1. The Council, at its meeting on 28 March 1974, established a Working Party to examine, in the light of the relevant provisions of the General Agreement, the customs tariff and the regulations on the customs tariff introduced by Romania, and to report to the Council.

2. The Working Party met on 9-13 December 1974, under the chairmanship of Mr. H. Colliander (Sweden).

3. The Working Party had before it the following documents relevant to its work:

   L/3989  Customs Tariff of Romania
   L/4037  Explanatory Memorandum on the rôle of the tariff
   L/4101 and Corr.1 Questions and Replies

4. The present note sets down the main points of discussion under the following headings:

   - Introduction
   - Rôle of the tariff
   - Other questions and replies
   - General considerations

Introduction

5. In an introductory statement, the representative of Romania explained in detail the Romanian customs tariff and its rôle in the context of the evolution of the Romanian economy and her foreign trade régime. The introduction of the tariff was one of a number of measures taken in recent years to improve the organization of the
economy and the activities of the foreign trade enterprises, and to reinforce the rôle of economic and financial instruments in the Romanian economy. These measures were necessary in view of the rapid development of the economy and foreign trade over the last decade and in order that Romania be able to play a more active part in the international division of labour. Thus, the rôle of foreign trade in the Romanian economy had passed from being of a marginal nature to becoming, progressively, an essential sector of economic activity, having tripled in value between 1950 and 1960 and then accelerated to become in 1973 thirteen times greater than in 1950. Foreign trade today represented approximately 30 per cent of overall production in Romania. Industrial production had equally been expanded and diversified, being sixteen times greater in 1973 than in 1950.

6. In such conditions, and particularly since Romania was still a developing country, it had become necessary to regulate the conditions of competition between internal production and imports by a customs tariff integrated in an economic mechanism based on commercial determinations. The tariff was also designed to achieve a better correlation between internal and world prices, both with regard to products destined for the domestic market and exports. Its introduction must likewise be regarded in the light of the large autonomy granted to production enterprises in the elaboration and execution of plans, research, investment, domestic and foreign purchases and sales, distribution, finance etc. with a view to a more complete utilization of their economic potential. In exercising this autonomy, the enterprises took account of the price of products and the customs duties already from the initial planning stages, in order to at all times secure the most competitive supplies. Thus the tariff constituted an integral part of the economic mechanisms of Romania, both at the stage of elaboration and at the stage of implementation of the plan. The introduction of the tariff had been envisaged for some years and, indeed, the Protocol of Accession of Romania, which entered into force in 1971, foresaw this possibility.

7. With regard to the modifications introduced along with the customs tariff, the representative of Romania further stated that the process of re-examination of production and internal delivery prices, designed to take into account all real costs of production, including social ones, had almost been concluded. The modification of internal prices was a continuing process intended to ensure a more precise representation of production costs and a correlation between these and world prices. For the customs duties to play an effective rôle it had been necessary to abandon the rule by which internal prices of imported products were established by comparison with the prices of domestically produced goods, as well as the automatic settlement of the differences between internal and external prices that applied before the introduction of the tariff. An exchange rate for import/export operations equivalent to 20 lei for US$1 had been introduced, which was at the same time the value of the customs valuation coefficient applicable to all merchandise irrespective of destination or origin.
8. He further emphasized that the introduction of the tariff in no way restricted conditions of global access to the Romanian market, a fact which was clearly demonstrated by the evolution of imports in 1974 compared to 1973; for the first three quarters of 1974 the value of imports had increased by more than 50 per cent compared to the previous year. The tariff contributed to the rationalization of imports, not to their reduction. Furthermore, the customs tariff was applied on a completely non-discriminatory basis, the same rates applying irrespective of origin of imports. The possibility contained in the customs legislation not to apply the tariff to imports from countries with which commerce was based on international agreements and protocols, free of customs duties, was designed to permit free trade arrangements in conformity with the provisions of the General Agreement.

Role of the tariff

9. Some members of the Working Party said that the main task of the Working Party was to try to establish whether or not the customs tariff played a rôle similar to that of the customs tariffs of market economy countries. Particularly, it would be necessary to examine the relationship between the tariff and the Romanian system of central planning.

