

# GENERAL AGREEMENT ON

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## TARIFFS AND TRADE

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CONTRACTING PARTIES

Forty-Third Session

### COUNCIL OF REPRESENTATIVES

#### Report on Work since the Forty-Second Session

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 11 meetings since the Forty-Second Session in November 1986. The minutes of these meetings, which remain the record of the Council's work, are contained in documents C/M/206-C/M/216. 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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In November 1985, the Council had approved a roster of non-governmental panelists (L/5906) and had agreed in November 1986 to extend the list for an additional year.

At its meeting on 4 February 1987, the Council considered a proposed nomination to the roster by Peru (C/W/510 and Corr.1).

The representatives of Peru and the European Communities spoke.

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

At its meeting on 10-11 November 1987, the Council agreed to extend the list of non-governmental panelists for an additional year as set out in document C/W/531, with the modification indicated in C/W/531/Add.1 and with the additions indicated in C/W/531/Add.2.

The representative of Canada spoke.

The Council took note of the statement.

(b) Technical Group on Quantitative Restrictions and Other Non-Tariff Measures (C/M/208)

At the Council meeting on 15 April 1987, the Chairman of the Technical Group on Quantitative Restrictions and Other Non-Tariff Measures introduced the Group's report (L/6150).

The representatives of the United States and Mexico spoke.

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

(c) Export of Domestically Prohibited Goods (C/M/215)

At their Forty-Second Session, the CONTRACTING PARTIES agreed that consultations should be undertaken with a view to establishing guidelines for action relating to trade in domestically prohibited goods (BISD 33S/54).

At the Council meeting on 10-11 November 1987, the Chairman confirmed that a report on the consultations would be made to the CONTRACTING PARTIES at their Forty-Third Session.

The Council took note of this information.

2. Reviews of developments in the trading system (special meetings on Notification, Consultation, Dispute Settlement and Surveillance) (C/M/210, 216).

At their Thirty Fifth Session in November 1979, the CONTRACTING PARTIES had adopted the Understanding regarding Notification, Consultation, Dispute Settlement and Surveillance (BISD 26S/210). In March 1980, the Council had 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 had 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 the special meeting on 16 June 1987, 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, October 1986-March 1987 (C/W/517 and Corr.1)"<sup>1</sup> served as a reference document for the discussion.

The representatives of Japan, Yugoslavia, Australia, Korea, the European Communities, Sweden on behalf of the Nordic countries, Jamaica, Canada, India, the United States, Hong Kong, Malaysia on behalf of the ASEAN contracting parties, and Argentina spoke. The Director-General also spoke.

The Council discussed ways of improving GATT's existing notification and surveillance mechanism. Representatives commented on specific and general points in the Secretariat's document, bearing in mind that certain specific actions might have been notified to the Uruguay Round Surveillance Body in terms of the standstill and rollback commitments. Several inaccuracies and shortcomings were also pointed out, as well as the lack of overall balance in the country coverage. Representatives also suggested ways to improve the documentation in the future, including the need to avoid overlap of the Special Council and Uruguay Round surveillance activities, and to include an evaluation of the effects of current and previously announced liberalization programs. Other representatives, and the Director-General, saw the two activities as complementary.

The following subjects were also raised: specific measures, both liberalizing and restrictive, taken by contracting parties and developments affecting the functioning of the GATT trading system; the clear contrast between the progression of work in GATT, particularly in the Uruguay Round, and the difficulties and tensions in the world trading system; concerns about growing protectionist trends in major trading partners, as illustrated by unilateral or bilateral measures, bills in progress and wider recourse to grey-area measures; minimal trade growth and the declining developing countries' share thereof; problems of world trade in textiles and agriculture; the interrelationship between trade measures and monetary and financial policies and, more specifically, the need for solidarity and recognition of the interdependence among all countries; the possibility of the special Council making a collective assessment of trade policy trends and developments, evaluating the consequences for the future and initiating action to resolve inter-related problems.

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<sup>1</sup>Subsequently revised and issued as L/6205.

The Director-General introduced his periodic report on the Status of Work in Panels and Implementation of Panel Reports (C/148). He asked if future special Council meetings should perhaps, and based on prior agreement, discuss specific areas of trouble in world trade and try to draw conclusions to help other processes, or perhaps examine the situation of specific countries, specific groups of countries or specific types of measures.

The Chairman, in summing up, said it seemed from the discussion that while there had been the usual warnings and requests for care in the collection of the information presented, there was general and very broad satisfaction with the quality of the Secretariat documentation for this meeting. There also seemed to have been no fundamental dissent from the basic issues highlighted by the Secretariat. The Secretariat had made an extremely pertinent observation in underlining the contrast between progress in the Uruguay Round and the difficulties and tensions that had marked trade conduct. The observation that there had been progress in the Round was a particularly key one to draw as a conclusion from the discussion. While there seemed to be a general, and in some cases keen, enthusiasm to maintain or even enhance GATT's surveillance rôle, there did not yet seem to be a clear idea about how to do this. One delegation had proposed that contracting parties engage in a process of collective assessment; while this idea had received significant support, there seemed to be a general preference by some delegations to include this among issues for consideration by the group on the Functioning of the GATT System, regarding the operation of surveillance in GATT. He said he would undertake to consult on the proposal in the lead-up to the next special Council meeting, taking note, however, that some delegations had felt other fora might be better suited to such a discussion.

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

At the special meeting on 11 November 1987, 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, April 1987-September 1987 (C/W/528 and Add.1) served as a reference document for the discussion.

The Chairman suggested that in the discussion, representatives might usefully focus their remarks on two main themes: the first theme actually comprised three interrelated points: (a) What was the rôle of trade policy and of the Uruguay Round in the present situation of financial and monetary upheaval? (b) To what extent were governments using the Uruguay Round process to deal with their current difficulties in the field of trade in such a way as to achieve long-term solutions? (c) What could governments

do to reduce the uncertainties created by trade policies? The second theme would be to ask what contribution GATT was making over this period to help resolve bilateral conflicts and tensions between governments, and how this contribution could be strengthened? He said that there might be other issues arising from the Secretariat document which delegations might wish to address. By focusing on a few central questions, it might be possible to arrive at a better common appreciation of the way trade policies were functioning in the global economic context.

The representatives of the European Communities, Jamaica, India, Japan, Australia, Yugoslavia, Finland (on behalf of the Nordic countries), Hungary, the United States, Canada, Brazil, Tanzania, Argentina, Mexico and South Africa spoke. The Director-General also spoke.

Many representatives praised the quality of the Secretariat's preparatory work and of the background document in C/W/528. Some factual inaccuracies were pointed out, and comments were made on the treatment of the UNCTAD VII conclusions, commodity trade and bilateral and regional arrangements. Suggestions were made as to ways to improve the documentation and the Council's discussion in the future. Some representatives also drew attention to Chapter 1 of International Trade 1986/1987, and it was suggested that, in future, the Secretariat might study the possibility of synchronizing the two processes more closely.

The importance of the Uruguay Round, and of the need to abide by governments' commitments therein, were emphasized; the momentum of the Round should be maintained. The Round's discussions of agricultural issues provided a positive example of the right atmosphere, and the Negotiating Group on the Functioning of the GATT System was referred to by several representatives.

Representatives thought that the Round could be expected to have a major influence on the future trading system. In this respect, it was also stated that trade policy was acquiring an increasingly prominent place and was being called on to play a greater rôle in helping to calm the current global economic tensions.

Particular emphasis was put on the two-way interrelationship and the causality link between trade policy and financial and monetary policies. This had been underscored by the recent collapse of the security markets and the turmoil in exchange rates. The need for policies based on an awareness of the interdependence among all countries was singled out, as was the relative importance of "micro" and "macro" policies. The effective integration of developing countries into the future trading system required that the integrity of the system be strengthened. Since a major source of problems was the uncertainty surrounding trade policies, greater transparency should be encouraged. In this respect, surveillance in general, and that provided by the special Council meetings, should be strengthened.



A number of issues which had been discussed at the special Council meeting in June 1987 were raised again, including specific measures -- both liberalizing and restrictive -- taken by contracting parties, developments affecting the functioning of the GATT system, and concerns about protectionist trends in some trading partners. One could not afford to wait for an "early harvest", and immediate actions were necessary. Some representatives noted that the developing countries had witnessed a regression in their growth trends while they themselves had pursued liberalization programs. The need for structural adjustment was emphasized. The developing countries' indebtedness also received special attention from a number of representatives, in particular, these countries' capacity to service their debt. That burden was made heavier by protectionist measures in their export markets and by the lack of liquidity and of proper credit facilities. Concern was expressed with developments in the Generalized System of Preferences and more generally with the issue of linkages in some developed countries' schemes. The rising trend to resort to the GATT dispute settlement mechanism was seen both as a positive step and as a sign of tensions.

