

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## Trade Negotiations Committee

### PROCEEDINGS OF THE FIRST MEETING

Held in the Palais des Nations, Geneva from  
24 to 26 October 1973

Chairman: The Director-General

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#### Election of Chairman

1. The Director-General, Mr. O. Long, was elected Chairman of the Trade Negotiations Committee.

#### Tasks to be undertaken in the initial phase of the negotiations

2. There was general agreement that the remaining necessary preparatory work should be done so that effective negotiations could start without delay. The need for some participants to obtain the necessary authority was also mentioned in this regard.

3. There was general agreement that matters affecting the trade of developing countries should not be dealt with separately but as an integral part of the negotiations. In this regard representatives of developing countries emphasized that they wished to take part in all areas of the negotiations at all stages of the work. Many delegations stressed that periodic reviews should be made of progress in the negotiations towards the achievement of its objectives and in particular its objectives with regard to the trade of developing countries. Some delegations recalled the undertaking in the Ministerial Declaration to the effect that special and more favourable treatment will be accorded developing countries where this is feasible and appropriate. These delegations suggested that this aspect should be kept in mind at all stages, including the initial stages of the negotiations.

4. It was suggested that at its next meeting the Committee should discuss the special procedures for the negotiations between developed and developing countries referred to in paragraph 10(a) of the Tokyo Declaration (MIN(73)1) and one delegation circulated a working paper dealing with this matter (MTN/W/2).

5. Representatives of some developing countries recalled that they had accepted the Tokyo Declaration in the light of the Chairman's concluding statement at that meeting. Some of these countries also recalled their position (set out in MIN(73)W/2 paragraph 13) that complementary negotiations should be conducted to ensure that developing countries would be able to take advantage of trade concessions.

6. With regard to tariffs, there was general agreement that further work should be done on the establishment of a common data base so that disagreement on the facts could be minimized at the bargaining stage. Some delegations said that the tariff study should be extended to cover further countries. Some delegations said that the tariff study should be extended to cover products in Chapters 1 to 24 of the Brussels Nomenclature. It was also suggested that thought should be given to revising the presentation of the data.

7. Some delegations also suggested that different negotiating techniques might be analyzed. Other delegations were of the view, however, that this would be premature.

8. Delegations from developing countries said that priority should be given to ways of improving the Generalized System of Preferences and the implications for the Generalized System of Preferences of most-favoured-nation tariff reductions should be examined. They also suggested that problems of tariff escalation and the possibility of deeper most-favoured-nation cuts for developing countries should be examined.

9. There was general agreement that work should continue in the initial phase on selected non-tariff measures and a number of suggestions were made in this regard. Many delegations suggested that work already in hand (on quantitative restrictions and export restraints, subsidies and countervailing duties, packaging and labelling and import documentation) should be continued. Some delegations suggested that the ad referendum solutions already drawn up on valuation, licensing procedures and standards should be re-examined. It was suggested that the application of the standards code to agriculture should be examined. Some delegations said that the work already done in different areas should be extended to products in Chapters 1 to 24 of the Brussels Nomenclature as appropriate.

10. Some delegations suggested that a common list of priorities for dealing with non-tariff measures in the negotiations be drawn up. It was also suggested that priority should be given to measures which had the greatest trade-restricting or trade-distorting effects. Government purchasing was one area mentioned in this regard. It was also suggested that at some stage non-tariff measures which affect particular items should be brought into the negotiations.

11. Delegations from developing countries said that priority should be given to the consideration of suggestions already made regarding non-tariff measures adversely affecting their exports and particularly to quantitative restrictions. A first step would be to list all products of export interest to developing countries which are subject to quantitative restrictions. The interests of developing countries should be taken into account in any codes or guidelines which were drawn up, some delegations saying that such codes or guidelines should provide preferential or differential treatment for developing countries.

