Ministerial Meeting in Brussels

Negotiations to continue in Geneva

The Uruguay Round negotiations have been prolonged and will be pursued in Geneva under the responsibility of GATT Director-General Arthur Dunkel. This was agreed by Ministers at the end of the Trade Negotiations Committee (TNC) meeting held 3-7 December 1990 in Brussels.

Uruguay's Foreign Minister Hector Gros Espiell, TNC chairman at ministerial level, said that while the Brussels meeting "has made a substantial contribution to advancing the negotiating process", he had reached the conclusion that "participants need more time to reconsider and reconcile their positions in some key areas of the negotiations". He added:

"More time is also needed to ensure that the positions of all participants are taken into account, in accordance with the multilateral character of the negotiations. We shall deploy our best efforts in undertaking this task. In doing so, we are mindful of the need to conduct an effective evaluation of the extent to which the objectives relating to differential and more favourable treatment for developing countries are being attained".

The Ministers approved Mr. Espiell's proposal that Mr. Dunkel, in his capacity as TNC Chairman at officials level, "pursue intensive consultations in the period from now until the beginning of next year with the specific objective of achieving agreements in all the areas of the negotiating programme in which differences remain outstanding".

Mr. Dunkel was given the mandate to reconvene the TNC "at the

(continued on page 2)
Negotiations
(continued from page 1)
appropriate level to conclude the
negotiations at the date he considers
appropriate in the light of his
consultations”.

The consultations by Mr. Dunkel
would be based on the following:
• The draft Final Act embodying
the results of the Uruguay Round
negotiations submitted to the
Ministerial TNC Meeting in
Brussels; and
• The considerable amount of work
carried out during the Brussels
meeting.

Mr. Arthur Dunkel, TNC chairman
at officials level, had presented his
391-page report which consisted of
texts of commentaries in each of
the 15 areas covered by the Round.
"We have in our grasp all the
ingredients necessary for a substantial
package of results," he said.

He said the report highlighted "the
points on which even the best drafters
and technicians cannot offer solu­
tions without political guidance and
breakthroughs". He noted that in
three areas - agriculture, trade-related
investment measures and anti­
dumping action - the Geneva
negotiators had not been able to
develop texts which could serve as
an agreed basis for negotiations. In
areas where texts had been developed
e.g. rules of origin, textiles and
clothing, subsidies and countervailing
measures, trade-related intellectual
property rights, safeguards and
services), Mr. Dunkel pointed out
that key political decisions were
needed to complete the work.

Emphasizing the short time
available, Mr. Dunkel said there
was no option "but to negotiate,
negotiate and negotiate and waste
no time in political shadow boxing
or mutual recrimination".

At an informal meeting of heads
of delegation on late Monday
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of delegation on late Monday
afternoon, Mr. Gros Espiell said
the large number of negotiating areas
meant that the participants could
not afford to deal with only one
subject at a time. He suggested that
work should start simultaneously
on a manageable number of subjects
and that he had requested the following
Ministers to help him in the con­
sultations:
• Mats Hellström, Agriculture
Minister of Sweden - Agricul­
ture;

• Jaime Serra Puche, Trade and
Industry Minister of Mexico -
Services;
• Hassan Abouyoub, Trade Minister
of Morocco - Textiles and Clothing;
• John Crosbie, Trade Minister of
Canada - GATT Articles, Anti­
Dumping, Subsidies and
Countervailing Measures and
Safeguards;
• Anita Gradin, Trade Minister of
Sweden - Trade-Related Investment
Measures and Trade-Related As­
pects of Intellectual Property Rights;
• Dato' Seri Rafidah Aziz, Trade
Minister of Malaysia - Market
Access; and
• Yvonne Van Rooy, Foreign Affairs
Minister of the Netherlands - certain
Non-Tariff Measures (Preshipment
Inspection, Rules of Origin,
Technical Barriers to Trade, Import
Licensing, Customs Valuation and
Government Procurement).

Work started that same evening
with the various working groups
using the draft Final Act, negotiated
in Geneva, as the starting point.
The Chairman held at regular intervals
informal meetings with heads of
delegations to keep them informed
of developments across-the-board.

By late Thursday it became clear
that whatever progress was being
made in other negotiating areas, the
work on agriculture could not be
advanced, despite intensive efforts
to seek new approaches.

At noon on 7 December (Friday),
Mr. Gros Espiell announced the
decisions reported above.

