

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONTRACTING PARTIES
Thirty-Fifth Session

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SUMMARY RECORD OF THE THIRD MEETING

Held in the Palais des Nations, Geneva,
on Wednesday, 28 November 1979, at 10.20 a.m.

Chairman: Mr. JUAN JOSE REAL (Uruguay)

Subject discussed: Multilateral Trade Negotiations

Mr. LONG (Director-General) introduced the results of the Multilateral Trade Negotiations to the CONTRACTING PARTIES.¹ He said that the results of the negotiations were contained in a number of documents which had been circulated to all contracting parties and to non-contracting parties which had participated in the negotiations. He had also issued a report on the developments in the negotiations, the issues that arose and an assessment of the results achieved insofar as this was possible at the time the report came out. The results of the negotiations in the tariff field were contained in the following documents which were open for signature:

- (a) Geneva (1979) Protocol, to which were annexed schedules of Canada, Czechoslovakia, New Zealand, Norway, South Africa, United States, Finland, Sweden, Austria, Japan, Spain, Yugoslavia, Switzerland, Iceland, Argentina, Jamaica, Romania, Hungary and the European Communities.

There was also a Declaration by Bulgaria to which was annexed a schedule of tariff concessions by that country.

- (b) Protocol Supplementary to the Geneva (1979) Protocol, to which were annexed schedules of Australia, Brazil, Canada, Chile, India, Pakistan, Indonesia, Dominican Republic, Uruguay, Peru, Malaysia, Israel, Spain, Ivory Coast, Korea, Egypt, Zaire, European Communities, Singapore. The schedules of Australia, Canada and India were still subject to verification and finalization.

¹The full statement was circulated in document W.35/2.

He also mentioned three protocols of accession, those of Colombia, Mexico and the Philippines, the negotiation of which had been closely related to the wider framework of the Multilateral Trade Negotiations.

He then stated that a number of Agreements or Arrangements relating to areas other than tariffs had emerged from the negotiations and were open for signature. These were the following:

- (a) Agreement on Technical Barriers to Trade (Standards Code).
- (b) Agreement on Government Procurement.
- (c) Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement (Subsidies and Countervailing Duties).
- (d) Arrangement on Bovine Meat.
- (e) International Dairy Arrangements.
- (f) Agreement on Implementation of Article VII of the General Agreement (Customs Valuation) and the Protocol to this Agreement.
- (g) Agreement on Import Licensing Procedures.
- (h) Agreement on Trade in Civil Aircraft.
- (i) Agreement on Implementation of Article VI of the General Agreement (Anti-Dumping) together with two addenda.

He also said that a number of texts on which consensus was reached in the Group "Framework" would still require action. Referring then to the area of safeguards, he said that the negotiations had not produced the text of an agreement. He stressed that this was a matter of great importance on the GATT Work Programme. He recalled that the Council had agreed to refer this matter to the CONTRACTING PARTIES for their consideration on the basis of the text contained in the addendum to its report. The Council had furthermore, in the light of the recommendation in the Trade Negotiations Committee to the CONTRACTING PARTIES to further develop active co-operation in the agricultural sector, requested the Director-General to consult with interested delegations on this matter and to report to the next session of the CONTRACTING PARTIES.

In conclusion, he drew the attention of the CONTRACTING PARTIES to the discussion on the relationship between agreements evolved in the Multilateral Trade Negotiations and the GATT which had taken place in the Council. This matter was dealt with in the addendum to the report of the Council (L/4884/Add.1).

The CHAIRMAN, in referring to the Council report, drew the attention of the CONTRACTING PARTIES to the annexes which dealt with I - Safeguards; II - Examination of Protective Measures Affecting Imports from Developing Countries; III - Action by the CONTRACTING PARTIES on the Framework Texts; IV - Action by CONTRACTING PARTIES on the Multilateral Tariff Negotiations; V - Action by the CONTRACTING PARTIES on the MTN Tariff Concessions.

Mr. HAMID (Pakistan) referred to the draft Decision in Annex V relating to the Geneva (1979) Protocol and the Protocol Supplementary to the Geneva (1979) Protocol. He stated his delegation's understanding that, in accordance with existing practice, concessions negotiated bilaterally and duly notified created initial negotiating rights, unless this right was expressly excluded by mutual consent of the contracting parties concerned.

Mr. EL GOWHARI (Egypt) enquired whether two texts of the International Dairy Arrangement had been tabled.

Mr. LONG (Director-General) confirmed that two texts of the International Dairy Arrangement had been tabled.

Mr. SAWAKI (Japan) said that the Government of Japan welcomed the successful conclusion of the Multilateral Trade Negotiations, although not all objectives had been achieved. In particular, no agreement on the question of safeguards was reached, which should therefore be pursued as a matter of urgency. He believed, however, that this could not lessen the importance of the results of the negotiations, particularly if considered against the unfavourable domestic economies and worldwide problems of inflation and energy. He said that the conclusion of the MTN was above all important, as it would strengthen for a long time to come the foundations of an open international trading system. It was also important for the GATT to continue to play its vital rôle in the domain of international trade. He saw this conclusion of the negotiations not as an end but only as a beginning. His Government was convinced that, an early implementation of the negotiated results would contribute to the development of trade and economy of the world as a whole, for developed and developing countries alike. He expressed his appreciation that domestic procedures were being taken in participating countries for the implementation of the MTN agreements and he hoped that as many countries as possible would participate in these agreements. He said that the Government of Japan intended to expedite the domestic procedures necessary to put into effect the results of the MTN. Furthermore, working jointly with other countries, Japan was determined to operate the MTN agreements in such a way that the free and open trading system would be maintained and strengthened.

He expressed regret that no successful conclusion in the Safeguards negotiation was achieved. He said that in the light of the importance of this issue, his delegation was of the view that the discussion and negotiation on Safeguards should be continued as one of the priority areas. His delegation attached great importance to the reaffirmation by the CONTRACTING PARTIES of their intention to abide by the disciplines and obligations of Article XIX of the General Agreement.

Turning to UNCTAD Resolution 131(V), he said that his delegation was fully aware of the importance of the problems relating to the developing countries. However, he pointed out that the effects of protectionist measures were not only felt by developing countries. Referring to the draft Decision on this subject in Annex II, he emphasized that the examination by the Committee on Trade and Development of any case of future protective action by developed countries against imports from developing countries should not prejudge the competence of the GATT bodies, as set out in the draft itself. It was also his understanding that this question of implementation of UNCTAD Resolution 131(V) was being taken up under the present agenda item, because in preparation for this session of the CONTRACTING PARTIES, this question had been discussed in conjunction with the subject of the action by the CONTRACTING PARTIES on the MTN.

