

GENERAL AGREEMENT ON

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TARIFFS AND TRADE

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CONTRACTING PARTIES
Forty-Fifth Session

COUNCIL OF REPRESENTATIVES

Draft Report on Work since the Forty-Fourth Session¹

In accordance with the Decision of 4 June 1960 establishing the Council of Representatives, the Council is required to report to the CONTRACTING PARTIES on the matters considered between sessions of the CONTRACTING PARTIES.

In carrying out its task, the Council has held 10 meetings since the Forty-Fourth Session in November 1988. The minutes of these meetings, which remain the record of the Council's work, are contained in documents C/M/227-C/M/236. Adoption of this report, which summarizes the action taken by the Council, will constitute approval by the CONTRACTING PARTIES of that action.

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1. <u>Work Program resulting from the 1982 Ministerial meeting</u>	
(a) <u>Dispute settlement procedures</u> (C/M/227, 234)	

In November 1985, the Council approved a roster of non-governmental panelists (L/5906), and in November 1988, the CONTRACTING PARTIES agreed to extend the roster for an additional year.

At its meeting on 20 December 1988, the Council considered a proposed nomination by the United States (C/W/574).

The representative of the United States spoke.

The Council took note of the statement and approved the proposed nomination.

At its meeting on 21-22 June 1989, the Council considered proposed nominations by Japan (C/W/597) and one by Sweden (C/W/594).

The representatives of Japan, Sweden and the European Communities spoke.

The Council took note of the statements and approved the proposed nominations.

- (b) Quantitative Restrictions and Other Non-Tariff Measures
 - Technical Group on Quantitative Restrictions and Other Non-Tariff Measures
 - Report to the Council (C/M/232)

At its regular meeting in October 1988, the Council had adopted the Interim Report of the Technical Group on Quantitative Restrictions and Other Non-Tariff Measures (L/6397).

At its meeting on 10 May 1989, the Council considered the report of the Technical Group on Quantitative Restrictions and Other Non-Tariff Measures (L/6492).

The representative of Australia and the Chairman spoke.

The Council took note of the statements, adopted the report in L/6492 and agreed to ask the Council Chairman to undertake informal consultations concerning the date of the Group's next meeting.

- (c) Export of Domestically Prohibited Goods (C/M/227, 228, 230, 231, 232, 234, 235)

At the Council meeting on 20 December 1988, the Chairman recalled that at the December 1988 Ministerial meeting in Montreal, the Chairman of the Trade Negotiations Committee had referred to the subject of "Export of Domestically Prohibited Goods" and had suggested that the Council be requested to take an early, appropriate decision for the examination of the complementary action that might be necessary in GATT (MTN.TNC/8(MIN)). He informed representatives that this subject would be included on the Agenda of the next Council meeting.

The Council took note of the information.

At the Council meeting on 8-9 February 1989, the Chairman said that he had held an informal consultation on this matter and that as it seemed more time would be needed to formulate a decision which the Council could adopt, he suggested that further informal consultations be held. A draft Decision (C/W/580) concerning the establishment of a working party to examine this matter was circulated at the request of African delegations.

The representatives of Nigeria, Cameroon, Nicaragua, United States, Côte d'Ivoire, Cuba, Chile and the European Communities spoke.

The Council took note of the information by the Chairman, of the statements and of the draft Decision (C/W/580), and agreed to revert to this item at its next meeting.

At its meeting on 6 March 1989, the Chairman said he understood that interested delegations were pursuing their discussions on this matter.

The representative of Nigeria spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 12 April 1989, the Council again considered this matter.

The representatives of Nigeria, Nicaragua, Côte d'Ivoire, Zaïre, Sweden on behalf of the Nordic countries, Cameroon, Brazil, Chile, Cuba, Tanzania, the European Communities, Canada and the United States, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 10 May 1989, the Chairman said that he had discussed this matter with the Director-General and with a number of delegations. On the basis of those discussions, he had come to the conclusion that agreement could not at present be reached on this matter and therefore proposed that he organize informal consultations open to all interested delegations.

The representatives of Nigeria, Tanzania, Nicaragua, Morocco and Côte d'Ivoire spoke.

The Council took note of the statements and agreed to proceed with the consultations as proposed by the Chairman.

At its meeting on 21-22 June 1989, the Chairman informed the Council that several consultations had been held which contemplated the establishment of a working group to examine the export of domestically prohibited goods and other hazardous substances. He considered that progress had been achieved but that further consultations were needed.

The Council took note of this information and agreed that the Chairman would continue the consultation process on this matter.

At the Council meeting on 19 July 1989, the Chairman reported that he had held further consultations on this matter and that there ~~was~~ substantial agreement on the text of a draft Decision (C/W/605/Rev.1) for the establishment of a working group to examine the trade-related aspects of the Export of Domestically Prohibited Goods and Other Hazardous Substances.

The representatives of Nigeria, the United States, Uruguay, the European Communities, Côte d'Ivoire, Tanzania and India spoke.

The Council took note of the statements, adopted the draft Decision in C/W/605/Rev.1¹ and authorized the Council Chairman to designate the Chairman of the Working Group in consultation with the delegations principally concerned.² Membership in the Working Group would be open to all contracting parties indicating their wish to participate in it.

The Council also took note of the Chairman's understanding that the terms of reference would permit the Group to make appropriate recommendations.

2. Reviews of developments in the trading system (special meetings on Notification, Consultation, Dispute Settlement and Surveillance)
(C/M/233)

At their Thirty-fifth Session in November 1979, the CONTRACTING PARTIES adopted the Understanding regarding Notification, Consultation, Dispute Settlement and Surveillance (BISD 26S/210). In March 1980, the Council adopted a proposal which provided for the Council to review developments in the trading system at sessions specially held for that purpose (BISD 27S/20). At its special meeting in July 1983, the Council agreed that these meetings would also serve to monitor paragraph 7(i) of the 1982 Ministerial Declaration (BISD 29S/9) and that such special meetings would preferably be held twice a year.

At its special meeting on 21 June 1989, the Council reviewed recent developments in the trading system and monitored implementation of paragraph 7(i) of the 1982 Ministerial Declaration. A note by the Secretariat on "Developments in the Trading System, September 1988 - February 1989" (C/W/590 and Add.1)³ served as a reference document for the discussion.

The representatives of the European Communities, Brazil, Jamaica, Japan, India, Hong Kong, Finland on behalf of the Nordic countries, Singapore, Canada, Mexico, Argentina, Tanzania, Yugoslavia, Peru, Pakistan, Turkey, Egypt, New Zealand, Switzerland, Korea, Romania, Nicaragua, Hungary, Israel, Australia, Czechoslovakia, the United States and China (as an observer) spoke. The Director-General and the Chairman also spoke.

Reference was made to the fact that the present review was the last one to be conducted under paragraph 24 of the 1979 Understanding. The relationship of this process to that of the next review, to be performed in

¹The Decision was subsequently issued as L/6553.

²The Chairman of the Working Group was announced on 10 August 1989 in C/168.

³Subsequently revised and issued as L/6530.

the context of the Trade Policy Review Mechanism (TPRM), was also discussed. The Director-General suggested that the forthcoming Secretariat's first annual report under the TPRM, and the debate thereon, would provide a useful follow-up to the present discussion.

Particular attention was given to the "Super" and "Special 301" provisions of the United States' Omnibus Trade and Competitiveness Act of 1988. A large portion of the meeting consisted of a review of these provisions and the action taken or proposed to be taken under them.

The following subjects were also raised: specific measures, both liberalizing and restrictive, taken by contracting parties, including the trade liberalization programs of developing countries and their efforts towards structural adjustment; concerns about continuing protectionist trends in major trading partners, as illustrated by unilateral or bilateral measures; the increased use of anti-dumping regulations to restrict imports; the manner of application of rules of origin; voluntary export restraints and competitive subsidization in agriculture.

A number of representatives referred to liberalizing measures recently implemented by their authorities, or reviewed what they considered to be successful trade policies pursued during the second half of the 1980s.

The Uruguay Round was described as the best way of countering protectionist pressures, reducing imbalances and bringing about longer-term solutions to the concerns expressed with regard to "new" areas of trade policy. Many delegations expressed satisfaction with progress achieved to date, and expressed the hope that there would soon be concrete results and further impetus to across-the-board progress.