Some representatives drew attention to a possible duplication with ongoing work in other GATT bodies or international institutions. Other representatives pointed out, however, that the Council could fulfill its objectives and play a useful rôle, bringing its own contribution to this debate, by evaluating the consequences for the future and even by initiating actions to help resolve inter-related problems. Some representatives expressed doubts as to whether the special Council could usefully carry out an exercise of collective assessment of trade policy trends and developments. It was suggested that sufficient time be allocated for the Council review of developments in the trading system, which should not be allowed to become a routine activity.

The Director-General introduced his periodic report on the Status of Work in Panels and implementation of Panel Reports (C/152). He compared the average time spent in the various stages of panel activity, which reflected a generally speedy handling of disputes. He also noted that on the average, it had taken almost as long to constitute the panels as it had taken for the panels to deliver their findings.

The Chairman, in summing up drew attention to some common themes which, in his view, had emerged from the discussion. One was the inter-relationship of trade, financial and monetary matters, with three sub-themes: (1) There was an appreciation of the uncertainties caused by the current and immediate problems in financial markets; linked to that, two recurring and fundamental issues had been restated, namely the problems relating to trading and economic imbalances among countries and the difficulties affecting the debt-servicing capacity of many countries with the trading system failing to provide them with greater trading opportunities and playing an inhibiting rôle owing to existing restrictions. (2) A general view had been expressed that trade policies and trade itself had been affected by policies in the financial and monetary areas. (3) The obverse phenomenon: difficulties in trade and in particular the uncertainty of trade policies had directly affected

financial and monetary policies. It had been noted that the uncertainties in trade policy had been a key factor, direct and indirect, in the immediate problems confronting financial markets.

Two general conclusions seemed to stem from this analysis: (a) the importance of discipline and certainty in trade policies, with special emphasis on the importance of ensuring that no new restrictions were created, thereby guarding against any increase in protectionism; and (b) an apparently short-term problem in the financial markets should not be exacerbated by any sudden shifts and any increase in trade restrictions or distortions which might turn it into a long-term problem.

Great importance had been attached to the impetus which had been given by the Uruguay Round to the endeavours within the confines of this organization to confront the situation. In this regard, references were made to the need to give momentum to measures which would open up the trading environment, even in the immediate term, and to the commitments which underpinned the Uruguay Round, particularly those related to standstill and rollback.

He said that note might be taken that in connection with the preparations for future special Council meetings, the Director-General had expressed interest in the possibility of closer synchronisation in the timing of the Secretariat's background document and of the GATT's Annual Report.

As for the nature of the process itself and how more focus could be given to the discussion at the special Council meetings, his own informal consultations with delegations had made it clear that whatever was attempted at the present meeting would be on a trial basis. It had been suggested that the Secretariat, when preparing the next six-month review, might identify two or three central themes emerging from the background document on which discussion could be focussed. This would not in any way preclude any delegation from addressing any other matter. The background document would remain the product of the Secretariat; it would be for delegations to decide whether to address the themes suggested for discussion.

He said that another suggestion that had been made was whether the Secretariat might be invited, on its own responsibility, to attempt to produce, in addition to its usual record, a brief summary of the themes that had been addressed in the discussion. In response to some doubts that were expressed concerning this possibility, he noted that the matter could be examined further in the light of any discussion at the Session and in informal consultations before the next special Council meeting.

The Council instructed the Secretariat to reissue the background document and future similar documents, once they had been corrected, as unrestricted documents.

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

3. Consultative Group of Eighteen (C/M/215)

At the Council meeting on 10-11 November 1987, the Chairman of the Consultative Group of Eighteen introduced his report on the Group's activities (L/6244). The composition of the Group for 1988 would be decided at the forthcoming Session of the CONTRACTING PARTIES.

The Council took note of the report.

4. Tariff matters  
- Committee on Tariff Concessions (C/M/206, 215)

At its meeting on 25 January 1980, the Council had established the Committee on Tariff Concessions and had authorized the Council Chairman to designate the Chairman and Vice-Chairman of the Committee in consultation with interested delegations.

At the Council meeting on 4 February 1987, the Chairman informed the Council of the Chairman and Vice-Chairman designated for 1987.

The Council took note of this information.

At the Council meeting on 10-11 November 1987, the Chairman of the Committee on Tariff Concessions made a report on the Committee's activities during 1987 (TAR/142).

The representative of Chile spoke.

The Council took note of the report and of the statement.

5. Harmonized System  
- Transposition by the United States (C/M/211)

At the Council meeting on 17 June 1987, the representative of the European Communities said that the Community was dissatisfied with and concerned at the way in which the United States had transposed its tariffs under the Harmonized System, in particular with regard to textiles and clothing. He reserved the Community's GATT rights, including those to make corresponding adjustments under Article XXVIII.

The representative of the United States spoke.

The Council took note of the statements.

6. Integrated data base (C/M/209, 212, 213, 215)

At the Council meeting on 14 May 1987, the Director-General noted that a number of GATT Committees and Groups had expressed a desire for the Secretariat to develop an integrated data base (IDB) that would bring

together information on trade flows, tariffs, quantitative restrictions and other non-tariff measures. The Secretariat had been working on a draft proposal which, in its present form, was intended to serve as a basis for a discussion with delegations, with a view to developing and elaborating a document to submit to the Council for a decision before the summer break. All delegations wishing to do so were invited to participate in an informal advisory group for this purpose.

The representative of India spoke.

The Council took note of the statements.

At the Council meeting on 15-17 July 1987, the Director-General reported on the three meetings of the Informal Advisory Group since the previous meeting (C/W/521) and drew attention to some technical points.

The representatives of India, Uruguay, Canada, Yugoslavia, Chile, Mexico, Switzerland, the European Communities, the United States, Tanzania, Japan, Colombia, Argentina, Sweden on behalf of the Nordic countries, Hungary and Australia, and the Chairman spoke.

The Council took note of the statements, agreed to revert to this item at its next meeting and took note of the points emphasized by the Director-General, in particular, the importance of taking a decision on this matter at the next Council meeting.

At the Council meeting on 7 October 1987, the Chairman said that additional consultations had been held which had suggested that more time was needed by some delegations in order to come to an agreed decision. He encouraged representatives to keep in mind that there was some urgency if the data base was to become operational within a meaningful period of time.

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

At the Council meeting on 10-11 November 1987, the Chairman said that as a result of additional consultations, the Council had before it a draft decision in document C/W/532.

The representatives of Hong Kong, Tanzania, the United States, Brazil, India, New Zealand, Canada, Yugoslavia, Switzerland, Uruguay, Sweden on behalf of the Nordic countries, Mexico, Hungary, the European Communities and Japan, and the Chairman and the Director-General spoke.

The Council took note of the statements and adopted the draft decision in C/W/532.

7. Trade in Textiles  
- Report of the Textiles Committee (C/M/207)

At the Council meeting on 4 March 1987, the Director-General, Chairman of the Textiles Committee, presented the Committee's report (COM.TEX/53) and the report of the Textiles Surveillance Body (COM.TEX/SB/1181 and Add.1).

The representatives of Hong Kong, Indonesia on behalf of the ASEAN contracting parties, Turkey, Uruguay, Pakistan, the United States, Brazil, India and Yugoslavia 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.

8. Committee on Balance-of-Payments Restrictions (C/M/206, 212, 215)

At the Council meeting on 4 February 1987, the Chairman of the Committee on Balance-of-Payments Restrictions introduced the Committee's reports on its consultation with the Philippines (BOP/R/164) and its simplified consultation with Nigeria (BOP/R/165). He also drew attention to the schedule of consultations for 1987 (C/W/511).

The Council took note of the statement and of the information in C/W/511, and adopted the reports.

At the Council meeting on 15-17 July 1987, the Chairman of the Committee introduced the Committee's report on its simplified consultations with Colombia and Turkey (BOP/R/166). He also drew attention to the report in BOP/R/167 on the Committee's meeting in June 1987.

The representatives of Colombia and Turkey spoke.

The Council took note of the statements, agreed that Colombia be deemed to have fulfilled its obligations under Article XVIII:12(b) for 1987, took note that it would be desirable to schedule a full consultation with Turkey at an appropriate time during 1988, the exact date to be determined under the normal consultation procedure, and adopted the report (BOP/R/166). The Council also took note of the information in document BOP/R/167.

At the Council meeting on 10-11 November 1987, the Chairman of the Committee introduced the Committee's reports on the consultations with Israel (BOP/R/170 and Add.1) and with India (BOP/R/168 and Add.1), and its report on the simplified consultations with Ghana, Pakistan and Sri Lanka (BOP/R/169 and Add.1).

The representatives of Brazil, the European Communities, Yugoslavia, Mexico, Egypt and Canada spoke.

The Council took note of the statements and adopted the reports. The Council also took note of the Committee's conclusion that a full consultation should be held with Pakistan during 1988, the exact date to be determined following the normal consultation procedures.

9. State trading (C/M/206)

At the Council meeting on 4 February 1987, the representative of Australia recalled that at the November 1986 Council meeting, his delegation had raised several questions concerning Japan's notification of the Livestock Industry Promotion Corporation (LIPC) as a state-trading body responsible for beef imports. Australia had been exploring this matter bilaterally with Japan and would, as appropriate, keep the Council informed of developments.

