

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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17 December 1993

COUNCIL OF REPRESENTATIVES

Held in the Centre William Rappard
on 17 December 1993

Chairman: Mr. A. Szepesi (Hungary)

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Prior to adoption of the Agenda, the Chairman, on behalf of the Council, welcomed Fiji, Brunei Darussalam and Bahrain as the 112th, 113th and 114th contracting parties, respectively.

Also prior to adoption of the Agenda, the Chairman, on behalf of the Council, welcomed Zambia as a Council member.

1. Arab Monetary Fund
— Request for observer status (L/7340)

The Chairman drew attention to the communication from the Arab Monetary Fund in L/7340 requesting observer status at Sessions of the CONTRACTING PARTIES and at meetings of the Council and its subsidiary bodies. He proposed that the Council agree to grant the Arab Monetary Fund observer status.

The Council so agreed.

2. Requests for accession
 - (a) Armenia (L/7334)

The Chairman drew attention to the communication from Armenia in L/7334 concerning its interest in acceding to the General Agreement pursuant to Article XXXIII.

The representative of Armenia, speaking as an observer, said that Armenia presently traded with more than fifty countries. Industrial products accounted for 70-80 per cent of its total exports, the main export product groups being machinery, light industrial goods, consumer goods, chemical products and building materials. Fuel was the major import product, accounting for roughly 40-46 per cent of total imports. Other major imports were industrial and technical products, and food products. Armenia had taken a number of steps in 1993 to promote foreign trade, adopting laws on the customs tariffs and customs legislation, a resolution on commodity export and import licensing and allocation that reduced the number of licensed products, and a resolution on foreign trade regulations and the improvement of accounting and monitoring in that area which limited barter transactions. As a result of recent measures, exports were allowed free of duty, and a liberal import régime was in place. For example, products other than food, medicine, industrial materials and equipment — which were free of duty — were liable to duties ranging from 5 to 10 per cent, with only spirits and tobacco products being liable to higher duties ranging from 20 to 25 per cent. Armenia intended to continue its liberal trade policy in the future, and its Parliament expected to adopt, by the end of December 1993, a privatization programme for 1994 which would cover, inter alia, the overall privatization of state-owned foreign trade enterprises.

The Council took note of the statement and agreed to establish a working party with the following terms of reference and composition:

Terms of reference

"To examine the application of the Government of Armenia to accede to the General Agreement under Article XXXIII, and to submit to the Council recommendations which may include a draft Protocol of Accession."

Membership

Membership would be open to all contracting parties indicating their wish to serve on the Working Party.

The Council authorized its Chairman to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Armenia.

(b) Latvia (L/7342)

The Chairman drew attention to the communication from Latvia in L/7342 concerning its interest in acceding to the General Agreement pursuant to Article XXXIII.

The representative of Latvia, speaking as an observer, said that the process of political and economic changes taking place in Eastern Europe had gained an irreversible character in Latvia. The new Government had instituted an economic programme aimed at creating a market economy environment, improving the tax system and its administration, implementing privatization, and promoting the establishment of appropriate financial institutions as well as trade and foreign investment. Latvia's economy in the transitional period had been characterized by a sharp fall in GDP and in industrial production volumes, explained at least in part by the gradual liquidation of certain economically irrational parts of industry. At the same time, a major restructuring of industry still lay ahead. There were signs, however, that the decline in GDP and industrial production had slowed down, if not come to a halt, as a result of the growing production by economically viable new companies. Other economic indicators were even more positive. In particular, as a result of a strict monetary policy, Latvia had achieved macroeconomic stability, with inflation during the first nine months of 1993 down to 13.5 per cent from a level of 96 per cent in 1992. Its accession would provide the best basis for mutually favourable trade relations with other countries on a multilateral basis. Latvia was deeply convinced that its accession to GATT was one of the basic conditions that would lead its economy from the remains of a centrally planned to a market economy, and was aware that accession would bring not only benefits but also obligations. Latvia was committed to the elaboration of new laws in accordance with existing international rules, conventions and model trade laws proposed by bodies in the United Nations system. Latvia was confident that its accession process would be realized within a relatively short period, and hoped that a working party for that purpose would be established by the Council at its present meeting.

The Council took note of the statement and agreed to establish a working party with the following terms of reference and composition:

Terms of reference

"To examine the application of the Government of Latvia to accede to the General Agreement under Article XXXIII, and to submit to the Council recommendations which may include a draft Protocol of Accession."

Membership

Membership would be open to all contracting parties indicating their wish to serve on the Working Party.

The Council authorized its Chairman to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Latvia.

(c) Moldova (L/7332)

The Chairman drew attention to the communication from Moldova in L/7332 concerning its interest in acceding to the General Agreement pursuant to Article XXXIII.

The representative of Moldova, speaking as an observer, said that his Government had become better acquainted with the GATT since being granted observer status in July 1992, and had undertaken positive measures to liberalize its trade policy. Since August 1993, all quantitative restrictions on hard currency exports had been removed and, except for a limited number of goods, all exports would be free of restrictions in 1994. Furthermore, there were no export subsidies. As regards imports, Moldova maintained no quantitative restrictions, and there was no import licensing except for a limited number of specialized goods such as agrochemicals, medicines, drugs, and chemical waste. A customs tariff, based on the Harmonized System, had been adopted in November 1993, with an average rate of 5.9 per cent. As part of its economic reform measures, Moldova had introduced a national currency in November 1993 with a floating exchange rate, and intended to achieve internal convertibility of the currency in the coming months. Amongst other measures, a privatization programme had begun to be implemented, interest rates for commercial bank loans had been liberalized, as had prices except for a limited number of dairy and bakery products. Although Moldova recognized that the transition to a market economy would take a long while, it intended to shorten the period as much as possible. Moldova could not think of the development of its market economy outside of the GATT system, and understood that joining the GATT would impose a range of obligations which it was ready to observe strictly.

The Council took note of the statement and agreed to establish a working party with the following terms of reference and composition:

Terms of reference

"To examine the application of the Government of Moldova to accede to the General Agreement under Article XXXIII, and to submit to the Council recommendations which may include a draft Protocol of Accession."

Membership

Membership would be open to all contracting parties indicating their wish to serve on the Working Party.

The Council authorized its Chairman to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Moldova.

(d) Ukraine (L/7333)

The Chairman drew attention to the communication from Ukraine in L/7333 concerning its interest in acceding to the General Agreement pursuant to Article XXXIII.

