

MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND

RESTRICTED

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Trade Negotiations Committee

TRADE NEGOTIATIONS COMMITTEE

Twenty-Fifth Meeting: 19 January 1993

1. The Trade Negotiations Committee (TNC) held its twenty-fifth meeting at official level under the Chairmanship of Mr. Arthur Dunkel.
2. The Chairman said that before turning to the business of the day, certain housekeeping and organizational matters had to be brought to the Committee's notice.
3. First, on the participants' behalf, he welcomed the Czech Republic and the Slovak Republic, which had replaced the former Czech and Slovak Federal Republic as of 1 January 1993 and, in so doing, had become the one-hundred-and-tenth and one-hundred-and-eleventh participants in the Uruguay Round. He suggested that the Committee take note of the interim arrangements decided upon at the Forty-Eighth Session of the CONTRACTING PARTIES in December 1992 (SR.48/3) for the continued participation of the two Republics in the GATT, and agree that these arrangements also applied, mutatis mutandis, to the TNC.
4. The Trade Negotiations Committee so agreed.
5. Second, also on the participants' behalf, he welcomed Mali, which had become the one-hundred-and-fifth GATT contracting party on 11 January 1993 and the one-hundred-and-twelfth participant in the Uruguay Round.
6. Third, he drew attention to the document MTN.TNC/W/106 which informed the TNC that Minister Gros Espiell, whom the Committee had appointed to chair its meetings at Ministerial level, had left his ministerial post in Uruguay at the beginning of 1993 and was, therefore, no longer available to chair the Committee. He said that for him, and for most participants, Dr. Gros Espiell's absence would be greatly missed, both professionally and personally. The Committee would agree, therefore, to take this opportunity to place on record its appreciation for his contribution and dedication to the Round -- he recalled, in particular, Dr. Gros Espiell's tireless efforts at the Brussels Ministerial meeting in December 1990.
7. Dr. Gros Espiell's departure posed, however, an administrative question as well. In accordance with the Committee's past practice -- as was the case, for instance, when the latter had taken over from Minister Zerbino, or earlier when Minister Zerbino had succeeded Minister Iglesias -- he had been consulting participants in respect of the offer of the Government of Uruguay to make the Minister of Foreign Affairs, Mr. Sergio Enrique Abreu Bonilla, available for the post.

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8. As on previous occasions, he had felt a general welcome for Uruguay's offer both in terms of the smooth functioning of the Uruguay Round process in its final stages and in view of Minister Abreu's own excellent credentials for the job. He trusted the participants shared his perception of their views on this matter. If so, he would propose that the TNC decide that Minister Abreu would chair the Committee at ministerial level.

9. The Trade Negotiations Committee agreed that the Minister of Foreign Affairs of Uruguay, Mr. Sergio Enrique Abreu Bonilla, would chair the Trade Negotiations Committee at ministerial level.

10. The representative of Uruguay expressed his Authorities' gratitude to the Uruguay Round participants for having elected Minister Abreu as the Chairman of the Trade Negotiations Committee. He assured all present, as Chairman had just done, that Minister Abreu would contribute both his ability and his determination commensurate with that of his predecessors to the benefit of the Round. Separately, his delegation would convey to Dr. Gros Espiell the kind words which the Chairman had expressed in regard to the latter's contribution to the TNC.

11. The Chairman recalled that the meetings of the Trade Negotiations Committee in December 1992 and in January 1993 had originally been announced together in GATT/AIR/3383 of 17 December 1992 -- the latter meeting having been rescheduled by GATT/AIR/3387 of 13 January 1993. In both cases the purpose had been to assess the overall progress in the Uruguay Round negotiations and to take stock. Members knew full well that the Trade Negotiations Committee remained on call. There was also a shared understanding that it would meet as frequently as needed, and even at short notice. He knew he had their cooperation and support.

12. The Uruguay Round was poised for conclusion. If one wanted quick success, the approach would have to be result-oriented and the procedures flexible. On the other hand, however, in the haste for success, one could not afford to forget the central principles of transparency and multilateralism. As he had said so often before, these principles meant that there would be no "fait accompli" for any participant, and also that nothing could be considered accepted until everything was agreed. The formal negotiating structures set up for this Round by the Punta del Este Declaration -- the Trade Negotiations Committee, the Group of Negotiations on Goods and the Group of Negotiations on Services -- would be playing their respective rôles in this regard in the critical period ahead.

13. As to the present meeting's main task -- taking stock of where one stood in the Uruguay Round negotiating process -- he wanted to make a number of very specific comments and remarks in this context. No-one would be surprised by this; indeed, he felt that in giving the participants his assessment he was only discharging his responsibility to this Committee as its Chairman.

14. It was in this constructive spirit that he was making his comments. His aim was to guide the process forward not by pointing fingers but by pointing to tasks which had to be collectively undertaken by each and every

one of the participants as negotiators. Again, it was not his rôle to be positive or negative, but to put the facts before them as he saw those facts -- objectively and accurately -- to help them see this Round realistically. One was critically short of time. To succeed, one had to conclude now or run the risk of drifting into the sands. No-one could afford a situation in which the best became the enemy of the good.

15. First of all, as all knew, there had been intensive work -- and some progress -- in the weeks since the Committee had met in December 1992. This work had sought to tackle blockages facing the negotiations on all fronts and in all areas. This was basically because of the widely-shared perception that in this delicate concluding phase, all elements of the negotiations had to move together to ensure a global and well-balanced package of results.

16. On market access in the industrial and agricultural sectors, negotiations had taken place bilaterally, plurilaterally and multilaterally under the supervision of the chairman of Track One, Mr. Germain Denis.

17. Similarly, under Track Two, negotiations had been conducted on initial commitments in services under the supervision of Mr. David Hawes. In the area of services, negotiators had also been focusing on remaining technical work in the framework text.

18. As for his own efforts, it was no secret that he had held intensive bilateral, plurilateral and multilateral consultations with a view to forming a clearer picture of the political status of the Draft Final Act with governments participating in these negotiations.

19. He had to, immediately, make some things clear to all. His process had not been one of negotiations or trade-offs but rather one of making national positions more precise and better understood amongst the negotiators. For this same reason, the consultations could not be regarded as replacing or substituting Track Four whose rule remained unchanged -- namely, that changes of the Draft Final Act (DFA) could only be made now by consensus. In a word, therefore, his process was nothing more and nothing less than a series of soundings with a view to completing comprehensive political reading and review of the DFA. In this sense, it had proved immensely useful.

20. He thought one could draw some very specific conclusions from the experience. There were also some important lessons for the future:

- (i) There continued to be overwhelming commitment to the Round as well as a strong desire to conclude it now. Indeed, he saw growing fears that a long delay would cause a dangerous loss of momentum -- in fact a negotiating vacuum, in which even the existing multilateral trading system could be put at risk. This mood was shared by developed and developing countries, including the least-developed among them. It was shared by countries in transition to the market economy system. Coupled with this, there was growing frustration that the largest

trading entities which had benefited most from the system, had not so far, for various reasons, provided the leadership for the end game.