The representative of Japan spoke.

The Council took note of the statements.

10. Measures affecting the world market for copper ores and concentrates (C/M/211, 212, 213)

In July 1986, the Council had established a Group of Governmental Experts to examine this matter.

At the Council meeting on 17 June 1987, the Chairman of the Group introduced its report (L/6167).

The representative of Japan spoke.

The Chairman said that he had received a request from a delegation particularly interested in this issue to defer consideration of the report to the next meeting.

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

At its meeting on 15-17 July 1987, the Council considered the Group's report (L/6167).

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

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

At its meeting on 7 October 1987, the Council again considered the Group's report.

The representatives of Japan and the European Communities spoke.

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

11. European Economic Community - Proposed amendment to anti-dumping regulations (C/M/207)

At the Council meeting on 4 March 1987, the representative of Japan expressed his Government's concern over a proposed amendment to the European Economic Community's anti-dumping regulations, to the effect that anti-dumping duties on finished products would automatically be applied to their parts and components.

The representatives of Korea, the European Communities, Singapore, Hong Kong and Canada spoke.

The Council took note of the statements.

12. European Economic Community - Proposed import restrictions on certain agricultural products (C/M/207)

At the Council meeting on 4 March 1987, the representative of Chile expressed his Government's concern over the intention of the European Economic Community to apply import restrictions on certain agricultural products, in particular apples.

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

The Council took note of the statements.

13. European Economic Community - Proposed internal tax on edible fats and oils (C/M/207)

At the Council meeting on 4 March 1987, the representative of Indonesia, on behalf of the ASEAN contracting parties, referred to a proposal for an internal tax on edible fats and oils under consideration within the European Economic Community.

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

The Council took note of the statements.

14. European Economic Community - Decision related to semi-conductor trade (C/M/211)

At the Council meeting on 17 June 1987, the representative of Japan said that the Council of the European Communities had decided in May 1987 to ask the Commission to submit, as a matter of urgency, a proposal for a regulation introducing 100 per cent duties on imports from Japan if unilateral US measures against Japan concerning semi-conductor trade caused or threatened to cause serious prejudice to Community producers.

The representative of the European Communities spoke.

The Council took note of the statements.

15. Mexico - Accession obligations (C/M/207)

At the Council meeting on 4 March 1987, the representative of the United States raised the matter of Mexico's gradual substitution of tariff protection for prior import permits, in connection with its negotiations on accession.

The representative of Mexico spoke.

The Council took note of the statements.

16. Thailand - Business and excise taxes (C/M/211)

At its meeting on 17 June 1987, the Council considered a request by the Government of Thailand for an extension of the time-limit, provided for in paragraph 3 of its Protocol of Accession, to bring into line with Article III of the General Agreement, the business and excise taxes with respect to items on which the incidence of these taxes varied according to whether the items were locally produced or imported.

The representatives of Malaysia speaking on behalf of the other ASEAN contracting parties, Canada, the European Communities and the United States spoke.

The Council took note of the statements and agreed to extend the time-limit until 30 June 1990 (L/6190).

17. United States - Omnibus Trade Bill (C/M/213)

At the Council meeting on 7 October 1987, the representative of Japan expressed his delegation's concern over the proposed US Omnibus Trade Bill, which was currently under deliberation in the US Congress.



The representatives of the European Communities, Australia, Canada, Korea, Hong Kong and Pakistan spoke.

The Council took note of the statements.

18. Mexico - United States Framework Agreement (C/M/215)

At the Council meeting on 10-11 November 1987, the representatives of Mexico and the United States informed the Council that on 6 November 1987, their respective Governments had signed an Understanding on a framework of principles and procedures for consultations on trade and investment relations between these two countries.

The Council took note of the statements.

19. Implementation of Generalized System of Preferences (GSP) schemes (C/M/208, 209, 211)

At the Council meeting on 15 April 1987, the representative of Brazil requested the inclusion on the agenda of the Council's next meeting, of a specific item on the implementation of Generalized System of Preferences (GSP) schemes.

The representative of Nicaragua spoke.

The Council took note of the statements.

At the Council meeting on 14 May 1987, the Chairman drew attention to the communication from Brazil in document L/6166.

The representatives of Brazil, Chile, Mexico, Cuba, India, Yugoslavia, Nicaragua, Colombia, Korea, Hong Kong, the United States, the European Communities, Singapore and Nigeria spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting. The Council also took note that the Chairman would consult with interested delegations about this matter.

At its meeting on 17 June 1987, the Council agreed to revert to this item at a future meeting.

20. Recourse to Articles XXII and XXIII

- (a) Canada  
- Measures on exports of unprocessed salmon and herring (C/M/207, 208)

At the Council meeting on 4 March 1987, the representative of the United States recalled that his delegation had held Article XXIII:1 consultations with Canada regarding that country's prohibition on the export of unprocessed herring and pink and sockeye salmon. His Government now thought it appropriate and necessary to submit this issue to a panel for a recommendation as soon as possible.

The representative of Canada spoke.

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

At the Council meeting on 15 April 1987, the Chairman informed the Council of the Panel's terms of reference and composition.

- (b) European Economic Community

- (i) Enlargement of the Community (C/M/212, 213)

At the Council meeting on 15-17 July 1987, the representative of Argentina referred to document L/6201 and said that Spain's accession to the European Communities had introduced a new and delicate situation in the relations between the Community and Argentina.

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

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

At the Council meeting on 7 October 1987, the Chairman said he had been advised by Argentina that consultations on this matter were advancing satisfactorily and that Argentina did not want it to be taken up at that meeting.

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

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

(ii) Third-Country Meat Directive (C/M/213, 215)

At its meeting on 7 October 1987, the Council considered a request by the United States to establish a panel to examine the European Economic Community's Third-Country Meat Directive for regulating meat-handling facilities and procedures (L/6218).

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

The Council agreed to revert to this item at its next meeting.

At its meeting on 10-11 November 1987, the Council again considered the request by the United States.

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

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

(iii) Italian import duties on bananas (C/M/207, 212)

At the Council meeting on 4 March 1987, the representative of Colombia noted that in February 1987 his delegation had formally requested Article XXII:1 consultations with the European Economic Community regarding Colombian banana exports to Italy.

The representatives of the European Communities and the Philippines spoke.

The Council took note of the statements.

At the Council meeting on 15-17 July 1987, the representative of Colombia said that the Article XXII:1 consultations with the Community had led to a satisfactory settlement of this matter.

The representative of the Philippines spoke.

The Council took note of the statements.

(iv) Implementation of the Harmonized System (C/M/215)

At the Council meeting on 10-11 November 1987, the representative of Argentina reserved his country's rights regarding one aspect of the Community's proposed implementation, as of 1 January 1988, of the Harmonized System, and requested Article XXII:1 consultations with the Community on this matter.

The representatives of the European Communities and Australia spoke.

The Council took note of the statements.

(c) India  
- Import restrictions on almonds (C/M/211, 212, 213, 215)

At the Council meeting on 17 June 1987, the representative of the United States said that India had agreed to the US request for consultations under Article XXIII:1 of the General Agreement and Article 4.2 of the Agreement on Import Licensing Procedures (BISD 26S/159), to discuss what the United States believed was nullification and impairment of its GATT benefits as a result of India's licensing régime as applied to imports of almonds.

The representative of India spoke.

The Council took note of the statements.

At its meeting on 15-17 July 1987, the Council considered a request by the United States (L/6197) for the establishment of a panel to examine this matter.

The representatives of the United States, India, Egypt, Yugoslavia, Brazil, Argentina, Colombia, Peru, Nicaragua, Cuba, Mexico, the European Communities, Canada and the Philippines spoke.

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

At its meeting on 7 October 1987, the Council again considered the request by the United States.

The representatives of the United States, India, Brazil, Canada, Yugoslavia, Egypt, the European Communities, Australia, New Zealand, Argentina, Nicaragua, Peru, Cuba, Switzerland, Austria and Nigeria spoke.

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

At its meeting on 10-11 November 1987, the Council again considered the request by the United States.

The representatives of the United States, India, Brazil, Australia, Canada, the European Communities, Yugoslavia, Austria, Peru, Switzerland and Egypt, 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.

(d) Japan

(i) Trade in semi-conductors (C/M/207, 208, 209, 211)

At its meeting on 4 March 1987, the Council considered a request by the European Economic Community (L/6129) for the establishment of a panel to examine its complaint concerning the US/Japan arrangement on trade in semi-conductors (L/6076).

The representatives of the European Communities, Japan, the United States, Hong Kong, Canada, Singapore, Switzerland, Malaysia, Sweden on behalf of the Nordic countries, Nigeria and Yugoslavia spoke.

The Council took note of the statements and of the strong wish to settle this matter at the next Council meeting, and agreed to revert to this item at that meeting, when the Chairman would report on the results of his consultations with the parties concerned.

