

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3397
26 May 1970

Limited Distribution

WORKING PARTY ON DAIRY PRODUCTS

Record of Meeting of 14 May 1970

1. The Working Party met on 14 May 1970.
2. The Working Party recalled that at its meeting of 12 January 1970 it had decided under Article VIII, paragraph 1(b) of the Arrangement Concerning Certain Dairy Products (document L/3324), that the Arrangement shall enter into force, for those participants having accepted it, on a date to be agreed by the Working Party (L/3337, paragraph 6 and Procès-Verbal attached to text of Arrangement in L/3324).
3. The Working Party noted that the following countries or group of countries had accepted the Arrangement:

Australia	Japan
Canada	New Zealand
Denmark	South Africa
European Economic Community and its member States	United Kingdom

The Working Party also noted that the acceptance by some countries had been made subject to certain conditions, which related either to participation by other countries or to certain provisions of the Arrangement.

4. The representative of the United Kingdom stated that he was authorized to withdraw the reservation that the acceptance by his Government was on the understanding that acceptance of the Arrangement is notified by the Government of the Irish Republic. His Government was therefore now prepared to participate in the Arrangement fully.
5. The representative of Canada stated that he withdrew the reservation which made Canada's acceptance subject to the adherence of Ireland.
6. The representative of Denmark said that acceptance by his Government had been on the condition that a reasonable number of the most important exporting and importing countries also give their approval to the Arrangement. He stated that his Government had decided to participate in the Arrangement in spite of Ireland's non-participation and that the condition to which Denmark's acceptance had been made subject had been met.
7. The Working Party noted that all conditions to which acceptance by certain countries had been subject, had been met.

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8. The Working Party therefore decided, pursuant to the provisions of Article VIII, paragraph 1(b) of the Arrangement Concerning Certain Dairy Products, done at Geneva on 12 January 1970, and of the Procès-Verbal of 12 January 1970 relating to the said Arrangement, that the Arrangement shall enter into force, for those participants having accepted it, at noon on 14 May 1970.
9. The Working Party agreed that this decision be set forth in a procès-verbal signed by the Director-General to the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, certifying the entry into force of the Arrangement.
10. Several participants to the Arrangement stressed the great importance which they attached to participation by Ireland. The representative of Ireland said that his Government was not in a position to accept the Arrangement as it stood at present. He explained that there were two reasons for this. The first was the risk that if Ireland had to observe the minimum price it might be displaced from a nearby market which is the subject of a bilateral agreement and where it would be faced with competition from domestic production not bound by a minimum price. The second reason was that in the absence of assurances that a derogation in respect of the minimum price would be granted to Ireland to offset additional transport costs arising from the lack of direct intercontinental shipping services, Ireland might find itself at a disadvantage in more distant markets. His Government might however reconsider its position in the future if its problems could be satisfactorily settled. He stated that his Government nevertheless observed the Arrangement on a de facto basis and would make every effort to continue doing so, while retaining the right to reconsider its position also in this regard should events so demand. Several members of the Working Party appreciated Ireland's constructive and outward-looking attitude in its readiness to co-operate on the conditions outlined by its representative, but expressed the hope that it would reconsider in the near future its position as to acceptance of the Arrangement. Some members added that if problems arose for Ireland from the operation of the Arrangement, they were more likely to be solved if Ireland were a participant to it.
11. The representative of Austria stated that the question of his country's participation in the Arrangement was still under consideration by his authorities. Austria however applied the Arrangement on a de facto basis and wished to reiterate its readiness to continue doing so, as certain constitutional and juridical reasons stood in the way of a formal acceptance. For the purposes of de facto application Austria, as a land-locked country, had designated Rotterdam as the maritime port of its choice, under the provisions of Article II. His authorities wished to reserve the right to ask the Management Committee to find an appropriate solution if the choice of a single port serving a single ocean caused a serious impediment to Austria's trade in the framework of the Arrangement and a deterioration of its competitive position relative to other contracting parties, participants to the Arrangement. The Working Party noted that this question could be examined by the Management Committee.
12. The Working Party decided to pursue its work on other dairy products in an Expert Group which would meet on 15 May 1970.