

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1397

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Limited Distribution

## DECISIONS OF SEVENTEENTH SESSION

### Decisions, Declarations, etc. of the CONTRACTING PARTIES

Between the End of the Sixteenth Session and the End of the Seventeenth Session

(June to November 1960)

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1. PARTICIPATION OF ARGENTINA IN THE WORK OF THE CONTRACTING PARTIES

(Decision of 18 November 1960)

Considering that the Government of Argentina has made a request to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade to accede to the General Agreement in accordance with the provisions of Article XXXIII and will be prepared to enter into tariff negotiations with contracting parties to that end as soon as its new customs tariff enters into force;

Considering the desirability of Argentina, an important trading country which is a signatory of the Montevideo Treaty, instituting the Latin American Free Trade Area currently being considered by the CONTRACTING PARTIES, being invited to accede provisionally to the General Agreement as a step towards its eventual accession pursuant to Article XXXIII;

Desiring that the Government of Argentina, pending its accession, shall be associated with the discussions and deliberations of the CONTRACTING PARTIES;

Noting that a number of contracting parties intend that, pending the accession of Argentina pursuant to Article XXXIII, commercial relations between them and Argentina shall be based upon the provisions of the General Agreement in accordance with the Declaration on the provisional accession of Argentina; and

Considering that the said Declaration requests the CONTRACTING PARTIES to perform certain functions comparable in nature to their functions under the General Agreement;

The CONTRACTING PARTIES

Decide

1. To invite the Government of Argentina to participate in sessions of the CONTRACTING PARTIES and of subsidiary bodies established by the CONTRACTING PARTIES;
2. To accept such functions as are necessary for the operation of the Declaration referred to in the Preamble to this Decision;
3. To make arrangements for tariff negotiations between contracting parties and Argentina as soon as practicable after the new Argentina customs tariff enters into force;

This Decision shall continue in effect until the accession of Argentina to the General Agreement following tariff negotiations with contracting parties or until 31 December 1962 whichever date is earlier, unless the CONTRACTING PARTIES agree to extend it to a later date.

## 2. PROVISIONAL ACCESSION OF ARGENTINA

(Declaration of 18 November 1960)

The Government of Argentina and the other governments on behalf of which this Declaration has been accepted (the latter governments being hereinafter referred to as the "participating governments"),

Considering that the Government of Argentina on 21 September 1960 made a formal request to accede to the General Agreement on Tariffs and Trade (hereinafter referred to as the "General Agreement") in accordance with the provisions of Article XXVIII of the General Agreement, and that that Government will be prepared to conduct the tariff negotiations with contracting parties, which it is considered should precede accession under Article XXVIII, as soon as its new customs tariff enters into force,

Considering the desirability of Argentina, an important trading country which is a signatory of the Montevideo Treaty, instituting the Latin American Free Trade Area, currently being considered by the CONTRACTING PARTIES, being invited to accede provisionally to the General Agreement as a step towards its eventual accession pursuant to Article XXVIII:

1. Declare that, pending the accession of Argentina to the General Agreement under the provisions of Article XXVIII, which will be preceded by the conclusion of tariff negotiations with contracting parties to the General Agreement, the commercial relations between the participating governments and Argentina shall be based upon the General Agreement, subject to the following conditions:

(a) The Government of Argentina shall apply provisionally and subject to the provisions of this Declaration (i) Parts I and III of the General Agreement, and (ii) Part II of the General Agreement to the fullest extent not inconsistent with its legislation existing on the date of this Declaration; the obligations incorporated in paragraph 1 of Article I of the General Agreement by reference to Article III thereof and those incorporated in paragraph 2(b) of Article II by reference to Article VI shall be considered as falling within Part II of the General Agreement for the purpose of this paragraph.

(b) While Argentina under the most-favoured-nation provisions of Article I of the General Agreement will receive the benefit of the concessions contained in the Schedules annexed to the General Agreement, it shall not have any direct rights with respect to those concessions either under the provisions of Article II or under the provisions of any other Article of the General Agreement.

(c) In each case in which paragraph 6 of Article V, sub-paragraph 4(d) of Article VII, and sub-paragraph 3(c) of Article X of the General Agreement, refer to the date of that Agreement, the applicable date in respect of Argentina shall be the date of this Declaration.

(d) Notwithstanding the provisions of paragraph 1 of Article I of the General Agreement, this Declaration shall not require the elimination by the Government of Argentina of any preferences in respect of import duties or charges accorded by Argentina exclusively to one or more of the following countries: Bolivia, Brazil, Chile, Paraguay, Peru, and Uruguay; provided, however, that these preferences do not exceed the levels in effect on the date of this Declaration. Moreover, it shall not prevent the modification of such preferences accorded to Bolivia provided that the general level of such modified preferences does not differ substantially from the general level of the preferences accorded by Argentina to Bolivia on the date of this Declaration. Nothing in this paragraph will affect the right of Argentina to benefit from the provisions of the General Agreement relating to the formation of a free-trade area.

(e) The provisions of the General Agreement to be applied by Argentina shall be those contained in the text annexed to the Final Act of the second session of the Preparatory Committee of the United Nations Conference on Trade and Employment as rectified, amended, supplemented, or otherwise modified by such instruments as may have become effective by the date of this Declaration.

2. ~~Request~~ the CONTRACTING PARTIES to the General Agreement (hereinafter referred to as the 'CONTRACTING PARTIES') to perform such functions as are necessary for the implementation of this Declaration.

3. This Declaration, which has been approved by the CONTRACTING PARTIES by a two-thirds majority shall be deposited with the Executive Secretary of the CONTRACTING PARTIES. It shall be open for acceptance, by signature or otherwise, by Argentina, by contracting parties to the General Agreement and by any governments which shall have acceded provisionally to the General Agreement.

4. This Declaration shall become effective between Argentina and any participating government on the thirtieth day following the day upon which it shall have been accepted on behalf of both Argentina and that government; it shall remain in force until the Government of Argentina accedes to the General Agreement under the provisions of Article XXVIII thereof or until 31 December 1962 whichever date is earlier, unless it has been agreed between Argentina and the participating governments to extend its validity to a later date.

5. The Executive Secretary of the CONTRACTING PARTIES shall promptly furnish a certified copy of this Declaration, and a notification of each acceptance thereof, to each government to which this Declaration is open for acceptance.

Done at Geneva this eighteenth day of November one thousand nine hundred and sixty, in a single copy in the French and English languages, both texts authentic.

3. PROVISIONAL ACCESSION OF SWITZERLAND

Further Extension of Closing Date for Signature of  
Declaration of 22 November 1958

(Decision of 16 November 1960)

The CONTRACTING PARTIES agreed, notwithstanding the provisions of paragraph 7 of the Declaration of 22 November 1958 on the Provisional Accession of Switzerland, to authorize the Executive Secretary to receive acceptances of the Declaration up to the end of the eighteenth session.

4. ADMISSION OF NIGERIA AS A CONTRACTING PARTY

(Declaration of 18 November 1960)

Taking note of the Declaration by the Government of the United Kingdom of 26 September 1960 which informed the CONTRACTING PARTIES that the Government of the Federation of Nigeria would acquire on 1 October 1960 full responsibility for matters covered by the General Agreement in its territory,

Considering that, by the said Declaration, the Government of the United Kingdom established the fact that, as from 1 October 1960, the Government of the Federation of Nigeria is qualified, in the sense of paragraph 5(c) of Article XXVI of the General Agreement, to become a contracting party in respect of the territory on behalf of which the Government of the United Kingdom had accepted the General Agreement, and

Taking note of the Declaration of the Government of the Federation of Nigeria of 1 October 1960, that, having acquired full autonomy in the conduct of its external commercial relations and of the other matters provided for in the General Agreement, it wished to be deemed a contracting party to the General Agreement pursuant to the provisions of paragraph 5(c) of Article XXVI,

The CONTRACTING PARTIES

Declare that the Government of the Federation of Nigeria is deemed to be a contracting party to the General Agreement on Tariffs and Trade as from 1 October 1960 and to have acquired the rights and obligations under the General Agreement of the Government of the United Kingdom of Great Britain and Northern Ireland in respect of its territory as from that date.

