

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

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Forty-Sixth Session

COUNCIL OF REPRESENTATIVES

Report on Work since the Forty-Fifth 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 9 regular meetings and 10 special meetings since the Forty-Fifth Session in December 1989. The minutes of these meetings, which remain the record of the Council's work, are contained in documents C/M/238-C/M/246, C/RM/M/1-9 and C/RM/OV/M/1. 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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1. <u>Work Program resulting from the 1982 Ministerial meeting</u>	
(a) <u>Dispute settlement procedures</u>	
(i) <u>Status of work in panels and implementation of panel reports</u> (C/M/243, 246)	

In November 1989 the Director-General had announced that in future he would make his periodic report on the Status of Work in Panels and Implementation of Panel reports at the Council meetings in June and November.

At the Council meeting on 14 June 1990, the Director-General introduced his report (C/172) covering the entire period following the April 1989 Decision on improvements to the GATT dispute settlement rules and procedures (L/6489).

The representatives of Australia, Argentina, the European Communities, the United States, Mexico, New Zealand and Japan, and the Director-General spoke.

The Council took note of the statements and of the Director-General's report in C/172.

At the Council meeting on 7 November 1990, the Director-General introduced his periodic report (C/175).

The representatives of the European Communities, Nicaragua and Australia spoke.

The Council took note of the statements and of the Director-General's report in C/175.

(ii) Roster of non-governmental panelists (C/M/246)

In November 1985, the Council had approved a list of non-governmental panelists (L/5906). In November 1989, the Council had agreed to extend the roster for an additional year.

At its meeting on 7 November 1990, the Council agreed to extend the roster as set out in C/W/653, with the addition proposed by Hong Kong in C/W/651, provisionally for a further period until the conclusion of the Uruguay Round negotiations on dispute settlement rules and procedures (L/6763).

(b) Quantitative Restrictions and Other Non-Tariff Measures
- Technical Group on Quantitative Restrictions and Other Non-Tariff measures (C/M/246)

In May 1988, the Council had agreed while adopting the report of the Technical Group that the Council chairman would undertake informal consultations in the last quarter of 1990 concerning the date of the Technical Group's next meeting.

At the Council meeting on 7 November 1990, the Chairman suggested that, given the present priorities of delegations, these consultations be held in the spring of 1991 by his successor.

The Council so agreed.

(c) Export of Domestically Prohibited Goods and Other Hazardous Substances (C/M/245)

In July 1989, the Council had established a Working Group on the Export of Domestically Prohibited Goods and Other Hazardous Substances, and had called for the Group to complete its work by 30 September 1990.

At its meeting on 3 October 1990, the Council considered a note from the Chairman of the Working Group (C/W/645) requesting that the Council extend, until the end of December 1990, the deadline for the completion of the Group's work.

The representatives of Nigeria, the United States, Cameroon, Morocco, Mexico, Côte d'Ivoire, the European Communities, Egypt, Senegal, and Finland on behalf of the Nordic countries spoke.

The Council took note of the statements, and agreed to the extension as requested.

2. Trade Policy Review Mechanism

The CONTRACTING PARTIES' Decision of 12 April 1989 (L/6490, Part I), establishing a trade policy review mechanism on a provisional basis, provides that the trade policies of all contracting parties will be subject to periodic review to be carried out by the Council at special meetings. The Decision also provides that country reports under the review mechanism will be based on an agreed format to be decided upon by the Council, and that the Council will establish a basic plan for the conduct of the reviews as well as a programme of reviews for each year in consultation with the contracting parties directly concerned.

The Decision further provides (L/6490, Part I.F) that the Council will undertake an overview of developments in the international trading environment, which will be assisted by an annual report by the Director-General setting out major GATT activities and highlighting significant policy issues affecting the trading system.

(a) Overview of developments in the international trading environment (C/RM/OV/M/1, C/M/246)

At its special meeting on 11 December 1989, the Council undertook an overview of developments in the international trading environment which had an impact on the multilateral trading system. In so doing, the Council considered the annual report by the Director-General (C/171).

The representatives of the European Communities, Brazil, Canada, Hungary, Argentina, Switzerland, Norway on behalf of the Nordic Countries, Morocco, Bangladesh, Korea, United States, Australia, India, Israel, Japan, Hong Kong, Tanzania, Romania, Indonesia, Nigeria and Jamaica spoke. The Director-General and the Chairman also spoke.

The Council took note of the statements and agreed that the overview of developments in the international trading environment had been conducted.

At its meeting on 7 November 1990, the Council agreed to conduct the 1990 overview at a later date to be decided upon by the next Council Chairman in consultation with delegations and the Secretariat. It was understood that the 1991 overview, which should take place in the latter part of that year, would remain unaffected by the change in the 1990 schedule.

(b) Country reviews (C/RM/M/1, 2, 3, 4, 5, 6, 7, 8, 9)

At its special meetings on 12-14 December 1989, the Council conducted reviews of the trade policies of Australia, Morocco and the United States (C/RM/M/1, 2 and 3 respectively).

At its special meetings on 5-7 June 1990, the Council conducted reviews of the trade policies of Sweden and Colombia (C/RM/M/4 and 5 respectively).

At its special meetings on 30 July-3 August 1990, the Council conducted reviews of the trade policies of Canada, Hong Kong, Japan and New Zealand (C/RM/M/6, 7, 8 and 9 respectively).

(c) Programme of reviews

(i) 1990 (C/M/245)

At its meeting on 3 October 1990, the Council considered a communication from its Chairman (C/W/647) proposing that the meetings to review the trade policies and practices of the European Communities, Hungary and Indonesia, originally scheduled for the end of 1990, be postponed to the week of 15 April 1991, subject to his understanding as set forth therein.

The Council took note of the information in C/W/647 and of the Chairman's understanding, and agreed to his proposal.

(ii) 1991 (C/M/244, 245)

In July 1989, the Council had taken note of its Chairman's understanding that consultations on the programme of reviews to be conducted in 1991 would be completed by 30 June 1990.

At its meeting on 11 July 1990 the Council considered a communication from its Chairman concerning the programme of reviews for 1991 (C/W/642), and a draft decision attached thereto.

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

The Council took note of the statements and adopted the Decision (L/6701).

At its meeting on 3 October 1990, the Chairman announced that, as indicated in L/6701/Add.1, Nigeria had agreed to be reviewed under the TPRM in 1991, and that this review would take place in September.

The Council took note of this information.

(d) Outline format for least-developed countries (C/M/241)

In July 1989, the Council had decided on an outline format for country reports (L/6552) and, recognizing that it might be burdensome for least-developed countries to adhere to the agreed outline format, had also decided that "[a] simplified reporting format for reviews of trade policies and practices of the least-developed countries should therefore be considered".

At its meeting on 16 May 1990, the Council adopted a proposal by the Director-General (C/W/625) regarding the outline format for country reports for least-developed countries (L/6691).

3. Consultative Group of Eighteen

At their Forty-Fifth Session in December 1989, the CONTRACTING PARTIES had agreed to the Director-General's proposal that the Consultative Group of Eighteen remain in suspense during 1990, with the understanding that if for any reason a meeting appeared to be desirable, he would convene it.

