GENERAL AGREEMENT ON TARIFFS AND TRADE
Panel on Uruguayan Recourse to Article XXIII

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)153). 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 Finland.

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

3. Accordingly a consultation took place on 9 November. Appended hereto in Annex I are the notes on that discussion, which have been agreed by the two delegations concerned. Attached in the same Annex are certain supplementary data concerning individual products, supplied by the Uruguayan delegation.

4. According to the Uruguayan delegation, the list of the restrictions imposed by Finland 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 Finnish delegation reiterating its Government's request that the Finnish 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 are reproduced in Annex II to this paper.

Spec(62)160
ANNEX I

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

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

2. The delegation of Finland agreed to engage in such consultations. The consultation took place on 9 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 Finland. 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. The Finnish delegation called attention to the fact that Finland's import restrictions were covered by Article XII of GATT, under which it was free to choose the products for restriction according to essentiality. Its restrictions were all consistent with GATT. The Uruguayan delegation stated that from Uruguay's point of view 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. It therefore felt that 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 Finland. 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 Finland.
6. The delegation of Uruguay considered that this discussion had contributed to a better understanding of the restrictive measures of Finland. In the light of the information thus obtained it would proceed to revise the text of the table. A revised version of Spec(61)29^ 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 Finnish measures affecting imports which were not listed in the table, such as customs tariffs, preferential arrangements, etc.

7. The Uruguayan delegation stressed the view that its exports were unduly affected by import restrictions and other measures affecting trade, including those applied by Finland, as noted in the table referred to above. It urged in terms of Article XXIII:1 that action should be taken by Finland for the reduction and removal of such restrictive measures so that there might be a better balance in trade. The delegation of Finland drew attention to the fact that there had not been a single case in recent years of a rejection of an application for a licence to import any of the listed products from Uruguay.
APPENDIX TO ANNEX I

Finnish Import Restrictions

Foreign trade is based on three different kinds of treatment:

(a) Multilateral treatment
(b) Bilateral treatment
(c) Other imports

The category of multilateral trade covers trade with the new African States, the countries in the Free Sterling Area, the countries in the Franc Zone and some countries in the Dollar Zone. The system of bilateral agreements is applied to countries in the Communist group and also to Colombia, Greece and Turkey. Imports from these countries are subject to import licences, depending on what is specified in the quotas listed in the agreements.

Finally, the third category comprises countries not included in either of the two foregoing lists.

Our country comes under the heading of multilateral treatment.

Imports from the countries included in category (a) (multilateral trade) are, in turn, subject to one of three forms of treatment:

(1) Imports free
(2) Global quotas
(3) Individual licences

The products forming Uruguay's export trade are thus subject to the above treatment.

Study of the lists discloses the following:

(1) Subject to individual licences:
   Meat and edible offal, generally
   Butter
   Cheese
   Wheat
   Barley
   Maize
   Rice
   Canary seed
   Wheaten flour
   Oleomargarine
   Corned beef
   Fruit preparations
(2) Subject to global quotas:
- Meat extract
- Oranges
- Vegetable oils
- Glycerine
- Hides of cattle and sheep, raw
- Cattle hides, tanned
- Woollen fabrics

Trade between Uruguay and Finland
(January-November 1961)

<table>
<thead>
<tr>
<th>Uruguayan imports</th>
<th>(in thousand Finnish markkaas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>38.05 Tall oil</td>
<td>10 t. 284</td>
</tr>
<tr>
<td>44.03 Telegraph poles</td>
<td>246 m³ 3,416</td>
</tr>
<tr>
<td>44.15 Plywood (birch)</td>
<td>139 m³ 7,680</td>
</tr>
<tr>
<td>47.01 Pulp derived by mechanical or chemical means from any fibrous vegetable material</td>
<td>4,062 t. 145,164</td>
</tr>
<tr>
<td>48.01 Paper</td>
<td>1,608 t. 75,776</td>
</tr>
<tr>
<td>73.01 Iron, unmanufactured</td>
<td>50 t. 785</td>
</tr>
<tr>
<td>73.27 Wire gauze</td>
<td>0.1 t. 327</td>
</tr>
<tr>
<td>82.09 Knives</td>
<td>0.04 t. 100</td>
</tr>
<tr>
<td>82.14 Spoons and forks</td>
<td>0.1 t. 295</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uruguayan exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.01 Linseed</td>
</tr>
<tr>
<td>41.01 Sheepskins in the wool</td>
</tr>
<tr>
<td>41.01 Bovine skins</td>
</tr>
<tr>
<td>53.01 Washed wool</td>
</tr>
<tr>
<td>53.05 Carded or combed wool</td>
</tr>
<tr>
<td>53.07 Wool yarns</td>
</tr>
</tbody>
</table>

233,827

176,980
ANNEX II

Text of a Letter from the Delegation of Uruguay to the Delegation of Finland dated 11 December 1961

I have the honour to refer to my note No. 476/60/61-II.14 dated 19 October and to the consultation held between our respective delegations on 9 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.