

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.41/4

10 January 1986

Limited Distribution

CONTRACTING PARTIES
Forty-First Session

SUMMARY RECORD OF THE FOURTH MEETING

Held at the International Labour Office
 on Wednesday, 27 November 1985, at 10 a.m.

Chairman: Mr. F. Jaramillo (Colombia)
(for the first seven statements)
Mr. P. Rantanen (Finland)
(for the remaining statements)

Subjects discussed: - Activities of GATT (continued)
- Report of the Senior Officials Group
(continued)

Mr. BARROS VAN BUREN (Chile) said the present Session was one of the most important ever, since it was to initiate the final steps in the preparatory process for a new round of multilateral trade negotiations. All governments were aware of the need for GATT to address difficult trade problems and to move forward with effective disciplines. The international economic recovery continued to be slow and unevenly spread. The main problem continued to be the deterioration in the terms of trade, which had made economic adjustment even more difficult, and the financial crisis had compounded the difficulty. In spite of the sacrifices involved in its economic adjustment, Chile continued to meet all its trade and financial commitments.

The present Session had to decide whether and how to continue the process begun in the Special Session. While the Work Program had made significant progress in transparency, in defining problems and options for solution, any future progress would require a broad-based negotiation, and a decision should be taken now to initiate that process. Chile had participated frankly and seriously in the Senior Officials Group and had proposed some issues for consideration which it felt had not been adequately examined. The lack of definitive conclusions from that Group was due to the difficulties inherent in the breadth of scope of the proposed negotiations. There appeared to be a wide consensus to establish a Preparatory Committee, although problems remained over the treatment of new issues, particularly services. In this regard, he recalled that GATT history and tradition made it clear that no member could impose a negotiation on other contracting parties

or prevent them from negotiating. He noted that over 30 years earlier, when agreement on the Havana Charter had been impossible, Chile and 23 other countries had established the GATT, to which many other nations had later acceded.

Chile supported the establishment of a Preparatory Committee which would be open to all contracting parties and would operate in a transparent manner. Participation in the Committee should neither prejudice the position of any government nor imply a commitment beyond a reaffirmation of the will to implement GATT principles and objectives. Work done by other GATT bodies, as well as subjects dealt with in the Senior Officials Group, should be taken into consideration. To avoid duplication of effort, there should be close cooperation between the Council, the Committee on Trade and Development, other GATT bodies and the Preparatory Committee.

He drew attention to the comment in the Study Group's report¹ that GATT was no longer considered to influence governments, but rather to provide possible justifications for national policies. Because of this, GATT risked losing its pragmatism, and the new round would be an opportunity to reinstate the multilateral system as an effective regulator of international trade relations. GATT should again be a forum for permanent negotiation. Liberalized trade was a means of achieving economic prosperity, and the GATT multilateral system provided the legal framework for that liberalization. The starting point of the new round would have to be a standstill commitment, to which the Preparatory Committee should give priority. This would be the most important political message in the short and medium term that the CONTRACTING PARTIES could give to the international community. Such a commitment was an essential requirement, not a precondition, for the new negotiations, and could not be ignored in the current economic situation.

In concluding, he stressed that the CONTRACTING PARTIES had to recognize the dimension of their responsibility as members of the world's most important international trade-regulating organization. Free trade was the most important instrument for development and, ultimately, for peace.

Mr. CHEW (Singapore, on behalf of the ASEAN contracting parties to GATT²) said that against the background of the increasingly gloomy situation in the international economy and in world trade, the weaknesses inherent in the multilateral system, as in any system holding together a diverse group of countries, had begun to threaten the very foundations of the system. He noted that after 40 years of peaceful

¹"Trade Policies for a Better Future", circulated with C/133.

²Indonesia, Malaysia, Philippines, Singapore and Thailand.

economic development in the world, much of the post-Second World War altruism had disappeared. What was once termed legitimate and welcome competition was today viewed as a threat to domestic employment and to industries essential for national security.

The readiness to help weaker partners to develop economically, which had characterised the post-war mood and which had led to the Bretton Woods institutions, was no longer seen as an ideal. Consequently, it had become increasingly difficult to operate the multilateral systems put into place soon after the war. This had resulted in a series of what might be called emergency repairs to stop the rot and allow the institutions to continue to work. The 1982 GATT Ministerial meeting represented such an attempt. While leaks had been patched up, the pressures causing them had increased, thereby threatening the whole structure of the multilateral trading system. There was therefore a need for something more than mere emergency repairs to the system.