At the Council meeting on 7 November 1990, the Chairman recalled that the Group had not met in 1990, and said that he had been informed by the Director-General that the situation remained unchanged from the previous year's.

The Council took note of this information.

4. Committee on Tariff Concessions

(a) Designation of Chairman and Vice-Chairman¹ (C/M/238)

At their Forty-Fourth Session in November 1988, the CONTRACTING PARTIES had taken note of a suggestion by the Council Chairman concerning the appointment of presiding officers of standing bodies (SR.44/2).

¹Carried in Council Minutes under "Appointment of presiding officers of standing bodies".

At its meeting on 25 January 1990, the Council agreed to re-appoint Mr. de la Peña (Mexico) as Chairman of the Committee on Tariff Concessions, and Mr. Tuusvuori (Finland) as Vice-Chairman of the Committee.

(b) Report (C/M/246)

At the Council meeting on 7 November 1990, the Chairman of the Committee on Tariff Concessions introduced the Committee's report (TAR/187).

The representative of Chile spoke.

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

5. Committee on Balance-of-Payments Restrictions

(a) Designation of Chairman² (C/M/238)

At their Forty-Fourth Session in November 1988, the CONTRACTING PARTIES had taken note of a suggestion by the Council Chairman concerning the appointment of presiding offices of standing bodies (SR.44/2).

At its meeting on 25 January 1990, the Council agreed to re-appoint Mr. Boittin (France) as Chairman of the Committee on Balance-of-Payments Restrictions.

(b) Program of consultations for 1990 (C/M/239)

At the Council meeting on 20 February 1990, the Chairman drew attention to the Committee's proposed schedule of consultations for 1990 (C/W/621).

The Council took note of the information in C/W/621.

(c) Consultations (C/M/244)

At its meeting on 11 July 1990, the Council took note of a statement by the Chairman of the Committee on Balance-of-Payments Restrictions and agreed that Bangladesh be deemed to have fulfilled its obligation under Article XVIII:12(b) for 1990. The Council also took note that a full consultation was proposed to be held with Egypt in late 1991 or at the first meeting of the Committee in 1992, after consultations and in relation to the calendar of TPRM reviews, and adopted the report in BOP/R/188.

(d) Report on the meeting in June 1990 (C/M/244)

At the Council meeting on 11 July 1990, the Chairman of the Committee on Balance-of-Payments Restrictions drew attention to the points raised under "Other Business" in BOP/R/189.

²Carried in Council Minutes under "Appointment of presiding officers of standing bodies".

The Council took note of the statement and of the Committee's report in BOP/R/189.

6. Japan - Trade in semi-conductors (C/M/241 and Corr.1)

At the Council meeting on 16 May 1990, the representative of the United States said that his Government had read of a number of anti-dumping undertakings and associated agreements negotiated between the European Economic Community and both the Government of Japan and Japanese semiconductor manufacturers, and requested that the Community notify and make available to contracting parties the complete text of any such undertakings and arrangements pertaining to trade in semiconductors.

The representative of the European Communities spoke.

The Council took note of the statements.

7. United States - Anti-dumping review on cut flowers from Colombia (C/M/239)

At the Council meeting on 20 February 1990, the representative of Colombia raised the matter of the recent and current anti-dumping investigations of its exports of cut flowers by the United States.

The representatives of the United States and Chile spoke.

The Council took note of the statements.

8. United States - Trade measures affecting Nicaragua (C/M/240)

At its meeting on 3 April 1990, the Council considered a communication from Nicaragua in L/6661 welcoming the United States' suspension of the trade embargo applied to Nicaragua since May 1985.

The representatives of Nicaragua, the United States, Chile, Cuba and the European Communities spoke.

The Council took note of the statements.

9. United States - Proposed legislation concerning marketing orders on kiwis, plums, nectarines and apples (C/M/245)

At its meeting on 3 October 1990, the Council considered a communication from Chile concerning this matter (L/6723).

The representatives of Chile, the United States, the European Communities, Mexico, Uruguay, Australia, Cuba, Colombia, New Zealand, Peru, Costa Rica (as an observer), Argentina and Venezuela spoke.

The Council took note of the statements.

10. EEC - Agreements on Trade and Commercial and Economic Cooperation with the Czech and Slovak Federal Republic, Bulgaria and the German Democratic Republic (C/M/241)

At the Council meeting on 16 May 1990, the representative of the European Communities informed the Council that on 7 May the Community had signed an Agreement on Trade and Commercial and Economic Cooperation with the Czech and Slovak Federal Republic, and that similar Agreements had been signed with Bulgaria and the German Democratic Republic on 8 May.

The representatives of Bulgaria (as an observer) and the Czech and Slovak Federal Republic spoke.

The Council took note of the statements.

11. Recourse to Articles XXII and XXIII

(a) Canada

(i) Import restrictions on ice cream and yoghurt (C/M/243, 244, 245, 246)

At their Forty-Fifth Session in December 1989, the CONTRACTING PARTIES had adopted the Panel report (BISD 36S/68).

At its meeting on 14 June 1990, the Council considered the follow-up on the Panel report.

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

The Council took note of the statements.

At its meeting on 11 July 1990, the Council considered communications from the United States (L/6694) and Canada (L/6698) regarding this matter.

The representatives of the United States and Canada spoke.

The Council took note of the statements.

At the Council meeting on 3 October 1990, the representative of the United States requested Canada to provide assurances to the Council with regard to the implementation of the Panel report.

The representative of Canada spoke.

The Council took note of the statements.

At its meeting on 7 November 1990, the Council again considered this matter.

The representatives of the United States and Canada spoke.

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

(ii) Import, distribution and sale of alcoholic drinks by provincial marketing agencies (C/M/244, 245, 246)

In March 1988, the Council had adopted the Panel report (BISD 35S/37).

At the Council meeting on 11 July 1990, the representative of the United States said that it was his Government's understanding that most of the discriminatory practices that had been found GATT-inconsistent by the Panel remained in place. These practices nullified and impaired GATT benefits accruing to the United States; it had therefore requested consultations on this matter with Canada.

The representatives of Canada and the European Communities spoke.

The Council took note of the statements.

At its meeting on 3 October 1990, the Council considered a request from the United States that the Council decide, pursuant to Article XXIII:2, that the circumstances concerning this matter were serious enough to authorize the United States to suspend the application to Canada of appropriate concessions or other obligations (C/W/646).

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

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

At its meeting on 7 November 1990, the Council again considered this matter.

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

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

(b) European Economic Community

(i) Payments and subsidies paid to processors and producers of oilseeds and related animal-feed proteins (C/M/238)

In June 1988, the Council had established a panel to examine the complaint by the United States (L/6328).

At its meeting on 25 January 1990, the Council considered the Panel report (L/6627).

The representatives of the United States, the European Communities, Switzerland, Canada, Austria, Finland on behalf of the Nordic countries, Australia, Argentina, Japan, Tanzania and Hungary spoke.

The Council took note of the statements, adopted the Panel report and derestricted document L/6627 in accordance with the procedure adopted in May 1988 (BISD 35S/331).