12. There was general agreement that the basic agricultural data should be updated. Some delegations suggested that recent changes in supply and demand for agricultural products should be analyzed and consideration be given to their relevance to an approach to the negotiations. Some delegations said that negotiations on agriculture should be firmly integrated in the negotiations and that problems which were not specific to agriculture be dealt with in general negotiations. Some delegations suggested that the special characteristics and problems in the agricultural sector should be identified and suggested that attention might be concentrated on specific commodity groups in respect of which there were special problems. Some delegations said that an examination of ways of securing a continuing expansion of trade in grains, meat and dairy products should be carried out; solutions to problems in the dairy sector might emerge from consultations already being carried on. Some delegations said that attention might also be given to problems relating to meat hygiene and animal health. Delegations from developing countries said that priority should be given to items of export interest to them, including semi-processed and processed products.

13. Several delegations, including delegations from developing countries, reiterated their interest in the sector approach to negotiations. It was generally agreed that the Committee should take up this matter at a somewhat later date.

14. While some delegations held the view that priority should be given to work on the safeguard issue, most said that the time was not yet quite ripe to take this matter up.

15. It was recalled that Ministers had laid down that tropical products should be treated as a special and priority sector. There was general agreement that work should be started without delay in this area. It was suggested that use should be made of work done in other GATT bodies and elsewhere.

16. Several delegations said that consideration should be given to improvements in the international framework for the conduct of world trade and that the Committee should examine how this matter should be handled, some adding that this should be left to a somewhat later stage. Delegations from developing countries stressed in particular the need to make Part IV of the GATT a more effective instrument for promoting the trade of developing countries.

Organization of work

17. The representative of a group of countries suggested the retention of the existing structures and the same hypotheses for the work as in the past.

18. One delegation suggested that the least controversial way of organizing the work in the initial phase of the negotiations would be to adhere closely to the text of the Tokyo Declaration, especially paragraph 3 thereof. This delegation accordingly suggested the establishment of six working groups, each dealing with one of the six areas defined by Ministers in paragraph 3 of the Declaration and to have an understanding that another group or groups would be established as needed to deal with other matters. This delegation also suggested that there would be no need for detailed terms of reference for each of these groups since their mandate would be the Declaration itself and said that, while some of the groups should be able to start work quickly, others, e.g. those which would deal with the sector approach and safeguards, might better start their work somewhat later.

19. There was a very wide measure of support for launching the work on the basis of paragraph 3 of the Tokyo Declaration. The following paragraphs set out additional points made in discussion of the suggestion.

20. Some delegations agreed that only six groups should be established at this time and that other groups could be set up when it became clear what specific tasks were to be assigned to them. Other delegations supported the establishment of a seventh group to carry out other tasks mentioned in the Declaration.

21. There was general agreement that no separate group should be established to deal with the special problem of developing countries, which could be taken up in each of the groups as part and parcel of the negotiations. Some delegations said that the need to provide for the establishment of special procedures for negotiations between developed and developing countries was adequately provided for by making the whole of the Tokyo Declaration the terms of reference of the groups. One delegation said that Groups 3(a) and (b) should not be limited as to the products which they could deal with.

22. Some delegations said that it was important not to lose the momentum created by the Tokyo Declaration and that the groups should begin work rapidly, although they agreed that some would be ready to meet before others. It was suggested that Group 3(f) might meet first since this was dealing with tropical products which had been singled out as a special and priority sector. Some delegations said that membership of the groups should be open to all participants in the negotiations.

23. The representative of a group of countries said that while they would have preferred to retain the existing structures and the same hypotheses for the work as in the past, they could accept an approach based on paragraph 3 of the Declaration on the basis that Groups 3(c) and 3(d) dealing with the sector approach and safeguards would not be established immediately. They would insist that Groups 3(a) and (b) dealing with tariffs and non-tariff measures considered

only industrial products, and that agriculture was dealt with exclusively in Group 3(e), for which a clear mandate would be necessary. This might be, in a first stage, to analyze the recent changes in supply and demand in world agricultural markets and to consider their relevance to an approach to the negotiations and, at a later stage, to establish negotiating plans and procedures with a view to implementing paragraph 3(e) and any other provisions of the Declaration of Ministers relating to agriculture and to conduct the negotiations in accordance with this Declaration. This representative agreed with other speakers who had said that other groups should not be established until it was clear what tasks would be assigned to them.

