DECISIONS OF SIXTEENTH SESSION

Decisions of the CONTRACTING PARTIES between the end of the Fifteenth Session and the end of the Sixteenth Session

(November 1959 - June 1960)

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For the Decisions of the CONTRACTING PARTIES at the sixteenth session establishing the Council and Working Parties, see the following documents:

- The Council of Representatives of the CONTRACTING PARTIES... L/1243
- Working Party on Latin American Free Trade Area ............ L/1240
- Working Party on Avoidance of Market Disruption ............ L/1234
- Working Party on Restrictive Business Practices ............ L/1244
9. Brazilian tariff waiver  
   (Decision of 3 June 1960)  

10. Greek tariff waiver  
    (Decision of 2 June 1960)  

11. New Zealand tariff waiver  
    (Decision of 4 June 1960)  

12. South African tariff waiver  
    (Decision of 4 June 1960)  

13. Article XXVIII - negotiations notified in 1957  
    (Decision of 3 June 1960)  

Reports

List of reports adopted at the sixteenth session
1. **PARTICIPATION OF PORTUGAL IN THE WORK OF THE CONTRACTING PARTIES**

*(Decision of 4 June 1960)*

CONSIDERING that the Government of Portugal 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 to that end, is ready to enter into tariff negotiations with contracting parties at the tariff conference which is scheduled to start in a few months,

CONSIDERING that the preparation of those negotiations will require consultations with the Government of Portugal,

DESIREDING that the Government of Portugal, 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 Portugal pursuant to Article XXXII, commercial relations between them and Portugal should be based upon the provisions of the General Agreement,

THE CONTRACTING PARTIES

DECIDE:

1. To invite the Government of Portugal to participate in sessions of the CONTRACTING PARTIES and of subsidiary bodies established by the CONTRACTING PARTIES.

2. To make arrangements for tariff negotiations between contracting parties and Portugal during the tariff conference commencing in 1960.

3. To continue consultations initiated at the present session with a view to implementing, in a manner satisfactory to all concerned, the intention expressed in the fourth paragraph of the Preamble.

This Decision shall continue in effect for the Government of Portugal until its accession to the General Agreement following tariff negotiations with contracting parties or until 30 June 1962, whichever date is earlier.
2. PARTICIPATION OF SPAIN IN THE WORK OF THE CONTRACTING PARTIES

(Decision of 4 June 1960)

CONSIDERING that the Government of Spain 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 to that end, is ready to enter into tariff negotiations with contracting parties at the tariff conference which is scheduled to start in a few months,

CONSIDERING that the preparation of these negotiations will require consultations with the Government of Spain,

DESIRING that the Government of Spain, 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 Spain pursuant to Article XXXIII, commercial relations between them and Spain should be based upon the provisions of the General Agreement,

THE CONTRACTING PARTIES

DECIDE:

1. To invite the Government of Spain to participate in sessions of the CONTRACTING PARTIES and of subsidiary bodies established by the CONTRACTING PARTIES.

2. To make arrangements for tariff negotiations between contracting parties and Spain during the tariff conference commencing in 1960.

3. To continue consultations initiated at the present session with a view to implementing, in a manner satisfactory to all concerned, the intention expressed in the fourth paragraph of the Preamble.

This Decision shall continue in effect for the Government of Spain until its accession to the General Agreement following tariff negotiations with contracting parties or until 30 June 1962, whichever date is earlier.
3. **PROVISIONAL ACCESSION OF SWITZERLAND**

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

(Decisions of 30 April and 24 May 1960)

The CONTRACTING PARTIES agreed, in the Decision taken by postal ballot (L/1188) on 30 April 1960, 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 sixteenth session. At the sixteenth session (SR.16/5) the CONTRACTING PARTIES agreed to a further extension until the end of the seventeenth session.

