1. In preparation for the Panel's work, the Chairman of the Panel, in March 1962, sent a note to the Uruguayan delegation requesting certain specific information (Spec(62)103). In response to this request the Uruguayan delegation has submitted (a) a general note setting out its position in regard to all the cases to be considered by the Panel (see Spec(62)150) to supplement the general statements, etc. already made available by the Uruguayan authorities to the CONTRACTING PARTIES at the nineteenth session and to the Council in February 1962; and (b) certain material concerning its representations to and consultations with individual contracting parties. The present paper summarizes and reproduces such material relating to Denmark.

2. According to the material supplied by Uruguay, the Uruguayan delegation wrote on 19 October 1961 to the delegation of Denmark requesting a consultation in terms of paragraph 1 of Article XXIII. The Danish delegation agreed to enter into such a consultation.

3. Accordingly a consultation took place on 8 November. Appended hereto in Annex I are the notes on that discussion. The Government of Denmark, has not indicated its agreement with these notes which were drafted by the secretariat. Attached in the same Annex are notes taken by the Uruguayan delegate at the consultation concerning individual products.

4. According to the Uruguayan delegation, the list of the restrictions imposed by Denmark as given in document L/1662, has been revised in the light of the consultation.

5. On 11 December the Uruguayan delegation wrote to the Danish delegation reiterating its Government’s request that the Danish Government should give consideration to the elimination of restrictions and to expand Uruguay's access to that market. The exact terms of this further representation and an interim reply from the Danish delegation are reproduced in Annex II to this paper.
ANNEX I

Notes on the Consultation under Article XXIII:1
between Uruguay and Denmark

1. By letter dated 19 October 1961 addressed to the head of the Danish delegation, the delegation of Uruguay advised that the Uruguayan Government was desirous of carrying out consultations with Denmark under Article XXIII of the General Agreement in respect of import restrictions applied in Denmark to Uruguayan products.

2. The delegation of Denmark agreed to engage in such consultations. The consultation took place on 8 November 1961 in the secretariat building.

3. At the outset of the consultation, the Uruguayan delegation explained that the consultation requested was part of a multilateral programme which included similar discussions with a number of other contracting parties and that it should not, therefore, be interpreted as being an action directed solely or mainly against Denmark. This multilateral programme adopted by the Uruguayan delegation had been motivated by a desire to seek improvement in the access to foreign markets for Uruguay's staple exports. Stagnation in Uruguayan exports had created serious problems for the Uruguayan economy and pressures from producers, labour and farmers had been placed on the Government for positive action to be taken in order to improve their lot. Uruguay at present applied no restrictions on imports from any country but its exports were being prevented from entering foreign markets by a welter of restrictions and other measures.

4. In requesting the consultation, the Uruguayan delegation was not primarily interested in whether the restrictions in question were or were not consistent with the provisions of the General Agreement. Whether or not such restrictions happened to be consistent with GATT they all resulted in an adverse pressure on Uruguay's foreign exchange position and its ability to carry out economic development projects. In fact, they had created hardships for large sections of the economy and led to social instability. Urgent action was needed.

5. The Uruguayan delegation referred to the table of import restrictions in Spec(61)294 which it had circulated to contracting parties during the last Council meeting. This table contains indications of import restrictions and other measures affecting international trade applied, inter alia, by Denmark. At the request of the Uruguayan delegation, the two delegations proceeded with a detailed examination of the accuracy of the information contained in that table concerning measures applied by Denmark.

6. The Danish delegation pointed out, in particular, that some of the information contained in the table seemed to have been overtaken by events. For example, Denmark had recently (on 1 November) removed all discriminations in its restrictions. All references in the table to Danish discrimination were, therefore, no longer valid.
7. The delegation of Uruguay considered that this discussion had contributed to a better understanding of the restrictive measures of Denmark. In the light of the information thus obtained it would proceed to revise the text of the table. A revised version of Spec(61)294 would be made available by the Uruguayan delegation as soon as it had completed consultations with certain other contracting parties. The opportunity was also taken to obtain information on certain other Danish measures affecting imports which were not listed in the table, such as customs tariffs, preferential arrangements, etc.