The representative of Ukraine, speaking as an observer, said that following its independence Ukraine had faced a major decline in its economic development to a large extent due to the break-up of traditional economic ties with republics of the former USSR, which in turn had provoked a recession and an increase in inflation. In 1991, Ukraine had begun the creation of a legislative basis for its transition to a market economy and had taken several important legislative actions towards that end. It had simplified trade procedures and made other improvements in accordance with GATT rules and practices. It had moved from a state monopoly to a liberalized system giving all economic entities the right to perform any foreign economic activities. Since being granted observer status in the GATT in July 1992, Ukraine had received information and documents which had provided it with a better understanding of GATT rules and procedures. In September 1993, Ukraine had established a Governmental Commission on its accession to the GATT, with the main objective of submitting to Ukrainian authorities appropriate proposals to bring national legislation into conformity with GATT requirements and to prepare a Memorandum on Ukraine's Foreign Trade Régime. Given its present difficult situation, Ukraine needed a transitional period to be able to make the appropriate legal and economic adjustments required for its accession to the GATT. However, it aspired to making all the legislative changes in line with its intention to accede to the General Agreement.

The Council took note of the statement and agreed to establish a working party with the following terms of reference and composition:

Terms of reference

"To examine the application of the Government of Ukraine to accede to the General Agreement under Article XXXIII, and to submit to the Council recommendations which may include a draft Protocol of Accession."

Membership

Membership would be open to all contracting parties indicating their wish to serve on the Working Party.

The Council authorized its Chairman to designate the Chairman of the Working Party in consultation with representatives of contracting parties and with the representative of Ukraine.

3. EEC - Member States' import régimes for bananas — Panel report (DS32/R)

The Chairman recalled that the Council had considered this matter at its meetings in July, September and October, and in October had agreed to revert to it at the present meeting.

The representative of Costa Rica, speaking also on behalf of Colombia, Guatemala, Nicaragua and Venezuela, said that Council members were aware of the correct and clear conclusions reached by the Panel. He would therefore reiterate the need to adopt the Panel report, and for the Community to abide by its recommendations.

The representative of the European Communities reiterated his delegation's statement at the October Council meeting, namely, that nothing new had happened to change the Community's position on the Panel report.

The representative of Côte d'Ivoire said that Côte d'Ivoire, like other ACP contracting parties, maintained its opposition to adoption of the Panel report. The report dealt with a régime which no

longer existed and its adoption would not make any useful contribution to the settlement of the ongoing dispute on the Community's common import régime for bananas (DS38/6).

The representative of the United States reiterated his Government's strong support for adoption of the Panel report, which it wished to see done sooner rather than later. It was regrettable that the Council had still not been able to adopt this report, which was good and clearly reasoned, and hoped it would be able to do so at a future meeting.

The representative of Jamaica said that on several previous occasions, Jamaica and other ACP contracting parties had stated clearly the reasons for which they could not accept the conclusions and recommendations of the Panel report. As his delegation had stated at the October Council meeting, there was nothing new or more that could be said on this matter and the Council's time and effort would be better served by deleting this item from its agenda.

The representative of Argentina reiterated his Government's support for adoption of the Panel report.

The representative of St. Lucia said he would not repeat all the arguments as to why the Panel report should not be adopted, and associated his delegation with Jamaica's statement calling for the deletion of this item from the Council's agenda.

The representative of Cameroon said that all were aware of Cameroon's position on the Panel report, which had not changed. Cameroon appealed that 1993 be ended on the positive note of the conclusion of the Uruguay Round, and that in 1994 one should no longer hear about this report, which was obsolete.

The representative of El Salvador wished to place on record her Government's support for adoption of the Panel report.

The representative of Uruguay reiterated his Government's support for the conclusions reached by the Panel, and expressed the hope that the Council would soon be able to take a favourable decision on adoption of the report.

The representative of Ecuador, speaking as an observer, expressed his Government's disappointment that the GATT appeared not to be working in this instance, and that the report of a panel which was sound from the legal point of view was not being accepted for reasons that were not legal. The old GATT was handing over to the post-Uruguay Round GATT a problem which should not in fact be left pending. Ecuador, as the world's biggest banana exporter, could not accept the Community's position on this issue.

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

4. Monitoring of implementation of panel reports under paragraph I.3 of the April 1989 Decision on improvements to the GATT dispute settlement rules and procedures (BISD 36S/61)

The Chairman recalled that this item was on the agenda pursuant to paragraph I.3 of the April 1989 Decision, and that in the course of informal consultations held in 1992 and in the early part of 1993 it had been understood that it would continue to appear on the agenda in its present form. He drew attention to a recent communication from the United States (DS23/13) on the status of implementation of the Panel report on US measures affecting alcoholic and malt beverages (DS23/R).

The representative of Brazil recalled that at several earlier Council meetings, Brazil had addressed the United States' lack of implementation of the Panel report concerning US denial of m.f.n. treatment as to non-rubber footwear from Brazil (DS18/R). Brazil regretted that the United States had not been able to decide on the measures it should take in order to bring itself into GATT conformity. Quite apart from the very substantial commercial interests that were at stake, Brazil viewed with concern the United States' failure to comply with the m.f.n. principle underlying this case. This was all the more striking when one considered that by concluding the Uruguay Round negotiations all hoped to be strengthening GATT rules and principles and its dispute settlement procedures. However, the strengthening of principles and rules did not depend on words but on concrete action of those that were bound by them.

The representative of Canada referred to the United States' implementation of the Panel report on US measures affecting alcoholic and malt beverages, and said that Canada's position on this was well known. Eighteen months had passed since the adoption of the Panel report, and Canada was still waiting for its recommendations to be implemented. Canada maintained its request that the United States take steps to implement the Panel's recommendations. If there were no progress, Canada would be compelled to examine other options for achieving full implementation.

The representative of the United States regretted that he had nothing more to report on the implementation of the alcoholic and malt beverages Panel report than the information provided in DS23/13. The 1993 legislative session had concluded in most States, and he could therefore understand Canada's frustration. With regard to the implementation of the non-rubber footwear Panel report, this matter had recently been given top-level attention in the United States, and he hoped to be able to provide more information at the Forty-Ninth Session of the CONTRACTING PARTIES.

The Council took note of the statements.

5. United States - Legislation concerning the use of imported tobacco by domestic cigarette manufacturers
 - Recourse to Article XXIII:2 by Brazil, Chile, Colombia, El Salvador, Guatemala, Thailand and Zimbabwe (DS44/5)

The Chairman drew attention to the communication from Brazil, Chile, Colombia, El Salvador, Guatemala, Thailand and Zimbabwe in DS44/5 requesting the establishment of a panel to examine the United States' legislation concerning the use of imported tobacco by domestic cigarette manufacturers.