The Director-General introduced his periodic report on the Status of Work in Panels and Implementation of Panel Reports (C/167), drawing attention to the slow process of the constitution of panels and agreement on terms of reference, and of the adoption of panel reports. This had resulted in the large amount of unfinished business before the Council.

The Chairman, in summing up, said that he had noted that important issues had been fully and usefully discussed. He provided a detailed summary of all the issues raised and the points made thereon.

The Council took note of the statements and agreed that the review of developments in the trading system had been conducted.

3. Matters arising from the December 1988 and April 1989 meetings of the Trade Negotiations Committee (C/M/231)

The Trade Negotiations Committee, at its meeting in April 1989, recommended that the CONTRACTING PARTIES adopt draft Decisions (C/W/585) relating to Dispute Settlement and the Functioning of the GATT System.

(a) Improvements to the GATT Dispute Settlement Rules and Procedures
(C/M/231)

At its meeting on 12 April 1989, the Council adopted the draft Decision in Annex I of C/W/585 on Dispute Settlement.¹

The representative of Sweden, on behalf of the Nordic countries, spoke.

The Council took note of the statement.

(b) Trade Policy Review Mechanism (C/M/231)

At its meeting on 12 April 1989, the Council adopted the draft Decision in Annex II of C/W/585 on Functioning of the GATT System.² The Council also instructed the Committee on Budget, Finance and Administration to take appropriate action on the financial aspects of the Decision related to the Trade Policy Review Mechanism (TPRM).

The representatives of Australia and Sweden on behalf of the Nordic countries spoke.

The Council took note of the statements.

(i) Outline Format for Country Reports (C/M/235)

At the meeting of the Trade Negotiations Committee in April 1989, the CONTRACTING PARTIES decided that the country reports would be "based on an agreed format to be decided upon by the Council" (L/6490, Part I, para. B(i)). In that Decision, it was provided that "this format may be revised by the Council in the light of experience".

At its meeting on 19 July 1989, the Council considered a draft Decision (C/W/602) regarding the Outline Format for Country Reports.

The representative of Brazil suggested adding the word "outline" to the text in Paragraph 2 of C/W/602, so that it would read "agreed outline format".

The Council adopted the draft Decision in C/W/602³ as amended by Brazil.

(ii) Programme and conduct of reviews (C/M/235, 236)

At the meeting of the Trade Negotiations Committee in April 1989, the CONTRACTING PARTIES decided that "the Council will establish a programme of reviews for each year in consultation with the contracting parties directly concerned". (L/6490, Part I, para. D(iii)).

¹ Subsequently issued as L/6489.

² Subsequently issued as L/6490.

³ Subsequently issued as L/6552.

At its meeting on 19 July 1989, the Council considered a draft Decision (C/W/603) regarding the programme of reviews for 1989 and for 1990.

The Council agreed to the Programme of Reviews for 1989 and 1990 as indicated in the Annex to C/W/603¹ with the addition that would be made subsequently².

The Chairman said that in C/W/603, the contracting parties were listed alphabetically in each language, which would not prejudice the order in which they would be reviewed, and that the contracting parties shown on the Programmes for 1989 and 1990 would be reviewed on the basis of the "Outline Format" which the Council had adopted (L/6552).

The Council took note of the statement.

At its meeting on 11 October 1989, the Council considered a communication from the Council Chairman (C/W/607 and Corr.1) related to the conduct of reviews to be carried out in the framework of the Trade Policy Review Mechanism.

The Council took note of the information in C/W/607 and Corr.1

The Council was also informed by the Chairman that the Director-General would present his first Annual Report under paragraph F of the Decision of 12 April 1989 on the Functioning of the GATT System (L/6490) at a separate Council meeting to be held on Monday, 11 December.

The Council took note of this information.

(c) Greater Ministerial Involvement in the GATT (C/M/231)

At its meeting on 12 April 1989, the Council adopted the draft Decision in Annex II of C/W/585 on Functioning of the GATT System.³

(d) Increasing the Contribution of the GATT to Achieving Greater Coherence in Global Economic Policy Making (C/M/231)

At its meeting on 12 April 1989, the Council adopted the draft Decision in Annex II of C/W/585 on Functioning of the GATT System.³

At its meeting on 11 October 1989, the Council considered a note by the Director-General (L/6566) containing his report related to the "Invitation by the CONTRACTING PARTIES to report on ways to achieve greater coherence in global economic policy making".⁴

¹Subsequently issued as L/6554.

²Colombia was subsequently included in the programme of reviews for 1990 (L/6554/Add.1).

³Subsequently issued as L/6490.

⁴See L/6490.

The representatives of Brazil, Colombia, the European Communities, Japan, Czechoslovakia, Peru, India and Chile spoke.

The Council took note of the statements and of the information contained in the note by the Director-General in L/6566.

4. Tariff matters

(a) Committee on Tariff Concessions
- Designation of Chairman and Vice-Chairman¹ (C/M/228)

At their Forty-fourth Session in November 1988, the CONTRACTING PARTIES took note of a suggestion by the Council Chairman concerning the appointment of presiding officers of standing bodies.

At its meeting on 8-9 February 1989, the Council agreed to appoint Mr. de la Peña (Mexico) as Chairman of the Committee on Tariff Concessions and Mr. Tuusvuori (Finland) as Vice-Chairman of the Committee.

(b) Harmonized System - Transposition by the United States (C/M/227, 228, 231)

At the Council meeting on 20 December 1988, the representative of the European Communities said that in the Community's view, the manner in which the United States had transposed its tariff schedule to the Harmonized System did not conform with the principles set out in Section 2 of L/5470/Rev.1.

The representative of the United States spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 8-9 February 1989, the Council again considered this matter.

The representatives of the European Communities, the United States, Japan, Canada, Singapore, Chile and Hong Kong spoke.

The Council took note of the statements and of the European Communities' request for arbitration by the Director-General, and agreed to revert to this item at a future meeting.

At its meeting on 12 April 1989, the Council again considered this matter.

The representatives of the European Communities, the United States, Hong Kong, Australia and Chile spoke.

¹Carried in Council Minutes under "Appointment of presiding officers of standing bodies".

The Council took note of the statements and agreed to revert to this item at a future meeting.

(c) Austria - Tariff reductions (C/M/234)

At its meeting on 21-22 June 1989, the Council considered a communication from Austria (L/6509) concerning a list of proposed tariff reductions.

The representatives of Austria, Japan, Bangladesh and New Zealand spoke.

The Council took note of the statements and of the information in L/6509.

(d) Japan - Early implementation of offer on tropical products (C/M/228)

At the Council meeting on 8-9 February 1989, the representative of Japan informed the Council that his Government had decided to implement, as of 1 April 1989, its offers on tropical products in the Uruguay Round, subject to the necessary domestic procedures.

The representative of Thailand on behalf of the ASEAN contracting parties, and the Director-General spoke.

The Council took note of the statements.

5. Trade in textiles

- Report of the Textiles Committee (C/M/230)

At the Council meeting on 6 March 1989, the Director-General, Chairman of the Textiles Committee, presented the Committee's report (COM.TEX/59) and the report of the Textiles Surveillance Body (COM.TEX/SB/1423 and Add.1).

The representative of Pakistan spoke.

The Council took note of the statements and of the report of the Textiles Surveillance Body, and adopted the report of the Textiles Committee.

6. Committee on Balance-of-Payments Restrictions

(a) Designation of Chairman¹ (C/M/228)

At their Forty-fourth Session in November 1988, the CONTRACTING PARTIES took note of a suggestion by the Council Chairman concerning the appointment of presiding officers of standing bodies.

¹Carried in Council Minutes under "Appointment of presiding officers of standing bodies".

At its meeting on 8-9 February 1989, the Council agreed to re-appoint Mr. Boittin (France) as Chairman of the Committee on Balance-of-Payments Restrictions.

(b) Program of consultations (C/M/228)

At the Council meeting on 8-9 February 1989, the Chairman of the Committee on Balance-of-Payments Restrictions introduced the Committee's proposed program of consultations for 1989 (C/W/577).

The representatives of the United States, the European Communities, Canada, Korea and Sweden on behalf of the Nordic countries spoke.

The Council took note of the statements and of the information in C/W/577.

(c) Consultations (C/M/232, 234, 235)

At the Council meeting on 10 May 1989, the Chairman of the Committee on Balance-of-Payments Restrictions introduced the Committee's report on its consultation with Pakistan (BOP/R/181).

The representative of Pakistan spoke.

