The following press communiqué gives an account of the discussions and decisions of the Contracting Parties on the principal items on the agenda of their twenty-sixth session, held at Geneva from 16-27 February 1970. The session was presided over by Mr. Sule Kolo, Ambassador and Permanent Representative of Nigeria to the international organizations in Geneva, Chairman of the Contracting Parties. Mr. Sule Kolo gave an opening address the text of which was reproduced in full in the Press Release GATT/1053.

I. EXPANSION OF TRADE

At the twenty-fourth session, in November 1967, the Contracting Parties adopted and set in motion a co-ordinated Programme of Work under three main headings: industrial products, agriculture and the trade of developing countries. To carry out this Programme they established a Committee on Trade in Industrial Products, and an Agriculture Committee. The Committee on Trade and Development had already been established in 1965. At their twenty-fifth session, the Contracting Parties adopted Conclusions by which they agreed that the Committee on Trade in Industrial Products and the Agriculture Committee should move rapidly from the stage of study and of identification of problems to that of seeking mutually acceptable solutions. These Committees would report to the Council, before the twenty-sixth session, on the results of their work so as to enable the Contracting Parties to take appropriate decisions.

The Council submitted these reports to the Contracting Parties, which also heard the oral reports made by the Chairman of the various bodies concerned with giving effect to the co-ordinated Programme of Work.

(a) Committee on Trade in Industrial Products

In the course of its work on non-tariff barriers, the Committee on Trade in Industrial Products examined, at its meetings in 1969, some 800 notifications by a large number of contracting parties of measures which, in the view of the
notifying countries, constituted non-tariff or para-tariff barriers in nearly all countries parties to the General Agreement.

Subsequently, the Committee selected around thirty categories of notified measures as illustrative areas where some type of action might be required. These categories are to be examined during the period January-June 1970 by five Working Groups, each dealing with one part of the list with the object of expediting action looking towards the reduction and removal of such barriers. The Groups will report to the Committee in June or July 1970. At that time the Committee will need instructions from the Council on how to continue its work. This period will clearly be of great importance for the whole non-tariff barrier programme since in the autumn the Committee will not only have to discuss what type of action, but also how such action should be taken.

The Chairman of the Committee pointed out that the report contained a proposal by the Director-General that the Contracting Parties should consider the adoption of some form of standstill as regards non-tariff barriers.

Work on the tariff study was initiated in May 1968 under the guidance of a Group of Technical Experts. The Group's recent report describes the progress made in the field of the tariff study and reports that, in the course of the spring of 1970, the secretariat will have ready tabulations for all countries included in the tariff study, so that the tariffs of some sixteen countries will be available to the Industrial Committee for a meaningful study. In this connexion the Chairman mentioned the repeated emphasis that had been laid on the relationship between the tariff study and the non-tariff barrier exercise by members of the Industrial Committee.

(b) Agriculture Committee

At the twenty-fifth session the Contracting Parties approved the plan for carrying out the second stage of the work of the Agriculture Committee, namely the identification of the problems affecting agricultural production and trade, and seeking mutually acceptable solutions to these problems. The Director-General, in his report to the Contracting Parties, stressed the fact that the Committee had very largely met the request made to it at that session.

Since that time, the information collected in the preparatory stage has been the subject of a reasonably detailed examination process to identify the various measures affecting imports, exports and production of agricultural products falling within the eight selected sectors, which cover approximately three quarters of agricultural trade.

The Committee agreed to carry the work forward in four working groups dealing, respectively, with measures which affect exports, measures which affect imports, measures which affect production, and other relevant measures. The groups
will seek mutually acceptable solutions to the principal problems of international trade in agricultural products. They will submit progress reports to the Committee by 1 June 1970.

At the request of the Council, the Committee studied the particular problem of oilseeds and vegetable oils. It received proposals from individual delegations to which it will revert at a subsequent meeting.

The Committee also conducted a fundamental review of the notification and consultation procedures regarding the disposal of commodity surpluses. The Committee made recommendations to the Council, which transmitted them to the Contracting Parties (see under Report of the Council).

