Panel on Uruguayan Recourse to Article XXIII

1. In paragraph 2 of Spec(62)162 mention was made of the statement of the Uruguayan Government that an Article XXII consultation had been held with Italy in March 1961. Uruguay was a member of the Working Party appointed by the CONTRACTING PARTIES to examine Italian import restrictions under that Article. The report of the Working Party, which met in Rome from 27 to 29 March 1961, appears in document L/1468.

2. Appended hereto as Annex II of Spec(62)162 are extracts from the summary records of the eighteenth session of the CONTRACTING PARTIES (SR.18/2, pages 17 and 19) at which the report of the Working Party on Italian Import Restrictions was adopted. These extracts summarize a statement by the Uruguayan delegate concerning restrictions maintained by Italy and the reply by the Italian delegate to this and other statements.
Extracts from the summary records of the eighteenth session of the CONTRACTING PARTIES held in May 1961:

Mr. LACARTE (Uruguay) drew the attention of the CONTRACTING PARTIES to the conclusion, contained in paragraph 8 of the report, to the effect that a considerable number of agricultural products remained on the restricted list. His Government could not accept the proposition that the provisions of the General Agreement should be expanded to provide special treatment for trade in agricultural products. ... in paragraph 11 of document L/1468, the Working Party had noted that the system of restrictions under consideration involved differential treatment for imports from different sources. His Government would again emphasize the view it had expressed in the Working Party that there was no longer any valid justification for the retention of the import system currently applied by Italy. His Government felt that the Government of Italy should take steps to revise this system in order to meet its obligations under the General Agreement. ... the product of special importance to Uruguay, namely meat, was subject to a minimum price system in Italy; this operated in such a way that imports were sometimes permitted and sometimes prohibited. He noted that the Government of Italy intended to provide contracting parties, by 31 July 1961, with new information about the import system. He expressed the hope that, at that time, it would be possible to have more detailed information regarding the measures affecting meat imports into Italy.

Mr. PARBONI (Italy) assured the CONTRACTING PARTIES that all the views which had been expressed during the discussion would be drawn to the attention of his Government. Commenting on a particular problem which had been raised, Mr. Parboni said that very precise information would be provided in his Government's report in July with respect to the system of minimum prices. He drew attention, however, to the fact that certain products under the minimum price system - meat and butter - had been liberalized since 1951 when imported from countries in lists "A" and "B" and that these lists comprised nearly all contracting parties. Before the adoption of the minimum price system, prices charged for meat and butter fluctuated considerably; consequently Italian producers had asked the Government to reintroduce quantitative restrictions on these items. The Government had, however, decided to follow a more flexible policy by adopting a minimum price system. Mr. Parboni then quoted statistics to indicate that, after the adoption of the minimum price system, imports of meat and butter had increased considerably; had the system not proved effective, imports at abnormal price levels would have caused disruption in the Italian market. Mr. Parboni advised the CONTRACTING PARTIES that his Government was at present considering certain readjustments in certain features of its import system. Inter alia a draft Act had been prepared which was designed to permit the Italian Government to apply countervailing duties.