

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Trade Negotiations Committee

PROCEEDINGS OF THE SESSION

Held in the Palais des Nations, Geneva,
on 7 February 1974.

Chairman: The Director-General

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Programme of work

1. The Chairman suggested that the Committee might first consider the draft programme of work for the Groups (MTN/W/3) which had been drawn up after extensive consultations which he had had at the request of the Committee.

2. The representative of Brazil said that the draft Work Programme, as it stood, was acceptable to his delegation. There were, however, a few points in the draft that called for comments. Firstly, on the second paragraph of the "chapeau" it was stated that "each group shall in the course of its work be guided by the Ministerial Declaration of Tokyo as it relates to developing countries". His delegation accepted this generalization in so far as it implied that the groups were not directed to do what was not mandated by the Declaration, and understood on the other hand, that the Committee and its offspring should "elaborate and put into effect detailed trade negotiating plans and establish appropriate negotiating procedures including special procedures for the negotiations between developed and developing countries". In the view of his delegation the different groups must therefore work with a view, inter alia, to facilitating the elaboration by the Trade Negotiations Committee of special procedures for the negotiations between developed and developing countries, in every and each sector and it was their understanding that the language of the second paragraph of the introduction authorized them to so proceed. He recalled that his delegation had circulated a working paper at the first session of this Committee reflecting their preliminary views on the question of special procedures. Special procedures did not, and should in no way, imply that a separate body should be established for the negotiations between developed and developing countries, since the developing countries would take part in all areas of the negotiations at all

stages of the work. It was also the understanding of his delegation that all groups, and not only Groups 3(a) and 3(e), were free to entertain pertinent proposals for analytical and technical work related to the Generalized System of Preferences. Finally, while his delegation accepted, on a consensus basis, the headstart given to the four groups to be created now, the Brazilian Government did not attach lesser importance to the two remaining groups, now left in abeyance. In particular, the work of Group 3(d) might acquire added importance as the preparatory activities unfolded in the other areas.

3. The representative of Canada said that his Government understood that, based on the discussions during the development of the Work Programme, the Committee envisaged continuing the Work Programmes agreed by the CONTRACTING PARTIES in 1967 as they had developed to date. This included continuation of the work on quantitative restrictions and export subsidies as they related to agricultural products. Further, it would be recalled that the Agriculture Committee agreed to examine the applicability of a draft code on standards to agricultural products. His Government also attached great importance to continuation of the work on internal aids which distorted trade as had been specified in the terms of reference of Working Group One of the Committee on Trade in Industrial Products. It was with this understanding that Canada accepted the Chairman's proposal.

4. The representative of India drew the attention of the Committee to the provision in the draft programme of work that each group would be guided by the provisions of the Tokyo Declaration in so far as they related to developing countries. He said that four aspects of the preparatory work were of special concern to his delegation. In so far as tariffs were concerned his delegation would like to emphasize that the analytical and technical work must be related to the objective, to which all parties had subscribed, that the Generalized System of Preferences must be maintained and improved. The technical work would also have to include the compilation of a comprehensive list of all products of export interest to developing countries which were still subject to quantitative restrictions so that at a later stage consideration could be given to a programme for their liberalization. The work relating to other non-tariff barriers would also have to take into account the special needs of developing countries and the provisions of the Tokyo Declaration which called for differential measures and special and more favourable treatment to developing countries. Studies would have to be carried forward so as to enable consideration of ways and means of implementing these provisions of the Tokyo Declaration. His delegation had no doubt that the preparatory work on tropical products would have to take fully into account the needs of the developing countries and the relative provisions of the Tokyo Declaration.

5. The representative of Mexico said that the work that the Committee was initiating should always be guided by the principles of the Tokyo Declaration as they related to developing countries. He supported the points made by the representative of Brazil concerning, inter alia, the establishment of special procedures for negotiations between developed and developing countries and the need for technical and analytical work directed towards the maintenance and improvement of the Generalized System of Preferences. He said that all aspects

of the Declaration should be implemented at an appropriate time. Work should be undertaken as and when possible in order to take into account the positions and interpretations of all participants. He stressed the importance which his delegation attached to activating Groups 3(c) and (d), and to paragraphs 2, 5 and 9 of the Tokyo Declaration.

6. The representative of New Zealand said that his delegation could accept the draft programme as presented although there seemed to be a certain lack of balance between the treatment given to agricultural and industrial products respectively and there were some points which would be of considerable significance in the negotiations themselves which might have been better highlighted. However, for anyone familiar with the work which had been carried out in the GATT since the Kennedy Round all the key issues had been covered in the draft. It must be recognized that it was open for any participant to raise any matter it considered appropriate to the work of a particular group and for that group to act on the matter as it thought fit. He also said that his delegation would not wish the preparatory phase of the negotiations to cover the collection of data and its basic analysis in any sterile sense. Without wishing to indicate that the up-dating exercise would be straightforward, his delegation suggested that the time which would be involved in carrying out a mechanical up-dating exercise should not prevent the various sub-groups from moving quickly to a preliminary and technical analysis of the various elements which might be encompassed in the negotiations proper. He emphasized, however, that his delegation was not suggesting that work be undertaken which might in any way pre-judge what the content and outcome of the negotiations might be or to reproduce the kind of debate which had already taken place, for example, on techniques and modalities.