The representative of Brazil, speaking also on behalf of Chile, Colombia, El Salvador, Guatemala, Thailand and Zimbabwe, recalled that on 7 September 1993, their countries, together with some others, had requested Article XXIII:1 consultations with the United States on this matter. As the Council had been informed at its meeting in October, consultations between the United States and ten other requesting contracting parties had been held on 4 October. At that time, the United States had not been in a position to provide answers to the questions raised or to indicate whether or how it envisaged bringing its GATT-inconsistent legislation into conformity. It had therefore been agreed that written questions would be provided so that the United States could respond with complete, detailed written answers. More than two months had elapsed since, and the United States had presented only partial answers, indicating that answers to the remaining questions were being drafted and that several of the questions could not be responded to until the implementing legislation was complete. Thus far, no communication on such legislation had been received nor had any indication been given as to when and how the implementing regulations could alter the GATT-illegal provisions of the United States' tobacco legislation. In light of the vagueness, the general lack of responsiveness of answers presented, and the fact that the consultation period had expired, their Governments considered that consultations

had been completed without a satisfactory solution, and, acting jointly and individually, requested the establishment of a panel pursuant to Article XXIII:2 to examine the GATT conformity of the US tobacco legislation, the nullification or impairment of benefits accruing to their countries under the General Agreement, and any other implications on their tobacco exports.

The representative of the United States said his delegation had appreciated the opportunity it had been given to consult with various contracting parties on this matter. The United States had provided an initial set of responses to the questions posed during the consultations, and had recently provided a second set of responses as well as a complete copy of the legislation at issue. Work continued on completing responses to the remaining questions. At the same time, his delegation had initiated a consultative process with the Administration's Congressional advisers. However, in light of the extensive questions that contracting parties had submitted and the complicated nature of the legislation, the United States would need more time to complete these consultations. His delegation did not believe, therefore, that it would be appropriate to establish a panel at the present meeting. The United States would keep interested contracting parties informed about the status of its discussions with Congressional advisers.

The representative of Argentina recalled that Argentina had also participated in the October consultations with the United States. Although it was not one of the parties seeking recourse to Article XXIII:2 at the present meeting, Argentina continued to examine this matter. Argentina agreed with Brazil's statement and supported the request for a panel.

The representative of Canada said that Canada had also participated in the October consultations during which the United States had been unable to shed much light either on the technical details or policy objectives of its agricultural legislation. The response of the United States to written questions had also failed to provide sufficient information. The trade restrictive effects of the US legislation, which was GATT inconsistent both in its intent and formulation, were already being felt by Canada's tobacco leaf industry. Canada would be pursuing its own legal rights with regard to this matter. It supported the request by Brazil and the other countries for the establishment of a panel.

The representative of India said that his Government had an interest in this matter and was examining the implications of the new US legislation. India supported the request by Brazil and the other countries, and wished to participate in the panel as an interested third party.

The representative of the European Communities said that the Community was also concerned by the new US legislation because two of its member States, Greece and Italy, exported tobacco to that market. The Community had also held consultations with the United States on this matter in October, in the course of which it had handed over to the United States a set of questions on the legislation. The Community was presently examining the replies it had recently received.

The representative of Singapore, speaking on behalf of the ASEAN countries, expressed their interest in this matter, and supported the statement by Brazil.

The representative of Nicaragua said that as a tobacco producer and exporter, Nicaragua also had an interest in this matter and, therefore, supported the statement by Brazil. Nicaragua was presently conducting an examination of this matter so as to be able to participate in the panel.

The representative of Venezuela recalled that Venezuela had also participated in consultations with the United States, and expressed support for the request by Brazil and other countries. Venezuela wished to reserve its rights with regard to this matter.

The Council took note of the statements and agreed to refer this matter to the CONTRACTING PARTIES at their Forty-Ninth Session for further consideration.

6. Roster of non-governmental panelists
— Proposed nominations by the European Communities (C/W/761)

The Chairman drew attention to document C/W/761 containing proposed nominations by the European Communities to the roster of non-governmental panelists.

The Council approved the proposed nominations.

7. Interpretation of Article XXXV
— Proposal by the United States (C/W/775)

The Chairman drew attention to the proposal from the United States in C/W/775.

The representative of the United States said that the current practice, under which contracting parties were prohibited from invocation of Article XXXV if they had engaged in tariff negotiations with an applicant country, denied these contracting parties an opportunity to fully appreciate the advantages and value of the applicant country's GATT membership. The United States believed that the ability to explore the possibility of tariff concessions in accessions without constraint could give contracting parties an incentive to implement the results of their negotiations, thus discouraging recourse to Article XXXV. The norm in accession negotiations was that the applicant country undertook both tariff and non-tariff commitments without receiving additional such commitments from contracting parties. The accession itself provided reciprocal benefits to the applicant through the operation of the m.f.n. provision, which provided applicants with the benefits of many GATT-wide negotiating rounds. The United States had proposed a change in the operation of Article XXXV in the Uruguay Round negotiations because the current prohibition on invocation of Article XXXV, when one had engaged in tariff negotiations, frustrated the operation of accession working parties in some cases and tended to slow down the negotiating process. The status of the proposal that had been negotiated in the Uruguay Round had not been clear to the United States until very late in the negotiations, when the Informal Group on Institutions had produced an agreement on a system-wide non-application provision for the future World Trade Organization (WTO), which would take effect once the WTO Agreement itself entered into force. However, the agreement on Article XXXV that had been renegotiated in the Uruguay Round would enter into force only at the same date at which it became irrelevant, because there would be no Article XXXV in GATT 1994 under the scenario which had been worked out. One therefore had a Uruguay Round agreement that could not effectively be implemented. All recognized that the non-application provision in the WTO Agreement did not have a similar restriction on the ability to invoke non-application tied to tariff negotiations.

The United States did not expect the Council to act on its proposal at the present meeting. It hoped to have the opportunity to hold consultations with interested contracting parties in the period until the CONTRACTING PARTIES' Forty-Ninth Session in January 1994, so that the CONTRACTING PARTIES would be in a position at the Session to take joint action on this proposal under Article XXV. The United States saw this as the only way to give any meaning to the outcome of the Uruguay Round negotiations in this particular area, which was different from other areas in the package because it did not have any applicability after the entry into force of the Agreement.

The Chairman suggested that, given the United States' intention to consult further with contracting parties on this matter, the Council take note of the statement and agree to refer this matter to the CONTRACTING PARTIES at their Forty-Ninth Session for further consideration.

The Council so agreed.

8. EFTA-Turkey Free-Trade Agreement
— Report of the Working Party (L/7336)

The Chairman recalled that in April 1992, the Council had established a working party to examine this matter. The report of the Working Party was now before the Council in document L/7336.