8. The Uruguayan delegation stressed the view that its exports were unduly affected by import restrictions and other measures affecting trade, including those applied by Denmark, as noted in the table referred to above. It urged in terms of Article XXIII:1 that action should be taken by Denmark for the reduction and removal of such restrictive measures so that there might be a better balance in trade.
APPENDIX TO ANNEX I

Study of the Various Items of Uruguayan Exports made during the Consultation with the Danish Delegation held on 8 November 1961 at Geneva on the Basis of the Table of Restrictions drawn up in September 1961 (Spec(61)294)

Changes in the Table of Restrictions

General remarks

The Danish delegation confirmed that Uruguay had been included in the list of countries in respect of which imports have been liberalized as from 1 November 1961 and that, consequently, the symbol for "discrimination" (3) appearing in the said Table, should be deleted.

On the other hand, the Danish delegation cited Article XII (balance of payments) as justifying, in the context of the General Agreement, the remaining restrictions still applied by Denmark.

Items

10.03 Barley

There are no quotas but a minimum price system applies, so the figure (8) in the Table should be replaced by the figure (6).

10.06 Rice

15.07 Linseed oil (crude)

15.08 Linseed oil (boiled)

23.04 Oil-cake

23.04 Meal made from the extraction of vegetable oils

41.01 Cow-hides, dried and salted

41.01 Sheepskins, dried and salted

41.01 Sheepskins in the wool

41.02 Cow-hides, tanned

41.03 Sheepskin leather, tanned

41.06 Chamois-dressed leather

41.07 Parchment-dressed leather

41.08 Patent leather and metalized leather
53.01 Greasy wool
53.01 Washed wool
53.03 Wool waste from combing and carding and other wool waste
53.05 Combed wool (tops)
53.07 Yarn of combed wool
53.11 Woollen fabrics

As all the above products have been liberalized, the figure (1) in the Table should be deleted.

53.07 Yarn of combed wool
53.11 Woollen fabrics.

The above products are subject to a turnover tax, applicable indiscriminately to the products in question; accordingly the figure (9) should be inserted in the Table of Restrictions opposite these two items.
ANNEX II (a)

Text of a letter from the Delegation of Uruguay to the Delegation of Denmark dated 11 December 1961

I have the honour to refer to my note No. 468/60/61-II.11 dated 19 October and to the consultation held between our respective delegations on 8 November, as well as to the statements made by the Uruguayan delegation and contained in documents L/1572, L/1647 and L/1679 and the chart which appears in document L/1662 above mentioned. These exchanges have confirmed the existence of certain measures in your country which have the effect of restricting the sale of some Uruguayan export products.

I am hereby reiterating the representations already made to the effect that your Government should be so good as to give its consideration to the convenience of doing away with these measures, which are deemed to have the effect of limiting Uruguay's trade possibilities in your market. In this connexion, we shall be delighted to engage in any further consultations or conversations that you may consider to be of use in attaining the ends which are indicated above.

Although the Uruguayan Government's position has been set out at length in the statements mentioned in paragraph 1 of this note, it may be of use to convey to you the continuing concern felt by the Government - from which new instructions were received today by this delegation - in regard to the widespread restrictions applied by many contracting parties to goods which are of fundamental importance within our export sphere. As you are aware, we are presently admitting goods from all countries, to any volume or value, without any discrimination. It is the Government's desire to move in the direction of equivalent treatment for Uruguayan goods and your Government's co-operation in promoting the effective access of our products to your market will be highly appreciated.
Text of a letter from the Delegation of Denmark to the Delegation of Uruguay dated 18 December 1961

I have the honour to acknowledge receipt of your letter of 11 December, the contents of which I will bring to the attention of my Government.

In doing so I want to point out that none of the restrictions presently in force in Denmark and affecting Uruguayan exports are maintained contrary to the provisions of the General Agreement. The Danish Government certainly share the concern felt by the Uruguayan Government with regard to the widespread restrictions applied by contracting parties to goods such as temperate foodstuffs, of which both Uruguay and Denmark are major exporters.