

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AGRICULTURE COMMITTEE AND COMMITTEE ON TRADE IN INDUSTRIAL PRODUCTS

Status of Work

(Report by the Director-General to the Council on
21 May 1969)

1. Since the Council was authorized by the CONTRACTING PARTIES at the twenty-fourth session to supervise all aspects of the co-ordinated programme for expansion of international trade, it is appropriate that I make a brief interim report to the Council regarding the status of the work of the Agriculture Committee and the Committee on Trade in Industrial Products.
2. The Agriculture Committee determined its programme of work in early 1968. It agreed that the work could conveniently be undertaken in three stages:
 - (a) A preparatory stage consisting of the assembly of documentation so as to clarify the situation as it existed with respect to the products under examination.
 - (b) The consideration by the Committee of the preparatory work in order to arrive at the identification of the principal problems affecting international trade in these products.
 - (c) The discussion of the means whereby mutually acceptable solutions to these problems could be achieved.

The first stage has been completed, on the basis of replies sent by governments, members of the Committee, to a questionnaire covering all relevant elements of agricultural trade and production policies and relating to the following sectors: dairy products; grains; beef and veal; other meats; fruit and vegetables; vegetable oils and seeds; unmanufactured tobacco; and wine.

In order to identify the principal problems, the Committee adopted, for the second stage of its work, an initial approach which focussed on the general classes of problems which characterize most of agricultural trade and production, recognizing, however, that an examination of these problems would of necessity entail reference to specific commodity problems. The purpose of the examination is to provide a basis for the discussion, in the subsequent stage, of the means whereby mutually acceptable solutions to these problems could be achieved.

At its meeting in March 1969, the Committee accordingly examined the structure of international markets for the eight commodity sectors; and the measures and mechanisms influencing exports and imports in these sectors, with a view to identifying and assessing the repercussions of such measures and mechanisms (e.g. export subsidies, two-price systems, monopolies, tariffs, levies, minimum price systems, quantitative restrictions) upon international markets. The Committee also examined various aspects of agricultural production policies. In order to allow the second stage of the work programme to be completed, certain additional data will be provided by members for consideration by the Committee at its next meeting.

3. The Committee on Trade in Industrial Products has held a series of meetings in which it has reviewed, item-by-item, the inventory of non-tariff barriers prepared on the basis of governments' submissions. This "first reading" had the aim of verifying the existence and nature of the barriers, of hearing an explanation of their purpose, and wherever possible obtaining an indication of their significance. On the basis of this preliminary review the Committee should be able to proceed to the next stage, of establishing priorities and considering ways and means for taking concrete action. After one further meeting of the Committee in June, during which several days will be devoted to giving particular attention to the problems of the developing countries, the secretariat will endeavour to draft a report which can be the basis for the next stage of the Committee's discussions in September.

The analysis of the tariff situation as it will be when all Kennedy Round concessions have been fully implemented has proceeded more slowly, mainly because of certain difficulties and delays encountered in obtaining basic statistical and tariff data, which could only be obtained from governments, but the secretariat now has available preliminary documentation for five countries and hopes to have the same data for five additional countries available by the summer. This preliminary documentation like all the other documents of the programme of expansion of trade will of course be restricted. It is proposed that the data for Chapters 1-24 of BTN be turned over to the Agriculture Committee, to be used in connexion with its broad study of agriculture protection and support. As agreed by the technical experts group, the secretariat will in the near future make available to the Committee on Trade in Industrial Products two preliminary comparative tables for Chapters 25-99 summarizing the data for (1) headings of BTN, and (2) divisions of SITC. Upon completion of its studies each Committee will have comprehensive data covering all elements of protection available for the next stages of its work.

4. While it is clear, therefore, that very commendable progress is being made by the two Committees, it is also apparent that the Committees have a great deal of further work to do. It was agreed at the twenty-fifth session that when basic documentation for the tariff study was available, "possible lines of action should be actively investigated" by the Committee on Trade in Industrial Products.

Similarly the Committee, during its examination of non-tariff barriers, is to "explore the possibilities for concrete action in that field". Both the Committee on Trade in Industrial Products and the Agriculture Committee were instructed to move rapidly from the stage of study and of identification of problems, to that of "seeking mutually acceptable solutions". So far, they have not moved beyond that stage.

5. In paragraph 9 of the Conclusions of the twenty-fifth session, it was agreed the Committees would report to the Council, before the twenty-sixth session, on the results of their work, so as to enable the CONTRACTING PARTIES to take appropriate decisions.

6. If the Committees are to make useful and meaningful reports, such as will enable the Council to make a complete report to the twenty-sixth session, it will be necessary for them to pursue their work actively so that they can enter the next stage of exploring possibilities for action and for acceptable solutions. I need hardly remind the Council that the ability of the Committees to do this depends on the readiness and willingness of members to instruct their representatives accordingly.