At the Council meeting on 15 April 1987, the Chairman said that such consultations had been conducted.

The representatives of the European Communities, Japan, the United States, Austria, Australia, Thailand, Mexico, Jamaica, Canada and Hungary, and the Chairman spoke.

The Council took note of the statements and agreed to establish a panel on the basis of an Understanding related to the terms of reference.

Contracting parties which had reserved their rights to make a submission to the Panel under paragraph 15 of the Understanding regarding Notification, Consultation, Dispute Settlement and Surveillance (BISD 26S/213) would be treated in accordance with standing practice in this respect.

The Council authorized its Chairman, in consultation with the two parties concerned, to designate the Chairman and members of the Panel.

At the Council meeting on 14 May 1987, the Chairman said that consultations concerning the Panel's composition were continuing.

The Council took note of this information.

At the Council meeting on 17 June 1987, the Chairman said that consultations were not yet finished. When they were concluded, he would inform representatives of the results either by a document<sup>1</sup> or by an announcement at the next Council meeting.

The Council took note of this information.

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<sup>1</sup>The Panel's composition was announced on 24 June 1987 (C/149).

(ii) Quantitative restrictions on certain agricultural products  
(C/M/206)

In October 1986, the Council had agreed to establish a panel to examine the complaint by the United States (L/6037), and had authorized the Chairman of the Council to draw up the terms of reference and to designate the Chairman and members of the Panel in consultation with the parties concerned.

At its meeting on 4 February 1987, the Council considered the Panel's terms of reference and composition.

The representatives of the United States, Japan, Canada and the European Communities, and the Chairman of the Council and the Director-General spoke.

The Council took note of the statements and agreed to revert to this item at its next meeting unless the Chairman had informed delegations in the meantime that the Panel's terms of reference and composition had been agreed after consultations with the parties concerned.

(iii) Restrictions on imports of herring, pollock and surimi  
(C/M/206, 207)

This matter had been considered by the Council at its two meetings in November 1986, and had been discussed at the CONTRACTING PARTIES' Forty-Second Session later that month.

At its meeting on 4 February 1987, the Council again considered the United States' request for a panel (L/6070) to examine this matter.

The representatives of the United States and Japan spoke.

The Council took note of the statements and agreed to revert to this matter at its next meeting, should either party so request.

At its meeting on 4 March 1987, the Council again considered this matter.

The representatives of the United States and Japan spoke.

The Council took note of the statements.

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<sup>1</sup>The Panel's terms of reference and composition were announced on 27 February 1987 (C/145).

(iv) Customs duties, taxes and labelling practices on imported wines and alcoholic beverages (C/M/206, 215)

This matter had been considered by the Council at its two meetings in November 1986 and had been discussed at the CONTRACTING PARTIES' Forty-Second Session later that month.

At the Council meeting on 4 February 1987, the Council agreed to establish a panel to examine this matter.

The representatives of Japan, Canada, Finland, the United States, Chile, Australia, Yugoslavia, Argentina and the European Communities spoke.

The Council took note of the statements.

At its meeting on 10-11 November 1987, the Council considered the Panel's report (L/6216).

The representatives of Japan, the European Communities, Finland, Canada, Argentina, the United States and Yugoslavia, and the Chairman spoke.

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

(e) United States

(i) Customs user fee (C/M/206, 207, 208, 209)

This matter had been considered by the Council in October 1986.<sup>1</sup>

At the Council meeting on 4 February 1987, the representative of the European Communities said that the Community reserved its right to request the establishment of a panel at the next Council meeting.

The representatives of the United States, Canada, Australia, Japan, India, Switzerland, Singapore, Mexico, Chile, Thailand, Peru, Malaysia, Indonesia and New Zealand spoke.

The Council took note of the statements.

At its meeting on 4 March 1987, the Council considered the separate requests by Canada (L/6130) and the European Economic Community (L/6131) for a panel to examine this matter.

The representatives of Canada, the European Communities, the United States, Indonesia on behalf of the ASEAN contracting parties, Australia, Japan, India and Jamaica spoke.

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<sup>1</sup>As "United States - Omnibus Budget Reconciliation Act".

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 and with interested delegations.

At the Council meeting on 15 April 1987, the Chairman said that his consultations on the terms of reference and composition of the Panel were continuing.

The Council took note of this information.

At the Council meeting on 14 May 1987, the Chairman said that consultations were still continuing and when they were concluded, he would inform representatives of the results either by a document<sup>1</sup> or by an announcement at the next Council meeting.

The Council took note of this information.

(ii) Trade measures affecting Nicaragua (C/M/206, 207, 208, 209, 212, 213, 215)

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

At its meeting on 4 February 1987, the Council agreed to defer consideration of this item.

At the Council meeting on 4 March 1987, the Chairman informed the Council that he had been asked to consult informally with interested delegations on this matter and that it was his intention to do so after the meeting.

The Council took note of this information and agreed to defer consideration of this matter until its next meeting.

At the Council meeting on 15 April 1987, the Chairman said that it had been clear in his discussions with the interested delegations that the basic positions on this matter remained unchanged.

The representatives of Nicaragua and the United States spoke.

The Council took note of the statements, agreed to revert to this item at its next meeting and took note that in the interim, the Chairman would consult with interested delegations.

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<sup>1</sup>The Panel's terms of reference and composition were announced on 22 May 1987 (C/147).



At the Council meeting on 14 May 1987, the Chairman said that as a result of his contacts with delegations, he suggested that the Council revert to this matter at its next meeting should either of the parties so request.

The Council so agreed.

At the Council meeting on 15-17 July 1987, the Chairman said that he had been engaged in a process of informal consultations with the key delegations.

Many representatives thanked the Chairman for his efforts toward reaching a consensus on this matter.

The representative of Nicaragua said that his delegation had submitted a draft text in C/W/524.

The representatives of the United States, Mexico, Cuba, the European Communities, Switzerland, Canada, Australia, Austria, Japan, Finland on behalf of the Nordic countries, Israel, Turkey, Singapore, Yugoslavia and Indonesia spoke.

The Council agreed to distribute, as a Council document, the text introduced by Mexico on behalf of six Latin American countries (C/W/525). The Council also agreed that the Chairman would continue the process of consultations on this matter, and to revert to this item at its next meeting.

At the Council meeting on 7 October 1987, the Chairman said that since the July meeting, he had been in touch with the delegations of Nicaragua and the United States and intended to continue the process of consultations on this matter. He said that it would, of course, be open for either delegation to ask that this item be placed on the agenda of a future Council meeting.

The Council took note of this information.

At the Council meeting on 10-11 November 1987, the representative of Nicaragua said that on 30 October 1987 the US President had proposed to the Congress that the US trade embargo against Nicaragua be renewed for an additional six months. Nicaragua would ask the CONTRACTING PARTIES at their Forty-Third Session to implement paragraph 21 of the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance (BISD 26S/210), and asked that wide consultations be held prior to that Session which might lead to a satisfactory solution to this matter.

The Chairman said that he would undertake consultations on this matter on the basis on which this had been done previously. He would contact the parties concerned.

The Council took note of the statements.

(iii) Taxes on petroleum and certain imported substances  
(C/M/206, 211, 213)

This matter had been considered by the Council in October 1986.<sup>1</sup>

At its meeting on 4 February 1987, the Council considered separate requests for a panel to examine this matter from Canada (L/6121) and the European Economic Community (L/6123), and a request by Mexico for the good offices of the Director-General (L/6114).

The representatives of Canada, the European Communities, the United States, Nigeria, Kuwait, Norway, Indonesia, Australia, Colombia, Malaysia, Argentina, Chile and Mexico, and the Director-General spoke.

The Council took note of the statements and agreed to establish a panel on the basis of an Understanding on the organization of the Panel's work.

The Council authorized its Chairman to designate the Chairman and members of the Panel in consultation with the parties concerned.<sup>2</sup>

At its meeting on 17 June 1987, the Council considered the Panel's report (L/6175).

The representatives of Canada, Mexico, the European Communities, the United States, Jamaica, Nicaragua, Venezuela, Australia and Malaysia, and the Secretariat spoke.

The Chairman noted that many delegations had expressed satisfaction with the manner in which this dispute had been processed.

The Council took note of the statements, including the US statement to the Panel that the penalty rate would in all probability never be applied, and adopted the Panel report (L/6175).

At the Council meeting on 7 October 1987, the representative of the European Communities asked the United States for information on whether and what actions had been taken to implement the Panel's recommendation.

The representatives of Mexico, Canada and the United States spoke.

The Council took note of the statements.

(iv) Tax reform legislation for small passenger aircraft  
(C/M/208, 209)

At the Council meeting on 15 April 1987, the representative of the European Communities asked that a panel be established to examine this matter and that it be included on the agenda of the Council's next meeting in order that such a decision might be taken.

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<sup>1</sup> As "United States - Superfund Reauthorization and Amendments Act".

<sup>2</sup> The Panel's composition was announced on 27 February 1987 (C/146).

