his opinion that the twenty-three newly-independent countries which were still invoking the Article were doing so without reasonable grounds. Disinvocation of Article XXXV involved much more than expansion of trade. The continued invocation tended to discourage his Government from taking positive action in such fields as non-tariff barriers, it could also cause internal domestic problems for his Government, and could also lead to the exclusion of those countries from the Japanese scheme of generalized preferences now under study. He appealed very strongly to the contracting parties still invoking the Article to recognize the importance of this problem.

Several representatives supported the Japanese appeal and expressed the hope that the statement by the representative of Japan would be brought to the attention of the governments concerned.

48. Anti-dumping practices (C/M/61)

In February 1970 the Council received a report from the Committee on Anti-Dumping Practices, composed of representatives of parties to the Agreement on Implementation of Article VI of the General Agreement. The report contained summaries of the cases in which anti-dumping action had been taken in member countries in the period 1 July 1968-30 June 1969. The Council in adopting the report noted that the Committee drew the attention of the CONTRACTING PARTIES to the importance of a wide and early acceptance of the Agreement.

49. Border tax adjustments (C/M/60)

Since its establishment by the Council in March 1968 the Working Party on Border Tax Adjustments has held several meetings. An interim report (L/3290) was presented to the Council at its meeting in January 1970. The Council took note of the report.

50. Disposal of commodity surpluses (C/M/61)

The Council, in considering the report of the Agriculture Committee (L/3320) approved, subject to the reservations recorded, the recommendation that the CONTRACTING PARTIES adopt a new Resolution relating to concessional transactions. The Council noted that the Agriculture Committee had agreed to carry forward the work relating to governmental aids to exports in Group I of the Committee.

51. International Trade Centre UNCTAD/GATT (C/M/58, 61)

Under the arrangements agreed upon by the CONTRACTING PARTIES at their twenty-fourth session a Joint UNCTAD/GATT Advisory Group had been established, composed of representatives of governments Members of UNCTAD and GATT with the principal task of advising on the work programme and activities of the International Trade Centre. The Advisory Group met in March 1969, to review the activities of the Centre and to recommend a work programme for 1970. Its report (ITC/AG/7) was presented to the Council at its October 1969 meeting. The Council adopted the report and the work programme for 1970 as recommended by the Joint Advisory Group. At its meeting in February 1970 the Council considered the report of the Joint Advisory Group on its third session (ITC/AG/11). Members of the Group had expressed support for the Centre's activities and the work programme. There was unanimous appreciation for the extra-budgetary contributions made by a number of developed countries. The Council adopted the report of the Advisory Group, and the work programme for 1971 as recommended in paragraph 14 of the report.

52. Training activities and technical assistance (C/M/59)

In December 1969 the Director-General presented a report (L/3267) to the Council on the two Geneva training courses conducted by the GATT secretariat in 1969 and on the two training courses arranged in Africa in collaboration with the Economic Commission for Africa and with financial support from the United Nations Technical Assistance Fund. In addition the GATT secretariat had collaborated with other institutions in training programmes for the benefit of developing countries. This collaboration had extended especially to the Economic Commission for Asia and the Far East and the Economic Commission for Latin America.

Several members of Council expressed their governments' interest in the training programmes and their satisfaction with the results obtained.

The Council took note of the report.

53. Consular formalities (C/M/61)

The Council noted that since the Recommendations of 1952 and 1957 concerning the abolition of consular formalities in connexion with importation progress had been made in the removal of such formalities but that still more could be done with regard to certain formalities, which were regularly required by some contracting parties. The Council was informed that only two reports had been submitted by contracting parties maintaining consular formalities on their future policies vis-à-vis the Recommendations that all such consular formalities should be abolished. These reports did not indicate any further progress in this field.

In the light of these circumstances, and since the matter was also under examination in the Committee on Trade in Industrial Products, the Council decided to request that Committee to deal with the matter and to report on the results of its work.

54. Advisory Committee to the UNCTAD Board and to the Committee on Commodities (C/M/57)

At its meeting in September, the Council designated Ambassador B. Nioupin of the Ivory Coast as the nominee of the CONTRACTING PARTIES on the Advisory Committee to the UNCTAD Board and to the Committee on Commodities, as successor to Mr. Osman Ali who had been elected Chairman of the Advisory Committee.