(ii) Restrictions on exports of copper scrap (C/M/239)

In July 1989, the Council had established a Panel to examine the complaint by the United States (L/6518).

At its meeting on 20 February 1990, the Council considered the Panel report (DS5/R) which noted that the United States had withdrawn its complaint.

The Council adopted the Panel report and derestricted document DS5/R in accordance with the procedure adopted in May 1988 (BISD 35S/331).

(iii) Regulation on imports of parts and components (C/M/240, 241, 244)

In October 1988, the Council had established a panel to examine Japan's complaint concerning this matter (L/6410).

At its meeting on 3 April 1990, the Council considered the Panel report (L/6657).

The representatives of Japan, the European Communities, Korea, Hong Kong, the United States, Malaysia on behalf of the ASEAN contracting parties, Canada, Brazil, India, Australia and Pakistan spoke.

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

At its meeting on 16 May 1990, the Council again considered this matter.

The representatives of Japan, the European Communities, Canada, Hong Kong, Korea, Mexico, the United States, Finland on behalf of the Nordic countries, India, Malaysia on behalf of the ASEAN contracting parties, Switzerland, and the Director-General spoke.

The Council took note of the statements, adopted the Panel report and derestricted document L/6657 in accordance with the procedure adopted in May 1988 (BISD 35S/331).

At its meeting on 11 July 1990 the representative of Japan informed the Council that Japan would raise the issue of follow-up on this Panel report at the next meeting.

The representative of the European Communities spoke.

The Council took note of the statements.

(iv) Restrictions and charges on imports of ovine meat (C/M/240)

At its meeting on 3 April 1990, the representative of Chile informed the Council that following consultations requested by his Government (DS15/1), the Community had proceeded with the suspension of the duty involved, and that this matter should now be considered closed.

The Council took note of the statement.

(v) Canada/EEC - Article XXVIII rights (C/M/240, 241, 246)

At its meeting on 3 April 1990, the Council considered a request by Canada for the establishment of a panel to examine the issue of negotiating rights accruing to Canada following the introduction of the Community's Common Agricultural Policy and the expansion of the Community to include the United Kingdom, Ireland and Denmark (DS12/2).

The representatives of Canada and the European Communities spoke.

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

At its meeting on 16 May 1990, the Council again considered this matter.

The representative of Canada spoke.

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

At its meeting on 7 November 1990, the Council considered the award by an arbitrator on this matter (DS12/R), Canada and the Community having indicated their agreement in a joint communication dated 16 July 1990 (DS12/3) to have recourse to the arbitration procedure provided for in the improved GATT dispute settlement rules and procedures approved by the CONTRACTING PARTIES on 12 April 1989 (BISD 36S/61).

The representatives of Canada and the European Communities spoke.

The Council took note of the statements and of the information in DS12/R.

(vi) Restrictions on imports of pork and beef under Third-Country Meat Directive (C/M/246)

At its meeting on 7 November 1990, the representative of the United States informed the Council that the United States had requested Article XXIII:1 consultations with the European Community concerning the latter's actions to halt imports of US pork and beef (DS20/1).

The representative of the European Communities spoke.

The Council took note of the statements.

(c) Federal Republic of Germany
- Restrictions on the circulation of Austrian lorries (C/M/241)

At its meeting on 16 May 1990, the representative of Austria informed the Council of progress made in Article XXII consultations on the decision by the Federal Republic of Germany to ban the circulation of some Austrian lorries during night hours (DS14/1).

The Council took note of the statement.

(d) Korea
- Restrictions on imports of beef (C/M/238, 239, 240, 241, 243, 244)
(i) Recourse by Australia
(ii) Recourse by New Zealand
(iii) Recourse by the United States

At its meeting in November 1989 the Council had adopted the Panel reports on the complaints by Australia (BISD 36S/202), New Zealand (BISD 36S/234) and the United States (BISD 36S/268) related to Korea's restrictions on beef imports.

At its meeting on 25 January 1990, the representative of the United States expressed concern at the lack of progress to date in implementing the Panels' recommendations.

The representatives of New Zealand, Australia, Canada and Korea spoke.

The Council took note of the statements.

At its meeting on 20 February 1990, the Council considered a communication from Korea containing a progress report on its consultations concerning its restrictions on imports of beef (L/6641).

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

The Council took note of the statements and of the information in document L/6641.

At its meeting on 3 April 1990, the representative of the United States informed the Council of an agreement reached with Korea.

The representatives of Australia, New Zealand, Korea and Canada spoke.

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

At its meeting on 16 May 1990, the representative of Australia informed the Council of an agreement reached with Korea.

The representatives of New Zealand, Korea and Canada spoke.

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

At its meeting on 14 June 1990, the Council again considered this matter.

The representatives of New Zealand and Korea spoke.

The Council took note of the statements.

At its meeting on 11 July 1990, the representative of Korea informed the Council of an agreement reached with New Zealand, and provided details of the respective agreements with the three parties concerned (L/6697).

The representatives of New Zealand, Australia and Japan spoke.

The Council took note of the statements.

- (e) Norway
- Restrictions on imports of apples and pears (C/M/240)

In June 1989, the Council had adopted the Panel report (BISD 36S/306).

At the Council meeting on 3 April 1990, the representative of the United States expressed concern about the GATT-consistency of Norway's proposed change in its import policy for apples and pears (L/6651) as a means of implementing the Panel's recommendations.

The representatives of Norway and the European Communities spoke.

The Council took note of the statements.

(f) Thailand
- Restrictions on importation of and internal taxes on
cigarettes³ (C/M/239, 240, 241, 246)

At its meeting on 20 February 1990, the Council considered a request by the United States for the establishment of a panel to examine Thailand's restrictions on importation of and internal taxes on cigarettes (DS10/2).

The representatives of the United States, Thailand and the Philippines spoke.

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

At its meeting on 3 April 1990, the Council again considered this matter.

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

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

At its meeting on 16 May 1990, the Chairman informed the Council of the Panel's terms of reference and composition and also of the terms of an Understanding reached by the parties to the dispute.

The representatives of Thailand and the United States spoke.

The Council took note of the statements, of the Panel terms of reference and composition, and of the Understanding between the parties.

At its meeting on 7 November 1990, the Council considered the Panel report in DS10/R.

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

The Council took note of the statements, adopted the Panel report and derestricted document DS10/R in accordance with the procedure adopted in May 1988 (BISD 35S/331).

³Some further discussion related to this matter is carried under point 17 - "Thailand - Rates of certain business and excise taxes".

(g) United States

(i) Restrictions on imports of sugar (C/M/238, 241, 245)

In June 1989, the Council had adopted the Panel report on the complaint by Australia (BISD 36S/331).

At its meeting on 25 January 1990, the representative of Australia reported on bilateral discussions held with the United States on the latter's implementation of the Panel report.

The representative of the United States spoke.

The Council took note of the statements.

At its meeting on 16 May 1990, the Council again considered this matter.

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

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

At its meeting on 3 October 1990, the representative of the United States informed the Council that in response to the Panel report, the United States had revised its sugar import policy, and that relevant documentation had been provided to the Secretariat (L/6742).

The representative of Australia spoke.

The Council took note of the statements.