The representative of the United States spoke.

The Council took note of the statements.

At its meeting on 14 May 1987, the Council considered the request by the European Economic Community for a panel (L/6153).

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

The Council took note of the views of the European Communities, Canada, Japan, and Sweden on behalf of the Nordic countries, that the US tax measure in question was inconsistent with Article III and that the US representative had agreed to report these views to his authorities. The Council also took note of the US statement confirming that the measure had been intended to benefit some US companies, but that it was no longer in effect and that the United States did not envisage that it would be revived. In view of the US statement, the Community representative had indicated that he would not insist on the establishment of a panel at the present stage, in the expectation that a panel would be promptly established should this measure be revived. The Council took note of these points and of all statements made on this item, noting as well that all contracting parties which had spoken on this matter reserved their rights under the General Agreement.

(v) Unilateral measures on imports of certain Japanese products  
(C/M/208, 211, 213, 215)

At the Council meeting on 15 April 1987, the representative of Japan noted that with regard to US/Japanese trade in semi-conductors, the US Government had announced on 27 March 1987 the President's decision to impose 100 percent ad valorem tariffs on certain Japanese exports to the United States, effective 17 April 1987. Should such measures be put into effect, his Government would immediately request Article XXIII:1 consultations with the United States.

The representative of the United States spoke.

The Council took note of the statements.

At the Council meeting on 17 June 1987, the representative of Japan said that Japan had requested consultations with the United States under Article XXIII:1, but that the United States had not yet responded to this request.

The representatives of the United States and Jamaica spoke.

The Council took note of the statements.

At its meeting on 7 October 1987, the Council again considered this matter.

The representatives of Japan and the United States spoke.

The Council took note of the statements.

At the Council meeting on 10-11 November 1987, the representative of Japan referred to a recent announcement by the US Government regarding further partial removal of its unilateral measures against Japan concerning trade in semi-conductor products.

The Council took note of the statement.

(vi) United States - Section 337 of the Tariff Act of 1930  
(C/M/211, 212, 213, 215)

At its meeting on 17 June 1987, the representative of the European Communities said that on 22 April 1987 the Community had requested Article XXIII:1 consultations with the United States concerning Section 337 of the US Tariff Act of 1930, particularly with regard to certain aramid fibres (L/6160). This request had been repeated in May 1987, but so far no formal reaction had been received.

The representative of the United States spoke.

The Council took note of the statements.

At its meeting on 15-17 July 1987, the Council considered a request (L/6198) by the European Communities for the establishment of a panel to examine this matter.

The representatives of the United States, Japan, Korea, Canada and Switzerland spoke.

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

At its meeting on 7 October 1987, the Council again considered the above-mentioned request.

The representatives of the European Communities, United States, Canada, Japan, Hong Kong, Switzerland, Brazil and Korea, and the Chairman spoke.

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

At the Council meeting on 10-11 November 1987, the Chairman said that consultations on the Panel's terms of reference and composition were continuing.

The Council took note of this information.

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

(a) Third Lomé Convention (C/M/207, 208, 209, 211)

At its meeting on 4 March 1987, the Council considered document L/6109 containing information on the Third APC-EEC Convention of Lomé, which had entered into force on 1 May 1986.

The representatives of the European Communities, Canada, Colombia and Jamaica, and the Chairman spoke.

The Council took note of the statements and of the information in L/6109 as well as the text of the Convention circulated with L/6109/Add.1, and agreed to establish a working party to examine the Third ACP-EEC Convention of Lomé. The Council authorized its Chairman to designate the Chairman of the Working Party in consultation with interested delegations.

At its meeting on 15 April 1987, the Chairman informed the Council that his consultations were continuing.

The Council took note of the information.

At the Council meeting on 14 May 1987, the Chairman said that consultations were still continuing.

The Council took note of this information.

At the Council meeting on 17 June 1987, the Chairman said that the consultations had not yet finished. When they had concluded, he would inform representatives of the results either by a document<sup>1</sup> or by an announcement at the next Council meeting.

The Council took note of the information.

(b) Israel-United States Free-Trade Agreement (C/M/209)

In October 1985, the Council had established a Working Party to examine this Agreement.

At its meeting on 14 May 1987, the Council considered the Working Party's report (L/6140).

The Chairman, in his personal capacity as Chairman of the Working Party, made remarks on the procedures which had come to be applied over time in the operation of Article XXIV.

The representatives of Israel, the United States, Australia, India, Brazil, Hong Kong, Yugoslavia and the European Communities spoke.

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<sup>1</sup>The designation of the Chairman of the Working Party was announced on 6 July 1987 (L/6195).

The Council took note of the statements, adopted the report (L/6140) and agreed to add the Israel-United States Free-Trade Agreement to the calendar for the examination, every two years, of reports on developments under regional agreements.

(c) Canada-United States Free-trade Agreement (C/M/213)

At its meeting on 7 October 1987, the representatives of Canada and the United States informed the Council of the free-trade agreement concluded on 3 October 1987 between these two countries.

The representative of Japan spoke.

The Council took note of the statements.

(d) EEC-Cyprus (C/M/215)

At the Council meeting on 10-11 November 1987, the representative of the European Communities said that the Agreement recently signed by the Community and Cyprus establishing arrangements to implement the customs union originally foreseen in the EEC-Cyprus Association Agreement would enter into force on 1 January 1988.

The representative of the United States spoke.

The Council took note of the statements.

(e) Biennial reports

(i) Agreements between the European Communities and Austria, Finland, Iceland, Norway, Portugal, Sweden and Switzerland (C/M/206)

At its meeting on 4 February 1987, the Council considered documents L/6110 and L/6115 through L/6120, containing information furnished by the parties to the Agreements.

The representatives of New Zealand, Australia, Chile, Argentina, the United States, Canada, Nicaragua, the European Communities, and Switzerland on behalf of the EFTA countries spoke.

The Council took note of the statements and of the reports.

(ii) Australia/New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) (C/M/211, 212)

At its meeting on 17 June 1987, the Council agreed to defer consideration of the biennial report on the Australia/New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) (L/6168) to its next meeting.

At its meeting on 15-17 July 1987, the Council considered document L/6168, containing information given by the parties to the Agreement referred to therein.

The representatives of Australia and Switzerland spoke.

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

(iii) Calendar of biennial reports (C/M/215)

At the Council meeting on 10-11 November 1987, the representative of Australia proposed that informal consultations be held with a view to having a decision taken on a new calendar of biennial reports at the forthcoming CONTRACTING PARTIES Session.

The Council took note of the statement.

22. Waivers under Article XXV:5

(a) Pakistan - Renegotiation of Schedule (C/M/215)

By their Decision of 29 November 1977 (BISD 24S/15), as extended until 31 December 1987 (BISD 33S/99), the CONTRACTING PARTIES had waived application of the provisions of Article II of the General Agreement to enable Pakistan to maintain in force the rates of duty provided for in its revised Customs Tariff, pending the completion of negotiations for the modification or withdrawal of concessions in its Schedule XV.

At its meeting on 10-11 November 1987, the Council considered a request by Pakistan for a further extension of the waiver until 31 December 1988 (L/6242).

The representatives of Pakistan, Sweden, Uruguay, Bangladesh, Sri Lanka, Turkey, Hong Kong, Peru, Nicaragua, Nigeria and Pakistan spoke.

The Council took note of the statements, approved the text of the draft Decision extending the waiver until 31 December 1988 (see Annex I) and recommended its adoption by the CONTRACTING PARTIES by a vote at their Forty-Third Session.

(b) Uruguay - Import surcharges (C/M/211, 212)

By their Decision of 24 October 1972 (BISD 19S/9), the CONTRACTING PARTIES had waived the application of the provisions of Article II to the extent necessary to allow the Government of 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 1987.





At the Council meeting on 17 June 1987, the representative of Uruguay recalled the Decision of 18 July 1986 (L/6029) concerning the extension until 30 June 1987 of the waiver for Uruguay's import surcharges, and said his delegation would submit a request for a further extension before the expiry date in the hope that this matter would be dealt with at the Council's July meeting.

The Council took note of the statement.

At the Council meeting on 15-17 July 1987, the Chairman drew attention to Uruguay's request (L/6184) for a further extension of the waiver, and to the draft decision in C/W/520/Rev.1.

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

The Council took note of the statements, approved the text of the amended draft decision extending the waiver until 30 June 1988 and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

The Decision was adopted on 20 August 1987 (L/6207).

(c) Turkey - Stamp duty (C/M/213)

At their November 1985 Session, the CONTRACTING PARTIES had granted Turkey an extension of its stamp duty waiver until 31 December 1987 (BISD 32S/18).

At its meeting on 7 October 1987, the Council considered a request by Turkey for a further extension of the waiver until 31 December 1989 (L/6214).

The representatives of Turkey, the United States, Pakistan and Uruguay spoke.

The Council took note of the statements, approved the text of the draft decision (C/W/526) extending the waiver until 31 December 1989 and recommended its adoption by the CONTRACTING PARTIES by postal ballot. The Decision was adopted on 9 November 1987 (L/6255).

