Introduction

1. The Management Committee held its forty-ninth meeting on 27 January 1978.

Adoption of the agenda

2. The Committee adopted the following agenda:
   1. Adoption of agenda
   2. Adoption of the minutes of the forty-eighth meeting (MCDP/50)
   3. Information required by the Committee under Article IV or other Articles of the Arrangement:
      Information under the Decision of 10 May 1976
   4. Communication from the Permanent Mission of Spain (MCDP/W/87)
   5. Other business

Adoption of the minutes of the forty-eighth meeting (MCDP/50)

3. The Committee adopted the minutes in document MCDP/50.

Information required by the Committee under Article IV or other articles of the Arrangement

Information under the Decision of 10 May 1976

4. The Committee had before it a summary table (MCDP/W/58/Rev.16) prepared by the secretariat and based on communications received in pursuance of the Decision of 10 May 1976.
5. The representative of the EEC informed the Committee that at 15 January 1978 stocks of skimmed milk powder had amounted to 925,000 tons. Referring to the summary table MCDP/W/58/Rev.16, he stated that since that table had been circulated his delegation had transmitted to the secretariat information which had been reproduced in document MCDP/W/59/Add.31. That information concerned sales of approximately 30,000 tons of skimmed milk powder under the provisions of the Decision of 10 May 1976 and the derogations granted to Spain and Japan. Accordingly, if those 30,000 tons were added to the 480,000 tons reported on page 11 of the summary table MCDP/W/58/Rev.16, exports of skimmed milk powder since 10 May 1976 totalled approximately 510,000 tons. In that same summary table, it was stated on page 10 that Canada had filed with the secretariat in respect of sales of skimmed milk powder to Spain import declarations covering 2,535 tons and customs clearance certificates covering 9,951 tons. In principle, those two figures should be identical since customs clearance certificate could not be issued unless import declarations had already been granted. It was understandable that the quantities actually cleared through customs might be slightly less than the quantities indicated in the import declarations. In the case under reference, however, the converse situation could be seen. The speaker requested clarifications from the Canadian and Spanish representatives regarding the discrepancies he had mentioned.

6. The representative of Canada recalled that at the meeting held on 24 March 1977, participants agreed to file with the secretariat copies of Spanish customs clearance certificates arising out of shipments to Spain of skimmed milk powder for animal feed purposes under the terms of the Spanish derogation. He recalled also that customs clearance certificates for shipments effected in the period after 24 March 1977 had been filed with the secretariat. Although there was no obligation on participants to file customs clearance certificates for shipments effected before 24 March 1977, his authorities had been able to obtain some of these documents for the period prior to this date and had agreed to file copies of these with the secretariat. This could be one of the reasons explaining the discrepancies in the figures mentioned by the representative of the EEC.

7. The representative of Spain recalled that import declarations were valid for six months, whereas customs clearance certificates covered quantities actually cleared through customs which were entering Spain progressively. That could explain the discrepancy between the quantities for which import declarations had been granted and the quantities actually cleared through customs for which customs clearance certificates had been issued.
Communication from the Permanent Mission of Spain (MCDP/W/87)

8. The Committee examined a request by Spain (MCDP/W/87) for approval and recording in the register, in accordance with the provisions of Article III, paragraph 5, of the skimmed milk powder denaturing processes described in the document under reference.

9. The representative of Spain recalled that at the Committee's last meeting (MCDP/50, paragraph 11) he had explained the reasons why his authorities were proposing changes in the control measures to be applied in the case of imports of skimmed milk powder intended for animal feed. If the proposed new denaturing processes were approved by the Committee, they would replace those recorded in the register of processes and control measures as set forth in document L/2552/Add.4.

10. The representative of the EEC pointed out that if the first denaturing process described on page 2 of document MCDP/W/87 implied the use of deodorized fish flour, it would be preferable to state that fact in the description of the process.

11. The representative of Spain replied that one could assume that the fish flour used in the first process was deodorized, and that fact could be mentioned in the process description.

12. The representative of New Zealand stated that his delegation had no objection to the inclusion of the new processes proposed by Spain in the Register of processes and control measures.

13. The representative of Canada said that he had not yet received instructions on this subject. Nevertheless, he did not think that his authorities had any objection to the inclusion of these new processes in the Register. He added that he would inform the secretariat if there was any difference in the approach of his authorities.

14. The representative of the EEC said that Community exporters were a little concerned because of the scarcity of blood flour and its price on the market, as well as because of the complexity of those denaturing processes. Nevertheless, those exporters had been informed of the remark made by the Spanish representative at the Committee's previous meeting to the effect that the scarcity and the high price of blood flour in the Spanish market were only a consequence of its lack of utilization. Nevertheless, if within a reasonable period following the introduction of the new processes the latter were found to be affecting import possibilities for skimmed milk powder.
in Spain, thus creating trade barriers, it might be appropriate for the Committee to review the matter. Thus upon request by Spain or by an exporting participant, the Committee could re-amend the control measures to be applied to imports of skimmed milk powder into Spain for animal feed.

15. The representative of New Zealand recalled that at the discussion of the general derogation in 1976, his delegation had indicated that New Zealand had experienced some difficulties in working out a denaturing process which would be economically viable. He considered that it could be of interest to the Committee to find out which of the new processes proposed by Spain would be the most used. He suggested that the Committee could leave it to the delegation of Spain to provide voluntarily this information rather than writing a condition into the derogation. He added that in the view of his delegation it would be up to the Committee to remove at any time technical processes from the Register on the understanding that these processes proved to be not sufficient for the purpose for which they were intended.

16. The representative of Spain said that his delegation well understood the concern felt by some exporters; his authorities were keeping an open mind regarding consideration of any comments that participants might make in respect of the new denaturing processes. In the event that those processes were approved by the Committee, his delegation would advise the secretariat of the date of their entry into force.

17. The Committee approved the denaturing processes set forth in the Spanish request (MCDP/W/87) after stipulating that the fish flour mentioned in the first process must be deodorized; it agreed, subject to formal approval by the Canadian delegation, to record them in the Register of processes and control measures under the document symbol L/3552/Add.4/Suppl.2, in accordance with Article III, paragraph 5 of the Arrangement.

18. It was understood that within a reasonable period following the introduction of the new denaturing processes, the representative of Spain would report to the Committee on the extent and modalities of those new processes.

Date of the next meeting

19. The Committee agreed to hold its next special meeting on 20 February 1978, subject to confirmation by the secretariat.
ANNEX/ANNEXE

List of Representatives/Liste des représentants

Acting Chairman: Mr. J.-M. Lucq
Président par intérim: Mr. J.-M. Lucq

AUSTRALIA
Mr. R. Hall

BELGIUM
Mr. H. Hooyberghs

CANADA
Mr. M. Hart

COMMUNAUTES EUROPEENNES COMMISSION
M. A. Barsuglia

DENMARK
M. J. Ostenfeld

FRANCE
M. T. Saint Gyant

GERMANY, FEDERAL REPUBLIC OF
Mr. E. Mégele

IRELAND
Mr. J.G. Fox

ITALY
Mr. G. Giorgieri

JAPAN
Mr. H. Shirai

NEW ZEALAND
Mr. A.H. McPhail

SOUTH AFRICA
Mr. D.J. Bezuidenhout

SPAIN
Mr. A. Iranzo
Mr. M.A. Díaz-Mier
Mr. J. Barreiro

SUISSE
M. R. Beuret - M. J.-D. Gerber

UNITED KINGDOM
Mr. G.R.T. Bicknell

OBSERVERS/OBSERVEURS

AUSTRIA
Mr. V. Segalla