The Council took note of the statements, adopted the report in BOP/R/181, and agreed to revert to this item at its next meeting.

At its meeting on 21-22 June 1989, the Council again considered this item.

The representatives of Pakistan, Morocco, Brazil, Nigeria, the European Communities, India, Turkey, Mexico, Peru, Yugoslavia, Uruguay, Indonesia, Bangladesh, Hungary, Nicaragua, Colombia, Argentina, Sri Lanka, Egypt and the United States spoke.

The Council took note of the statements.

At its meeting on 19 July 1989, the Council considered the report of the Committee on Balance-of-Payments Restrictions on its meeting of 27 and 30 June regarding its consultation with Korea (BOP/R/183).

The Chairman drew attention to paragraph 4 of the report which indicated that the Committee had agreed to resume its consultation with Korea not later than the week of 23 October 1989.

The representatives of Canada, the European Communities, the United States, New Zealand, Korea and Egypt spoke.

The Council took note of the statements and of the information in BOP/R/183.

(d) Report on the meeting in April 1989 (C/M/232)

At the Council meeting on 10 May 1989, the Chairman of the Committee on Balance-of-Payments Restrictions drew attention to the points raised under "Other Questions" in BOP/R/182.

The Council took note of the information in BOP/R/182.

7. United States - Countervailing duties on non-rubber footwear from Brazil (C/M/228)

At the Council meeting on 8-9 February 1989, the representative of Brazil informed the Council that the United States had thus far failed to meet the deadline for the presentation of its written submission to the Panel established by the Committee on Subsidies and Countervailing Duties to examine the imposition of countervailing measures by the United States on certain imports of Brazilian footwear.

The Council took note of the statement.

8. Measures affecting the world market for copper ores and concentrates (C/M/229)

In December 1987, the European Communities and Japan jointly requested a conciliation by the Director-General in their dispute concerning certain pricing and trading practices for copper in Japan.

At its meeting on 21 February 1989, the Council considered the good offices report by the personal representative of the Director-General (L/6456).

The representatives of the European Communities and Japan spoke.

The Council took note of the statements and of the information in L/6456.

9. EEC - Poland Agreement (C/M/236)

At the Council meeting on 11 October 1989, the representatives of the European Communities and Poland informed the Council that on 19 September 1989 the Community and Poland had signed a bilateral trade, commercial and economic cooperation agreement.

The Council took note of the statements.

10. United States - Omnibus Trade and Competitiveness Act of 1988¹

(a) Telecommunications provisions (C/M/230)

At the Council meeting on 6 March 1989, the representative of Korea expressed his delegation's concern that the US Government, in its report to the Congress on 21 February 1989, had designated Korea as a priority country regarding telecommunications market-opening negotiations under the US Omnibus Trade and Competitiveness Act of 1988.

The representative of the European Communities spoke.

The Council took note of the statements.

(b) Identification of trade liberalization priorities for Brazil under Section 301 (C/M/234)²

At its meeting on 21-22 June 1989, the Council considered a communication from Brazil (L/6517) regarding the United States' identification of priority foreign countries and priority practices based on Section 301 of the US Trade Act of 1988.

The representatives of Brazil, the United States, Uruguay, Japan, Sweden on behalf of the Nordic countries, Austria, Chile, Cuba, Korea, India, Thailand on behalf of the ASEAN contracting parties, Nicaragua, Canada, Hong Kong, Egypt, Hungary, Yugoslavia, Pakistan, Peru, Mexico, Turkey, Czechoslovakia, Australia, Colombia, Switzerland, Argentina, Romania, the European Communities and Nigeria spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

(c) Identification of India as a "priority country" under "Super 301" provision (C/M/234)²

At its meeting on 21-22 June 1989, the Council considered a communication from India (L/6525) regarding the identification of India as a "priority country" under Section 301 of the US Trade Act of 1988.

The representatives of India, Egypt, Nigeria, Brazil, Cuba, Yugoslavia, Pakistan, the European Communities, Chile, Sweden on behalf of the Nordic countries, Korea, Thailand on behalf of the ASEAN contracting parties, Canada, Hong Kong, Hungary, Peru, Mexico, Czechoslovakia, Argentina, Romania, Nicaragua and the United States spoke.

¹This matter was also discussed at the Council meeting on 8-9 February 1989 (C/163 and Corr.1).

²This matter was also discussed during the special Council meeting on 21 June 1989 (C/M/233).

The Council took note of the statements and agreed to revert to this item at a future meeting.

11. Austria/Luxembourg/Netherlands/Norway/Spain/Sweden/Switzerland/United Kingdom - Measures to be taken under the European Convention on Transfrontier Television (C/M/236)

At the Council meeting on 11 October 1989, the representative of the United States raised the issue of the European Convention on Transfrontier Television.

The representatives of the European Communities and Japan spoke.

The Council took note of the statements.

12. Recourse to Articles XXII and XXIII

(a) Canada

(i) Quantitative restrictions on imports of ice cream and yoghurt (C/M/227, 230, 236)

At its meeting on 20 December 1988, the Council considered a request by the United States for the establishment of a panel to examine Canada's restrictions on imports of ice cream and yoghurt (L/6445).

The representatives of the United States, Canada, New Zealand, Australia, Japan and the European Communities spoke.

The Council took note of the statements, agreed to establish a panel with standard terms of reference, and authorized its Chairman to designate the Chairman and members of the Panel in consultation with the parties concerned.

At the Council meeting on 6 March 1989, the representative of the United States expressed concern that the Panel had still not been composed.¹

The representative of Canada spoke.

The Council took note of the statements.

At its meeting on 11 October 1989, the Council considered the Panel report (L/6568).

The representatives of the United States, Canada, the European Communities, New Zealand, Australia, Japan and Finland on behalf of the Nordic countries spoke.

¹The Panel's composition was subsequently announced on 3 April 1989 in C/164.

The representative of Canada asked that the Council agree to derestrict the Panel report.

The Council took note of the statements, agreed to derestrict the Panel report in L/6568, and agreed to revert to this item at its next meeting.

(ii) Import, distribution and sale of alcoholic drinks by provincial marketing agencies (C/M/227)

In March 1988, the Council adopted the Panel report (L/6304).

At the Council meeting on 20 December 1988, the representative of Canada reported that an ad referendum agreement had been negotiated with the European Communities on the implementation of the Panel report.

The representatives of Jamaica, the European Communities, Australia and the United States spoke.

The Council took note of the statements and agreed to revert to this matter when the details of the said agreement were available.

(iii) Measures on exports of unprocessed salmon and herring (C/M/227, 228, 231¹, 232)

In March 1988, the Council adopted the Panel report (L/6268).

At its meeting on 20 December 1988, the Council considered the follow-up on the Panel report.

The representatives of the United States and Canada spoke.

The Council took note of the statements.

At its meeting on 8-9 February 1989, the Council again considered this matter.

The representatives of the United States and Canada spoke.

The Council took note of the statements.

At its meeting on 12 April 1989, the Council considered a communication from Canada (L/6483) regarding the United States' determination of unfair international trade practice under Section 304 of the US Trade Act of 1988 in relation to the Panel report on measures on exports of unprocessed salmon and herring (L/6268).

¹Carried in C/M/231 as "United States - Proposed trade action in respect of salmon and herring".

The representatives of Canada, the United States, Japan and the European Communities spoke.

The Council took note of the statements.

At its meeting on 10 May 1989, the representative of Canada informed the Council that his Government had taken steps to remove the export prohibitions on Pacific salmon and herring in compliance with the recommendation of the Panel report (L/6268), and had introduced a GATT-consistent landing requirement for all commercially caught Pacific salmon and herring, under which foreign buyers would have access to purchase unprocessed fish caught in Canadian waters.

The representative of the United States spoke.

The Council took note of the statements.

(b) European Economic Community

(i) Restrictions on imports of dessert apples¹ (C/M/232, 234)

In May 1988, the Council established a Panel to examine the complaint by Chile.

At its meeting on 10 May 1989, the Council considered the Panel report (L/6491).

The representatives of Chile, the European Communities, New Zealand, South Africa, Nicaragua, Brazil, Uruguay, Argentina, Australia, Canada, Thailand, Colombia, Hungary, the United States, Korea, India, Pakistan, Indonesia, Peru, Turkey, Zaïre, Finland on behalf of the Nordic countries and Austria spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 21-22 June 1989, the Council again considered this matter.

