

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Trade and Development
Fifty-Eighth Session
11-12 and 15 November 1985

DRAFT REPORT OF THE SUB-COMMITTEE ON PROTECTIVE MEASURES

1. The Sub-Committee on Protective Measures held its Eighth Session on 8 October 1985, under the Chairmanship of Mr. G. Martins (Brazil).
2. In his introductory remarks, the Chairman drew attention to the Sub-Committee's terms of reference, as determined by the CONTRACTING PARTIES in November 1979 (L/4899). These require it to examine any case of new protective action by developed countries affecting imports from developing countries in the light of the relevant provisions of GATT, particularly Part IV thereof, such examination being without prejudice to the rights of contracting parties under the GATT or the competence of other GATT bodies. The Chairman also recalled that the Committee on Trade and Development agreed at its Forty-Ninth session in March 1983 (COM.TD/114) that the work of the Sub-Committee, together with that accomplished in the country consultations called for by ministers at the Thirty-Eighth Session of the CONTRACTING PARTIES in November 1982 (L/5424), would form part of the regular annual review of the implementation of Part IV.
3. The Sub-Committee had before it in document COM.TD/SCPM/W/30 information gathered by the secretariat for the Sub-Committee. The information contained in the secretariat note was presented, as indicated in its paragraph 6, in accordance with the understanding reached at the First Session of the Sub-Committee that the inclusion of measures in secretariat documents would be without prejudice to views delegations might have regarding the desirability of taking up for examination any such measures or on whether they fell within the Sub-Committee's terms of reference.
4. The Chairman suggested that the Sub-Committee organize its work by first taking up new measures identified in the secretariat document, followed by an examination of developments with regard to certain measures brought to the attention of the Sub-Committee at its earlier meetings.

5. The Sub-Committee passed the secretariat document in review. With regard to the measure taken by the European Communities affecting imports of cherries, referred to in paragraph 9 of COM.TD/SCPM/W/30, the representative of the European Communities confirmed that the information presented was correct. He noted that the measure had been notified to the GATT as an Article XIX action, and said that no contracting parties had yet taken up the offer of his authorities to hold bilateral consultations on this matter. In regard to the United States measure affecting preserved mushrooms, which was referred to in paragraph 23 of the secretariat document, the representative of the United States said that this measure had been terminated in October 1983.

6. Under any other business, the representative of Chile expressed the concern of his authorities about the recent approval by Congress of the Garn Amendment. If passed into law, this Amendment would require the United States to vote against credits or other supports granted by international agencies such as the International Labour Organization or the World Bank to the copper sector in developing countries. The Chilean representative acknowledged that this did not represent a protectionist measure as such, and also noted that the United States Administration was attempting to take a firm position against protectionist pressures. Nevertheless, his authorities considered that this matter was relevant to GATT, as it would directly affect international trade. He also said that it would have an inhibiting effect on investment in the copper industry. The representative of the United States said that although this matter fell outside the parameters of the Sub-Committee's work, it was noteworthy that the President of the United States had refused import relief to the domestic copper industry. She said that any information which became available on the measure referred to by Chile would be duly communicated.

7. The Chairman noted that the meeting of the Sub-Committee had been short. He suggested that the Sub-Committee authorize him to propose that the Committee on Trade and Development carry out, at the appropriate time, an examination of the Sub-Committee's future role in the light of the Committee's own overall activities.

8. The Chairman's suggestion was supported by a number of delegations. Certain delegations noted that the activities of certain other bodies in the GATT, including in particular the Council Special Sessions, resulted in a certain amount of duplication with the Sub-Committee's work. This also led to the preparation of repetitious documentation with additional workload for the secretariat. Another representative said that the future work and role of the Sub-Committee would be most usefully considered in the broader context of an examination of the structure of the GATT as a whole, which might take place in a new round of trade negotiations. Several delegations emphasized that a consideration of the future role of the Sub-Committee in no way implied that the functions previously assigned to the Sub-Committee were unimportant. The Chairman stated that he would convey the proposal that the Sub-Committee's future role and work be examined by the Committee on Trade and Development.

Report of the Sub-Committee

9. The Sub-Committee agreed that the secretariat would prepare a draft report of the proceedings of the session, which would be circulated to interested delegations for comment before being issued in its final form.