It was for these reasons that the ASEAN contracting parties supported the early launching of a new round of multilateral trade negotiations. The new round would allow the international community to develop a trading system on which all contracting parties could depend for their economic development. Without such a system, stronger trading partners would be able to subdue and dictate to the weaker ones. The ASEAN contracting parties therefore supported immediate establishment of a Preparatory Committee to examine the subjects and modalities for the new round. Recalling that the ASEAN contracting parties had already indicated in the Senior Officials Group the issues of priority for them, as well as their readiness to look at other issues, he hoped that this preparatory process would be quickly completed and that the new round would be launched in 1986.

Mrs. OSTRY (Canada) said that her Government continued to support strongly the early start of a new round of multilateral trade negotiations. The reasons behind Canada's support for this initiative had not changed. The situation in international trade remained serious. There had been more forward movement in recent months on monetary issues than on trade. Pressures for protectionism remained strong and threatened all GATT members. The challenges and opportunities of the 1980s and 1990s required a revitalization and strengthening of the international trading system in response to the changing economic environment. Canada remained firmly convinced that a new round of multilateral trade negotiations was needed, not as a panacea for existing problems, but to breathe new life into the system, to restore an important element of certainty, and to lay the foundation for sustainable growth into the next century.

She recalled that at the 1985 Special Session, the CONTRACTING PARTIES had agreed to begin the preparatory process for the proposed new round; contracting parties had set out their positions, in one form or another, and had received clarification of the positions of others. The work of the Senior Officials Group had been completed. A decision to establish a Preparatory Committee, to prepare the ground for launching the new round, was now required. Canada remained committed to achieving the objectives of the 1982 Work Program. While considerable progress had been made in implementing that Program, it had been clear for some time that in order to achieve further results, the CONTRACTING PARTIES had to proceed quickly to substantive negotiations. Establishment of a preparatory committee at the present Session, without preconditions, would be a necessary step in that direction.

The Preparatory Committee should examine and interpret the essential changes in the international trading environment bearing on GATT's effective functioning, and on its capacity to foster sustained economic growth in both developing and developed countries. The Committee should consider the objectives, subjects and negotiating approaches for the new round and should develop a proposed declaration for consideration at a Ministerial meeting as early as possible in 1986. In carrying out this task, the Committee should take into account the discussions in the Senior Officials Group, the reports arising out of the Work Program and other relevant documents.

Mr. MOSTAFA (Bangladesh) underlined the special importance of the current Session which was taking place at a time when the GATT multilateral trading system was under serious threat. The recent economic recovery was increasingly showing weaknesses and shortcomings; it had not only bypassed a large part of the developing world, but had been unevenly spread among the industrialized countries. Without major policy changes, which would have to be co-ordinated and planned carefully by developed and developing countries alike, the world economy remained on an unsustainable and perilous course. He stressed the need for confidence-building measures to restore credibility to the GATT system. Implementation of the Work Program had been limited, and this had adversely affected the international trading environment, particularly to the detriment of the developing countries. The current Session was a challenge as well as an opportunity to demonstrate the CONTRACTING PARTIES' sincerity regarding commitments undertaken in GATT, and their ability to make determined efforts to restore its credibility.

He reviewed the provisions in the 1982 Ministerial Declaration which had not been satisfactorily implemented and which particularly concerned smaller and least-developed countries. There had been inadequate political will on the part of many developed countries to implement the commitments undertaken in Part IV and reaffirmed by Ministers in 1982. A comprehensive agreement on safeguards should be reached without delay in order to maintain and strengthen the trading system. Further efforts were needed to improve the dispute settlement mechanism and greater co-operation was necessary in resolving disputes among contracting parties.

He expressed concern at the severe restrictions applied by major trading partners against imports of textiles and clothing from a number of least-developed countries, including Bangladesh. These had seriously affected his country's foreign exchange earnings and had impaired efforts to accelerate industrial development. In Bangladesh's view, the restrictions were against the provisions of Article 6 and Annex A of the MFA and its Protocol of Extension of 1981. They were proof that no serious consideration had been given to the special provision in the MFA in favour of small exporters, new entrants or the least-developed countries. Bangladesh therefore appealed to the major importing countries to review their recent decisions to impose quota restrictions on imports of textile products from the least-developed countries, including Bangladesh, and to withdraw the restrictive measures.