(c) Committee on Trade and Development

Since the twenty-fifth session the Committee on Trade and Development has continued to review regularly the implementation of Part IV of the General Agreement. It has also given close attention to the initiation of consultations, where appropriate, in respect of tariffs and non-tariff barriers and related problems affecting developing countries not elsewhere under examination in GATT, and has followed closely the work in progress in other GATT organs. The Committee took certain initiatives regarding problems affecting trade in tropical oils and oilseeds. With the help of a group of experts, the Committee reviewed and studied recent developments in the field of assistance for structural adjustments. The Chairman of the Committee expressed satisfaction that, since the last session, five governments had accepted Part IV. He urged the Contracting Parties to give priority to finding a solution for the trade problems of developing countries and to take immediate steps to this end.

(c) Special Group on Trade in Tropical Products

The Special Group on Trade in Tropical Products was requested by the Committee on Trade and Development early in 1969 to take up, on a priority basis, outstanding problems related to vegetable oilseeds and oils of particular export interest to developing countries. The Group noted the problem of access to markets and the concern expressed by exporting countries. On the basis of this preliminary study, the Committee on Trade and Development requested the Agriculture Committee to consider the question within a wider framework. The Chairman of the Group stated that the Group was prepared to pursue its work as regards matters falling within its terms of reference in so far as governments wished to reopen consultations.
(e) Trade Negotiations Committee of Developing Countries

Since the twenty-fifth session the work of the Trade Negotiations Committee of Developing Countries has progressed, and to date fourteen of the thirty-three governments participating in the negotiations have presented lists of specific requests to other participants. The delegations represented in the Committee have reached a broad consensus on certain working hypotheses on the basis of which requests and offers could be formulated and discussed. Thus, it should be possible for the participating countries to move rapidly into the substantive phase of the negotiations and to consider what concessions they could appropriately seek from or offer to one another.

The Director-General, Chairman of the Committee, recalled that he had already addressed invitations to governments of developing countries (whether or not they were contracting parties) which had not yet participated in the Committee's work, calling for their effective participation. Although progress thus far had been slow, he believed nevertheless that some encouragement could be taken from the serious manner in which the Committee had approached the problems confronting the participating countries, and that the future of this exercise could be looked upon with confidence.

(f) Opening statement by the Director-General

The Director-General made an opening statement on the question of the Expansion of Trade, in which he said that the aim of the Contracting Parties for the months ahead should be to make the maximum possible progress towards the ultimate goal of further trade liberalization.

An extensive discussion took place on this item on the agenda, in which a large number of delegations participated.

(g) Conclusions

At the close of the session, the Contracting Parties adopted the following conclusions on the agenda item - "Expansion of Trade":

1. The Contracting Parties underline the major rôle of past tariff and trade negotiations under the GATT in promoting the continuing expansion of international trade and reaffirm their support for the maintenance of the multilateral trading system and their determination to move progressively towards the further reduction of trade barriers. They emphasize the need to maintain the momentum of trade liberalization bearing in mind in this connexion that the last of the annual reductions under the Geneva Protocol of 1967 is due to be applied on 1 January 1972.
2. The Contracting Parties recognize that the further liberalization and expansion of international trade according to the principles and objectives of the General Agreement would be an essential contribution to the success of the Second Development Decade. They note the deterioration of the terms of trade of developing countries and their declining share in international trade. The Contracting Parties stress that for the success of the Second Development Decade, it is essential that GATT should contribute by making maximum efforts directed towards the expansion of the export earnings of all developing countries and by giving priority consideration to and by taking immediate steps towards solving the trade problems of these countries.

3. The Contracting Parties note with satisfaction the progress that has been made under the Work Programme established in November 1967. In this context, they have approved both the reports of the Committee on Trade in Industrial Products, the Agriculture Committee and the Committee on Trade and Development and the work programmes established by the Committees in furtherance of their respective mandates. The Contracting Parties direct the Committee on Trade in Industrial Products to explore the possibilities for concrete action with regard to reducing or removing barriers affecting international trade in industrial products and to developing possible rules of conduct. The Contracting Parties also direct the Agriculture Committee to seek mutually acceptable solutions to the principal problems of international trade in agricultural products including measures affecting imports, exports and production and for this purpose to complete such further identification of these problems as is necessary.