- (ii) The January process had also confirmed that from there on, globality and parallelism were vital for success. He recalled that these two concepts had formed the core of his message to the participants in December. All remaining issues in all areas now required political decision-making. In this sense, the differences between Tracks One, Two and Four had blurred to the point of merger. All fronts had to move together. To succeed, therefore, negotiators had to use interlinkages to encourage deal-making and trade-offs rather than to create "log-jams".
- (iii) Important political decisions remained to be taken by each and every participant, and these were known. The work done in January had enabled negotiators to clearly identify the handful of key issues that needed to be resolved. It was also possible now for them to separate issues which could possibly be accommodated within the overall existing balance of rights and obligations of the DFA, and those which would be such substantive departures as to lead to counter-proposals and, therefore, to the unravelling of the DFA.
- (iv) The vast majority of participants seemed willing to live with the DFA document in its present form, in the interest of a quick conclusion -- and this, despite the pain it might cause them in specific areas. Put another way, the work in January had underscored a fact that one had known for some time -- the DFA remained the only available basis for a quick and balanced conclusion of the Uruguay Round.

21. To sum up, the Uruguay Round could, and had to be, concluded quickly. The negotiating structures were in place, and on call, and it was his intention not to keep them idle. Things would move rapidly in Geneva once the immediately needed political decisions had been taken on the few remaining issues. Conversely, without these decisions, or if there was an uncontrolled unravelling of the DFA document, a quick and balanced conclusion of these negotiations would be difficult, if not impossible. The choice had never been clearer for the participants' governments or for the negotiators.

22. The representative of the European Communities, referring to the Chairman's invitation to participants to come to the present meeting to take stock of the on-going negotiations, recalled that, as his delegation had stated at the 18 December 1992 meeting, its instructions were that what could not be achieved before the end of 1992 should be completed during the early weeks of 1993. His delegation continued to be bound by this, and had tried hard from the very first days of 1993 to counter the prevailing atmosphere of scepticism in order to get the negotiations moving again. The Community's analysis at the beginning of January was that it could

reasonably be expected to approach the end of the negotiations on the conditions that a substantial package in the market-access negotiations was achieved and that, aside from the known difficulties in agriculture and some other sectors, the changes in the Draft Final Act were kept to a minimum.

23. The Community had engaged in an intensive process of testing the ability of its partners to converge on negotiated solutions: bilaterally, plurilaterally and multilaterally. While the hoped for results had not been achieved, substantial progress had been made, if only because the one-track approach that had kept all in breach of their common commitment to globality had finally been abandoned. Discussions had finally started on other issues than agriculture, and it was true that in doing so the suspicion had been confirmed that more difficulties had been tactically kept under the table, which had not only unbalanced the previous discussions, but had probably led to the loss of a substantial amount of time.

24. No useful purpose would be served now by engaging in a finger-pointing exercise. All participants had had their stronger and weaker moments in the course of the negotiations, and each had its particular difficulties with the DFA. For its part, the Community had had a major problem over tariffication without exception in respect of bananas, 80 per cent of its domestic consumption of which was imported. The Community had confronted that problem, however painful the decision, because it had had to deal with a conflict between two important international commitments. Others could not avoid taking similarly difficult decisions. For the moment the "log-jam" had to be broken in market access on important questions relating to coverage in the services negotiations, and on certain key matters on the DFA itself, particularly the institutional questions.

25. The Community remained convinced that the Round would, in the end, succeed or fail over the willingness of all to abide exclusively by the multilateral process. He stressed the Community's enduring commitment to the rapid and successful conclusion of the Round within its present parameters. He hoped, and the Chairman had confirmed it, that this was the common desire of all delegations at the present meeting. He hoped too that a signal would go out along these lines to the new US Administration, and that it would be recognized that this was the best service to be rendered to the world economy and to the welfare of each country individually.

26. In conclusion, without wishing to set new deadlines, the Chairman might envisage a process of periodic informal stock-taking meetings of the Committee, like the present one.

27. The representative of Chile, on behalf of the Latin American and Caribbean countries, said that while they generally shared the Chairman's assessment of the present situation, they would highlight three aspects in particular. First, they continued to believe that a conclusion of the Round was possible at present, even within the United States' current "fast-track" negotiating authority which would expire on 1 March. In order to achieve this, the basic condition was the present DFA had to be accepted

with minimum changes, together with the commitments entered into in Punta del Este and in Montreal at the Mid-Term Review with regard to market access and bindings. The experience over the past few months had confirmed this belief which had also been reached by former coordinators of the Latin American Group.

28. As all knew, the submission by two participants of a single proposal for amendment some four weeks earlier had prompted nine others to submit twenty-three additional amendments, albeit informal ones, on eleven different subjects. However, if the Round were to be concluded as rapidly as possible, one could not renegotiate all issues. While it was only legitimate that some wished to introduce new items or even put new emphasis on existing ones, this could only be carried out in a new round of negotiations in the future, but only if the present Round was concluded successfully. He noted that even with clear instructions from their governments to conclude this Round, it had taken the participants six years to reach the present state of affairs where they were close to that goal. They should not delude themselves that it would be in any way easy or quick to obtain a new mandate if the present Round could not be concluded.

29. The Latin American and Caribbean countries emphasized the need for concentrating both time and effort on the negotiations relating to market access. Various legislative adjustments would be facilitated if they were accompanied by prospects of greater access to markets. On the contrary, they were very discouraged by the results achieved thus far, since the benefits expected had been very limited in the whole of this agreement. In this regard, measures aimed at opening markets which did not abide by the DFA, or which were applied unilaterally or in a way inconsistent with the commitments undertaken in Punta del Este, as might occur with certain agricultural products for example, constituted a tremendous obstacle to the conclusion of the Round.

30. In the areas of market access, both for agricultural and industrial products, and of commitments in services, the Latin American and Caribbean countries called on their trading partners, in particular the main ones, to show the utmost responsibility. Developing countries could not bring experts from capitals for meetings which were either not held or at which well-known positions were reiterated. This represented an excessively high cost for these countries' limited budgets, and undermined their negotiators' credibility in the eyes of their governments which in turn made their task more difficult.

31. While one was not going through an insurmountable crisis, one was not close to the goal of a successful conclusion to the Round. For some, the present period of transition in the US Government might constitute a pause, an intermission. However, the pause should not be too long because one might lose momentum. Nor should this be the moment to carry out an extensive examination of the possibility of changing the route to the final goal, which might set all back.

32. This was not rhetoric, since nearly all the Latin American and Caribbean countries had been opening their markets to trade in anticipation

of the expected results of the Uruguay Round. However, they had recently seen a lull in the negotiations which had no reason to continue. In any case, if there was to be a pause, all should ensure that it be as brief as possible, and that the best possible use be made of it. This period should be used to reflect on how each participant could realistically contribute to the successful conclusion of the Round, bearing in mind recent negotiating experiences, and whether one could accept the basic provisions in the DFA with the minimum of change. A lot would be lost if this pause continued for too long, and all had to use the basis at hand to reach the goal they had set themselves, and leave to the future the tackling of more ambitious goals.

33. The representative of Colombia associated his delegation fully with Chile's statement on behalf of the Latin American and Caribbean countries. When the Chairman had presented the text of the DFA a year earlier, his delegation had considered that it would be neither constructive nor realistic to attempt an assessment of the Uruguay Round pending the work on market-access negotiations. A new year was now commencing -- the seventh in these negotiations -- still without the elements to undertake such an assessment, and with the participants disturbingly divided. On the one hand, there were those that believed it was absurd to disturb the precarious underlying balance in the DFA, and on the other, those that had decided unilaterally to introduce modifications or those that had proposed to re-open, or to add new modifications to the text. Colombia had responded to the demands made by all participants to make progress on the market-access negotiations. Earlier in the year, it had tabled a generous and broad-based offer with respect to its market, in the context of significant liberalization measures which it had already adopted autonomously. Now, twelve months later, it had come to the present meeting with expectations and frustrations as regards the future of the DFA, with a feeling conditioned by actions that threatened to kill an exercise that had only just started, i.e., multilateral negotiations on market access which could not be seen in any other context than equity and mutual advantage.

