

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Agriculture Committee

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PROPOSALS ON PROGRAMME OF WORK

AUSTRALIA

Introduction

1. In the course of discussions at the twenty-fourth session many delegations expressed strong disappointment at the relative failure of the Kennedy Round to achieve a significant liberalization of trade in agricultural products. The Director-General in a note on the obstacles to trade in agricultural products (document L/2860) pointed out that rather limited results achieved for agriculture in the Kennedy Round did not begin to approach the goals set by Ministers in 1963. It was accepted by CONTRACTING PARTIES at the session that trade liberalization in the agricultural sector had lagged far behind that for industrial products and that agricultural products should have an important place in the programme of future work.

2. It was recognized at the session that the lack of success was due in part to the complexities of negotiations in the agricultural sector of trade. These in turn derive from the complex nature and variety of arrangements used in different countries to protect and regulate agricultural productions. One major lesson to be learned from the Kennedy Round was that thorough preparatory work, including patient and thorough analysis of techniques to be employed, is an essential condition of success for negotiations in the agricultural sector.

Scope

3. There would be little purpose in seeking theoretical solutions to problems of agricultural trade. The Committee's terms of reference require it "... to examine the problems in the agricultural sector, and to explore the opportunities for making progress in the attainment of the objectives of the General Agreement in the agricultural field. The examination would cover all agricultural products important in international trade. This examination should prepare the way for subsequent consideration of positive solutions which could be mutually accepted by all contracting parties concerned. It would bear on all relevant elements of agricultural trade and production policies ...".

4. It is clear that the rôle of the Committee is to explore the present and prospective situation taking account of all relevant elements of agricultural trade and production policies in order to prepare the way for the negotiation of practical and mutually acceptable solutions.

5. The Committee will need to investigate the facts objectively, free from the heat and pressure of negotiations and should be prepared to examine new concepts and techniques without prejudice.

6. The arrangements that affect trade in agricultural products are so complex, and differ so markedly from one major product to another, that the Committee's task should be approached on a commodity basis. This is not to deny the inter-relationship between different commodities. Nevertheless, it is considered that much of the Committee's work will be best accomplished by working groups dealing in depth with a particular commodity or group of commodities.

Suggested work programme

7. An early task of the Committee should be to build on the considerable and useful work which was undertaken in the Kennedy Round. We envisage the immediate starting point would be for the secretariat to up-date all the information on trade patterns and national agricultural policies and practices which was made available by contracting parties during those negotiations.

8. It would be on the basis of such information that the Committee, by way of special commodity groups or working parties, would proceed to the next stage of its work which would be the identification of specific programmes and policies which constitute barriers to trade and which need to be modified in order to result in an expansion of trade in individual products.

9. The groups would be required to examine all aspects of international trade in the products concerned. Their work programmes should cover such questions as access, price, support programmes and export subsidies, as well as the examination of existing trade patterns and the prospects for future expansion. In this way the groups would study all aspects of international trade in the product concerned and in so doing would provide a framework for future negotiations.

10. Australia considers that groups covering dairy products and beef and veal should be established immediately under the Agriculture Committee. These groups would, inter alia, be able to undertake a full examination of the comprehensive proposals advanced during the Kennedy Round for new international trading arrangements in these products. The New Zealand proposals on dairy products and the proposals by Argentina and Australia on beef and veal would be appropriate and useful papers for the type of analytical study envisaged.

11. The montant de soutien concept developed by the European Economic Community during the course of the Kennedy Round is an example of a general technique which also provides scope for elaboration and detailed examination. Presumably there will be other proposals submitted for examination by the Committee and its commodity groups.

12. Discussions in the Committee should not be limited to proposals already tabled or its product coverage restricted to dairy products and meat. Although there will obviously be practical limits to the number of commodity studies that could be undertaken effectively at any point of time, Australia would be prepared to participate fully and constructively in any such additional studies other countries may wish to sponsor.

Conclusion

13. The establishment of the Committee provides contracting parties with the opportunity to formulate practical proposals designed to improve the conditions of world trade in agricultural products. Such an improvement would bring the benefits received by agricultural exporters under GATT more into line with those already enjoyed by exporters of industrial products.

14. The Committee has the responsibility of examining objectively and constructively all proposals and criteria which at some future stage could provide the basis for successful negotiations. Its discussions should not be conducted in an atmosphere of confrontation between importers and exporters but rather should be carried on in a spirit of co-operation with the objective of arriving at mutually acceptable trading arrangements. In this way the Committee should find it possible to formulate comprehensive proposals which will facilitate future negotiations to liberalize and expand trade in agricultural products. The emphasis in the Committee's terms of reference is rightly on the need to prepare the way for positive solutions because, unless such solutions are found, the already difficult problems confronting trade in agricultural products will be compounded in the future.