Mr. JARAMILLO (Colombia), speaking on behalf of the developing countries, stated that, though it was necessary to examine the results of the Multilateral Trade Negotiations and draw conclusions from it, it was also necessary to recognize the factual situation and to try to set up machinery which would enable work to continue in such a way as to ensure that the interests of the developing countries would be fully taken into account in the future and that international trade was a real instrument of economic development. He recalled that, since the last meeting of the Trade Negotiations Committee in April this year, the developing countries had been able to comment on the results of the Multilateral Trade Negotiations, especially at UNCTAD V, at the summit meeting of the non-aligned countries in Havana, and at the nineteenth session of the UNCTAD Trade and Development Board. While since the TNC meeting some improvements had been achieved in the results of the negotiations, such as the agreements on customs valuation and anti-dumping, it was difficult for the developing countries to determine what additional benefits were obtained in the negotiations, since the results did not correspond to their aspirations as expressed in the Tokyo Declaration. In addition, there were important problems which remained and affected principally the developing countries; these would have to be considered by the various bodies of GATT. He recognized the efforts that certain industrialized countries had made to implement in advance certain tariff concessions, but considered that more could have been done in this field. Furthermore, in areas such as quantitative restrictions and tariff escalation hardly any results had been achieved. On tropical products some concessions had been in force for some time but these were

neither as far-reaching nor as broad in scope as had been hoped. Some sectors of special importance for the developing countries, such as textiles, footwear and leather manufactures, had been largely left out of the various offers made in the field of tariffs. Furthermore, paragraph 6 of the Tokyo Declaration, in favour of the least-developed countries, had not been given sufficient consideration.

He stated that the developing countries were particularly concerned by the lack of an agreement on the adequacy of the multilateral safeguard system, without which the overall results of the negotiations were seriously unbalanced to the detriment of the developing countries. He welcomed the proposal, in Annex I of document L/4884/Add.1, for the establishment of a committee to continue consultations and negotiations with a view to achieving an improved multilateral system in this regard. The developing countries also considered of special importance the reaffirmation by the CONTRACTING PARTIES of their intention to continue to abide by the disciplines and obligations of Article XIX of the General Agreement. The developing countries would participate in the proposed committee in the same constructive spirit as in the past. In this context, they welcomed the establishment by the Committee on Trade and Development of a Sub-Committee to examine any case of future protective action by developed countries against imports from developing countries, in line with UNCTAD Resolution 131(V). The surveillance of these measures was of great importance to developing countries. Participation in this Sub-Committee and in the Safeguards Committee by interested developing countries who were not members of the GATT would ensure that these problems obtained the study and solution that they required.

He stated that the GATT of the future would be different from the present one. This was due, on the one hand, to the various agreements which had been negotiated, and on the other hand, to the texts achieved in the negotiations on the legal framework, as a result of which the developing countries could adapt themselves in an easier manner to the important changes in their relations with developed countries, thanks to the improvement in the application of certain provisions of the General Agreement. As regards the various agreements on non-tariff measures, he recalled that the developing countries had sought an assurance that the agreements either through their contents or through their application did not affect the rights and benefits of developing contracting parties under the General Agreement. The developing countries had also stressed that the functioning of the different Committees of Signatories should not transform the GATT machinery into a series of isolated compartments, each working on its own and sometimes in a different direction. They therefore had stressed the need for adequate information on the implementation of the agreements and the right for non-signatory countries to participate as observers in the work of the Committees. For this reason, the developing countries supported

the decision proposed in Annex IV to the addendum of the Council's Report. The decision would lead to the unity and coherence of GATT being assured through the surveillance of the functioning of the system as a whole by the CONTRACTING PARTIES. The decision also recognized the maintenance of the rights and benefits of contracting parties under the General Agreement. An adequate system of information would be established and the interested non-signatory contracting parties would be able to take part in the sessions of the committees or councils established under the various agreements as observers.

He stated that in the new GATT it was now essential to strengthen the mandate of the Committee on Trade and Development, so that it could carry out its functions in the light of the new needs of the developing countries. Apart from the surveillance of the Sub-Committee which would examine in a systematic manner the protectionist measures, and apart from pursuing the work in those sectors that were left out of the negotiations or for which insufficient results for developing countries had been achieved, the Committee on Trade and Development would have to ensure that the efforts for liberalization in favour of developing countries were continued. The work on structural adjustment should be maintained and properly co-ordinated with the work being carried on by the Consultative Group of Eighteen and other bodies of GATT. The Committee would also have to give special attention to the particular problems of the least-developed countries. However, the work to be done by the Committee on Trade and Development should not exclude the problems and specific interests of developing countries being taken up in other areas of activity of GATT. Of particular importance would be the work to be done in the committee to be set up to supervise the implementation of tariff concessions. As far as agriculture was concerned, he stressed that for the majority of developing countries, whether temperate or tropical, this sector provided the greatest source of foreign exchange. Furthermore, the Council, the Consultative Group of Eighteen and the Committee on Trade and Development would have to work in close co-operation and co-ordination. He also stressed the support that the developing countries were giving to the holding of a new round of trade negotiations among developing countries.

In conclusion, he stated that for the developing countries to continue constituting growing markets for the developed countries and a dynamic element in the world economy and trade, it was necessary for the developed countries to not only facilitate structural adjustment in their economies but also to show the determination and political will to carry out a programme of work whose objectives would be to solve the problems presently facing the trade of the developing countries and to create the conditions for a substantial expansion of their exports. He was confident that the decisions to be adopted at this thirty-fifth session of the CONTRACTING PARTIES would see the beginning of such a new stage in work of GATT.

Mr. SMITH (United States) said that in assessing the results of the MTN, one could focus exclusively on the accomplishments of the MTN or alternatively, one could emphasize what failed to be achieved. He preferred to take a middle road - by offering praise for the accomplishments made and at the same time by expressing hope and determination that the work on some unfinished business left over from the MTN would be completed on a timely basis. As to the significant achievements, he noted that in the tariffs field a reduction in tariffs similar to what had been achieved during the Kennedy Round was agreed. He also recalled that for the first time a large number of non-tariff measure agreements were successfully negotiated which would bring order and updated rules to areas that had an ever greater impact on trade. These agreements refined existing disciplines under the General Agreement and extended discipline into areas not heretofore covered by the General Agreement. He considered that the texts which made up the framework package were another significant achievement of the MTN. The implementation of these accords would carry out important aspects of the GATT's work, such as the settlement of disputes and the special trading problems of developing countries. Finally, more progress had been made in agricultural trade than in any earlier round of trade negotiations. As regards interpretations of these agreements, he believed that mutually agreed interpretations of what might be ambiguous aspects of these agreements could only be obtained over a period of time as the signatories to the various agreements gained experience through their implementation. He also stressed that mutual efforts in implementing the results of the MTN were even more important to a strong, healthy trading system than the effort put into negotiating the results. As to the unfinished business left over from the MTN, he expressed his disappointment that the results of the negotiations did not include an agreement on safeguards. The United States believed it was essential that the various ways of limiting imports for safeguard purposes be brought under an agreed and uniform discipline. His delegation intended to pursue this objective vigorously. Similarly, despite the progress made in agriculture in the MTN, the United States would have liked to have seen greater progress in resolving the trading problems in the agricultural sector. The United States had also hoped for an understanding on export restraints. He said in conclusion that the United States were generally pleased with the results of the MTN, while recognizing the task in implementing those results. He therefore firmly supported the adoption of the package as the best way of accepting what had been accomplished and moving on with the work ahead.