4. **ARTICLE XX, SUB-PARAGRAPH (j)**

(Decision of 3 June 1960)

CONSIDERING that it is provided in sub-paragraph (j) of Article XX, as amended by the Protocol Amending the Preamble and Parts II and III of the General Agreement, that the CONTRACTING PARTIES shall review the need for this sub-paragraph not later than 30 June 1960,

CONSIDERING that, at their sixteenth session, the CONTRACTING PARTIES have reviewed the need for this sub-paragraph and have noted that the contracting parties have resorted to the provisions of this sub-paragraph in a relatively limited number of cases and that it is generally recognized that it would be appropriate to retain such provisions to enable contracting parties to meet emergency situations which may arise in the future,

THE CONTRACTING PARTIES

DECIDE:

1. To retain for the time being sub-paragraph (j) in the text of Article XX.

2. To review the need for this sub-paragraph not later than 30 June 1965.

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1 BISD, Seventh Supplement, page 19.
5. ARTICLE XVIII: NOTIFICATIONS BY CEYLON

(Decision of 4 June 1960)

CONSIDERING that the Government of Ceylon is eligible under paragraph 4(a) of Article XVIII to have recourse to the provisions and procedures set out in Section C of that Article,

CONSIDERING that the Government of Ceylon has notified the CONTRACTING PARTIES pursuant to paragraph 14 of Article XVIII, of the special difficulties which it meets in the establishment or substantial expansion of particular industries and of its intention of applying the Industrial Products Act to the import of certain products in order to overcome these difficulties,

CONSIDERING FURTHER that the Government of Ceylon believes that there is, in present circumstances, no measure consistent with the provisions of the General Agreement which is practicable in order to give the governmental assistance required to achieve the objective proposed consistently with the terms of paragraph 13 of Article XVIII,

THE CONTRACTING PARTIES, acting under paragraph 16 of Article XVIII,

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 laid down in this Decision,

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.

1. Aluminium lining used in tea packing - Ex 684-02.01 (Aluminium foil)

The release in respect of the product specified above is valid for a period of two years, effective from the date on which it is first brought under regulation under the Industrial Products Act. For the purpose of issuing import licences under that Act, the standard ratio between the local products and the corresponding imported product shall not exceed the proportion of 2:1.

2. Asbestos ridges - 661-09.01
Asbestos shoots - 661-09.02
Asbestos tiles - 661-09.03
Building materials of asbestos cement of unfired non-metallic minerals, other

Building materials of asbestos cement)

Building materials of asbestos cement

of unfired non-metallic minerals, other

The release in respect of the products specified above is valid for a period of three years from the date on which the product is first brought under regulation under the said Act. For the purpose of issuing import licences under that Act the standard ratio between the local products and the corresponding imported products shall not exceed the proportion of 5:1.
6. ARTICLE XVIII: NOTIFICATION BY CUBA

(Decision of 4 June 1960)

CONSIDERING that the Government of Cuba is eligible under paragraph 4(a) of Article XVIII to have recourse to the provisions and procedures set out in Section C of that Article,

CONSIDERING that the Government of Cuba has notified the CONTRACTING PARTIES pursuant to paragraph 14 of Article XVIII, of the special difficulties which it meets in the establishment of a particular industry and of its intention to continue the quota restriction on which releases under Article XVIII were granted by Decisions dated 10 August 1949 and 2 March 1955, 1

CONSIDERING FURTHER that there is, in present circumstances, no measure consistent with the provisions of the General Agreement which is practicable in order to give the governmental assistance required to achieve the objective proposed consistently with the terms of paragraph 13 of Article XVIII,

THE CONTRACTING PARTIES, acting under paragraph 16 of Article XVIII,

CONCUR in the continued application by the Government of Cuba of the import quota system established by Decree No. 1693 of 23 June 1939 to products falling under the following tariff item in the Cuban Customs Tariff of 1958, for a period of three years beginning on 10 August 1959:

57-04-01 - Henequen and sisal, raw or manufactured, but not spinned, including scrap.

