GENERAL AGREEMENT ON TARIFFS AND TRADE

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WORKING PARTY - SUGAR

Report to the Council

1. The Working Party established by the Council at its session in September 1981 met on 17 February 1982, under the Chairmanship of Ambassador H.V. Ewerlöf (Sweden).

2. In opening the meeting, the Chairman recalled that the task given to the Working Party was to conduct a review of the situation and to report to the Council. He also recalled the understanding of the Chairman of the Council that members of the Working Party in the review of the situation may raise any element having a bearing on the consideration of this matter relating to sugar (C/M/150 page 22). The Chairman furthermore mentioned some documents thought to be essential ones for the meeting (i.e. L/4833 (complaint by Australia - panel report), L/5011 (complaint by Brazil - panel report), L/5113, L/5175 and C/M/150) and also mentioned that the delegation of the Commission of the European Communities had submitted three papers in advance of this meeting (i.e. Spec(82)7, 8 and 9), which are annexed to this report (as annexes I, II and III, respectively).

3. The representative of Australia referred to a recent study by the Australian Bureau of Agricultural Economics on the impact of Community sugar supports on the production and exports of other sugar exporters. The study concluded that Community support prices had: (i) depressed world market prices by between 7.2 per cent and 11.3 per cent; (ii) stimulated Community exports by between 1.6 and 2.4 million tonnes per year; (iii) reduced the volume other countries would otherwise export by between 1.05 and 1.55 million tonnes per year; and, (iv) depressed returns to other countries by between 15 per cent and 24 per cent a year. Furthermore, the study revealed that Community sugar supports had cost other sugar exporting countries between $US520-$US817 million per year, developing countries between $US365-$US570 million per year and the Australian sugar industry between $US83-$US131 million per year. He considered this to be illustrative of the type and degree of prejudice Australia and other sugar exporters were facing as a result of Community policies.

4. He recalled that in previous examinations, the attention had been focussed on the key parameters of the Community system identified in the Panel reports - namely production, exportable surpluses of sugar, price and the size of export refunds. He suggested taking the sugar situation in the Community in 1978 and 1979 as a yardstick in the examination as the Panels had focussed their attention on these years. A removal of

prejudice by limiting the subsidisation involved the reduction of some or all of these key parameters to levels below those of the 1978-79 period.

5. He argued further that the examination of the Community regime in the Council had revealed: that C sugar production, and therefore total Community production, remained unlimited; that the actual level of Community production eligible for support (i.e. A and B quota production), had risen above 1978/79 levels, and could increase further, and that Community support prices were increased in 1981/82 by more than 8.5 per cent, the highest increase since 1975/76, thus removing any impact on production of nominally higher producer levies. It seemed to him that this assessment remained valid, and he maintained therefore that in respect of each of the key parameters, the new Community regime did not improve in relation to the situation in 1978/79. In light of the above, he claimed that the European Communities, in introducing the new regime, had not brought their practices into line with their GATT obligations so as to prevent continued prejudice to other contracting parties.

6. He reiterated his delegation's description of the situation at the Council meeting in September 1981 adjusted in light of five months' further experience. Community farmers expanded plantings by 10 per cent; total production was now estimated to reach a record 15.95 million tonnes, 27 per cent and 25 per cent, respectively, above 1977/78 and 1978/79 levels, and total export availability was now estimated to reach 7.3 million tonnes, 103 per cent higher than the 3.6 million tonnes exported in 1978 and 1979, representing around 34 per cent of estimated world free market exports compared to 19 per cent in 1978 and 1979. The Community's share of total world trade of 14 per cent in 1978 and 1979 would increase to 26 per cent. He recognised that the European Communities were taking steps to store more sugar this year, but even if the additional stocking were to be fully realised in 1981/82, the European Communities would export some 5.1 million tonnes in raw value terms, 1.6 million tonnes more than in 1978 and 1979. Quota sugar available for export and entitled to refund would amount to 3.5 million tonnes in raw terms, 30 per cent more than what was entitled to subsidy in 1978. In the first seven months of 1981/82, the European Communities had subsidised exports of 1.7 million tonnes with expenditure of up to 370 million ECU's on subsidies. The current rate of subsidy of 212 ECU's per tonne represented 45 per cent of the Community intervention price and 75 per cent of the current world price, and if world prices remained at current levels, the EEC would spend 560 million ECU's on subsidies this year.

