A communication from the Government of India concerning the continued application of the auxiliary duty of customs has been circulated in document L/4163. The following draft decision, extending until 30 June 1976 the validity of the waiver granted to India on 15 November 1973 (L/3969) and extended on 30 April 1974 (L/4026), is circulated in order to facilitate the consideration by the Council of the communication from the Government of India.

Draft Decision

Considering that the CONTRACTING PARTIES, by Decisions of 15 November 1973\(^1\) and 30 April 1974\(^2\), waived until 31 March 1975, the application of the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to enable the Government of India to apply the auxiliary duty of customs, as notified in documents L/3934 and L/4007, on items included in Schedule XII - India,

Considering that the Government of India has notified the CONTRACTING PARTIES that, in view of the continuing need for resources required for economic development and social welfare programmes, it has been decided to continue the levy of the auxiliary duty of customs until 30 June 1976,

Noting that the rates of the auxiliary duty of customs and the conditions governing its levy remain unchanged and that the incidence of the auxiliary duty on almost all items in Schedule XII continues to be either nil or 5 per cent,
Noting that the continued application of the auxiliary duty has become effective, on a provisional basis, from 1 March 1975 and is subject to approval with or without modifications by the Indian Parliament,

Noting further the assurances of the Government of India that it will, upon request, promptly enter into consultations with any contracting party which considers that serious damage to its interests is caused or imminently threatened by the auxiliary duty,

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

Decide to waive until 30 June 1976 the application of the provisions of paragraph 1 of Article II of the General Agreement to the extent necessary to enable the Government of India to apply the auxiliary duty of customs, as notified in document L/4163, on items included in Schedule XII.