The complaint which was made at the Fifth Session, that certain elements of the United Kingdom Utility/Purchase Tax system was having a protective and discriminatory effect contrary to GATT Article III, has been withdrawn and the CONTRACTING PARTIES have agreed that the new arrangements for Utility/Purchase Tax remove the discrimination and thus bring the U.K. Purchase Tax system into full conformity with the provisions of GATT.

Mr. J. Leckie, United Kingdom, said that the new arrangements for Purchase Tax on textiles, clothing and footwear, which have been in force since March 1952, namely the so-called "D" schemes, have removed the element of discrimination about which complaints had been brought before the CONTRACTING PARTIES. He hoped that the new arrangement would enable the CONTRACTING PARTIES to discharge this item from their agenda.

Mr. C.M. Isbister, Canada, congratulated the United Kingdom Delegation and said that at a time when efforts were being made to bring trade practices into accord with the GATT rules, the action taken by the United Kingdom had strengthened significantly the structure of GATT. Dr. H. van Blankenstein, Netherlands, (which was the first country to complain about the U.K. Purchase Tax) said there was every reason to congratulate the United Kingdom and also the CONTRACTING PARTIES on the way the case had been handled and solved. He was also speaking, he said, on behalf of the Netherlands trading community which was very favourably impressed with the United Kingdom action. The delegates of France, Czechoslovakia and Italy also expressed their satisfaction with the outcome of this delicate question and stressed the importance of fulfilling GATT obligations.

The Chairman, stressing the general feeling of appreciation at the action taken by the United Kingdom, said that this prompt and effective action by H.M. Government to solve a complex and delicate problem was very stimulating to all contracting parties, particularly as an example of how a very important trading country was able to fulfil its GATT obligations. In conclusion Mr. Leckie, United Kingdom, said that he was sure that H.M. Government would appreciate the congratulations on the steps taken to remove the unintentional element of discrimination and he was grateful for the patience of the CONTRACTING PARTIES in affording time to bring about a satisfactory solution.