Another important area which deserved priority attention was trade in agriculture, where significant improvement could be made on the basis of the General Agreement, with due account being given to the special needs of developing and least-developed countries. He emphasized the need for immediate and effective implementation of the decisions relating to special treatment for least-developed countries as contained in paragraph 7(iv)(b) as well as paragraph 3 of the Annex to the Ministerial Declaration on GATT Rules and Activities relating to Developing Countries (BISD 29S/22). He outlined the proposals which had been made by the Chairman of the Sub-Committee on Trade of Least-Developed Countries regarding improvement in schemes under the Generalized System of Preferences, removal of tariff and non-tariff measures and simplification of rules of origin. Bangladesh urged the CONTRACTING PARTIES to adopt those proposals and to implement them within a specified time.

He recalled his delegation's position, in the Senior Officials Group, on the objectives, subjects and procedures for the proposed new round of negotiations, and reiterated that the basic objectives for any future round should be, first, to liberalize world trade and improve and strengthen the multilateral trading system and, second, to secure substantial additional benefits for the developing countries through significant enlargement of market access in sectors of importance to them. The new round should address the special problems of the least-developed countries and aim at full implementation of the GATT Ministerial decisions on differential treatment. The Ministerial Work Program provided an adequate basis for identifying the subjects for further negotiations. Participation should be open to all interested countries. In deciding the procedures for the negotiations, the provisions of Part IV on differential treatment for developing countries, and, within that context, the special problems of the least-developed countries should be clearly recognized. Bangladesh was prepared to participate in any preparatory process on the proposed new round which would address all contracting parties' issues and concerns in the light of the evolving pattern of international trade.

Mr. LACARTE (Uruguay) said that the unequal distribution of the economic recovery had seriously affected the developing countries, whose share of world trade continued to decline. The situation was aggravated by increasing protectionist pressures in the major markets. Uruguay's trade policy had been largely shaped by these factors; thus, it was absolutely necessary to strengthen the GATT multilateral trading system, to improve market access and to implement GATT obligations. Uruguay's unilateral opening of its economy and liberalization of foreign trade under difficult circumstances were proof of his country's commitment to GATT principles. He reaffirmed his country's interest in multilateral trade negotiations within the GATT framework. Uruguay was prepared to participate actively in efforts to find multilateral solutions to existing problems in a way that would ensure equitable benefits for all participants.

The CONTRACTING PARTIES could now decide to set up a Preparatory Committee to establish the basis for launching a new round of multilateral trade negotiations; it would be open to all contracting parties and to developing countries which had indicated their interest in active participation and in GATT accession. Participation in the Preparatory Committee would not commit any contracting party to any future negotiations, nor would its work prejudice any decision of the CONTRACTING PARTIES with regard to those negotiations. The Preparatory Committee would examine the subjects and procedures of the proposed negotiations in the light of the Work Program and in consideration of any changes in the trading environment, so that GATT could respond to those changes. He stressed that the Committee's work should not prejudice the Work Program activities, which would remain valid regardless of any decisions on a new round. The Committee's work should also not prejudice the work on services as provided for in the CONTRACTING PARTIES' 1982 and 1984 decisions. The discussions on services should continue, and any decisions on this matter should be postponed until the Committee's work was concluded.

From the outset of the Preparatory Committee, contracting parties should refrain from taking any measures incompatible with GATT, and should avoid measures which were compatible but which might limit or distort international trade. This implied not taking any measures limiting market access, and included agricultural and industrial subsidies in both domestic and export markets. Without this, the proposed negotiations would be unacceptable, as they would favour countries which did not respect their international obligations. The Preparatory Committee should give particular attention to the issues of safeguards, dispute settlement and rollback, with deference to the principles of special and differential treatment for developing countries. Safeguard measures taken for development reasons also had to be considered.

It was imperative that in any new negotiations, countries commit themselves to eliminate any measures incompatible with GATT. A substantial number of those measures should be eliminated when the new round was launched, with a scheduled reduction of the remaining measures; this was of singular importance to Uruguay, which could not accept the completion of the new round if this program were not followed. The elimination of such measures could not be predicated on compensation or concessions.