7. The representative of Australia contended that these facts demonstrated that the new Community system had not improved the situation and serious prejudice was again being caused. The Australian complaint remained unresolved, a matter of serious concern to the GATT and to individual contracting parties. If the European Communities did not now respond in a meaningful way to bring its practices into conformity with its international obligations, the CONTRACTING PARTIES should seriously consider the matter.

8. The representative of Brazil supported the above views expressed by the representative of Australia. He referred to a statement made by the Community representative at the Council meeting in September 1981, that a new awareness had arisen inside the Community that it had to play a rôle with respect to the stabilization of markets. He regretted that these good intentions of the European Communities had not yet produced concrete results. He therefore went on to review recent developments regarding the operation of the Community sugar system.

9. Despite the changes introduced in the Community sugar legislation in 1981, the area planted with beets had been increased by 11 per cent in relation to the previous crop, with a 17 per cent increase in France, the largest producer and exporter in the Community. Community sugar production attained a record level in 1981/82 of over 15 million tonnes, against 12.3 million in the 1980/81 campaign. Given the continuing fall in consumption, the result was a domestic surplus of some 6 million tonnes (of which 3.4 million tonnes of C sugar), to which must be added 1.3 million tonnes of ACP sugar to reach the figure of more than 7 million tonnes of sugar available for export in the Community. This was undeniable evidence that the new legislation instead of contributing to restrain production and availabilities, as had been foreseen, had pushed them to unprecedented levels.

10. It was not difficult to pinpoint the cause of that development at a time when international prices were falling fast. He recalled previous assertions by the Community that it would follow a "prudent" policy as regards the adjustment of intervention prices. In spite of such expression of intention, the intervention price had been raised by a nominal 8.5 per cent, representing in effect an increase of over 10 per cent in most national currencies. As Brazil and other contracting parties had predicted, a substantial rise in the intervention price would negate whatever theoretical effects the co-responsiblity scheme could be expected to produce. He reiterated that the levies collected from producers in 1977/78 and 1978/79 (amounting to annual amounts of more than 250 million dollars) had not halted the expansion of production. He was therefore not convinced that the situation would change with the introduction of the new regulation. It was against this background that the recent proposal by the Commission to raise the sugar intervention price for the next campaign by 9 per cent should be examined especially if the support price for grains (beet's alternative culture) would be increased by a smaller percentage. In light of this, how could a 9 per cent increase be considered prudent when world prices were so low and the Community export availabilities were already so high?

11. Since April 1981, Community export subsidies had amounted to almost 900 million ECUs, i.e. over 920 million dollars, a figure comparable to annual Brazilian export earnings for sugar. He expected the European Communities to have spent more than 1 billion dollars to move its sugar into the world market this year. He considered this to be a true measure of the gap between the Community support price and world prices, of its effects on the international market, and of the prejudice caused to Brazil and all other sugar exporting countries.

12. The Community representative said that he would abstain from expressing an opinion on the objectivity of the preceding interventions. He felt that most of the points raised were not new and had been replied to by Community representatives on previous occasions, notably at the Council meeting in September 1981. These replies remained valid.

13. In a comment on the alleged importance of export subsidies, he stated that since the introduction of the new sugar regime in 1981, the European Communities were no longer subsidizing exports of sugar produced within the European Communities, as the entire losses on the exports of such sugar were covered by levies on production.

14. The Community sugar policy was now of the same type as those of other countries, and he therefore suggested engaging in a multilateral examination of the sugar policies of several countries. His delegation had consequently submitted a series of questions regarding the sugar policies of Australia, Brazil and the United States (and which had been circulated in advance of the meeting and are annexed to the present report). He invited the representatives of these countries to comment on the questions.

15. He reiterated what had been said by the Community representative at the Council meeting in September 1981, namely that the Community had already at that time fulfilled its obligations under Article XVI:1 and had since then prepared further steps. The Australian and Brazilian complaints referred to the ancient regime and should in his view not be retained on the table any longer. The situation was now a new one and if there were anything to complain about, it would be necessary to deposit a new complaint and provide reasons for it.