The representatives of the European Communities, Chile, Australia, Argentina, Finland on behalf of Iceland, Norway and Finland, the United States, Uruguay, New Zealand, Canada, Colombia, Austria, Brazil, Hungary, Switzerland, Nicaragua and Thailand spoke.

The Council took note of the statements, adopted the Panel report in L/6491 and agreed that in accordance with the procedure adopted by the Council in May 1988, the report was thereby derestricted.

¹Carried in Council Minutes as "European Economic Community - Restrictions on imports of dessert apples - Complaint by Chile".

(ii) Restrictions on imports of apples¹ (C/M/234)

In September 1988, the Council established a Panel to examine the complaint by the United States regarding the Community's restrictions on imports of apples (L/6371).

At its meeting on 21-22 June 1989, the Council considered the Panel report (L/6513).

The representatives of the United States, the European Communities, Chile, Australia, Canada, New Zealand and Hungary spoke.

The Council took note of the statements, adopted the Panel report in L/6513 and agreed that in accordance with the procedures adopted by the Council in May 1988, the report was thereby derestricted.

(iii) Regulation on imports of parts and components (C/M/232)

In October 1988, the Council established a Panel to examine the complaint by Japan in L/6410 and authorized the Chairman to draw up the terms of reference and to designate the members of the Panel in consultation with the parties concerned.

At its meeting on 10 May 1989, the Chairman informed the Council of the Panel's terms of reference and composition.

The Council took note of the information.

(iv) Restraints on exports of copper scrap (C/M/234, 235)

At its meeting on 21-22 June 1989, the Council considered a communication from the United States concerning the European Economic Community's restraints on exports of copper scrap (L/6518).

The representatives of the United States and the European Communities spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 19 July 1989, the Council again considered this matter.

The representatives of the United States, the European Communities, Canada and Australia spoke.

¹Carried in Council Minutes as "European Economic Community - Restrictions on imports of apples - Complaint by the United States".

The Council took note of the statements, agreed to establish a panel with standard terms of reference and authorized its Chairman to designate the Chairman and members of the Panel in consultation with the parties concerned.¹

(c) Japan

(i) Imports of spruce-pine-fir (SPF) dimension lumber (C/M/232, 234, 235)

In March 1988, the Council established a Panel to examine the complaint by Canada related to Japan's restrictions on imports of spruce-pine-fir (SPF) dimension lumber.

At its meeting on 10 May 1989, the Council considered the Panel report (L/6470).

The representatives of Canada, Japan, New Zealand, Australia, the European Communities and Argentina spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 21-22 June 1989, the Council considered a communication from Canada (L/6528).

The representatives of Canada, Japan, New Zealand, Australia, Argentina, the European Communities, Brazil, Chile, Finland on behalf of the Nordic countries, the United States and Nicaragua spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 19 July 1989, the Council again considered this matter.

The representatives of Canada, Brazil, Finland on behalf of the Nordic countries, New Zealand, the European Communities, Argentina, Japan, the United States, India and Australia spoke.

The Council took note of the statements, adopted the Panel report in L/6470 and agreed that in accordance with the procedures adopted by the Council in May 1988, the report was thereby derestricted.

(ii) Trade in semi-conductors (C/M/227, 228, 230, 234)

In May 1988, the Council had adopted the Panel report (L/6309).

¹The Panel's composition was subsequently announced on 28 September 1989 in DS5/1.

At its meeting on 20 December 1988, the Council considered the follow-up on the Panel report.

The representatives of the European Communities and Japan spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 8-9 February 1989, the Council again considered this matter.

The representatives of Japan and the European Communities spoke.

The Council took note of the statements and agreed to revert to this matter at a future meeting.

At its meeting on 6 March 1989, the Council again considered this matter.

The representatives of Japan and the European Communities spoke.

The Council took note of the statements.

At its meeting on 21-22 June 1989, the Council again considered this matter.

The representatives of the European Communities and Japan spoke.

The Council took note of the statements.

(iii) Customs duties, taxes and labelling practices on imported wines and alcoholic beverages (C/M/228, 230)

In November 1987, the Council adopted the Panel report (L/6216).

At its meeting on 8-9 February 1989, the Council considered the follow-up on the Panel report.

The representatives of Japan, the European Communities, Finland and Jamaica spoke.

The Council took note of the statements.

At its meeting on 6 March 1989, the Council again considered this matter.

The representatives of Finland on behalf of Sweden and Finland, Japan and the European Communities spoke.

The Council took note of the statements.

(iv) Restrictions on imports of certain agricultural products
(C/M/235)

In February 1988, the Council adopted the Panel report (L/6253).

At its meeting on 19 July 1989, the Council considered the follow-up on the Panel report.

The representatives of Australia, the European Communities, New Zealand and Japan spoke.

The Council took note of the statements.

(d) Korea

- Restrictions on imports of beef (C/M/234, 235, 236)

(i) Recourse by Australia

(ii) Recourse by New Zealand

(iii) Recourse by the United States

In May and September 1988, the Council established three panels to examine the complaints by Australia (L/6332), New Zealand (L/6354 and Add.1) and the United States (L/6316) related to Korea's restrictions on imports of beef.

At its meeting on 21-22 June 1989, the Council considered the Panel reports on the complaints by Australia (L/6504), New Zealand (L/6505) and the United States (L/6503).

The representatives of Australia, New Zealand, the United States, Korea, Canada, the European Communities, India, Brazil, Mexico, Pakistan, Yugoslavia, Hungary and Israel spoke.

The Council took note of the statements and agreed to revert to these matters at its next meeting.

At its meeting on 19 July 1989, the Council again considered these matters.

The representatives of Korea, Australia, the United States, New Zealand, Canada, Chile, Brazil, the European Communities, Argentina, Egypt and Uruguay spoke.

The Council took note of the statements and agreed to revert to these matters at its next meeting.

At its meeting on 11 October 1989, the Council again considered these matters.

The representatives of New Zealand, Korea, Australia, Mexico, the European Communities, the United States, Canada, Egypt, Pakistan, Yugoslavia and Uruguay spoke.

The Council took note of the statements and agreed to revert to these matters at its next meeting.

(e) Norway

- Restrictions on imports of apples and pears (C/M/232, 234)

In March 1988, the Council established a Panel to examine the complaint by the United States related to Norway's restrictions on imports of apples and pears.

At its meeting on 10 May 1989, the Council considered the Panel report (L/6474).

The representatives of the United States, Norway, the European Communities and Canada spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 21-22 June 1989, the Council again considered this item.

The representatives of Norway, the European Communities, the United States, Korea, Switzerland, Austria, Japan, Canada, Australia, Israel, Nicaragua, New Zealand, Yugoslavia, Finland on behalf of Sweden, Iceland and Finland, and India spoke.

The Council took note of the statements, adopted the Panel report in L/6474 and agreed that in accordance with the procedure adopted by the Council in May 1988, the report was thereby derestricted.

(f) United States

(i) Import restrictions on certain products from Brazil
(C/M/227, 228, 229, 234)

At its meeting on 20 December 1988, the Council considered a request by Brazil for the establishment of a panel to examine the United States' import restrictions on certain products from Brazil (L/6386 and Add.1).

The representatives of Brazil, the United States, Argentina, Canada, Colombia, Nigeria, the European Communities, Mexico, Chile, Hong Kong, Uruguay, Yugoslavia, Singapore, Australia, India, Egypt, Peru, Jamaica, Kuwait, Indonesia, Thailand, Malaysia, New Zealand, Norway on behalf of the Nordic countries, Hungary, Switzerland and Tanzania spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting meeting on 8-9 February 1989, the Council again considered this matter.

The representatives of Brazil, the United States, Austria, Argentina, Pakistan, Nicaragua, Canada, Peru, Korea, Australia, Kuwait, Hong Kong, the European Communities, India, Japan, Mexico, Thailand on behalf of the ASEAN contracting parties, Uruguay, Chile, Turkey, Colombia, Hungary, Egypt, Poland, Cuba, New Zealand, Norway on behalf of the Nordic countries, Yugoslavia, Nigeria, Jamaica, Switzerland, Czechoslovakia, Israel and Morocco, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 21 February 1989, the Council again considered this matter.

The representatives of Brazil and the United States, and the Chairman spoke.

The Council took note of the statements, agreed to establish a panel and authorized the Council Chairman to draw up the terms of reference and to designate the Chairman and members of the Panel in consultation with the parties concerned.