Mr. Kesavapany (Singapore), Chairman of the Working Party, introducing the report, said that the Working Party had held four meetings between April and November 1993 in its examination of this Agreement — the first of its kind recently concluded by the EFTA countries with a third country. In the examination of the Agreement's coverage of the agricultural sector, the Working Party had noted the views of various members regarding the application of the "substantially all the trade" criterion in Article XXIV:8(b). Several members had expressed concern that trade in unprocessed agricultural products had been dealt with by separate bilateral arrangements between the individual EFTA countries and Turkey. These members had further noted that the bilateral arrangements did not appear to be leading to free trade in unprocessed agricultural products within a reasonable time-frame, and had expressed doubts, therefore, as to the consistency of the Agreement with the definition of a free-trade area in Article XXIV:8(b), and as to whether it covered "substantially all the trade" between the Parties. The Parties to the Agreement had drawn attention to the fact that separate bilateral arrangements had been concluded due to different policies and trade regimes in agriculture among the EFTA countries. In their view, such arrangements had been concluded under the framework of the Free-Trade Agreement between the Parties and covered a number of products of major importance to the Parties concerned. At the time of entry into force, the Agreement and the bilateral agreements covered well over 90 per cent of total trade between the Parties. The Parties to the Agreement, and a number of other parties, had been of the view that the requirements under Article XXIV had been fulfilled. On the other hand, Australia, Canada and the United States had concluded that there were questions about the full consistency of the Agreement with respect to the relevant provisions of the General Agreement, including Article XXIV, and had reserved their GATT rights. The Parties to the Agreement had been invited, in accordance with the 1971 Decision of the CONTRACTING PARTIES (BISD 18S/38), to furnish biennial reports on the operation of the Agreement, the first such report to be submitted in 1995.

The representative of Austria, speaking on behalf of the EFTA countries and Turkey, said that this Agreement was the first of a new generation of such agreements between the EFTA countries and third countries, and expressed gratitude to the Working Party Chairman for the manner in which the examination of the Agreement had been conducted.

The representative of the United States said that although the United States would not block the conclusion of the Article XXIV review process based solely on its objections, it was not satisfied with the outcomes of the working parties on the Free-Trade Agreements under consideration in Items 8 and 9. The United States had reserved its rights regarding the Article XXIV consistency of these Agreements, and urged the parties concerned to correct the deficiencies in this regard that had been noted by the United States during the working parties' deliberations. The United States believed the Agreements under consideration to be inconsistent with Article XXIV because they did not, in the main, cover "substantially all the trade" as called for in that Article. The virtual exclusion of whole sectors from free trade could not be justified by observing that there was little current trade in them to be counted.

The United States also believed that the principal purpose of these reviews had been undermined by the disappointing refusal of the parties to the Agreements in some cases to provide requested relevant information. In the course of the past year, for example, there had been a number of occasions in which certain contracting parties had refused to provide information regarding the percentage of their trade under preferential trading arrangements. When pressed to answer such questions by several delegations, including the United States, some of the parties concerned had refused to answer on the

grounds that the issue did not come within the scope of the relevant working party. Such working parties, however, were based on the premise of transparency, and were designed to illuminate, not obfuscate the process. In the course of the Article XXIV review process that the United States itself had been through, it had never refused to answer questions on the degree to which its own trade might be conducted under preferential arrangements, and believed it had the right to expect the same courtesy from others.

The Council took note of the statements and adopted the report in L/7336.

9. (a) Free-Trade Agreements between Norway and Estonia, Latvia and Lithuania
— Report of the Working Party (L/7337)
- (b) Free-Trade Agreements between Sweden and Estonia, Latvia and Lithuania
— Report of the Working Party (L/7338)
- (c) Temporary Arrangements on Trade and Economic Cooperation between Finland and Estonia, Latvia and Lithuania
— Report of the Working Party (L/7339)

The Chairman recalled that the Council had established working parties to examine the Free-Trade Agreements concluded by Norway and Sweden with the Baltic States in November and July 1993, respectively. In December 1992, the CONTRACTING PARTIES had established a working party to examine the Free Trade Agreement between Finland with the Baltic States. The reports of the three Working Parties were now before the Council in documents L/7337, L/7338 and L/7339, respectively.

Mr. Seade (Mexico), Chairman of the Working Parties, introducing the three reports, said that the Working Parties had met between June and November 1993. In the proceedings, there had been wide sympathy for the rationale of the respective Agreements, which had been seen as appropriate responses by the three Nordic countries to the economic, social and political situations in the Baltic countries, in the light of the geographical proximity of the countries involved and the need to strengthen the traditional trade and economic links among them. The Working Parties had also noted that the Agreements would consolidate the favourable conditions of market access already provided by the three Nordic countries to the Baltic countries, and would thus encourage the economic liberalization under way in the latter countries and facilitate their transition towards market economies. The Working Parties had recognized that the Agreements would provide a framework of rules for the conduct of trade between each of the three Nordic countries and the Baltic countries involved, thereby supporting the underlying objective of the Agreements to contribute to the process of integrating the latter countries into the European and world economies. The Working Parties had noted the confirmation by the delegations of Sweden, Norway and Finland that the tariff preferences granted in the respective Agreements would not limit the ability of the Baltic countries to conduct tariff negotiations in the context of their protocols of accession to the General Agreement. The Working Parties had welcomed that, with respect to the products covered by the Free-Trade Agreements, all duties and charges of equivalent effect, as well as all quantitative restrictions on imports and measures of equivalent effect had been eliminated with the entry into force of the Agreements. A few export restrictions would continue to be applied in the context of the Agreements between Sweden and Estonia, Norway and Latvia, and Finland and Latvia. The Working Parties had noted that the agricultural sector was covered in separate arrangements between Sweden and the Baltic countries and Norway and the Baltic countries. Finland had also concluded a bilateral arrangement with Estonia in this sector, and its negotiations of similar types of arrangements with Latvia and Lithuania were still under way.