10. With regard to the planning process itself, one of these members pointed out that the reply to question 3 seemed to indicate that it was an upward process only, i.e. individual plans being moulded into a national plan. This was obviously not so, and he would appreciate further clarifications with regard to the downward co-ordination process that directed individual enterprises to amend their plans to conform with the national plan. He feared that the criteria for correction of individual plans were not always of an economic or commercial nature, in which case the tariff could not play the same rôle as in market economy countries. In this connexion, another member of the Working Party enquired whether his impression from the reply was correct that there were no restrictions or measures other than the tariff that would prevent imports - given, naturally, a favourable price comparison.

11. Some other members of the Working Party noted that, according to the Romanian legislation (the Social-Economic Plan Law of 1972 and the Foreign Trade Law of 1971), a high degree of control was imposed on the basic economic units by the central planning authorities. Numerous plan-indicators, binding for the enterprises both in terms of quantity and value, referred to the goods to be produced, to the inputs to be used, to the production methods, to the imports and exports to take place. It appeared that the enterprises were not allowed to change the planned tasks without the consent of the macro-planning levels. Moreover, all imports and exports by the enterprises were subject to "authorization" by the Ministry of Foreign Trade, the nature of which was not well-known but seemed to be rather stringent. In such
conditions, one might ask to what extent the individual enterprises had real freedom of choice in their general planning and buying decisions. It was not clear what was the function of the tariff in the process of harmonization between macro- and micro-planning levels, and which elements other than the tariff were taken into consideration, both by the enterprises and the central authorities. More comprehensive information on these subjects was necessary if the Working Party was to be able to understand how the system worked and to establish to what extent the tariff was a significant or determining factor in the choice of commercial policy by the enterprises.

12. The representative of Romania, recalling the mandate of the Working Party, stated that the Romanian delegation wished to carry on a constructive debate in order to clarify all the problems the Contracting Parties might raise to understand the determining rôle of the customs tariff in choosing between domestic production and imports, as well as in the commercial policy of the enterprises. In his opinion, the Working Party had to carry on its activities within this mandate, considering that the comparison between the customs tariff of Romania and the customs tariffs of other countries was not the objective of the group.

13. The representative of Romania stated that since significant changes had taken place in Romania in the system of economic management, and in the improvement of the price system and the pricing methodology of imported goods the customs tariff influenced the mechanism of the Romanian economy. The tariff directed the producing enterprises to make their option, both in the stage of elaboration of the plan and during its implementation, between domestic production and imports, thus choosing, on the basis of economic criteria, the most efficient sources of supply. The general policy objectives were established at the central level according to the major options and priority interests for the development of the national economy. The plan was drafted by the basic economic units, producing enterprises and industrial centrals, on the basis of their present and prospective needs. In this phase of plan drafting, the customs duties were taken into account when analyzing possible sources of supply, establishing the competitive conditions between domestic and imported products, thus contributing to the structural orientation of the domestic production and to determining the import requirements. As it was also explained in the written answers given to the questions raised by other contracting parties, the plans were then correlated and integrated into the unique national plan, which represented a synthesis of the real possibilities of domestic production and export on the one hand, and of the necessary goods to be imported on the other hand. Stressing that the process of planning was based exclusively on economic and commercial criteria and that at the higher level the plans of basic units were not modified for other than strictly economic reasons, the representative of Romania pointed out that the plan represented the general framework containing the guidelines for economic development. In this general context of the plan, the enterprises organized and undertook, on an autonomous basis and guided by strictly economic criteria, their own activities, including the commercial ones.
14. The process of co-ordinating the plans of the basic economic units, in order to draw up the national plan, presupposed a continuous flow of information and a permanent dialogue between enterprises and the central bodies so as to harmonize the needs on the micro-economic level with the existing possibilities at the level of the whole economy. In cases where total requirements for the individual plans exceeded currency availabilities and the possibilities to import under acceptable credit conditions, economic solutions were agreed upon between enterprises and the central bodies. In changing the structure of domestic investments, it was thus envisaged to raise the efficiency of home suppliers, which enabled the substitution of some imports on a competitive basis. In this way, the national plan was drawn up on the basis of the plans drafted by enterprises with a permanent consideration of the options of basic units. The process of correlation of the plans had an economic and commercial basis, including the influence of the customs tariff.

15. Changes which occurred between the time of the elaboration of the plan and the time of its implementation, resulting in changed competitive positions between domestic and foreign suppliers, led to a modification of the initial plan.