Many representatives expressed their delegations' satisfaction that a panel had been established.

The representatives of the European Communities, Japan, Switzerland, Canada, Korea, Egypt, Thailand, Pakistan, India, Colombia, Yugoslavia, Cuba, Nicaragua and Chile spoke.

The Council took note of the statements.

At its meeting on 21-22 June 1989, the Council again considered this matter.

The representatives of Brazil and the United States spoke.

The Chairman said that having heard the statements of the two parties, it appeared that they were in agreement on three points: (1) that the scope of this dispute was the specific measure taken by the United States referred to in L/6386/Add.1, and not the US Section 301 law in general; (2) that in accordance with normal GATT practice, the United States could present to the Panel the reasons for its actions but that the Panel should not propose rulings on the Brazilian legislation; (3) that standard terms of reference were appropriate.

The Council took note of the agreed points and of the statements, and agreed to return this matter to the Chairman so that he, in consultation with the parties, could determine the Panel's composition.¹

¹The Panel's composition was subsequently announced on 26 September 1989 in C/169.

- (ii) Restrictions on the importation of agricultural products applied under the 1955 Waiver and under the Headnote to the Schedule of tariff concessions (Schedule XX - United States) concerning Chapter 10 (C/M/227, 228, 230, 232, 234)

In October 1988, the Council considered a request by the European Economic Community for the establishment of a panel to examine the United States' restrictions on the importation of certain agricultural products (L/6393).

At its meeting on 20 December 1988, the Council again considered this matter.

The representatives of the European Communities, the United States and Canada spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting 8-9 February 1989, the Council again considered this matter.

The representatives of the European Communities, the United States, Jamaica, Nicaragua and Australia, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

At its meeting on 6 March 1989, the Council again considered this matter.

The representatives of the European Communities and the United States spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

At its meeting on 10 May 1989, the Council again considered this matter.

The representatives of the European Communities and the United States spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

At its meeting on 21-22 June 1989, the Council again considered this matter.

The representatives of the European Communities, the United States, Canada, Australia, Japan, Jamaica, Argentina, New Zealand, Nicaragua, Korea, Brazil, Uruguay, India, Chile, Pakistan and Yugoslavia, and the Chairman spoke.

The Council took note of the statements, and agreed to establish a panel with standard terms of reference and to designate Mr. Jaramillo to serve as the Panel Chairman and Mr. Huhtaniemi and Mr. Salim to serve as members of the Panel.

- (iii) Increase in the rates of duty on certain products of the European Economic Community (Presidential Proclamation No. 5759 of 24 December 1987) (C/M/227, 228, 229, 230, 231, 232, 234, 235, 236)

At its meeting on 20 December 1988, the Council considered a communication from the European Communities (L/6438) regarding the United States' tariff increases on a number of products subsequent to the US Presidential Proclamation No. 5759 of 24 December 1987.

The representatives of the European Communities, the United States and Canada spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 8-9 February 1989, the Council again considered this matter.

The representatives of the United States, the European Communities, Austria, Canada, Chile, Nicaragua, Jamaica and Brazil spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

At its meeting on 21 February 1989, the Council again considered this matter.

The representative of the European Communities spoke.

The Council took note of the statement and agreed to revert to this item at a future meeting.

At its meeting on 6 March 1989, the Council again considered this matter.

The representatives of the European Communities and the United States spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 12 April 1989, the Council again considered this matter.

The representative of the European Communities spoke.

The Council took note of the statement and agreed to revert to this item at a future meeting.

At its meeting on 10 May 1989, the Council again considered this matter.

The representatives of the European Communities, the United States and Canada spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

At its meeting on 21-22 June 1989, the Council again considered this matter.

The representatives of the European Communities and the United States spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

At its meeting on 19 July 1989, the Council again considered this matter.

The representatives of the European Communities and the United States spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 11 October 1989, the Council again considered this matter.

The representative of the European Communities requested that the Chairman and the Director-General hold consultations on this issue.

The representatives of the United States and Brazil, and the Chairman and the Director-General spoke.

The Council took note of the statements, including the Director-General's and the Chairman's to the effect that he and the Director-General, in their personal capacity, would be prepared to engage in consultations with all interested and relevant persons as they saw fit, and agreed to revert to this item at a subsequent meeting.

(iv) Import prohibition on ice cream from Canada (C/M/227, 228, 229)

At its meeting on 20 December 1988, the Council considered a request by Canada for consultations with the United States under Article XXIII:1 regarding the latter's import prohibition on ice cream from Canada (L/6444).

The representatives of Canada, the United States, the European Communities and New Zealand spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 8-9 February 1989, the Council again considered this item.

The representatives of Canada and the United States spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 21 February 1989, the Council again considered this item.

The representatives of Canada and the United States spoke.

The Council took note of the statements.

(v) Unilateral measures on imports of certain Japanese products
(C/M/227)

At the Council meeting on 20 December 1988, the representative of Japan reiterated his country's request that the United States withdraw immediately its GATT-inconsistent unilateral measures on certain Japanese exports to the United States concerning trade in semi-conductors.

The representative of the European Communities spoke.

The Council took note of the statements.

(vi) Restrictions on imports of sugar (C/M/227, 234)

At its meeting in September 1988, the Council established a Panel to examine the matter referred to the CONTRACTING PARTIES by Australia in L/6373.

At its meeting on 20 December 1988, the Chairman informed the Council of the Panel's composition.

The Council took note of the information.

At its meeting on 21-22 June 1989, the Council considered the Panel report (L/6514).

The representatives of Australia, the United States, Canada, Colombia, Brazil, Thailand, the European Communities, Jamaica, Chile, Nicaragua, Philippines, India, Hungary, Argentina, New Zealand and Uruguay spoke.

The Council took note of the statements, adopted the Panel report in L/6514 and agreed that in accordance with the procedure adopted by the Council in May 1988, the report was thereby derestricted.

(vii) Section 337 of the Tariff Act of 1930 (C/M/228, 230, 231, 232, 234, 235, 236)

In October 1987, the Council established a Panel to examine the complaint by the European Economic Community (L/6198).

At its meeting on 8-9 February 1989, the Council considered the Panel report (L/6439).

The representatives of the European Communities, the United States, Canada, Brazil, Japan, Switzerland, Korea, Norway on behalf of the Nordic countries, Hong Kong, Australia, Egypt, Austria, Israel and Nicaragua spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 6 March 1989, the Council again considered this item.

The representatives of the European Communities, the United States and Canada spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 12 April 1989, the Council again considered this item.

The representatives of the European Communities, Canada, Japan, Switzerland, Norway on behalf of the Nordic countries, India, Hong Kong, Austria, Brazil, Argentina, Israel, Chile, Australia, Korea, Pakistan, Uruguay, Yugoslavia, the United States and Tanzania spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 10 May 1989, the Council again considered this item.

The representatives of the European Communities, Japan, Canada, Korea, Brazil, Turkey, Nicaragua, Australia, Argentina, India, Pakistan, Mexico, Israel, Norway on behalf of the Nordic countries, Colombia, Hong Kong, Chile, Switzerland, Peru, Cameroon, Austria, Zaïre, Uruguay, Yugoslavia and the United States spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

At its meeting on 21-22 June 1989, the Council again considered this item, as well as a request by the United States (L/6500) for the derestriction of the Panel report.

The representatives of the European Communities, the United States, Japan, Switzerland, Mexico, Chile, Jamaica and Brazil, and the Chairman spoke.

The Council took note of the statements, agreed to revert to this matter at its next meeting and agreed to derestrict the Panel report in L/6439.

At its meeting on 19 July 1989, the Council again considered this item.

The representatives of the European Communities, the United States and Japan, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting.

At its meeting on 11 October 1989, the Council again considered this item.

The representatives of the European Communities, the United States, Japan, Canada, Brazil, Switzerland, Norway on behalf of the Nordic countries, Israel, India and Mexico, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting.

(viii) Trade measures affecting Nicaragua (C/M/234)

At their Forty-Second Session, the CONTRACTING PARTIES referred this matter back to the Council.

At its meeting on 21-22 June 1989, the Council again considered this matter.

The representatives of Nicaragua, Cuba, the United States, Colombia, Brazil, Chile, Uruguay, Mexico, Romania, Argentina, Peru, India, the European Communities, and Sweden on behalf of the Nordic countries spoke.