Mr. MACIEL (Brazil), recalled that the views of his country on the results of the MTN, particularly as they affected the interests of developing countries, had been expressed at the last meeting of the Trade Negotiations Committee as well as at UNCTAD V in Manila. He stated that, although his Government drew satisfaction from the conclusion of the MTN, it was not entirely satisfied with the results, especially since the negotiations had not been completed in their substance. His country had made great efforts to contribute to a successful outcome of the negotiations, had made important contributions to them, and hoped to be in a position to continue to contribute to the fulfilment of their objectives in the future.

Addressing the question of the GATT system in the post-MTN period, he stated that, in view of the new and heavy responsibilities to GATT that the implementation of the MTN agreements would bring, the primary concern of the CONTRACTING PARTIES must be to ensure from the outset an adequate definition of the relationship of the agreements to the GATT, and as between the rights and obligations of countries members of the system. It was vital to ensure the unity of the system as a whole. To this end, the CONTRACTING PARTIES would have to adequately oversee the operation of the system as a whole, and retain the right to take action as they saw fit to maintain the cohesion of its different parts to the whole. It was also necessary to carefully determine the proper relationship between partners members of the system and the correct balance of their rights and obligations, and for the CONTRACTING PARTIES to ensure that such balance was duly respected. In the case of contracting parties that were not signatories to specific agreements, their rights and benefits under the General Agreement, and in particular under Article I, must be protected and fully maintained. As regards contracting parties that were signatories to specific agreements, while it was clear that their rights under the General Agreement were also maintained, it must be equally clear that they were to exercise their rights and fulfil their obligations towards the other signatories under the strict provisions of these agreements, and not otherwise. Although, in the case of specific agreements, the respective Committees of Signatories would have a rôle in dealing with such problems as might arise, the final responsibility would remain with the CONTRACTING PARTIES.

He believed that, in order to maintain the stability of the new GATT system that resulted from the MTN and to improve upon it, priority attention would have to be given to the effective participation of developing countries in it. Their special needs, both in relation to trade and to overall development, could only be accommodated if they were ensured of a truly effective differential and more favourable treatment within the system. He stated that, in the final analysis, the usefulness and viability of this new system would be tested by the concrete benefits which it might bring to the trade of developing countries.

In his view, another key aspect of this "new" GATT would be the possibility of pursuing a process of continuing negotiations in the post-MTN period. Continuing negotiations were imperative to complete the system, to further liberalize trade and to effectively deal with the problems of protectionism and structural adjustment in industrialized countries. They were most urgent where the MTN had failed most i.e. in the elaboration of effective multilateral disciplines for safeguard actions. In this connexion, he welcomed the proposal for continuing negotiations in this area. If an agreement on this matter was not reached in the near future, the system which had been so arduously negotiated might risk a collapse, to the detriment of all. The causes for a breakdown in the safeguard negotiations were well known; in his view, the key to a satisfactory solution in this area lay in the hands of a small group of nations.

He said that a new frontier should also be opened in negotiations among developing countries, for economic co-operation as a whole and for expansion of trade in particular. While the developing nations themselves would have exclusive responsibility for the conduct of these negotiations, they looked forward to assistance and technical support from the different international organizations to which they might resort as the need arose. He stated that, naturally, in the trade field, GATT was the outstanding organization.

In conclusion, he stated that it was necessary to continue efforts to build, in addition to a new system, a new international trade order, which might deal equitably with the economic needs of all concerned, and help the industrialization process in developing countries against all forms of protectionism.

Mr. LUYTEN (European Communities) said that the final results of the Multilateral Trade Negotiations represented an acceptable and fairly well balanced whole, and on that basis the Council of the European Communities at its session of 20 November 1979 had approved the tariff agreements as a whole, the codes, and other arrangements negotiated within the framework of the Multilateral Trade Negotiations. The legal formalities necessary for the formal conclusion of the negotiations would be adopted in the near future, thus enabling the Community to make a formal commitment in regard to the results by the end of the year. In adopting its decision, the Council of the European Communities had underlined the importance it attached to seeing the undertakings negotiated properly reflected in the legislation and practice of all the signatories. The Community hoped that the session would give an opportunity for many contracting parties to announce their acceptance of the results, and it proposed that a meeting be held for the signing ceremony, perhaps on the morning of 17 December. The importance of the rôle of the developing countries in world economy was an essential factor for the work of GATT in the years to come. The developing countries obtained substantial advantages from the Multilateral Trade Negotiations in regard both to the overall results and to specific concessions by the Community, and the

advantages were not confined to tariff matters, especially in the sector of tropical products but the negotiated agreements also provided an increased measure of legal security in the various areas covered. The progress made did not entirely satisfy all the wishes of the participants, particularly those of the developing countries. The constraints hampering the developed countries in the face of the need for the rapid industrial restructuring of entire sectors of their production plant, and for many of them in the face of a high level of sectoral unemployment, meant that it had not always been possible for them to commit themselves as far as they would have liked. The Community congratulated those developing countries that had taken an active part in the negotiations and had given concrete support, and it expressed the hope that other developing countries, particularly the more advanced among them, would very soon follow that example and in turn make such contribution as their economic situation allowed to the overall results. Each of the five specific questions on which the CONTRACTING PARTIES had to take a decision had its own intrinsic importance, and each was linked with the others to the extent that, taken as a whole, they affected the interests of the developing countries within the framework of world economy and that the highlighting of those interests occupied an important place in the work of the General Agreement. All those questions, including the Director-General's proposals concerning the work programme, constituted an organic whole, and it would be risky to try to remove or amend any of the components. What was involved was a compromise, and like all compromises it only partially met all the points of view represented. The Community was disposed to maintain its support for that compromise. With regard to the question of "safeguards", the Community was resolved to continue to discuss and negotiate with a view to achieving a mutually satisfactory solution. The outcome of the Multilateral Trade Negotiations made it clear that the various countries had fought hard against protectionist trends. By approving the results, the CONTRACTING PARTIES were establishing a new and favourable framework for future action in the context of which trade would be carried on in the future.