4. The Contracting Parties direct the Industrial and Agriculture Committees, on the basis of the comprehensive preparatory work that they have already done and of such additional work as may prove to be necessary, to proceed with the task of formulating conclusions on possibilities for concrete action that might appropriately be taken to deal with the problems that arise in the field of industrial and agricultural products. This task should be completed during 1970 so as to enable the Contracting Parties to consider, at their twenty-seventh session, with the assistance of a report from the Council on possible techniques including the sector approach, a decision to initiate the appropriate actions covering both the industrial and agricultural sectors, directed towards the realization of these possibilities. They nevertheless reiterate the decision adopted at their twenty-fifth session that such opportunities as might arise for the settlement of particular trade problems at any time should be pursued, especially with respect to products on which a substantial amount of preparatory work has already been done within GATT.

5. In this connexion, the Contracting Parties stress the importance of the earliest possible completion of the Tariff Study so that tariffs, as well as non-tariff barriers, are fully taken into account in the course of the work that will be undertaken in terms of the work programme. The basic documentation should
also cover, on a priority basis, the following problems of particular interest to developing countries: (a) tariff differentials, (b) specific duties, (c) peak tariffs and (d) tariffs on industrial raw materials, and indicate possible lines of future action in these and other fields.

6. The Contracting Parties emphasize the importance of the concerted effort that is to be made to deal with the problem of import restrictions on a comprehensive basis and the setting up of the Joint Working Group to facilitate this process. They express the hope that the results of the work carried out in the Group will, to the extent that they have not already led to action, be quickly taken up in the three Committees and contribute to a wide-ranging action toward the reduction and elimination of non-tariff barriers generally, particularly those affecting the trade of developing countries.

7. Conscious of the importance for developing countries of the work of the Committee on Trade in Industrial Products, the Agriculture Committee and the Joint Working Group, the Contracting Parties reaffirm their intention that, as the work of these bodies proceeds, particular attention should be paid to the problems of these countries including especially the problems of developing countries dependent on a limited range of primary products. The Contracting Parties emphasize the need for Part IV of the General Agreement to be applied and for the developing countries' special needs to be taken fully into account in the search for solutions in these bodies in accordance with the Contracting Parties' decision at the twenty-fourth session that maximum effort was to be made to promote the expansion of the export earnings of these countries. They direct the Committee on Trade and Development to continue to follow closely to this end the work in progress in these bodies.

8. The Contracting Parties recognize that the creation of a favourable point of departure for future action requires that each contracting party individually should refrain from aggravating the problems and obstacles to be dealt with, it being understood that this in no way affects existing rights or obligations under the General Agreement and particularly under Article XVIII and Part IV.


10. They welcome the extensive examination that has taken place in the Committee on Trade and Development on problems connected with the fuller implementation of the provisions of Part IV of the General Agreement relating to trade and development. They look to a more speedy removal of tariff and non-tariff barriers to the trade of developing countries as a consequence of this examination.
While noting the concrete progress made in certain limited areas, such as the removal of a few residual restrictions, the Contracting Parties impress upon contracting parties the need for action in the field of both manufactured and agricultural products, including tropical products, commensurate with the affirmations made by them at previous sessions. In this connexion the Contracting Parties also impress upon contracting parties the need to adopt additional measures designed to improve conditions of access and stabilize conditions of world markets for the exports from developing countries.

11. They welcome the decision reached by the Committee on Trade and Development to establish appropriate consultation procedures so that any concrete problems relating to the application of Part IV can be resolved on a mutually satisfactory basis. The Contracting Parties expressed the hope that early agreement would be reached on the modalities of this procedure.

12. The Contracting Parties note the progress made in the work leading toward negotiations for the exchange of concessions among developing countries. They invite as many of those developing countries as possible who are not currently participating in this work to do so, in order that the negotiations can make the greatest possible contribution to the expansion of trade among developing countries. The Contracting Parties reiterate their intention to look at the results of these negotiations in a constructive and forward-looking spirit.

13. The Contracting Parties reaffirm their readiness to take appropriate action when the general non-discriminatory scheme of preferences in favour of developing countries has been negotiated, and directs the Council to consider the matter at the appropriate time.

14. The Contracting Parties reaffirm their support for the International Trade Centre and urge all contracting parties to make available adequate resources to the Centre for full implementation of its programme of work.