Several members of each of the three Working Parties had expressed concern that the agricultural sector had been excluded from the Agreements. This, in their view, meant that the requirement in

Article XXIV:8(b), that duties and other restrictive regulations of commerce be eliminated on "substantially all the trade", had not been fulfilled. These members had therefore concluded that there were questions about the consistency of these Agreements with Article XXIV. In this regard, the representatives of Australia, Canada and the United States had reserved their countries' rights under the General Agreement in the context of each of the three Working Parties. On the other hand, other members of the Working Parties had noted that the compatibility with Article XXIV:8(b) should be assessed in the light of the Agreements in their entirety and not only in the context of one or more parts of them. The percentage of trade on which obstacles had been eliminated by the Agreements should therefore, in their view, be considered as determining whether the provisions of Article XXIV:8(b) had been respected. These members had considered that, in the light of the trade data presented, the requirements in Article XXIV:8(b) had been met fully. The three Working Parties had agreed that the three sets of Free-Trade Agreements with the Baltic States were generally in conformity with the relevant provisions of the General Agreement, in so far as they did not raise barriers to the trade of third parties and eliminated obstacles to trade between the Parties to the Agreements. However, some members had considered that the selective treatment of agricultural trade under Sweden's Agreements and the selective and non-reciprocal treatment of the same sector in Norway's Agreements had prevented the full GATT conformity of these Agreements. The latter conclusion by some members, on the selective treatment of agricultural trade, would also apply to Finland's agricultural arrangements which, as he had indicated earlier, were still under negotiation. Sweden, Norway and Finland had been invited, in accordance with the 1971 Decision of the CONTRACTING PARTIES (BISD 18S/38), to furnish biennial reports on the operation of the Agreements, the first such report to be submitted in 1995.

The representative of Finland, speaking also on behalf of Norway and Sweden, said that the results of the Working Parties on the three Free-Trade Agreements under consideration had been made possible by the efforts of their Chairman and the cooperation of all participants. With regard to the United States' statement under Item 8, he said that the Parties to the Agreements between the Baltic States and Finland, Norway and Sweden had, for their part, tried to provide all the information that had been requested of them, and would make every effort in the course of the review of the functioning of these Agreements to provide any further information the United States wished.

The representative of New Zealand said that the provision of full information was important to allow effective reviews under Article XXIV, and was a consideration which clearly went beyond just the circumstances of the reviews of the Agreements before the Council at its present meeting.

The Council took note of the statements¹ and adopted the reports of the three Working Parties in L/7337, L/7338 and L/7339, respectively.

10. Tariff matters

- (a) Committee on Tariff Concessions
 - Report of the Committee (TAR/243)
- (b) Tunisia - Temporary suspension of bound duties
 - Request for a waiver under Article XXV:5 (C/W/758/Rev.1, L/7311)
- (c) Harmonized System
 - (i) Requests for waivers
 - (a) Costa Rica (C/W/772, L/7348)
 - (b) El Salvador (C/W/773, L/7349)
 - (c) Guatemala (C/W/780, L/7355)
 - (d) Nicaragua (C/W/781, L/7356)

¹Including the first part of the United States' statement under Item 8.

- (ii) Requests for extensions of waivers
 - (a) Argentina (C/W/764, L/7335)
 - (b) Bangladesh (C/W/774, L/7350)
 - (c) Bolivia (C/W/770, L/7346)
 - (d) Israel (C/W/768, L/7344)
 - (e) Mexico (C/W/769, L/7345)
 - (f) Morocco (C/W/766, L/7341)
 - (g) Pakistan (C/W/767, L/7343)
 - (h) Peru (C/W/778, L/7353)
 - (i) Sri Lanka (C/W/776, L/7351)
 - (j) Uruguay (C/W/763, L/7331)
 - (d) Egypt - Renegotiation of Schedule LXIII
 - Request for extension of waiver (C/W/762, L/7327)
 - (e) Malawi - Renegotiation of Schedule LVIII
 - Request for extension of waiver (C/W/779, L/7354)
 - (f) Senegal - Renegotiation of schedule XLIX
 - Request for extension of waiver (C/W/777, L/7352)
 - (g) Zaire - Renegotiation of schedule LXVIII
 - Request for extension of waiver (C/W/771, L/7347)
- (a) Committee on Tariff Concessions
-- Report on the Committee (TAR/243)

Mr. Cubillos (Chile), introducing the report on behalf of the Chairman of the Committee, said that the Committee had held two formal meetings, on 20 October and 6 December, respectively. It had pursued its examination of the status of implementation of the Harmonized System (HS) by various contracting parties including the submission of the appropriate HS documentation. The Committee had noted that since the formal introduction of the HS on 1 January 1988, ninety-eight contracting parties, out of a total of 114, had now adopted it. The Committee had expressed regret, however, that some countries had introduced the HS without having followed GATT procedures. It had noted also that at present thirteen countries had been granted waivers to carry out the necessary consultations and negotiations under Article XXVIII related to their implementation of the HS, and that five countries had been granted waivers to renegotiate their schedules. In view of the substantial changes in the HS nomenclature that would be introduced on 1 January 1996, Committee members had been reminded that simplified procedures for the introduction of changes to the HS had been established in 1991 (L/6905). These procedures, together with the correlation tables to be prepared by the Customs Co-operation Council in Brussels, would serve as the basis for the preparation of the required documentation for Article XXVIII negotiations that would have to take place before the formal entry into force of the changes.

At its meeting on 20 October, the Committee had examined a proposal by Sweden on behalf of the Nordic countries — referred to the Committee by the Council at its meeting on 16-17 June — that the extension of HS waivers should be based on an understanding that the countries concerned would provide a detailed report, in writing, to the Committee on Tariff Concessions. Following consideration of the proposal, and in view of differences of view amongst members, the Committee Chairman had held consultations and had submitted a new proposal to the Committee at its meeting on 6 December, which called on the Committee to report twice yearly to the Council on its activities and, under the item related to "Ongoing negotiations and submission of HS documentation by contracting parties under waivers" to provide detailed factual information, as described in Annex II of the Report, on the status of the waivers. The Committee had agreed to this proposal.

The Council took note of the statement and adopted the report in TAR/243.

- (b) Tunisia - Temporary suspension of bound duties
— Request for a waiver under Article XXV:5 (C/W/758/Rev.1, L/7311)

The Chairman recalled that at its meeting in October, the Council had considered this matter and had agreed to revert to it at the present meeting. He drew attention to the revised draft decision concerning this request (C/W/758/Rev.1), which had recently been circulated.

The representative of Tunisia recalled that at the October Council meeting, a number of contracting parties had sought more information regarding Tunisia's request before taking a decision thereon. Tunisia had since held bilateral consultations with all interested parties, and had responded to their concerns that Tunisia would not seek an extension of the waiver at the end of the three-year period, and that the provisional rates would be reduced on a decreasing scale and in a linear manner such that the initial rates would be reverted to at the end of the period, namely on 1 January 1997. In parallel with this exercise, and in the framework of the modification of its Schedule pursuant to Article XXVIII, Tunisia had held consultations touching on the whole of its tariff modification exercise, and agreements had been signed in this regard with all its interested partners. Tunisia believed that it had made considerable efforts to take account of the concerns of its trading partners. Given its need to implement the proposed tariff increases within the framework of financial legislation that would enter into force on 1 January 1994, Tunisia hoped that contracting parties would grant the waiver. He noted in this regard that the draft waiver decision in C/W/758/Rev.1 had been revised to take into account contracting parties' concerns.