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1 BISD, Third Supplement, page 45.
7. **ARTICLE XIX: 3(a) - UNITED STATES DUTIES ON STAINLESS STEEL TABLE FLATWARE**

_Extension of the Time-Limit in Article XIX:3(a) for notification by Contracting Parties of any Suspension of Obligations or concessions in Connexion with the Increase in the United States Duties on Stainless Steel Table Flatware under Article XIX_

_(Decision of 18 February 1960)_

CONSIDERING that on 1 November 1959 the Government of the United States took action under Article XIX to raise the rates of duty on specified stainless steel table flatware bound under item Nos. 339 and 365 in Part I of Schedule XX,

CONSIDERING that the United States Government is consulting with other contracting parties in respect of this action with a view to reaching agreement on compensation,

CONSIDERING that the said consultations will not have been completed in time for a government to avail itself, in the event of failure of the consultation, 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 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.
8. ARTICLE XIX:3(a) - UNITED STATES IMPORT RESTRICTIONS ON LEAD AND ZINC

Further Extension of the Time-Limit in Paragraph 3(a) of Article XIX for Notification by Contracting Parties of any Suspension of Obligations or Concessions in connexion with the Imposition under Article XIX by the United States of Restrictions on Imports of Lead and Zinc

(Decision of 4 June 1960)

CONSIDERING that, on 22 September 1958, the Government of the United States invoked Article XIX to impose restrictions on imports of lead and zinc,

CONSIDERING that, in order to permit the continuance of consultations between the United States and contracting parties concerned, the CONTRACTING PARTIES, on 20 November 1959, extended until the close of the sixteenth session the period within which contracting parties might 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,

CONSIDERING that the aforementioned consultations have not been completed,

THE CONTRACTING PARTIES

DECIDE that the period prescribed in paragraph 3(a) of Article XIX shall be extended until ninety days after the completion of consultations.
9. BRAZILIAN TARIFF WAIVER

Further Extension of the Time-Limit in the
Decision of 16 November 1956
(Decision of 3 June 1960)

CONSIDERING that, in their Decision of 16 November 1956, ¹ the
CONTRACTING PARTIES reserved the possibility to extend the period granted
to Brazil within which the tariff negotiations were to be completed and
the results put into effect, which period has in fact been extended on
three occasions, and that the Government of Brazil requires a further
extension of this period in order to obtain congressional authority to
put these results into effect,

TAKING NOTE that the Brazilian Government had agreed with other
negotiating contracting parties with which it has completed negotiations
to give effect to the results of such negotiations as soon as possible,

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

DECIDE further to extend until 3 August 1960 the time-limit provided
in paragraph 1 of the Decision of 16 November 1956.

¹ BISD, Fifth Supplement, page 36.
10.

GREEK TARIFF WAIVER

Renegotiation of Concessions by Greece

Extension of Time-Limit in the Decision of 12 November 1959

(Decision of 2 June 1960)

CONSIDERING that the CONTRACTING PARTIES, by their Decision of 12 November 1959, suspended the application of the provisions of Article II of the General Agreement to the extent necessary to enable Greece to apply its revised tariff, including increases in rates of duty specified in Schedule XXV, immediately after its submission to the Greek Parliament and subject inter alia to the conditions that the Greek Government would thereafter promptly enter into negotiations or consultations with interested contracting parties pursuant to paragraphs 1 to 3 of Article XXVIII, and that such negotiations and consultations would be completed by the end of the sixteenth session,

CONSIDERING that the revised tariff was put into effect on 27 April 1960, and that it has not been possible for the Greek Government to complete the negotiations and consultations before the end of the sixteenth session,

CONSIDERING that the Greek delegation has taken into consideration the desire expressed by contracting parties that the Greek Government would submit to the Greek Parliament for ratification the results of these negotiations before 31 December 1960,

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

DECIDE, without prejudice to the other conditions laid down in the Decision of 12 November 1959, to extend the time-limit provided in that Decision for the completion of negotiations and consultations pursuant to paragraphs 1 to 3 of Article XXVIII until the end of the seventeenth session.