16. He declared himself ready and willing to continue to examine the Community sugar policy, but only on the condition that sugar policies of other countries could be examined simultaneously. He could not in any way accept a narrow interpretation of the mandate given by the Council, which meant that only the Community sugar policy could be reviewed.

17. The representative of Brazil admitted that a new complaint might be one possibility, but not indispensable as it was possible to seek a solution by pursuing further the old complaints. He reiterated that, in his view, Community refunds on exports of sugar constituted subsidies in terms of Article XVI, were applied in an unfair way and had depressive effects on the world market.

18. He could not agree to discuss Brazilian sugar policy in this Working Party and considered the questions circulated in Spec(82)8 to be impertinent, having nothing to do with the situation under review. With respect to the facts he had presented in his initial intervention, he noted that the Community representative had not denied them.

19. The Chairman recalled that the task given to this Working Party was to conduct a review of the situation, and he made an appeal to the members not to get lost in a discussion on procedure. He offered as his personal reading of the text adopted by the Council that the Working Party was supposed to conduct a review of the situation that had arisen

as a consequence of the complaints by Australia and Brazil and the reaction to those complaints by the European Communities. He furthermore suggested to start with a discussion of the Community system and its effects in the light of developments since the Council in September 1981, and afterwards invite comments on the three documents submitted by the European Communities.

20. The representative of the European Communities could not give his agreement to the interpretation suggested by the Chairman, as the Council decision was not to have a review of the situation as related to the complaints by Australia and Brazil. The Council had merely noted that these complaints were maintained, and it had equally noted that the EEC maintained that it had fulfilled its obligations under Article XVI:1. The interpretation suggested by the Chairman was therefore not correct, and not in conformity with the decision of the Council in September 1981. He consequently insisted that he was ready to discuss the Community sugar policy on the explicit condition that the sugar policies of other contracting parties could be examined simultaneously.

21. The representative of Brazil agreed with the interpretation suggested by the Chairman and insisted on a strict interpretation of the mandate given by the Council. In his view, the expression "this matter" was defined by the footnote to the text adopted by the Council (C/M/150 page 22), which clearly indicated that this review was a continuation of the work on the Australian and Brazilian complaints in relation to the situation that had been created by the European Communities. If the European Communities wanted to examine Brazilian sugar policy they could launch a complaint against Brazil, but this would have to be dealt with separately and follow the normal procedures of the General Agreement.

22. Also the Australian representative agreed with the interpretation of the mandate suggested by the Chairman and agreed by Brazil, and reiterated the position expressed by the Australian representative at the Council meeting in September 1981 (C/M/150 page 22 and 23). He also supported the view of the representative of Brazil that Community refunds on exports of sugar continued to constitute a subsidy and quoted what had been said by the representative of Australia in the Council (C/M/150 page 18):

"Turning to the question of whether or not, because the Community export restitutions were now financed by producer levies, those restitutions constituted subsidies in terms of Article XVI:1, he said that according to the representative of the European Communities the only public funds used were those to finance restitutions for exports of ACP sugar. However, ACP sugar was not exported by the Community; what was exported was 1.4 million tonnes of EEC sugar equivalent to the amount of the Community's ACP imports. This amount of EEC sugar was exported with subsidies financed from the Community budget. Thus, restitutions under the new sugar régime were fully financed from public funds in respect of 1.4 million tonnes. In this context, he referred to paragraph 2 of the Notes and Supplementary Provisions to Article XVI in Annex I to the General Agreement (BISD, Vol. IV, p.68), which stated that stabilization systems which are wholly or partly financed out of

government funds in addition to funds collected from producers shall be subject to the provisions of Article XVI:3 and he said that these constituted export subsidy systems."

23. He noted that the representative of the European Communities had said that no questions had been asked to him at the present meeting. In this context he reiterated a fundamental question which Australia had been asking the European Communities for three years, namely what were the European Communities be prepared to do to remove the prejudice and threat of prejudice found to exist by two panels. If the European Communities wished to examine Australian sugar policy, such examination must follow a formal complaint by the European Communities.

24. The representative of the United States said that, since the Community had made reference to the written questions it had addressed to the United States, he felt obliged to say that he did not believe that these questions were relevant to the work of this Working Party and he would not reply to them.

25. The representative of Canada tended towards a broader interpretation of the mandate and declared himself willing to continue the discussion the following day if that could be acceptable to the members of the Working Party.