34. Colombia voiced its indignation that a negotiation among 112 participants was at the mercy of two that seemed to follow their own interests to the detriment of others'. Given such actions, it would be very difficult for Colombia not to object to the results of the Round and to the consensus, if the Community did not honour the undertakings to which it had agreed throughout the process and which had been seriously affected with regard to the issue of banana imports. He recalled that on 17 December 1992, the Community's Council of Agriculture Ministers had agreed to establish a common market organization for bananas, as of July 1993, which would include new tariff and non-tariff barriers in contradiction to the terms of the DFA text on agriculture, and in violation of the principles agreed to in Punta del Este, particularly those of standstill and rollback, and of the Montreal agreement on tropical products. It also constituted a unilateral, unique and absurd interpretation of the liberalization modalities provided for in the DFA. If this scheme were to succeed, it would constitute a serious precedent for the implementation of agreements so arduously and collectively achieved, and would endanger the successful conclusion of the Round. Colombia emphatically rejected the

premature utilization of the proposals contained in the DFA for protectionist and restrictive ends. Statistics for 1992 showed that if the position taken by the Community on 17 December 1992 materialized through the tariff quotas and the equivalent tariffs estimated at 225 per cent, there would be a 30 per cent drop in Latin American banana exports to the Community.

35. The negotiations on market access in the Round had to be reinitiated and the work had to be organized in a way which took into consideration the fact that the obligations would be incumbent on all. Colombia could not agree to the Round continuing in a bilateral framework for a select group of participants, or with restricted membership. If one did not take part in the consultations, how could one share in the results? Colombia did not want to hide its concern that one might be moving in a wrong direction, which, far from bringing the participants closer to a free-trade world, could conversely lead them down the path of trade restrictions, protectionism and diminishing trade flows -- all of which would undermine the efforts made by the international community in the already delayed Uruguay Round exercise.

36. The representative of Costa Rica endorsed Chile's statement on behalf of the Latin American and Caribbean countries. Costa Rica's position on the Uruguay Round negotiations was well-known. Its action had been a reflection of a commitment to a process the results of which should have a positive and global influence on the difficult situation of the world economy. It had undertaken far-reaching liberalization commitments trusting that a similar position would be taken by its trading partners which would enable a satisfactory conclusion of the Round with global and balanced results.

37. At the TNC meeting on 26 November 1992, Costa Rica had believed, with renewed optimism, in a true re-activation of substantive negotiations in Geneva, aimed at a prompt conclusion of the Round. It had, however, to express now its deep disappointment at the scarce results in the negotiations. On several occasions it had indicated its firm determination to join its efforts with others for the successful conclusion of the Round on the basis of the DFA as the instrument which had elaborated on the commitments undertaken in the Ministerial Declarations of Punta del Este and Montreal. It had therefore supported the DFA and was disturbed to see that at this stage of the negotiation there were proposals which could jeopardize the delicate balance in that text.

38. In addition to the DFA, Costa Rica had referred to the Declarations in Punta del Este and Montreal because it considered that these were three documents which could not be taken separately. On several occasions Costa Rica had indicated that it was necessary for a Final Act to be accompanied by satisfactory results in market access. On this point, he reiterated his Government's deep concern at the limited results and, in some cases, the clear slippage that had been seen in this area in the previous weeks. As had been indicated by a number of delegations on many occasions, the offers of the major trading partners continued to be unsatisfactory, and in some cases incomplete.

39. Referring to the recent approval by the Community's Council of Agriculture Ministers of a new import régime for bananas, he said that this had caused deep concern to his country and others, and had added a very dangerous element to the already serious difficulties that had been faced in the past towards a satisfactory conclusion of the Round. It was of serious concern that the Community could claim to use the methodology of the DFA text on agriculture to impose highly restrictive, and clearly regressive, measures against banana imports from Latin America. The import régime recently adopted by the Community was clearly incompatible with the standstill and rollback commitments undertaken at Punta del Este, and with the commitments on tropical products undertaken in Montreal. It was therefore unacceptable to try to hide behind the DFA any measures which were clearly protectionist and restrictive. Costa Rica had regarded the Uruguay Round as an opportunity to promote sustainable growth through liberalization on the basis of clearly agreed commitments. Its efforts now however were not balanced due to the Community's non-compliance with commitments concerning market access for Costa Rica's main export product. As a result, Costa Rica would not be able to endorse a final agreement in the Uruguay Round which did not contain a result in market access for bananas that respected the commitments undertaken in Punta del Este and Montreal. Costa Rica reiterated its willingness to continue to contribute toward a global and valid outcome of the Round, and urged the Community to respect the objectives and principles thereof. On the other hand, Costa Rica saw further difficulties in the path of the negotiations which would, in the final analysis, cause serious and irreparable damage to the credibility of the multilateral trading system.

40. The representative of Argentina said that the experience of the past few months had confirmed Argentina's concern that the lack of discipline and respect for multilateral trade rules had brought participants on the verge of provoking a war of reprisal that could have a negative effect on their trade relations. This was taking place at a time when some forecasts -- now considered optimistic -- indicated that the countries which represented close to 86 per cent of the gross national product of the OECD would be expected to see a growth rate this year of only 2 per cent. The fact was that unemployment and industrial redeployment were having a strong impact on some of the main GATT partners, and the general outlook for economic growth was modest or non-existent.

41. Nobody could ignore that this scenario most affected developing countries. Rather than seeing the approval of measures and agreements that would create better opportunities for the solution of their problems, they were forced to make greater sacrifices themselves in order to overcome the new obstacles to trade and economic expansion. Despite all this, they showed seriousness and responsibility by making costly adjustments in their economies, including adoption of policies that involved drastic rethinking of the rôle of the State, control over inflation, and administration of the growth process through free trade. It was not logical, nor would it be responsible or serious, that in this scenario every effort to conclude the Round was being frustrated.

42. He recalled that since the end of 1990, the Chairman had proposed -- and Argentina had supported -- a whole series of negotiating fora and work programmes with a view to reaching a sensible conclusion which would be in compliance with the objectives of the Round. An ambitious text had been negotiated, a text which was necessary to face the economic and social reality over the coming years. The DFA had been the result of lengthy, detailed and complex negotiations seeking a delicate balance between national, very often divergent, interests. It was not an invention based on abstract concepts, nor the fruit of intellectual fiction, but the result of agreements reached through these negotiations. The developing countries, and Argentina in particular, had indicated that this draft was not the best solution, but rather a possible response to the challenge which one was facing. They had stated their willingness to support it without reservation, so as to begin to dismantle the wall of protectionism which implied fewer opportunities, more unemployment, trade wars and lack of protection for those like Argentina, which could only compete through prices and did not participate in the well-known war of treasuries used to finance enormous subsidies in contradiction with the disciplines of international trade that one was promoting for GATT.