The Preparatory Committee's report should be presented to a Special Session of the CONTRACTING PARTIES, as this would permit an immediate decision to launch a new round and to establish a trade negotiations committee. All such decisions should be made in conformity with Articles XXV and XXVIII bis. Since a new round would affect the interests of all contracting parties, decisions would have to be by consensus, recognizing the right of any individual country to decide on its participation in the negotiations.

In concluding, he said that the principle of more favourable treatment for developing countries was an integral and inalienable part of GATT and should be respected; Uruguay supported the detailed formulations which had been presented in this regard by Bangladesh. Developing countries' foreign debt was a critical element which affected financial and economic relations, and the debt problem could be solved only through concerted action by both debtor and creditor nations. More favourable treatment for developing countries was necessary to improve their export opportunities and to permit them to earn the foreign exchange necessary to service their debt and to maintain the growth necessary for their development.

Mr. VIDAS (Yugoslavia) said that the economic prospects for 1986 were gloomy; the current surge in protectionism, mostly outside GATT rules, made it impossible for the least-developed and highly-indebted countries to meet their development and debt-servicing needs. Yugoslavia was also confronted, in its efforts to stabilize its economy and meet its obligations, by many new trade restrictions. The reason for the deterioration in the situation lay primarily with the lack of political will among the major trading partners to fulfil their obligations. Qualitative improvements in GATT's functioning could only be achieved by full respect for the interests, rights and obligations of each contracting party.

Yugoslavia continued to support negotiations to resolve international problems, strengthen the GATT system and liberalize world trade. The negotiations should aim at eliminating the asymmetry and imbalances in economic development and economic relations which prevented developing countries from being able to liberalize their trade in the way that developed countries could. Only by paying attention to these factors could a fuller participation by developing countries in the GATT system be ensured.

Yugoslavia could not agree to immediate preparations for negotiations on services before completion of an in-depth study of all aspects of this issue in co-operation with other international organizations. Given the differences between goods and services and the heterogeneous nature of services, it would eventually be necessary to elaborate a specific approach to their international regulation.

Yugoslavia considered that the following elements were essential in preparing for a new round and establishing a preparatory committee: a firm commitment by all contracting parties -- to become effective, in any case, before launching the negotiations -- not to introduce any new restrictive measures except in full conformity with GATT; the Preparatory Committee should be mandated to prepare a basis for a time-bound program to roll back all measures inconsistent with GATT, particularly those affecting exports of developing countries; the Preparatory Committee should give the highest priority to elaborating the elements of a comprehensive agreement on safeguards based on GATT principles; the Committee should ensure that more favourable treatment for developing countries be effectively implemented in all fields of the proposed negotiations; the Chairman of the CONTRACTING PARTIES should continue to organize the exchange of information on services, on the basis of national studies and in co-operation with relevant international organizations, and should report to the CONTRACTING PARTIES on progress made, so as to enable them to take a decision. This activity on services and other new subjects should not block progress in the preparatory process for the negotiations on subjects which were within GATT's competence.

He stressed that no real improvement in the international trading system was possible without changes in the functioning of the monetary system and without creating a more favourable framework for the solution of the developing countries' debt problem.

Mr. PARK (Korea) recalled that in the face of continuing erosion of the open multilateral trading system and escalation of protectionism it was the responsibility of all contracting parties to save and strengthen the GATT system. He outlined the liberalization program being autonomously implemented by his country despite its unfavourable trade balance.

The GATT principle of m.f.n. treatment was under threat both from the selective and discriminatory application of safeguard and grey-area measures, and from the increasing trend towards bilateralism and regionalism. There was growing abuse of anti-dumping and countervailing measures by developed countries. In all these areas the provisions of the General Agreement and of the relevant Codes should be reviewed.

Korea supported launching a new round of multilateral trade negotiations as soon as possible in the belief that it would contribute to halting and reversing the protectionist trend, accelerating implementation of the Work Program, and revitalizing and strengthening the GATT system. It would be essential for all participants to commit themselves to a standstill on all protectionist measures, on both a multilateral and a bilateral basis, before the negotiations were launched. There should be a commitment, in the course of the negotiations, to a rollback of restrictions inconsistent with GATT, according to a fixed time-table.

