

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

L/5763

21 December 1984

Limited Distribution

INTERNATIONAL DAIRY PRODUCTS COUNCIL
SPECIAL MEETING OF 18 DECEMBER 1984

Note by the Chairman

The International Dairy Products Council held a special meeting under Article IV:6 of the International Dairy Arrangement on 18 December 1984 and reviewed the situation as it had developed in the context of the Resolution adopted by the Council on 16 November 1984.

The Council:

(a) took note of the statement by the European Communities regarding the abrogation on 8 December 1984 of Title II of Regulation (EEC) No. 2956/84, and of the statement that the EEC had contracted to sell approximately 220,000 tonnes of butter and butter oil exclusively to the USSR at prices above and below the relevant minimum export prices with deliveries to be effected not later than 30 June 1985;

(b) took note of the statement by the United States concerning a recent contract for the sale of 30,000 tonnes of butter and butter oil to Egypt;

(c) agreed that participants should henceforth notify all relevant elements in accordance with Article 4 of each of the Protocols, and to the extent possible on the basis of the format to be circulated by the secretariat;

(d) agreed that in terms of the Resolution of 16 November 1984 that all participants should continue to exercise the greatest restraint in making their sales in the current situation and to take fully into account the interests of other participants, in order to sustain the viability of the International Dairy Arrangement, having particular regard to the delicate balance between the disciplines contained in the Arrangement and the Protocols and the provisions for safeguard and emergency action;

(e) took note of the statements by participants that they would continue to fully support the International Dairy Arrangement and that they would co-operate to ensure that the full application of its provisions was restored at the earliest possible date;

(f) noted with regret that the United States had on 14 December 1984 given notice of its intention to withdraw from the International Dairy Arrangement in accordance with Article VIII, 8(a) of the Arrangement. It also noted the statement by the United States representative that the United States, while remaining competitive, would not seek to disrupt international trade in, and prices for, dairy products;

(g) strongly urged the United States to reconsider its decision to withdraw from the International Dairy Arrangement or in the alternative to consider participation as an observer in the International Dairy Arrangement and its Protocols. In this regard, the Director-General of the GATT was requested to use his good offices as appropriate.

The Council agreed to hold a further special session at the end of January 1985 to review the situation in the context of the 16 November 1984 Resolution and to review the situation with regard to the United States decision to withdraw under Article VIII, 8(a).