The Chairman suggested that delegations reflect on the issues which had been touched upon.

The Council took note of the statements and so agreed.

(ix) Customs user fee (C/M/228, 232, 234)

In February 1988, the Council adopted the Panel report (L/6264).

At its meeting on 8-9 February 1989, the representative of Canada asked the United States to inform the Council of the concrete measures it intended to take to implement the Panel report.

The representatives of Mexico, the European Communities and the United States spoke.

The Council took note of the statements.

At its meeting on 10 May 1989, the Council again considered this matter.

The representatives of the European Communities, Canada and the United States spoke.

The Council took note of the statements and agreed to revert to this matter at a future meeting.

At its meeting on 21-22 June 1989, the Council again considered this matter.

The representatives of the United States, the European Communities and Canada spoke.

The Council took note of the statements.

- (x) Taxes on petroleum and certain imported substances (C/M/227, 228, 231, 232, 234, 235, 236)

In June 1987, the Council adopted the Panel report (L/6175).

At its meeting on 20 December 1988, the Council considered the follow-up on the Panel report.

The representative of the European Communities informed the Council that consultations were underway between the United States and the Community regarding compensation consequent upon the adoption of the Panel report.

The representatives of Canada, Mexico, Nigeria, Kuwait, Malaysia, Indonesia and Norway spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

At its meeting on 8-9 February 1989, the Council again considered this item.

The representatives of Canada, Mexico, the European Communities, Nigeria, Kuwait and the United States spoke.

The Council took note of the statements.

At its meeting on 12 April 1989, the representative of Canada informed the Council of his Government's intention to submit a request under Article XXIII:2 for authority to suspend the application of concessions to the United States.

The representatives of Mexico, Nigeria, the European Communities and the United States spoke.

The Council took note of the statements.

At the Council meeting on 10 May 1989, the representative of Canada said that his country was preparing an initial list of items on which it intended to request authority to suspend the application of concessions to the United States.

The representatives of the European Communities, Mexico and the United States spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

At its meeting on 21-22 June 1989, the representative of Canada informed the Council that her Government had published a notice listing products from the United States on which Canada was considering tariff increases.

The representatives of the United States, Mexico, the European Communities and Nigeria spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

At its meeting on 19 July 1989, the representative of Canada informed the Council that Canada intended to circulate to contracting parties the list which it would use in requesting authority to suspend the application of equivalent concessions to the United States.

The representative of the United States spoke.

The Council took note of the statements.

At its meeting on 11 October 1989, the Council considered a request from Canada (C/W/608) for authority to suspend the application of specific concessions to the United States.

The representatives of Canada, the United States, the European Communities, New Zealand, Japan, Mexico and Australia, and the Chairman spoke.

The representative of Canada suggested that a small group might be established to examine Canada's request and to report to the Council.

The Council took note of the statements and agreed to revert to this item at its next meeting.

13. Customs unions and free-trade areas; regional agreements

(i) Canada - United States Free-Trade Agreement (C/M/228, 231, 235)

At its meeting on 8-9 February 1989, the Council considered a joint communication from Canada and the United States (L/6464).

The representatives of Canada, the United States, Japan, Mexico, the European Communities, Israel, Switzerland, Chile and Brazil, and the Chairman spoke.

The Council took note of the statements, agreed to establish a working party and authorized the Chairman to draw up its terms of reference and to designate a chairman in consultation with the primarily interested contracting parties.

At its meeting on 12 April 1989, the Chairman informed the Council of the Working Party's terms of reference and Chairman.

The Council took note of this information.

At the Council meeting on 19 July 1989, the representative of the European Communities asked why the airgram inviting contracting parties to submit written questions on the Agreement had still not been issued.

Mr. Carlisle, Deputy Director-General, said that the Secretariat had been unable to obtain the tariff schedule from one of the parties concerned.

The Council took note of the statements.

(ii) Australia/New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) (C/M/227, 228)

At its meeting on 20 December 1988, the representative of Australia informed the Council that his delegation would shortly submit the biennial report on this Agreement, covering the period 1 October 1986 to 30 September 1988.

The Council took note of the statement.

At its meeting on 8-9 February 1989, the Council considered the biennial report on the Agreement (L/6460).

The Council took note of the report.

14. Waivers under Article XXV:5

(a) Pakistan - Renegotiation of Schedule (C/M/227)

At its meeting on 20 December 1988, the Council considered a request by Pakistan for a further extension of its waiver from the provisions of

Article II of the General Agreement (L/6443), and a draft Decision to this effect (C/W/573/Rev.1).

The representatives of Pakistan and the United States, and the Chairman spoke.

The Council took note of the statements, approved the text of the draft Decision extending the waiver until 30 June 1989 (C/W/573/Rev.1) and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 23 January 1989 (L/6458).

(b) Yugoslavia - Establishment of a new Schedule LVII (C/M/227)

At its meeting on 20 December 1988, the Council considered a request by Yugoslavia (L/6447) for an extension, until 31 March 1989, of the waiver granted on 18 July 1988 (L/6379), and a draft Decision to this effect (C/W/576).

The representatives of Yugoslavia, the United States, the European Communities, Jamaica and Mexico, and the Director-General and the Chairman spoke.

The Council took note of the statements, approved the text of the draft Decision extending the waiver until 30 March 1989 (C/W/576) and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 23 January 1989 (L/6457).

(c) Philippines - Establishment of a new Schedule LXXV (C/M/228)

At its meeting on 8-9 February 1989, the Council considered a request by the Philippines for a waiver from the provisions of Article II of the General Agreement (L/6461), and a draft Decision to this effect (C/W/578).

The representative of the Philippines spoke.

The Council took note of the statement, approved the text of the draft Decision (C/W/578) and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 13 March 1989 (L/6480).

(d) Uruguay - Import surcharges (C/M/234)

By their Decision of 24 October 1972 (BISD 19S/9), the CONTRACTING PARTIES waived the application of the provisions of Article II to the extent necessary to allow Uruguay to maintain certain import surcharges in excess of bound duties. The waiver, which had been extended a number of times, was due to expire on 30 June 1989.

At its meeting on 21-22 June 1989, the Council considered Uruguay's request (L/6521) for a further extension of the waiver, and a draft Decision to this effect (C/W/596).

The representatives of Uruguay, the United States, the European Communities, Cuba, Argentina, Chile, Brazil, Mexico, Colombia, Pakistan and Nicaragua, and the Chairman spoke.

The Council took note of the statements, approved the text of the draft Decision in C/W/596 extending the waiver until 30 June 1990, and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 24 July 1989 (L/6543).

(e) Harmonized System

(i) Bangladesh, Israel, Malaysia, Mexico, Pakistan, Sri Lanka
(C/M/234)

At its meeting on 21-22 June 1989, the Council considered requests by Bangladesh (L/6523), Israel (L/6515), Malaysia (L/6520), Mexico (L/6524), Pakistan (L/6516) and Sri Lanka (L/6502) for either a waiver or an extension of a waiver already granted in connection with their implementation of the Harmonized Commodity Description and Coding System.

The representative of Bangladesh and the Chairman spoke.

The Council took note of the statements, approved the texts of the draft Decisions (C/W/598 - Bangladesh; C/W/592 - Israel; C/W/595 - Malaysia; C/W/599 - Mexico; C/W/593/Rev.1 - Pakistan; and C/W/589 - Sri Lanka) and recommended their adoption by the CONTRACTING PARTIES by postal ballot.

The Decisions were adopted on 24 July 1989 (L/6544 - Bangladesh; L/6545 - Israel; L/6546 - Malaysia; L/6547 - Mexico; L/6548 - Pakistan, and L/6549 Sri Lanka).

(ii) Indonesia (C/M/236)

At its meeting on 11 October 1989, the Council considered a request by Indonesia (L/6571) for a further extension of its waiver in connection with its implementation of the Harmonized Commodity Description and Coding System.

The representative of Indonesia spoke.

The Council took note of the statement, approved the text of the draft Decision in C/W/609 and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

(f) Reports under Waivers

(i) United States - Agricultural Adjustment Act (C/M/227, 228)

At its meeting on 20 December 1988, the representative of the United States informed the Council that his country had submitted the thirty-first annual report under the Decision of 5 March 1955 (BISD 3S/32), which would soon be circulated as L/6442.

The Council took note of the statement.

At its meeting on 8-9 February 1989, the Council considered the report (L/6442).