New issues, such as trade in services, should be included in the proposed negotiations, and areas of major interest to developing countries should be given special attention. The negotiations currently underway on the future of the MFA provided an opportunity for developed countries to demonstrate their support of a free and open multilateral trading system by liberalizing the existing restrictive régime. He hoped that the textile bills currently before the United States Congress would not become law.

In concluding, he said he was ready to offer Seoul as the site of the Ministerial meeting that would launch the new round in September 1986.

Mr. LOPEZ NOGUEROL (Argentina) said that recent discussions on a possible new round of multilateral trade negotiations, while wide-ranging and useful, had not gone beyond the stage of general statements, for example concerning the generally recognized necessity for a standstill on protectionist measures. Nor had the Senior Officials Group sufficiently clarified the understandings necessary to establish a time-table leading to future negotiations. So far, it seemed that more emphasis had been put on procedure than on substance.

Any new round would have to be based on a reaffirmation of past commitments, including those in the 1982 Ministerial Declaration, and on priority areas within GATT's competence, so as to ensure effective results. A firm commitment would be required on standstill and rollback, in conformity with the Ministerial Declaration and the provisions of the General Agreement. This would strengthen confidence among contracting parties and give weaker trading nations an assurance that they would not have to pay a heavy price for elimination of measures inconsistent with the General Agreement. Before launching the negotiations, steps would have to be taken to ensure real liberalization in favour of developing countries.

Practical ways would have to be found of ensuring implementation, during the proposed new round, of more favourable treatment for developing countries. Priorities would need to be clearly defined, in particular to reach early agreement on safeguards, without which much of the results of the negotiations would be of little value. He reiterated the priority which Argentina attached to agriculture. Also requiring

attention were a number of questions that had been the subject of past negotiations but had not been solved under the General Agreement, such as trade in tropical products, textiles and quantitative restrictions. Indeed, all the elements which constituted the Ministerial Declaration, and upon which the competence of GATT was fully recognized, should be included in a serious liberalization effort within the framework described above.

The tendency in the past few years to introduce into GATT subjects not provided for in the General Agreement had led certain contracting parties to lay more emphasis on these new subjects than on those for which no solution had yet been found. The choice of the path to follow would require in-depth examination. His delegation considered that the aim should be to strengthen the General Agreement, taking due account of what had in the past contributed to GATT's prominent position in the world economy.

Mr. BLANKART (Switzerland) said it was encouraging that the preparatory process for a new round of multilateral trade negotiations was underway. Discussions in the Council, the CONTRACTING PARTIES' Special Session, and the Senior Officials Group, although they had not so far solved any major problem, had demonstrated that negotiations were essential for every contracting party. It was now necessary to begin actual preparations for the negotiations with the establishment of a Preparatory Committee. This should be without precondition and without prejudice to the substantive negotiations that would follow.

His delegation had previously stressed the need, before embarking on a new round, to clarify the objectives, subjects and procedures of the negotiations. A broad consensus had now been reached on the objectives, which were to halt and reverse protectionism. To do this would require updating the GATT system, since those forms of protectionism that had developed outside it would otherwise continue to flourish. The deliberations of the Senior Officials Group had demonstrated that the 1982 Work Program was in fact a negotiating program. Thus it should be considered, together with subjects that had emerged since 1982, by the Preparatory Committee in the recommendations to Ministers.

He said it was essential to keep separate GATT's executive and rule-making activities in order to ensure that the legislative tasks of strengthening the GATT were undertaken for their own sake and without seeking concessions in other areas. This should apply both to old issues such as safeguards and to new subjects such as trade in counterfeit goods, domestically prohibited goods, or services.

No decision should be taken at this stage on the inclusion or exclusion of services in a new round. He saw no reason for any country to fear that it would be forced to open its services market. The subject of any negotiations on services would be new multilateral rules

relating to trade in services similar to those relating to trade in goods already embodied in the General Agreement. Under these, no country had been forced to open its market without favourable reciprocal concessions. He warned that some services were closely bound up with industrial or agricultural production and that it was therefore necessary to have a set of rules that were both complementary to and compatible with the General Agreement.

In the area of safeguards it would not be possible to compromise. First, the conditions would have to be defined under which a contracting party could apply safeguard measures, and then the necessary choice would have to be made in relation to those conditions. This also required a rule-making approach. The principle of special and differential treatment for developing countries was not questioned by his delegation. However, he urged an in-depth examination of its practical application, which would also be in the interests of the developing countries themselves.