(ii) Customs user fee (C/M/245)

In February 1988, the Council had adopted the Panel report (BISD 35S/245).

At its meeting on 3 October 1990, the representative of the United States informed the Council that in response to the Panel report, the United States had revised its customs user fee, and that relevant documentation had been provided to the Secretariat (L/6741).

The representative of the European Communities spoke.

The Council took note of the statements.

- (iii) Restrictions on the importation of sugar and sugar-containing products applied under the 1955 Waiver and the Headnote to the Schedule of tariff concessions⁴
(C/M/239, 240, 241, 243, 244, 245, 246)

In June 1989, the Council had established a panel to examine the complaint by the European Economic Community (L/6393).

At its meeting on 20 February 1990, the Council considered the Panel report in L/6631.

The representatives of the European Communities, the United States, Canada, Japan 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 3 April 1990, the Council again considered this matter.

The representatives of the European Communities, the United States, Australia, Chile, Norway on behalf of the Nordic countries, and New Zealand spoke.

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

At its meeting on 16 May 1990, the Council again considered this matter.

The representatives of the European Communities, the United States and Canada, and the Special Adviser to the Director-General and the Director-General spoke.

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

At its meeting on 14 June 1990, the Council again considered this matter.

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

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

⁴Carried in earlier Council Minutes as "United States - Restrictions on the importation of agricultural products applied under the 1955 Waiver and under the Headnote to the Schedule of tariff concessions (Schedule XX - United States) concerning Chapter 10".

At its meeting on 11 July 1990, the Council again considered this matter.

The representatives of the European Communities and the United States spoke.

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

At its meeting on 3 October 1990, the Council again considered this matter.

The representatives of the European Communities and the United States spoke.

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

At its meeting on 7 November 1990, the Council again considered this matter.

The representatives of the European Communities and the United States spoke.

The Council took note of the statements, adopted the Panel report and derestricted document L/6631 in accordance with the procedure adopted in May 1988 (BISD 35S/331).

(iv) Countervailing duties on fresh, chilled and frozen pork from Canada⁵ (C/M/239, 245, 246)

At their Forty-Fifth Session in December 1989, the CONTRACTING PARTIES had established a panel to examine Canada's complaint regarding this matter (DS7/2).

At the Council meeting on 20 February 1990, the Council took note of the Panel's terms of reference and composition.

At its meeting on 3 October 1990, the Council considered the Panel report (DS7/R).

The representatives of Canada and the United States spoke.

The Council took note of the statements, agreed to revert to this matter at its next meeting and at the request of Canada, agreed to derestrict document DS7/R.

⁵ Carried in C/M/239 as "United States - Countervailing duty on pork from Canada".

At its meeting on 7 November 1990, the Council again considered this matter.

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

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

(v) Restrictions on imports of tuna (C/M/246)

At the Council meeting on 7 November 1990, the representative of Mexico said that Mexico had requested Article XXIII:1 negotiations with the United States in connection with the latter's restrictions on Mexico's tuna exports under the Marine Mammal Protection Act.

The representative of the United States spoke.

The Council took note of the statements.

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

(a) Canada - United States Free-Trade Agreement (C/M/239, 244, 245)

In February 1989, the Council had established a working party to examine this matter and in April 1989 had taken note of the Working Party's terms of reference and chairmanship.

At its meeting on 20 February 1990, the Chairman informed the Council that as the appointed Chairman of the Working Party, Mr. Fortune (New Zealand) had left Geneva, Mr. Hawes (Australia) had accepted to replace him and to chair the Working Party.

The representative of the European Communities spoke.

The Council took note of the information by the Council Chairman and of the statement.

At the Council meeting on 11 July 1990, the representative of the European Communities expressed concern that answers to questions submitted on the Agreement had not yet been provided by the parties, and that the Working Party had consequently been unable to begin its work.

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

The Council took note of the statements.

At its meeting on 3 October 1990, the representative of the United States informed the Council that earlier in the day, Canada and the United States had forwarded to the Chairman of the Working Party their joint reply to the questions on the Agreement posed by other contracting parties.

The Council took note of the statement.

(b) Mexico - United States Free-Trade Agreement (C/M/243)

At the Council meeting on 14 June 1990, the representatives of Mexico and the United States informed the Council that on 10 June their respective Presidents had held discussions with the purpose of broadening and strengthening bilateral economic relations, and had directed their trade ministers to undertake preparatory work required to begin negotiations on a comprehensive free-trade agreement between the two countries.

The Council took note of the statements.

13. Waivers under Article XXV

(a) Uruguay - Import surcharges (C/M/243, 244, 245)

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 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 1990.

At its meeting on 14 June 1990, the Council considered Uruguay's request for a further extension of the waiver (L/6689 and Add.1), and a draft decision to this effect (C/W/639).

The Council agreed to defer consideration of this item to its next meeting.

At its meeting on 11 July 1990, the Council again considered this matter and had before it a further communication from Uruguay (L/6689, Add.2).

The representative of the European Communities spoke.

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

At its meeting on 3 October 1990, the Council again considered this matter and had before it a further communication from Uruguay (L/6689/Add.3).

The representative of Uruguay informed the Council that developments since June necessitated a reformulation of its request and consequently of the draft decision in C/W/639.

The Council took note of the statement and agreed to revert to this matter at its next meeting on the basis of a new request to be submitted by Uruguay.

(b) Uruguay - Renegotiation of Schedule XXXI (C/M/246)

At its meeting on 7 November 1990, the Council considered a request by Uruguay (L/6752) for a waiver from the provisions of Article II in order to allow it to renegotiate its Schedule of tariff concessions, and a draft decision to this effect (C/W/654).

The representatives of Uruguay and the European Communities spoke.

The Council took note of the statements, approved the text of the draft decision in C/W/654, and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

(c) Senegal - Establishment of a new Schedule XLIX (C/M/246)

At its meeting on 7 November 1990, the Council considered a request by Senegal (L/6732) for a waiver from the provisions of Article II in order to implement its new tariff, and a draft decision to this effect (C/W/649).

The representatives of Senegal, the European Communities and Côte d'Ivoire spoke.

The Council took note of the statements, approved the text of the draft decision in C/W/649, and recommended its adoption by the CONTRACTING PARTIES by postal ballot.

(d) Zaire - Establishment of a new Schedule LXVIII (C/M/243)

At their Forty-Fifth Session in December 1989, the CONTRACTING PARTIES had adopted a Decision (L/6620) to waive Zaire's obligations under Article II of the General Agreement until 30 June 1990.

At its meeting on 14 June 1990, the Council considered a request by Zaire for a further extension of the waiver until 30 June 1991 (L/6688) and a draft decision to this effect (C/W/638).

The Council approved the text of the draft decision in C/W/638 and agreed that the decision be submitted to a vote by postal ballot.

The Decision was adopted on 16 July 1990 (L/6711).

⁶The Council reverted to this matter in relation to a new request submitted by Uruguay for renegotiation of its Schedule XXXI. See next sub-point.