Mr. PREM KUMAR (India) referred to the situation of international economic crisis characterized by persistent inflation, stagnation, high rates of unemployment, imbalances in international payments, instability of exchange rates and slow growth in international trade. He stated that developing countries were generally the worst affected by these conditions, with declining terms of trade, large balance-of-payments deficits and cumulative indebtedness presenting many such countries with the choice of cutting imports below minimum requirements or of borrowing funds on highly unfavourable terms. He was of the opinion that these problems were of a long-term structural nature, and could not be resolved through simple demand management. These problems required a concerted set of measures in various economic fields which would bring about structural changes in the world economy, including in the nature and pattern of production, the rules governing international economic relations, and adaptation of the

international institutions. He stressed the importance of developing country markets for exports of developed country manufactures. Sustained demand in developing countries could contribute to non-inflationary growth and the development process generally. He pointed to the need for a flow of massive resources to the developing countries through improvements in the unit values of their exports and their terms of trade, diversification of their exports and a greater transfer of financial resources. He recalled the conclusion reached by the World Bank that even if developing countries were able to double their per capita growth rate while the industrialized world only maintained its own, it would take almost a century to close the absolute gap between the two groups of countries. Viewing the MTN results in this perspective he considered it vital that efforts be continued. He believed that bodies such as the Consultative Group of Eighteen and the Committee on Trade and Development should be informed of these deeper problems and complexities to assist in their deliberations. His delegation was convinced that the General Agreement, in concert with other institutions, had a very important rôle to play, especially in maintaining and furthering the openness of the trading system. He stated that the general reduction of tariffs achieved in the MTN should benefit the growth of world trade and some useful disciplines were emerging from the negotiations. Their earnest implementation would be a matter of prime importance. However, several important matters of substance and institutional questions remained unresolved. The failure to evolve an agreement on safeguards had considerably eroded the overall value of the MTN package. The importance of objective criteria, multilateral surveillance and greater discipline in this area was heightened by the prognosis for the world economy. Failure to achieve these objectives would increase the risk that the interests of developing countries would be very severely affected. He expressed disappointment that some countries wished to build into the system concepts that would lead to a loosening of multilateral surveillance and which would permit discrimination against developing country exports and impede their growth. His delegation welcomed the initiative taken by the Director-General regarding the establishment of a committee to continue negotiations in this area and hoped that no attempt would be made to unilaterally alter the modalities of the application of safeguard actions followed so far. He stated that quantitative restrictions faced by developing country exports were another area which had received peripheral treatment in the MTN. Barriers faced by certain products like textiles were not even discussed, even though the MTN sought to achieve a longer term restructuring of the trading system. Many products of interest to developing countries had received marginal tariff cuts and the problem of tariff escalation, progress on which would have encouraged diversification of developing country exports, remained to be tackled. It was imperative that efforts to continue negotiations for further liberalization were not slackened.

He expressed the view that one of the important results of the MTN was the recognition of the need for differential and preferential treatment in favour of developing countries in various areas of international trade policy and that co-operation among developing countries could contribute to their growth and thus that of the world economy. This was an extension of the principle recognized when Part IV was incorporated in the General Agreement. His delegation hoped that these results would be consolidated and effectively implemented, in order to promote the development process of the developing countries, and that no elements of discrimination among developing countries should be allowed to creep in. While recognizing that an attempt had been made to evolve better surveillance and dispute settlement procedures, he would have preferred to see in the results a greater assumption by the international community of the responsibility for safeguarding the rights of weaker trading partners. He mentioned the agreement reached at the UNCTAD V to examine each case of protective action by developed countries against developing country exports in an appropriate body in GATT, and expected that the necessary decision to implement the agreement would be taken in this regard. His delegation considered it of great importance for GATT to continue to play an effective rôle in the area of international trade policy. It was therefore necessary that its unified structure not be compromised, that transparency in the operations of the system be assured and the rights of weaker trading partners preserved. It was also necessary to guard against the possibility of the system becoming compartmentalized and decisions being taken by a few countries in isolated bodies. The CONTRACTING PARTIES must, therefore, maintain their supremacy and effectiveness in the co-ordination and direction of the system. He urged that GATT play an active rôle in fulfilment of the commitments, for example in joint action with other international institutions in terms of Article XXXVIII, to tackle the problems of resource flows, and of the balance of payments and terms of trade of developing countries. In various bodies, especially the Committee on Trade and Development, positive action in these areas would have to be taken. Closer liaison among institutions, such as the UNCTAD, the GATT, the IMF, and the World Bank, might also need to be considered.

Referring to some of the decisions which were before the CONTRACTING PARTIES he commented first on Annex IV of document L/4884/Add.1 relating to action by the CONTRACTING PARTIES on the Multilateral Trade Negotiations. He stated that his delegation attached the greatest importance to maintenance of the integrity and consistency of the GATT system, and therefore expected that the CONTRACTING PARTIES would effectively oversee and co-ordinate the working of the entire GATT machinery. He underscored that GATT rights of non-signatories to the agreements were not affected and he highlighted in this connexion the rights under Article I of the GATT for unconditional and immediate extension of benefits allowed to any contracting party to GATT, to all other contracting parties.

It would also be his delegation's understanding that interested non-signatory contracting parties were entitled to participate in the proceedings of the Committees or Councils in an observer capacity and that procedures for such participation would be worked out by these bodies, to the satisfaction of the CONTRACTING PARTIES.

With regard to the examination of protective measures affecting imports from developing countries (L/4884/Add.1, Annex II) he stated his delegation's understanding that in keeping with the spirit and negotiating history of the UNCTAD Resolution 131(V), the examination of all actions would be taken up on a case-by-case basis in the Sub-Committee which was to be established under the Committee on Trade and Development. While the competence of other GATT bodies was maintained, the examination in the proposed Sub-Committee would be from a different perspective and mere existence of another forum would not imply that work in the Committee on Trade and Development should not be taken up in pursuance of this decision.

With regard to safeguards (L/4884/Add.1, Annex I) he expressed his delegation's understanding that while negotiations were going on, no attempt would be made to unilaterally interpret the question of modalities of application of Article XIX.

Mr. PREM KUMAR stated that he had certain statements with regard to individual agreements emerging from the Multilateral Trade Negotiations. In this connexion, he recalled the statement his delegation had made in the Trade Negotiations Committee at its meeting of 11-12 April 1979. He stated that India maintained its reservation regarding the Agreement on Trade in Civil Aircraft. In relation to other agreements, he would submit written statements to be incorporated in the summary record. These statements are reproduced hereafter.

Action by the CONTRACTING PARTIES on the Framework Texts (L/4884/Add.1, Annex III, L/4885)

Points 1 and 4

We have already touched upon the importance we attach to the provision that makes it possible now to accord a differential and more preferential treatment to developing countries in various areas of international trade policy. We hope that this provision would be effectively utilized in order to foster the development process of the developing countries.

It is our clear understanding, however, that this provision does not permit and must not be used for discrimination amongst different developing countries. We are joining the consensus on the decision in this regard on this basis.

With regard to paragraph 7 of the decision, we stress that any action in terms of this paragraph would be entirely voluntary and autonomous.

Agreement on Import Licensing Procedures

We note that Article 1.1 of the Agreement defines import licensing as "administrative procedures" used for the operation of import licensing régimes. Accordingly, it is our understanding that Article 1.3 relates only to administrative rules and does not affect in any way substantive issues that may be involved. In our view, therefore, where "special trade and payments arrangements" are concerned, which term would include barter agreements or agreements relating to trade conducted through a balanced clearing account system, Article 1.3 requires that the administrative procedures shall be no more complicated than those applicable to other similar agreements except where the parties concerned agree otherwise.

My delegation would like to clarify that in the administration of India's import régime, the term "automatic licences" is employed in a sense different from that obtaining in the Agreement. In India, automatic licences are employed to administer import restrictions. Where used in this manner, they would be governed by Article 3.

We do not consider it necessary to establish an exclusive committee of parties to the Agreement. The activities envisaged for the body should, more appropriately be carried on by the CONTRACTING PARTIES to the GATT themselves in the normal course. We would, therefore, prefer to see a consultative group on import licensing set up by the GATT Council, if such a group is considered necessary by them.