5. APPLICATION OF THE GENERAL AGREEMENT TO TERRITORIES WHICH  
ACQUIRE AUTONOMY IN COMMERCIAL MATTERS

(Recommendation of 18 November 1960)

Considering that paragraph 5(c) of Article XXVI of the General Agreement provides that if a territory, in respect of which the General Agreement has been applied, acquires full autonomy in the conduct of its external commercial relations and of other matters provided for in the Agreement such territory may be deemed to be a contracting party;

Considering that the CONTRACTING PARTIES, on 1 November 1957, adopted a recommendation as to procedure to be followed in cases in which a territory has acquired such full autonomy;

Considering that a number of territories, for which certain contracting parties had international responsibility and to which they applied the General Agreement, have recently acquired such full autonomy and that the Executive Secretary has entered into consultations in accordance with the said procedure with the governments of these newly-independent territories;

Considering further that other territories may acquire such full autonomy in the near future; and

Recognizing that the governments of newly-independent territories will normally require some time to consider their future commercial policy and the question of their relations with the General Agreement, and that it is desirable that meanwhile the provisions of the General Agreement should continue to be applied to trade between these territories and the contracting parties to the GATT;

The CONTRACTING PARTIES

Recommend that contracting parties should continue to apply de facto the General Agreement in their relations with any territory which has acquired full autonomy in the conduct of its external commercial relations and of other matters provided for in the General Agreement, for a period of two years from the date on which such autonomy was acquired, provided that the territory continues to apply de facto the Agreement to them.

6. AMENDMENT PROTOCOLS

Entry into Force

(Decision of 18 November 1960)

Considering that the Protocol Amending Part I and Articles XXIX and XXX and the Protocol of Organizational Amendments, and also the Protocol of Rectification to the French Text of the General Agreement insofar as the rectifications to Part I of the General Agreement are concerned, have not yet been accepted by all contracting parties, and that the Protocol Amending the Preamble and Parts II and III has not yet been accepted by certain contracting parties,

The CONTRACTING PARTIES

Decide to extend the closing date for acceptance of the said Protocols until two weeks after the opening of their eighteenth session; and

Urge once more those contracting parties which have not yet accepted the said Protocols to make every effort to do so.

7. BALANCE-OF-PAYMENTS IMPORT RESTRICTIONS

Extension of "Hard-Core" Waiver

(Decision of 19 November 1960)

Considering that requests for concurrence of the CONTRACTING PARTIES pursuant to the Decision of 5 March 1955<sup>1</sup> had to be forwarded before the applicant contracting party ceased to be entitled to maintain restrictions under the relevant provision of the General Agreement to safeguard its external financial position and balance of payments, and in any case not later than 31 December 1957; and

Considering further that the CONTRACTING PARTIES have provided for the possibility of an extension of that time-limit by a decision approved by the majority then specified in paragraph 5(a) of Article XXV, which time-limit was extended by the Decisions of 1 November 1957, 5 November 1958 and 19 November 1959 until 31 December 1960;

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

Decide:

1. To receive requests for concurrence pursuant to the Decision of 5 March 1955 communicated to them not later than 31 December 1961 under the terms and conditions set forth in that Decision;
2. To review paragraph A:1 of the Decision of 5 March 1955 at their nineteenth session.

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<sup>1</sup>BISD, Third Supplement, page 38.



8. PROCEDURES FOR DEALING WITH NEW IMPORT  
RESTRICTIONS APPLIED FOR BALANCE-OF-PAYMENTS REASONS  
AND RESIDUAL IMPORT RESTRICTIONS

(Approved by the CONTRACTING PARTIES on 16 November 1960)

I. Introduction or Substantial Intensification of Import  
Restrictions Applied for Balance-of-Payments Reasons

1. A contracting party applying new restrictions or raising the general level of its existing restrictions by a substantial intensification of the measures applied under Article XII or XVIII:B is required, under paragraph 4(a) of Article XII or under paragraph 12(a) of Article XVIII as the case may be, to enter into consultations with CONTRACTING PARTIES as to the nature of its balance-of-payment difficulties, alternative corrective measures which may be available, and the possible effect of the restrictions on the economies of other contracting parties. Such consultation should take place immediately after the measure is taken or, in circumstances in which prior consultation is practicable, before the measure is taken.
2. In order to implement these provisions, any contracting party modifying its import restrictions is required to furnish detailed information promptly to the Executive Secretary, for circulation to the contracting parties.<sup>1</sup>
3. Upon the receipt of a notification from a contracting party that it has taken measures requiring a consultation under Article XII:4(a) or Article XVIII:12(a), the Council should be convened to meet with the shortest possible delay, which should normally be not less than forty-eight hours and not more than ten days after the receipt of the notification, to carry out the consultation.
4. In cases where the contracting party applying the restrictions has not asked for a consultation with the CONTRACTING PARTIES, the Council may invite that contracting party to consult in accordance with Article XII:4(a) or XVIII:12(a), if the Council considers that there is a prima facie case of "substantial intensification" requiring such a consultation.
5. The Council should carry out, or arrange for, consultations initiated under these provisions of the General Agreement, and submit reports to the CONTRACTING PARTIES for consideration normally at their subsequent regular session.
6. As soon as a consultation is initiated the International Monetary Fund should be invited to consult with the CONTRACTING PARTIES pursuant to paragraph 2 of Article XV of the General Agreement. This consultation will be conducted by the Council.

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<sup>1</sup>Under established procedures, contracting parties should furnish such information not only when they wish to initiate a consultation pursuant to Articles XII:4(a) or XVIII:12(a) but whenever any significant changes are made in their restrictive systems.

## II. Residual Import Restrictions

### Notifications

7. Contracting parties are invited to communicate to the Executive Secretary lists of import restrictions which they are applying contrary to the provisions of the General Agreement and without having obtained the authorization of the CONTRACTING PARTIES. Any subsequent changes in a list should likewise be communicated to the Executive Secretary. The Executive Secretary will circulate the lists received to all the contracting parties.

### Consultations under Article XXII

8. Bilateral consultations may be sought, pursuant to paragraph 1 of Article XXII either by the contracting party applying the restrictions or by contracting parties affected by them. The Executive Secretary should be informed of consultations requested so that in cases where the restrictions in question affect the interests of a number of contracting parties, the procedures adopted by the CONTRACTING PARTIES on 10 November 1958 should apply.

### Consideration by the CONTRACTING PARTIES

9. If consultations held under paragraph 1 of Article XXII do not lead to a satisfactory solution, any of the parties to the consultations may request that consultations be carried out by the CONTRACTING PARTIES pursuant to paragraph 2 of Article XXII. Alternatively, a country whose interests are affected may resort to paragraph 2 of Article XXIII, it being understood that a consultation held under paragraph 1 of Article XXII would be considered by the CONTRACTING PARTIES as fulfilling the conditions of paragraph 1 of Article XXIII.

## 9. EUROPEAN FREE TRADE ASSOCIATION

### Conclusions

(Adopted on 18 November 1960)

Taking account of the report drawn up by the Working Party set up at the sixteenth session and in the light of the discussions which took place in the CONTRACTING PARTIES on the Stockholm Convention, the CONTRACTING PARTIES have adopted the following conclusions:

- (a) The CONTRACTING PARTIES have examined, in accordance with paragraph 7 of Article XXIV of the General Agreement, the provisions of the Stockholm Convention for the Establishment of a European Free Trade Association, and have taken cognizance of the information submitted by the parties to that Convention in this connexion.
- (b) The CONTRACTING PARTIES have taken note of the provisions of the Stockholm Convention as well as of the statements made by the representatives of the parties to the Convention to the effect that their governments are firmly determined to establish, within the time-limit provided for in the Convention, a free-trade area in the sense of Article XXIV.
- (c) The CONTRACTING PARTIES felt that there remain some legal and practical issues which could not be fruitfully discussed further at this stage. Accordingly, the CONTRACTING PARTIES did not find it appropriate to make recommendations to the parties to the Convention pursuant to paragraph 7(b) of Article XXIV.
- (d) This conclusion would clearly not prejudice the rights of the CONTRACTING PARTIES under Article XXIV.
- (e) The CONTRACTING PARTIES welcomed the readiness of the members of the EFTA to furnish further information pursuant to paragraph 7(a) of Article XXIV as the evolution of the EFTA proceeded.
- (f) The CONTRACTING PARTIES also welcomed the willingness of the members of the EFTA to furnish in Article XXII consultations information as to the measures arising out of the application of the Convention.
- (g) The CONTRACTING PARTIES noted that the other normal procedures of the General Agreement would also be available to contracting parties to call in question any measures taken by any of the seven countries in the application of the provisions of the Stockholm Convention, it being open of course to such country to invoke the benefit of Article XXIV insofar as it considered that this Article provided justification for any action which might otherwise be inconsistent with a provision or provisions of the General Agreement.