43. In the circumstances, the presentation of proposed amendments other than those linked to the topics which had remained pending when the DFA had been prepared, which were aimed at replacing the texts resulting from more than six years of negotiations, was taking the Round towards failure, with the economic and social cost that this would imply for all participants. Argentina believed it was possible to make a final effort towards flexibility, but that this had to reflect the methodology which had been approved. Argentina was willing to consider new proposed texts coming from interested participants who could prove that these texts had been given a broad degree of support to merit the reopening of the DFA. To this end, these proposals had to be clearly defined indicating which participants supported them. Otherwise the DFA should be approved and work concluded on the texts still pending as a clear signal that this was the will of the majority of the participants.

44. If the Round failed, or if the period of negotiations was substantially extended, the basis for future negotiations would no longer be the DFA. With any attempt to revert to positions that had already been discussed and which were not sufficient as the basis for reaching agreements, negotiations would have to begin back at square one. Close to a decade of opportunities for economic growth would be lost and all would undoubtedly go back to initial positions or even others that might be less acceptable for the achievement of a global and balanced agreement.

45. He wondered whether this was the scenario that some participants -- who through their reservations and lack of decisiveness had only contributed towards the situation of stagnation in the Round -- wished to see. Argentina had indicated on repeated occasions that without a clear view of the importance of international cooperation for long-term growth, and without a decision to tackle interest groups which were sheltering behind protectionism, discrimination and distortion of trade relations, there would be no possible outcome. The alternative to the strength of the

multilateral system, which had been the source of inspiration for the objectives defining the Uruguay Round, would be stagnation and depression. For all these reasons, Argentina appealed for reflection and for a timely response by the participants that had the main responsibility in this decisive stage of the negotiations.

46. The representative of Venezuela said that his delegation, too, endorsed Chile's statement on behalf of the Latin American and Caribbean countries, which had summed up the concerns and expectations of the region. Venezuela reiterated its firm intention to contribute to the achievement of the goals established in Punta del Este and Montreal. It was obvious that prospects for the international economy in the coming years, characterized by slow growth of production and world trade, made it all the more urgent not to delay any further the adoption and implementation, as rapidly as possible, of the DFA, which, even if it met only partially its individual ambitions, nonetheless reflected a realistic ambition which could relaunch economic growth on a firmer basis to the benefit of all participants in these negotiations.

47. Venezuela had stood by the commitment concerning self-restraint in the submission of proposals with respect to the existing DFA, and had given firm support to the suggestion that changes which might be introduced through Track Four should be limited as far as possible. For this reason, Venezuela was concerned to see the requests made by the major participants both with regard to institutions as well as to rule-making, when one was still not even clear on the overall profile of offers to be made in market access.

48. His delegation, like many others, was therefore faced with a dual difficulty. On the one hand, although it could understand the underlying intention of these changes, it had not been either formally or informally made aware of the scope or general direction thereof. It could therefore only speak of those proposals once they became a non-negotiable element of the final package. On the other hand, and even more seriously, the signal sent by the major trading partners as regards their liberalization measures on products that were of potential importance for his and other countries' economies was that they might see their situation deteriorate even further than at present. This latter was the case for tropical products, although it was unfortunately not limited to those products. A Uruguay Round which would conclude without achieving the greatest possible liberalization of such products would be impossible for many governments to explain.

49. It did not seem acceptable, for example, that in the case of bananas the already limited opportunities to export to the Community, as well as the present GATT-inconsistent régimes in some of the member States, were to be transformed into greater restrictions on the product and given greater legitimacy at the conclusion of the Round than they had today. Moreover, this principle risked being extended to all agricultural products, natural resource-based products, fisheries, and textiles and clothing.

50. Venezuela hoped that these concerns would be taken into consideration in a positive manner by the transitional negotiating teams both in the

United States and the Community. At the same time, it reiterated its determination to contribute unequivocally to the rapid conclusion of the negotiations, restating once again its hope that the result would reflect fully and fairly its interests.

51. The representative of Norway, on behalf of the Nordic countries, said that it had unfortunately become clear that there still remained some distance to be covered before the round could be concluded. Progress had been made, as had been pointed out, but not sufficiently enough. The Nordic countries remained convinced that a good package was within reach and that the DFA continued to be the only realistic basis for finishing the Round on time. They had said in December that, all things considered, the DFA was the best deal one could get in a very long time, and that changes had to be kept to a minimum. Indeed, changing several parts of the text would mean striking an entirely new balance. That would not only be extremely difficult but also time-consuming, and that time was not available. The Nordic countries strongly believed that the opportunity of concluding the Round in the weeks ahead had to be seized. It had been restated time and again that a successful and rapid conclusion of the Round would be the most positive and encouraging signal for reviving the global economy. Such a signal was needed more than ever. The Nordic countries therefore fervently hoped that the major participants would assume the responsibility to enable the negotiations to end. The potential economic gain should not be lost. The quality of the package which was within reach would represent a quantum leap in modernizing the multilateral trading system. For the first time, one saw the outline of a system which would be near-global in its approach, create rights and obligations in a multitude of new areas, and expand contractual relations between almost all trading nations in the world.

52. With regard to those that might want to address yet further issues in the Round, he said that all surely shared the view that such further issues needed to be tackled, but not at present. With the Uruguay Round concluded one would have built a new stepping stone from which to continue to expand the trading system. Sometimes one got the impression that this was easily forgotten. The Uruguay Round would not be the end of trade negotiations, but rather another crucial phase in the constant effort to keep the multilateral trading system in tune with the development of international economic relations. The Nordic countries were committed to a rapid conclusion of the Round because they believed it could be done. However, for that to happen it was quite evident that all participants -- and not least the majors -- needed to come very quickly back to the negotiating table with fresh instructions and the authority to strike the necessary deals.

53. The representative of Peru fully endorsed the statement by Chile on behalf of the Latin American and Caribbean countries. Nevertheless, he wanted to refer to an aspect of particular interest not only to his country, but to many small delegations represented in the room, namely, the method of presentation and discussion of the various initiatives aimed at modifying the DFA which had been seen over the past few weeks. Peru clearly understood that it would be impossible to work with the necessary

smoothness in the exploration of positions if all the participants in the Round were to be present in the discussion of each and every topic. However, at critical times such as this, a limited participation in the analysis of positions could also be counter-productive because it generated doubts regarding the adequate reflection of national interests of participants which had not been involved in such consultations. Furthermore, a lack of information could undermine the political will to support work for the conclusion of the Round on the basis of the DFA. Countries such as his had expressed this will for more than a year now. In order to avoid such doubts, his delegation proposed that this meeting decide that in the future stages of the Round, beginning now, the Secretariat distribute immediately to all participants the proposals which had officially or unofficially been made known to it. These proposals would be distributed in the same format as received by the Secretariat. An informal, exploratory proposal, should be distributed only identifying the origin and the date of presentation. On the other hand, an official proposal should be distributed in the usual Uruguay Round series of documents in the three official languages of the GATT. He hoped that this proposal would be taken in a constructive spirit of transparency and with a view to facilitating the negotiating process.