Agreement on Government Procurement

My delegation would expect that with regard to the entities listed in the negotiations, products of interest to developing countries would be particularly opened up for procurement and where such products are subject to bilateral quotas, the quantities to be procured by the entities in developed countries would be over and above the quota otherwise there would be no additional benefits. We expect also that at the time of the proposed review, the threshold be suitably adjusted to enable developing countries' firms to benefit from this Agreement. It is our understanding that no compensatory adjustments would be required in the event of a developing country seeking modification of its schedule of entities on account of balance-of-payments difficulties.

Agreement on Technical Barriers to Trade

With reference to Articles 7.2 and 9.3, it is our understanding that access relating to the use of any "standard mark" may be subject to the condition that the government of the supplier country accepts the responsibility for preventing the misuse of the standard mark.

Agreement on Subsidies and Countervailing Duties

With regard to Article 7 of the Agreement, it is our understanding that it would not cast any additional obligations on developing countries, than those already provided for in Article XVI of the General Agreement.

As regards Articles 9 and 10, it is our understanding that for "developing countries" the definition of primary products would continue to remain unchanged and in the administration of Article 10, the need for developing countries to increase their earnings through the export of commodities of special interest to them would be always fully reflected.

Regarding the Annex containing the illustrative lists of export subsidies, since the Agreement allows countries using the VAT system to rebate taxes on inputs not physically incorporated, it is our understanding that paragraph (h) will enable countries using a cascade system to do likewise. This would be necessary to avoid discrimination against developing countries whose economies are, generally, not amenable to a change over to a VAT system. Also, with regard to paragraph (k), it is our understanding that interest rates of export credits lower than international commercial rates should be deemed to be subsidies. With regard to illustrations (h) and (k), only in this way it would be possible to maintain that they are not discriminatory.

We would have liked to see a stricter definition of injury in the Agreement and would hope that those adhering to the Agreement would strictly follow at least this definition.

Mr. VRHUNEC (Yugoslavia) said that his delegation endorsed the statement by the representative of Colombia stressing the concern of the developing countries and their determination to carry on the work not completed so far. The MTN should contribute to a solution of present-day trade problems, particularly in regard to the fight against protectionism and the development of more favourable and differential treatment for developing countries. Those objectives had not been achieved in the degree required. If the goals contained in the Tokyo Declaration were compared with the results of the negotiations, there was certainly no room for satisfaction. That was not a new assessment of the situation, since the developing countries had pointed out as early as April of the current year in GATT, and a number of times before and after that, particularly at Arusha, at UNCTAD V and in the sixth summit meeting of the non-aligned countries at Havana, that the Multilateral Trade Negotiations had been concerned mainly with the problems of mutual trade between developed countries. Hence the specific and serious problems of the developing countries, including the least developed among them, had been decidedly neglected. The main weakness of the results of the MTN was twofold: they had not sufficiently helped to resolve the main questions concerning the promotion of international trade, particularly in the fight against protectionism and all the obstacles to the flow of world trade;

and they had not created sufficiently favourable conditions in the international trade system to improve the position of the developing countries and to solve the serious problems concerning their development. Thus the opportunity had not been seized to help to find a more effective solution to the world's economic crisis by encouraging the process of structural adjustment in line with new conditions and needs. For that reason the results would not have a strong enough influence on the expansion of world economy and the establishment of the new international economic order. A substantial part of the obligations arising out of the Tokyo Declaration had not been fulfilled in a number of spheres: quantitative restrictions, textiles, agriculture, including tropical products, and particularly in respect of the absence of any agreement on safeguards - which cast doubt on the consistency of all the results of the MTN. Reduction of customs tariffs had nevertheless attained a level of nearly 30 per cent, and a whole series of new agreements had been drawn up. Such solutions could promote co-operation in international trade provided they were implemented in the same manner in which they had been negotiated, and provided they respected the special and differential treatment of the developing countries. The texts produced by the Group "Framework" were particularly significant. They indicated certain basic directions for the solution of the problems of developing countries. The texts were important for achieving the special and differential treatment to be given to the developing countries in the interests of speeding up their economic development. Such treatment would also create conditions for speeding up international trade as a whole - which was in the interest of all concerned. Hence the CONTRACTING PARTIES should take an effective decision with a view to ensuring the implementation of those provisions. The application of the results of the MTN should take its inspiration not only from the letter but also from the spirit of the Tokyo Declaration. But in doing so, it was important not to jeopardize the obligations of the contracting parties under the General Agreement. Finally, all interested countries should be in a position to participate in the activities of the committees which were to be set up. In those future activities, including the application of the instruments of the MTN on the basis of its new structure, GATT should continue to solve the day-to-day problems of international trade in response to the needs arising out of the concept of the new international economic order. Yugoslavia had taken an active part in the negotiations held over the last few years and had done its utmost to co-operate with all the participating countries, especially with the developing countries; and it would continue to do so in the future. He would like to inform the CONTRACTING PARTIES that the authorities in Yugoslavia were in the process of analyzing the documents arising out of the MTN, with a view to evaluating the potential interest for Yugoslavia of specific agreements.

Mr. ZUNIGA (Chile) stated that the MTN results in the field of tariffs were limited and well below expectations. While recognizing that in part this may have been due to the uncertainties in international economic relations in recent years, he believed that an increased liberalization of trade in both the tariff and non-tariff fields, would have been an effective instrument for promoting the adjustment of national economies to the new trading conditions. He was of the opinion that the application of the "principal supplier" rule had also had a negative effect on tariff negotiations in respect of agricultural as well as manufactured and semi-manufactured products and had tended to perpetuate the existing foreign trade structure of supplying countries. By limiting the negotiations for improved market access to those products for which a country was a principal supplier, the negotiations had not supported the efforts made by many countries, including his own, towards the expansion and diversification of non-traditional exports. He also stated that the question of tariff escalation and its consequent effective protection had been only partly dealt with during the negotiations and remained a serious obstacle to the industrialization efforts of developing countries. He recalled that in order to deal with these two problems, his delegation had suggested to negotiate the establishment of tariff ceilings for all products, which would eliminate the most acute distortions of effective protection and would avoid the rule of principal supplier. He suggested that this approach be kept in mind for an eventual future round of global negotiations or for any more limited effort towards multilateral trade liberalization.

He stated that Chile had participated in the MTN, even though it did not consider the results as very satisfactory. Chile had signed the supplementary Protocol, thereby binding its whole tariff at the uniform level of 35 per cent, the only exception being the automotive sector in respect of which bindings were being deferred until 1986. He further stated that in 1979 Chile had finished a process of tariff reductions which brought all customs duties down to a maximum level of 10 per cent. Although progressive, this process had been rapid and the results satisfactory. Simultaneously, Chile had made a vigorous effort to eliminate non-tariff barriers, which in practice, no longer existed in Chile's foreign trade. In this perspective, Chile had already signed the codes on Subsidies and Countervailing Duties, Import Licensing and Technical Barriers to Trade and was studying with great care the other codes so as to take final decisions in their respect.

