The Working Party considered the statement submitted by the Government of Chile (GATT/CP.3/1/Add.3) and a further statement made by the representative of Chile. The Working Party noted:

(a) that the measures notified under paragraph 11 of Article XVIII were mostly proclaimed by decisions or decrees during the war, particularly towards its close, manifestly for the protection of domestic industries and branches of agriculture. The protective measures consisted of

(i) the fixing of import quotas, and
(ii) the withholding of import licences;

(b) that in recent years, measures to safeguard the balance of payments, which first had been applied before the institution of the protective measures, had been extended and there was now a complete control over the products which were permitted to be imported; and

(c) that consequently, all measures previously adopted for the protection of domestic industry had been suspended and were superseded in operation by measures taken to safeguard the balance of payments.

It was the opinion of the Working Party that in as much as the measures currently in force in Chile for the safeguard of the balance of payments applied to the products in respect of which measures had been notified under paragraph 11 of Article XVIII, and in as much as the measures appeared to conform to the provisions of Article XII of the Agreement, it was not necessary
for the Contracting Parties to examine and give a determination concerning the maintenance of the measures under the provisions of paragraph 12 of Article XVIII. The Working Party noted also that if, and when, as a consequence of changes in the circumstances in which the measures safeguarding the balance of payments were maintained, these measures ceased to be permissible under Article XII, it would be open to the Chilean Government to notify the Contracting Parties under paragraph 6 of Article XVIII and apply for consideration under paragraph 7 or 8 of that Article any similar measures for the purpose of promoting economic development or reconstruction. At that time, when considering any such measures notified in these circumstances, the Contracting Parties would have regard to all relevant facts. It would be open to the Chilean Government, at that time, to elaborate the details of the continued operation of the measures and to refer to the fact that in the past they had been maintained for the purpose of development. Moreover, the Chilean Government would be free to act in accordance with paragraph 6 of Article XVIII in advance of a change in the balance of payments' situation which made Article XII inapplicable.