(d) Reports under waivers

(1) United States - Caribbean Basin Economic Recovery Act (CBERA)  
(C/M/207, 208)

At its meeting on 4 March 1987, the representatives of the United States said that his Government expected to submit in the near future its second annual report on the implementation of the Caribbean Basin Economic Recovery Act (CBERA) in keeping with the terms of the CONTRACTING PARTIES' Decision of 15 February 1985 (L/5779).

The representatives of Cuba, Nicaragua and Australia spoke.

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

At its meeting on 15 April 1987, the Council considered the United States' second annual report (L/6146) on the trade-related provisions of the Act.

The representatives of the United States, Nicaragua, Cuba, Jamaica, Canada and Switzerland spoke.

The Council took note of the statements and of the information in L/6146.

(ii) United States - Agricultural Adjustment Act (C/M/212, 213, 215)

In July 1986, the Council had established a Working Party to examine the twenty-eighth annual report (L/5981 and Corr.1) submitted by the United States under the Decision of 5 March 1955 (BISD 3S/32), and to report to the Council.

At its meeting on 15-17 July 1987, the Council considered the Working Party's report (L/6194).

The representatives of Australia, Canada, the European Communities, Brazil and the United States, and the Chairman of the Working Party spoke.

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

At the Council meeting on 7 October 1987, the representative of Australia asked when the United States would be able to furnish the twenty-ninth annual report for 1985/86.

The representative of the United States spoke.

The Council took note of the statements.

At the Council meeting on 10-11 November 1987, the representative of the European Communities proposed that a working party be established to examine the United States' twenty-ninth and thirtieth annual reports<sup>1</sup>.

The representative of the United States spoke.

The Council took note of the statements and agreed to establish a working party with the following terms of reference: "To examine the twenty-ninth and thirtieth annual reports submitted by the Government of

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<sup>1</sup>The reports were subsequently circulated in L/6256.

the United States under the Decision of 5 March 1955 (BISD 3S/32), and to report to the Council." Membership was open to all contracting parties indicating their wish to participate in the working party. The Chairman of the Council was authorized to designate the Chairman of the Working Party in consultation with the contracting parties principally concerned.

The Chairman said that he understood that the traditional terms of reference would permit the Working Party to make appropriate recommendations.

The Council took note of the statement.

23. Accession, provisional accession

(a) Algeria (C/M/209, 211)

At the Council meeting on 14 May 1987, the representative of Algeria (as an observer) noted that his Government had recently informed the Secretariat of its decision to apply for accession to GATT and its wish to participate in the Uruguay Round negotiations.

The Council took note of the statement.

At its meeting on 17 June 1987, the Council considered a request from Algeria (L/6182) for accession to the General Agreement.

The representatives of Algeria (as an observer), the European Communities, India, Hungary, Turkey, Yugoslavia, the United States, Nicaragua, Canada, Zaire and Côte d'Ivoire spoke.

The Council took note of the statements, agreed to establish a working party to examine Algeria'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 Algeria.

(b) Antigua and Barbuda (C/M/208)

At the Council meeting on 15 April 1987, the Chairman, on behalf of the Council, welcomed Antigua and Barbuda as the 93rd contracting party.

(c) Bolivia (C/M/213, 215)

At its meeting on 7 October 1987, the Council considered a request by Bolivia (L/6217) for full accession to the General Agreement.

The representatives of Bolivia (as an observer), India, Argentina, the European Communities, the United States, Norway on behalf of the Nordic countries, Canada, Austria and Japan spoke.

The Council took note of the statements, agreed to establish a working party to examine Bolivia'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 Bolivia.

At the Council meeting on 10-11 November 1987, the Chairman said that consultations on the designation of the Working Party Chairman were continuing.

(d) Botswana (C/M/213)

At its meeting on 7 October 1987, the Council welcomed Botswana as the ninety-fifth contracting party.

(e) Costa Rica (C/M/211)

In July 1985, the Council had established a Working Party to examine Costa Rica's application for provisional accession.

At its meeting on 17 June 1987, the Council considered a request by Costa Rica (L/6180) for full accession to the General Agreement and to participate in the Uruguay Round negotiations.

The representatives of Costa Rica (as an observer), Argentina on behalf of the Latin American contracting parties, Nicaragua, the European Communities and Côte d'Ivoire spoke.

The Council took note of the statements and agreed to change the terms of reference of the Working Party, previously established to examine Costa Rica's earlier request for provisional accession, in order to take account of the request for full accession. The Council also agreed that the membership and chairmanship of the Working Party would remain unchanged.

(f) El Salvador (C/M/209, 213)

At its meeting on 14 May 1987, the Council considered a request by El Salvador (L/6163) for provisional accession to the General Agreement.

The representatives of El Salvador (as an observer), Argentina on behalf of the Latin American contracting parties, and Nicaragua spoke.

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<sup>1</sup>The designation of the Chairman of the Working Party was announced on 23 November 1987 (L/6224/Rev.1).

The Council took note of the statements, agreed to establish a working party to examine El Salvador's request, 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 El Salvador.

At the Council meeting on 7 October 1987, the Chairman announced that agreement had been reached on the designation of the Chairman of the Working Party.

The Council took note of this information.

(g) Guatemala (C/M/211, 213)

At its meeting on 17 June 1987, the Council considered a request by Guatemala (L/6173) for provisional accession to the General Agreement.

The representatives of Guatemala (as an observer), Argentina on behalf of the Latin American contracting parties, Nicaragua, Canada, the European Communities, Côte d'Ivoire and the United States spoke.

The Council took note of the statements, including those relating to participation in the Uruguay Round, agreed to establish a working party to examine Guatemala's request, 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 Guatemala.

At the Council meeting on 7 October 1987, the Chairman announced that agreement had been reached on the designation of the Chairman of the Working Party.

The Council took note of this information.

(h) Honduras (C/M/209, 213)

At its meeting on 14 May 1987, the Council considered a request by Honduras (L/6164) for provisional accession to the General Agreement.

The representatives of Honduras (as an observer), Argentina on behalf of the Latin American contracting parties, and Nicaragua spoke.

The Council took note of the statements, agreed to establish a working party to examine Honduras' request, 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 Honduras.

At the Council meeting on 7 October 1987, the Chairman announced that agreement had been reached on the designation of the Chairman of the Working Party.

The Council took note of this information.

(i) Morocco (C/M/206, 211)

In July 1986, the Council had agreed to amend the date in paragraph 5 of Morocco's Protocol of Accession so that it would be open for signature until 15 October 1986. In October 1986, the Council had agreed to amend that date to 31 December 1986.

At its meeting on 4 February 1987, the Council considered a request from Morocco (L/6124) for a further extension of the date for signature of the Protocol.

The representative of Morocco spoke as an observer.

The Council took note of the statement and of the information in L/6124, agreed to amend the date in paragraph 5 of Morocco's Protocol of Accession to 1 June 1987, and agreed that in 1990 the CONTRACTING PARTIES would carry out a review of the progress achieved in the planned gradual inclusion of the special import tax in the duty rates applied by Morocco.

At the Council meeting on 17 June 1987, the Chairman welcomed Morocco as the 94th contracting party.

(j) Tunisia (C/M/215)

At the Council meeting on 10-11 November 1987, the Chairman recalled that in November 1986, Tunisia had applied for full accession, and that the request had been referred to a working party for appropriate action. Pending the completion of that process, Tunisia requested a further extension (L/6251) of the period of validity of the Declaration of 12 November 1959 on its Provisional Accession (BISD 33S/6) and of the Decision of 12 November 1959 (BISD 33S/53) inviting Tunisia to participate in the work of the CONTRACTING PARTIES.

The representative of Tunisia spoke.

The Council took note of the statement, approved the text of the Nineteenth Procès-Verbal Extending the Declaration to 31 December 1988 (C/W/533, Annex I), and agreed that the Procès-Verbal be opened for acceptance by the parties to the Declaration.

The Council also approved the text of the draft Decision (see Annex II) extending until 31 December 1988 the invitation to Tunisia to participate in the work of the CONTRACTING PARTIES, and recommended its adoption by the CONTRACTING PARTIES at their Forty-Third Session.

24. China's status as a contracting party (C/M/207, 208, 209, 211)

At the Council meeting on 4 March 1987, the representative of China (as an observer) drew attention to his Government's Memorandum on its foreign trade régime (L/6125) which had been submitted in pursuance of China's request in July 1986 for resumption of its status as a contracting party.

The representatives of the European Communities, Chile, Korea, Brazil, Cuba, Colombia, Hungary, United States, Czechoslovakia, Nicaragua, Mexico, Turkey, Indonesia on behalf of the ASEAN contracting parties, Sri Lanka, Romania, Yugoslavia, Canada, New Zealand, Japan, Israel, Poland, Australia, Hong Kong, Switzerland, Sweden on behalf of the Nordic countries, Côte d'Ivoire, Argentina, Uruguay, Egypt, Austria, Jamaica and India spoke.

