

GENERAL AGREEMENT ON TARIFFS AND TRADE

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COUNCIL
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MINUTES OF MEETING

Held in the Centre William Rappard on 6 November 1978

Chairman: Mr. J.J. REAL (Uruguay)¹

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1. EEC - Refunds on exports of sugar (L/4701, C/M/128)

The Chairman recalled that the question of EEC refunds on exports of sugar was discussed by the Council at its last meeting on the basis of an Australian complaint under Article XXIII:2 (L/4701). Following the discussion the European Communities and Australia had agreed to have immediate consultations under appropriate GATT procedures. It was also agreed that the Council would be convened again if these consultations did not lead to a satisfactory outcome.

The representative of Australia said that his delegation had held consultations with the EEC under the provisions of Article XXIII:1 on the problems existing in relation to EEC exports of sugar. These consultations had not led to a solution of the existing difficulties. He therefore asked the Council to establish a panel under the provisions of Article XXIII:2 for the examination of this matter.

The representative of the European Communities expressed regret that it had not been possible to reach a solution to these problems in the consultations and he agreed to the setting up of the panel.

¹Mr. Real, Vice-Chairman of the CONTRACTING PARTIES, presided in the absence of the Chairman of the Council, Mr. M. Yunus (Pakistan).

The Council agreed to establish a panel with the following terms of reference:

To examine and report upon the issues relating to EEC sugar export practices, referred to the CONTRACTING PARTIES by Australia in document L/4701.

The Council authorized its Chairman to appoint the Chairman and the members of the Panel in consultation with the parties concerned.

2. Committee on Anti-Dumping Practices (L/4711)

Mr. Lemmel (Sweden), Chairman of the Committee, introduced the Committee's tenth annual report which covered the period from October 1977 to October 1978. He said that the Committee had held meetings in April and October during which it had focused on the anti-dumping practices of various countries members of the Committee. Particular attention had been given to two cases in the United States, one relating to imports of steel and another to television receivers imported from Japan. The Committee had also examined the anti-dumping legislation of some countries and had given particular attention to the new schemes introduced in some countries for imports of steel products, especially the trigger-price mechanism of the United States and the basic price system of the European Communities.

He said that in discussing the problems and issues arising under the Anti-Dumping Code the Committee had identified eight priority issues and initiated their examination with a view to arriving at a more uniform and equitable application of the provisions of the Code. The Committee had agreed to continue this discussion at its next meeting.

The representative of Malta said, in reference to paragraph 13 of the report, that his delegation had now submitted a report on the administration of its anti-dumping laws.

The representative of Egypt pointed out that at present only 26 out of 84 contracting parties were signatories to the Anti-Dumping Code. He recalled that a working party established in 1970 to examine the special problems of developing countries in accepting the Code had reported to the Council in 1975 its inability to find solutions that were acceptable to all countries. His delegation had since then, together with other delegations from developing countries, made specific proposals in the framework of the MTN for modifications in the Code to make it more responsive to the needs and problems of the developing countries. He expressed the hope that it would be possible in the MTN to evolve a solution that would facilitate the adherence of developing countries to the Code.

The representative of India associated his delegation with this statement.

The Council took note of the statements and adopted the report.

3. Report of the Committee on Budget, Finance and Administration (L/4708)

Mr. Feij (Netherlands), Chairman of the Committee on Budget, Finance and Administration, introduced the report and said that the Committee had examined the 1977 GATT accounts, the financing of the 1978 GATT budget and the GATT Budget Estimates for 1979, as well as the First Performance Report on the Programme Budget of the International Trade Centre UNCTAD/GATT for the biennium 1978-1979. He said that on the basis of present forecasts it could be expected that the financial year would close with budgetary savings of some Sw F 1.4 million, but that the budgetary savings would just be sufficient to compensate the deficit resulting from unpaid contributions and that therefore no surplus would be available for 1979. In this connexion he pointed out that the Committee had proposed that the Council should examine a statement of arrears in June or July each year in the hope that governments would be encouraged to pay their contributions earlier. He mentioned that in the case of a few countries the arrears went as far back as 1966 and appealed to the governments concerned to make some effort to pay their contributions and perhaps propose a schedule of instalment payments so that the arrears could be liquidated over a period of time.

Referring to the budget estimates for 1979 he said that the Committee had proposed a revised budget level of Sw F 38,747,000 which represented an overall increase of less than half per cent. He pointed out that there would have been no overall increase but a reduction had it not been necessary to provide for an increase of Sw F 195,000 in the GATT contribution to the International Trade Centre and to make a provision of Sw F 600,000 for the GATT Commercial Policy Training Courses, because of changes in the system of financing of these courses proposed by UNDP. He mentioned that the Director-General was still in touch with UNDP on this subject and if a satisfactory arrangement could be found, the funds allocated would be utilized only partially or perhaps not at all.