54. The representative of Jamaica supported the statement made by Chile on behalf of the Latin American and Caribbean countries, and reiterated Jamaica's commitment to an early and successful conclusion of the Uruguay Round. Jamaica believed that the results of the Round should address the interests of all participants in a balanced and equitable manner, and should ensure that the special concerns of developing countries were adequately covered. The DFA should remain the basis of any future negotiations leading to the conclusion of the Round, and Jamaica accepted that in the ensuing period, opportunity would be provided for its concerns relating to certain aspects of the DFA to be taken into account in any proposed changes to be made to the negotiating package. Jamaica was concerned at the lack of transparency in the procedures adopted during the past two weeks, which increased its fears -- expressed also by other developing country participants -- at the possibility of being presented with a "fait accompli".

55. Her delegation felt compelled to raise a specific issue of vital importance to Jamaica as well as to many other developing countries, both within the African, Caribbean and Pacific Group and in Latin America, namely the Community's banana import régime. This was a very sensitive problem, and Jamaica hoped that a mutually-satisfactory solution advantageous to all parties involved could be achieved. Jamaica re-emphasized the virtually exclusive dependence on trade in bananas of the economies of most ACP countries. In some ACP countries, as much as 80 per cent of foreign-exchange earnings were derived from this product, and at least 50 per cent of the population was either directly or indirectly dependent on the banana trade. In addition, Jamaica wished to remind all participants of the Community's contractual obligations to the ACP countries through the Lomé Convention, and of its Government's expectation that this obligation would be honoured within the framework of the Uruguay Round negotiations.

56. Jamaica welcomed the Chairman's assurance that certain issues of great importance to it would be discussed with those parties that had expressed an interest in these particular areas, and assured him of her delegation's cooperation in working toward a balanced and successful outcome of the negotiations.

57. The representative of Guatemala supported the statement made by Chile on behalf of the Latin American and Caribbean countries. Guatemala shared the deep concern at the threat looming over the Uruguay Round. One now faced a very concrete case of how the methodology of the DFA text on agriculture could be distorted; insofar as tariffication was distorted, one would then see that the Round would be doomed to failure. What had happened in the case of bananas could also happen in the case of other products. The objective in the agriculture negotiations, inter alia, was to ensure access and Guatemala had believed tariffication to be an adequate means to achieve that; its experience, however, had shown this not to be the case. Tariffication had been used to cover an illegal system of quotas with illegal tariffs and import licensing. The Community's decision had violated the principles and aims underlying the negotiations and had caused frustration to those that had trusted the multilateral trading system. Guatemala wondered what had happened to the standstill commitment, and to the commitment toward full liberalization of trade in tropical products. Time was still available. The Community had to comply with the multilateral obligations it had assumed *vis-à-vis* all, and not just some, developing countries, in granting or agreeing to reforms which would liberalize access for products of particular interest to them. Otherwise, any possibilities of a successful conclusion of the Round would disappear -- a possibility that Guatemala did not wish to see happen.

58. The representative of Malaysia, on behalf of the ASEAN contracting parties, expressed disappointment and concern over the inability to reach a political conclusion to the Round, despite the much-awaited unblocking of the impasse in agriculture. They did not intend to list the reasons therefor, since the parties concerned were certainly fully aware of the events that had led to this state of affairs. The ASEAN contracting parties fully supported the Chairman's assessment of the situation and shared his sentiments as regards the future of the Round. They hoped that the process of negotiations would continue with a greater sense of urgency. They remained committed and wanted to be constructive. While they recognized that the negotiations had taken a long time and that there were changing circumstances, they emphasized that it was crucial and important that further negotiations be carried out on the basis of the DFA. In this connection, the ASEAN contracting parties urged all participants to exercise utmost restraint, lest the Round failed. While almost all the ingredients to conclude the Round were at hand, there still remained one key ingredient which rested with the individual participants, namely, the much needed political impetus to achieve the target that had been set. The ASEAN contracting parties once again called on all participants, in particular the major players, to exert the necessary effort needed to conclude the negotiations now on the basis of the Punta del Este mandate and the DFA.

59. The representative of Austria said that a breakthrough in market access negotiations in some areas had not been achieved thus far. The past few weeks had brought progress and had enabled participants to have a clearer picture of the few, still open, major issues in the Uruguay Round. All participants, in particular the major ones, should continue negotiations as quickly as possible in order to preserve the momentum gained thus far and in order not to lose time by reorganizing negotiating teams. Fully authorized delegations should continue negotiations with a view to concluding them as early as possible, and within existing powers. The DFA should remain the basis for the negotiations, and changes thereto should be kept to an absolute minimum. A quick conclusion of the Uruguay Round was in the interests of all participants, and would be beneficial to all by providing the urgently needed stimulation to the global economy. Austria was ready to contribute its share to the final package.

60. The representative of Tanzania fully endorsed the position already conveyed to the Chairman by Bangladesh on behalf of the least-developed countries. These countries hoped that, in keeping with the letter and spirit of the Punta del Este Declaration, their position conveyed to the Chairman in a written communication of 14 January 1993 would be treated solemnly and constructively to enable them to feel that they had not been participating in the Uruguay Round under duress. Elaborating on some of the points conveyed in that communication, he said it was relevant to give recognition to the rationale for substantially increased resource assistance in the context of the net food-importing countries, as global prices rose as a direct consequence of improved market access among the industrialized food producers. The local funds released by the sale of such essential imports had to be earmarked to increase vocational training and to obtain the necessary tools to be used for production by such trained primary school-leavers, who could not be provided with secondary school training. By themselves such local counterpart funds would be wholly inadequate. No structural adjustment was going to be durable without building up an increasing number of such trained youth.

61. On textiles and clothing, representing almost the lowest rung of the ladder of secondary industrialization, to place any restriction on sales when the market was ready to accept such products, was to put effective barriers on the struggle to escape from the bondage of reliance on primary commodities, which had experienced a sustained secular fall in purchasing power over the past twenty years or more. Their countries needed to be given convincing reasons why such a handicap was imposed on them by severing full market access over a whole decade, and perhaps even more. This militated against repeated advice by the IMF and the World Bank, in the context of taking structural adjustment programmes.

62. On TRIMs, it was pertinent to observe that the IMF and the World Bank had succeeded in getting some sixty-odd countries to legislate their respective investment, but legislation was only a piece of paper. Their countries needed to build up national negotiating capacity to deal with specific investment proposals. They had been given no convincing argument why they should be allowed to claim that by mere legislation, with the task of deploying trained human resources still pending, they had overnight

created economic space to be able to make initial commitments. How could these countries respond multilaterally when their capacity for concluding bilateral deals of positive economic value to them remained at an incipient stage? They would have to stimulate their own local entrepreneurs to participate in the achievement of the aims of the investment code on a case-by-case basis. And for this, as the most industrialized nations knew only too well, a regulatory mechanism would have to be put in place if they were not to suffer negative capital movements.

63. Precisely the same arguments were valid in respect of trade in services, especially in financial services. The least-developed countries were trying hard to build their internal capacity and for that they needed linkages with more sectors than they had been able to do so far, each with its own specific resource and management requirement.

64. On TRIPs, Tanzania had put in place its own patent law with the help of the WIPO. But, as that Organization would vouch, the regulatory mechanism was still not in place. Tanzania's resources were acutely limited, and first things had to come first. So, in these areas, to expect Tanzania and other least-developed countries to make initial commitments was to place the cart before the horse.

65. On the MTO, one knew even less each passing day. The least-developed country delegations felt they were not competent to advise their principals at home; they could only confuse or mislead them.