He stated that Chile's exports had increased substantially in recent years, particularly those of non-traditional products for which the annual growth rate had been of the order of 30 per cent. At the same time, Chile's imports had increased at a similar or even greater rate, its main trading partners having tripled or sometimes even quadrupled their shipments to Chile. However, within this generally positive framework, Chile had found itself confronted with problems of access, particularly to developed markets. Such problems were becoming more acute. In more than one case Chile had been adversely affected by countries taking measures, generally in violation of GATT provisions, to export their domestic problems. He expressed the hope that the GATT mechanisms for dispute settlement would prove to be effective and responsible. Otherwise, the restrictions applied against it might force Chile to modify its present approach to foreign trade. In conclusion he stated that, since the scope for further liberalization of trade after the Tokyo Round appeared limited, there was all the more need for contracting parties to loyally fulfil their existing obligations and to respect the rights of others.

Mr. DUNKEL (Switzerland) said that the CONTRACTING PARTIES were called upon today to take cognizance of the results of the most important tariff and non-tariff negotiations ever held under the auspices of GATT. However, the impact made on the hard facts of international trade by agreements and arrangements finally depended on the way in which they were implemented. Uniform observance of the commitments undertaken was the only way of ensuring that the agreements had the effect intended. Hence the need for all participants to observe the spirit and the letter of the various instruments when embodying them in their particular national legislation. The internal procedures for ratifying the agreements within the prescribed time-limits were in progress, and thus the stage was set for ratification by Switzerland between now and the end of the year. There could be no doubt that some of the provisions of the agreements made in connexion with the Tokyo Round would require interpretation, and it was for the various committees of the signatory countries, as the only organs in a position to interpret them, to ensure the uniform application of those provisions. Whatever the subtleties that could be detected in assessing the results of the Tokyo Round, the fact remained that those negotiations could only be regarded as a stage - a decisive stage no doubt - in the permanent search for ways and means of improving and strengthening the international trade system. The best course therefore was to persevere on the basis of the progress made so far in seeking solutions enabling the developing countries to participate more and more closely in world trade and to draw more and more benefit therefrom. The Committee on Trade and Development would have to give special attention to the effective implementation of Part IV of the General Agreement and to the provisions on special and differential treatment contained in virtually all the codes as well as the texts worked out in the Group "Framework". The indispensable prerequisite if what had already been achieved was to bear fruit was nevertheless the widest possible participation by the developing countries in the new agreements and arrangements. In that connexion, Switzerland was glad to see that during the past year three developing countries - Colombia, Mexico and the Philippines - had virtually completed their negotiations for accession to the General Agreement, thus strengthening GATT and its rôle in world trade. With regard to safeguards, disagreement as to the interpretation of Article XIX would not only risk jeopardizing the results of the negotiations but would also be a matter of concern for the future of international trade in general. The search for a balanced compromise on that question had been started, and Switzerland would support any efforts in that direction. The time available for finalizing the work on the subject was short, and that meant embarking rapidly on the negotiation process. Furthermore, an effort must be made to pursue, in an appropriate context and in accordance with a method still to be determined, the negotiation of certain questions including export restrictions, with a view to reappraising the pertinent provisions of the General Agreement, bearing in mind particularly the fact that problems of supply could become just as important in the context of an adjustment process as those of access to markets. In conclusion, he gave assurance that Switzerland was ready to participate fully in the implementation of the important tasks to which GATT would have to devote itself in the course of the next few years.

Mrs. AUGUSTE (Trinidad and Tobago) recalled that Trinidad and Tobago, like most developing countries, had participated in the Multilateral Trade Negotiations with the hope that the problems of world trade need not be pursued in an adverse framework but that both developing and developed countries, cognizant of their interdependence, could succeed in a co-operative attack on the problems of world trade within the legal framework of the GATT. However, the results of these negotiations were most disappointing to her delegation, especially in the field of tariffs. In the normative area her authorities were in the process of evaluating the various agreements negotiated and would in due course arrive at a definitive position.

She said that the language in the various agreements gave rise to serious concern on the part of her country for its GATT rights, especially those under Article I of the General Agreement. She considered it as incontrovertible that, while two or more contracting parties were free to accept additional obligations towards each other inter se, any advantage, favour, privilege or immunity extended by any contracting party was automatically multilateralized by Article I of the General Agreement among all contracting parties. Her delegation saw this provision of Article I as the fundamental element of the GATT.

Her country would be looking closely at the operations of all the agreements in the future to ensure that it did not suffer any infringement of its GATT rights as a result of the interpretation or operation of the various agreements. She stated that Trinidad and Tobago interpreted the "satisfactory procedures", for observers, referred to in paragraph 5 of Annex IV of document L/4884/Add.1, to mean satisfactory to both members and non-members of the various agreements, as well as to the CONTRACTING PARTIES as a whole.

Referring to safeguards, she said that while her delegation supported those who argued against selectivity, it would continue to seek a derogation from the MFN application of Article XIX in favour of small exporters and new entrants. She also noted that those who wished to take safeguard action nowadays were the most powerful countries, both economically and politically, and consequently the task of the GATT in the field of structural adjustment was not being pursued with the same degree of urgency. In this context she welcomed the strengthening of the rôle of the Committee on Trade and Development, especially its mandate to implement Resolution 131 of the Fifth UNCTAD. She considered that such an inter-organizational co-operation was a development that could only be helpful in the continuing process of trade liberalization.

Mr. NEITTEL (Austria) welcomed the increasing recognition of the interdependence of all nations, whether industrialized or developing. This, together with the results of the Multilateral Trade Negotiations, was a major cause for encouragement and optimism in regard to the development of

international trade. The results of the MTN were a breakthrough in the history of GATT, because the MTN agreements would provide the international trading system with greater discipline and more stability and because this system would become more open to the participation of developing countries than it had been previously. He stated that Austria, like other countries, was presently engaged in the process of ratification of the agreements which had emerged from the Tokyo Round. The Austrian Government had accepted the Geneva (1979) Protocol and was seeking its approval by the Austrian Parliament. His Government would most likely be in a position to ratify the Geneva (1979) Protocol before the end of the year. With regard to the MTN agreements, Austria was ready to sign, together with other countries, all the agreements but one and expected to be able to ratify these agreements early in 1980. With respect to the Agreement on Trade in Civil Aircraft, governmental as well as parliamentary approval was presently being sought. However, the acceptance by Austria of this Agreement could only be based on the assumption that the provisions of Article 5:1 of the Agreement did not affect Austria's obligations resulting from Article 16 of the State Treaty for the Re-establishment of an Independent and Democratic Austria of 15 May 1955. The Austrian authorities were prepared to apply, within existing legislation, the provisions of all MTN agreements which would enter into force on 1 January 1980 on a de facto basis between that date and the date of ratification and were willing to participate fully in these agreements as soon as they entered into force.

