

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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ARTICLE XIX - ACTION BY AUSTRALIA

Certain Footwear

Addendum

The following communication, dated 9 July 1981, has been received from the Mission of Australia.

It is apparent that a misunderstanding has arisen in the Commission in relation to Australia's suggestion to the European Communities that any request for a further ninety-day extension of their rights under paragraph 3 of Article XIX of the General Agreement in relation to Australia's Article XIX actions on passenger motor vehicles, footwear and certain work trucks and stackers, should be put to the GATT Council. The reason Australia took this step was simply to seek to resolve the procedural question of whether or not contracting parties to the GATT may agree bilaterally to extend the ninety-day period referred to in Article XIX. The General Agreement makes no provision for such an action and prior to making this suggestion to the European Communities the Australian delegation discussed the question of the legal basis for such an action with the GATT secretariat. The secretariat referred my authorities to a discussion on this matter at the GATT Council meeting in February 1975 (C/M/103) which, in fact, had left the matter unresolved.

My authorities would like to stress that their suggestion to the Communities did not constitute a refusal by Australia to the Communities' request. In fact Australia did agree to extend the Communities' rights on this matter until the next Council meeting on 15 July 1981.

Australia had responded in similar terms to requests by Sweden and Japan for an extension of the ninety-day period and these countries have referred such requests to the next meeting of the Council.

Australia regrets any misunderstanding that may have occurred on this matter and it has led the European Communities to submit a notification to the contracting parties advising the intention of taking retaliatory action against the Australian measures. My authorities believe that there are important questions to be considered in relation to the European Communities' notification, and I have therefore been asked to advise you that Australia has decided to agree

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to extend the rights of the European Communities under paragraph 3 of Article XIX in relation to the Australian measures noted above for a further ninety days. It is hoped that this action will provide time for reflection on these issues. Accordingly, Australia withdraws its suggestion to have this matter referred to the Council on this occasion and will take up the procedural question discussed above on another occasion. The Community will now no doubt wish to reconsider its position.

