

1965

[State Trading Monopolies]

International Antidumping Code:

2 (g) This Article is without prejudice to the second Supplementary Provision to paragraph 1 of Article VI in Annex I of the General Agreement.

Article VI, GATT:

The second Supplementary Provision to paragraph 1 of Article VI found in Annex I of the GATT recognizes that prices in state-trading monopolies may not be appropriate.

Antidumping Act, 1921, As Amended:

No comparable provision.

S. 1726 (90th Congress):

In dealing with countries which control home market prices by State fiat, Treasury has had to resort to procedures not explicitly authorized heretofore by the Act. The Bill makes it clear that Treasury may continue this necessary flexibility to determine the foreign market value of merchandise produced in Communist or centrally-planned economies or adopt other reasonable standards. Section: 4 [205 (b)]

Comment:

As East-West trade increases this will become increasingly important. Article 2 (g) merely would allow authorities to disregard State trading monopoly prices, but offers no positive guidelines. To date, the U.S. has no legislation to deal with this problem.