16. The representative of Romania pointed out that the planned tasks were options of the enterprises which had been agreed with the central bodies with a view to directing the enterprises to work most efficiently, without opposing a specific choice made by the enterprise, when the latter proved to be more efficient. He said that it might be concluded that the access conditions on the Romanian market were determined by economic and commercial criteria. The Romanian customs tariff determined competitive conditions between domestic and foreign suppliers, both at the stage of the elaboration and of the implementation of the plan, directed import options towards those products where domestic production would be economically inefficient, and allowed access of foreign products to the domestic market, according to the GATT objectives and principles.

17. One member of the Working Party, while agreeing that the tariff had a function in the foreign trade system, wondered whether other considerations than comparative costs entered into the formulation of the national plan - for example, protection of infant industries, domestic under-employment of production factors, availability of exchange. The question was how such considerations entered into the discussions between the enterprises and the higher co-ordinating authorities and how these considerations interacted with the comparative cost considerations. In market economy countries, the only economic, as distinct from commercial, consideration that presented itself between buyers and sellers, was the tariff. In Romania, on the other hand, the tariff seemed to be one determining factor among others. What was therefore the nature of these economic considerations?
18. The same member further recalled that in the reply to question 51 of the question-and-reply document (L/3211) prepared in connexion with Romania's accession to GATT, it was stated that when import and export licences were issued, account was taken of the necessity of maintaining a balance-of-payments equilibrium. He wished to know how this statement could be reconciled with the assertion that individual enterprises often obtained the desired additional foreign exchange after having convinced the higher planning authorities that their original plan should be maintained. If the import programme was approved, would the necessary foreign exchange automatically be made available?

19. Referring to the existence of two plans, one for domestic purchases and one for purchases abroad, some members of the Working Party failed to see how the tariff could influence the purchases if these were already determined by the two plans. Were the rôle of the tariff of a purely fiscal nature? Another problem would be the time lag between the drawing up of individual plans and the coming into operation of the final national plan. Since economic circumstances very often changed rather quickly, a situation could easily develop where the national plan was not any more altogether relevant to the economic circumstances of the day. Furthermore, one could wonder whether the possibility of choosing alternatively between domestic products and imports was consistent with the provisions of the Plan Law, requiring the "maximum" use of internal resources. On the whole, there seemed to be a difference between the rather rigid formulations and directives embodied in the existing Romanian legislation and the significant degree of freedom of choice which was implied by the explanations given by the Romanian delegation.

20. The representative of Romania stated that not only the customs tariff but also other economic and commercial factors were taken into consideration in planning decisions. Such factors included the national long-term development strategy aiming at reducing and eliminating economic gaps between Romania and developed countries, giving a boost to branches with a high technical content, improving the productivity of social labour and the efficiency of general economic activity, and balanced development of the production forces. Tariff rates had been determined after consideration of normal economic criteria as a part of Romanian trade policy, i.e. in view of Romanian development needs and in order to achieve a rational specialization of national industry in the context of the international division of labour. In this context, the representative of Romania wondered whether in the market economies the customs tariff was, at present, the only factor regulating imports. If the tariff was the only foreign trade instrument that was important in market economy countries, then de did not quite see why non-tariff measures had been assigned such importance in the context of the multilateral trade negotiations. He underlined that other measures, namely in the fiscal, credit policy and monetary fields, also had a decisive import regulating influence in the market economies.
21. As regards the other clarifications asked for in previous paragraphs, the representative of Romania stated that both for supplementary imports, in addition to those established by the plan, and in the process of adjusting the plan to new economic situations, account was taken, as much as possible, of the necessity to achieve balance-of-payments equilibrium. One economic factor that was taken into account was the availability and cost of credit and foreign currency. Nevertheless, it was worth mentioning, in this context, on the one hand, that although initially balance-of-payments equilibrium or surplus was planned, deficits were often registered and, on the other hand, that the plan once fulfilled was seldom identical with the initial one.

22. As to the distinction between the internal and external purchase plans, it was obvious that the tariff played a significant role in the determination of these plans. When economic circumstances changed, the plans were implemented on the basis of these new circumstances. This was clearly explained by the fact that the plan as executed was seldom identical to the original one.