In view of the weaknesses of the system, Switzerland felt that standstill was no longer a guarantee against protectionism. However, the establishment of a Preparatory Committee should give the international business community the signal that would enable a standstill to be maintained. The latter would thus be a consequence of, not a pre-condition for, the preparatory work.

Thus, his delegation supported the establishment, without pre-condition, of a Preparatory Committee to define the objectives, subjects and procedures of the new negotiations on the basis of work already done in the Council, the Special Session of CONTRACTING PARTIES and the Senior Officials Group. The question of participation in the proposed round would have to be left to the Preparatory Committee, since this could be decided only after the subjects of the negotiations had been determined. No subject should be excluded at this stage. It would be up to each contracting party to decide, once the Preparatory Committee had completed its work, whether it would take part in the negotiations.

Mr. LIGERO (Spain), noting that his country was about to accede to the European Communities, briefly reviewed Spain's career as a contracting party. In the 20 years following its accession to GATT in 1963, its foreign trade had multiplied nearly twenty-fold. This had been due in no small part to its participation in GATT and to the consequences of GATT obligations, such as tariff bindings and import liberalization, and to its signature of four of the Tokyo Round Codes. Spain had thereby gained more secure access to markets for its exports.

The diagnosis contained in the 1982 Ministerial Declaration, pointing to erosion in the trading system caused by protectionist pressures and to erosion in GATT's credibility, still applied.

Commitments contained in that Declaration had been frustrated by political and economic pressures. Therefore, a more effective solution was now required, such as launching a new round of multilateral trade negotiations.

Much had been discussed in the Senior Officials Group, but no consensus had emerged. His delegation had participated actively in the discussions in various GATT bodies. In Spain's view, the purpose of the new round should be to strengthen the GATT system by the conclusion, within the GATT framework, of agreements which would go beyond declarations of intent and which would be accompanied by negotiations in other fields, such as the monetary and fiscal areas. The subjects for the new round could be seen in the Ministerial Declaration and were of three types: improvement of GATT's legal framework, for example in the areas of safeguards and dispute settlement; traditional GATT questions, such as tariffs, non-tariff measures and sectoral negotiations; and subjects new to GATT, such as services, trade in counterfeit goods, and relationships between the trade and monetary spheres. Spain considered that no subjects were to be excluded, unless they led to solutions contrary to GATT principles. The fundamental question was that of the concessions which would be required for each of the subjects under negotiation.

The negotiations should be multilateral, without restrictions on subject matter, and should be taken as a whole. Even if carried out in separate bodies, there should be final, overall and specific evaluations. Moreover, there should be opportunities for all contracting parties to gain, both individually and collectively, and special provisions should be made for the participation of developing countries according to their individual needs and in fulfilment of Part IV.

As consensus had now been reached on the necessity for a new round, the practical step to be taken at the present Session was to establish a Preparatory Committee with a mandate to prepare a draft declaration that would launch the negotiations. Any further delay in setting up the Committee would be prejudicial to every contracting party and thus contrary to one of GATT's fundamental aims, the greater well-being of all its members.

Mr. NOTTAGE (New Zealand) recalled that at the Special Session in September, the CONTRACTING PARTIES had agreed to start a preparatory process on the proposed new round of trade negotiations, and that a decision would be taken at the present Session on establishment of a Preparatory Committee. New Zealand, along with many other contracting parties, had been urging the need to begin a new round promptly, and the next step would be establishment of a Preparatory Committee. While there were differing views on the priority to be accorded to individual

issues in the new round, there was no dispute on the need for negotiations. Contracting parties could not, at this critical meeting, allow themselves to get bogged down in issues more properly addressed in the Preparatory Committee or in the new round itself.

Discussions in the preceding few months had revealed that countries, small and large, developed and developing, had been proceeding on paths that led in the same direction. The markers which had been laid down by each country to reflect its own concerns and objectives should serve to point out the path that all contracting parties had to follow. He noted that past multilateral trade negotiations had failed to address his country's concerns; however, neither New Zealand nor any other country had the right to let its individual markers become roadblocks to progress. The decision to set up a Preparatory Committee should not be encumbered by conditions. Given the constraints in the international trading environment, anything less than a consensus on this point would call into question the integrity of the GATT itself.

The meeting adjourned at 1 p.m.