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1 BISD, Eighth Supplement, page 51.
11. NEW ZEALAND TARIFF WAIVER
Renegotiation of Schedule XIII
(Decision of 4 June 1960)

CONSIDERING-

(a) That the CONTRACTING PARTIES, by the Decision of 30 November 1957, suspended the application of the provisions of Article II of the General Agreement to the extent necessary to enable New Zealand to apply its revised tariff including increases in rates of duty specified in Schedule XIII simultaneously with its submission to the New Zealand Parliament, subject to specified conditions;

(b) That by its Decision of 10 November 1958, the time-limit for the completion of the negotiations and consultations was extended until the end of the fifteenth session, but that the New Zealand Government was unavoidably prevented up till then from applying the revised tariff;

(c) That the Government of New Zealand has now decided to introduce a completely new tariff (incorporating a new nomenclature and basis of valuation for duty purposes) which it proposes to submit to Parliament during its 1960 and 1961 sessions; and that such new tariff will in some cases involve increases in rates of duty specified in Schedule XIII;

(d) That the Government of New Zealand has given notice pursuant to paragraph 5 of Article XXVIII reserving its right to modify Schedule XIII in accordance with the procedures of paragraphs 1-3 of that Article during the three-year period following 1 January 1958 and intends to give such notice reserving the same right during the three-year period following 1 January 1961;

(e) That such modifications will be made in the context of a general revision of the tariff structure and nomenclature which for constitutional reasons is submitted to Parliament on dates which will permit legislative action to be completed in the same Parliamentary session;

(f) That in order to avoid unreasonable delays in applying the new tariff it is essential that the measures be introduced during the 1960 and 1961 Parliamentary sessions and that it will be impracticable to withhold their application until the completion of negotiations under Article XXVIII;

(g) That for technical reasons a partial application of the tariff involving withholding the application of the increased rates on bound items is not practicable.

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1 BISD, Sixth Supplement, page 34.
2 BISD, Seventh Supplement, page 36.
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, 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 New Zealand to apply the new customs tariff simultaneously with its submission to the New Zealand Parliament subject to the following conditions:

1. The New Zealand Government will, at the earliest possible date and prior to the approval and application of the new customs tariff, advise contracting parties of the concessions which are to be withdrawn or modified in the new tariff pursuant to paragraphs 1-3 of Article XXVIII and of the concessions which New Zealand proposes to apply as compensation for such modifications and withdrawals.

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

3. Pending the entry into force of the results of the negotiations, the other contracting parties will be free to suspend concessions initially negotiated with New Zealand to the extent that they consider that adequate compensation is not at that time provided by the New Zealand Government (subject, as regards contracting parties which have a principal supplying interest or a substantial interest therein to procedures analogous to those provided for in Article XXVIII).

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

5. The negotiations and consultations referred to in paragraph 2 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 compensations with a view to reaching a satisfactory adjustment consistent with the requirements of paragraph 2 of Article XXVIII.

6. In all other respects the negotiations and consultations shall be conducted in conformity with the relevant provisions of Article XXVIII.

7. The CONTRACTING PARTIES will at the seventeenth session decide upon any additional period subsequent to 31 December 1960 during which effect may be given to the new New Zealand tariff pursuant to this waiver and during which the consequent renegotiations and consultations shall be completed.
CONSIDERING that the Government of South Africa proposes to sign a trade agreement with the Federation of Rhodesia and Nyasaland which provides inter alia that certain products originating in and imported from the Federation shall be admitted into the Union of South Africa free of duty, or at preferential rates of duty, which are expressed as fractional rebates from the most-favoured-nation rates applicable from time to time,

CONSIDERING that after the expiration on 30 June 1960 of the period, under the Decision of the CONTRACTING PARTIES of 3 December 1955, for making adjustments of preferences affecting the trade between the Federation and the Union of South Africa, the Government of South Africa may wish to increase the most-favoured-nation rates of duty on such products, which would result in increases in the margins of preference above those existing on the base date for such preferences,