23. The question was raised whether in the future renegotiation of Romania's commitments in GATT on the basis of the tariff, agreed bindings would have the same meaning and implications as in market economy countries. The representative of Romania replied in the affirmative, pointing out that the same internal pressures for increasing duties, as economic circumstances changed, existed in Romania as in other countries, pressures which would not always be easy to resist in the absence of tariff bindings. Therefore Romanian bindings would be of real value to other contracting parties. He added that the authority to apply different rates to countries which for example did not grant Romania most-favoured-nation treatment would remain.

24. Replying to another question, the representative of Romania confirmed that the same information channels, for example journals, market studies etc. were open to Romanian enterprise managers as were available to firms in market economy countries.

25. Some members of the Working Party said that it was clear that at the level of the enterprise, the tariff constituted one element in the calculation of costs, but they could not see that it had had an appreciable impact on the planning process, or on the choice between importation and domestic production. More generally, it was not clear what actual element of innovation the tariff had brought into the pre-existing system of planning regulations, considering that very few of these seemed to have been changed after the introduction of the tariff.
26. The representative of Romania elaborated on the explanations given in paragraphs 12-16 above concerning the methods of drawing up plans, of their fulfillment, and the possibility to adjust them to new economic conditions. He stressed the rôle of the customs tariff of deciding between domestic production or supply from abroad in the entire planning process. He also asked the other members of the Working Party to do their best to understand the principles and the methodology of the elaboration and fulfilment of the plan, which was characterized not at all by administrative, but by a strong economic determination.

Questions and replies

Questions 1 and 13

27. The delegation of Romania explained that the average incidence of the tariff rates of 10.3 per cent referred to in the reply to question 1 was a weighted arithmetic average calculated as the relationship between the total value of customs receipts in the first six months of 1971 (4,600 million lei) and the value of total imports in the same period (45,000 million lei). If the same incidence was calculated on the value of dutiable imports, the figure would be 18 per cent. The conversion coefficient of US$1 = 20 lei had been applied to all products from all sources. The share of raw materials, which were temporarily exempt from duty, in total imports were 42 per cent. In view of the fact that 1971 was the first year of application of the tariff, details on customs revenues had not yet been published.

28. Some members of the Working Party referred to the average incidences of 38 and 36 per cent charged on dutiable imports from, respectively, CMEA and non-CMEA countries, as set out in the reply to question 13, and demanded explanations as to why the two figures were not identical and as to the difference between these figures and the 10.3 per cent incidence mentioned in the preceding paragraph. They also wondered how the dollar value of products imported from CMEA countries was calculated.

29. The Romanian delegation pointed out that the figures differed because of differences in the structure of imports from the two sources; some products that were imported from CMEA countries were not imported from non-CMEA countries, and vice versa. The incidences given where averages of the duties actually applied, and they had been calculated as a simple arithmetic average of the customs duties of the tariff headings under which imports were effected in the first six months of 1971 from CMEA and non-CMEA countries. All currencies were converted into dollars at official rates and then the coefficient of US$1 = 20 lei was used to calculate the customs duty. For example, one Soviet ruble was equivalent to 26.80 lei.
Question 2

30. In reply to a question, the representative of Romania confirmed that no special tariff régime existed between Romania and Yugoslavia. Romania was desirous to enter into negotiations with the parties to the protocol between sixteen developing countries with a view to establishing mutual preferential rates, but such negotiations had not yet got under way.

Question 4

31. With regard to the reference to direct exchanges, some members of the Working Party asked whether compensatory operations, either under co-operation agreements or in direct exchange of goods, were subject to the general foreign trade régime.

32. The representative of Romania replied that all other operations than the direct exchanges between restaurants, shops, and other units of domestic trade were dutiable. With regard to co-operation agreements, he recalled that Romania had proposed that internationally agreed solutions, observing GATT commitments, be found, solutions that would stimulate the commercial exchanges with the products covered by these co-operation agreements.

Questions 6, 16 and 19

33. Some members of the Working Party noted that the customs valuation coefficient corresponded to the actual average cost in lei of the purchase of foreign exchange, and asked for further clarifications with regard to the procedures for the purchase of foreign exchange, how the average cost was arrived at, and as to whether there were any provisions for possible future changes in the coefficient of 20 lei to US$1. Some other members wished to know whether there were different conversion rates according to products.