10. LATIN AMERICAN FREE TRADE AREA

Conclusions

(Adopted on 18 November 1960)

After careful examination of the documentation placed at their disposal, the CONTRACTING PARTIES approved the following conclusions:

- (a) The CONTRACTING PARTIES have examined, in accordance with paragraph 7 of Article XXIV of the General Agreement, the provisions of the Montevideo Treaty, signed by the Governments of Argentina, Brazil, Chile, Mexico, Peru, Paraguay, and Uruguay, the purpose of which is the establishment of a free-trade area between countries of Latin America, and they have taken cognizance of the information submitted by the signatory countries in this connexion.
- (b) The CONTRACTING PARTIES have taken note of the provisions of the Montevideo Treaty as well as of the statements made by the representatives of parties to that Treaty to the effect that their governments are firmly determined to establish, within the time-limit provided for in the Treaty, a free-trade area in the sense of Article XXIV.
- (c) At this stage of their examination the CONTRACTING PARTIES felt that there remain some questions of a legal and practical nature which it would be difficult to settle solely on the basis of the text of the Treaty, and that these questions could be more fruitfully discussed in the light of the application of the Montevideo Treaty. For these reasons the CONTRACTING PARTIES did not at this juncture find it appropriate to make recommendations to the parties to the Treaty pursuant to paragraph 7(b) of Article XXIV.
- (d) This conclusion would clearly not prejudice the rights conferred on the CONTRACTING PARTIES under Article XXIV and does not in any way prevent the parties to the Montevideo Treaty from proceeding with the application of that Treaty when it has been ratified.
- (e) The CONTRACTING PARTIES welcomed the willingness of members of the Latin American Free Trade Association which are contracting parties to the General Agreement to furnish in Article XXIII consultations information as to the measures arising out of the application of the Treaty. The CONTRACTING PARTIES similarly welcomed the readiness of the members of the Latin American Free Trade Association to furnish further information pursuant to paragraph 7(a) of Article XXIV, as the Association develops.
- (f) The CONTRACTING PARTIES noted that contracting parties could also have recourse to the other normal procedures under the General Agreement for the purpose of considering the justification of any measure adopted within the framework of the application of the provisions of the Treaty of Montevideo, it being open, of course, to members of the Association to invoke the benefit of Article XXIV insofar as they considered that this Article provided justification for any action which might otherwise be inconsistent with a provision or provisions of the General Agreement.

11. ARTICLE XVIII

Release (textile products) accorded to Ceylon

(Decision of 23 September 1960)

Considering that the Government of Ceylon has notified the CONTRACTING PARTIES pursuant to paragraph 14 of Article XVIII of its intention to place under regulation under the Industrial Products Act the import of the products specified below; and

Considering that with respect to these products, which are the subject of tariff concessions included in Schedule VI annexed to the General Agreement, the Government of Ceylon has concluded consultations required under the provisions of paragraph 18 of Article XVIII;

The Council, having been authorized by the CONTRACTING PARTIES to take the necessary action to complete the procedure provided for in paragraph 18 of Article XVIII, and thus acting on behalf of the CONTRACTING PARTIES under those provisions:

Concur in the application by the Government of Ceylon of the Industrial Products Act No. 18 of 1949, as amended, to the products specified below subject to the terms and conditions noted below; and

Agree to release the Government of Ceylon from its obligations under the relevant provisions of the General Agreement to the extent necessary to enable it to apply the measures thus concurred in

- (a) Ex 652-02.05 - piece goods of cotton mixed with less than 50 per cent of other materials;
- (b) Ex 653-05 - piece goods of artificial silk and synthetic fibre including any admixtures where the artificial silk content is not less than 50 per cent in weight, n.e.s.

Terms and Conditions

1. The application of Industrial Products Act with respect to these two tariff items will be extended by virtue of this Decision only to the following three grades of material:

- (i) Satin
- (ii) Hair cord
- (iii) Crepe - Georgette crepe,  
Oriental crepe,  
Sheer crepe,  
Flat crepe (Pearl crepe, Beauty crepe, Crepe de Chine).

2. The present release constitutes part of the release granted by the Decision of 22 November 1958, this list of products being added to those covered by Section 3(c) of that Decision.

12. ARTICLE XVIII

Extention of Release (Ceramic Ware) accorded to Ceylon

(Decision of 18 November 1960)

Considering that, by the Decision of 30 November 1955<sup>1</sup> taken under paragraph 7 of Article XVIII of the General Agreement then in force, the CONTRACTING PARTIES granted a release to the Government of Ceylon to enable it to regulate under the Industrial Products Act the importation of the following products:

|                                | <u>Tariff No.</u> |
|--------------------------------|-------------------|
| Chinaware domestic crockery )  |                   |
| Porcelain ware and crockery )  | 666-03.01         |
| Chinaware and porcelain, other | 666-03.99         |

Considering that the validity of this release is due to expire on 2 December 1960;

Considering that the Government of Ceylon has addressed, pursuant to paragraph 14 of Article XVIII of the General Agreement now in force, a notification to the effect that in order to meet the difficulties experienced in the ceramic industry in Ceylon, it would be necessary to continue during a further period of five years the application of the IPA to the products listed above;

Considering further that for practical reasons the examination of the application of the Government of Ceylon could not be conducted at the seventeenth session, and that the contracting parties having a substantial export interest in the products listed above have agreed to the postponement of such examination;

The CONTRACTING PARTIES

Decide:

1. to extend the period of validity of the Decision of 30 November 1955 until the close of the eighteenth session, so as to enable the Government of Ceylon to continue to apply the IPA measures until that time to the products listed above subject to the same conditions and terms specified in that Decision; and

2. to consider the application of Ceylon under the provisions of Article XVIII before this Decision ceases to be operative.

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<sup>1</sup>BISD, Fourth Supplement, pages 29 and 30.

13. AVOIDANCE OF MARKET DISRUPTION

Establishment of Committee

(19 November 1960)

The CONTRACTING PARTIES

Recognizing that

(a) In a number of countries situations occur or threaten to occur which have been described as "market disruption".

(b) These situations generally contain the following elements in combination:

- (i) a sharp and substantial increase or potential increase of imports of particular products from particular sources;
- (ii) these products are offered at prices which are substantially below those prevailing for similar goods of comparable quality in the market of the importing country;
- (iii) there is serious damage to domestic producers or threat thereof;
- (iv) the price differentials referred to in paragraph (ii) above do not arise from governmental intervention in the fixing or formation of prices or from dumping practices;

In some situations other elements are also present and the enumeration above is not, therefore, intended as an exhaustive definition of market disruption.

(c) These situations have often led governments to take a variety of exceptional measures. In some cases importing countries have taken or maintained discriminatory measures either outside the framework of the General Agreement, or contrary to the provisions of the General Agreement. In some other cases exporting countries have tried to correct the situation by taking measures to limit or control the export of the products giving rise to the situation.

(d) Such measures, taken unilaterally or through bilateral arrangement, may in some cases tend to cause difficulties in other markets and create problems for other contracting parties.

Agree that

(i) The objective of all countries involved in these situations is to find constructive solutions consistent with the basic aims of the General Agreement.