The Council took note of the statements, agreed to establish a working party open to all contracting parties indicating their wish to participate in it, and authorized the Chairman to conduct consultations with interested parties on presiding arrangements, the terms of reference of the Working Party and any other matters related to the decision the Council had just taken. The Council further agreed that contracting parties would aim to conclude these consultations within fifteen days so that the Chairman could report the outcome to the next Council meeting for its approval. All contracting parties were invited to submit questions concerning China's foreign trade régime, in writing, to the Secretariat, which would forward them to China.

The representative of Pakistan spoke.

The Council took note of the statement.

At its meeting on 15 April 1987, the Council took note of the Chairman's progress report on his consultations and agreed that he continue them with all interested parties with a view to reaching agreement before the Council's next meeting on 14 May.

At its meeting on 14 May 1987, the Chairman said that he had held his consultations and could make a proposal.

The representatives of Japan and the European Communities spoke.

The Council adopted the terms of reference as read out by the Chairman.

The Chairman said that during the consultations, a delegation had requested a legal opinion by the Secretariat.

The Legal Adviser to the Director-General spoke.

The Chairman said that consensus had not yet been reached on presiding arrangements for the Working Party and proposed that the Council authorize him to continue consultations with a view to finding a consensus.

The representatives of the European Communities, the United States, Canada, Brazil, Korea, Israel and China (as an observer) spoke.

The Council took note of the statements and authorized the Chairman to continue consultations on presiding arrangements with a view to establishing a consensus on them.

At the Council meeting on 17 June 1987, the Chairman informed the Council that consensus had been reached on the presiding arrangements for the Working Party.

The representative of China spoke as an observer.

The Council took note of the statement and of the information from the Chair.

25. Switzerland - Review under paragraph 4 of the Protocol of Accession (C/M/215)

Under paragraph 4 of its Protocol of Accession, Switzerland reserved its position with regard to the application of the provisions of Article XI of the General Agreement to permit the application of certain import restrictions pursuant to existing national legislation. The Protocol calls for an annual report by Switzerland on the measures maintained consistently with this reservation, and it requires the CONTRACTING PARTIES to conduct a thorough review of the application of the provisions of paragraph 4 every three years.

At the Council meeting on 10-11 November 1987, the representative of Switzerland introduced the nineteenth and twentieth annual reports (L/6101) together with the twenty-first annual report (L/6229) submitted by his country.

The representative of Australia requested that a working party be established to examine these reports.

The representatives of Canada, Argentina and New Zealand spoke.

The Council took note of the reports and of the statements and agreed to establish a working party with the following terms of reference: "To conduct the seventh triennial review of the application of the provisions of paragraph 4 of the Protocol for the Accession of Switzerland, and to report to the Council." Membership would be open to all contracting parties indicating their wish to serve on the Working Party. The Council authorized the Chairman to designate the Chairman of the Working Party in consultation with delegations.



26. Egypt - Economic Development Tax (C/M/208)

At the Council meeting on 15 April 1987, the representative of Egypt drew attention to document L/6148 containing his Government's official notification of the abolishment of its Economic Development Tax, effective 22 August 1986.

The Council took note of the statement and of the information in L/6148.

27. Preshipment inspection programs (C/M/213)

At the Council meeting on 7 October 1987, the representative of Indonesia said that his delegation believed this matter should be discussed in a wider and more appropriate forum than the Committee on Customs Valuation.

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

The Council took note of the statements.

28. Norway - Further liberalization of Generalized System of Preferences (GSP) scheme (C/M/212)

At the Council meeting on 15-17 July 1987, the representative of Norway informed the Council that his country had notified to GATT (L/4242/Add.27) improvements in its Generalized System of Preferences scheme.

The council took note of the statement.

29. Communication from the United States on the relationship of internationally-recognized labour standards to international trade (C/M/212, 213, 215)

At the Council meeting on 15-17 July 1987, the representative of the United States drew attention to the US communication (L/6196) on the subject of internationally-recognized worker rights and trade. He stressed the importance his Government attached to the establishment of a multilateral discussion of this subject in GATT, and suggested that a working party, established by the Council, would be a suitable vehicle for facilitating such discussion.

The representatives of Sweden on behalf of the Nordic countries, India, Romania, Nicaragua, Tanzania, Mexico, Brazil, Colombia, Cuba, Yugoslavia, Tanzania, Malaysia, Chile, Singapore, Philippines, Indonesia, Hong Kong, Nigeria, Thailand, Czechoslovakia, Argentina, Uruguay, the European Communities, Israel, Hungary and Japan spoke.

The Council took note of the statements and of the wish that this matter be continued as a subject of informal consultations, and also took note that the Chairman was prepared to ensure that this requirement was satisfied.

At the Council meeting on 7 October 1987, the Chairman reported that an informal consultation on this matter requested by the United States had been held on 29 September, and asked the Secretariat to inform interested delegations of any future consultations that might be requested.

The representative of the United States spoke.

The Council took note of the statements.

At the Council meeting on 10-11 November 1987, the representative of the United States proposed the establishment of a working party in connection with this matter (L/6243).

The representatives of Sweden on behalf of the Nordic countries, New Zealand, Mexico, Brazil, Cuba, India, Egypt, Tanzania, Korea, the Philippines on behalf of the ASEAN contracting parties, Nigeria, Nicaragua, Romania, Turkey, Pakistan, Bangladesh, Uruguay, Peru, Yugoslavia, Zaire, Canada, Hong Kong, South Africa, Israel, Japan and the European Communities spoke.

The Council took note of the statements, agreed that the Chairman hold informal consultations and agreed to revert to the matter at a future Council meeting.

30. Training activities (C/M/215)

At the Council meeting on 10-11 November 1987, the Director-General introduced his report on the Secretariat's training activities (L/6231).

The representatives of India, Canada, Cuba, Peru, Uruguay, Sweden on behalf of the Nordic countries, and Israel spoke.

The Council took note of the report (L/6231) and of the statements.

31. International Trade Centre  
- Report of the Joint Advisory Group (C/M/211)

At its meeting on 17 June 1987, the Council considered the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twentieth session (ITC/AG(XX)/108).

The rapporteur at the meeting of the Group introduced the report on behalf of its Chairman. The representatives of Uruguay, Chile, Indonesia on behalf of the ASEAN contracting parties, Nicaragua, Peru, Norway on behalf of the Nordic countries, Cuba, India and Israel spoke.

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

32. Administrative and financial matters

(a) Reports of the Committee on Budget, Finance and Administration  
(C/M/209, 215)

At its meeting on 14 May 1987, the Council considered the Committee's report (L/6151).

The representative of the European Communities spoke.

The Council took note of the statements and approved the Committee's recommendations in paragraphs 9, 12, 16 and 19, taking note of the information in paragraph 16 and of the statement made on behalf of the Chairman of the Budget Committee.

The Chairman of the Committee on Budget, Finance and Administration spoke about the problem of arrears in contributions.

The Council took note of the statement.

At its meeting on 10-11 November 1987, the Council considered the Committee's report (L/6248).

The Chairman of the Committee introduced the report.

The representatives of India, Australia, Austria and Switzerland, and the Director-General spoke.

The Council took note of the statements.

The Chairman read out the following Understanding: "In approving the Budget Committee's report and the recommendations therein, it is the Understanding of the Chair that the Council notes that there will be a probable cash deficit in 1988, and bearing in mind the continuing situation of outstanding and chronic arrears in contributions, that the Council requests the Budget Committee to examine the three measures cited in paragraph 63 of the Budget Committee's report (L/6248), including in this examination any other proposals thereon, and make recommendations on these measures, separately or otherwise, to the Council, not later than 31 March 1988."

On the basis of that Understanding, the Council approved the Budget Committee's specific recommendations in Paragraphs 9, 15, 16, 17, 18, 69, 70 and 84 of its report in L/6248, and agreed to submit the draft resolution referred to in Paragraph 71 to the CONTRACTING PARTIES for consideration and approval at their Forty-Third Session. The Council approved the Budget Committee's report and recommended that the CONTRACTING PARTIES adopt it at their Forty-Third Session, including the recommendations contained therein and the additional recommendation cited in the Understanding read out by the Chairman, and the Resolution on the expenditure of the CONTRACTING PARTIES in 1988 and the ways and means to meet that expenditure.

The Director-General made a statement on the personnel aspects of the 1988 Budget estimates.

The Council took note of the statement.

(b) Pension and salary matters (C/M/207, 208, 209, 212, 213)

At its meeting on 4 March 1987, the Council considered the report of the Informal Advisory Group (Spec(87)10).

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

The Council took note of the statements and of the information in Spec(87)10, agreed to refer this matter to the Committee on Budget, Finance and Administration for consideration and to ask it to make appropriate recommendations for consideration, if possible, by the Council's May meeting, and invited the Chairman of the Committee on Budget, Finance and Administration to reflect on the desirability for the Committee to initiate its meeting in time to examine this matter and to prepare recommendations to be considered at the Council's May meeting.