II. TRADE IN COTTON TEXTILES

In his capacity as Chairman of the Cotton Textiles Committee, the Director-General submitted the Committee's report on the seventh annual review of the operation of the Arrangement regarding International Trade in Cotton Textiles. He stated that the Committee had also discussed adjustments in the cotton textiles industry and had initiated discussion on the issue of extension, modification or discontinuance of the Arrangement.

The Arrangement came into force on 1 October 1962 for a period of five years and was extended for three years to 30 September 1970. The Director-General pointed out that both importing and exporting countries had referred to certain
difficulties in implementing the Arrangement. Importers had extended their markets, but there was still room for improvement in implementation. He referred also to the increase in the relative importance of man-made fibres.

As regards the future of the Arrangement, the Director-General stated that the participating countries had adopted as a working hypothesis a prolongation of the Arrangement in its present form for a period of three years. Two countries had reserved their position on this question, but the hypothesis was used as a basis for bilateral discussions. After these consultations, countries would be in a position either to confirm the working hypothesis or to take some other decision. The Director-General stressed that a decision should be reached without much delay, so as to eliminate the uncertainty which was weighing on the industry and the participating countries. The Committee should be in a position to reach a decision by April 1970. If the Arrangement was prolonged, the Committee would then have to begin discussing the evolution of trade in cotton textiles.

III. REPORT OF THE COUNCIL

In accordance with a decision taken at the twenty-fifth session, the Council of Representatives was made responsible for a wider range of tasks in order to relieve the annual sessions of the burden of a long agenda, thus enabling the Contracting Parties to concentrate their attention on trade matters of major importance. In addition, the Council was authorized to supervise all aspects of the Work Programme for the Expansion of International Trade. The Council held ten meetings between the twenty-fifth and twenty-sixth sessions. It submitted to the twenty-sixth session a report on its activities, which was approved by the Contracting Parties. The following are the main points covered by the report:

1. Expansion of international trade

Both the Committee on Trade in Industrial Products and the Agriculture Committee made regular reports to the Council on the progress of their work. The Council approved the reports of the two Committees and decided to submit them to the Contracting Parties for consideration and adoption.

2. Import restrictions

At their twenty-fourth and twenty-fifth sessions the Contracting Parties considered proposals put forward by the New Zealand delegation with regard to the problem of continued maintenance of import restrictions applied contrary to the General Agreement. The Contracting Parties at their twenty-fifth session instructed the Council to pursue the matter.
In October 1969 the Director-General introduced to the Council a document which described the factual situation and contained, for the Council's consideration, proposals on how to deal with this problem. The proposals covered all remaining import restrictions, whether or not contrary to the GATT, and whether affecting industrial or agricultural products.

The Council agreed to set up a Joint Working Group, consisting of members of the Committee on Trade in Industrial Products, the Agriculture Committee and the Committee on Trade and Development, to conduct consultations with contracting parties on the maintenance of quantitative import restrictions.

3. Import deposits

(a) United Kingdom

The Contracting Parties at their twenty-fifth session established a Working Party to examine the import deposit scheme introduced by the United Kingdom in November 1963, and its implications. The Working Party consulted with the United Kingdom and with the International Monetary Fund. In its report to the Council the Working Party concluded that the United Kingdom import deposits were not more restrictive than measures that an application of the provisions of Article XII permits (quantitative import restrictions to safeguard the balance of payments).

At its meeting in October 1969 the United Kingdom representative informed the Council that the import deposit scheme would be extended for a further twelve months but that the rate of deposit would be reduced from 50 to 40 per cent. The Working Party met again and submitted a report to the Council after having further consulted the International Monetary Fund.

(b) Israel

At its meeting in January 1970 the Council was informed by the representative of Israel of the introduction by his Government of a system of import deposits which aimed at improving the balance-of-payments situation. The scheme covered imported goods only where customs duty was paid at a rate higher than 30 per cent. The rate of deposit would be 50 per cent of the value of the imported goods, with certain exceptions, repayable after a period of six months. The deposit would earn interest at the rate of 6 per cent per annum. The Council agreed to refer the examination of the scheme to the Committee on Balance-of-Payments Import Restrictions.