(ii) It would be desirable to establish procedures which would facilitate consultation between all contracting parties concerned with regard to such situations. For this purpose the Working Party on Avoidance of Market Disruption should be maintained in being as a permanent Committee of the CONTRACTING PARTIES.

(iii) These procedures would not prejudice the rights and obligations of contracting parties under the General Agreement including rights and obligations in regard to consultation.

(iv) Contracting parties recognize that, if and when they are faced with problems of market disruption there would be advantage, whether or not they deal with them by bilateral negotiations, in availing themselves of the facilities thus provided for consultation as regards any problem created for other contracting parties.

(v) The Committee shall take over the terms of the reference of the Working Party appointed at the sixteenth session, as follows:

I

1. To consider the problems described in the report of the secretariat on "Restrictions and other measures relating to the problem of market disruption" (L/1164); and

2. To suggest multilaterally acceptable solutions, consistent with the principles and objectives of the General Agreement, for those problems which, in the light of this consideration, appear to call for immediate action.

II

The Committee is authorized to make appropriate arrangements for preparing a report on the various economic, social and commercial factors underlying the problems considered by the Committee, and in particular the relevance to international trade of differences in the costs of various factors of production and marketing, including labour costs. In preparing its report the Committee is authorized to call on experts, both governmental and non-governmental, and to seek the co-operation of the International Labour Office.

Note: The foregoing findings and decision are to be read in the light of the "understandings" recorded in paragraph 7 of the Working Party report (L/1374) adopted at the seventeenth session.



14. RESTRICTIVE BUSINESS PRACTICES

(Decision of 18 November 1960)

Having considered the report (L/1015) submitted by the Group of Exports, which was appointed under the Resolution of 5 November 1958, and related documents<sup>1</sup>;

Recognizing that business practices which restrict competition in international trade may hamper the expansion of world trade and the economic development in individual countries and thereby frustrate the benefits of tariff reduction and removal of quantitative restrictions or may otherwise interfere with the objectives of the General Agreement on Tariffs and Trade;

Recognizing, further, that international co-operation is needed to deal effectively with harmful restrictive practices in international trade;

Desiring that consultations between governments on these matters should be encouraged;

Considering, however, that in present circumstances it would not be practicable for the CONTRACTING PARTIES to undertake any form of control of such practices nor to provide for investigations,

The CONTRACTING PARTIES

Recommend that at the request of any contracting party a contracting party should enter into consultations on such practices on a bilateral or a multilateral basis as appropriate. The party addressed should accord sympathetic consideration to and should afford adequate opportunity for consultations with the requesting party, with a view to reaching mutually satisfactory conclusions, and if it agrees that such harmful effects are present it should take such measures as it deems appropriate to eliminate these effects, and

Decide that

- (a) If the requesting party and the party addressed are able to reach a mutually satisfactory conclusion, they should jointly advise the secretariat of the nature of the complaint and the conclusions reached;
- (b) If the requesting party and the party addressed are unable to reach a mutually satisfactory conclusion, they should advise the secretariat of the nature of the complaint and the fact that a mutually satisfactory conclusion cannot be reached;
- (c) The secretariat shall convey the information referred to under (a) and (b) to the CONTRACTING PARTIES.

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<sup>1</sup>The related documents are L/1287 and Add.1, L/1301, L/1333 and W.17/23.

15. CONTINUED APPLICATION OF SCHEDULES

(Decision of 19 November 1950)

Having decided at their ninth session that the Schedules annexed to the General Agreement on Tariffs and Trade (hereinafter referred to as the "General Agreement") should have an assured life through successive three-year periods (or for such other periods as they may specify), the first period beginning on 2 January 1958 as provided for in Article XXVIII as contained in the Protocol Amending the Preamble and Parts II and III of the General Agreement (hereinafter referred to as "Article XXVIII (revised)");

Considering that Article XXVIII (revised) has entered into force for at least two-thirds, but not all, of the contracting parties;

Considering that the Declaration of 30 November 1957 on the Continued Application of Schedules will expire on 31 December 1960;

Considering the desirability of affording to the contracting parties which have not yet accepted the said Protocol but which nevertheless wish to continue to participate in an arrangement whereby the Schedules will have an assured life for a further fixed period, an opportunity to prolong the assured life of their Schedules for a further period of three years; and

Considering further that several contracting parties, conducting negotiations under the provisions of Article XXVIII for the modifications or withdrawal of concessions in their Schedules annexed to the General Agreement, will not have completed such negotiations in time to give effect under the General Agreement to the results of these negotiations on 1 January 1961, as is permitted under paragraph 1 of Article XXVIII;

The CONTRACTING PARTIES

Decide:

1. that there should be opened for acceptance by signature or otherwise, by contracting parties with respect to which Article XXVIII (revised) is not yet in effect, a Declaration under which they would not invoke, after 1 January 1961 and prior to 1 January 1964, except under specified circumstances, the provisions of Article XXVIII which still apply to them relating to the modification or withdrawal of concessions in the appropriate schedules annexed to the General Agreement.

2. that procedures which are the same as those provided for in Section A of Article XVIII set forth in the Protocol referred to in the Preamble above and in paragraph 4 of Article XVIII (revised) will be made available to signatories of the Declaration provided for in the preceding paragraph.

Decide further, pursuant to the provisions of Article XXV:5 of the General Agreement:

3. that for the purpose of the application of paragraph 5 of Article XXVIII (revised) a contracting party with respect to which Article XXVIII (revised) is not in effect and which has not accepted such Declaration shall be deemed to be a contracting party which has exercised the election referred to in that paragraph.

4. that, notwithstanding the provisions of paragraph 1 of Article XXVIII, a contracting party, which has notified the CONTRACTING PARTIES of its intention to enter into negotiations for the modification or withdrawal of particular concessions under the procedures of that Article, may pursue such negotiations up to and including 31 March 1961, and any modification or withdrawal of a concession following such negotiations may be made effective in accordance with the provisions of Article XXVIII; provided that such modifications or withdrawals are first notified to the Executive Secretary; and provided further that the Council of Representatives of the CONTRACTING PARTIES may fix a later date for the completion of such negotiations as have not been completed by 31 March 1961.

16. DECLARATION ON CONTINUED APPLICATION OF SCHEDULES  
TO THE GENERAL AGREEMENT

(Declaration of 19 November 1960)

The parties to this Declaration, being contracting parties to the General Agreement on Tariffs and Trade (hereinafter referred to as the "General Agreement") for which Articles XVIII and XXVIII of the General Agreement, as set forth in the Protocol Amending the Preamble and Parts II and III of the General Agreement (hereinafter referred to as "Article XVIII (revised)" and "Article XXVIII (revised)", respectively) are not in force;

Considering that, pursuant to the Declaration of 30 November 1957, the assured life of the concessions embodied in their Schedules annexed to the General Agreement will expire on 31 December 1960; and

Desiring to continue the assured life of their Schedules for a further period of three years;

Hereby declare that:

1. They will not invoke, after 1 January 1961 and prior to 1 January 1964, the provisions of Article XXVIII of the General Agreement to modify or cease to apply the treatment which they are required to accord under Article II of the General Agreement to any product described in the appropriate Schedule annexed thereto; provided that

- (a) the provisions of this Declaration shall not apply to concessions initially negotiated with a contracting party with respect to which Article XXVIII (revised) shall be in effect and which has given a notification pursuant to paragraph 5 of that Article, or with a contracting party with respect to which Article XXVIII (revised) is not in effect and which has not accepted this Declaration;
- (b) a party to this Declaration, which has notified the CONTRACTING PARTIES of its intention to enter into negotiations for the modification or withdrawal of particular concessions under the procedures of Article XXVIII, may pursue such negotiations up to and including 31 March 1961 (and during any further period that may be agreed upon by the Council of Representatives of the CONTRACTING PARTIES), in accordance with the terms of the Decision on the Continued Application of Schedules adopted by the CONTRACTING PARTIES on November 1960; and
- (c) a party to this Declaration, desiring to modify or withdraw a concession, may enter into negotiations under the conditions and in accordance with procedures which are the same as those provided for in Section A of Article XVIII (revised) or paragraph 4 of Article XXVIII (revised) together with the applicable notes thereto.

