

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Preparatory Committee for
Trade Negotiations

DRAFT DECLARATION

Suggestion by the Director-General

Revision

This document reproduces the text circulated as Prep. Com/W/9 and alternative suggestions based on the discussions in the Preparatory Committee. It is intended as a basis for the secretariat's informal consultations with delegations.

1. The Governments/The Ministers of decide to enter into comprehensive multilateral trade negotiations in the framework of GATT. The negotiations are therefore opened.

Alternative Suggestions

The Ministers agree that comprehensive multilateral trade negotiations shall begin on within the framework of GATT and with the widest possible participation.

OR

The Ministers of decide to open comprehensive multilateral trade negotiations in the framework of GATT. They expect the negotiations to be initiated effectively as rapidly as possible and that to that end the governments concerned will have such authority as may be required.

OR

A number of Ministers have announced the decision of their governments to enter into comprehensive multilateral trade negotiations in the framework of GATT. The governments concerned are formally notifying the Director-General of GATT to this effect. The negotiations are therefore launched. It will be open to other governments, through a similar notification to the Director-General, to join in the negotiations.

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.

Alternative Suggestions

The negotiations shall aim to achieve the /balanced/ expansion and the ever-greater liberalization of world trade and improvement in the standard of living of the people of the world, objectives which can be achieved, inter alia, through the progressive dismantling of obstacles to trade and the improvement of the international framework for the conduct of world trade /in order to achieve a new and more equitable international division of labour/. To this end, co-ordinated efforts shall be made to solve in an /a just and/ equitable way the trade problems of both the developed and the developing countries /taking into account the specific trade problems of the developing countries. The objectives of the negotiations in the agricultural sector shall be in keeping with the general objectives, but at the same time shall also take into account the special characteristics of agriculture./

3. A principal objective of the negotiation shall be to provide solutions to the trade problems of the developing countries, and to bring about both an improvement in the possibilities for these 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.

Alternative Suggestions

Replace second sentence by:

The negotiations shall aim to secure additional benefits for the international trade of 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.

OR

Replace paragraph by:

The negotiations shall aim to provide solutions to the trade problems of the developing countries, and to bring about both an improvement in the possibilities for these countries to participate in the expansion of world trade and a better balance, in favour of the developing countries, in the sharing of the advantages resulting from this expansion. The negotiations shall aim at securing net additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, diversification of their exports, acceleration of the rate of growth of their trade, increase in their share in world trade, substantial improvement in the conditions of access for their products, and stable, equitable and remunerative prices for these products, taking into account their development needs. The negotiations shall also aim at achieving a new international division of labour, applying to both developed and developing countries. Complementary economic objectives related to the negotiations shall enable developing countries to derive maximum benefit from concessions granted in the trade field.

Some delegations suggested that the original draft be retained but that the second sentence begin:

The negotiations should aim to secure.....

Some delegations suggested that the text of paragraph 3 should be added to the end of paragraph 2.

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.

Alternative Suggestions

The Ministers reaffirm their support for the underlying GATT principles of /free trade, most-favoured-nation treatment and multilateralism as governing their trading relationships/ /trading relationships among developed countries/. The negotiations /among the developed countries/ shall be conducted on the basis of mutual advantage, mutual commitment and overall reciprocity. The developed countries do not expect reciprocity for concessions made by them in the negotiations to reduce or remove tariff and other barriers to the trade of developing countries. The Ministers 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. /The Ministers affirm that participation by developing countries in the negotiations shall be on the basis of preferential treatment, non-discrimination and non-reciprocity as regards concessions obtained by these countries./ /They recognize the importance of preserving and improving the Generalized System of Preferences./ /They recognize the importance that developing countries attach to the Generalized System of Preferences and to preferential or differential treatment in areas of the negotiations where this is feasible./

OR

The negotiations shall be conducted on the basis of the principles of mutual advantage, mutual commitment and overall reciprocity, while observing the most-favoured-nation clause. Participants shall jointly endeavour

in the negotiations to achieve, by appropriate methods, an overall balance of advantage at the highest possible level. 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. The Ministers 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 of maintaining and improving the Generalized System of Preferences. They are fully aware of the interest of the developing countries in the application of 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.