66. Finally, the least-developed countries had wished to place on record that not once in the course of the negotiations in the past six years or more had there been any indication of how the Punta del Este objective of contributing to efforts to improve the functioning of the international monetary system, and the flow of financial resources to developing countries, was to be negotiated. One had had the trade-related intellectual property concept, as well as that of trade-related investment measures. The concerns had been placed on the table, sometimes with unbelievable demands about what not to require the foreign investor to do, even if at the heart of it was the very core of the process of internalization of technology and use of their own available inputs. There had not even been a remote reference to trade-related interest-rate policy, or trade-related exchange-rate policy, or the impact of indebtedness on trade, let alone proposals on international monetary and financial reform.

67. He appealed to other participants to try and understand the situation of the grossly-underdeveloped economies and to take into account the fact that, over the past two decades, they had slipped backwards. Surely they did not need to be pressed to make commitments, besides their present obligations under the GATT, other than that they would try to do their utmost to mobilize their own internal resources, in bilateral cooperation with those ready and willing to do so, by means of selective private investments across the board in social as well as in economic sectors. In conclusion, the least-developed countries fully endorsed the Chairman's oft-repeated concern for the implications of a failure of the Round.

68. The Chairman acknowledged receipt of the communication to which Tanzania had referred, and informed participants that it would be issued in the three official languages the following day under the symbol MTN.TNC/W/107.

69. The representative of Bangladesh, on behalf of the least-developed countries, said that they were interested in an early conclusion of the Round, and were prepared to negotiate. They were in contact with other delegations and were looking for a balanced outcome of the Round. In this context, he pointed out that the commitments made towards the least-developed countries in Punta del Este had not been properly reflected in the DFA. As had been indicated by Tanzania, and the Chairman, these countries had recently addressed a letter to the Chairman reiterating their concerns, which he would not repeat. It was his hope that these concerns would be taken into account in finalizing the Uruguay Round package.

70. The representative of Egypt said that many participants had been awaiting a briefing such as the one provided by the Chairman, because they had unfortunately not been fully informed of the consultations that had taken place in the past few weeks. Egypt sought greater transparency and multilateralism in the negotiations, because the outcome of the ongoing consultations would affect directly the interests of the developing countries, and have far-reaching consequences on their economic and social development, in particular in the African countries. Against this background, Egypt looked forward to participating fully in the decision-making process. It had noted the Chairman's assurance that there would be no "fait accompli". This should not be forgotten. Egypt was entitled to be an integral part of the ongoing consultations, with a view to enabling it to evaluate progress on a regular basis. It reiterated its commitment to end the Round successfully, provided the outcome took into account its interests. Egypt would attempt to accommodate others' interests as far as possible, and believed that a Uruguay Round outcome should not only preserve the interests of the major trading partners, but also those of the smaller ones.

71. As coordinator of the African Group of countries, Egypt had presented on their behalf some amendments to the DFA, and had indicated their willingness to engage in consultations thereon with other interested trading partners. As the Uruguay Round clearly affected the interests of every participant, Egypt would seek, through the Chairman, to embark on these consultations in order to take on board all the views and proposals made, in an attempt to accommodate all of them with the aim of reaching a balanced outcome on the basis of the Punta del Este Declaration.

72. The representative of Uruguay fully subscribed to the statement by Chile on behalf of the Group of Latin American and Caribbean countries, and shared the Chairman's assessment of the present situation in the Round. The Round had to complete the mandate agreed upon in Punta del Este. The work now had to aim at achieving the goals in the Punta del Este and Montreal Declarations, and to strictly follow the modalities stemming from the commitments which all had agreed to in those Declarations. The Round had made sufficient progress to enable it to conclude in the near future.

It was a collective duty to ensure this result, and even more so because prospects for the world economy depended on a positive signal which only a successful conclusion of the Round would provide.

73. He recalled that in December 1991, Uruguay had indicated its acceptance of the DFA as a basis for the continuation of negotiations, while at the same time flagging its reservations and reticence with the text on agriculture. Uruguay's position had not changed and it looked forward to specific and tangible results in this vital sector in terms of extending market access. Uruguay believed that any agreement concluding the Round would inevitably have to be based on the present DFA text. It was clear that attempts to include substantive changes to accommodate particular interests would be resisted by other parties. All would have to accept this reality, and not propose amendments that did not have sufficient consensus, as had in fact been unanimously agreed by the TNC a year earlier. It had to also be recognized that strict compliance, under multilateral surveillance, of the modalities established in the DFA with regard to market access, not only in the area of agriculture but in all sectors, was a requirement for the conclusion of the negotiations. This was another technical and political element which was incumbent upon the participants if their work was to make progress efficiently and rapidly. The globality and the balance of the Round was of fundamental importance to all countries. Uruguay, together with others, would evaluate the expected results before the negotiations were concluded. The final decision on the Uruguay Round would depend on the conclusions stemming from that assessment.

74. Uruguay's commitment to the Round had been substantiated on many occasions. Uruguay wished to see a strong, viable and open trading system, and would spare no effort to ensure the success of the Uruguay Round and its rapid conclusion. This would strengthen the GATT and would enable it to undertake new phases in its overall work in future negotiating rounds.

75. The representative of Japan said that the window of opportunity for a successful conclusion of the Round had become even more limited. Nevertheless, Japan was convinced that if the momentum was maintained, the Round could still be concluded successfully very soon. Japan remained hopeful that all would return to the final phase of the negotiating process after a brief pause and be able to resume rapidly and constructively. In carrying out that process it was necessary to bear in mind a sense of urgency and the need for realism, and also that any final package should contribute to the strengthening of the multilateral trading system and its rules. Japan expected that difficulties with the DFA would be duly addressed and resolved in an equitable manner in the forthcoming final phase of negotiations. He reassured all participants of Japan's strong commitment to a successful conclusion of the Round, and also of its readiness to take part actively and constructively in the process leading to the common goal.

76. The representative of Mexico recalled that at the TNC meeting held in January 1992, the majority of governments had been clearly in favour of supporting virtually the whole DFA text, with the exception of a few

fundamental issues which had remained open. It had also become clear then that in order to ensure final support for the text and thus to crystallize the negotiations as a whole, agreements had to be reached on the three areas that remained in abeyance: agriculture, market access and initial commitments in services. Today, despite numerous vicissitudes and a far from promising international economic environment, one was, objectively speaking, closer to a final conclusion of the Round. This was by no means a statement of victory, but simply a recognition of the fact that despite many barriers very important progress had been made.

77. The present meeting, which came at a critical moment in the overall life of the Round, should result in a strong and new call for a responsible and serious political attitude on the part of the major trading partners so that the negotiations might be continued and be given the requisite dynamics and flexibility to conclude. The Round should be concluded as soon as possible or it would end up disintegrating. Mexico believed that the process of informal consultations held over the past few weeks had been both necessary and helpful. It had been the means by which the fundamental problems of different participating countries in relation to the DFA had been made known. The process was not without certain risks, but was inevitable and had been useful.