2. They will not invoke the provisions of paragraph 2 of Article XVIII of the General Agreement (prior to revision of that Article) with respect to the withdrawal of equivalent concessions if another contracting party, with respect to which Article XVIII (revised) is in effect or which has accepted this Declaration acts under the conditions described in the second sentence of paragraph 7(b) of Article XVIII (revised).

3. This Declaration shall cease to have effect for any party upon the date of which the Protocol Amending the Preamble and Parts II and III becomes effective for it.

4. This Declaration shall be deposited with the Executive Secretary to the CONTRACTING PARTIES to the General Agreement.

5. This Declaration shall be open at the Headquarters of the CONTRACTING PARTIES to the General Agreement at Geneva for acceptance by signature or otherwise.

6. The Executive Secretary of the CONTRACTING PARTIES to the General Agreement shall promptly furnish a certified copy of this Declaration and a notification of each acceptance thereof to each contracting party to the General Agreement and to each government provisionally acceding thereto.

Done at Geneva, in a single copy, in the English and French languages, both texts authentic, this nineteenth day of November, one thousand nine hundred and sixty.

17. BRAZIL TARIFF NEGOTIATIONS

Further Extension of the Time-Limit in the Decision of 16 November 1956

(Decision of 3 August 1960)

The CONTRACTING PARTIES decided, by telegraphic ballot, to extend until 2 September 1960 the time-limit provided in paragraph 1 of the Decision of 16 November 1956.

18. BRAZIL SCHEDULE

(Decision of 19 November 1960)

Considering the Decision by the CONTRACTING PARTIES of 16 November 1956 waiving the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to permit the Government of Brazil to put into force its new customs tariff immediately following its enactment subject to terms and conditions provided for in that Decision;

Considering that paragraph 1 of the terms and conditions in the Decision of 16 November 1956 provided that the Brazilian Government would begin as soon as possible negotiations with other contracting parties in order to establish a new Schedule of Brazilian tariff concessions (new Schedule III), the negotiations to be completed and the results put into effect within a period not to exceed one year from the date of the enactment of the new Brazilian customs tariff, which period was, by successive decisions of the CONTRACTING PARTIES, extended to 2 September 1960;

Noting that the results of the negotiations to establish a new Schedule of Brazilian tariff concessions (new Schedule III) are embodied in the Protocol of 31 December 1958 relating to Negotiations for the Establishment of New Schedule III - Brazil - to the General Agreement, and in several procès-verbaux supplementary thereto, and that the results of these negotiations were put into effect by the Government of Brazil as on 31 August 1960 with the exception of certain concessions to which the Brazilian Government is not in a position to give effect and which were notified to the CONTRACTING PARTIES in a communication dated 31 August 1960;

Noting that the Government of Brazil is prepared to carry out negotiations with respect to such concessions, and that such negotiations have already been initiated:

The CONTRACTING PARTIES, taking into account the assurances of the Brazilian Government referred to above,

Agree that the action thus notified by the Government of Brazil constitutes compliance with the terms and conditions laid down in paragraph 1 of the Decision of 16 November 1956, and that the new Schedule III referred to in paragraph 3 of the Preamble to this Decision has replaced the former Schedule annexed to the General Agreement.

Decide, with respect to the negotiations referred to in paragraph 4 of the Preamble to this Decision, that they shall be carried out in accordance with the relevant provisions of the General Agreement, such negotiations to be completed and the results put into effect as soon as possible. Should such negotiations not be completed before 1 May 1961, the Brazilian Government will submit to the CONTRACTING PARTIES a report on the progress achieved by that time.

Decide, pursuant to the provisions of paragraph 5 of Article XXV, that the provisions of paragraph 1 of Article II of the General Agreement are waived to the extent necessary:

1. To permit the Government of Brazil, pending the entry into force of the results of the negotiations provided for in the preceding paragraph, to retain in effect since 31 August 1960 the rates provided in its present customs tariff for the products described in the excepted concessions set forth in the notification of 31 August 1960.

2. (a) To permit any other contracting party pending the entry into force of the results of such negotiations to suspend or, if at any time after 31 December 1960 it appears clearly that no agreement can be reached, to withdraw concessions initially negotiated with Brazil which are substantially equivalent to its interest in the excepted concessions.

(b) In the case of a suspension or withdrawal under sub-paragraph (a), any third contracting party having a principal supplying interest or a substantial interest therein will retain the right to suspend or withdraw substantially equivalent concessions initially negotiated with such other contracting party.

(c) Moreover, pending the entry into force of the results of the negotiations, the Government of Brazil, if requested by such other contracting party and without prejudice to its rights under other provisions of the General Agreement, will not invoke those provisions of that Agreement which specifically give a contracting party with a principal supplying interest or a substantial interest, a right to negotiation or consultation with respect to concessions initially negotiated by such other contracting party with a third contracting party.

19. NEW ZEALAND SCHEDULE

(Decision of 18 November 1960)

Considering that the CONTRACTING PARTIES by Decision of 4 June 1960 suspended, subject to specified conditions, the application of the provisions of Article II of the General Agreement to the extent necessary to enable New Zealand to apply its new customs tariff simultaneously with its submission to the New Zealand Parliament;

Considering

(a) That the Government of New Zealand has informed the CONTRACTING PARTIES that the final draft Customs tariff will not be available until well into 1961; and has consequently addressed to the CONTRACTING PARTIES a request for an extension of the period of validity of the waiver; and

(b) That provision is made in the above Decision for extension of such validity;

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

Decide that the period during which effect may be given to the New Zealand tariff pursuant to the Decision of 4 June 1960 and during which the consequent renegotiations and consultations shall be completed, shall be extended until 31 December 1961.



20. TURKEY SCHEDULE

(Decision of 19 November 1960)

Considering

(a) That the Turkish Government intends to bring to a conclusion the general revision - initiated in 1954 - of the structure and nomenclature of its customs tariff which it considers necessary for both technical and general economic reasons; that such revision will in some instances involve increases in rates of duty specified in Schedule XXXVII; that the process of enactment of the new tariff is expected to be completed in January 1961; and that the Turkish Government considers it would not be possible to follow fully the procedures of Article XXVIII and, in particular, to divulge in advance the full details of the new tariff; since for constitutional reasons, the tariff changes must be put into effect before negotiations can be conducted;

(b) That in order to facilitate the conduct of the requisite renegotiations the Turkish Government has given notice pursuant to paragraph 5 of Article XXVIII reserving its right, for the period under paragraph 1 of that Article beginning on 2 January 1961, to modify Schedule XXXVII in accordance with the procedures of paragraphs 1 to 3;

(c) That a partial application of the revised tariff, which would involve withholding the application of the increased rates on bound items, is technically not practicable in view of the radical changes proposed in the structure and nomenclature of the Turkish tariff;

Noting the assurance of the Turkish Government that the tariff adjustments contemplated will not alter the general level of reciprocal and mutually advantageous concessions listed in Schedule XXXVII;

The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:C of the General Agreement;

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 Turkish Government to apply the revised tariff upon completion of the process of enactment, subject to the following conditions;

1. Concurrently with the application of the new rates of duty on items which are the subject of concessions in Schedule XXXVII, the Turkish Government will apply rates of duty offered as compensation for the concessions modified or withdrawn.

2. The Turkish Government will, as soon as the revised tariff is put into effect, submit it to the CONTRACTING PARTIES together with the draft new Schedule XXXVII, indicating separately the items to which modifications or withdrawals pursuant to paragraphs 1 to 3 of Article XXVIII refer and the concessions which it has applied as compensation for such modifications and withdrawals.

3. The Turkish Government will promptly thereafter enter into negotiations or consultations with interested contracting parties pursuant to paragraphs 1 to 3 of Article XXVIII.