7. The representative of Australia said that his Government accepted the draft Work Programme now presented. In doing so it had taken note of the statement in the preamble that it was not a static programme, and understood that the provisions allowing for new items to be added was put into this draft programme in good faith. The Australian delegation also understood that the Programme already covered quantitative restrictions including import prohibitions on agricultural trade, and also export subsidies. It supported the study of the applicability of a draft code of standards to agricultural products and understood this also was already covered by the draft Work Programme. It understood also that the studies referred to in item 4 covered periods of low prices for agriculture as well as periods of high prices i.e. that it would cover troughs as well as peaks. It underlined that when the Trade Negotiations Committee spoke of the basis laid down by GATT, it referred to decisions taken in 1967, which was, in trade terms, in a different epoch from 1974, and that the Committee needed to be careful to ensure that its preliminary work, whether statistical or analytical or exploratory, was relevant to current conditions. Like others, Australia attached significance to as early a start as possible on the work on safeguards.

8. Many other representatives supported the adoption of the draft programme of work. Representatives of many developing countries supported points made by Brazil and India. In elaborating on certain points, some of these representatives

suggested that work relating to the Generalized System of Preferences should not be confined only to the question of tariffs and, as appropriate, certain aspects of this subject may need to be taken up in each of the working groups. Reference was also made to the need for stable, equitable and remunerative prices for primary commodities exported by developing countries. In this respect, it was suggested that this objective should be kept in mind in the analytical and statistical work to be undertaken. The representative of one developing country emphasized the importance of giving early attention to points 5, 6 and 7 of the Programme of Work relating to base dates, base rates, base period for the collection of statistics to be used in the negotiations and the unit of account for negotiating purposes.

9. The Chairman asked whether, account being taken of the comments made, the draft programme of work contained in MTN/W/3 could be adopted. The programme of work was adopted without amendment.¹

10. The representative of the European Economic Community said that, in order to avoid any ambiguity, he would like to inform the Committee of the EEC's position of agricultural problems. The Tokyo Declaration of Ministers stated, in paragraph 3(e), that the negotiations should aim to "include, as regards agriculture, an approach to negotiations which, while in line with the general objectives of the negotiations, should take account of the special characteristics and problems in this sector". This specificity of the agricultural sector was characterized by the general existence of support policies and by the instability of markets. It meant that an overall examination was required in this sector. This meant that in the framework of the structure of the groups established by the Trade Negotiations Committee there must be one body dealing with the problems relating to agricultural and food products as a whole at all stages of their processing (BTN Chapters 1-24), as already illustrated in the Work Programme which the Committee had just adopted. It is in this framework that the Community was prepared to work, on the basis of its global approach (conception d'ensemble) on the various elements relating to trade in agricultural products, whether in respect of tariff or non-tariff questions, including sanitary and phyto-sanitary regulations, and respecting existing policies of participating countries. The representative of the European Economic Community concluded by saying that of course, the Community did not intend to isolate the negotiations on agricultural products from the rest of the negotiations. In this connexion, in conformity with the positions it had taken and its undertakings, and in particular with the Tokyo Declaration of Ministers, the Community considered the multilateral negotiations to be a whole, "the various elements of which shall move forward together", and the reciprocity it was seeking would be judged on an overall basis.

¹Since issued as MTN/2.

11. The Chairman then said that the Committee had heard the statement by the EEC spokesman on agriculture. No doubt there might be varying appreciations in the Committee on this matter. Nevertheless, he did not think it would be useful to enter into a discussion thereon then. He thought rather that it would be in the interest of the Committee to set to work and to undertake this phase of its activities on the basis of the programme of work which was now accepted.

12. The representative of Argentina said that he did not wish to debate the statement of the representative of the European Economic Community but reserved the right to make a statement for the record.

Establishment of Groups

13. The Committee agreed to establish six Groups each dealing with one of the areas defined in paragraph 3 of the Tokyo Declaration, and each open to all members of the Trade Negotiations Committee which wished to take part in their work.

Chairmanship of Groups

14. After a short discussion, the Committee agreed that for the first meetings at least the secretariat should be asked to assume the Chairmanship of the Groups.

Dates of meetings

15. The Committee noted that the programme of Work provided for meetings of four Groups and agreed on the following programme of meetings:

Group 3(f)	18 February
Group 3(e)	25 February
Group 3(b)	4 March
Group 3(a)	11 March

16. It also decided that each Group would agree on its own programme of further meetings and that the Chairman of the Trade Negotiations Committee, and if necessary the Committee itself, should co-ordinate the meetings of the Group when the need arose.

Other matters

17. The representative of the Republic of Vietnam said that it was necessary to co-ordinate discussions on access and prices for agricultural products which were taking place in different fora and suggested that the Chairman should inform the other organizations concerned of what went on in the negotiations. The Chairman assured the Committee that information was regularly exchanged among the organizations concerned.

18. The representative of the Ivory Coast stressed the importance which his delegation attached to the special course on the multinational trade negotiations for senior officials from developing countries and asked if it would be possible to increase the number of participants in the course. The Chairman said that, in his capacity as Director-General, he would be pleased to examine any problems relating to the course with the representative of the Ivory Coast.

19. The Committee agreed that the text of the programme of work should be released to the press.