(c) Spain

At its meeting in January 1970 the Council was informed by the representative of Spain of the introduction by his Government of an import deposit scheme. The measure had been introduced to restore the general economic equilibrium of the country and the deteriorating balance-of-payments situation. The scheme would be
in force until 31 December 1970. The deposit would amount to 20 per cent of the value of the goods to be imported and would be reimbursed six months later. The Council agreed to refer the examination of the scheme to the Committee on Balance-of-Payments Import Restrictions.

4. **Consultations on international trade in dairy products**

The Council established in December 1967 a Working Party on Dairy Products to conduct consultations on urgent problems in international trade in dairy products.

In December 1969 the Chairman of the Working Party presented a report on progress made, as a result of which it had been possible to draw up the text of an Arrangement concerning skimmed milk powder. Other products could be added at a later date. It had been agreed that it was the intention of the Working Party as a whole to go ahead as soon as possible with its work on butter and butterfat.

The Council congratulated the Working Party on the progress made in respect of skimmed milk powder and took note of the report.

The Working Party held a further meeting in January 1970, in which it established the definitive text of the Arrangement, which will enter into force on a date to be agreed by the Working Party.

5. **Disposal of commodity surpluses**

In the course of its examination of the report of the Agriculture Committee, the Council discussed a recommendation requesting the Contracting Parties to adopt a new resolution on concessional transactions. In view of the reservations expressed by some delegations, the Contracting Parties decided to refer the matter back to the Agriculture Committee for further consideration.

6. **Customs unions and free-trade areas**

(a) **European Economic Community**

In February 1970 the representative of the Community informed the Council that on 1 January 1970 the Common Market had completed its transitional period and had entered its definitive stage. From the point of view of GATT, a customs union was established by the elimination of tariff barriers and other restrictive regulations with respect to substantially all the trade between the countries concerned and by the introduction of a common customs tariff. Under the Rome Treaty, however, the Community could only now begin to attain its own identity and to become an instrument of economic integration. Thus it was that its operating requirements would lead, step by step, to ever closer harmonization in the fields of taxation, systems of assistance, quality standards, remuneration for
services and health regulations. He declared that the Community was naturally prepared to assume its obligations as a customs union and as an economic union in accordance with the letter and the spirit of the General Agreement in the same way as all other contracting parties.

(b) Association of Greece and Turkey with the EEC

The Council took note of the annual report on developments under the Association presented by the Government of Greece. It also took note of the statement by the representative of Turkey concerning the implementation of the Association Agreement during 1969.

(c) Association between the European Economic Community and African and Malagasy States

The member States of the Community and the Governments of the African and Malagasy States, associated with the EEC, informed the Contracting Parties of the text of a new Convention of Association which had been signed on 29 July 1969 at Yaoundé. The Council established a Working Party to examine the new Convention.

(d) Agreements of Association between the European Economic Community and Morocco and Tunisia

The European Communities informed the Contracting Parties of the text of the Agreement establishing an Association between the EEC and Morocco and of the Agreement establishing an Association between the EEC and Tunisia. The Council established a Working Party for the examination of the two Agreements. The Working Party held its first meeting in February 1970.

(e) European Free Trade Association and the Finland-EFTA Association

The representative of EFTA reported on developments within that Association since the twenty-fifth session. He stressed the fact that the main schedule of tariff and quota dismantling had been completed by the end of 1966. Since then, the work of the Association had been directed towards ensuring the good functioning of the free-trade arrangements and towards the elimination of "indirect" barriers to trade. The main objectives of EFTA remained the creation of a large and outward-looking European market, and the harmonious development and expansion of world trade.

Within the framework of the Finland-EFTA Agreement, Finland abolished all import duties and quantitative restrictions on industrial products of EFTA origin on 31 December 1967.

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(f) **Accession of Iceland to EFTA**

In February 1970 the Council considered a Decision of the European Free Trade Association Council regarding the accession of Iceland to the Convention establishing the Association and to the Agreement creating an Association between the member States of EFTA and Finland. This accession became effective as from 1 March 1970. The Council established a Working Party to examine the terms of accession in the light of the relevant provisions of the General Agreement.