4. The negotiations and consultations referred to in paragraph 3 above shall relate to the concessions provisionally offered as compensation for the modifications and withdrawals and to any requests made by interested contracting parties for other or additional compensation with a view to reaching a satisfactory adjustment consistent with the requirements of paragraph 2 of Article XXVIII.

5. The negotiations or consultations mentioned above shall be completed before the end of the eighteenth session.

6. Pending the entry into force of the results of such negotiations, the other contracting parties will be free to suspend concessions initially negotiated with Turkey to the extent that they consider that adequate compensation is not at that time provided by the Turkish Government (subject to the right of any third contracting party having a principal supplying interest or a substantial interest therein to withdraw substantially equivalent concessions initially negotiated with such other contracting parties).

7. Except as may be otherwise provided in the Decision, the negotiations and consultations shall be conducted in conformity with the relevant provisions of Article XXVIII.

21. ARTICLE XIX - ACTION BY AUSTRALIA

Extension of time-limit in Article XIX:3(a)

(Decision of 19 September 1960)

Considering that the Government of Australia took action under Article XIX to impose quantitative restrictions on imports of motor lawnmowers (Tariff items 161(B) (3) (a) and (b)); and mower engines (Tariff item ex 178(I) (2),

Considering that the Government of Australia has assured that it is prepared to enter into consultations on this matter upon request with the other contracting parties as required in paragraph 2 of Article XIX, and

Considering that any consultations will not have been completed in time for a contracting party to avail itself, in the event of failure to reach agreement, of its right to suspend equivalent obligations or concessions pursuant to paragraph 3(a) of Article XIX,

The CONTRACTING PARTIES

Decide that, with respect to the Australian action referred to above, the ninety-day period prescribed in Article XIX:3(a) shall begin to run as from the date of the completion of any such consultations.

22. ARTICLE XIX - ACTION BY UNITED STATES

Extension of Time-limit in Article XIX:3(a)

(Decision of 18 November 1960)

Considering that, on 22 September 1960, the Government of the United States invoked Article XIX to increase the rates of duty on imports of cotton typewriter ribbon cloth bound under item 904 in Part I of Schedule XX,

Considering that consultations under Article XIX between the United States and contracting parties concerned will not be completed in time for such contracting parties to avail themselves, in the event of the failure of such consultations, of their right to suspend equivalent obligations or concessions pursuant to paragraph 3(a) of Article XIX,

The CONTRACTING PARTIES

Decide that with respect to the United States action referred to above, the ninety-day period prescribed in Article XIX:3(a) shall begin to run as from the date of the completion of any such consultations.

23. CHILEAN IMPORT CHARGES

(Decision of 18 November 1960)

Considering that the CONTRACTING PARTIES by Decision of 27 May 1959 waived, subject to specified conditions, the provisions of paragraph 1 of Article II to the extent necessary to allow the Government of Chile to maintain certain surcharges additional to the import duties specified in Schedule VII - Chile;

Considering that one of the conditions of the above Decision was that all surcharges maintained under that Decision should be eliminated before 1 January 1961;

Considering that owing to certain natural events which have adversely affected the Chilean economy it is the view of the Chilean Government that the operation of the stabilization programme, of which the imposition of surcharges on items specified in Schedule VII is an important part, has to be continued in substantially its present form beyond 1 January 1961;

Considering further that the International Monetary Fund has stated that the revenue resulting from the various elements of the stabilization programme; including the measures covered by the above Decision of the CONTRACTING PARTIES, is not more than is consistent with the success of the stabilization programme;

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

Decide that Chile is authorized to maintain surcharges specified in the Decision of 27 May 1959 after 31 December 1960 provided that all such surcharges shall be eliminated before 1 January 1962.

24. PERUVIAN IMPORT CHARGES

(Decision of 19 November 1960)

Considering that the CONTRACTING PARTIES by their Decision of 21 November 1958, as amended by their Decision of 17 November 1959, waived the provisions of Article II of the General Agreement to the extent necessary to allow the Government of Peru to maintain under specified conditions certain surcharges additional to the specific duties provided for in Schedule XXV;

Considering that the above Decision provided that it would cease to have effect on the date on which all surcharges maintained thereunder would be eliminated, or on 8 June 1961, whichever date is the earlier;

Considering that the Government of Peru will for technical and administrative reasons require, for the elimination of these surcharges, more time than is allowed for in the above Decision;

Considering that the Government of Peru has begun the process of elimination of these surcharges; and that it intends to continue doing so as rapidly as the above-mentioned technical and administrative reasons permit;

The CONTRACTING PARTIES, acting under the provisions of Article XXV:5,

Decide to extend the period during which the surcharges may be maintained under the Decision of 21 November 1958, as amended, until the date on which all such surcharges shall be eliminated, or until 8 June 1962, whichever is the earlier; subject to the conditions contained in the Decision of 21 November 1958, as amended, which are not inconsistent with the above considerations.

25. Rhodesia and Nyasaland Tariff - Base Dates

DECISION RELATING TO BASE DATES UNDER ARTICLE I,  
PARAGRAPH 4, IN RESPECT OF AUSTRALIA, THE FEDERATION  
OF RHODESIA AND NYASALAND, AND THE UNION OF SOUTH AFRICA

(Decision of 19 November 1960)

Uling that on 29 October 1954 the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade declared that the Government of the Federation of Rhodesia and Nyasaland should thenceforth be deemed to be a contracting party and to have acquired the rights and obligations under the Agreement which formerly pertained to the Government of Southern Rhodesia and to the Government of the United Kingdom in respect of the territories of Northern Rhodesia and Nyasaland, and that on 1 July 1955 a new tariff of the Federation entered into force to replace the tariffs previously in effect in the territories which now constitute the Federation together with new trade agreements between the Federation on the one hand and Australia and the Union of South Africa on the other hand;

Considering that by the Decision of 3 December 1955 and subsequent related actions the CONTRACTING PARTIES accepted the increases in margins of preference resulting from the application of the 1955 tariff of the Federation and its 1955 Agreements with Australia and the Union of South Africa as not increasing the overall level of preferences accorded by the three contracting parties involved, and made provision that, following the completion of the adjustments permitted by the 1955 Decision, the CONTRACTING PARTIES would establish new dates for the purposes of paragraph 4 of Article I of the General Agreement for the Federation, and for Australia and the Union of South Africa in respect of products of the Federation; and

Considering that a number of adjustments in margins of preference have been made under the 1955 Decision, and that the periods thereunder for making any further adjustments under the terms of that Decision have expired:

The CONTRACTING PARTIES, acting pursuant to the authority of paragraph 5 of Article XXIV of the General Agreement,

Decide that the obligations of the Governments of the Federation of Rhodesia and Nyasaland, of Australia, and of the Union of South Africa under Article I of the General Agreement are modified to the extent necessary to make the following changes in the dates applicable to such contracting parties for the purposes of paragraph 4 of that article and of Annex G to the General Agreement subject to the following relevant conditions:

1. Federation of Rhodesia and Nyasaland: 3 December 1955; provided that the tariff adjustments made by the Federation on 8 March 1957 and tariff adjustments made at any time by it pursuant to the Decision of 3 December 1955 shall be deemed, for this purpose, to have been in effect on that date.

2. Australia in relation to products of the Federation of Rhodesia and Nyasaland: 20 November 1959.

3. The Union of South Africa in relation to products of the Federation of Rhodesia and Nyasaland: 30 June 1960; provided that the tariff adjustments made effective by the Union on 1 July 1960 pursuant to the Decision of 3 December 1955 shall be deemed, for this purpose, to have been in effect on that date.



