

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
DPC/F/1
4 July 1980

International Dairy Arrangement

COMMITTEE OF THE PROTOCOL REGARDING MILK FAT

FIRST SESSION

Report

Introduction

1. The Committee of the Protocol Regarding Milk Fat, established under Article VII:2(a) of the International Dairy Arrangement held its first session on 22 April 1980.

Adoption of the agenda

2. The Committee had before it airgram GATT/AIR/1617, proposing the following agenda:

1. Adoption of the agenda
2. Election of the Chairman and the Vice-Chairman
3. Information required by the Committee:
 - (a) Replies to Questionnaire 2
 - (b) Summary tables
 - (c) Situation of contracts concluded prior to entry into force of the Arrangement
 - (d) Other information
4. Review of market situation for products covered by the Protocol
5. Other business

3. The representative of the EEC felt that confidential information would be exchanged during the consideration of items 3(c) and 4, proposed in airgram GATT/AIR/1617. Consequently, his delegation proposed that a special session should be held to deliberate on those items in accordance with Rule 13 of the Rules of Procedure of the Arrangement (DPC/1, Annex). In the opinion of his delegation, participation in the special session should be limited to the signatories of the Arrangement.

4. The representative of the United States pointed out that the rules of procedure of the Arrangement were carefully drafted to allow the Council and the Committees to deliberate on confidential matters in special restricted sessions with the participation of countries that had met certain criteria. It was to the Committees or to the Council to determine these criteria. However, the Arrangement provided that each Committee shall reach its decisions by consensus. In the view of his delegation, it would be desirable that a major country involved in the trade of dairy products should participate in the proceedings of a special restricted session if it had submitted confidential information and if it was ready to exchange such information. He expressed the view that Canada would have been encouraged to sign the Arrangement if it had been invited to participate in the special restricted session proposed by the EEC. The special restricted sessions should be held among those countries which had exchanged and were willing to exchange confidential data. However, the Committee could decide to include whoever it wanted in a special restricted session. He hoped that the EEC would reconsider its position with regard to one particular observer and that the situation created by the EEC proposal would not be permanent.

5. The Committee adopted the agenda proposed in airgram GATT/AIR/1617. It was understood, however, that items 3(c) and 4 would be discussed in special restricted session, in accordance with Rule 13 of the Rules of Procedure. It was also understood that participation in the special session would be limited to signatories of the Arrangement.

6. The observer of Canada said that his country was not a signatory of the Arrangement but it had submitted all the available information requested in the questionnaires. His delegation was prepared to discuss this information on a confidential basis either in the Committee itself or in a special restricted session. He emphasized that Rule 13 of the rules of procedure of the Arrangement did not provide that special restricted sessions should be limited to signatories of the Arrangement. The decision to exclude observers from such a restricted session was interpreted by his delegation as an indication that signatories did not wish to discuss the information submitted by Canada. It was the understanding of his authorities that, in submitting this information, his delegation would be given an opportunity to exchange information and views with signatories and other observers who might be prepared also to exchange information. He expressed his serious concern about this development. Under these circumstances, his country would not continue to submit replies to the questionnaires. All the information already submitted under the questionnaires should be withdrawn from circulation and this information should not be discussed in the restricted special session. He noted the helpful comments of the representative of the United States. The observer of Canada requested that his statement be recorded in the report of the session.

Election of the Chairman and the Vice-Chairman

7. The Committee invited the secretariat to assume responsibility for the functions of Chairman and Vice-Chairman. It entrusted the Chairmanship to Mr. Jean-Marc Lucq. Mrs. Francine Hubert was appointed Vice-Chairman.

Information required by the Committee

(a) Replies to Questionnaire 2

8. The Committee requested members which had not yet communicated information in reply to Questionnaire 2 to do so without delay. It was also pointed out that the replies to Questionnaire 2 relating to the first quarter of 1980 should reach the secretariat not later than 15 June 1980.

(b) Summary tables

9. The Committee agreed that every three months the secretariat should prepare summary tables incorporating the data provided in Table A of Questionnaire 2. It was suggested that the first summary tables might include data relating to the latest three years on the basis of information communicated by participants.

(c) Situation of contracts concluded prior to the entry into force of the Arrangement

10. This agenda item was discussed in special restricted session.

(d) Other information

11. No other information was requested.

Review of the market situation for products covered by the Protocol

12. This agenda item was discussed in special restricted session.

Other business

Report to the Council

13. It was pointed out that the report the Committee was to make to the Council under Article VII:2(a) of the Arrangement would be adopted at the Committee's second and fourth sessions each year. It was noted that, during the current year, there would be a session of the Council following the first session of the Committee. The Committee invited the Chairman to make an oral report at the next session of the Council.

Date of the next session

14. The Committee decided to hold its next session on 1 July 1980, subject to confirmation by the secretariat. It was understood that the Committee's session could follow directly the session of the Committee of the Protocol Regarding Certain Milk Powders and might begin on 30 June 1980. It was noted that the draft agenda prepared by the secretariat would, as far as possible, indicate the agenda items which might be dealt with in special restricted session.