34. The representative of Romania explained that Romania operated an official rate and, for customs valuation, the coefficient of 20 lei to US$1, which was applied uniformly to all imported products. This latter rate had been set in co-operation with the International Monetary Fund, representing the average actual cost in lei of foreign currency in external commercial operations. Romania was trying to ensure the conditions that would, ultimately, allow it to reach convertibility for its currency - no easy task for a country that must make considerable efforts in order to eliminate the economic gap which still separated Romania from the developed countries. A list of the official rates of exchange was made available to interested delegations. In addition to the official rates of exchange, a more favourable special rate was in force to encourage tourism.
Questions 7, 20 and 21

35. Some members of the Working Party asked to what extent domestic prices were actually influenced by the customs duties. It appeared in fact that the prices of all raw materials and domestically produced materials were not related to international prices of similar goods. Moreover, although the domestic prices of imported machinery were those of the international market plus the customs duty, they were not fully transferred into the cost of the goods produced by means of that machinery, because in Romania the rates of depreciation, the charges on fixed assets, and the rate of interest were very much lower than in some market economy countries, and because there were different methods of calculation of profitability, implying the possibility of discretionary intervention of the central authorities on prices. In such a situation, the distortions in the price and cost structure could spread to the whole of the internal price system, making it very difficult for the individual enterprises to take correct decisions on the basis of the customs tariff.

36. Another member of the Working Party referred to the possibility of raising domestic prices to ensure continued profitability of the enterprises when import prices increased (as explained in paragraph 4 of the reply to question 7), and pointed out that this might not be appropriate, given the low price elasticity of consumer goods. Hence, there might be situations in which an increase in the domestic price might not maintain profitability, and other solutions might be called for. In paragraph 5 of the same reply, it was stated that even when duties had no immediate impact on retail prices, they influenced the profitability of the enterprise and therefore imports. In his view this would be so if the enterprise had complete freedom in its importation planning, but since there could be other factors involved, such as import programmes that had to be approved, then this direct influence could well be modified.

37. One member of the Working Party said that in theory the influence of customs duties on internal prices should be recognizable in the sense that more competitive countries should be in a better exporting position and that some prices should increase less than would otherwise have been the case. Conversion rates might also influence such developments. He therefore wondered whether practical experience so far showed any such influences of the duties on Romanian prices or trends indicating a switching of sourcing.

38. The representative of Romania pointed out that the customs tariff had an important influence on home prices and internal costs and that other elements, namely the rates of depreciation and the benefits would not reduce the impact of the tariff. Reference was also made to the answer given to question 20 in document L/4101.
39. A preliminary analysis of the impact of the tariff had been made and the manner in which it had operated had allowed it effectively to influence the volume and composition of Romania's imports. As a general rule, import prices of products had been converted into lei and then, by adding the customs duties, the internal delivery price had been obtained. The latter price, thus calculated, had been included in the cost price and in the profit of the economic unit, allowing producing enterprises to decide, both in the short-term and in the context of their long-term development programmes, whether to obtain their supplies in the domestic market or abroad.

40. The new concepts of price formation in direct relation with external purchase prices and the level of customs duties had encouraged Romanian enterprises to examine sources of supply from the aspect of economic efficiency, the level of external purchase prices as compared with prices of like domestic products and had enabled them to make a comprehensive evaluation of the financial effort they would have to make in order to attain an industrial target or manufacture a product. As a direct consequence, the producing enterprises had taken action to rationalize the structure of their imports, whether by abandoning certain products which it had been found inefficient to import in the conditions of application of the customs tariff (e.g. hand-tools for working stone, certain types of control apparatus, weft-winding machines and weaving machine accessories, certain types of wire, scythes, etc.) or by abandoning domestic production of certain products in situations where they could be imported more advantageously (e.g. certain electrical products, large ball-bearings, automatic brooders, etc.). Measures of that kind were being examined in the various economic sectors. It followed, therefore, that the trend toward new import items and discontinuance of certain domestic products that were not competitive would become a continuing process that would ensure rational and efficient supply, having regard to the needs and real possibilities of Romania's economy and to the extent to which foreign products were competitive with Romanian products.