The representatives of the United States, the European Communities, Canada and Australia spoke.

The Council took note of the statements and agreed to revert to this item at a future meeting.

(ii) CARIBCAN (C/M/231, 232)

Under paragraph 7 of the CONTRACTING PARTIES' Decision of 28 November 1986 (BISD 33S/97), Canada is to submit an annual report on the implementation of the provisions of CARIBCAN covered by the Waiver, and the CONTRACTING PARTIES are, two years from the date of the Waiver's entry into force and biennially thereafter, to review its operation and consider if in the circumstances then prevailing, any modifications to or termination of its provisions are required.

At the Council meeting on 12 April 1989, the representative of Canada presented his Government's first annual report on the trade-related provisions of CARIBCAN (L/6478).

The representative of the United States spoke.

The Council took note of the statements and of the information in L/6478 and agreed to revert to this item at a future meeting.

At its meeting on 10 May 1989, the Council again considered this item.

The representatives of the United States, the European Communities and Canada spoke.

The Council took note of the statements and agreed that the biennial review of the operation of CARIBCAN had taken place.

15. Accession, provisional accession

(a) Bolivia (C/M/235)

In October 1987, the Council established a Working Party to examine Bolivia's application to accede to the General Agreement.

At its meeting on 19 July 1989, the Council considered the Working Party's report (L/6542 and Add.1).

The representatives of Bolivia (as an observer), the United States, Uruguay, the European Communities, Brazil, Colombia, Peru, Chile, Romania, Mexico, Canada, Argentina, Egypt, Finland on behalf of the Nordic countries, and Australia spoke.

The Council approved the text of the draft Protocol of Accession and the text of the draft Decision, agreed that the Decision should be submitted to a vote by CONTRACTING PARTIES by postal ballot, adopted the Working Party's report (L/6542 and Add.1) and took note of the statements.

The Decision was adopted on 3 August 1989 (L/6561).

(b) Bulgaria (C/M/228, 231, 234, 235)

In November 1986, the Council established a Working Party to examine Bulgaria's request for accession and agreed to consider in due course the procedural aspects of its establishment.

At its meeting on 8-9 February 1989, the Chairman informed the Council that in his view, further consultations on the procedural aspects of the Working Party were needed, and suggested that the Council revert to this item at its March meeting.

The Council took note of this information and so agreed.

At its meeting on 12 April 1989, the Chairman informed the Council that in his view, further consultations were needed.

The representatives of Bulgaria (as an observer) and Tanzania, and the Chairman spoke.

The Council took note of the statements and agreed to revert to this matter when there had been sufficient progress in the consultations to make consideration before the Council useful.

At its meeting on 21-22 June 1989, the representative of Bulgaria (as an observer) informed the Council of a number of new legal instruments that his country had adopted in the context of its economic reform.

The Council took note of the statement.

At its meeting on 19 July 1989, the Chairman informed the Council that further consultations on this matter were needed.

The Council took note of this information.

(c) El Salvador (C/M/227)

In May 1987, the Council established a Working Party to examine El Salvador's application for provisional accession.

At its meeting on 20 December 1988, the Council considered a communication from El Salvador in which that Government asked for full accession (L/6440).

The representative of El Salvador (as an observer) and the Chairman spoke.

The Council took note of the statements, agreed to change the terms of reference of the Working Party previously established to examine El Salvador's earlier request for provisional accession, agreed that membership in the Working Party continue to be open to all contracting parties indicating their wish to serve on the Working Party, and further agreed that Mr. Emilio Artacho (Spain) continue to serve as Chairman of the Working Party.

(d) Nepal (C/M/234)

At its meeting on 21-22 June 1989, the Council considered a communication from Nepal (L/6507) concerning its interest in acceding to the General Agreement pursuant to Article XXXIII.

The representatives of Nepal (as an observer), Japan, Hungary, Chile, Colombia, Israel, Norway on behalf of the Nordic countries, Malta, Singapore, Bangladesh, Turkey, Kuwait, Peru, Australia, Austria, Canada, Czechoslovakia, Hong Kong, Egypt, Argentina, Mexico, Morocco, Thailand, Pakistan, the European Communities, Indonesia, India, Nigeria, Philippines, Tanzania, Uruguay, Yugoslavia, the United States, New Zealand, Poland, Korea, Romania, Switzerland, Malaysia, Sri Lanka and Tunisia spoke.

The Council took note of the statements, agreed to establish a working party to examine Nepal's application, and authorized the Council Chairman to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Nepal.¹

(e) Paraguay (C/M/230)

In November 1974, the Council had established a Working Party to examine Paraguay's request for accession.

¹The Chairman of the Working Party was announced on 4 September 1989 in L/6532/Rev.1.

At its meeting on 6 March 1989, the Council considered a request by Paraguay for the resumption of negotiations regarding its accession to GATT (L/6468).

The representatives of Paraguay (as an observer), Brazil and Chile, and the Chairman spoke.

The Council took note of the statements and that the texts of Paraguay's foreign trade régime and its replies to the questions submitted earlier by contracting parties concerning the Memorandum on its foreign trade régime would be circulated as an addendum to L/6468 in mid-March 1989.

(f) Tunisia (C/M/230, 234, 236)

At their Forty-fourth Session in December 1988, the CONTRACTING PARTIES took note of the change suggested by the Director-General that the time-limit in paragraph 5 of the draft Protocol of Accession of Tunisia be changed to 30 March 1989.

At its meeting on 6 March 1989, the Council considered a communication from the Director-General suggesting that this time-limit be changed to 30 June 1989 (C/W/582).

The representative of Japan spoke.

The Council took note of the statement and of the change suggested by the Director-General.

At its meeting on 21-22 June 1989, the Council considered a communication from the Director-General suggesting that this time-limit be changed to 16 October 1989 (C/W/591).

The Council took note of this change.

At its meeting on 11 October 1989, the Council considered a communication from the Director-General suggesting that this time-limit be changed to 30 March 1990 (C/W/606).

The representative of Tunisia spoke.

The Council took note of the statement and of the change suggested by the Director-General.

(g) Venezuela (C/M/234)

At its meeting on 21-22 June 1989, the Council considered a communication from Venezuela (L/6519) concerning its interest in acceding to the General Agreement pursuant to Article XXXIII.

The representatives of Venezuela (as an observer), Brazil, Jamaica, the United States, the European Communities, Sweden on behalf of the Nordic countries, Switzerland, Austria and Canada spoke.

The Council took note of the statements, agreed to establish a working party to examine Venezuela's application, and authorized the Council Chairman to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Venezuela.¹

The Chairman noted that Venezuela and other speakers had said that Venezuela's request to participate in the Uruguay Round was a matter which would appropriately be considered by the Trade Negotiations Committee.

The Council took note of the statement.

16. Consultations on trade
- Trade with Hungary (C/M/235)

In October 1988, the Council established a Working Party to carry out the seventh consultation with the Government of Hungary and to report to the Council.

At its meeting on 19 July 1989, the Council considered the Working Party's report (L/6535).

The representatives of Hungary and the European Communities spoke.

The Council took note of the statements and adopted the report in L/6535.

17. Communication from the United States concerning the relationship of internationally-recognized labour standards to international trade (C/M/227, 228, 232, 234, 236)

At the Council meeting on 20 December 1988, the Director-General said that the circumstances of the past few weeks had not allowed him the opportunity to discuss ideas on this matter with the delegations principally interested, and proposed that he resume this process by the beginning of 1989.

The Council took note of this information.

At its meeting on 8-9 February 1989, the Chairman informed the Council that the Director-General's discussions had not been concluded, and suggested that the Council revert to this item when those discussions were completed.

¹The Chairman of the Working Party was announced on 2 August 1989 in L/6558.

The representatives of Nicaragua and the United States spoke.

The Council took note of the information from the Chairman and of the statements.

At its meeting on 10 May 1989, the Chairman informed the Council that the Director-General's discussions had still not been concluded, and suggested that the Council revert to this item when those discussions were completed.

The representatives of Nicaragua, Nigeria and Tanzania spoke.

The Council took note of the statements.

At its meeting on 21-22 June 1989, the Chairman informed the Council that it was his understanding that the Director-General's discussions on this matter had still not been concluded.