Statements by delegations

T
he opening ceremonies on 3
December started with His
Majesty, King Baudouin of Belgium,
greeting each head of delegation.
The King also attended the formal
opening of the plenary session on
3 December at which Belgium and
the European Community welcomed
to Brussels some 1,600 delegates,
including about 90 Ministers. The
participants then decided to
immediately get to work.

Mr. Wilfried Martens, Prime
Minister of Belgium, said it was
a great honour for his country to
welcome all those who "have been
endeavouring to give written ex­
pression to our aspirations for an
open world and for fairer and more
balanced trade". He observed that
the negotiations "have been arduous
and are likely to remain so until
the end, but it would be unthinkable
not to succeed”.

Mr. Robert Urbain, Belgium's
Foreign Trade Minister, said that
The Brussels meeting "will mark the beginning of a new enterprise that we shall be able to pursue patiently, resolutely and systematically, on the basis of the foundations laid here".

Mr. Jacques Delors, President of the Commission of the European Communities, said "International trade sets the pulse of the European Community's economy ... I have said this at the outset so as to remind you, if needs be, of how important the stakes in these negotiations are for us, and how resolved we are to reach a successful conclusion ...

The Community is now too involved in the world economy not to take into account, both in its thinking and in its actions, the future of the world economy as a whole ... The growth of trade of every kind is one of the essential conditions for moving towards a more efficient world order, as well as one in which there is greater solidarity and fairness."

At the plenary meetings, many delegations paid tribute to the efforts of negotiators since the launching of the Uruguay Round in September 1986. Considering the Round's unprecedented breadth of coverage (fifteen negotiating areas) and participation (107 countries), it was perhaps not surprising that many issues remained outstanding after four years of negotiations. But the delegations were unanimous in emphasizing the critical importance of the meeting.

Delegations took the opportunity to highlight their main concerns in the negotiations.

The EC Council President, Italy's Trade Minister Renato Ruggiero, stressed that there was "no viable alternative to the reinforcement of the multilateral trading system." He said "The dramatic mistakes of the past based on policies of 'every man for himself', and the explosive risks which would be entailed in an anarchical system of world trade based on the law of the jungle and on might being right, bear witness to the need for an absolute refusal to slacken our vital attachment to the GATT..." He added that "our responsibilities as politicians also compel us to weigh carefully the consequences of the solutions which we produce..."

US Trade Representative Carla A. Hills said "Only one thing stands between us and the triggering of a world-wide economic renaissance: the stalemate over agriculture". The fate of the Round hung in the balance because in the agriculture negotiations "a few countries have refused to negotiate specific commitments to lower trade-distorting supports, to open their markets to imports, and to reduce their use of export subsidies".

Mrs. Hills also called for a market-opening agreement in services, including financial services. She urged participants to follow the US example as "the most open services market in the world". "Let us together summon the political will to dismantle our trade barriers and in so doing increase our global economy by over $4 trillion in this decade of the 90s", she concluded.

Trade Negotiations Minister Neal Blewett of Australia said agriculture had been described as "the linchpin" of the Round. He stressed that the Cairns Group was of the view that the Round "cannot, and will not, conclude without a satisfactory outcome in this area".

Expressing regret about the standstill in agriculture negotiations, he said the EC offer on agriculture was "seriously inadequate ... the time has come for the Community to show that it will not allow the entire Round to fail for want of commitments to genuine and urgently needed agricultural reform - reform which is in the Community's own interest".

Canada's Trade Minister John C. Crosbie said agriculture was a priority for his country in the Round. He called for improved access to markets, and effective and equitable rules on agricultural trade. "It is our farmers, not our treasuries, who should compete in the world markets," he said. Mr. Crosbie reported that Canada, together with Japan, Sweden and Switzerland, had put forward a proposal to ensure non-discrimination and liberalization of trade in the financial services sector.

Japan's Trade and Industry Minister Kabun Muto said his country had contributed to a favourable negotiating environment by initiatives to promote imports. In order to bring about breakthroughs in the negotiations, Ministers "should make decisions on specific policy options from a broader perspective". In this regard, Mr. Muto called for a constructive compromise in the anti-dumping negotiations aimed at establishing "clear and objective international rules".