(e) Harmonized System

(i) Bangladesh, Brazil, Indonesia, Israel, Malaysia, Mexico, Pakistan, Philippines, Sri Lanka (C/M/243)

At its meeting on 14 June 1990, the Council considered requests by Bangladesh (L/6681), Brazil (L/6680), Indonesia (L/6685), Israel (L/6679), Malaysia (L/6686), Mexico (L/6687), Pakistan (L/6683), Philippines (L/6682) and Sri Lanka (L/6684) for an extension of a waiver already granted in connection with their implementation of the Harmonized Commodity Description and Coding System.

The representative of the European Communities and the Chairman spoke.

The Council took note of the statements, approved the texts of the draft decisions (C/W/630 - Bangladesh; C/W/629 - Brazil; C/W/635 - Indonesia; C/W/628 - Israel; C/W/636 - Malaysia; C/W/637 - Mexico; C/W/633 - Pakistan; C/W/632 - Philippines; and C/W/634 - Sri Lanka) and agreed that the decisions be submitted to votes by postal ballot.

The Decisions were adopted on 16 July 1990 (L/6702 - Bangladesh; L/6703 - Brazil; L/6704 - Indonesia; L/6705 - Israel; L/6706 - Malaysia; L/6707 - Mexico; L/6708 - Pakistan; L/6709 - Philippines; and L/6710 - Sri Lanka).

(ii) Brazil, Hungary, Israel, Mexico, Pakistan, Sri Lanka, Turkey (C/M/246)

At its meeting on 7 November 1990, the Council considered requests by Brazil (L/6755), Hungary (L/6756), Israel (L/6754), Mexico (L/6758), Pakistan (L/6753), Sri Lanka (L/6749) and Turkey (L/6759) for either a waiver or an extension of a waiver already granted in connection with their implementation of the Harmonized Commodity Description and Coding System.

The representative of the United States, and the Chairman spoke.

The Council took note of the statements, approved the texts of the draft decisions (C/W/657 - Brazil; C/W/658 - Hungary; C/W/656 - Israel; C/W/660 - Mexico; C/W/655 - Pakistan; C/W/652 - Sri Lanka; and C/W/659 - Turkey) and recommended their adoption by the CONTRACTING PARTIES by postal ballots.

(f) German unification: Transitional measures adopted by the European Communities (C/M/245, 246)

Prior to opening its meeting on 3 October 1990, the Council heard statements by its Chairman and by the representative of Germany on German unification.

The Council then considered a communication from the European Communities concerning transitional measures to come into effect from the date of German unification, also 3 October, relating to the external trade of the former German Democratic Republic (L/6730).

The representatives of the European Communities, the United States, Canada, Sweden on behalf of the Nordic countries, Japan, Tanzania, Hungary, the Czech and Slovak Federal Republic, Australia, Switzerland, Poland, Austria, New Zealand, Morocco, India, Egypt, Cameroon, Bangladesh, Korea, Romania, Uruguay, Hong Kong, Argentina, Bolivia, Tunisia, Chile, Mexico and Colombia, and the observers from Costa Rica, Honduras and the USSR, and the Chairman spoke.

The Council took note of the statements.

At its meeting on 7 November 1990, the Council considered a communication from the European Communities (L/6759) requesting a waiver from the provisions of Article I:1 to the extent necessary to permit it to apply transitional measures, and another communication from the United States (L/6751) requesting the establishment of a working party to examine these measures.

The representatives of the European Communities, the United States, Hong Kong, Australia, Hungary, Japan, New Zealand, Canada, Poland, Switzerland, the Czech and Slovak Federal Republic, Austria, Romania, Yugoslavia, Finland on behalf of the Nordic countries, and the USSR (as an observer), and the Chairman spoke.

The Council took note of the statements and agreed to refer this matter to the CONTRACTING PARTIES for consideration at their Forty-Sixth Session, before which time the Council Chairman would hold informal consultations thereon.

(g) Reports under waivers

- United States Agricultural Adjustment Act

(i) Report of the Working Party appointed to study the twenty-ninth and thirtieth annual reports by the United States (C/M/240, 241)

In November 1987, the Council had established a working party to examine the twenty-ninth and thirtieth annual reports (L/6256) submitted by the United States under the Decision of 5 March 1955 (BISD 3S/32).

At its meeting on 3 April 1990, the Council considered the Working Party's report (L/6643).

The representatives of the European Communities, Tanzania, Canada, Australia, Finland on behalf of the Nordic countries, and the United States spoke.

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

At its meeting on 16 May 1990, the Council again considered the Working Party report.

The representatives of the European Communities, New Zealand and the United States spoke.

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

- (ii) Thirty-first and thirty-second annual reports by the United States under the Decision of 5 March 1955
(C/M/239, 240, 241)

In February 1989 the Council had deferred consideration of the thirty-first annual report by the United States (L/6442) under the Decision of 5 March 1955 (BISD 3S/32) until the Working Party appointed to study the twenty-ninth and thirtieth annual reports had completed its work.

At its meeting on 20 February 1990, the Council agreed to defer consideration of the thirty-second US annual report (L/6633) until its next meeting.

At its meeting on 3 April 1990, the Council considered the thirty-first and thirty-second US annual reports together.

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

At its meeting on 16 May 1990, the Council again considered this matter.

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

The Council took note of the statements and of the reports submitted by the United States, and agreed to revert to this matter at a future meeting.

14. Accession

- (a) Bolivia (C/M/241)

In August 1989, the CONTRACTING PARTIES had adopted a Decision (L/6561) authorizing Bolivia to accede to the General Agreement under terms set out in its Protocol of Accession (L/6562). At their Forty-Fifth Session in December 1989, the CONTRACTING PARTIES had extended the time-limit for signature in paragraph 5 of Bolivia's Protocol of Accession to 30 April 1990 (L/6624).

At its meeting on 16 May 1990, the Council considered a communication from Bolivia requesting that this time-limit be changed to 31 August 1990 (C/W/626).

The Council agreed to the change (L/6677).

(b) Bulgaria (C/M/239, 240, 246)

In November 1985, the Council had established a working party to examine Bulgaria's request for accession and had agreed to consider the procedural aspects of its establishment in due course.

At its meeting, on 20 February 1990, the Chairman informed the Council of the Working Party's terms of reference and said that the designation of its chairman would be taken up at the next Council meeting. He added that the questions and answers process could begin immediately, while the customary six-week period would be counted from the time Bulgaria submitted the additional information it had undertaken to make available.

The representative of Bulgaria (as an observer) spoke.

The Council took note of the information by the Chairman, approved the terms of reference of the Working Party, took note that the designation of the Chairman of the Working Party would be taken up at the next meeting, and further took note of the statement by Bulgaria.

At its meeting on 3 April 1990, the Council agreed to designate Mr. Lillis (Ireland) as the Working Party chairman.

At its meeting on 7 November 1990, the Council agreed that Mr. Selmer (Norway) would chair the Working Party, replacing Mr. Lillis (Ireland).

(c) Costa Rica (C/M/243, 245)

In November 1989, the CONTRACTING PARTIES had adopted a Decision (L/6607) authorizing Costa Rica to accede to the General Agreement under terms set out in its Protocol of Accession (L/6626).

At its meeting on 16 May 1990, the Council considered a communication from Costa Rica requesting that the time-limit for signature in paragraph 7 of its Protocol of Accession be extended to 30 September 1990 (C/W/631).