The representative of Canada said that although Canada had expressed reservations in respect of Tunisia's request at the October Council meeting, it had since held consultations with Tunisia and could now support the request.

The Council took note of the statements, approved the text of the draft decision in C/W/758/Rev.1, and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

- (c) Harmonized System
- (i) Requests for waivers
 - (a) Costa Rica (C/W/772, L/7348)
 - (b) El Salvador (C/W/773, L/7349)
 - (c) Guatemala (C/W/780, L/7355)
 - (d) Nicaragua (C/W/781, L/7356)
 - (ii) Requests for extensions of waivers
 - (a) Argentina (C/W/764, L/7335)
 - (b) Bangladesh (C/W/774, L/7350)
 - (c) Bolivia (C/W/770, L/7346)
 - (d) Israel (C/W/768, L/7344)
 - (e) Mexico (C/W/769, L/7345)
 - (f) Morocco (C/W/766, L/7341)
 - (g) Pakistan (C/W/767, L/7343)
 - (h) Peru (C/W/778, L/7353)
 - (i) Sri Lanka (C/W/776, L/7351)
 - (j) Uruguay (C/W/763, L/7331)

- (c) (i) Requests for waivers
(a) Costa Rica (C/W/772, L/7348)

The Chairman recalled that at its meeting in October, Costa Rica had informed the Council under "Other Business" of the transposition of its customs tariff into the Harmonized System, and of its intention to request a waiver from the provisions of Article II in order to implement that tariff Schedule in the near future. He drew attention to Costa Rica's request (L/7348), and to the draft decision (C/W/772) which had been circulated to facilitate consideration of this item.

The representative of Costa Rica said that, as indicated in L/7348, Costa Rica sought a waiver from its obligations under Article II in order to enable it to implement its new tariff based on the Harmonized System (HS) pending the conclusion of the procedures for the rectification and modification of Schedules in the context of the introduction of the HS, and consultations under Article XXVIII. Costa Rica hoped its request would be granted.

The representative of the United States said that, regrettably, his delegation had to oppose Costa Rica's request at this time, as well as the requests by El Salvador, Guatemala and Nicaragua under sub-items (b), (c) and (d) of the present item. Due to the timing of the requests, as well as the paucity of information provided in the documents circulated for the present Council meeting, the United States believed it did not have enough information to justify agreement that the waivers were necessary. There was no information, for example, on what bindings in these countries' current GATT Schedules had been impaired by the conversion to the Harmonized System and the establishment of new applied tariffs. There was no information, furthermore, as to these countries' intentions vis-a-vis their current bindings. The fact that these countries were requesting waivers at the same time also raised the question of whether this matter might more appropriately be dealt with under Article XXIV:6. In the absence of such information, it was impossible for the United States to take a decision on these requests. Contracting parties had been preoccupied over the past two weeks with concluding the Uruguay Round and until all had had the time and information to evaluate these requests, it would be inappropriate to approve them. The United States was ready to work with the countries concerned to clarify the issues, and to consider their requests again at the forthcoming Forty-Ninth Session of the CONTRACTING PARTIES.

The Council took note of the statements and agreed to refer this matter to the CONTRACTING PARTIES at their Forty-Ninth Session for further consideration.

- (b) El Salvador (C/W/773, L/7349)

The Chairman drew attention to the request by El Salvador for a waiver from the provisions of Article II (L/7349), and to the draft decision which had been circulated to facilitate consideration of this item (C/W/773).

The representative of El Salvador said that her Government had recently adopted the Central American Tariff System (SAC), which was based on the Harmonized System (HS), and had implemented the new tariff on 1 March 1993. Accordingly, pending conclusion of the procedures for the rectification and renegotiation of GATT schedules in the context of the introduction of the HS (BISD 30S/17), and consultations under Article XXVIII, her Government had requested a waiver until 31 December 1994. Following the United States' statement under sub-item 10(c)(i)(a), however, El Salvador hoped to be able to provide that delegation the necessary clarifications so as to enable the waiver decision to be adopted by the CONTRACTING PARTIES at their forthcoming Session.

The Council took note of the statement and agreed to refer this matter to the CONTRACTING PARTIES at their Forty-Ninth Session for further consideration.

(c) Guatemala (C/W/780, L/7355)

The Chairman drew attention to the request by Guatemala for a waiver from the provisions of Article II (L/7355), and to the draft decision which had been circulated to facilitate consideration of this item (C/W/780).

The representative of Guatemala said that Guatemala's new customs tariff, based on the Harmonized System (HS), had entered into force on 1 March 1993. Pending the conclusion of the procedures for the rectification and renegotiation of GATT schedules in the context of the introduction of the HS (BISD 30S/17), and consultations under Article XXVIII, Guatemala had requested a temporary waiver until 31 December 1994. However, given the statement by the United States under sub-item 10(c)(i)(a), Guatemala would consult with that delegation on this matter.

The Council took note of the statement and agreed to refer this matter to the CONTRACTING PARTIES at their Forty-Ninth Session for further consideration.

(d) Nicaragua (C/W/781, L/7356)

The Chairman drew attention to the request by Nicaragua for a waiver from the provisions of Article II (L/7356), and to the draft decision which had been circulated to facilitate consideration of this item (C/W/781).

The representative of Nicaragua said that, as indicated in L/7356, Nicaragua had implemented the Central American Tariff System (SAC), based on the Harmonized System, since 1 March 1993. Therefore, pending conclusion of the procedures for rectification and renegotiation of GATT schedules in the context of the introduction of the HS (BISD 30S/17), and consultations under Article XXVIII, his Government had requested a waiver from its obligations under Article II until 31 December 1994. With reference to the United States' statement under sub-item 10(c)(i)(a), his delegation was ready to provide clarifications on any matter that might be raised by that delegation or any other.

The Council took note of the statement and agreed to refer this matter to the CONTRACTING PARTIES at their Forty-Ninth Session for further consideration.