55. Status of protocols (C/M/59)

At its meeting in December 1969 the Council considered the report of the Director-General (L/3275) on the status of various protocols which had not fully entered into force for all contracting parties. The Council noted that the Protocol Introducing Part IV had been accepted by all but four contracting parties. It also noted that one contracting party had not yet been able to accept formally the Geneva (1967) Protocol but had already implemented its concessions prior to ratification.

The Council agreed to recommend to the CONTRACTING PARTIES that the closing date for acceptance of the Protocol Introducing Part IV and of the Geneva (1967) Protocol be extended until the close of the twenty-seventh session for those contracting parties which would not have been able to accept them before the end of the twenty-sixth session. The Council approved the text of a draft Decision (reproduced in Annex V) for consideration by the CONTRACTING PARTIES at their twenty-sixth session.

56. Article XX - Sub-paragraph (j) (C/M/60)

In accordance with the provisions of sub-paragraph (j) of Article XX of the General Agreement the CONTRACTING PARTIES were to review the need for that sub-paragraph not later than 30 June 1960. At their sixteenth session, in May 1960, and again at their twenty-second session, in March 1965, the CONTRACTING PARTIES agreed that the sub-paragraph be retained and that the need for its continued retention be reviewed again within a five-year period.

In January 1970 the Council reviewed the need for the sub-paragraph and agreed to recommend to the CONTRACTING PARTIES that it be retained with no provision for its further review.

57. Administrative and financial questions (C/M/53, 58, 59)

(a) Final 1968 budget position (C/M/53)

The Council reviewed the final 1968 budget position (L/3185) and authorized the Director-General to increase certain appropriations by way of transfers between sections of the budget.

(b) Financial position as at 30 September 1969 (C/M/59)

The Council took note of a report by the Director-General (L/3270) on the status of budgetary expenditure and contributions over the first nine months of 1969.

(c) Salary scales and family allowances in General Service category (C/M/59)

The Council approved a proposal by the Director-General (L/3273) on the financing of additional expenditure to cover adjustments in the salary scales and family allowances for the General Service category decided by the executive heads of the Geneva-based organizations.

(d) Committee on Budget, Finance and Administration (C/M/54, 58, 59)

The Council decided upon the terms of reference and membership of the Committee on Budget, Finance and Administration for 1969. The Committee met in October and its report (L/3259) on the 1968 accounts, on the financing of the 1969 Budget and on the budget estimates for 1970 for the GATT and for the International Trade Centre UNCTAD/GATT was approved by the Council at its meeting in October. The report, including the Committee's recommendations and the Resolution, was adopted by postal ballot.

At its December meeting the Council approved a supplementary report (L/3289) of the Committee, including recommendations on the method of accounting for overheads accruing to the International Trade Centre from extra-budgetary assistance projects.

(e) Rates of subsistence allowance (C/M/54)

The Council approved some changes in the rates of subsistence allowance in order to adjust the GATT practice to new United Nations rates (L/3201).

Annex I

TRADE ARRANGEMENTS BETWEEN
INDIA, THE UNITED ARAB REPUBLIC AND YUGOSLAVIA

Draft Decision

Considering that the CONTRACTING PARTIES, by the Decision of 14 November 1968, agreed that the Governments of India, the United Arab Republic and Yugoslavia (hereinafter referred to as the "participating States" may implement, subject to specified conditions and procedures, the Trade Expansion and Economic Co-operation Agreement (hereinafter referred to as the "Agreement"), dated 23 December 1967, and effective 1 April 1968;

Considering further that the participating States have notified the CONTRACTING PARTIES that they have signed a Protocol amending the Trade Expansion and Economic Co-operation Agreement and constituting an integral part thereof (hereinafter referred to as the "Protocol"), dated 16 July 1969, and effective 1 October 1969, by the addition of a number of items to the list of products covered by the Agreement;

