

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SCM/M/7

26 October 1981

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Committee on Subsidies
and Countervailing Measures

MINUTES OF THE MEETING HELD ON 12 OCTOBER 1981

Chairman: Mr. B. Eberhard (Switzerland)

1. The Committee on Subsidies and Countervailing Measures held its seventh meeting on 12 October 1981. The participation in the meeting was limited to the Signatories only.
2. The purpose of this meeting was to examine the reservation in respect of Article 19:5 of the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade entered by New Zealand upon its signature of the Agreement on 15 September 1981 (document L/4914/Rev.4/Add.6).
3. The Chairman made a statement which is reproduced in document SCM/11. The Committee approved this statement.
4. The Committee examined the draft decision on the New Zealand reservation. The representative of Japan said that although he was ready to accept paragraph 3 of the draft he wished to record his Government's expectation that New Zealand would endeavour to ensure the conformity of its laws and regulations with the Agreement as soon as possible and thus it would be in a position to withdraw the reservation earlier than on 31 March 1985. The representative of Canada supported the approach taken by Signatories in dealing with the issues raised by New Zealand's reservation and expressed his satisfaction that a common position had been worked out. Commenting on paragraph 5 of the draft he said that it probably went further than he would have thought necessary. In particular his Government was not considering recourse to Article 19:9 and he did not believe it would wish to do so in 1985. However he could accept the draft as it emerged from the consultations.
5. The representative of Brazil said that, as a matter of principle, he considered that the time-limit set forth in paragraph 3 should be shorter, but he would not stay in the way of a consensus. He also wanted to point out that the proposed decision was meant to deal with a particular case and it would not set a precedent for future cases. Such cases, if they arose, should be considered on their own merits. The representative of the United Kingdom speaking on behalf of Hong Kong said that he welcomed the proposed decision but he did not wish the special treatment for developing countries to be eroded by acceptance of significant reservations. In this particular case Hong Kong,

being pragmatic, saw that there was very little practical effect of the reservation and therefore it was able to accept it. With reference to paragraph 5 he said that he would have agreed to the decision even without any reference to the possibility of invocation of the non-application clause of Article 19:9.

6. The representative of Sweden speaking on behalf of the Nordic countries recalled that for his delegation the most important aspect of the proposed decision, which would have been sufficient, was that it spelled out Signatories' rights with respect to the reservation and dealt with its open-ended character. He also expressed his satisfaction that Signatories had developed a common approach as proposed in the draft. The representative of Chile associated herself with the statement made by the representative of Canada, in particular with his comments on paragraph 5 of the draft decision. The representative of the European Communities said that he was ready to accept the proposed draft and that the Committee's decision should be seen in the light of the statement by the Chairman who had stressed the particular character of this case.

5. Having heard the statements made the Committee adopted the decision (SCM/12).