(g) **Latin American Free Trade Association**

The contracting parties, members of the Latin American Free Trade Association, presented a report to the Council at its meeting in February 1970 on developments in the Association since the last session. The representative of Peru, in a comprehensive statement, supplemented the information provided in the report. The Council decided to revert to this matter at its next meeting after the twenty-sixth session.

(h) **Arab Common Market**

The Council received a report from the United Arab Republic on progress made in the Arab Common Market. It decided to revert to this matter at its next meeting after the twenty-sixth session.

(i) **Central African Economic and Customs Union**

The Council received a report by the representative of Gabon on recent developments in the Central African Economic and Customs Union.

(j) **New Zealand/Australia Free Trade Agreement**

The Council took note of the information furnished by the member States of the New Zealand/Australia Free Trade Agreement on developments under the Agreement in 1969.

(k) **United Kingdom/Ireland Free Trade Agreement**

The Council took note of the third annual report on the United Kingdom/Ireland Free Trade Agreement submitted by the member States.

(l) **Caribbean Free Trade Association**

A Working Party to examine the Caribbean Free Trade Agreement was established at the twenty-fifth session. The Council noted that the Working Party, which is still awaiting certain information, had not been able to meet before the twenty-sixth session.
7. Trade arrangements between India, United Arab Republic and Yugoslavia

In accordance with the Trade Expansion and Economic Co-operation Agreement concluded between India, the United Arab Republic and Yugoslavia in 1967, the three States granted each other tariff preferences on certain products. In November 1963 the Contracting Parties authorized the three countries, notwithstanding the most-favoured-nation principle of the GATT, to implement the Agreement. This authorization was to be reviewed at the twenty-sixth session with a view to deciding on its extension, modification or termination.

In September 1969 the Council established a Working Party to carry out the review. The Working Party was also to conduct a consultation with the three participating States on an extension of the list of products benefiting from the special tariff treatment.

In its report to the Council the Working Party expressed the general view that it was too early to make a final judgment on the operation and on the effects of the Agreement. The participating States reiterated their intention to seek the extension of the concessions embodied in the Agreement to all other developing countries by appropriate negotiations. The Council approved the text of a new Decision recommended by the Working Party and subsequently adopted by the Contracting Parties at the session. The new Decision provides that the three participating States may continue to implement the Agreement as amended subject to procedures for consultations. The Decision will expire on 31 March 1973 and will be reviewed annually.

8. Border tax adjustments

Since its establishment by the Council in March 1968, the Working Party on Border Tax Adjustments has held several meetings. In an interim report submitted to the Council in January 1970, the Working Party stated that it had carefully examined the provisions of the General Agreement relevant to the subject, the practices of contracting parties and the possible effects of such adjustments on international trade. The Working Party will continue this study and in accordance with the second item of its terms of reference will consider the proposals and suggestions that have been put forward by some countries in the matter. The Working Party expects to make a report either late in 1970 to the Council or at the next session of the Contracting Parties.

9. Anti-dumping practices

In February 1970 the Council received a report from the Committee on Anti-Dumping Practices, composed of representatives of parties to the Agreement on Implementation of Article VI of the General Agreement, which includes an Anti-Dumping Code. The report contains summaries of the cases in which anti-dumping
action had been taken in member countries in the period 1 July 1968-30 June 1969. The Council in adopting the report noted that the Committee drew the attention of the Contracting Parties to the importance of a wide and early acceptance of the Agreement.

10. Protocol of Accession of Poland

The Protocol of Accession of Poland to GATT provides for annual consultation on the development of trade between Poland and the other contracting parties and for an annual review of measures taken by the other contracting parties for the progressive relaxation of the discriminatory element in the quantitative restrictions maintained by them to the imports from Poland. The Working Party noted that the increase in Poland’s imports from GATT countries from 1967 to 1968 was 6 per cent, and that, the representative of Poland dissenting, the objectives fixed by the Protocol of Accession in this respect had not been reached.

Some members of the Working Party had found it impossible to get a clear picture of the existing situation since some of the contracting parties declined to provide the necessary information to this end.

In the course of the discussion at the twenty-sixth session, the representative of Poland drew the attention of the Contracting Parties to the importance of the third annual consultation, which was due to take place in 1970 and which would have to fix a date for the expiry of the transitional period during which the discriminatory element in import restrictions maintained against Poland should be eliminated. Poland also informed the Contracting Parties that the increase in its imports from GATT countries from 1968 to 1969 was 8.7 per cent. Poland had thus fulfilled its commitment for 1969 and had made up for any shortfall in 1968.