He stated that the Committee had had a considerable discussion on the question of exchange rate problems and had had before it proposals by the Director-General, which aimed to establish temporary measures to protect the further erosion of take-home pay and pensionable remuneration of the GATT professional staff. The Committee had expressed its sympathy and understanding but had felt that trying to find a solution applicable to GATT alone would be incompatible with the common system and would undermine the efforts to find an equitable solution for all organizations within the

system. The Committee had concluded that in view of the complexity of this question and the inter-relation with the common system it needed to be solved by experts within competent bodies, such as the International Civil Service Commission and the Joint Staff Pension Board. The Committee had suggested that the Chairman of the CONTRACTING PARTIES should be invited to contact the Chairman of the United Nations General Assembly to convey the concern of the CONTRACTING PARTIES with regard to this problem and in particular its effects on pensionable remuneration of the professional staff. He mentioned that the representative of the CONTRACTING PARTIES on the ICITO/GATT Pension Committee had reported to the Committee on developments in the pension situation and had urged all contracting parties to ensure that full support be given by their representatives in the United Nations General Assembly to the important proposals made at the Joint Staff Pension Board meeting in Rome.

The Director-General, referring to the question of exchange rate fluctuations, pointed out that the proposals he had made to the Budget Committee were intended to prevent further erosion of the take-home pay and pensionable remuneration for the GATT professional staff by setting Swiss franc floors for them. These proposals in his view did not represent a deviation from the so-called common system as they were in line with recommendations concerning dollar-based allowances made by the ICSC and were similar to arrangements in force in other organizations within the common system. The proposals furthermore did not entail additional costs to the budget and would be of a temporary nature until ICSC came forward with a permanent solution. He stressed that he was responsible on the one hand, to the CONTRACTING PARTIES for the efficient functioning of the secretariat and on the other hand to the staff for the protection of their well-being. He pointed out that the so-called common system resulted in the absurd situation that in January 1979 the pensionable remuneration level in New York would be at 125 per cent of the July 1977 level, while in Geneva in Swiss francs it would be at about 75 per cent. He considered this situation to be unjust and intolerable. He therefore urged the CONTRACTING PARTIES to assume fully their responsibilities to their staff by taking concrete action now and not by deferring this responsibility to outside bodies which, after many years, had not been able to find adequate solutions to these complex problems.

The Council took note of the statement and agreed to draw the attention of the CONTRACTING PARTIES at their thirty-fourth session to this matter.

The Council approved the recommendations contained in paragraphs 12, 48 and 51 of the report. The Council agreed as recommended in paragraph 14 of the report that governments be urged to pay pending contributions as soon as possible and to pay each year's contribution as early as possible in the year in which it fell due. The Council, as recommended by the Committee

in paragraph 43, approved the text of an agreement between the United Nations and GATT (annexed to document L/4700), extending the jurisdiction of the Administrative Tribunal of the United Nations to the ICITO/GATT with respect to applications by staff members of ICITO/GATT alleging non-observance of the Regulations of the United Nations Joint Staff Pension Fund.

The Council approved the report of the Committee (L/4708) and recommended its adoption by the CONTRACTING PARTIES, including the recommendations contained therein and the Resolution on the Expenditure of the CONTRACTING PARTIES in 1979 and the ways and means to meet that expenditure.

4. Status of Protocols (C/W/308)

The Chairman drew attention to document C/W/308 containing a report on the status of protocols upon which action was still required by one or more contracting parties. He said that the Protocol Introducing Part IV was now in force amongst all but two contracting parties. Since the closing date for the acceptance of this protocol would expire at the close of the thirty-fourth session he proposed that the Council should recommend to the CONTRACTING PARTIES its extension until the end of the thirty-fifth session.

The representative of India appealed to the contracting parties concerned to take the necessary steps for accepting the Protocol Introducing Part IV. He pointed out that questions of differential treatment were presently being negotiated in the MTN and he enquired what the position of the European Community would be in this regard if one member State had not accepted Part IV.

The Council agreed to recommend to the CONTRACTING PARTIES the extension of the closing date for the acceptance of the Protocol Introducing Part IV. The Council approved the text of a draft decision and recommended its adoption by the CONTRACTING PARTIES at their thirty-fourth session.

5. Proposed Article XIX action on copper by the United States (C/M/128, L/4699/Add.1)

The representative of the United States, speaking under Other Business, recalled the concern expressed by several delegations at the last meeting of the Council on the proposed Article XIX action by the United States on refined unwrought copper. He informed the Council that the United States President had determined that the provision of import relief for refined unwrought copper, as requested by the United States International Trade Commission, would not be in the national economic interest of the United States (L/4699/Add.1).

The Council took note of the statement.