(c) (ii) Requests for extensions of waivers

- (a) Argentina (C/W/764, L/7335)
- (b) Bangladesh (C/W/774, L/7350)
- (c) Bolivia (C/W/770, L/7346)
- (d) Israel (C/W/768, L/7344)
- (e) Mexico (C/W/769, L/7345)
- (f) Morocco (C/W/766, L/7341)
- (g) Pakistan (C/W/767, L/7343)
- (h) Peru (C/W/778, L/7353)
- (i) Sri Lanka (C/W/776, L/7351)
- (j) Uruguay (C/W/763, L/7331)

The Chairman drew attention to the communications from Argentina, Bangladesh, Bolivia, Israel, Mexico, Morocco, Pakistan, Peru, Sri Lanka and Uruguay, in which each Government had requested an extension of a waiver already granted in connection with its implementation of the Harmonized System (HS). In connection with these requests, he recalled, as had been reported under sub-item 10(a), that the Committee on Tariff Concessions had considered the proposal made by Sweden on behalf of the Nordic countries at the June Council meeting, and referred to the Committee, regarding procedures that might be followed in the future to assist the consideration by the Council of requests

for extensions of HS-related waivers. The Committee had agreed that it would report to the Council twice yearly on its activities and include in its report detailed factual information on the status of waivers, i.e. regarding ongoing negotiations and the submission of HS documentation by contracting parties under waivers.

He drew attention to the draft decisions contained in the documents: C/W/764, Argentina; C/W/774, Bangladesh; C/W/770, Bolivia; C/W/768, Israel; C/W/769, Mexico; C/W/766, Morocco; C/W/767, Pakistan; C/W/778, Peru; C/W/776, Sri Lanka and C/W/763, Uruguay. He then stated that the documentation still to be submitted and any negotiations or consultations that might be required should follow the special procedures relating to the transposition of the current GATT concessions into the Harmonized System, adopted by the Council on 12 July 1983 (L/5470/Rev.1).

The Council took note of the statement, approved the texts of the draft decisions referred to by the Chairman, and recommended their adoption by the CONTRACTING PARTIES by postal ballots.

- (d) Egypt - Renegotiation of Schedule LXIII
— Request for extension of waiver (C/W/762, L/7327)

The Chairman drew attention to the request by Egypt (L/7327) for an extension of a waiver granted to it in connection with the renegotiation of its Schedule, and to the draft decision which had been circulated to facilitate consideration of this item (C/W/762).

The Council approved the text of the draft decision in C/W/762 and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

- (e) Malawi - Renegotiation of Schedule LVIII
— Request for extension of waiver (C/W/779, L/7354)

The Chairman drew attention to the request by Malawi (L/7354) for an extension of a waiver granted to it in connection with the renegotiation of its Schedule, and to the draft decision which had been circulated to facilitate consideration of this item (C/W/779).

The Council approved the text of the draft decision in C/W/779 and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

- (f) Senegal - Renegotiation of Schedule XLIX
— Request for extension of waiver (C/W/777, L/7352)

The Chairman drew attention to the request by Senegal (L/7352) for an extension of a waiver granted to it in connection with the renegotiation of its Schedule and to the draft decision which had been circulated to facilitate consideration of this item (C/W/777).

The Council approved the text of the draft decision in C/W/777 and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

- (g) Zaire - Renegotiation of Schedule LXVIII
— Request for extension of waiver (C/W/771, L/7347)

The Chairman drew attention to the request by Zaire (L/7347) for an extension of a waiver granted to it in connection with the renegotiation of its Schedule, and to the draft decision which had been circulated to facilitate consideration of this item (C/W/771).

The Council approved the text of the draft decision in C/W/771 and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

11. Committee on Balance-of-Payments Restrictions

(a) Consultation with Nigeria (BOP/R/209 and Add.1)

(b) Note on the meeting of 24 November (BOP/R/213 and Corr.1)

(a) Consultation with Nigeria (BOP/R/209 and Add.1)

Mr. Witt (Germany), Chairman of the Committee, recalled, as had been reported to the Council in June, that the Committee had begun its full consultation with Nigeria in May 1993 and, due to the lack of precise information, had been unable to determine which of Nigeria's import prohibition measures had been maintained for balance-of-payments (BOP) purposes. Following the receipt of additional detailed information on a tariff-line basis, the Committee had held another meeting on 24 November to finalize its consultations with Nigeria. At that meeting, Nigeria had stated that since 1982 the number of product groups affected by restrictions had been reduced from 90 to 14. Nigeria would continue to relax the remaining measures with a view to disinvoking the provisions of Article XVIII:B, assuming that an improved domestic and international policy environment would resuscitate its economy and reduce its BOP difficulties. The Committee had affirmed that it had concluded its BOP consultation with Nigeria, and had decided that the next full consultation with Nigeria would take place in 1995.

The Council took note of the statement and adopted the report in BOP/R/209 and Add.1.

(b) Note on the meeting of 24 November (BOP/R/213)

Mr. Witt (Germany), Chairman of the Committee, said that at its meeting on 24 November, the Committee had followed-up on its 1993 consultations with the Philippines, Turkey and Israel. The Committee had decided that in the interests of concluding consultations with Israel it would hold a meeting as early as possible in 1994 subject to the availability of information from the International Monetary Fund on the evolution of Israel's balance-of-payments (BOP) situation. With regard to the Philippines and Turkey, he recalled that consultations with these countries had been concluded in February and April 1993, respectively. However, the Committee had requested the Philippines to notify by tariff line all remaining restrictions maintained for BOP purposes, and Turkey to notify all tariff lines on which the combined incidence of the tariff and the Mass Housing Fund charges exceeded bound rates. The Committee had had an exchange of views on the two countries' notifications at its meeting, and had asked both countries for additional information on various questions. Further meetings of the Committee would be held to clarify the issues raised with the Philippines and Turkey.

The Council took note of the statement and of the information in BOP/R/213.

12. Group on Environmental Measures and International Trade

— Derestriction of documents (C/W/765)

The Chairman drew attention to the communication in C/W/765 informing Council members of a decision by the Group on Environmental Measures and International Trade to recommend to the Council that certain working documents of the Group be derestricted at the time of the Forty-Ninth Session of the CONTRACTING PARTIES. Accordingly, he proposed that the Council agree that the documents listed in C/W/765 be derestricted on 25 January 1994.

The Council so agreed.

13. Report of the Council (C/W/760)

The Secretariat had distributed in C/W/760 a draft of the Council's report to the CONTRACTING PARTIES on matters considered and action taken by the Council since the Forty-Eighth Session.

The Chairman proposed that the report, together with the appropriate additions that the Secretariat would make to include matters discussed at the present meeting, be approved. It would be distributed and forwarded to the CONTRACTING PARTIES for consideration at their Forty-Ninth Session.

The Council so agreed.