11. Application of Article XXXV to Japan

At the meeting of the Council in January 1970 the representative of Japan appealed to those contracting parties invoking Article XXXV against his country to disinvoke the Article. About thirty countries were still invoking it, of which twenty-three were developing countries which had taken over the invocation upon independence. Since November 1968 there had been no further disinvocation. The representative of Japan repeated his appeal during the twenty-sixth session.

12. European Economic Community - Citrus fruit

The Council considered a request by the European Economic Community for a waiver from the provisions of Article I of the General Agreement in order to enable the EEC to apply a reduction of 40 per cent in its customs duties in respect of certain citrus fruit originating in Israel and Spain. The representative of the
European Communities said that the tariff reductions were motivated in the framework of a scheme to maintain balance, stability and price discipline in the marketing of citrus fruit produced in the Mediterranean area. Several members of the Council expressed concern regarding the measures.

The Council established a Working Party to examine the request. In its report to the Council the Working Party stated that, in view of the divergence of opinion, it had not attempted to draft a waiver for consideration by the Council. Therefore, taking into account the opinion expressed by the majority of the members of the Working Party the Community decided to withdraw its request for a waiver. In February 1970 the Council was informed that the Council of Ministers of the Communities would in the near future reach a decision on the abolition of the system.

13. Protocol of Accession of Switzerland

Under its Protocol of Accession the Government of Switzerland reserved its position with regard to the application of the provisions of Article XI of the General Agreement to permit it to apply certain import restrictions pursuant to existing legislation. The Protocol requires the Contracting Parties to conduct a thorough review of the application of these provisions every three years. The Council established a Working Party to conduct the first triennial review. It noted with satisfaction that no fresh restrictive measures had been introduced by Switzerland and that the existing measures had not been made more severe and expressed the hope that Switzerland would keep its import restrictions under constant review.

14. Reports concerning waivers

(a) Preferences granted by Australia

In March 1966 the Contracting Parties granted a waiver to Australia authorizing it to introduce a system of tariff preferences for imports of certain products from developing countries, subject to certain conditions. Pursuant to the Decision, the Contracting Parties undertake an annual review of its application. The report submitted by the Government of Australia indicated that both quota allocations and import clearances at the special preferential rates had been increasing rapidly. There was, however, considerable scope for developing countries to take greater advantage of the opportunities provided by the system. It remained the intention of the Australian Government to seek to further assist developing countries by improving the operation and progressively widening the scope of the system.

(b) United States - Automotive products

In December 1965, the United States was granted a waiver to permit that country to accord duty-free treatment to certain automotive products imported from Canada under the United States-Canada Automotive Products Agreement. The United States submitted a report on the operation of the waiver in 1968, from which it
appears that automotive products trade between the two countries continued to expand rapidly in 1968, stimulated primarily by the provisions of the Agreement. Two-way trade reached a level of $3.3 billion in 1968, compared with $3.6 billion in 1967 and $735 million in 1964.

(c) Ceylon - Increases in customs duties

In November 1968, Ceylon was granted a waiver authorizing it to maintain in effect certain increased duties, pending completion of its tariff reform. The Government of Ceylon was required to inform the Contracting Parties of the final results of the tariff reform and to enter into negotiations with interested contracting parties by 1 October 1969. In view of the fact that Ceylon had not yet finalized the tariff reform, the Contracting Parties decided to extend until 1 October 1970 the period for Ceylon to report on the final results of the tariff reform and the date at which it is to initiate negotiations with its partners.

(d) Chilean schedule

In December 1966, Chile was authorized to put into force its new tariff without waiting for completion of the negotiations for modification of concessions. In view of the fact that it had not been possible to conclude the negotiations within the prescribed time-limit, the waiver has been extended until 31 December 1970.

(e) Brazilian schedule

In April 1969, Brazil was authorized to apply the rates of duty in its new customs tariff, pending completion of the necessary renegotiations. In response to a request from Brazil, it has been decided to extend the time-limit set in the waiver until such time as Brazil reports on the conclusion of the renegotiations, which is to be not later than at the twenty-seventh session.

