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MTN/DP/W/38
20 June 1978

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations

Original: Spanish

Group "Agriculture"

Sub-Group on Dairy Products

PROPOSALS BY THE ARGENTINE REPUBLIC CONCERNING THE PROVISIONAL DRAFT COMPREHENSIVE ARRANGEMENT REGARDING THE DAIRY PRODUCTS SECTOR

Safeguards

1. In accordance with the note in Article V(a) of the provisional draft Comprehensive Arrangement Regarding the Dairy Products Sector and in accordance with the guidelines set forth therein, the delegation of the Argentine Republic presents the following proposal.

2. This paragraph shall read as follows:

"(a) Safeguards

The notification referred to in Article XIX:2 of the General Agreement shall likewise be made to the Council established under this Arrangement where the emergency action envisaged in that Article concerns products covered by this Arrangement.

The notification shall include a statement of the facts that are causing or threatening to cause, in the opinion of the participant intending to take the action, serious injury to domestic producers of like or directly competitive products.

In any case, and without prejudice to the provisions of Article XIX of the General Agreement and paragraph (f) of this Article, participants adversely affected by the action may refer the matter to the Council.

The Council may adopt such recommendations as it deems appropriate."

3. It is the understanding of the delegation of the Argentine Republic that the legal machinery for settlement of disputes envisaged in paragraph (f) of the Article is applicable in this case, so that provision is made for an undertaking by each participant to afford adequate opportunity for bilateral consultation. This stage of the procedure will accordingly be prior to intervention by the Council. Furthermore, in accordance with Article XIX of the General Agreement, the contracting party taking any such action is obligated to afford both the CONTRACTING PARTIES and those contracting parties having a substantial interest as exporters of the product concerned an opportunity to consult with it in respect of the proposed action.

Subsidies

1. In accordance with the note in Article V(b) of the provisional draft Comprehensive Arrangement Regarding the Dairy Products Sector (MTN/DP/W/27/Rev.5), the delegation of the Argentine Republic proposes the following text for the said paragraph.

(b) Subsidies

Participants recognize that subsidies that contribute to distort markets for the products covered by the present Arrangement, including those applied at stages other than that of export whether they have the effect of increasing exports or of reducing imports of those products, jeopardize the achievement of the objectives of this Arrangement.

Accordingly, they undertake to avoid the use of such subsidies and gradually to reduce any that are in force with the object of eliminating them as soon as possible.

Accordingly, participants agree, without prejudice to the provisions of Article XVI of the General Agreement, to notify writing to the Council the purpose and nature of any subsidies maintained by them, with an indication of their estimated effects on the quantity of the product or products imported or exported by them and the circumstances which, in their opinion, make the subsidy necessary.

Likewise, participants maintaining subsidies shall examine, with any participant or participants that so request, or in the Council, upon request by an interested participant, the modalities for implementing the undertaking gradually to reduce the said subsidies. The Council shall make such recommendations as it deems necessary."

Health and Veterinary Measures

1. In accordance with the guidelines of the proposal set forth in Article V(c) of the provisional draft Comprehensive Arrangement Regarding the Dairy Products Sector, the delegation of the Argentine Republic presents the following proposal.

2. This paragraph shall read as follows:

"(c) Health and veterinary measures

In accordance with the provisions of Article XX of the General Agreement, participants recognize the need to avoid that the measures referred to in this paragraph constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade in the products covered by this Arrangement.

Consequently, participants undertake to notify the Council in writing of any measures they propose to adopt, with an indication of the circumstances which, in their opinion, make the adoption of such measures necessary.

Notification prior to application of a measure may be omitted in the event of urgent problems of human or animal health or of environmental protection, and provided such omission is justified to the entire satisfaction of the Council in the light of the provisions of Article XX of the General Agreement and of the present Arrangement.

The Council, in pursuance of paragraph (f) of this Article, may adopt such recommendations as it deems appropriate."

3. It is the understanding of the delegation of the Argentine Republic that the legal machinery for settlement of disputes envisaged in paragraph (f) of the Article is applicable in this case, so that provision is made for an undertaking by each participant to afford adequate opportunity for bilateral consultation. This stage of the procedure will accordingly be prior to intervention by the Council.