

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.21/5  
4 March 1964

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CONTRACTING PARTIES  
Twenty-first Session

## ITEM 9 - SUBSIDIES

At the meeting of the CONTRACTING PARTIES on 2 March it was agreed to open for acceptance a further Declaration extending the Standstill Provisions of Article XVI:4. The Executive Secretary was asked to prepare the text of a Declaration. The following text is proposed.

### SECOND DECLARATION ON THE EXTENSION OF THE STANDSTILL PROVISIONS OF ARTICLE XVI:4 OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The parties to this Declaration, being contracting parties to the General Agreement on Tariffs and Trade (hereinafter referred to as the "General Agreement"), or governments which have acceded provisionally to the General Agreement.

Considering that, in accordance with paragraph 4 of Article XVI and the note thereto in Annex I of the General Agreement, contracting parties should seek before the end of 1957 to reach agreement to abolish as from 1 January 1958 all remaining subsidies on products other than primary products which result in the sale of such products for export at a price lower than that charged in the domestic market or, failing this, to extend the application of the standstill provided for in paragraph 4 of Article XVI, and

Considering that a number of contracting parties have agreed to successive yearly extensions of the standstill provisions in relation to such subsidies pending their abolition,

Considering that some contracting parties have not yet accepted the Declaration Giving Effect to the Provisions of Article XVI:4 of the General Agreement which was opened for acceptance on 19 November 1960,

Considering further that it is desirable for such contracting parties not only to agree to extend the standstill but also to agree to a procedure which would constitute a first step towards the abolition of subsidies covered by the provisions of Article XVI:4,

Hereby declare that:

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1. They will not extend the scope of any subsidization of the type described in paragraph 4 of Article XVI beyond that existing on the date of this Declaration, by the introduction of new, or the increase of existing subsidies, it being understood that any such subsidy which, since that date, has been reduced or abolished may not be increased nor re-instituted.
2. They will communicate to the Executive Secretary of the CONTRACTING PARTIES to the General Agreement (hereinafter referred to as the "CONTRACTING PARTIES") the list of the measures of the type described in paragraph 4 of Article XVI of the General Agreement in force on the date of this Declaration, and notify the Executive Secretary of any changes in these measures.
3. They agree to an annual review by the CONTRACTING PARTIES on the progress made in the abolition or reduction of such subsidies existing on the date of this Declaration.
4. Any party to this Declaration which ceases to be a contracting party to the General Agreement, or as to which arrangements for its provisional accession have terminated otherwise than through accession pursuant to Article XXXIII of the General Agreement shall thereupon cease to be a party to this Declaration.
5. This Declaration shall be deposited with the Executive Secretary of the CONTRACTING PARTIES. It shall be open for acceptance, by signature or otherwise, by contracting parties to the General Agreement and by governments which have acceded provisionally to the General Agreement.
6. Acceptance of the Declaration Giving Effect to the Provisions of Article XVI:4 of the General Agreement shall constitute an acceptance of the present Declaration.
7. This Declaration shall remain in force until 31 December 1967. It shall cease to be in force in respect of any party thereto at the end of any calendar year provided notification to that effect has been given to the Executive Secretary not later than 1 October of that year. The CONTRACTING PARTIES shall review the position at their session preceding the expiry of this Declaration.
8. The Executive Secretary of the CONTRACTING PARTIES shall promptly furnish a certified copy of this Declaration, and a notification of each acceptance thereof, to each government to which this Declaration is open for acceptance.

Done at Geneva this                      day of March, One thousand nine hundred and sixty-four, in a single copy in the English and French languages, both texts authentic.