He expressed satisfaction that GATT would have additional possibilities and procedures to meet the needs of developing countries. The MTN agreements, provided for special and differentiated treatment wherever feasible and appropriate. These agreements, as well as certain of the proposed decisions before the CONTRACTING PARTIES, would provide the basis for the creation of what had been called a "New GATT". He hoped that as many developing countries as possible would adhere to these agreements in order to help give life to their provisions, in particular to the provisions which were in favour of developing countries. Only participants would be able to use their full weight in the implementation process. On the question of implementation, he expressed the hope that, in drafting their domestic legislation, countries would clearly reflect the disciplines provided for in the agreements and would not try to prejudge their interpretation, which could solely be given by the parties to the agreements in the respective committees. He stated that his delegation shared the concern and disappointment expressed at the failure of the negotiations aiming at a more uniform and more predictable safeguard system. He hoped that the negotiations in the Committee whose setting up was being proposed would lead to a satisfactory conclusion by the middle of next year. He confirmed that Austria was prepared to co-operate fully to this end.

He supported the various actions being proposed to the CONTRACTING PARTIES. Although not all points in these texts were dealt with in exactly the same way his delegation would have liked, it was prepared to drop certain apprehensions in order to enable the CONTRACTING PARTIES to adopt these texts by consensus and hoped that others were also prepared to do so. Any modification of the substance of these texts would disturb their balance. His delegation supported these texts, in particular because they constituted a carefully negotiated compromise between diverging opinions.

Mr. YEE (Malaysia) said that, while taking note of the results of the Multilateral Trade Negotiations, it appeared to him that a host of trade problems besetting the developing countries were still unresolved. Thus, the absence of an agreement on greater discipline for safeguard action had left the Tokyo Round with a package, very much unbalanced in favour of the main trading countries. He said that for a developing country like Malaysia which depended largely on the exports of rubber, tin, timber and vegetable oils, the results of the Tokyo Round were disappointing, since there had been little or no progress on the liberalization of world agricultural trade and trade in tropical products. Almost all the requests made by developing countries on non-tariff barriers in the field of tropical products, which was considered a priority sector in the negotiations, had not received a satisfactory response from the developed countries. He stated that the negotiations on the outstanding issues on tropical products should be continued in order to bring about a satisfactory solution. Moreover, he felt that in the field of quantitative restrictions the developed countries had not made any particular attempt to introduce liberalization in favour of developing countries. He was therefore of the opinion that the aims in the Tokyo Declaration, especially on the progressive dismantling of obstacles to trade and additional benefits for the international trade of developing countries had been completely neglected.

He said that the Tokyo Round had resulted in a lowering of tariffs on many items in world trade, but it should also be realized that many developing countries, including Malaysia, had also contributed towards the tariff reductions. Turning to the agreements that had been drawn up as a result of the negotiations, he recalled the statement made by his delegation at the Trade Negotiations Committee meeting on 11 April 1979. He believed that the existence of parallel texts and proposals of new texts by a few delegations on some of the Agreements only showed the unsatisfactory manner and the intransparent nature in which the negotiations were conducted. He considered there had been no agreed procedure for decision making for the Agreements in the MTN and that proposals by developing countries had often been neglected.

He said that GATT as an organization would have to be changed as a result of the negotiations. It was important that these changes would reflect the increased rôle played by developing countries in world trade. There should thus be the genuine recognition by the CONTRACTING PARTIES that decisions in GATT should be arrived at with the full participation of developing countries. He stated that the taking note by his delegation of the Agreements which had been drawn up as the result of the MTN did not necessarily mean its approval or endorsement of these Agreements. He was furthermore of the view that these Agreements could not infringe upon the GATT rights and obligations and that no contracting party could take refuge in the Agreements in order to deny another contracting party any of its GATT rights. He considered it essential for the CONTRACTING PARTIES to closely scrutinize the implementation of these Agreements. Contracting parties should therefore have the undisputed right to participate in the proceedings of the Committees or Councils established under the Agreements. He said that the CONTRACTING PARTIES were now confronted with an MTN package which was largely satisfactory to the main trading countries. He expressed the hope that the committee to be created for the pursuit of the safeguards question would bring about meaningful results, and, furthermore, that the future work in the GATT machinery would bring about meaningful results on the residual matters soon for developing countries in order to correct the imbalance.

Mr. LHO (Republic of Korea) stated that this session of the CONTRACTING PARTIES was of particular importance. It seemed to him however, that after many years of efforts and patience to bring the negotiations to a satisfactory conclusion, the results were not successful from the point of view of developing countries. He stressed that the principal issue in the negotiations had been the containment of protectionism and the establishment of a régime which would ensure free trade in the coming decades. Since the efforts to that end had not been fruitful, renewed endeavours should be pursued. In this connexion, he welcomed the establishment of a committee to continue discussions and negotiations on safeguards. Similarly, his delegation supported the setting-up of a sub-committee under the Committee on Trade and Development to examine all protectionist measures taken by developed countries against imports from developing countries.

With regard to the question of safeguards, he stressed that arbitrary selectivity should not be introduced and that the terms and conditions governing safeguard measures should be strictly defined and clearly spelled out. He hoped that a satisfactory agreement could soon be worked out. In order to illustrate the effect of protectionism on the exports of developing countries like his, he pointed out that as at the end of August 1979, no less than 188 Korean exports products in terms of CCCN four digits were subject to various trade barriers imposed by nineteen different countries in such forms as quotas, safeguard measures, voluntary export restraints and orderly marketing arrangements. In 1978 exports affected by such measures amounted to 24.7 per cent of total Korean exports.

He pointed out that his Government has since the beginning of 1978 taken some significant steps as part of the contribution of developing countries to the liberalization of world trade, so that at the moment the import liberalization ratio of his country stood around 68 per cent in spite of growing trade deficits in recent years. He indicated that it was the intention of his Government to continue in a positive way its policy of import liberalization.

Touching on some other major aspects he expressed disappointment that the level of tariff reduction by the developed countries was lower than expected and that tariffs on many products of export interest to the developing countries had been excepted from the reductions or had been cut by less than the formula level. He was also dissatisfied at the fact that some of the codes on non-tariff measures only recognized the validity of existing barriers, rather than advocating their reduction or elimination. He therefore supported the position of developing countries urging for further improvements. He noted that developing countries were being urged to accede to the codes, but in view of the present situation of international trade and the misgivings of developing countries about certain aspects of the codes, such as the code relating to subsidies and countervailing duties, he did not consider an early accession appropriate. In his view, it was necessary to offer developing countries some assurances or work out institutional devices on differential treatment in order to induce their effective participation in the codes.

Referring to the preferential trade arrangement among developing countries he stated that, it had contributed considerably to the increase in trade among developing countries and although the trade volumes involved were still low the arrangement had the potential to provide an important stimulus to the expansion of world trade. He expressed the readiness of his Government to participate in the negotiations aimed at enlarging the scope and membership of the Arrangement.

Finally he expressed the hope that the GATT would continue to play an active and responsible rôle in world trade, while ensuring that the interests and concerns of all contracting parties were adequately protected.

Mr. LIONTAS (Greece) said that in assessing the importance of the results of the MTN, account must be taken of the three essential factors: the international economic situation, the wide coverage of the negotiations, and the rôle of the results obtained in the context of the new international economic order. In spite of an unsatisfactory international economic situation, technical difficulties, and political and economic considerations which were frequently very divergent, the results arising out of the negotiations had led to the conclusion of a series of international trade agreements forming a balanced whole.