(f) Uruguay - Import surcharges

The Government of Uruguay requested an extension of the Decision authorizing it to apply temporary import surcharges. The Council requested the Committee on Balance-of-Payments Import Restrictions to examine the Uruguayan request in conjunction with consultations that are to take place as early as possible in 1970. The Contracting Parties extended the waiver for five months to 1 August 1970.

(g) Turkey - Stamp duty

Under a waiver granted in November 1967, the Turkish Government was authorized to maintain a stamp duty of 15 per cent on all imports, as a temporary measure, and undertook to remove it not later than 31 December 1972. In May 1969, Turkey
informed the Council that it had increased the rate of the stamp duty to 25 per cent, and requested an amendment of the waiver. This request was granted, as an exceptional and temporary measure.

(h) United States - Agricultural import restrictions

The United States submitted the fourteenth annual report under the Decision of March 1955 authorizing that country to apply restrictions to imports of certain agricultural products. The Council established a Working Party to examine the report, and to report to the Council at its first meeting after the session.

15. Training and technical assistance

The Council took note of a report by the Director-General on the two five-month trade policy training courses held at Geneva in 1969 and on the two trade policy and trade promotion training courses arranged in Africa in 1969 in collaboration with the United Nations Economic Commission for Africa and with financial support from United Nations technical assistance funds. The GATT secretariat collaborated with other institutions, and in particular with the Economic Commission for Asia and the Far East and the Economic Commission for Latin America.

16. International Trade Centre, UNCTAD/GATT

The Joint UNCTAD/GATT Advisory Group, whose principal task is to advise on the work programme and activities of the International Trade Centre, met in March 1969 to review the activities of the Centre in 1969 and to recommend a work programme for 1970. The Group met again early in 1970 to recommend the work programme for 1971. The Council adopted the two reports of the Joint Advisory Group.

17. Participation in the General Agreement

(a) Tunisia

The arrangements concerning the provisional accession of Tunisia were due to expire at the end of 1969; they have been extended until the end of 1970.

(b) United Arab Republic

The arrangements concerning the provisional accession of the United Arab Republic were due to expire at the end of 1969; they have been extended until the end of 1970.

The Working Party on the accession of this country met in February 1970. It prepared a draft Protocol of Accession and a draft Decision under which the United Arab Republic can accede to the General Agreement. The report of the Working Party was submitted to the twenty-sixth session of the Contracting Parties. They
approved the text of the Protocol and adopted the Decision under which the United Arab Republic may accede to the General Agreement.

(c) Colombia

The Council considered the formal application for accession submitted by Colombia at the twenty-fifth session, and appointed a Working Party to examine the application.

(d) Romania

The Working Party established in 1968 to examine Romania's application for accession held three meetings; it continues its examination of this matter.

(e) Hungary

In July 1969, the Council considered Hungary's application for accession; it appointed a Working Party to examine the application.

(f) Democratic Republic of the Congo

In February 1970, the Government of the Democratic Republic of the Congo informed the Council of its desire to initiate negotiations with a view to acceding to the General Agreement. The Council took note of this initiative, with satisfaction.

IV. ELECTION OF OFFICERS

At the close of the session, the Contracting Parties elected their officers for the period until the end of the twenty-seventh session.

Chairman of the Contracting Parties

Mr. Carlos Besa
Permanent Representative of Chile to the GATT

Vice-Chairmen of the Contracting Parties

H.E. Mr. Marc Nan-Kuema
Ambassador, Permanent Representative of Gabon to the Office of the United Nations at Geneva

H.E. Mr. Charles H. Archibald
Ambassador, Permanent Representative of Trinidad and Tobago to the Office of the United Nations at Geneva

Mr. B.F. Moore
Minister (Commercial), Permanent Mission of Australia to the Office of the United Nations at Geneva
Chairman of the Council of Representatives

H.E. Mr. Erik Thrane
Ambassador, Permanent Representative of Denmark to the Office of the United Nations at Geneva

Chairman of the Committee on Trade and Development

H.E. Mr. Augustin Papić
Ambassador Extraordinary and Plenipotentiary, Permanent Representative of Yugoslavia to the Office of the United Nations at Geneva