26. Also other members of the Working Party said they were ready to continue the review if the parties mainly concerned could agree to do so. The representative of Argentina said he did not wish to enter into a debate on the interpretation of the mandate given by the Council. This debate had lasted throughout the meeting and he noted with regret that the Working Party had not gone into the question relating to sugar. The representative of the Philippines expressed regret that the Working Party would wind up without having done its work. He stressed that his instructions were to participate in the review of the Community sugar regime, and that any attempt to review other regimes would be beyond the competence of the Working party.

27. The representative of Switzerland, while drawing the attention of the Working Party to the ambiguity of its terms of reference, felt that it should be recognized that the Community had made considerable efforts to transform its refund system into a system of credits reimbursable by producers. Recognition of that legal fact would have at least a psychological impact that might afford a way out of a discussion that was making no headway. Once that new situation had been recognized, it would no doubt be possible to analyse certain specific problems, for example, whether the furnishing by FEOGA of reimbursable but interest-free credits constituted a subsidy, whether the internal and export prices included an element of dumping, and what was the real impact of re-exported ACP sugar. In any case, if the new system was alleged to be causing prejudice, evidence of the existence of subsidies would first have to be furnished.

28. With respect to agreements with ACP countries and other developing countries concerning sugar, the Community representative declared himself ready to discuss them, and to compare the Community approach with systems applied by other countries and notably the United States which charged levies and other charges on imports and re-exported great quantities by drawback (non compatible with obligations under the subsidy Code). The representatives of Australia and Brazil said that these arrangements posed no problems to them, but they stressed that, while the Community had contractual obligations to import ACP sugar, it had no obligation to subsidize the re-exports of such sugar.

29. The Community representative could not agree that it was necessary for the European Communities to deposit formal complaints in order to discuss the sugar policies of Australia, Brazil and other countries. He recalled the general obligation of all contracting parties under Article X to make their trade policies and arrangements publicly known. He reiterated that he could not accept discussing the Community sugar policy in isolation as had been suggested by the Swiss member of the Working Party. Taking into account the content and coverage of the current Community sugar policy, applied since July 1981, this would create a situation discriminatory to the European Communities and would be contrary to a balance of obligations among all contracting parties.

30. The representative of Colombia felt that the suggestion by the Swiss member might have been worthwhile pursuing, and he regretted that this did not seem to be possible. He felt frustrated by the discussion on procedure and regretted that the Working Party could not deal with the substance before it, namely the Community sugar policy and its incidence on the trade of other countries.

31. The Brazilian representative stressed that he did not, and does not refuse to answer in the Working Party any question pertinent to the matter under review. He formally objected though to the prior circulation of a questionnaire and to using it as a means of blocking the joint review by the Working Party. This kind of procedural move, if accepted, would constitute a dangerous precedent in GATT.

32. The representative of Australia stated that his country would have no objections to answering questions on its sugar policy if it were in the same position as the European Communities, that is, if Australian policies had been found by a GATT panel to have caused, and continued to threaten, serious prejudice to another contracting party. As proper GATT procedures had not been used and no panel had thus found, he objected to any attempt to improperly put Australia into the dock. He furthermore reiterated that the basic question was what the European Communities intended to do to stop its sugar policy from having the harmful effect it had been found to have. He stated that concern at the effect of the Community sugar policy was present even at the highest levels in the Commission of the European Communities. In this respect he referred to the issue of Agra Europe of 22 January 1982 in which a Community Commissioner was reported as saying that it was high time that the Community set about harmonizing its food production and trade policy with the wishes and needs of other producing countries, especially in the developing world. The European Communities should not think it could

operate indefinitely a sugar policy with a purely internal basis. The Community Commissioner went on to state that excess Community production which is dumped on the world market does considerable harm to those countries which are heavily dependent on sugar for export earnings.

33. With respect to the reference made by the representative of Australia to a Statement made by a Community Commissioner to the press, the Community representative said that this should be seen in the proper context in which it had been made and should in any case not be related to a matter actually subject to GATT dispute settlement procedures.

34. Due to the significant differences among members of the Working Party as to the interpretation of the Council decision of 25 September 1981 it was evident that the review could not be taken any further and the Working Party therefore agreed to end the proceedings and to submit a report of the discussion which had taken place to the Council.