The Council agreed to the change (L/6693).

At its meeting on 3 October 1990, the Council considered a communication from Costa Rica requesting that the time-limit for signature in paragraph 7 of its Protocol of Accession be extended to 31 December 1990 (C/W/644 and Corr.1).

The Council agreed to the change (L/6734).⁷

⁷ On 25 October 1990, the Director-General received an instrument of ratification from the Government of Costa Rica. Costa Rica became a contracting party on 24 November 1990.

(d) Guatemala (C/M/240)

In June 1987 the Council had established a working party to examine Guatemala's application for provisional accession.

At its meeting on 3 April 1990, the Council considered a request by Guatemala (L/6647) for full accession to the General Agreement.

The representative of Guatemala (as an observer) and the Chairman spoke.

The Council took note of the statements and agreed to change the terms of reference of the Working Party, previously established to examine Guatemala's earlier request for provisional accession, in order to take account of the request for full accession. The Council also agreed that membership in the Working Party would continue to be open to all contracting parties indicating their wish to serve on it, and further agreed that Mr. Artacho (Spain) would continue to serve as Chairman of the Working Party.

(e) Honduras (C/M/245)

In May 1987 the Council had established a working party to examine Honduras' application for provisional accession.

At its meeting on 3 October 1990, the Council considered a request by Honduras for full accession to the General Agreement (L/6727).

The representatives of Honduras (as an observer) and Nicaragua, and the Chairman spoke.

The Council took note of the statements and agreed to change the terms of reference of the Working Party, previously established to examine Honduras' earlier request for provisional accession, in order to take account of the request for full accession. The Council also agreed that membership in the Working Party would continue to be open to all contracting parties indicating their wish to serve on it, and further agreed that Mr. Artacho (Spain) would continue to serve as Chairman of the Working Party.

(f) Paraguay (C/M/238)

In March 1989, the Council had agreed to reactivate the Working Party established in 1974 to examine Paraguay's request for accession to the General Agreement (L/6468), and had authorized the Council Chairman to designate the Chairman of the Working Party in consultation with the primarily interested contracting parties.

At its meeting on 25 January 1990, the Chairman informed the Council that Mr. Ceska (Austria) had agreed to serve as Chairman of the Working Party.

The Council took note of the information.

(g) Tunisia (C/M/239, 240)

At their Thirty-Seventh Session in November 1981, the CONTRACTING PARTIES had established a working party to examine Tunisia's request for accession. In February 1988 the Council had considered the Working Party's report (L/6277).

At its meeting on 20 February 1990, the Council again considered the Working Party's report in L/6277 and Add.1 and Add.1/Corr.1.

The representatives of Tunisia, Morocco, Switzerland, the European Communities, Tanzania, the United States, Egypt, Turkey, Sweden on behalf of the Nordic countries, and Cuba on behalf of the Latin American contracting parties, and the Chairman spoke. The representatives of Australia, Austria, Bangladesh, Canada, Côte d'Ivoire, Hong Kong, Hungary, India, Indonesia, Jamaica, Pakistan, Poland, Romania, and Yugoslavia, among others, wished to be on record as welcoming the accession of Tunisia.

The Council approved the text of the draft decision and the text of the draft Protocol of Accession, agreed that the decision be submitted to a vote by postal ballot, adopted the Working Party's report in L/6277, Add.1 and Add.1/Corr.1, and took note of the statements.

The Decision was adopted on 12 March 1990 (L/6655).

At its meeting on 3 April 1990, the Council considered a communication from Tunisia requesting that the time-limit for signature in paragraph 5 of its Protocol of Accession be changed to 31 July 1990 (C/W/623).

The Council agreed to the change (L/6665).

(h) Venezuela (C/M/240, 244)

In June 1989, the Council had established a working party to examine Venezuela's request for accession.

At its meeting on 3 April 1990, the observer from Venezuela informed the Council of certain developments in the most recent meeting of the Working Party.

The representatives of Colombia, Chile, Cuba, Peru, Uruguay also on behalf of Argentina, Nicaragua, Mexico also on behalf of Brazil, the Dominican Republic, Jamaica, and Bolivia also on behalf of Costa Rica (as countries which had concluded their accession process and were in the process of ratifying it) spoke.

The Council took note of the statements.

At its meeting on 11 July 1990, the Council considered the Working Party's report (L/6696).

The representatives of Colombia, Brazil, Jamaica, Nicaragua, Australia, Argentina, Philippines on behalf of the ASEAN contracting parties, Peru, Cuba, the United States, Mexico, Chile, Uruguay, New Zealand, the European Communities and Venezuela (as an observer), and the Chairman spoke. The representatives of Canada, Tanzania, Nigeria, Austria, Romania, India, Sweden on behalf of the Nordic countries, Ghana, Hungary, Switzerland, Hong Kong, Côte d'Ivoire, Zimbabwe, the Czech and Slovak Federal Republic, Japan, Korea, Bolivia, Senegal, Turkey, Tunisia, Poland, among others, wished to be on record as expressing satisfaction with the Working Party's results and welcoming Venezuela's decision to accede.

The Council approved the text of the draft decision and the text of the Protocol of Accession, with the understanding that the Schedule LXXXVI-Venezuela would be circulated as soon as possible as an addendum to the Working Party's report and would be annexed to the Protocol of Accession, agreed that the decision be submitted to a vote by postal ballot when Venezuela's Schedule had been circulated, adopted the Working Party's report in L/6696, and took note of the statements.

The Decision was adopted on 26 July 1990 (L/6716).

15. Poland - Renegotiation of terms of accession (C/M/238, 239)

At the CONTRACTING PARTIES' Forty-Fifth Session in December 1989, the representative of Poland had referred in his general statement (SR.45/ST/11) to the possibility that Poland might wish to renegotiate its Protocol of Accession to the General Agreement (BISD 15S/46).

At its meeting on 25 January 1990, the Council considered a communication from Poland (L/6634) expressing Poland's intention to renegotiate its terms of accession to the General Agreement.

The representatives of Poland, the United States, Hungary, Austria, Japan, the European Communities, Canada, the Czech and Slovak Federal Republic and Turkey spoke. The representatives of Australia, Brazil, Chile, Egypt, Hong Kong, India, Indonesia, Israel, Morocco, Nigeria, Norway on behalf of the Nordic countries, Peru, Switzerland, Thailand and Yugoslavia wished to be on record as supporting Poland's request.

The Council took note of the statements, asked the Chairman to hold, in the interval before the next meeting, informal consultations with interested delegations with a view to deciding on the terms of reference and chairmanship of a working party which would examine Poland's request, and agreed to revert to this item at its next meeting.

At its meeting on 20 February 1990, the Chairman suggested that the Council establish a working party to examine Poland's request with the terms of reference and chairmanship that had emerged from his informal consultations.

The representative of Poland spoke.

The Council agreed to establish a working party as suggested by the Chairman (L/6649) and took note of the statement.