At its meeting on 15 April 1987, the Council considered the report of the Chairman of the Committee on Budget, Finance and Administration (Spec(87)22 and Corr.1).

The representatives of the United States, Japan, Colombia, Canada, Australia, Switzerland, Hong Kong, Brazil, Nicaragua, India, Korea, Singapore, Gabon, Argentina, Malaysia, Indonesia, Hungary and Mexico, and the Director-General spoke.

The Council took note of the statements and of the report, agreed to the proposals in paragraph 9 of that document, and authorized the Director-General to consult with the Chairmen of the CONTRACTING PARTIES, of the Council, and of the Budget Committee on the basis of the procedure in his statement, noting the importance of coordinating such a procedure with the deliberations of the Committee. The Council also agreed to revert to this matter at its next meeting.

At the Council meeting on 14 May 1987, the representative of Jamaica spoke on behalf of the Chairman of the Committee on Budget, Finance and Administration and referred to the latter's statement in document Spec(87)26, which had been agreed by the Committee.

The Chairman spoke. He then proposed that the Council take a decision, which he elaborated.

The Council agreed to the decision as proposed by the Chairman.

The representative of the European Communities, on behalf of their member States and of the European Communities, spoke.

The Council took note of the statement.

At its meeting on 15-17 July 1987, the Council considered document Spec(87)10/Add.1 which contained "Chapter III - Pensions" of the report of the Informal Advisory Group.

The Chairman of the Informal Advisory Group, and the representative of Jamaica on behalf of the Chairman of the Committee on Budget, Finance and Administration spoke.

The Council took note of the statements and of the information in the report of the Informal Advisory Group (Spec(87)10/Add.1), and asked the Budget Committee to continue its consideration of this matter and to report thereon at the next Council meeting. The Council also took note that at the recent informal meeting of the Budget Committee, it had been suggested that the CONTRACTING PARTIES' representative on the ICITO/GATT Staff Pension Committee might draw attention to the report when he attended the August meeting of the UN Joint Staff Pension Board. The Council thanked Mr. Feij and the other members of the Informal Advisory Group for their efforts.

At the Council meeting on 7 October 1987, the representative of Jamaica, speaking on behalf of the Chairman of the Committee on Budget, Finance and Administration, gave a summary of the conclusions reached by the Committee at its meeting of 24 September 1987 on the matters of salaries and pensions.<sup>1</sup>

The Council took note of the statement.

(c) GATT income budget: Proposed scale of assessment for 1988  
(C/M/215)

At the Council meeting on 10-11 November 1987, the representative of Jamaica introduced his country's proposal (L/6249 and Corr.1) regarding a change in the assessment of contracting parties' contributions to the GATT budget.

The representatives of Tanzania, Sweden, Australia, Austria, Switzerland and Bangladesh, and the Chairman spoke.

The Council took note of the proposal.

(d) Current cash situation (C/M/214, 215)

At its meeting on 29 October 1987, the Council considered a request by the Director-General for authorization to make bank overdrafts if expected contributions by contracting parties were not received by 28 October 1987 (C/151, Spec(87)52).

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<sup>1</sup>The full text of his statement was subsequently circulated in Spec(87)50.

The representatives of the European Communities on behalf of their member States and of the European Communities, Japan, the United States and Colombia, and the Director-General, Deputy Director-General and Chairman spoke.

The Council took note of the statements and requested the Director-General to report on GATT's cash situation at the Council's next regular meeting.

At the Council meeting on 10-11 November 1987, the Director-General spoke about the cash crisis facing GATT and urged all of those governments in arrears to make every effort to pay their overdue contributions in full and as soon as possible.

The representative of the European Communities, on behalf of their member States and of the European Communities, spoke.

The Council took note of the statements.

(e) Deputy Director-General Post (C/M/208, 209, 212)

At its meeting on 15 April 1987, the Council adopted procedures for future appointments of the Deputy Directors-General (L/6161).

The representative of Uruguay spoke.

The Council took note of the statement.

At the Council meeting on 14 May 1987, the Director-General informed the Council that he had begun consultations with a view to renewing the contract of Mr. Mathur, Deputy Director-General, for a further three-year period. In accordance with the procedures (L/6161), he would inform the Council of his decision at the end of his consultations.

The Council took note of the statement.

At the Council meeting on 15-17 July 1987, the Director-General informed the council that following consultations, he had decided to renew Mr. Mathur's contract for a further three-year period, i.e., through 1990.

The Council took note of this information.

(f) Possible future arrangements for the GATT infrastructure (C/M/212)

At the Council meeting on 15-17 July 1987, the Director-General reported on possible future arrangements for the GATT infrastructure and said that this information could serve as a basis for discussion among contracting parties, the Secretariat, FIPOI and the Geneva authorities. Ultimately the Secretariat would draft a proposal for the Committee on Budget, Finance and Administration, on which the Council could take a decision.

The Council took note of this information.

(g) GATT's 40th Anniversary (C/M/212, 213, 215)

At the Council meeting on 15-17 July 1987, the Director-General reported on the provisional plans for the marking of GATT's 40th Anniversary.

The Council took note of this information.

At the Council meeting on 7 October 1987, the Director-General reported further on the above-mentioned plans.

The Council took note of the information.

At the Council meeting on 10-11 November 1987, the Director-General gave details on the above-mentioned plans.

The Council took note of the information.

(h) European Economic Community's contribution to the 1987 GATT budget (C/M/213)

At the Council meeting on 7 October 1987, the representative of the European Communities said that the Community had decided to make a contribution of ECUs45,000 or roughly US\$50,000 to the GATT budget to support the Secretariat's technical assistance operations.

The Chairman spoke.

The Council took note of the statements.

33. Council membership

(a) Morocco (C/M/211)

At the Council meeting on 17 June 1987, the Chairman welcomed Morocco as a Council member.

(b) Tanzania (C/M/208)

At the Council meeting on 15 April 1987, the Chairman welcomed Tanzania as a Council member.

34. Arrangements for the Forty-Third Session (C/M/213)

At its meeting on 7 October 1987, the Council agreed to the Director-General's proposal (C/150), as amended by the Chairman, on the dates for the Forty-Third Session.

ANNEX I

PAKISTAN - RENEGOTIATION OF SCHEDULE

Extension of Time-Limit

Draft Decision

Considering that the CONTRACTING PARTIES, by Decision of 29 November 1977<sup>1</sup>, suspended the application of the provisions of Article II of the General Agreement to the extent necessary to enable the Government of Pakistan to maintain in force the rates of duty provided in its revised Customs Tariff, subject to certain specified conditions;

Considering that among the conditions mentioned above was the obligation to conduct negotiations or consultations in conformity with paragraphs 1 to 3 of Article XXVIII and to terminate such negotiations or consultations before 31 December 1979;

Considering that the CONTRACTING PARTIES, by successive decisions, extended the time-limit for the completion of the negotiations or consultations to be conducted by the Government of Pakistan until 31 December 1987<sup>2</sup>;

Considering that the Government of Pakistan has notified that vigorous efforts were made to complete negotiations and consultations, and that negotiations had been completed with a few countries and negotiations and consultations were well advanced with a few others;

Considering that the Government of Pakistan has also advised that it plans to implement the Harmonized Commodity Description and Coding System (Harmonized System) in 1988 and that, immediately after the completion of the present negotiations, Pakistan will have to enter into another series of Article XXVIII negotiations with a view to introducing the Harmonized System;

Considering that the Government of Pakistan has proposed that, in order to overcome this situation, it may present a new schedule of concessions in the Harmonized System nomenclature which takes into account the negotiations and consultations conducted in terms of the present waiver, and that the proposed schedule will be finalized after the negotiations and consultations with interested contracting parties;

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<sup>1</sup> BISD 24S/15

<sup>2</sup> BISD 33S/99



Considering that the Government of Pakistan has therefore requested an extension of the time-limit for the conclusion of the negotiations by one year;

The CONTRACTING PARTIES, acting pursuant to the provisions of paragraph 5 of Article XXV of the General Agreement,

Decide that the time-limit provided for in paragraph 3 of the Decision of 29 November 1977 shall be extended until 31 December 1988.

ANNEX II

FURTHER EXTENSION OF THE DECISION OF 12 NOVEMBER 1959 INVITING  
TUNISIA TO PARTICIPATE IN THE WORK OF THE CONTRACTING PARTIES

Draft Decision

Considering that the parties to the Declaration of 12 November 1959 on the Provisional Accession of Tunisia to the General Agreement on Tariffs and Trade are taking steps, pursuant to paragraph 6 of that Declaration, to extend further the period of validity of the Declaration:

The CONTRACTING PARTIES

Decide to extend further the period of validity of the Decision of 12 November 1959, which provided for the participation of Tunisia in the work of the CONTRACTING PARTIES, until the Government of Tunisia accedes to the General Agreement under the provisions of Article XXXIII or until 31 December 1988, whichever date is earlier.