

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/W/10

23 September 1960

Special Distribution

COUNCIL
First Session

CONCLUSIONS REACHED BY COUNCIL

DRAFT

The following draft of conclusions reached by the Council on certain items of its agenda are submitted for approval. (It should be understood that in the minutes of the Council's session, the following paragraphs will be preceded by a short statement of the problem under discussion and by a note on the trend of the discussion.)

Item 5: IMPORT RESTRICTIONS

(a) Procedures and consultations for the removal of residual restrictions

It was decided, with a view to furthering the work of the CONTRACTING PARTIES in connexion with residual import restrictions, to invite contracting parties to communicate lists of import restrictions which they maintain contrary to the provisions of the General Agreement and without having obtained authorization from the CONTRACTING PARTIES.

(b) Review of "hard-core" Decision

While it could not at this stage recommend to the CONTRACTING PARTIES that there should be no further extension of the "hard-core" Decision, the Council suggests that the CONTRACTING PARTIES examine at their seventeenth session, in connexion with their consideration of the question of residual restrictions, the adequacy of the "hard-core" Decision in present circumstances.

(c) Procedures for implementation of Article XII:4(a)

The Council, recognizing that it was a matter of great importance that the CONTRACTING PARTIES should be able to consult at short notice with a contracting party having resort to the imposition of, or intensifying, import restrictions in the circumstances envisaged in Article XII, agreed that the Council would be able, as in the case of other matters requiring urgent and speedy attention, to carry out, effectively and quickly, the consultation provided for in Article XII:4(a).

Item 7: SUBSIDIES - ACTION UNDER ARTICLE XVI:4

There was general agreement that it was desirable that the CONTRACTING PARTIES should take more effective action under the provisions of Article XVI:4 than in the past and that they should consider steps to this end at their seventeenth session. To assist the CONTRACTING PARTIES in their consideration of this question, the Council requested the Executive Secretary to prepare and distribute to contracting parties the text of a draft declaration on the lines proposed in document C/W/5 and based upon the proposal by the Government of France (I/1260) for the prohibition of export subsidies for products other than primary products, and also the text of a draft procès-verbal extending the "standstill" provisions of Article XVI:4 on the lines proposed in the note by the Executive Secretary in document W.16/7. As members of the Council were not, at this stage, in a position to take substantive decisions on this question, the distribution to contracting parties of the draft declaration and draft procès-verbal was not to be understood as representing a recommendation to the CONTRACTING PARTIES by the Council.

The Council recommends to the CONTRACTING PARTIES that a technical examination of the list of prohibited aids to exports suggested, in the French proposal (I/1260), be undertaken early in the seventeenth session. Further the Council would draw the attention of the CONTRACTING PARTIES to the need for a clarification of the phrase "product other than a primary product" in Article XVI:4 as read with the interpretative note to Section B of Article XVI. The Group of Experts on subsidies would be a suitable body to examine these matters if its members are available.

Item 17: BRAZILIAN TARIFF NEGOTIATIONS

The Council decided to recommend to the CONTRACTING PARTIES that the putting into effect of negotiated concessions, as notified by the Government of Brazil in its communication of 31 August 1960, should be considered as compliance with the terms of the waiver granted to Brazil, thus substituting the new Schedule III for the previous Brazilian Schedule. While regretting the decision of the Government of Brazil not to apply the negotiated rates of duty on items listed in the Annex to the said communication, the Council welcomed the willingness expressed by the Brazilian Government to enter into renegotiations with the contracting parties affected. The Council recommends that the concessions which have not been applied should be regarded as having been withdrawn from the proposed new Schedule III pursuant to paragraph 1 of Article XXVIII and that renegotiations under Article XXVIII should proceed as rapidly as possible. However, as this withdrawal has been effected in advance of such negotiations, this involves an irregularity which should be legalized by means of a waiver. Accordingly, the Council requested the Executive Secretary to distribute to contracting parties a draft of a decision giving effect to the foregoing recommendations for consideration by the CONTRACTING PARTIES at the seventeenth session.

REQUESTS FOR ACCESSION

The Council decided to establish a working party to examine the request by the Government of Ireland and to report to the seventeenth session of the CONTRACTING PARTIES; the working party being composed of those contracting parties which notify the Executive Secretary of their desire to participate.

Noting that the requests for accession from Portugal and Spain, which had been received by the CONTRACTING PARTIES at the sixteenth session, had not been examined in detail, the Council decided that working parties similarly constituted should be convened for the examination of these requests and that the same procedure should be followed for the examination of the request of the Government of the Argentine.

It was further agreed to recommend to the CONTRACTING PARTIES that the Council be entrusted with the task of processing any future applications for accession which are received when the CONTRACTING PARTIES are not in session.