

14 October 1970

**GREECE - PREFERENTIAL TARIFF QUOTAS  
TO THE USSR**

*Report of the Working Party adopted on 2 December 1970  
(L/3447 - 18S/179)*

1. At its meeting on 28 April 1970, the Council discussed the question of the provisions of the Special Protocol with the Government of the USSR, signed by the Government of Greece in December 1969, which provides for special tariff treatment of certain products imported from the USSR within specific quota limits. At its July 1970

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rs of the Working Party, when considering the request for a waiver, to take into account the special circumstances of Greece, a country in the process of economic development with an unfavourable balance-of-payments position, but one which, nevertheless, maintained a liberal import régime. Increased imports from the USSR could facilitate the maintenance of Greek exports and reduce the credit standing in the

6. The members of the Working Party emphasized that in order to consider granting a waiver to Greece, it would have to be determined that the "exceptional circumstances" referred to in paragraph 5 of Article XXV actually existed. While some delegations remarked that the trade figures supplied by Greece differed in some instances from those in their possession, and pointed out that invisible receipts and capital flows were relevant in assessing the balance-of-payments position, it was generally recognized that Greece was in an unfavourable balance-of-payments situation. However, some members stressed that although many other contracting parties were in a similar difficult position, none of them had considered it a justification for a departure from the provisions of Article I. It was brought to the attention of the Working Party that at previous consultations of the Committee on Balance-of-Payments Restrictions, Greece had been urged to reduce its reliance on bilateral agreements not only by members of the Committee, but also by the International Monetary Fund. In the light of the above considerations, it was considered that the Greek bilateral payments position with the USSR did not constitute "exceptional circumstances" in the sense of Article XXV:5.

7. While it was generally recognized that the trade involved was not large, several members of the Working Party did not share the views of the representative of Greece that no trade diversion had, nor would, occur. One member pointed out that he was being asked to approve a waiver in a situation in which his country

12. In reply to this last point, the representative of Greece recalled the numerous waivers granted to other countries in economic circumstances which, in his opinion, had been far from presenting the gravity and exceptional character of those cited by Greece in support of its request. The fear that a serious precedent might