26. RHODESIA AND NYASALAND TARIFF - UNITED KINGDOM TERRITORIES

SPECIAL CUSTOMS TREATMENT BY THE FEDERATION OF RHODESIA AND  
NYASALAND TO DEPENDENT TERRITORIES OF THE UNITED KINGDOM  
CONSEQUENTIAL UPON THE ESTABLISHMENT OF THE NEW BASE DATE  
FOR TARIFF PREFERENCES FOR THE FEDERATION

(Decision of 19 November 1960)

Considering that the tariff treatment accorded by the Federation of Rhodesia and Nyasaland on 3 December 1955 to the articles described in the list annexed to this Decision, when they were the products of dependent territories of the United Kingdom, was less favourable than the tariff treatment which would ordinarily have been applicable to the products of such territories under the tariff legislation of the Federation; and

Having received from the Government of the Federation a request for authority to be permitted, notwithstanding the Decision of 19 November 1960 Relating to Base Dates under Article I, paragraph 4, in respect of Australia, the Federation of Rhodesia and Nyasaland, and the Union of South Africa, in particular future cases to apply to such articles when they are products of countries, the products of which are generally so treated under the tariff legislation of the Federation, the more favourable treatment generally applicable to dependent territories of the United Kingdom, without making a corresponding reduction in the most-favoured-nation rate, when requested to apply such treatment in order to assist the economic development of such countries:

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

Decide that:

1. Subject to the provisions of paragraphs 2, 3 and 4 of this Decision, the provisions of paragraphs 1 and 4 of Article I of the General Agreement shall be waived to the extent necessary to permit the Government of the Federation of Rhodesia and Nyasaland in particular future cases to apply to articles described in the annex to this Decision when they are products of countries, the products of which are generally so treated under the tariff legislation of the Federation, the more favourable treatment generally applicable to dependent territories of the United Kingdom, without making a corresponding reduction in the most-favoured-nation rate, when requested to apply such treatment in order to assist the economic development of such countries.
2. Before taking any action under paragraph 1 of this Decision, the Government of the Federation of Rhodesia and Nyasaland shall notify, by cable, the CONTRACTING PARTIES and any contracting party which it considers to have a substantial interest in the product concerned, and shall consult with any contracting party which considers that such action is likely to cause material damage to its commercial interests, with a view to arriving at a mutually satisfactory

settlement which might involve compensatory adjustment. Any such consultations shall be requested and conducted with the least possible delay. Should no agreement be reached in such consultations, the question of such likelihood may be considered by the CONTRACTING PARTIES or, if they are not in session, by the Council of Representatives. The Government of the Federation may provide the more favourable customs treatment as proposed if, within thirty days after such notification, no contracting party has requested consultation or if it is agreed by a contracting party requesting consultation, by the CONTRACTING PARTIES, or by the Council, as the case may be, that no such likelihood exists.

3. At no time shall the more favourable customs treatment pursuant to this Decision be applied to products, the imports of which in 1959 originating in the countries referred to in paragraph 1 exceeded 25 per cent by value of the imports originating in such countries of all the products specified in the Annex to this Decision.
4. The Government of the Federation of Rhodesia and Nyasaland shall report annually to the CONTRACTING PARTIES on the measures taken and on the effects of such measures on the imports of the Federation from all sources.
5. Any notification and/or consultation under the terms of this Decision shall be in strict confidence.
6. In the event that the special treatment authorized by this Decision should result or threaten to result in substantial injury to the competitive trade of any contracting party, the CONTRACTING PARTIES, upon request of any affected contracting party, shall review this Decision in the light of all relevant circumstances.

Annex

| <u>Tariff Item No.</u>       | <u>Description</u>   |
|------------------------------|--|
| 65                           | Clothing   |
| ex 69                        | Hats, caps and bonnets:  |
| ex(a) Hats:                  |  |
| (ii)                         | Of wool-felt or fur-felt   |
| (iii)                        | Of straw or other fibre  |
| (v)                          | Other, n.e.e.  |
| (b) Caps, bonnets and berets |  |
| 70                           | Hosiery, socks and stockings   |
| 73                           | Millinery, drapery, haberdashery and textile articles of furnishing and napery |

|        |                |   |
|--------|----------------|---|
| ex 76  |                | Piece goods, woven, knitted, crocheted or felted, n.e.e.: excluding piece goods containing 100 per cent of cotton   |
| 99     |                | Cutlery (including spoons and forks), not gold or silver, nor gold plated   |
| 102    |                | Enamelware and hollow-ware, metal, n.e.e.   |
| 113    |                | Hardware, including domestic kitchenware and appliances, n.e.e.   |
| 251    |                | Footwear  |
| 257    |                | Leatherwork, n.e.e., including leggings, belts, straps, ladies' handbags, travelling and sports cases and bags of all types, wallets, purses and similar goods: of leather or of substitutes therefor |
| 259(1) |                | Rubber blankets, sheets and strips (excluding packing and lagging), used in connexion with machinery; under such conditions and regulations as the Controller may prescribe                           |
| (2)    |                | Rubber manufactures, n.e.e.   |
| ex 297 |                | Stationery, n.e.e.:   |
|        | (c) Other      |   |
| ex 331 |                | Goods, wares and merchandise, n.e.e.:   |
|        | (b) All other. |   |

## 27. ARTICLE XXVIII RENEGOTIATIONS

### Extension of Closing Date for Notifications

(Decisions of November 1960)

During the seventeenth session, the CONTRACTING PARTIES agreed to receive notifications of intention to withdraw or modify scheduled concessions under article XXVIII:1, from Austria, Canada, Dominican Republic, Netherlands, Rhodesia and Nyasaland, South Africa, the United States and Uruguay, even if these were forthcoming after 1 October but not later than 30 November 1960.

28. SUBSIDIES - ARTICLE XVI:4 (PROHIBITION)

DECLARATION GIVING EFFECT TO THE PROVISIONS OF ARTICLE XVI:4  
OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

(Declaration of 19 November 1960)

The parties to this Declaration, being contracting parties to the General Agreement on Tariffs and Trade (hereinafter referred to as "the General Agreement"), or governments which have acceded provisionally to the General Agreement.

Considering the provisions of paragraph 4 of Article XVI of the General Agreement that, "as from 1 January 1958 or the earliest practicable date thereafter, contracting parties shall cease to grant either directly or indirectly any form of subsidy on the export of any product other than a primary product which subsidy results in the sale of such product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market";

Considering further that it is highly desirable that the above-mentioned provisions of paragraph 4 of Article XVI of the General Agreement should be put into force without further delay by the largest number of contracting parties possible;

Hereby declare that:

1. They agree that the date on which the above-mentioned provisions of paragraph 4 of Article XVI come into force shall be, for each party to this Declaration, the date on which the Declaration enters into force for that party.
2. This Declaration shall enter into force, for each government which has accepted it, on the thirtieth day following the day on which it shall have been accepted by that government or on the thirtieth day following the day on which it shall have been accepted by the Governments of Austria, Belgium, Canada, Denmark, France, the Federal Republic of Germany, Italy, Luxembourg, the Kingdom of the Netherlands, Norway, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America, whichever is the later.
3. Any party to this Declaration which ceases to be a contracting party to the General Agreement, or as to which arrangements for its provisional accession have terminated otherwise than through accession pursuant to Article XXXIII of the General Agreement, shall thereupon cease to be a party to this Declaration.
4. This Declaration shall be deposited with the Executive Secretary of the CONTRACTING PARTIES to the General Agreement. It shall be open for acceptance, by signature or otherwise, by contracting parties to the General Agreement and by governments which have acceded provisionally to the General Agreement.
5. The Executive Secretary shall promptly furnish a certified copy of this Declaration and a notification of each acceptance thereto to each contracting party to the General Agreement and to each other government on behalf of which the Declaration is open for acceptance.