CONSIDERING the assurances given by the representative of the Union of South Africa that action by his Government under the authority granted by this Decision would be confined to a strictly limited number of cases,

CONSIDERING FURTHER that a number of the products under consideration are specified in Part I of Schedule XVIII,

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 South Africa to increase most-favoured-nation rates of duty on products which, in terms of the proposed Agreement between the Union of South Africa and the Federation of Rhodesia and Nyasaland will, upon their importation into the Union from the Federation be subject to duty-free treatment or to preferences expressed as fractional rebates from the most-favoured-nation rates applicable from time to time, while continuing to grant either duty-free treatment, or to grant the same fractional rebate to products originating in the Federation.

2. Before taking any action under paragraph 1 of this Decision, the Government of South Africa 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. The Government of
South Africa may increase the most-favoured-nation rate concerned as proposed on or after the twenty-first day following the date of the notification by the Union of its intention, whether or not agreement has been reached between the interested parties by that time; the consultations shall, however, continue if no agreement has been reached. If, after the proposed action has been taken by the Government of the Union of South Africa, and after further consultation, there is still no agreement between the parties concerned, the contracting party affected may refer the matter to the CONTRACTING PARTIES which shall promptly investigate any matter so referred to them and shall make appropriate recommendations to the contracting parties which they consider to be concerned; If the CONTRACTING PARTIES consider that the circumstances are serious enough to justify such action, they may authorize a contracting party, or contracting parties, to suspend the application to the Government of the Union of South Africa of such concessions or other obligations under the General Agreement as they determine to be appropriate in the circumstances.

3. This Decision shall be valid from 1 July 1960 to 30 June 1965, the initial period of validity of the proposed new Agreement. Prior to the latter date the CONTRACTING PARTIES shall review the operation of this Decision.

4. The Government of the Union of South Africa shall report annually to the CONTRACTING PARTIES on the measures taken and on the effects of such measures on the imports of the Union of South Africa from all sources.

5. Any notification and/or consultation under the terms of this Decision shall be in strict confidence.

13. ARTICLE XXVIII

Negotiations notified in 1957

Further Extension of Closing Date

(Decision of 3 June 1960)

The CONTRACTING PARTIES agreed that the closing date for the renegotiations for the modification or withdrawal of concessions, which had been notified pursuant to the provisions of Article XXVIII prior to 31 December 1957, should be further extended to the end of the seventeenth session.
REPORTS ADOPTED BY THE CONTRACTING PARTIES AT THE SIXTEENTH SESSION

List of Reports which will be published in the Ninth Supplement to the BISD in January 1961

Customs Unions and Free-Trade Areas
- Convention establishing the European Free Trade Association
  - Report by Working Party
  - L/1235

Economic Development - Action under Article XVIII
- Notifications by Ceylon - Report by Panel
  - L/1224
- Notification by Cuba - Report by Panel
  - L/1231
- Annual Review under paragraph 6 - Report by Panel
  - L/1228

Organization
- Structure and work of the CONTRACTING PARTIES
  - Reports by the Group of Officers

Programme for Expansion of International Trade
- Reduction of Tariffs - Arrangements for Tariff Conference
- Agricultural Protection - Second Report by Committee II
  - L/1192 & Corr.1
- Other Obstacles to Trade - Third Report by Committee III
  - L/1162

State Trading
- Notifications on State-Trading Enterprises
  - Second Report by Panel
  - L/1146

Subsidies
- Preparations for Review pursuant to Paragraph 5 of Article XVI
  - Second Report by Panel
  - L/1160

Trade and Customs Regulations
- Anti-Dumping and Countervailing Duties
  - Second Report by Group of Experts
  - L/1141
- Facilities for Duty-Free Temporary Admission
  - Reports by Group of Experts
  - L/1139, L/1208 & Corr.1, L/1209

Waivers granted under Article XXV:5
- South African Tariff
  - Report by Working Party
  - L/1225 & Corr.1

*Document to be issued in the near future, based on Spec(60)133 and SR.16/6.