

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

COUNCIL
21 June 1968

SCHEDULE V - CANADA

Delay in the Implementation of Certain Concessions
in the Geneva (1967) Protocol

Draft Decision

In document L/3016 the Government of Canada sought authority to enter into negotiations under Article XXVIII:4 with respect to certain items in Schedule V - Canada annexed to the Geneva (1967) Protocol and at the same time requested that the CONTRACTING PARTIES be asked to approve a waiver under Article XXV:5 from the relevant provisions of Article II in order to permit the negotiations to continue beyond 1 July 1968.

If a favourable decision is taken by the Council under Article XXVIII:4, the discussion of Canada's request for a waiver from the provisions of Article II might be facilitated by the following draft decision prepared by the secretariat.

CONSIDERING that on 30 June 1967 the Government of Canada accepted the Geneva (1967) Protocol to the General Agreement on Tariffs and Trade; and that Schedule V - Canada annexed to that Protocol thereby became a Schedule to the General Agreement as from 1 January 1968;

CONSIDERING that the Government of Canada began the implementation of the concessions provided for in its Schedule on 1 January 1968; and that, as provided in the General Note to Schedule V, the concessions in respect of which no base rate is specified in the Schedule, i.e. those on chemicals and plastics, should enter into effect on 1 July 1968;

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CONSIDERING that, in order to give effect to these concessions on chemicals and plastics, changes in the Canadian Customs Tariff are necessary which require legislative action; and that such legislation cannot be enacted before 1 July 1968, because of the recent dissolution of the Canadian Parliament;

CONSIDERING that the Government of Canada has, in view of the special circumstances, obtained authorization pursuant to paragraph 4 of Article XXVIII to enter into negotiations in respect of its failure to implement on the date stipulated the concessions on chemicals and plastics;

CONSIDERING that time does not permit the conclusion of the negotiations pursuant to paragraph 4 of Article XXVIII by 1 July 1968;

The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:5 of the General Agreement and in accordance with the procedures adopted by them on 1 November 1956,

DECIDE, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of the General Agreement to the extent necessary to enable the Government of Canada to delay until no later than 1 January 1969 the implementation of certain concessions, items 92801 to 93907-1, inclusive, provided in Schedule V annexed to the Geneva (1967) Protocol to the General Agreement of 30 June 1967, in respect of which no base rate is specified, subject to the following conditions:

1. The Government of Canada will use its best endeavours to expedite the necessary legislation and to put into effect at the earliest possible date the concessions which under the Protocol were to have entered into effect on 1 July 1968.
2. The Government of Canada will promptly enter into negotiations or consultations with interested contracting parties as provided in paragraph 4 of Article XXVIII.
3. Pending the entry into force of the results of the negotiations or consultations mentioned above, the other contracting parties will be free to suspend concessions initially negotiated with Canada (including those covered by the Recommendation of 16 November 1967)¹ to the extent that they consider that adequate compensation is not provided by the Government of Canada (subject to the right of any third contracting party having a principal supplying interest or a substantial interest therein to suspend substantially equivalent concessions initially negotiated with such other contracting parties).

¹BISD, Fifteenth Supplement, page 67.