78. With regard to final adjustments in the text, Mexico was in favour of, and exercised, self-restraint. But the process could not be selective, responding only to the concerns of the major participants. Mexico supported the strict compliance with all negotiated results, and, in the areas that had been subject to arbitration, it was prepared to accept the DFA text in cases where such arbitration led to compromise solutions. On some points of fundamental importance, however, the DFA text did not in fact reflect compromise solutions and had adopted instead a text different from the issue that had been raised. For this reason, since the TNC meeting of January 1992, Mexico had clearly expressed its agreement with the concept that a consensus should be required to change a text that had been the result of such negotiation and arbitration. At that time, his delegation had referred to certain questions of fundamental importance to it in the agriculture sector, which it believed should be considered in a constructive manner in order to find solutions. Thus, in the area of agricultural subsidies, Mexico intended to rescue a text which had been the result of negotiation, a specific one which it believed was legitimate and indeed essential for many countries like his own, and wished to see it re-introduced in the DFA. There was no doubt that in carrying out any final adjustment it was not only necessary to exercise self-restraint but also to acknowledge what was possible. Mexico called for the necessary flexibility in this delicate process.

79. Referring to the issue of the Community's banana import régime, he said this threatened to acquire major proportions and to have a negative effect on the final phase of the Round if constructive and acceptable solutions were not found very soon. Mexico recognized that the motivation underlying the Community's position was to safeguard the interests of a group of developing countries. At the same time, however, Mexico believed that the Uruguay Round and the liberalization process in general could not

be held up to protect acquired preferences, more so when the interests of a very representative and important group of developing countries were involved. Mexico was certain that good faith and greater political will on the part of all the countries concerned would make it possible to reach a satisfactory solution to this problem while there was still time.

80. The representative of Korea expressed general agreement with the Chairman's assessment of the present situation, and particularly his warning that a further delay could cause a loss of momentum and risk unravelling the Round. Little had changed since the December 1992 TNC meeting, except that the informal deadline which all had been thinking about was now some forty days closer. Many of his delegation's comments at that meeting were still valid, particularly the urgent call for political determination on the part of the responsible players. Since that meeting, however, and as all were aware, the two major participants had engaged in further talks. Korea did not believe that the gap between the Community and the United States in the industrial sector was unbridgeable, and hoped that agreement would soon emerge through further negotiations. Also, since December 1992, a number of informal proposals had been made. Korea, like many others, had also presented proposals reflecting its preoccupations as expressed on earlier occasions. While it viewed such proposals with sympathy, it believed changes to the DFA had to be kept to the necessary minimum. In this regard, Korea wished to put on record that in spite of the view of many delegations that the DFA was the only available basis for the conclusion of the Round, Korea believed that changes had to be made, particularly with regard to some aspects of the text on agriculture. While noting the change in government taking place in some countries, Korea believed the negotiations had to resume without too long an interval. All had to reassess their bottom-line positions so that the hard compromises necessary to complete the negotiations could be made. This would need a considerable amount of courage from all, but was a requisite step if the Round were to be successfully concluded.

81. The representative of Cuba entirely subscribed to Chile's statement and trusted that the Chairman would ensure that the principles in the Punta del Este and the Montreal Declarations, as well as the balance achieved in the DFA, would be maintained. In supporting Chile's statement, Cuba was not simply expressing solidarity with countries in its region. A successful conclusion of the Uruguay Round with balanced results was vital for Cuba's economic and trade development. The reforms underway in Cuba, its presence and its action on the international market all pointed to the necessity of this conclusion. Cuba could not be satisfied with the treatment that some countries in its region had been threatened with, and that others were threatened with potentially, in respect of a product vital to their economies and fundamental to their development and very existence, namely bananas. Sufficient information and explanation concerning the Latin American countries' position on this matter had been provided by other speakers, and he would not elaborate. Like the other countries concerned, Cuba hoped that a further opening in market access for bananas would be achieved as soon as possible.

82. The representative of Côte d'Ivoire appealed for an early and successful conclusion of the Uruguay Round. For Côte d'Ivoire, a successful conclusion implied balanced and equitable results, which would take into account the interests of all. For this reason, it shared the feelings of frustration and the concerns that had already been expressed, and fully supported the statements by Jamaica and Egypt. Côte d'Ivoire wished to participate in any future consultations during the course of the negotiations.

83. The representative of Senegal said that while his delegation agreed with the Chairman's analysis, it felt disappointed and frustrated at the lack of transparency which had led participants to be faced with a "fait accompli". Senegal supported Egypt's statement on behalf of the African countries. His country had been involved in the negotiations with the firm intention to participate to the limit of its abilities in all the stages and processes. In this regard, it had made offers on market access and on services, and, with the Secretariat's assistance, had been studying ways and means to complete and improve these offers. Senegal had placed great hopes in the market access possibilities that would be generated by the Uruguay Round for its export products. However, it was forced to express disappointment at the lack of progress in market access, particularly in the fisheries sector, which was of particular interest to it. Senegal hoped to see the rapid and successful conclusion of the Round on an equitable and balanced basis, namely on the basis of the DFA which had been accepted almost unanimously as a basis for negotiation, and which would also take into account the fundamental principles of the Punta del Este and Montreal Declarations. In this regard, Senegal firmly supported Jamaica's statement, and hoped that the Lomé Convention would be safeguarded in these negotiations, particularly in view of the traditional and long-standing relations between the ACP countries and the Community. The Round should not, in Senegal's view, result in any slippage of its position in the Community market. Senegal was willing to participate as far as possible in all efforts which could bring about a rapid and successful conclusion of the Round, and which would contribute to a strengthening of the multilateral trading system.

84. The representative of Switzerland said that in listening to the Chairman and to the Community, he had felt that progress had been made, and that further progress towards the completion of the Uruguay Round in the near future was possible, on the basis of a limited number of parameters. The most important amongst these concerned additional efforts in market access. To achieve substantial contributions in this area, participants needed to show self-restraint in any adjustments to the DFA. There was also a need to find a global balance in the results, which the Chairman had appropriately summed up with the words "nothing was agreed until everything was agreed". Finally, there was an imperative need to avoid presenting anyone with a "fait accompli". He had felt a certain degree of perplexity as the debate continued. His delegation was convinced that it was possible to make a final effort and to go the remainder of the path to reach the set aim. This would be possible on two conditions. First, that all strive to find a positive consensus for the results of the Round, i.e., a consensus joined in by all participants. In this regard, his delegation's position,

which had been stated on several occasions, was identical to that just expressed by Mexico. Second, that one should define the ways and means to ensure that the results of the Round would indeed be applicable to, and applied by; all. If these conditions were not met, he feared that the negotiations would be stalemated, as they had been in November 1992, and there would be no progress towards a conclusion to the Round.

85. The representative of Canada agreed with the Chairman's assessment that important progress had been made in the Round in the past week. This progress would provide the basis for a renewed and concentrated effort by all to bring the negotiations to a conclusion early in 1993. He reiterated that the completion of the Round remained the highest international economic priority for Canada. Clearly, a lot of work was left to be done. In particular, it had to be ensured that negotiations on tariff and non-tariff barriers and on access were completed, and that such barriers were eliminated or substantially reduced. Canada had been a firm supporter of the broadest possible package of a "0 for 0" outcome of the Round, provided it included important resource-based product components like forest products and non-ferrous metals. Canada also had a major agricultural interest at stake in the negotiations, and had been working towards improvements in the Blair House text. It continued to argue its position on Article XI with regard to exceptions to comprehensive tariffication, and on the rules side to look for flexibility and equitable treatment for sub-federal jurisdictions in the way arrangements on subsidies and countervailing measures had been put in place. Finally, he reiterated Canada's support for, as an integral part of the outcome of the negotiations, a multilateral trade organization as a new world trade body. Canada was firmly committed to concluding the negotiations as soon as possible with as broad a package as possible.

