STATEMENT BY THE REPRESENTATIVE OF URUGUAY ON 18 JUNE 1970
ON THE EXTENSION OF THE WAIVER ON IMPORT SURCHARGES

1. By Decision of 8 May 1961, the CONTRACTING PARTIES authorized the Uruguayan Government to apply import surcharges as a temporary measure and in the context of its stabilization and development programme, in the form and within the limits established by that Decision. This authorization was extended by the Decisions of 20 July 1963, 31 January 1964 and 18 March 1964. The last of these was subsequently extended and amended by Decision of 23 March 1965, which was further extended by Decision of 14 December 1965 until the end of the first regular session of the CONTRACTING PARTIES in 1967.

2. At the twenty-fourth session of the CONTRACTING PARTIES the Uruguayan Government requested an extension for six months of the waiver in force at that time (L/2880 of 2 November 1967). The CONTRACTING PARTIES by Decision of 17 November 1967 (SR.24/11, Pages 147-148) agreed that the Government of Uruguay "be authorized to maintain until 30 June 1968 the surcharges at present applied by it, subject to the relevant terms and conditions of the Decision of 8 May 1961". Thereafter the authorization was further extended by the Decision of 26 July 1968 (L/3051).

3. On 9 February 1970 the permanent delegation of Uruguay sent a communication to the Director-General which has been distributed as L/3345. On 19 February 1970 the Council of Representatives approved a draft decision and recommended to the CONTRACTING PARTIES that the authorization granted to Uruguay be extended for five months, that is to say until 1 August 1970, on the understanding that meanwhile consultations would take place in the Committee on Balance-of-Payments Restrictions.

4. In the consultation now taking place, the present balance-of-payments situation of Uruguay has been described. Within a broad and comprehensive set of economic measures adopted since November 1967, the Government has revoked all import prohibitions (decrees of 6 November and 1 December 1967 and 9 January 1968) and, as the Committee has already been informed, there is no unlawful discrimination of any kind. It has nevertheless been necessary, as will be readily understood, to maintain for the time being a system which, through a rational application of import surcharges, takes account of the present balance-of-payments situation and prevents it from deteriorating.

5. Immediate prospects do not point to any substantial improvement of the balance of payments in the short term, and in order to maintain the development and stabilization policy which has yielded such good results, it is necessary to retain the existing
régime as a temporary measure. In these circumstances the Government cannot at present contemplate eliminating the surcharges which constitute the sole regulating element maintained in conjunction with the consignation régime in Uruguay's import sector, based on freedom to import without any prohibition or discrimination. I repeat, however, that the maintenance of the surcharges is temporary and this has been expressly stated by the Uruguayan Government in the financial and economic programme for the forthcoming period. They will be eliminated when circumstances permit, but today they still correspond to an undeniable reality and to a need that cannot be disregarded.

6. In present circumstances, my Government considers that application of these import surcharges is strictly in accordance with the rules of the General Agreement. Furthermore, the legal basis for the surcharges - the law of 19 December 1959 - has already been examined in consultations with the Committee on Balance-of-Payments Restrictions in 1960, 1962, 1965 and 1968.

7. Having regard to the situation to which I have referred and taking into account the elements resulting from these consultations, my Government, through my intermediary, requests an extension for an appropriate period of the authorization to apply import surcharges, on the understanding that such authorization would be granted, subject to the same conditions established by the Decision of 8 May 1961.