14. Canada - Article XIX action on boneless beef (L/7219 and Add.1, 2, 3, 4, 5, 6 and 7)

The representative of Australia, speaking under "Other Business", expressed concern at Canada's announced intention on 9 December to apply a 25 per cent surtax in 1994 on imports of boneless beef exceeding 72,021 tonnes originating in countries other than the United States. There was no evidence to suggest that conditions in Canada's market or in the international beef market were such as to cause or threaten serious injury to Canada's beef industry and to warrant such measures. Although Canada had applied similar measures under Article XIX in the latter part of 1993, Australia did not believe that they were justified. Canada's industry continued to enjoy high domestic prices and record export levels. Under the circumstances, there was no basis for safeguard measures to be applied in 1994 and, in particular, for them to be more restrictive than those applied in 1993. Australia expected Canada to notify its decision as soon as possible to contracting parties under Article XIX. Australia would seek early consultations regarding the justification for these measures, as well as to ensure that its exporter's interests were appropriately considered under the administrative arrangements for these measures.

The representatives of Argentina and New Zealand expressed support for Australia's statement.

The representative of Canada recalled that Canada had notified contracting parties on 11 June of its intention to implement measures under Article XIX on imports of boneless beef for the remainder of 1993, and for 1994 and 1995 (L/7219/Add.1), on the basis of a finding by the Canadian International Trade Tribunal that imports threatened serious injury to Canadian slaughterers, processors and cattle producers. On 9 December, Canadian Ministers for Trade and Agriculture had announced modalities relating to the administration of the tariff-rate quota for 1994. Consultations on the 1994 régime had taken place with interested parties. The measures would be kept under review in light of the outcome of the Uruguay Round and developments in the market, including whether Australia entered into voluntary export restraint arrangements with the United States, which was one of the underlying causes of the problem.

The representative of the European Communities echoed earlier speakers' concerns about Canada's measures. The Community had examined the market situation and believed that Article XIX conditions had not been met and that Canada's measures were not justified.

The Council took note of the statements.

15. Committee on Budget, Finance and Administration
— Report by the Chairman of the Committee

Mr. Kesavapany (Singapore), Chairman of the Committee, speaking under "Other Business", said that during the course of 1993, the Committee had monitored closely the administrative and financial aspects of the GATT. In addition to its normal work, the Committee had implemented two special measures. The first concerned the setting up of a new security system for the Centre William Rappard, which permitted controlled access to GATT premises through the use of identity badges. The second concerned the quality of air in the building, which had been improved as a result of the new policy on smoking. As regards the financial status of GATT, roughly 70 per cent of the total amount assessed on contracting parties had been received by the end of June, and only 4 per cent of the 1993 contributions remained outstanding as of 17 December — a remarkable situation when compared to that in other international organizations. There was, however, one issue which he and his colleagues in the Committee were not happy about, namely, the status of women in the organization. Something was not quite right with an organization's personnel policies if they did not facilitate the rise of talented women to the top. It was unacceptable that after more than forty years of existence, the GATT did not have any women in its highest ranks. He was confident that the Director-General would devote his intellect and energy to redressing this anomaly.

The Council took note of the statement.

16. EEC - French regulations concerning the trade description of scallops (DS43/1)

The representative of Canada, speaking under "Other Business", said that the basis of Canada's concerns on this matter was contained in DS43/1. Canada had held Article XXII:1 consultations with the European Economic Community on 20 September, in the course of which it had submitted a series of written questions. The Community's responses thus far had not indicated when it might adopt a formal position regarding this matter, and whether that position would respond fully to Canada's concerns. Canada requested the Community to inform the Council as early as possible when France's GATT-inconsistent measures would be removed so that contracting parties could have unimpeded access to that market.

The representative of the European Communities said that the Community was involved in an extensive dialogue with Canada on this delicate issue, and hoped soon to find a solution satisfactory to all. The Community clearly could not recognize that the measures in question were inconsistent with its GATT obligations.

The Council took note of the statements.

17. United States - Regulations concerning reformulated gasoline

The representative of Venezuela, speaking under "Other Business", expressed concern that new regulations on reformulated gasoline adopted by the US Environmental Protection Agency (EPA) on 15 December, to be applied in the period 1995-1997, would subject imported gasoline to stricter parameters than domestic gasoline and thereby adversely affect Venezuela's exports. Venezuela believed that the discriminatory aspects of the regulations violated certain GATT principles. Therefore, without prejudice to the continuation of technical discussions with the EPA, Venezuela intended, at the Forty-Ninth Session of the CONTRACTING PARTIES, to request consultations with the United States on this matter.

The Council took note of the statement.

18. Canada - Export of subsidized wheat to Brazil

The representative of Argentina, speaking under "Other Business", expressed concern that the planned sale of 1 million tonnes of subsidized wheat by Canada to Brazil — equivalent to 20 per cent of Argentina's total annual wheat exports — could result in considerable injury to Argentina's own sales of wheat to Brazil, its traditional market. Argentina had requested information from Canada regarding this operation.

The representative of Canada said that, not having been informed previously about this matter by Argentina, his delegation could do no more than to note Argentina's statement.

The Council took note of the statements.

19. Appointment of presiding officers of standing bodies
— Announcement by the Chairman

The Chairman, speaking under "Other Business" recalled that at the CONTRACTING PARTIES' Forty-Fourth Session in 1988, the Council Chairman had suggested 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" (SR.44/2). The proposals would be preceded by consultations open to all delegations and conducted so as to ensure transparency of the process. In the light of the foregoing, he announced that such consultations would be carried out in due course by his successor, and asked the Secretariat, in consultation with the next Council Chairman, to make the necessary arrangements and to contact delegations. These consultations would be open to all delegations.

The Council took note of this information.

20. Procedures for the derestriction of GATT documents

The Chairman, speaking under "Other Business", recalled that he had carried out consultations on the United States' proposal to review current procedures for the derestriction of GATT documents. He would remain available to continue consultations on this matter in early 1994 if delegations so wished. Otherwise, the matter would have to be taken up by his successor.

The Council took note of this information.

21. Trade Policy Review Mechanism - Programme of reviews

(a) 1994

The Chairman, speaking under "Other Business", informed the Council that the first review under the 1994 programme of trade policy reviews — that of Tunisia — would be held in June 1994,

and that the schedule for the remaining reviews would be circulated prior to the first regular Council meeting in 1994.

The Council took note of this information.

(b) 1993

The Chairman, speaking under "Other Business", announced the schedule for the remaining reviews under the 1993 programme that had been postponed in light of the priority of work relating to the Uruguay Round, as follows:

Turkey:	20-21 January
Senegal:	31 January-1 February
Australia:	2-3 February
Peru:	7-8 February
Iceland:	9-10 February
United States:	16-17 February
Israel:	21-22 March

The representative of Peru said that while he did not anticipate any difficulty with the dates suggested for Peru's trade policy review, these had not yet been confirmed officially by his authorities.

The Council took note of the statements.