ANNEX I

QUESTIONS BY THE EUROPEAN ECONOMIC COMMUNITY REGARDING THE SUGAR REGIME OF AUSTRALIA

The following communication dated 1 February 1982 has been received from the Commission of the European Communities.

A. General questions

1. According to the information available to the Community, a new sugar régime entered into force in Australia in 1979 (Sugar Agreement Act 1979). Does the Australian Government consider that it has fulfilled all its obligations under Article X?

If that is not the case, does Australia intend to remedy that shortcoming promptly?

2. Does Australia consider that it has fulfilled all its obligations under Article XVII of the General Agreement?

B. Production

1. Does the Australian sugar régime limit sugar production?

If so, what are the mechanisms and criteria applied?

2. How does the sugar régime influence prices:

- on the domestic market?
- of exports?

3. Are there any aids (subsidies, tax exemptions or refunds etc.) to the Australian sugar industry? What are they?

4. If applicable, what is the amount of such aids granted in each of the past five years?

5. Are consumer prices subsidized or do they reflect production costs?

6. What are the precise rôles of the central Government and of the Queensland Government as regards fixing the earnings of cane farmers and sugar producers?

C. Import régime

1. What régime is applicable to sugar imports?

Is it the case that imports are simply prohibited without special permit?

2. What quantities of sugar have been imported into Australia under permit in recent years?

3. On how many occasions in recent years and for what quantities have the competent Australian authorities refused to grant import permits? (Section 5:1 of the Sugar Agreement Act, 1979)

D. Export régime

1. Can Australia give an assurance that its system never depresses prices in the world market?

2. Are there any subsidies on exports of sugar or products containing sugar?

3. Does this latter category of products come under the provisions of Article XVI:3 of the General Agreement?

4. To what extent do export prices reflect real production costs of Australian sugar?

Have there been any periods during which world prices were too low to allow Australia to export without loss?

If so, at what price level?

If not, does that mean that Australia's export trade is always profit-making, or that prices have had to be subsidized?

5. Is it the case that the price of Australian sugar intended for the domestic market is largely determined in relation with prices obtained for exports? If so, does not that measure constitute a sort of export subsidy?

6. The Australian authorities grant advances to producers: do not those advances likewise constitute a subsidy?

7. The correlation between production and exports is striking:

(1,000 tons - gross value)

	1961	1964	1967	1970	1973	1976	1979	1980
P	1,445.6	2,001.9	2,389.0	2,506.9	2,582.8	3,395.1	2,960.3	3,415.0
E	895.3	1,315.3	1,862.4	1,660.3	2,124.0	2,621.0	2,002.9	2,410.6

Source: O.I.S.

In 1980 and 1981 production was again in excess of 3.3 million tons. Since per capita consumption was virtually stable (for the same years, in kg. per year: 55.7-57.9-57.5-56.0-58.0-57.3-55.3) with an aggregate increase of only some 300,000 tons between 1961 and 1979, the policy is therefore to produce for export. Why should such a policy be justified for Australia and not for the Community?

8. According to press reports, Australia grants discounts to clients with which it has concluded long-term contracts (Japan, Korea, Malaysia, etc.)

Are those reports correct?

What is the reference price (London Special Price? Other?) used by Australia and on which the Community could align itself in order to comply with Article 10:3 of the Subsidies Code?

9. Can Australia confirm that its sales under long-term contracts represent 73 per cent of its aggregate exports?

Can it furnish a list of countries with which it has concluded such contracts as it is apparently required to do under Article X of the General Agreement?

Does Australia consider that it has fulfilled its obligations under Article XVII of the General Agreement regarding non-discrimination in export trade? If not, when does it intend to carry out those obligations? Alternatively, when will it request a waiver in the appropriate GATT organs?

10. Australia is reported to have borrowed SDR 23.7 million from the IMF in order to place 162,000 tons of surplus sugar in stock in November 1972. Can Australia confirm that information? Can one consider that aid to be a subsidy of the Article XVI type?

E. Other questions

1. Why is Australia attacking EEC sugar policy while disregarding the sugar policies of other partners that are clearly detrimental to Australian interests?