The results were above all a clear indication of the desire of Governments to defend trade liberalization and to bar the route to protectionism. The work done was substantial. The agreements concluded went far beyond the tariff context, and the various codes adopted in the sphere of non-tariff barriers were giving rise to an important process of updating and strengthening of the rules of GATT and to a new institutional framework on which henceforward the organization of international trade would be based. Furthermore, the introduction of more favourable and differential treatment for the developing countries provided a means of co-operation in granting those countries additional advantages at a time when the efforts made in other international gatherings and organizations to establish the new international economic order and work out a new development strategy had given only mediocre and sometimes disappointing results. On the whole, the results obtained during the Tokyo Round constituted a noteworthy success and represented a historic stage in international trade relations. It was unfortunate that no agreement had been reached in the key sector of safeguards, but it was to be hoped that that shortcoming would be remedied.

The position of Greece and its contribution to the Tokyo Round were the subject of a special communication issued on 25 May 1978 (MTN/20), stating that as from the date of its accession to the European Economic Community, Greece would have to apply the more liberal policy of the Community in accordance with the transitional adjustments of the Treaty of Accession. Greece had therefore contributed to the Tokyo Round negotiations in a very positive manner, although it had not enjoyed real advantages in return from its trading partners, especially the more developed countries. Meanwhile, the Greek Government was giving favourable attention to the possibility of participation by Greece in the various agreements, subject to the current adaptation of Greek legislation to that of the European Economic Community and in accordance with the conditions and general provisions of the Treaty of Accession of Greece to EEC, signed at Athens on 28 May 1979.

It was evident that success in applying the results of the Tokyo Round would depend on a fairly high level of participation by the developed and developing countries in the various agreements. The larger the number of participating countries, the more beneficial the results would be for world trade.

For all those reasons, the Greek delegation supported the proposals for the arrangements to be made and the action to be taken by the CONTRACTING PARTIES in regard to the Multilateral Trade Negotiations, and also the action by the Director-General in regard to the GATT Work Programme.

Mr. PETRESCOU (Romania) endorsed the statement made by the representative of Colombia on behalf of the developing countries and said that the results of the MTN would be of manifest importance for international trade, even though they had not attained the objectives laid down in regard to the Tokyo Declaration. However, the implementation of the results of the MTN should in itself help to achieve the objectives at which they were aimed. The application of the MTN agreements would no doubt constitute a barrier against protectionist trends, and in that respect the participants should affirm their intention to apply the results of the negotiations to the task of combating those protectionist pressures. Expansion of the trade of the developing countries must be pursued with a view to making a substantial contribution to the effort to reduce and eliminate the rift between those countries and the developed countries and also to the process of constructing a new international economic order. The pursuit of that goal was highly important for the development of international trade in general in the light of the actual and potential importance of the markets of the developing countries for exports from the developed countries.

The contribution by the developing countries to the economic expansion of the developed countries could not be maintained and strengthened without an increase in the payment capacity of the developing countries, with the help of a constantly growing, stable and foreseeable access by their exports to the developed countries.

Romania was prepared to take an active part in all activities concerning those areas where satisfactory progress had not yet been attained, namely the elimination of quantitative restrictions, safeguards, and agriculture. First and foremost among the priority goals of the activities of GATT must be the question of the structural adjustments in the developed countries; next, support for the expansion of reciprocal trade between developing countries; and finally, the strengthening of the spirit of co-operation and collective responsibility within GATT in the face of the problems confronting international trade relations. All the countries members of GATT, irrespective of their importance, their level of development or their economic system, must find in the GATT trade system an effective means of promoting and protecting their trade interests. In view of the existence of agreements applicable for a certain length of time between certain contracting parties only, the need to respect the rights arising from the General Agreement for the other contracting parties, and their effects for the developing countries, he proposed that evaluation of the application of the results of the MTN should be embodied in a special item of the agenda for the next session of the CONTRACTING PARTIES in 1980. The secretariat of GATT should also prepare a study, for presentation at the special session of the United Nations General Assembly in 1980, containing an evaluation of the contribution of the MTN and of GATT in general to the establishment of a new international economic order. The CONTRACTING PARTIES might examine such a study in the context of a special session of the Committee on Trade and Development in 1980.

Mr. SOLBES MIRA (Spain) said that an overall assessment of the results of the Multilateral Trade Negotiations could be made in two different manners. A first assessment would consist of an evaluation of the efforts of all negotiating parties which had now materialized. Although not fully satisfactory to each and every party, these results would constitute an objective basis for the future work of the authorities of individual countries in elaborating their trade policies. A second assessment would consist of a study by the CONTRACTING PARTIES, after a suitable period of time, of the achievements and of the unsolved problems in the negotiations, in the light of developments in the world economy and its effects on world trade. He added that this examination could not be carried out at this particular moment. A period of time was needed during which the instruments and machinery agreed upon in the negotiations could be adapted to the rapidly changing economic realities.

From the point of view of individual countries, he pointed out Spain, like more or less all other countries, had suffered from the consequences of the changes in the international economic conditions. His country's attitude, in respect of the results of the Tokyo Round, consisted of a desire to endorse the spirit and principles on which these negotiations had been based from the outset. From this point of view, his country, which, in recent studies, had been classified as a newly industrializing country, had made the maximum effort possible, compatible with its specific needs, to assume to a very high degree the obligations resulting from the negotiations.

With regard to tariffs, he pointed out that at the end of the period fixed for dismantling tariffs, his country would have bound more than half of the positions in its tariff schedule. This constituted approximately 50 per cent of the volume of Spain's import trade excluding crude oil. He stressed that this was a unilateral offer, as it had not resulted from the negotiations and no reciprocal concessions had been obtained for it.

With regard to non-tariff measures, in particular quantitative restrictions, he said that his country had eliminated as a contribution to the Tokyo Round, quantitative restrictions affecting numerous products which were in force before Spain acceded to the GATT. He added that the three lists of products which had now come under the free import régime amounted, on the basis of data for 1978, to a trade volume of more than US\$500 million.

With regard to the instruments negotiated to govern non-tariff measures, or to establish international trade rules for particular products, he stated that his country was determined to participate in as many agreements as possible and possibly in all of them in the not too distant future. More specifically, Spain's initial participation in these agreements would correspond to the announcement made by his delegation at the meeting of the TNC on 11/12 April 1979. It was also his country's intention to follow the work of the Committees of Signatories, in case circumstances did not allow for full participation immediately, in order to be prepared to take a decision on full participation as soon as possible.

With regard to the Legal Framework he emphasized the spirit of co-operation as shown in the texts negotiated, which his delegation supported.

Finally, he said that he considered it of the greatest importance that work should continue in the areas where no final solutions had been arrived at in the negotiations, particularly in the field of safeguards where it became more and more urgent to have effective and equitable criteria which would reconcile the conflicting interests of importers and exporters.

The meeting adjourned at 1 p.m.