

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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COUNCIL  
25 July 1979

## SAFEGUARDS

### Statement by the Director-General

The Procès-Verbal adopted by the Trade Negotiations Committee on 12 April 1979 (MTN/28, paragraph 6) stated that the work on safeguards should be continued within the framework and in terms of the Tokyo Declaration as a matter of urgency with the objective of reaching agreement before 15 July 1979. Intensive negotiations, discussions and consultations have since been held among delegations in pursuance of this understanding. I have to report, however, that in spite of considerable efforts undertaken by all delegations concerned, it has so far not been possible to reach agreement on a safeguards code.

I would therefore submit the following proposal to the Council for its consideration and adoption:

1. Contracting parties reaffirm their intention to continue to abide by the disciplines and obligations of Article XIX of the General Agreement. It would be expected that the existing rules and practices relating to the modalities of application of Article XIX, summarized in document L/4679 of 5 July 1978, would be adhered to by contracting parties when taking any future action under that provision.
2. Contracting parties undertake to abide by the obligations contained in the Understanding regarding Notification, Consultation, Dispute Settlement and Surveillance, and in particular by the obligation to notify the CONTRACTING PARTIES of their adoption of trade measures affecting the operation of the General Agreement.
3. A Committee is established by the CONTRACTING PARTIES with the following terms of reference:
  - (a) to continue discussions and negotiations, taking into account the work already done, with the aim of elaborating supplementary rules and procedures regarding the application of Article XIX of the General Agreement, in order to provide greater uniformity and certainty in the implementation of its provisions;

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- (b) pending a satisfactory outcome of the discussions and negotiations mentioned in (a) above, to examine any future case of a safeguard measure, whether taken under Article XIX or otherwise, by contracting parties in the light of the relevant provisions of the General Agreement, including Part IV thereof.

Membership of the Committee is open to all contracting parties. It will also be open to all participants in the MTN to take part in the discussions and negotiations under 3(a) above.