

GENERAL AGREEMENT ON TARIFFS AND TRADE

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PROGRAMME FOR EXPANSION OF INTERNATIONAL TRADE

Obstacles to Trade in Agricultural Products

Note by the Director-General

(Reference: Item 3(b) of Provisional Agenda - L/2854)

1. It will be recalled that the Programme for Expansion of International Trade adopted by Ministers in 1958 placed particular stress on problems of agricultural trade, and that a special committee (Committee II) was entrusted with the examination of these problems.
2. Subsequently, Ministers, in their May 1963 decision to proceed with a new round of multilateral trade negotiations, agreed that these negotiations "should cover all classes of products, industrial and non-industrial, including agricultural and primary products" and that "in view of the importance of agriculture in world trade the trade negotiations shall provide for acceptable conditions of access to world markets for agricultural products".
3. Although agricultural problems played an important part in the trade negotiations just concluded and although some useful progress was made, it is clear that the rather limited results in the agricultural area did not begin to approach the goals set by Ministers in 1963 or by the CONTRACTING PARTIES in adopting the programme of trade expansion and establishing Committee II. Yet the problems remain as serious as ever. I suggest therefore that the CONTRACTING PARTIES consider ways of continuing the useful and indeed vital work which has been begun.
4. It will be recalled that Committee II was established to assemble data regarding non-tariff measures for the protection of agriculture or in support of incomes of agricultural producers and the agricultural policies from which these measures derive, and on the basis of such data and in consultation with the contracting parties concerned "to examine the effects of these measures adopted by individual contracting parties on international trade as a whole and in particular on the trade in products entering importantly into international trade". Its terms of reference also called for it "to suggest procedures for further consultations between all contracting parties on agricultural policies as they affect international trade". It seems reasonable to assume that this task given to the Committee includes the elaboration of solutions mutually acceptable to the contracting parties concerned.

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5. The Kennedy Round experience points to a number of specific areas where such consultations might usefully be continued. I have in mind in particular the experience of the three commodity groups on cereals, meats and dairy products.

6. The cereals discussions of course resulted in an agreement in respect of wheat. However its scope was considerably less ambitious than was originally contemplated. I suggest the CONTRACTING PARTIES may wish either now or at some later date to consider whether it would not be desirable to continue consultations regarding aspects of trade in cereals which are not within the scope of the new arrangement.

7. In the meat sector, while much useful work was done and some useful concepts were developed, no concrete result was obtained. I suggest that the CONTRACTING PARTIES consider whether an effort should not be made to continue this work.

8. Similarly, in the case of dairy products, useful work was begun. I have recently noted with concern the increasingly critical situation which is developing in the world dairy market and I think it is especially important that the contracting parties should seek to continue multilateral discussions in this area in the very near future.

9. Although I have mentioned the three areas on which discussions were pursued in the Kennedy Round, I have no doubt there are other particular sectors which the contracting parties might wish to examine jointly with a view to furthering the goal of trade expansion.

10. If the CONTRACTING PARTIES agree with me on the importance of continuing to work toward the goals set forth in the co-ordinated programmes and hence of continuing the joint exploration of these problems, they might consider convening Committee II in the near future for this purpose, with such clarification or modification of its mandate as may be necessary to ensure that its work is directed to positive and practical results.