

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Preparatory Committee for
Trade Negotiations

DRAFT DECLARATION

Suggestion by the Director-General

1. [The Governments] [The Ministers] of....., decide to enter into comprehensive multilateral trade negotiations in the framework of GATT. The negotiations are therefore opened.
2. The overall objective of the negotiations shall be the expansion and the ever-greater liberalization of world trade and improvement in the standard of living of the people of the world, through the progressive dismantling of obstacles to trade and the improvement of the international framework for the conduct of world trade. To this end, co-ordinated efforts shall be made to solve in an equitable way the trade problems of both the developed and the developing countries.
3. A principal objective of the negotiations shall be to provide solutions to the trade problems of the developing countries, and to bring about both an improvement in the possibilities for those countries to participate in the expansion of world trade and a better balance, as between the developed and the developing countries, in the sharing of the advantages resulting from this expansion. In the negotiations, the aim shall be to secure additional benefits for the international trade of the developing countries so as to achieve a substantial increase in their foreign exchange earnings, the diversification of their exports and an acceleration of the rate of growth of their trade, taking into account their development needs.
4. The Ministers reaffirm their support for the underlying GATT principles of most-favoured-nation treatment, multilateralism and reciprocity. However they recognize

that, until such time as the economic development of the developing countries is sufficiently advanced, these principles will not be fully applied in relation to the trade of these countries. They also recognize the continuing need for special measures to be taken to assist the developing countries in their efforts to increase their export earnings and promote their economic development. They further recognize the importance that the developing countries attach, in this connexion, to the Generalized System of Preferences and to preferential or differential treatment in areas of the negotiation where this is feasible.

5. The particular situation and problems of the least developed countries shall receive special attention.

6. The Ministers recognize that international trade and monetary matters are interrelated and that the forthcoming efforts in the trade field imply that concurrent efforts will continue in the monetary field aimed at the establishment of a durable and equitable monetary system prospects exist for the establishment of a durable and equitable monetary system a durable and equitable monetary system will emerge from the current discussions in the monetary field.

7. The negotiations shall be conducted on the basis of the principles of mutual advantage, mutual commitment and overall reciprocity. However, the developed countries do not expect the developing countries, in the course of the trade negotiations, to make contributions which are inconsistent with their individual development, financial and trade needs, taking into consideration past trade developments.

8. The negotiations shall cover tariff and non-tariff measures, and all other measures that impede or distort international trade, and all classes of products, both industrial and agricultural products, including tropical products, at all stages of processing or manufacture.
9. The negotiations shall be considered as one undertaking, the component parts of which shall move forward together.
10. Participants shall jointly endeavour in the negotiations to achieve an overall balance of advantage at the highest possible level.
11. The Ministers hope that the negotiations will involve the active participation of as many countries as possible, including developing countries, not contracting parties to GATT, which wish to participate.
12. [In any efforts aimed at improving the international framework for the conduct of trade relations in the light of the evolution of the multilateral trade negotiations and of the structural changes and developments in international trade and trade relations which have taken place in recent years, care shall be taken to avoid any reforms likely to lead to restrictions that run counter to the objective of liberalising world trade.]
13. The Ministers approve the annexed Statement of Guidelines for the Multilateral Trade Negotiations.
14. [An appropriate reference to the Report of the Preparatory Committee will be inserted here.]
15. A Trade Negotiations Committee is established with authority (a) to elaborate and put into effect detailed trade negotiating plans and to establish appropriate negotiating procedures, a report on these matters being made to participating governments not later than, and (b) to supervise the progress of the negotiations. It may establish such other committees as it considers to be necessary. The Trade Negotiations Committee shall be open to all participating governments. It shall hold its first meeting not later than
16. The multilateral trade negotiations shall be concluded in 1975.

ANNEX

Statement of Guidelines for the
Multilateral Trade Negotiations

Against the background of the Declaration approved by the Ministers, and the objectives and principles stated therein, the following are the guidelines to be followed by the Trade Negotiations Committee in its elaboration and putting into effect of detailed trade negotiating plans and in its establishment of appropriate negotiating procedures. In the application of these guidelines particular attention shall be paid to products and measures of special interest to the developing countries and the need for appropriate adaptation of the rules and techniques for the negotiations to meet the particular situation and circumstances of these countries.

- (1) A substantial reduction of tariffs shall be realized, not excluding the complete removal of tariffs over a period of years. The main technique for the reduction of tariffs shall be based on the linear or harmonization approaches or combinations or variations of these approaches. Other approaches would not be excluded where these would maximize contributions to tariff reductions.
- (2) Distortion and impediments to trade resulting from non-tariff measures shall be reduced or eliminated as far as possible. A common list of priorities shall be established at an early date. Agreements reached on non-tariff barriers should, wherever appropriate, include mechanisms for consultation and the settlement of disputes.

- (3) The possibilities offered by the co-ordinated reduction or elimination of all barriers to trade in selected sectors shall be pursued.
- (4) For products, which it is generally recognized give rise to particular problems, attempts may be made to resolve these problems through the reduction or elimination of tariff and non-tariff measures and any other appropriate, mutually acceptable formulae, with the aim of reaching multilateral solutions adapted to the particular circumstances of the trade in the products concerned.
- (5) A steady expansion of trade in agricultural products under stable market conditions with acceptable and predictable conditions of access at remunerative prices shall be sought, taking into consideration the special circumstances in the agricultural field.
- (6) Tropical products shall be treated as a special and priority sector.
- (7) The adequacy of the present multilateral safeguard system shall be examined with a view to such improvements as will facilitate achieving and preserving further trade liberalization and ensuring the maintenance of access.

[Other points to be added as necessary.]