16. Morocco - Special import tax (C/M/246)

In February 1987, the Council had agreed, in connection with paragraph 13 of the report of the Working Party on the Accession of Morocco (L/5967), which concerned Morocco's special import tax, that in 1990 the CONTRACTING PARTIES would carry out a review of the planned gradual inclusion of this tax in the duty rates applied by Morocco.

At its meeting on 7 November 1990, the representative of Morocco informed the Council that this special tax had been replaced on 1 January 1988 by a fiscal levy on imports of 12.5 per cent, which had affected the total amount of bound duties on four tariff headings. Accordingly, in April 1988, Morocco had requested authorization (L/6326) to renegotiate these concessions under the provisions of Article XXVIII:4 with the contracting parties concerned. These negotiations were underway, and Morocco would inform the Council of the results once the Uruguay Round had been concluded.

The Council took note of the statement.

17. Thailand - Rates of certain business and excise taxes (C/M/243, 244, 245)

In June 1987 (BISD 34S/28), the CONTRACTING PARTIES had extended until 30 June 1990 the time-limit established in paragraph 3 of Thailand's Protocol of Accession (BISD 29S/3) to enable the government of Thailand to take steps to bring the application of its differential rates of business and excise taxes into line with Article III of the General Agreement.

At its meeting on 14 June 1990, the Council considered a communication from Thailand requesting that the time-limit be changed to 30 June 1992 (L/6690 and Add.1), and a draft decision to this effect (C/W/640).

The representative of Thailand spoke.

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

At its meeting on 11 July 1990, the Council agreed to revert to this matter at its next meeting.

At its meeting on 3 October 1990, the Chairman informed the Council that following informal consultations, the text of the draft decision in C/W/640 had been amended to read, in the first line of the last paragraph: "The CONTRACTING PARTIES decide to extend for a period of eighteen months, i.e. until 31 December 1991, the".

The representative of Thailand informed the Council that Thailand's request (L/6690 and Add.1) would not cover cigarettes since the application of business and excise taxes thereon had recently been brought into GATT-conformity.

The Council took note of the statements and agreed to extend the time-limit to 31 December 1991 (L/6736).

18. Switzerland - Review under Paragraph 4 of the Protocol of Accession
(C/M/240)

In November 1987, the Council had established a working party to conduct the seventh triennial review of the application of the provisions of paragraph 4 of the Protocol for the Accession of Switzerland.

At its meeting on 3 April 1990, the Council considered the Working Party's report (L/6658).

The representatives of Switzerland, New Zealand, Australia, Uruguay, the United States, the European Communities and Canada, and the Special Adviser to the Director-General spoke.

The Council took note of the statements and adopted the report in L/6658.

19. Schedule LXXVII - Mexico: Article XXVIII:5 Renegotiation - Newsprint
(C/M/240)

At its meeting on 3 April 1990, the representative of Mexico informed the Council of a communication that had been sent to the Secretariat notifying contracting parties of Mexico's intention to modify some concessions in its GATT Schedule LXXVII, in accordance with Article XXVIII procedures (SECRET/330).

The Council took note of the statement.

20. Hungary - Recently adopted legislative changes and economic measures
(C/M/238)

At the Council meeting on 25 January 1990, the representative of Hungary provided information on certain recently adopted legislative changes and economic measures in his country.

The Council took note of the information.

21. Economic, Monetary and Social Union between the Federal Republic of Germany and the German Democratic Republic (C/M/244)

As its meeting on 11 July 1990, the representative of the Federal Republic of Germany informed the Council of the trade policy aspects of the process of German unification arising from the recent conclusion of a treaty between the Federal Republic of Germany and the German Democratic Republic regulating the creation of an economic, monetary and social union.

The representative of the European Communities, and the Chairman spoke.

The Council took note of the statements.

22. Korea - Imports of luxury consumer goods (C/M/244)

At the Council meeting on 11 July 1990, the representative of the United States expressed his Government's concern over recent press reports and complaints from US business interests about certain import actions taking place in Korea with regard to luxury consumer goods.

The representatives of the European Communities and Korea spoke.

The Council took note of the statements.

23. Union of Soviet Socialist Republics
- Ongoing economic reforms (C/M/245)

At its meeting on 3 October 1990, the observer from the USSR informed the Council of his Government's intention to inform the CONTRACTING PARTIES at their Forty-Sixth Session about the process of economic reform underway in that country. His delegation had already made available to the Secretariat some material⁸ related to legislation already adopted.

The Council took note of the statement.

24. Application of Article XXXV (C/M/240, 241, 243)

At its meeting on 3 April 1990, the representative of the United States informed the Council of his Government's intention to request the Secretariat's assistance in determining the intent and meaning of the provisions of Article XXXV.

The Council took note of the statement.

⁸L/6738.

At the Council meeting on 16 May 1990, the representative of the United States indicated that a definite interpretation of Article XXXV could not be drawn from the material supplied by the Secretariat and that the United States would discuss with other contracting parties its views on the Article's provisions in order to clarify their intent.

The representative of the European Communities spoke.

The Council took note of the statements.

At its meeting on 14 June 1990, the Chairman informed the Council that, at the request of the United States, an informal consultation had been held on this matter.

The representatives of the United States, Canada, Tanzania, Brazil, India, the European Communities and Morocco spoke.

The Council took note of the statements.

25. Communication from the United States concerning the relationship of internationally-recognized labour standards to international trade (C/M/238, 245)

At its meeting on 25 January 1990, the representative of the United States strongly urged the Council to agree to his Government's request that a working party be established to examine this matter, and made available copies of a communication setting out arguments for such action.

The representatives of India, Chile, Nicaragua, Brazil, Cameroon, Côte d'Ivoire, Cuba, Indonesia, Korea, Mexico, Morocco, Myanmar, Nigeria, Pakistan, Peru, Philippines, Singapore, Tanzania, Thailand, Turkey and Yugoslavia, and the Chairman spoke.

The Council took note of the statements.

At its meeting on 3 October 1990, the Council considered a further communication from the United States on this matter (L/6729).

The representatives of the United States, the European Communities, Brazil, Mexico, Philippines on behalf of the ASEAN contracting parties, Tanzania, Chile, India, Bolivia, Sweden on behalf of the Nordic countries, Nigeria, Switzerland, Egypt, Canada, New Zealand, Peru, Korea, Nicaragua, Yugoslavia, the Czech and Slovak Federal Republic, Poland, Morocco, Hungary, Japan and Cuba spoke.

The Council took note of the statements.

26. Training activities (C/M/240, 246)

At its meeting on 3 April 1990, the representative of Switzerland informed the Council of his authorities' readiness to finance a special

course within the framework of GATT's training activities for officials from Eastern and Central European countries responsible for GATT matters.

The representatives of Poland, Hungary, Bulgaria (as an observer), the European Communities and Romania, and the Director-General spoke.

The Council took note of the statements.

At the Council meeting, on 7 November 1990, the Director-general introduced his report on the Secretariat's training activities (L/6748).

The Chairman spoke.

The Council took note of the statements and of the report in L/6748.

27. International Trade Centre UNCTAD/GATT
- Report of the Joint Advisory Group (C/M/245)

At its meeting on 3 October 1990, the Council considered the report of the Joint Advisory Group of the International Trade Centre UNCTAD/GATT on its twenty-third session (ITC/AG(XXIII)/122).