86. The representative of India generally shared the Chairman's assessment. India agreed with the Chairman that the negotiations had reached the point at which they could be carried forward to a successful conclusion only on the basis of what the latter had called globality and parallelism. For India, the only basis for concluding the Round remained the Punta del Este Declaration as supplemented and elaborated by Ministers at Montreal. India shared the views about the importance of an early conclusion of the Round; it had always supported an early conclusion of the Round, and would contribute constructively to such an endeavour. However, the Round had to be concluded on the basis of balanced results, and there were objective ways of assessing a balance. India had repeatedly indicated its difficulty in accepting that what was presently on the table had any such balance, at least for itself. Nor had it been in a position to accept the proposition that balance could be restored by whatever was left to be done in the market access area. India had therefore noted the views expressed by the majority on the Uruguay Round. India believed, however, that in this forum and in these negotiations, unless the concerns of all participants had been addressed and solutions found, the Round could not be concluded successfully.

87. The representative of Brazil agreed with the general lines of the Chairman's assessment, and supported the main points of Chile's statement

on behalf of the Latin American and Caribbean countries. He recalled that while Brazil had supported the DFA text, it had stated at the January 1992 TNC meeting that if changes were proposed it would have to present its own. Given the present situation, which was not prompted by it and which in fact it deplored, Brazil had had to present its own proposals. These would not alter the balance, but in fact redress it, because it was currently tilted heavily against developing countries. Brazil would push strongly to have these proposals accepted. Having said this, Brazil recognized, as others had, that the Round had to be concluded quickly, and that in order to do this proposals that substantially upset the balance of the DFA could not be forced into the text. Without going against the concept of globality which the Chairman had presented, and to which it subscribed, Brazil would caution those that believed that a few tempting offers in the market access package could be traded off against fundamental changes in rules that were essential to the multilateral system itself.

88. The representative of the United States joined those that had indicated basic agreement with the approach outlined by the Chairman in his introductory comments. His delegation had noted with satisfaction that a large number of delegations appeared eager to proceed with intensive negotiations with the aim of successfully concluding the Uruguay Round. It was especially significant that certain of the United States' most important trading partners were now expressing a commitment to construct a substantial market access package. This was a promising development and a very different attitude from that encountered in November and December 1992, and occasionally in the past two weeks. He hoped that this change in attitude would help create the atmosphere for the negotiations to proceed on the basis of a new realism and a restored credibility for the negotiating process. All agreed that the DFA could be the basis for concluding the Round, but it could not realistically be regarded as a text chiselled in stone. Realism dictated that changes to the texts therein would be required before the Round was concluded. In this connection, India's comments were worth bearing in mind. Perhaps a conclusion to the Round would be facilitated by the fear expressed by so many at the present meeting, namely that they were watching the Round drift into the sands.

89. The representative of Pakistan recalled that, under instructions from its Authorities, his delegation had made a statement at the previous meeting of the Committee in December 1992. He reaffirmed the contents of that statement and reiterated Pakistan's deep concern in relation to the transparency of the exercise over the past weeks which, by its nature and concept, precluded the possibility for a large number of participants from presenting their legitimate concerns in an open multilateral process.

90. The Chairman said that a number of important points had been made in the debate. Without adding to or subtracting from the general assessment which he had presented at the start of the meeting -- and which had been supported by all -- he wished to make some comments with a view to removing any misunderstandings in respect of how the next phase of the negotiations should be handled.

91. First, as had been recalled by delegations, the negotiations were not an academic exercise removed from reality or the outside world. Economic operators in the world economy were waiting to know what the rules of competition and market access conditions were going to be. From this point of view, there was a growing problem of credibility and all governments should be aware of this. These rules, including the exceptions thereto -- least-developed countries had actually referred to 'accommodations' -- were the essence of the multilateral exercise. These rules would govern international trade relations around the world in the future. In this respect, the Chairman would continue to play his rôle of bringing participants together, discussing positions, exploring possibilities of adjustments and compromises, and so on.

92. A second aspect of this exercise was the negotiations proper, namely, the exchange of concessions in market access and the establishment of schedules for services. Today's discussion on bananas was in this category as only the concerned parties could negotiate what would or would not be the future régime on bananas. The comments made at the present meeting about transparency and about smaller groups holding meetings in various locations were not relevant to this "give and take" part of the exercise, for which hard work had to be done by each and every delegation. Indeed, work in this area had to be conducted to the point of ensuring that when, hopefully in the very near future, the rôle-making aspect had been collectively agreed, the conclusion of the Round as a whole was not prevented because of unfinished bilateral and plurilateral negotiations.

93. The Chairman said he would not propose a pause in the negotiations, because the exercise was a continuing one. It was, in fact, possible to meet soon somewhere in Geneva or in the GATT building to continue work on all these questions. He made it clear that the entire Secretariat, including the officials in charge of technical cooperation, stood ready to render assistance. As the representative of Senegal had acknowledged, this was particularly important for those governments who did not have the same capacity as others to prepare themselves for bilateral negotiations. This, however, was a process of a somewhat different nature; the actual negotiations had to be carried out by the participants themselves.

94. As to working procedures, the Chairman said that no procedure was ideal, although past experience showed that procedures always fell into place when governments showed a genuine will to negotiate. He recalled, for example, that in January 1992 the Committee had created the Four-Track approach as a way to circumvent the blockage in moving forward on the basis of the Draft Final Act. The Four Tracks still existed. They had been very useful, but it was clear that they would not have been 'invented' if governments had been genuinely negotiating. He warned against transforming the discussion into one about procedures. He assured participants that transparency would be observed and that no-one would be confronted with a "fait accompli". Procedures would have to take this into account.

95. The major problem with the Round was the gap between underscoring commitment to conclude the Round and the list of conditions that governments attached thereto. From the Chair, it appeared that there were

as many final packages as there were participants in the Round. Unless this situation changed there would be no package at all. In other words, all governments had to move if a multilaterally acceptable result was to be achieved.

96. The Chairman referred to his introductory remarks and said that he had basically tried to impart the notion that the passing of time had two dangers: one, that the courage shown by governments to go for an overall solution despite pain in specific areas could weaken as a result of second thoughts or domestic pressures; and, two, the tendency to consider the Round as an ongoing exercise and, therefore, able to take on new items on the agenda. There came a time when governments had to decide to accept the results available and agree that problems, if any, that still remained would be tackled later on. This time had come now for the Uruguay Round negotiations.

97. The Chairman said he had made these points because he did not want members to leave the meeting with the illusion or with the feeling that since all participants appeared to be committed to concluding the Round, things would fall into place smoothly or automatically. He stressed that there remained difficult problems to resolve in all areas of the negotiations, and there was an absolute need for each participant to make a link between the political desire to conclude the negotiations and the need to bring about the necessary flexibility in national positions to facilitate deal making. Failing this, the coming phase in the multilateral process was bound to be difficult and uncertain. Needless to say, the Trade Negotiations Committee could be convened either at the initiative of its Chairman or at the request of delegations who believed that a meeting was needed. He added that the Secretariat was always prepared to receive delegations and to provide information on all aspects or elements of the Round. As to the more informal aspects of the negotiation, while the Secretariat and himself as Chairman were prepared to help, much depended on the understanding among delegations. All in all, he hoped that the Round would be concluded by the Spring.

98. The Trade Negotiations Committee took note of the statements.