Bearing in mind that the Trade Negotiations Committee of Developing Countries is preparing trade negotiations with the aim of expanding trade between developing countries, and that this Committee has not yet finished its preparation for the trade negotiations between developing countries, and that the participating States have reiterated their intention to seek the extension of the concessions embodied in the Agreement, as amended by the Protocol, to all other developing countries by appropriate negotiations and to make their best endeavours to integrate these concessions within the framework of multilateral arrangements elaborated within the Trade Negotiations Committee of Developing Countries which will be reported to the CONTRACTING PARTIES for their consideration in due course;

Noting that the participating States have reiterated their readiness to consult with any contracting party which considers that the operation of the Agreement as amended by the Protocol is impeding the attainment of any benefit which should accrue to it under the General Agreement or is adversely affecting its trade, and to report to the CONTRACTING PARTIES concerning developments under the Agreement; and

Recognizing that it is not possible at the present time to assess fully the beneficial impact of the Agreement on the trade and development of the three participating States in terms of its stated objectives.

The CONTRACTING PARTIES decide:

1. That notwithstanding the provisions of Article I:1 of the General Agreement the participating States may continue to implement the Agreement as amended by the Protocol subject to the following conditions and procedures:
 - (a) The participating States shall consult with any contracting party which considers that the operation of this Agreement is impeding the attainment of any benefit which should accrue to it under the General Agreement or is adversely affecting its trade.
 - (b) The participating States shall report on any proposed modification in the scope or provisions of the Agreement so as to afford the CONTRACTING PARTIES adequate opportunity to consult with them before giving effect to any substantial modification and subject to the following procedures: The participating States shall promptly consult, with a view to arriving at a mutually acceptable settlement, with any contracting party which considers that any proposed modification threatens substantial injury to its trade with participating States. Should agreement not be reached in such consultation the question of such threat may be considered by the CONTRACTING PARTIES. Participating States may implement the proposed modifications if, within thirty days after the notification no contracting party has requested consultation or if it is agreed by the contracting party requesting consultation or by the CONTRACTING PARTIES, as the case may be, that no such threat exists. If, however, the CONTRACTING PARTIES find that such threat exists, the participating States shall not take such action but may take other action which conforms with any recommendation made by the CONTRACTING PARTIES.
 - (c) On the basis of a report by the participating States on the operation of the Agreement, this Decision shall be subject to annual review by the CONTRACTING PARTIES taking account in particular of progress achieved in, and the outcome of, the negotiations conducted within the framework of the Trade Negotiations Committee of Developing Countries and of the contribution of the Agreement to its stated objectives. The CONTRACTING PARTIES may in the course of the annual review make such recommendations to the participating States as may be appropriate, including any arising out of any consultations held in regard to the effects of the Agreement on the trade of contracting parties. The CONTRACTING PARTIES may also in the course of this annual review take such decision regarding the future operation of this Decision as may be appropriate.
2. That without prejudice to any decisions the CONTRACTING PARTIES may take in the course of the annual review, the present Decision is intended to expire no later than 31 March 1973.
3. That this Decision shall not be construed as affecting any right of any contracting party under any provision of the General Agreement.

Annex II

BRAZILIAN SCHEDULE - RENEGOTIATION

Extension of Time-Limit

DRAFT DECISION

Considering that the CONTRACTING PARTIES, by Decision of 27 February 1967, suspended the application of the provisions of Article II of the General Agreement to the extent necessary to enable the Government of Brazil to apply those rates of duty provided in its new Customs Tariff which may exceed those bound in Schedule III, subject to certain specified conditions;

Considering that among the conditions mentioned above was the obligation to conduct negotiations or consultations in conformity with the relevant procedures of Article XXVIII and to terminate such negotiations or consultations before 29 February 1968;

Considering that the CONTRACTING PARTIES, by Decisions of 29 February 1968¹, 25 November 1968² and 19 May 1969³, extended the time-limit provided for the termination of the negotiations or consultations to be conducted by the Government of Brazil until the end of the twenty-sixth session of the CONTRACTING PARTIES; and

Considering that, although agreement has been reached in the negotiations with the majority of the countries concerned, it will not be possible to conclude all of them by the date specified;

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956,

Decide that the time-limit provided for in paragraph 3 of the Decision of 27 February 1967 shall be extended until a forthcoming meeting of the Council when the Government of Brazil expects to be in a position to report on the conclusion of the negotiations, provided that this be done before the end of the twenty-seventh session of the CONTRACTING PARTIES.