The Vice-Chairman of the Group introduced the report. The representatives of Peru, Norway on behalf of the Nordic countries, Argentina, Bolivia, Morocco, Cuba, Bangladesh, Uruguay, Switzerland, the European Communities, Pakistan, India, Tunisia, Sri Lanka, Senegal, Nicaragua and Costa Rica (as an observer) spoke.

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

28. Administrative and financial matters

(a) Committee on Budget, Finance and Administration

(i) Designation of Chairman⁹ (C/M/238)

At their Forty-Fourth Session in November 1988, the CONTRACTING PARTIES had taken note of a suggestion by the Council Chairman concerning the appointment of presiding officers of standing bodies (SR.44/2).

At its meeting on 25 January 1990, the Council agreed to re-appoint Mr. Broadbridge (Hong Kong) as Chairman of the Committee on Budget, Finance and Administration.

⁹Carried in Council Minutes under "Appointment of presiding officers of standing bodies".

(ii) Reports (C/M/244, 246)

At the Council meeting on 11 July 1990, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in L/6695.

The Council took note of the statement, approved the Committee's recommendations in its report (L/6695), and adopted the report.

At the Council meeting on 7 November 1990, the Chairman of the Committee on Budget, Finance and Administration introduced the Committee's report in L/6733.

The Council took note of the statement, approved the Committee's report in L/6733 and the specific recommendations contained therein, and recommended its adoption by the CONTRACTING PARTIES at their Forty-Sixth Session, including the recommendations contained therein.

(b) Office of Director-General

(i) Renewal of appointment (C/M/242)

At the Council meeting on 14 and 29 June 1990, held at the level of heads of contracting party delegations, the Chairman of the CONTRACTING PARTIES recalled the procedures set out in BISD 33S/55 regarding the appointment of the Director-General and reported on informal consultations he had been conducting on this matter.

The Council took note of the statement and agreed to recommend that the Forty-Sixth Session of the CONTRACTING PARTIES extend the contract of the Director-General for a final period of fifteen months, i.e. up to the end of 1992.

(ii) Procedures for future appointment¹⁰ (C/M/242, 244)

At the Council meeting on 14 and 29 June 1990, held at the level of heads of contracting party delegations, the representative of Brazil, on behalf of developing contracting parties, requested that the Chairman of the CONTRACTING PARTIES initiate consultations on the need for strengthening and improving the rules and procedures for the selection of the Director-General, and report on the progress thereon to the CONTRACTING PARTIES at their next session.

The representative of the United States spoke.

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

¹⁰ Carried in Council Minutes under "Procedures for future appointments of the Director-General and Deputy Directors-General".

At the Council meeting on 11 July 1990, the Chairman of the CONTRACTING PARTIES said he would undertake the proposed consultations on the understanding that this was the wish of all contracting parties.

The representative of the United States spoke.

The Council took note of the statements.

(c) Office of Deputy Director-General

(i) Renewal of appointment (C/M/245)

At its meeting on 3 October 1990, the Director-General informed the Council that, in accordance with the procedures adopted by the Council in April 1987 (BISD 34S/173), he had begun consultations before 30 September 1990 with a view to appointing Mr. Mathur, Deputy Director-General, for an additional seven-month period, i.e., until 31 July 1991. In accordance with the procedures, he would inform the Council of his decision at the end of his consultations¹¹.

The Council took note of the Director-General's statement.

(ii) Procedures for future appointment¹² (C/M/242, 244)

At the Council meeting on 14 and 29 June 1990, held at the level of heads of contracting party delegations, the representative of Brazil, on behalf of developing contracting parties, requested that the Chairman of the CONTRACTING PARTIES initiate consultations on the need for strengthening and improving the rules and procedures for the selection of the Deputy Directors-General, and report on the progress thereon to the CONTRACTING PARTIES at their next session.

The representative of the United States spoke.

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

At the Council meeting on 11 July 1990, the Chairman of the CONTRACTING PARTIES said he would undertake the proposed consultations on the understanding that this was the wish of all contracting parties.

The representative of the United States spoke.

The Council took note of the statements.

¹¹The Director-General subsequently informed the Council of his decision in C/174.

¹²Carried in Council Minutes under "Procedures for future appointments of the Director-General and Deputy Directors-General".

29. Observer status

- Union of Soviet Socialist Republics (C/M/240, 241)

At the Council meeting on 3 April 1990, the Chairman referred to a request for observer status from the Union of Soviet Socialist Republics (L/6654) and said that informal consultations on this subject were underway.

The Council took note of the request and agreed that this item remain on its agenda.

At its meeting on 16 May 1990, the Council again considered this matter.

The Chairman drew attention to the present situation regarding the norms for obtaining observer status in the Council, and the rights and obligations of observers, and suggested that the Council agree that the whole issue of the status of observers and of their rights and obligations be reviewed at the end of 1992, and also that the understandings he had read out apply to the USSR if the Council approved its request for observer status.

The Council took note of the Chairman's statement, agreed to his suggestions, and agreed to grant the USSR observer status.

The representatives of the European Communities on behalf of the Community and the member States, the United States, Canada, Egypt, Argentina, Brazil, Bangladesh, India, Japan, Colombia, Morocco, Chile, Hungary, Finland on behalf of the Nordic countries, and the Union of Soviet Socialist Republics (as an observer), and the Chairman spoke.

The representatives of Australia, Austria, Côte d'Ivoire, Cuba, the Czech and Slovak Federal Republic, Ghana, Hong Kong, Indonesia, Israel, Jamaica, Korea, Madagascar, Malaysia, Mexico, Myanmar, New Zealand, Nigeria, Pakistan, Peru, Philippines, Poland, Romania, Senegal, Switzerland, Tanzania, Tunisia, Turkey, Uruguay and Yugoslavia wished to be on record as warmly welcoming the USSR delegation and that country as observer to the Council.

The Council took note of the statements.

30. Council membership

- Bolivia and Venezuela (C/M/245)

At its meeting on 3 October 1990, the Council welcomed Bolivia and Venezuela as Council members.

31. Appointment of presiding officers of standing bodies (C/M/238, 246)

At the Council meeting on 25 January 1990, pursuant to the CONTRACTING PARTIES' action at their Forty-Fourth Session (SR.44/2), the Chairman

announced the results of his consultations. Mr. Boittin (France) and Mr. Broadbridge (Hong Kong) had agreed to continue for another year as Chairman of the Committee on Balance-of-Payments Restrictions and of the Committee on Budget, Finance and Administration respectively. Mr. De la Peña (Mexico) and Mr. Tuusvuori (Finland) had agreed to serve respectively as Chairman and Vice-Chairman of the Committee on Tariff Concessions.

The Council agreed to the foregoing.

At the Council meeting on 7 November 1990, the Chairman announced that consultations on presiding officers of standing bodies would be carried out in due course by his successor. These consultations would be open to all delegations.

The Council took note of the information.

32. Arrangements for the Forty-Sixth Session (C/M/246)

At its meeting on 7 November 1990, the Chairman informed the Council of arrangements for the Forty-Sixth Session of the CONTRACTING PARTIES.

The Council took note of the information.