24. Other delegations said that agreement would be very difficult to reach if some delegations insisted on the need to draft detailed terms of reference for the groups since there were important differences between the positions of different delegations on this matter and the task would be very time-consuming. They said, however, that these differences should not prevent necessary fact-finding and analytical work from being done. They emphasized that their concern was to advance this work in a business-like way and to avoid taking up negotiating positions in this initial phase of the negotiations.

25. One delegation suggested that the way out of the difficulty might be for the Chairman, in consultation with delegations, to convene meetings of experts, as appropriate, in the coming months, to start such fact-finding and analytical work in certain areas where there appears to be no strong divergence of views, such as subsidies and countervailing duties, packaging and labelling quantitative restrictions and export restraints, the tariff study, tropical products and cereals, leaving aside disputed areas, and without prejudging future negotiating positions.

26. This proposal received support from all other delegations which spoke since in their view it offered a way of continuing work without interruption.

27. After a short recess, the representative of a group of countries said that he was not in a position at that time to reply to this proposal.

28. The Chairman then said that the Trade Negotiations Committee should meet at the technical level and undertake the initial technical work that is called for, basing itself to begin with on the outline set forth by the Ministers in paragraph 3 of the Tokyo Declaration. This means that the Trade Negotiations Committee would meet at the technical level the first time to undertake work in terms of paragraph 3(f) of the Tokyo Declaration; that it would meet again in terms of paragraph 3(e) and then on paragraph 3(b) and then on paragraph 3(a). The matters dealt with in paragraph 3(c) and (d) were not yet ripe for such work. In this way the technical work would begin without prejudice to negotiating positions. All participating countries which so desire would be present at these meetings of the Committee at the technical level. Each country would thus be free to propose the matters it wished to work on and to indicate those matters on which it was not yet ready to work.

29. The representative of a group of countries said that they were not in a position to reply to this suggestion at that time. It went without saying that the Chairman could continue his consultations in the coming days with a view to convening the Committee at any level if he judged it useful.

30. The other representatives which spoke indicated that they were ready to accept the Chairman's proposal and to meet whenever the Chairman called the Committee together.

31. The Chairman said that he would consult with delegations to determine the earliest moment at which the Committee could start work. In answer to a question, the Chairman said that the convening of the traditional GATT committees was, as usual, up to their chairmen in consultation with delegations.

#### The relationship between the proposed World Food Conference and the Multilateral Trade Negotiations

32. The United States delegation made a statement clarifying the relationship between proposals to discuss worldwide problems of food supply in such forums as a World Food Conference and the Food and Agricultural Organization and present efforts to embark on negotiations on agriculture in the Multilateral Trade Negotiations as his Government saw it, in the hope that this will be useful to other delegations. As the United States saw it, the general purpose of a World Food Conference was to explore the desirability and feasibility of international co-operation in coping with possible worldwide imbalances in the supply and demand for food, including those caused by widespread crop failure, increasing pressure on food supplies from population growth and rising incomes, and the failure of developing countries as a whole to increase food production rapidly enough to improve overall nutritional levels. It would also include exploration of modes of international co-operation to improve disaster relief in the case of localized emergencies. However, they also believed that questions of trade and food balances were highly interlinked. In the Multilateral Trade Negotiations his Government expected to deal with all factors which underlay trade distortions, including stockpiling. They did not expect that other forums would negotiate specific commitments, since any multilateral commitments on such questions as stockpiling would directly affect trade, trade policy, and the nature of solutions to trade disputes. While other forums would look at these issues in the overall context of the world food situation, suggestions by his Government for the use of different forums to discuss these food matters did not imply any effort to shift the venue of key agricultural issues away from the Multilateral Trade Negotiations to other bodies. Any such shift would of course be inconsistent with the fundamental belief of the United States that agriculture was an essential element in the trade negotiations as a whole.