

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Agriculture Committee

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## PROPOSALS ON PROGRAMME OF WORK

### EUROPEAN ECONOMIC COMMUNITY

The new Agriculture Committee established within GATT by the CONTRACTING PARTIES at their session in November 1967 has the following terms of reference:

"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. 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."

In addition, the CONTRACTING PARTIES also agreed that, with respect to problems requiring immediate attention, recourse would be had to GATT procedures and in particular to those under Article XXII.

It seems desirable to define a position in regard to procedures that would make it possible to conduct the Agriculture Committee's work in such a way that the EEC, which is the leading world importer of agricultural products but also a major exporter, can validly participate in the Committee's work.

Accordingly, the Community proposes a programme of work phased as follows:

- I. In a first stage, the Agriculture Committee should entrust the GATT secretariat with the task of establishing objective data determining the situation in regard to agricultural products.

Such data should cover a sufficiently representative period to make it possible thereafter to evaluate the nature and scope of the problems raised and to discern trends in the situation with respect to these products.

None of the relevant elements of protection and support should be overlooked. The data would therefore bear on production, consumption, prices in internal markets and international markets, and trade of the principal countries participating in production of and trade in the products considered.

Such a study, which would be undertaken by the GATT secretariat using all data available to it and on the basis of information to be supplied by contracting parties, would make it possible to collect factual data while up-dating them in relation to the experience of the Kennedy Round and placing them in the overall context of international economic relations. The study should constitute a coherent background on the basis of which a common awareness of agricultural problems could be evolved, and would facilitate subsequent discussions.

II. Thereafter, in a second stage, the Agriculture Committee should examine the data thus assembled and analyze the principal factors underlying the difficulties encountered in regard to international markets.

After examining the GATT secretariat document the Agriculture Committee should be in a position to identify the problems arising in the agricultural sector.

It would also be desirable to bring out the relations of interdependence existing between different products and different markets and to make a distinction between difficulties of a structural nature and those connected with the level of economic activity.

The Agriculture Committee should analyze policies on production, consumption and marketing and identify certain elements common to the agricultural and trade policies pursued in the different countries. It would then be better able to appreciate the particular problems of certain products or categories of products.

III. Lastly, the Agriculture Committee would then draw up a report to the CONTRACTING PARTIES proposing methods and rules conducive to attainment of the objective of the General Agreement.

The fact that it proved impossible to achieve very substantial results in the agricultural sector in the Kennedy Round has demonstrated the need for principles and rules suited to the particular situation of agricultural products, as a prerequisite for any discussion or negotiation.

Consequently, the task of the Agriculture Committee, while taking into account the elements common to the agricultural and trade policies pursued by different countries, should be gradually to arrive at a definition of

principles and rules that should make it possible to deal in a more appropriate manner than the existing provisions of the General Agreement allow, with the specific problems of the agricultural sector and to "prepare the way for ... positive solutions which could be mutually accepted by all contracting parties concerned", in accordance with the terms of reference of the Agriculture Committee.

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If its work were conducted along these lines, the Agriculture Committee could make an overall assessment of the difficulties and would be in a position to show that in the agricultural sector policies and interests are henceforward so interdependent that solutions can be found only in greater co-operation between the different countries interested in agricultural production and trade.

Annex

MODEL QUESTIONNAIRE FOR AGRICULTURE COMMITTEE

- A. Production: production measures and policies
1. Assembly of statistical data (past trends and future prospects).
  2. Analysis of the various factors which condition production (structural elements - improvement of productivity).
  3. Interventions of governments or other bodies in the field of production.
- B. Protection and support measures and policies
1. Inventory of the instruments of support (guaranteed prices, support prices, subsidies and other measures directly affecting returns to producers, stock management policy, etc.).
  2. Levels of guaranteed prices or support prices.
  3. Average returns to producers - representative elements of these returns.
  4. Frontier protection measures: import duties and other charges, quantitative import restrictions, other non-tariff measures ...
- C. International trade and prices
1. Analysis of the international market and trade flows for the products under consideration - considerations concerning the inter-dependence of markets.
  2. Level of prices on the international markets - analysis of quotations - fluctuations of these prices in space and in time.
  3. Export aid measures and policies - credit - influence of non-commercial transactions.
- D. Consumption
1. Statistical data (past trends and future prospects).
  2. Analysis of the elements which condition the evolution of consumption - inter-dependence of products and markets.
  3. Consumption promotion measures and policies.