Indonesia's Trade Minister Arifin M. Siregar, speaking on behalf of the ASEAN contracting parties, said the region's future "lies in the continuation of an open and fair world trading system which guarantees that countries could pursue their development objectives by doing what they can do best". The ASEAN countries, he said, were willing to assume a greater share of responsibility for an open, viable and durable multilateral trading system "provided

The Round at centre-stage: some 1,300 journalists covered the Brussels Meeting.
Mr. Siregar called for significant and meaningful results in the negotiations on market access, textiles and clothing, agriculture, antidumping, subsidies and countervailing measures, and safeguards.

Madagascar's Trade Minister Georges Solofoson, spokesman for the African countries, stressed the importance of improved market access and expressed concern that proposals in this regard were "likely to lead to losses which exceed the gains, due to erosion of existing preference margins and the conditionality of all the offers on tariff concessions". In the light of the difficult economic situation of African countries, Mr. Solofoson said they "have placed great expectations on the Uruguay Round as a means to extricate themselves from this situation through more effective participation in world trade and in the international trading system".

Swiss Federal Counsellor Jean-Pascal Delamuraz, head of the Department of Public Economy, said the GATT negotiations had contributed to ongoing agricultural reforms in many countries, including Switzerland. "Let us give these reforms a multilateral legal framework so as to rid the multilateral trading system of a poison, once and for all," he said. "Agriculture needs a market but in our regions, too much market would kill it - and we will not tolerate the death of our countryside", he added.

Norway's Trade Minister Eldrid Nordbo said there were "important interlinkages between trade and environmental policies and these are not only linked to agricultural trade". She drew attention to a draft statement submitted by the EFTA countries to the TNC which emphasized that "priority attention in the future should be devoted to the issue of interlinkages between trade policy and environmental policy".

Hungary's International Economic Relations Minister Béla Kadar said that since the launching of the Round, "political changes of historic significance have taken place in the world...the free democratic elections in Hungary, and also in other Central and Eastern European countries resulted in full systemic change". His country's basic objective was reintegration into the world economy and that "a cornerstone in this process is the multilateral trading system based on the institutionally strengthened GATT, with reinforced disciplines and extended scope of operation". In agriculture, he stressed that "in the reform process, the burden of adjustment had to be equitable for all participants... credit should be given for autonomous cuts in support and protection undertaken since the launching of the Uruguay Round".

Bangladesh's Commerce Minister Mokammel Haque urged participants to recognize the particular situation and problems of the least-developed countries. He called for special treatment in several areas, including: providing for adequate food aid as an integral part of the agricultural reform programme; unhindered movements of and temporary residence for the least-developed countries' service providers; special rules of origin allowing for lower local content requirements; and adequate direct financial and technical assistance for the development of agriculture.

Chile's Minister of the Economy Carlos Ominami said that despite having bound its tariffs at 35 per cent during the Tokyo Round, his country was prepared to confirm its continued commitment to the multilateral trading system by offering a further reduction of its tariff bindings across-the-board. He expressed considerable concern that "little or nothing has been done in respect of natural resource-based products". He stressed the importance of a successful Round because "the formation of closed trading blocs and the exercise of trading power without clear-cut rules increases the vulnerability of countries such as Chile that sincerely wish to contribute to the integration of the international economy".

Some 72 Ministers spoke during the Plenary Sessions. Statements were also made by heads of the UN, World Bank, the IMF and UNCTAD.
Rapid success
(continued from page 1)
• "We have moved from 96 to 100 contracting parties with the very welcome additions of Bolivia, Costa Rica, Tunisia and Venezuela. Right now we have another eight countries at one stage or another in the accession process. It has been noted before that the political price these countries are being asked to pay for membership can be a high one. Their determination to proceed, however, reflects their conviction that it is a price worth paying, that it fits comfortably with the major economic changes they are undertaking unilaterally and that such a commitment to the multilateral system is necessary in the light of the sweeping changes expected from the Uruguay Round. This has been the view taken by many developing countries and most of the countries of Central and Eastern Europe... They are perhaps beginning to wonder whether the reforms and commitments they have undertaken could have been misplaced if the long-standing GATT members who have encouraged them appear unable themselves to live up to the key objectives of the Round".

Reports of the Council and the CTD
As is customary, the year-end Session was the occasion for the Contracting Parties to review the activities of GATT standing bodies, including the Council of Representatives, the Committee on Trade and Development and the various Committees overseeing the implementation of the Tokyo Round Agreements.