2. Does Australia consider that the development of world production of isoglucose is prejudicial to its interests?

3. Does Australia consider that it has fulfilled its obligations and commitments under Part IV of the General Agreement?

ANNEX II

QUESTIONS BY THE EUROPEAN ECONOMIC COMMUNITY REGARDING THE SUGAR REGIME OF BRAZIL

The following communication dated 1 February 1982 has been received from the Commission of the European Communities.

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1. According to the GATT documentation available to the Community, the Brazilian Government has not furnished any information regarding its sugar policy.

Do the Brazilian authorities consider that they have fulfilled all their obligations, in particular those under Articles X, XVI and XVII of the General Agreement?

2. According to the information available to the Community, there is a Sugar and Alcohol Institute (IAA) in Brazil.

Can Brazil furnish any details regarding the functions assigned to that Institute, in particular regarding domestic production and trade in respect of sugar (imports, exports and prices)?

Can Brazil furnish any information regarding financing sources for the Institute's activities? What is the Government's rôle in the Institute's activities?

3. Does Brazil not consider that, taking into account its statutes and functions - as known to the Community - the Institute is a "State-trading Enterprise" in terms of Article XVII of the General Agreement and if so, can Brazil explain the reasons why the Brazilian Government has never fulfilled the obligations resulting from Article XVII:4?

4. According to the information available to the Community, there is a guaranteed price level for sugar in Brazil (consumer price?).

The Community has found that in certain years the price of sugar on the domestic market of Brazil is higher than export prices. In those conditions, does Brazil consider that there is any similarity between the Community régime and the Brazilian régime in regard to price compensation or equalization?

5. What are the modalities, conditions and amounts of payments made by financing institutions and the Government to the Sugar and Alcohol Institute for promoting sugar exports?

Does Brazil consider that it has fulfilled its notification obligations under Article XVI:1 regarding both export subsidies and "any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports ... or to reduce imports"?

Could the Brazilian delegation explain why the Brazilian authorities consider themselves released from their obligations under Article XVI:1 yet have contended that the European Economic Community was not fulfilling any of its obligations under GATT?

6. With respect to export policy, it would appear that last December the Brazilian Government officially decided to sell increased quantities of sugar under bilateral long-term contracts.

Does Brazil not consider that there is an obligation under Article X ("agreements affecting international trade policy ... shall ... be published") and if so, does Brazil believe that it has fulfilled that obligation under GATT?

Does Brazil consider that it has fulfilled its obligations regarding non-discrimination in export trade resulting from Articles XIII and XVII of the General Agreement in practising a policy of long-term contracts?

7. What are the practices followed regarding stocks of sugar intended for export, and what is the source of financing used by the Sugar and Alcohol Institute to cover the costs of storage and transport between refineries and the f.o.b. stage?

8. What are the relations between the National Monetary Council and the Sugar and Alcohol Institute, in particular regarding regulations on guaranteed prices, production and the fixing of export prices?

9. In the context of the International Sugar Agreement, Brazil considers itself to be a full member committed to fulfil all the obligations deriving from that instrument, for both developed and developing countries.

It would seem that in GATT, Brazil considers itself entitled to special treatment by virtue of being a developing country.

Can Brazil explain the reasons for this different attitude according to the international organizations concerned as regards the level of its obligations?

10. Why has Brazil been attacking Community sugar policy over the past four years while pretending not to know that the sugar policy of other partners was quite clearly prejudicial to the interests of Brazil?

In the same order of ideas, could Brazil inform the Community whether the results of its recent discussions at Brasilia in the US-Brazil Sub-Commission regarding the new United States sugar régime have been encouraging?

11. Does Brazil consider that the development of world production of isoglucose is causing injury to its interests in the sugar sector, in particular as regards export trade?

ANNEX III

QUESTIONS BY THE EUROPEAN ECONOMIC COMMUNITY REGARDING THE SUGAR REGIME OF THE UNITED STATES

The following communication dated 1 February 1982 has been received from the Commission of the European Communities.

A. General questions

1. According to the information available to the Community, a new sugar régime was adopted by the United States Government in December last.

Do the American authorities consider that they have fulfilled all their information obligations vis-à-vis the CONTRACTING PARTIES, in particular those under Article X:1 of the General Agreement?

Do the American authorities consider that they have fulfilled their obligations of "publication before enforcement" of the new sugar régime as resulting from Article X:2 of the General Agreement?