The representatives of the United States, Nicaragua, Nigeria, Sweden on behalf of the Nordic countries, Chile, Cuba, Tanzania, India, Egypt, Mexico, the European Communities, Romania, Bangladesh, Brazil, Canada, Israel, Korea, Hong Kong, Colombia, Thailand on behalf of the ASEAN contracting parties, Sri Lanka, Peru, Pakistan, Yugoslavia and Turkey spoke.

The Council took note of the statements.

At its meeting on 11 October 1989, the Council again considered this matter.

The representatives of the United States, Nicaragua, the European Communities, Sweden on behalf of the Nordic countries, India, and the Chairman spoke.

The Council took note of the statements.

18. Evolution of the GATT System (C/M/227)

At its meeting on 20 December 1988, the Council considered a communication from Jamaica on the evolution of the GATT system (C/W/571).

The representatives of Jamaica, Tanzania, Australia, Colombia, Japan, Canada, Mexico and Austria spoke.

The Council took note of the statements, authorized its Chairman to conduct further consultations on the matter, and agreed to revert to this matter at an appropriate time.

19. Establishment of a streamlined mechanism for reconciling the interests of contracting parties in the event of trade-damaging acts (C/M/231, 232, 234, 235, 236)

At the Council meeting on 12 April 1989, the representative of Chile raised the matter of the potential adverse effects of measures taken under Article XX(d), and suggested that consultations be held aimed at establishing a streamlined mechanism for reconciling the interests of contracting parties in the event of trade-damaging acts.

The Council took note of the statement.

At its meeting on 10 May 1989, the Chairman informed the Council that Chile had circulated a draft decision concerning this matter (C/W/587).

The representatives of Chile, Uruguay, Australia, Mexico, Nicaragua, Canada, Colombia, Hong Kong, Brazil, Israel, Pakistan, Turkey, Peru, Sri Lanka, the United States, the European Communities, India, Indonesia, Japan, Cameroon, Jamaica, Hungary, Morocco, Argentina, Yugoslavia, Zaïre and Côte d'Ivoire, and the Chairman spoke.

The Council took note of the statements and authorized its Chairman to organize informal consultations, open to all interested contracting parties, to consider this matter further and to report to the Council.

At its meeting on 21-22 June 1989, the Chairman informed the Council that he had conducted two informal consultations on this matter and that the process was not yet finished. The participating delegations had been asked to consult with one another and with their capitals on how to proceed generally with this matter, it being understood that he would remain in touch with these delegations with the intention of holding another consultation at an appropriate time.

The Council took note of this information.

At its meeting on 19 July 1989, the Chairman informed the Council that the Secretariat had prepared a draft text, available to all interested delegations, which attempted to capture the conclusions that seemed to be emerging from the informal consultations he had held thus far on this matter. He would be prepared to hold further consultations, if such were felt to be necessary, prior to the next Council meeting, at which he hoped that such a text could be read onto the Council's record.

The Council took note of the information.

At the Council meeting on 11 October 1989, the Chairman read the following statement onto the Council's record:

"As representatives are aware, a number of informal consultations have taken place under my chairmanship on the possible establishment of a streamlined mechanism for reconciling the interests of contracting parties in the event of trade-damaging acts.

"These consultations were initiated originally at the request of Chile following discussion at the April Council meeting. During the course of the consultations and in the light of comments made by delegations, there seems to have emerged a consensus amongst the participating delegations that the matter under discussion is of interest to all contracting parties.

"Another element which emerged during the informal consultations was that some delegations, despite their recognition that a genuine problem exists, are doubtful whether it will be possible for their respective authorities in capitals to agree on a formalized GATT structure to deal with the problem.

"Some delegations have indicated to me that, in their view, it would be appropriate for me, as Council Chairman, to make the foregoing a part of the Council's record and, in addition, suggest how contracting parties might be advised to proceed in the future with questions raised in this area.

"My recommendations would be as follows:

1. A measure taken by an importing contracting party should not be any more severe, and should not remain in force any longer, than necessary to protect the human, animal or plant life or health involved, as provided in Article XX(b).
2. The importing contracting party should notify the Director-General as quickly as possible. A notification by telephone should be followed immediately by a written communication from the importing contracting party, which would be circulated to contracting parties.
3. The importing contracting party would be expected to agree to expeditious informal consultations with the principally concerned contracting party as soon as a trade-damaging act has occurred, with a view to reaching a common view about the dimension of the problem and the best way to deal with it effectively.

"I would propose that the Council now take note of my recommendation that the above guidelines be used in the event of a trade-damaging act."

The Council so agreed.

20. International Trade in Agriculture (C/M/230)

At the Council meeting on 6 March 1989, the representative of Australia said that his Government had decided to circulate for the information of contracting parties an independent study, entitled "Japanese Agricultural Policies - A Time of Change", by the Australian Bureau of Agricultural and Resource Economics. It had also circulated some of the key findings together with a copy of the summary of the study (L/6471).

The representatives of Japan, the European Communities, Switzerland, Argentina and the United States, and the Director-General spoke.

The Council took note of the statements.

21. Hungary - Recently adopted legislative changes and economic measures (C/M/228)

At the Council meeting on 8-9 February 1989, the representative of Hungary provided information on certain recently adopted legislative changes and economic measures in his country..

The Council took note of the statement.

22. International Trade Centre
- Report of the Joint Advisory Group (C/M/236)

At its meeting on 11 October 1989, the Council considered the report of the Joint Advisory Group of the International Trade Centre UNCTAD/GATT on its twenty-second session (ITC/AG(XXII)/116).

The Chairman of the Group introduced the report. The representatives of Bangladesh, Chile, Finland on behalf of the Nordic countries, Brazil, Indonesia, Peru, Uruguay, Israel, Colombia, India, Cuba, the European Communities, Côte d'Ivoire, Morocco, Pakistan and Nicaragua spoke.

The Council took note of the statements and adopted the report.

23. Administrative and financial matters

(a) Committee on Budget, Finance and Administration

(i) Designation of Chairman¹ (C/M/228)

At their Forty-fourth Session in November 1988, the CONTRACTING PARTIES took note of a suggestion by the Council Chairman concerning the appointment of presiding officers of standing bodies.

¹Carried in Council Minutes under "Appointment of presiding officers of standing bodies".

At its meeting on 8-9 February 1989, the Council agreed to appoint Mr. Broadbridge (Hong Kong) as Chairman of the Committee on Budget, Finance and Administration.

(ii) Membership (C/M/235)

At its meeting on 19 July 1989, the Council considered a request from Brazil (L/6541) to join the Committee on Budget, Finance and Administration.

The representative of Brazil spoke.

The Council took note of the statement and approved Brazil's request.

(iii) Reports (C/M/232, 234)

At the Council meeting on 10 May 1989, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in L/6497.

The representative of Tanzania spoke.

The Council took note of the statements, approved the Committee's recommendations in Paragraphs 6, 10 and 26 of its report (L/6497) and adopted the report.

At the Council meeting on 21-22 June 1989, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in L/6522.

The representatives of Japan and Jamaica, and the Director-General spoke.

The Council took note of the statements, approved the Committee's recommendations in paragraphs 11 and 20 of its report (L/6522) and adopted the report.

24. Appointment of presiding officers of standing bodies (C/M/227, 228)

At their Forty-fourth Session in November 1988, the CONTRACTING PARTIES had taken note of a suggestion by the Council Chairman that "in future, at the first Council meeting each year, on the basis of a consensus which would have emerged from consultations, the Council Chairman should propose the names of the presiding officers of the Committee on Balance-of-Payments Restrictions, the Committee on Budget, Finance and Administration and the Committee on Tariff Concessions for the current year. This would not preclude the re-appointment of an incumbent. The Council Chairman would have formally announced beforehand, at a Council meeting or by means of a document, his intention to carry out consultations, open to all delegations, and he would have conducted them so as to ensure the transparency of the process." (SR.44/2).

At the Council meeting on 20 December 1988, the Chairman announced his intention to carry out such consultations, which would be open to all delegations.

The Council took note of this information.

At the Council meeting on 8-9 February 1989, the Chairman said that at his consultations, Mr. de la Peña (Mexico) had been proposed as Chairman of the Committee on Tariff Concessions, Mr. Tuusvuori (Finland) as Vice-Chairman of the same Committee, Mr. Broadbridge (Hong Kong) as Chairman of the Committee on Budget, Finance and Administration, and Mr. Boittin (France) to continue as Chairman of the Committee on Balance-of-Payments Restrictions.

The Council took note of the proposed nominations and agreed to appoint the above-named persons to those offices.