The Council's work had continued unabated despite the accelerated pace of the Uruguay Round negotiations in 1990, reported Chairman Ambassador Rubens Ricupero (Brazil). He said "This underscored the Council's important role in carrying out the day-to-day tasks of managing the multilateral trading system as it already exists, even as new and improved rules were being negotiated".

He noted events in 1990 which had contributed "towards the universalisation of the multilateral trading system while at the same time posing challenges to it". Four governments (Bolivia, Costa Rica, Tunisia and Venezuela) joined the GATT in 1990 while eight countries were in various stages of the accession process. The Soviet Union had expressed interest in accession and had been accorded observer status. Poland had sought to renegotiate terms of accession as a market-based economy. And finally, the former German Democratic Republic had been integrated into the European Community and accordingly into the GATT system.

Mr. Ricupero suggested that the Council deal with the following questions next year:
• How to deal with requests for waivers, keeping them from becoming semi-automatic and at the same time taking account of the different trade policy needs which give rise to individual requests;
• How to implement improvements in reporting on developments in regional agreements as the biennial calendars for reporting have not been followed for some time;
• How to improve the procedures for derestricting documents since GATT was now of increasing interest to the press, the schools, private business persons and their lawyers, and the general public.

Mr. Ricupero reported that the Council had held nine special meetings in its first series of reviews of the trade policies and practices of GATT members under the Trade Policy Review Mechanism. "Our experience has shown that this mechanism is developing into a useful tool for the multilateral appreciation and assessment of individual contracting parties' trade policies, and an important source of transparency," he said.

Ambassador El Ghali Benhima (Morocco), Chairman of the Committee on Trade and Development, said that in October, the Committee carried out a comprehensive review of the technical assistance provided by the GATT since the start of the Round. "It was generally felt that the Technical Cooperation Programme of the GATT had been successful and had played a very positive role in enhancing developing countries' participation in the Round", he said.

Mr. Benhima noted that "a large number of representatives have emphasized the need for continuing and intensifying technical assistance provided by GATT and other international organisations, through voluntary contributions by governments after the completion of the Round". According to them, this would be particularly useful in helping developing countries analyze, assess and implement the results of negotiations as well as making use of those results.

El Salvador set to accede
The report by the Working Party on the Accession of El Salvador was presented by its Chairman, Ambassador Emilio Artacho (Spain). He reported that the Working Party had concluded that El Salvador should be invited to accede to the GATT. El Salvador said that the decision to join the GATT was made after consultations with the private sector.
It was in line with a new economic policy which aimed, among others, at the more efficient integration of El Salvador into the world market. Trade was crucial for El Salvador, considering its small domestic market and the lack of vast natural resources. It remained committed to promoting regional economic integration in Central America. The country's ongoing economic liberalisation programme would lead to the elimination of discriminatory and discretionary restrictions. El Salvador said its liberalisation measures should be given adequate credit in the Uruguay Round negotiations.

The Contracting Parties adopted the report of the Working Party on the Accession of El Salvador. Shortly after the closure of the Session, the Contracting Parties, through ballot, approved the accession Protocol of El Salvador (see related story on page 8).

CPs grants waiver on German trade measures

The Contracting Parties voted to grant a waiver for transitional EC trade measures related to the unification of Germany (see previous Focus) and established a Working Party to examine these measures. The EC trade measures aim at maintaining existing trade flows between the former German Democratic Republic and CMEA countries (Eastern Europe and the Soviet Union).

In calling for a roll-call vote, the Community stressed that the historical process of German unification should not be hindered by mercantile interests. It was requesting a time-limited waiver only up to 31 December 1992, and was ready to take into account concerns by other GATT members. The EC said it would be amenable, after the granting of the waiver, to the establishment of a working party to examine these measures.

The United States said it was opposed to the EC request because a thorough examination must precede the granting of a waiver from GATT provisions. It recalled that every significant waiver in had been the GATT granted only after the establishment of a working party.

The EC request was carried by 56 votes in favour, three against (US, Japan and Hong Kong) and five abstentions.

Environment and trade

Switzerland, speaking on behalf of EFTA members, said they intended to follow up an initiative in the Uruguay Round to discuss environmental issues and trade. Many GATT members, Switzerland said, had taken measures to protect the environment and international cooperation in this regard should be intensified. It said these environmental measures might have trade effects. Thus, there was an urgent need for GATT members to gain a better understanding of the subject of environmental policies and GATT rules. The EFTA countries were studying concrete steps regarding the initiative and would be submitting a proposal to the GATT Council.