Alternative Suggestions

The particular situation and problem of the least developed among the developing countries and the land-locked developing countries shall receive special attention.

OR

The Ministers recognize that the particular situation and problems of the least developed countries shall be given special attention, and stress the need to ensure that these countries receive special treatment in the context of any general or specific measures taken in favour of the developing countries during the negotiations.

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].

Alternative Suggestions

Add at end of the above text:

which takes full account of the special interests and problems of developing countries in the fields of trade and development financing.

Or replace the above text by:

The Ministers recognize that international trade and monetary matters are interrelated and stress that the advantages to be expected from the trade negotiations can only be realized if a durable and equitable monetary system is established.

OR

The Ministers recognize - and they will bear this point in mind throughout the negotiations - that the forthcoming efforts in the trade field imply that prospects exist for the establishment of a durable and equitable monetary system.

Some delegations suggested that this paragraph should be placed earlier in the text.

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.

Alternative Suggestions

It was suggested that this paragraph should be merged with paragraph 4.

It was also suggested that the second sentence should read:

However, the developed countries do not expect reciprocity for commitments made by them in the negotiations to reduce or remove tariff and other barriers to the trade of developing countries.

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.

Alternative Suggestions

The negotiations shall cover all types of measures, whether these are tariff or non-tariff measures, or 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 /particu-
larly all products of export interest to developing countries and all measures
affecting their exports/.

OR

The negotiations shall cover tariffs, non-tariff measures and other measures which impede or distort international trade in both industrial and agricultural products, including tropical products.

Some delegations suggested that paragraphs 8, 9 and 10 should be inserted earlier in the text.

9. The negotiations shall be considered as one undertaking, the component parts of which shall move forward together.

Alternative Suggestions

The negotiations shall be considered as one undertaking, /the component parts/ /all elements/ of which shall move forward together /priority being given to products and areas of interest to developing countries/.

10. Participants shall jointly endeavour in the negotiations to achieve an overall balance of advantage at the highest possible level.

Alternative Suggestions

Participants shall jointly endeavour in the negotiations to achieve an overall balance of advantage at the highest possible level /bearing in mind the need to secure net additional benefits for developing countries⁷ /bearing in mind the principles and objectives of the negotiations as they relate to developing countries⁷.

Some delegations suggested that this text should be included in paragraph 4.

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.

Alternative Suggestion

The Ministers stress the importance for the negotiations of the participation of as many countries as possible, including the full, effective and continuous participation of developing countries not contracting parties to GATT which wish to participate without pre-conditions.

Some delegations suggested that this paragraph should follow paragraph 1.

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 liberalizing world trade.⁷

Alternative Suggestions

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 or discriminations that run counter to the objective of liberalizing world trade. Any change in the international framework for the conduct of international trade shall take full account of preferential or differential treatment for developing countries.

OR

Consideration shall be given to improvements in the international framework for the conduct of world trade which might be necessary or desirable in the light of progress in the negotiations.

OR

The Ministers reaffirm their support for the principles, rules and disciplines provided for under the General Agreement and consider that, in any efforts aimed at improving international trade relations in the light of the evolution of the multilateral trade negotiations, care shall be taken to avoid any reform likely to result in the introduction of new restrictive measures that would run counter to the objectives of trade liberalization.

Some delegations suggested that this paragraph might be transferred to the Annex.

13. The Ministers approve the annexed⁷ Statement of Guidelines for the Multilateral Trade Negotiations.

14. An appropriate reference to the Report of the Preparatory Committee will be inserted here.⁷

Alternative Suggestions

The Ministers /take note of/ /approve/ the report of the Preparatory Committee for the Trade Negotiations.

Some delegations suggested that, alternatively, the words "having considered the report of the Preparatory Committee for the Trade Negotiations" might be inserted in paragraph 1.