41. With respect to the impact of application of the tariff on trade flows of consumer goods, certain imports had lost their efficiency. Production and sale of like domestic products had been encouraged thereby (e.g. certain fish preserves and other preparations, bicycles, etc.). Substitution of imports by domestic products had made possible a broader range of imported consumer goods (so as to cover, for example, knitted and crocheted goods, house linen, cosmetics, condiments) and likewise, a larger import volume of traditional consumer items (citrus fruit, cocoa, olives, rice, etc.).
42. In the field of raw materials, application of the Romanian customs tariff on an experimental basis in 1974 had not been conclusive. That situation was attributable to the particular international economic situation that had prevailed in recent times, making it necessary temporarily to suspend, from April until the end of 1974, the application of customs duties on those products.

43. Members of the Working Party generally accepted the direct influence of customs duties on products of the kind mentioned in paragraph 3 of the reply to question 7 (installations, machines, tools, etc. and luxury consumer goods). However, with regard to such influence on normal consumer goods (as described in paragraph 4 of the same reply), a number of points and questions were raised. These questions mainly concerned the aspect of the profitability of the importing enterprises under various assumptions of the relationship between internal and external prices, the latter including duty and tax.

44. In reply the delegation of Romania explained that in situations where profits declined in an unacceptable way as a result of price increases on foreign goods, the enterprises would either cease importation, ask the authorities to lower the duty (or exempt the product from duty) or to increase the internal price. The particular circumstances of the case would determine whether such requests would be met. Obviously, for all imports the external price with the addition of duty and tax would be lower than the internal price. In a situation where, following a decline in the external price and/or the customs duty, substantial profits accrued to the trade enterprise, the possibility was established of reducing the consumer price, and implicitly of an increase in imports of the product concerned.

45. The representative of Romania also explained that Law No.19 on the formation of prices and tariffs had been adopted before the introduction of the customs tariff. Article 72 of this law had since for all practical purposes been superseded by the tariff and its regulations so that the prices for machinery, equipment goods, spare parts, luxury consumer goods and other consumer goods except the so-called essentials, were no longer subject to the rule indicated in Article 72, but were subject to the rules on price formation which took into account the external cost plus duty and, for consumer goods, plus tax on the circulation of goods. As regards raw materials, in order to avoid the direct influence of the fluctuation of prices on the world market, the price of imported goods was not formed each time on the basis of external prices. The prices of raw materials were set on the basis of external prices and were re-examined, from time to time, depending on the level of world prices, in order to recuperate the cost of the currency spent on the imports.

Question 9

46. The representative of Romania explained that the determination of duty rates referred to in paragraph 2 of the reply had been on a global basis.
Question 14

47. In reply to a request for clarification by a member of the Working Party, the representative of Romania stated that the criteria for establishment of duty-free quotas were not included in the Customs Law. In 1974 customs quotas were not granted. As for temporary exemptions in 1974, these were granted for raw materials because of the exceptional international market situation of these products. Moreover, the exemptions were non-discriminatory.

Question 24

48. There was agreement in the Working Party that the reply given to this question in no way prejudiced the position delegations might wish to adopt in a future renegotiation of the Romanian schedule of concessions on the basis of the customs tariff.

Question 26

49. The Working Party was informed that the statistical foreign trade year book referred to in paragraph 2 of the reply, was published in English and French for 1972, whereas statistical data for 1973 was available in Romanian only. However, being based on tariff headings, this could still be useful to members of the Working Party.

General considerations

50. Summing up the discussion, the representative of Romania said that, in his view, the Working Party had determined that the Romanian customs tariff - as it was integrated in the price, general economic and foreign trade mechanisms - effectively ensured that import prices were represented in the domestic prices of imported products and in the benefits of the importing and producing enterprises, thus being the controlling factor in assessing the competitiveness between imports and domestically-made products and, as such, representing one of the decisive elements in the elaboration and implementation of import and production plans and programmes by all economic units and at all other levels.

51. He further noted that the Working Party had expressed its satisfaction with the non-discriminatory character of the Romanian tariff and its conformity with the other provisions of the GATT. In his opinion, the customs tariff also represented the basis for eventual negotiations, as provided for in the Protocol for Romania's accession to GATT, between Romania and the other contracting parties,
leading to the replacement of the Romanian Schedule by agreed bindings and reductions of customs duties, taking into account the level of Romania's economic development, it being understood that all members of the Working Party reserved at this time their position on the specific aspects of such negotiations.


53. The Working Party agreed to reconvene in February 1975 to conclude its work according to the mandate given to it by the Council.