Sweden, speaking on behalf of the Nordic countries, said environmental issues can have trade implications and vice-versa. This was a fairly urgent issue and it was high time that trade-policy considerations be introduced into the discussions on the environment.

Austria emphasized the importance of protecting the environment and suggested that GATT should participate in the preparatory work for the 1992 World Conference on the Environment.

The European Community said it was ready to initiate dialogue on this issue. It said that environmental protection was a global issue which should be tackled.

Chile stressed that any environmental measure should be non-discriminatory. It cited as environmental problems nuclear testing, sale of domestically-prohibited goods, industrial hunting of whales, shipment of toxic waste and destruction of forests.

The ASEAN countries said the environment was a major concern and that they were preparing specific recommendations for submission at the next Council meeting.

India said GATT members should have to study whether GATT was the right forum for discussing environmental issues.

Nigeria said it supported the inclusion of environmental protection into the work programme of the GATT. It added that the work of the Working Party on Domestically Prohibited Goods was a modest beginning to this programme.

On this subject, the Contracting Parties extended the deadline from the end of this year to end of March 1991 for the completion of the work of the Working Group on the Export of Domestically Prohibited Goods and Other Hazardous Substances. The Working Group Chairman, Ambassador John Sankey (United Kingdom), reported that the Group was considering a draft Decision on Products Banned or Severely Restricted in the Domestic Market. Upon adoption, this Decision would mean that all trade in domestically prohibited goods would be under the auspices of an international organisation, he said. The Group, however, had not been able to reach consensus on this draft Decision because one member had reserved its position, the Chairman said.

This meant a two-thirds majority of those voting had been secured consisting of more than 50 per cent of the total number of Contracting Parties, as required under the rules.

Dispute settlement

Sweden expressed concern about the lack of progress regarding its complaint against US anti-dumping duties on imports of Swedish stainless steel pipes and tubes. It had lodged this complaint in the Committee on Anti-Dumping Practices in 1988. In August 1990, a dispute settlement panel established by the Committee recommended the revocation and reimbursement of the US duty. Sweden said that despite the clear verdict, the panel report had not yet been adopted.

The United States said that it had made clear in the Committee that it had no substantial problem with the report. Its main concern was that the Panel had suggested a specific remedy when the usual procedure was for governments to have responsibility in determining how to implement panel recommendations.

The Contracting Parties decided (continued on page 7)
GATT honours its first Director-General

The Contracting Parties of the GATT, at their annual Session, have decided to name the principal conference room at their headquarters in Geneva as the "Salle Eric Wyndham White" in honour of their first Director-General who served as the head of the GATT Secretariat from its inception in 1948 until 1968. The proposal to honour Eric Wyndham White was made by the Chairman of the Contracting Parties, Ambassador John M. Weekes of Canada.

Mr (later Sir) Eric Wyndham White (1913-1980) can be said to have played the role of "mid-wife" at the birth of the GATT which emerged from the Preparatory Committee for the International Trade Organization and the United Nations Conference on International Trade and Employment (1946-1948) where he served as Executive Secretary and Secretary-General respectively.

He steered the GATT through its formative years and helped to consolidate the foundations of a secure and stable multilateral trading system. By the time he retired in 1968, the number of Contracting Parties to the General Agreement had risen from the original 23 signatories to 76 - confirming the need for multilateral cooperation and discipline in international trade and development.

Rapid success (from page 6)

to refer the following US-Canada disputes (see previous Focus) to the first Council meeting of 1991:

- Canada's quantitative restrictions on imports of ice cream and yoghurt. The United States reiterated its concern that Canada had not yet made clear how it would implement this panel report. It reported that it had completed a preliminary list of products which would be the basis of withdrawing concessions. However, given the current state of the Round, the US said it would postpone action until the next Council meeting.

- Treatment of US beers in Canada. The United States expressed concern about indications that Canada would not be modifying measures of provincial agencies in order to bring them into compliance with an adopted panel report. It said Canada had imposed new restrictions on US beer since 1988 and requested the establishment of a panel to examine this case. Canada stated that the results of ongoing negotiations with the Community, the complainant in the original panel case, would be implemented on an mfn basis. Since it had received the US request for a panel only recently, Canada had not had sufficient time to consult internally and thus was not ready to agree to the establishment of a panel. Australia expressed a trade interest in this case.