¹BISD, Sixteenth Supplement, page 19.

²BISD, Sixteenth Supplement, page 20.

³L/3205.

Annex III

CHILE - RENEGOTIATION OF SCHEDULE

Extension of Time-Limit

DRAFT DECISION

Considering that the CONTRACTING PARTIES, by Decision of 30 December 1966¹, suspended, subject to certain specified conditions, the application of the provisions of Article II of the General Agreement to the extent necessary to enable the Government of Chile to put into force the rates of duty provided in its new Customs Tariff which might exceed those bound in Schedule VII;

Considering that among the conditions mentioned above was the obligation to conduct negotiations or consultations in conformity with the relevant procedures of Article XXVIII and to terminate such negotiations or consultations by 31 December 1967;

Considering that the CONTRACTING PARTIES, by Decisions of 20 November 1967², 25 November 1968³ and 23 June 1969⁴, extended the time-limit provided for the termination of the negotiations or consultations to be conducted by the Government of Chile until the end of the twenty-sixth session of the CONTRACTING PARTIES; and

Considering that, although negotiations have been actively pursued by the interested parties, it will not be possible for the Government of Chile to conclude them by the date specified.

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956.

Decide that the time-limit provided for in paragraph 4 of the Decision of 30 December 1966 shall be extended until 31 December 1970.

¹BISD, Fifteenth Supplement, page 83.

²BISD, Fifteenth Supplement, page 85.

³BISD, Sixteenth Supplement, page 27.

⁴L/3224.

Annex IV

URUGUAYAN IMPORT SURCHARGES

Extension of Time-Limit

DRAFT DECISION

Considering that the CONTRACTING PARTIES by Decision of 8 May 1961¹ waived, subject to specified terms and conditions, the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to allow the Government of Uruguay to apply the import surcharges provided for in its Decree of 29 September 1960, as a temporary measure taken as part of and in conjunction with its stabilization and development programme, to those items specified in Schedule XXXI enumerated in the table annexed to that Decision, on the understanding that the surcharges be levied in a manner consistent with the provisions of Article I of the General Agreement;

Considering that the above-mentioned Decision was successively extended by Decisions of 20 July 1963, 31 January 1964 and 18 March 1964; extended and amended by Decision of 23 March 1965 and further extended by Decisions of 14 December 1965, 17 November 1967 and 26 July 1968², until the end of the last regular session of the CONTRACTING PARTIES in 1969;

Considering that the Government of Uruguay has requested an extension of the above-mentioned Decision on the grounds that the circumstances underlying the original Decision continue to demand the maintenance of severe measures in order to enable it to prevent a deterioration of its balance of payments;

Considering that a careful and detailed examination of the surcharges applied by Uruguay and of the balance-of-payments reasons therefore is essential but could most advantageously be carried out in conjunction with Uruguay's balance-of-payments consultations which should take place as early as possible in 1970,

Requesting the Director-General to establish the earliest practicable date for the carrying out of this examination with the participation of the International Monetary Fund,

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement, and in accordance with the procedures adopted by them on 1 November 1956,

Decide that the Government of Uruguay be authorized to maintain until 1 August 1970, the surcharges at present applied by it, subject to the relevant terms and conditions of the Decision of 8 May 1961.

¹BISD, Tenth Supplement, page 51.

²BISD, Sixteenth Supplement, page 28.

Annex V

EXTENSION OF CLOSING DATE FOR ACCEPTANCE
OF CERTAIN PROTOCOLS

DRAFT DECISION

CONSIDERING that the Protocol Amending the General Agreement to Introduce a Part IV on Trade and Development and the Geneva (1967) Protocol have not yet been accepted by all contracting parties

The CONTRACTING PARTIES

Decide to extend the closing date for acceptance of the said Protocols until the close of their twenty-seventh session, and

Urge the contracting parties which have not yet accepted the said Protocols to make every effort to do so in the near future.