29. SUBSIDIES - ARTICLE XVI:4 (STANDSTILL)

EXTENSION OF STANDSTILL PROVISIONS OF ARTICLE XVI:4  
OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

(Declaration of 19 November 1960)

The parties to this Declaration, being contracting parties to the General Agreement on Tariffs and Trade (hereinafter referred to as "the General Agreement"), or Governments which have acceded provisionally to the General Agreement,

Considering that, in accordance with paragraph 4 of Article XVI of the General Agreement and the note thereto in Annex I, contracting parties should seek before the end of 1957 to reach agreement to abolish as from 1 January 1958 all remaining subsidies on products other than primary products which result in the sale of such products for export at a price lower than that charged in the domestic market or, failing this, to extend the application of the standstill provided for in paragraph 4 of Article XVI; and

Considering that a number of contracting parties have agreed to successive yearly extensions of the standstill provisions in relation to such subsidies pending their abolition;

Considering that some contracting parties will, for various reasons, not be prepared to accept for the time being the Declaration Giving Effect to the Provisions of Article XVI:4 of the General Agreement, opened for acceptance on the same date as this Declaration;

Considering further that it is desirable for such contracting parties not only to agree to extend the standstill but also to agree to a procedure which would constitute a first step towards the abolition of subsidies covered by the provisions of Article XVI:4;

Hereby declare that:

1. They will not extend the scope of any subsidization of the type described in paragraph 4 of Article XVI beyond that existing on the date of this Declaration, by the introduction of new, or the increase of existing, subsidies; it being understood that any such subsidy which, since that date, has been reduced or abolished may not be increased nor re-instituted:

2. They will communicate to the Executive Secretary of the CONTRACTING PARTIES the list of the measures of the type described in paragraph 4 of Article XVI of the General Agreement in force on the date of this Declaration; and notify the Executive Secretary of any changes in these measures.

3. They agree to an annual review by the CONTRACTING PARTIES on the progress made in the abolition or reduction of such subsidies existing on the date of this Declaration.

4. Any party to this Declaration which ceases to be a contracting party to the General Agreement, or as to which arrangements for its provisional accession have terminated otherwise than through accession pursuant to Article XXXIII of the General Agreement, shall thereupon cease to be a party to this Declaration.

5. This Declaration shall be deposited with the Executive Secretary of the CONTRACTING PARTIES to the General Agreement. It shall be open for acceptance, by signature or otherwise, by contracting parties to the General Agreement and by governments which have acceded provisionally to the General Agreement.

6. This Declaration shall enter into force on the day on which it will have been accepted by the Governments of Austria, Belgium, Canada, Denmark, France, the Federal Republic of Germany, Italy, Japan, Luxemburg, the Kingdom of the Netherlands, Norway, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. Acceptance of the Declaration Giving Effect to the Provisions of Article XVI:4 of the General Agreement by one of the above-mentioned Governments shall constitute an acceptance of the present Declaration for the purposes of this paragraph.

7. This Declaration shall remain in force until 31 December 1961; its validity shall be renewed for two further periods of one year each. It shall be terminated at the end of any calendar year if any party to the Declaration notifies the Executive Secretary to that effect not later than 1 October of that year. The CONTRACTING PARTIES shall review the position at the session preceding the termination or expiry of this Declaration.

8. The Executive Secretary to the CONTRACTING PARTIES to the General Agreement shall promptly furnish a certified copy of this Declaration and a notification of each acceptance thereto to each contracting party to the General Agreement.

30. FRENCH TRADING ARRANGEMENTS WITH MOROCCO

(Decision of 19 November 1960)

Noting that the Government of France is permitted, under the provisions of paragraphs 2 and 4 of Article I of the General Agreement on Tariffs and Trade, to maintain certain preferences, including the granting of duty-free tariff quotas for a number of products, listed in the Order of 13 September 1948, with respect to goods originating in the former French zone of Morocco;

Noting the request of the Government of France to be authorized to apply the said tariff quotas to imports from any part of the territory of the Kingdom of Morocco in order that trade between France and Morocco may be conducted under uniform foreign trade and exchange regulations;

Considering that the grant of this authority to the Government of France would assist the sound economic development of Morocco and contribute to the development of the port of Tangiers; and

Having ascertained, in accordance with the procedures adopted on 1 November 1956, that, in view of the nature and volume of the trade involved, action under the proposed authority is not likely to result in injury to the trade of any of the contracting parties;

The CONTRACTING PARTIES, acting pursuant to paragraph 5 of Article XXIV,

Decide

1. that the provisions of paragraph 1 of Article I of the General Agreement shall be waived to the extent necessary to permit the Government of France to apply the above-mentioned duty-free tariff quotas to goods originating in any part of the territory of the Kingdom of Morocco; and
2. that, on the next occasion when amendments to the General Agreement are prepared for signature, provision shall be made to amend Annex B of the General Agreement by replacing the words "Morocco (French zone)" by the words "Kingdom of Morocco."

31. ITALIAN CUSTOMS TREATMENT  
FOR CERTAIN PRODUCTS OF SOMALIA

(Decision of 19 November 1960)

Taking note that the Government of Italy, in execution of its undertaking to contribute to the economic aid of the Republic of Somalia, has requested the CONTRACTING PARTIES for authorization to continue to grant special customs treatment to the products listed in the Annex to this Decision, originating in Somalia, when imported into Italian customs territory;

Taking note of the undertaking by the Government of Italy to submit a first report not later than 1 September 1963 and a second report not later than 1 September 1965 on the development of trade under the special treatment thus accorded, with special reference to its effects on Italy's imports of these products from other contracting parties, and of the undertaking by the Government of Somalia to submit reports by the same dates on the economic progress made and expected which would permit Somalia to participate in international trade on a normal competitive basis;

Considering that the grant of this special treatment to Somalian products is designed to promote the economic development of the territories of the Republic of Somalia, which development would be prejudiced if the Government of Italy, in accordance with its obligations under Article I of the General Agreement, should now cease to apply this special treatment to Somalian products;

Considering that special treatment has traditionally been accorded by Italy to imports from Somalia and that the special treatment to be accorded under this Decision will not affect products other than those to which special treatment has been applied hitherto; and

Considering further that it has been ascertained, in accordance with the procedures adopted on 1 November 1956, that the proposed special treatment, in view of the nature and volume of the production and trade involved, is not likely to result in substantial injury to the trade of any of the contracting parties;

The CONTRACTING PARTIES, acting pursuant to paragraph 5 of Article XXV,

Decide

1. that the provisions of paragraph 1 of Article I of the General Agreement shall be waived, for the period ending 31 December 1965, to the extent necessary to permit the Government of Italy to grant duty-free treatment to the products listed in the Annex to this Decision, originating in the Republic of Somalia, when imported into the customs territory of Italy, without obligation to extend the same treatment to the like products of other contracting parties; and that such treatment shall be governed by the same provisions as other preferences under the General Agreement, provided that, for the purposes of paragraph 4 of Article I, the date of 10 April 1947 shall be replaced by the date of this Decision; and

2. to review this Decision at the last ordinary session of the CONTRACTING PARTIES in 1965.



A N N E X

Schedule of Products of Somalian Origin to be  
Admitted into Italian Customs Territory Free  
of Customs Duty

| <u>Italian Customs Tariff</u> |  | <u>Most-favoured-nation</u>     |  |
|-------------------------------|--|---------------------------------|--|
| <u>Numbers</u>                | <u>Description of Products</u>   | <u>Rates of Duty applied in</u> |  |
|                               |  | <u>November 1960</u>            |  |
| 08.01 · b) 2                  | Bananas  | 32.40%                          |  |
| 11.04 a)                      | Banana flour   | 30%                             |  |
| 12.01                         | Oilseeds and oleaginous fruit  | 0 to 9%                         |  |
| 16.02                         | Prepared or preserved meat   | 22%                             |  |
| 16.04                         | Prepared or preserved fish   | 10 to 30%                       |  |
| 41.02 a)                      | Bovine cattle leather (oxen,<br>cow, steer), including buffalo<br>leather, simply tanned | 12.60 to 13.50%*                |  |
| 41.03 a)                      | Sheep and lamb leather, simply<br>tanned   | 10.80%                          |  |
| 41.04 a)                      | Goat and kid leather, simply<br>tanned   | 10.80 to 11.70%*                |  |
| 55.01 a) b)                   | Cotton, not carded or combed   | 5.4%                            |  |

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\*The rates applicable to the sub-items of these tariff items are specified in the Italian Customs Tariff as approved by Presidential Decree No. 1105 dated 26 December 1958.

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(Reports which will be published in the Ninth Supplement  
to the BISD in January 1961)

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- Accession of Ireland  
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Balance-of-Payments Import Restrictions

- Eleventh annual report under Article XIV:l(g) on the  
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\* English only

\*\* French only

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