- US countervailing duty on fresh, chilled and frozen pork from Canada. Canada urged the United States to agree to the adoption of the panel report. The US said the situation was not ripe for consideration of this report. Argentina reported that it was consulting with the Community regarding compensation arising out of the accession of Spain and Portugal into the EC. It noted that it was the main supplier of sorghum and second largest exporter of corn to the Iberian states before the enlargement of the EC.

The United States reiterated a request for the establishment of a working party to examine the relationship of internationally-recognized labour standards to international trade. It noted the request had been before the Contracting Parties for three years. The United States said it had shown flexibility regarding the establishment of various working parties even if it had doubts whether the issues fell under GATT (continued on page 8)
El Salvador signs Protocol of Accession to GATT

El Salvador’s Protocol of Accession to GATT was signed 13 December at GATT Headquarters in Geneva by the country’s Vice Minister for the Economy Sr. Mario Ernesto Acosta Oertel. Accession will take effect 30 days after ratification by El Salvador’s legislative body.

The terms of the Protocol were negotiated in a working party whose report was approved during the Forty-Sixth Session of the Contracting Parties held 12-13 December 1990. Under the regular procedures, the Protocol was put to a vote and the necessary two-thirds majority of GATT member states for its approval - 67 affirmative votes - was attained shortly after the closure of the Session.

In the Working Party, El Salvador said that it remained committed to an economic reform programme which included the progressive reduction of tariff rates, elimination of import prohibitions, elimination of the protective effect of internal taxes and derogation of discriminatory tax exemptions.

El Salvador had pledged to bind its tariff schedule upon accession at a maximum rate of 50 per cent ad valorem, and to reduce further this ceiling rate to 40 per cent ad valorem on 31 December 1993. It would also modify trade rules to conform with GATT provisions, El Salvador intended to adhere to the Tokyo Round Agreements on Customs Valuation, on Import Licensing Procedures and on Anti-Dumping Practices.

GATT Report

Falling prices and rising export stocks unsettle international dairy market

A fter reaching record levels in 1989, world dairy prices started softening this year as production continued to grow. This, together with falling butter consumption in many industrialised countries, has led to more offers of butter for exports - forcing the GATT Protocol Committees on dairy products to urge, recently, that signatories fully observe minimum export prices and to appeal to other dairy-producing countries for their cooperation.

These are among the findings contained in GATT’s annual report on the international dairy products market, published in November.

Among the major trends identified in the Report are the following:

• World milk production was rising at a rate of 1.5 per cent in 1990 as output again increased in the United States and the European Communities;

• Prices of butter and skimmed milk powder have been under downward pressure since the beginning of the year. In 1989, a balanced supply-and-demand situation had almost eliminated intervention stocks of these products.

• World butter production in 1990 continued to grow at 1989’s rate of 1.4 per cent. Vigorous demand for low-fat products in many countries has led to a substantial surplus of milk fat which is usually turned into butter. Falling butter consumption in North America and Europe has resulted in more butter being available for export. Higher retail prices in Eastern Europe have dampened demand for butter there. As more butter was offered in the world market, prices started to fall enticing more intervention purchases by governments.

• The Gulf crisis has adversely affected trade in dairy products. Iraq and Kuwait had been importing annually some 50,000 tons of milk powders, some 20,000 tons of cheese and about 10,000 tons of butter and anhydrous milk fat in recent years. Offering some compensation has been a rising demand in other OPEC countries.

• Cheese was one bright spot. While production continued to grow by 1.2 per cent in 1990, rising cheese consumption has engendered a lively import demand and expanding trade.

• In late 1989 and throughout 1990, prices for dairy products came under pressure in international markets. Some offers and sales of butter and skimmed milk powder were reportedly made at prices below the minimum export prices agreed in the Protocol Committees. Since sales of various dairy products are hard hit by the same operators, the depressed market prices for butter have also adversely affected sales and prices of other dairy products, notably milk powders.

• The Protocol Committees established under the International Dairy Arrangement, concerned about the unsatisfactory situation dominated by a fragile butter market, have called on participants to fully observe the minimum export prices. An appeal was also made to non-participants not to offer or sell dairy products at prices below prevailing prices.

Contracting Parties

(continued from page 7)

competence. It said it could not accept a double-standard with respect to its request.

The European Community supported the US request. India, Chile and the ASEAN countries reiterated reservations on the competence of GATT to deal with labour matters.

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Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21
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