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.....

Alternative Suggestions

A Trade Negotiations Committee is established with authority (a) to elaborate detailed trade negotiating plans and to establish appropriate negotiating procedures, a report on these matters being made to participating governments not later than early 1974 and (b) to put into effect such plans and procedures and to supervise the progress of the negotiations and to ensure the attainment of the agreed objectives for the negotiations/ (b) to supervise the parallel progress of the various parts of the negotiations and the granting of additional benefits to developing countries/. 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.....

OR

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;
- (b) to supervise the progress of the negotiations.

The Trade Negotiations Committee shall be open to all parties to the negotiations. In order to prepare for the opening of effective negotiations, the Trade Negotiations Committee shall hold its constitutive meeting not later than 1 November 1973.

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.

Alternative Suggestion

Some delegations suggested that this paragraph be deleted.

(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.

Alternative Suggestion

The negotiations shall be designed to secure a substantial reduction of tariffs [not excluding the complete removal of tariffs over a period of years].
[The elimination of tariffs shall be the long-term objective and, in line with this objective, a substantial reduction of tariffs shall be realized.] [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.] [The special needs of developing countries shall be taken into account in any techniques used.] [Provision shall be made for the phased implementation of tariff cuts.]

(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.

Alternative Suggestion

Distortion and impediments to trade resulting from non-tariff measures shall be reduced or eliminated as far as possible. In cases where the elimination or reduction of the trade restricting or distorting effects of non-tariff measures is not appropriate, the aim shall be the harmonization of non-tariff measures. The elimination or reduction of trade restricting or distorting effects of quantitative restrictions and other non-tariff measures shall be carried out on a preferential basis for developing countries. While no non-tariff measure shall be excluded from the negotiations, 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, with a view to the preservation of trade liberalization and the maintenance of access.

(3) The possibilities offered by the co-ordinated reduction or elimination of all barriers to trade in selected sectors shall be pursued.

Alternative Suggestion

The possibilites offered by the co-ordinated elimination or reduction of all barriers to trade in selected sectors /shall be pursued/ OR /may be examined as a supplementary technique at the appropriate time/ /bearing in mind the interests of developing countries in the selection of sectors and the adoption of negotiating techniques./

(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.

Alternative Suggestions

Some delegations suggested that the following words should be added at the end of the paragraph: "and having regard to the special situation of the developing countries".

Some delegations suggested that this paragraph be deleted.

(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.

Alternative Suggestions

A steady expansion of trade in agricultural products under stable market conditions with acceptable and predictable conditions of access and adequate supply at reasonable and remunerative prices shall be sought, in line with the overall objectives of the negotiations, on the basis of mutual advantage through co-operation between exporting and importing countries, taking into consideration the special circumstances in the agricultural field. The reduction or elimination of tariff and non-tariff measures, international commodity arrangements, other solutions, and combination of these alternatives shall be examined to explore, commodity-by-commodity or sector-by-sector, which of such alternatives will be feasible and appropriate.

Some delegations suggested that the following words be added at the end of the paragraph:

Whatever arrangements are drawn up shall have regard to the export and import interests of developing countries. Additional action shall be taken on those products of particular interest to the developing countries. This shall take the form of measures of a preferential character, which would give these countries a chance to increase their export earnings.

Some delegations suggested that this paragraph be deleted.

- (6) Tropical products shall be treated as a special and priority sector.

Alternative Suggestions

Tropical products in raw, semi-processed or processed forms shall be treated as a special and priority sector.

OR

Special attention shall be paid to tropical products.

(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.

Alternative Suggestion

The adequacy of the present multilateral safeguard system shall be examined with a view to /such improvements as will/ /establishing whether improvements could be made which would/ facilitate the achievement and preservation of further trade liberalization and ensuring the maintenance of access, /in conjunction with national measures for assistance to industry to facilitate structural change./ /The need to accord differential treatment to developing countries shall be borne in mind. In any case developing countries shall not suffer prejudice from safeguard measures taken by the developed countries./