2. Does the United States consider that the addition of sugar was consistent with the spirit of the waiver granted to it by the Decision of the CONTRACTING PARTIES of 5 March 1955?

It is appropriate to recall that the waiver was granted subject to certain conditions and procedures, for example, that the United States Government would make every effort to reduce surpluses, that it would give due consideration to any representations made to it, and that its intention was to remove each restriction as soon as it found that "the circumstances requiring such restriction no longer exist".

- Can the United States justify maintenance of the waiver?

- At what date does the United States envisage ending it?

Does the United States Government not consider that this waiver - received without any counterpart - generates an imbalance in the rights and obligations of contracting parties to the advantage of the United States?

B. Production

1. Can the United States furnish any details regarding its domestic price régime?

2. It would appear that United States producers of sugar beet and sugar cane benefit under a price support loan programme.

What has the loan rate been since 1977?

What conditions are required of producers to be eligible for the loan programme?

What is the quantity of sugar forfeited to the CCC under the price support programme since 1977?

Has the new sugar régime changed the modalities of the price support programme?

3. Does the United States consider that the price support and income protection régime constitutes an integral part of its obligations under Article XVI:1?

Does the United States consider that its annual report under the Decision of 5 March 1955 corresponds to a notification under Article XVI:1? If so, on the basis of which precise provisions does it so contend?

4. Can the United States furnish information on production of isoglucose and on the effects on the sugar régime of production and consumption of isoglucose?

5. Can the United States furnish information on the trend in sugar production in the United States before and after the entry into force of the price support programme?

Can the United States still state in writing, as it did in 1980, that in recent years it has sought "to maintain a proper balance between domestic and imported supplies and has not attempted to attain an uneconomically high degree of self-sufficiency" (cf. L/5084, page 23).

C. Imports

1. "The import fee/levy system has remained in force in order to provide any necessary protection for the domestic support programme for sugar cane and sugar beets" (document L/5084 of 6 January 1981). Does this sentence refer to the United States régime or the Community régime? In what respect are those régimes different from one another?

2. The United States is temporarily released from its obligations under Article II and Article XI.

Are the "fees" in question to be assimilated with customs duties (cf. Article II) or with quantitative restrictions (cf. Article XI)?

3. Can the United States authorities furnish the elements for calculating these import fees?

4. Can the United States Government explain in detail the reasons currently justifying the charging of anti-dumping and/or countervailing duties on sugar exported by the leading sugar-exporting country on the free market?

Does the United States Government consider that it has fulfilled vis-à-vis that country all the obligations deriving from the Code on Subsidies and Countervailing Duties and the Anti-Dumping Code?

If so, can the United States Government furnish a written explanation?

D. Exports

1. Is it the desire of the United States, traditionally a sugar importer, to become a sugar exporter?

2. Can the United States give indications as to the trend in its sugar exports and in particular confirm the figures mentioned in the request for consultations on sugar addressed to the Community under Article 12 of the Code on Subsidies and Countervailing Duties?

What is the concept of "traditional exporter" in the case of sugar? Can that interpretation be extended to other agricultural products?

3. Does the United States not consider, having regard to the development of its exports, that it has "more than an equitable share of world export trade" in sugar?

4. What special terms would the United States have granted to the USSR to export to the latter country in 1981 the 234,000 tons reported in the press?

5. Taking into account its own production, export and import régime, does the United States see no difficulty in justifying a request to the Community for consultations under Article 12 of the Code on Subsidies and Countervailing Duties?

ANNEX IV

LIST OF REPRESENTATIVES - LISTE DES REPRESENTANTS
LISTA DE REPRESENTANTES

Chairman:
Président: H.E. Mr. H.V. Ewerlöf (Sweden)
Presidente:

ARGENTINA

Representante

Sr. Alberto Dumont
Primer Secretario (Asuntos Comerciales),
Misión Permanente ante la Oficina
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AUSTRALIA

Representatives

Mr. P. J. Dixon
First Assistant Secretary,
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Department of Trade and Resources

Mr. I. K. Forsyth
Director (GATT),
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Mr. P. Hussin
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Representative

Mr. Richard Hochörtler
Minister,
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BRAZIL

Representatives

H.E. Mr. George A. Maciel
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