

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.AG/17  
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## Agriculture Committee

### MEETING OF OCTOBER 1969

#### Note by the Chairman

1. The Committee met on 13 and 14 October 1969. This note sets out the main points raised in the meeting.

#### Non-tariff barrier notifications transferred from Industrial Committee

2. The Committee took note of documents COM.AG/15 and COM.AG/W/39. The Committee agreed to deal with the notifications contained in COM.AG/15, and any other notifications which may subsequently be transferred by the Industrial Committee, in the context of the non-tariff barrier exercise referred to in COM.AG/14, unless the notifications related to items in the eight product groups already under examination. Notifications relating to the eight product groups would be dealt with in that context.

3. It was pointed out that the procedure agreed upon in COM.AG/15 provided for the notification of non-tariff barriers on all items in Chapters 1 to 24 of the Brussels Nomenclature outside the eight product groups with the exception of those transferred from the Industrial Committee but that not all notifications to the Committee on items in these chapters had been transferred. It was suggested that, to avoid duplication, all such notifications should be transferred. After discussion it was agreed that what was important in the first instance was to obtain the notifications which delegations wished to make and that any problems of co-ordination should be dealt with as they arose.

#### The particular problem of oilseeds and vegetable oils

4. The Chairman recalled that this item had been included in the agenda of the meeting by decision of the Council (C/M/56 and COM.AG/14) following discussions in the Committee on Trade and Development and the Special Group on Trade in Tropical Products (COM.TD/69 and SGTP/14). Among the documents before the Committee were Spec(69)13/Rev.1, Spec (69)20/Rev.1 and COM.AG/13. The Committee should also bear in mind the considerable amount of work done in other international organs. Copies of FAO document CCP:OF68/5/2 dealing with trade liberalization measures had been supplied by the FAO.

5. The representative of Nigeria said that his delegation was looking for practical solutions to the problems facing developing countries' exports of tropical oilseeds and vegetable oils. The share of developing countries in international trade in oilseeds and vegetable oils was decreasing as a result of tariffs, non-tariff barriers and production policies protecting local growers and crushers. These measures also prevented developing countries from following the advice given to them to diversify their exports by processing their raw materials. The papers available to the Committee identified the problems. His delegation continued to urge that problems of tropical oilseeds and vegetable oils be dealt with separately, in the spirit of paragraph 7 on the CONTRACTING PARTIES Conclusions on the Programme for the Expansion of Trade (BISD, Sixteenth Supplement, page 12) and of Part IV of the GATT. Other developing countries supported the Nigerian request.
6. Several delegations made the point that, while the problems raised by the Nigerian delegation had been considered in other bodies, the GATT Agriculture Committee was the body responsible for negotiations on access and support policies and should deal with the Nigerian request. Other delegations referred to the special session of the FAO/UNCTAD Fats and Oils Study Group in January 1970. Some of these delegations said that, in their view, problems of access could not be treated separately, this was the reason for the convening of the January meeting. Several delegations said that the work of the Committee could be incorporated into the documentation for that meeting.
7. Several delegations said that, in their view, it was not possible entirely to separate problems relating to tropical oilseeds and vegetable oils from problems relating to other oilseeds and vegetable oils. They would be willing to give priority in the work of the Committee to oilseeds and oils provided the sector was taken as a whole. Other delegations pointed out that while there was increasing substitutability between different oils the FAO had found it possible to deal separately with different classes of oils, e.g. lauric acid oils.
8. The point was made that attention should be paid to barriers imposed by developing as well as developed countries. Other delegations pointed out that these could not be compared since they were imposed for fundamentally different reasons.
9. The Committee agreed that, at its next meeting, it will take up as the first item on its agenda the identification of problems relating to trade in oilseeds and vegetable oils and will make appropriate recommendations for action. It invited individual delegations to make specific proposals as to solutions which they wished to be adopted; these proposals should be made as quickly as possible so that they could be circulated by the time of the next meeting.
10. The representative of Nigeria, in subscribing to this agreement, stressed that the matter should be treated with urgency and that problems of tropical seeds and oils should be given priority treatment. The Chairman said that it was an essential part of the agreement that the Committee would examine proposals by individual delegations.

11. One delegation said that it understood the agreement reached to mean that, in the case of oilseeds and oils, at its next meeting the Committee would finish the second stage of its programme of work and would already get into the third stage. The Chairman confirmed this understanding.

Disposal of commodity surpluses

12. The Chairman introduced the secretariat's paper on this subject (COM.AG/16). He outlined developments which had led the CONTRACTING PARTIES at the twenty-fourth session to request notification of disposals of surpluses arising from domestic price support policies and transactions involving a mixture of commercial and non-commercial terms. He said that by the time of the twenty-fifth session it was, however, clear that the complexities of the problem made it essential for contracting parties to have more guidance on what precisely was notifiable and what was not. The Committee had therefore been asked to carry out a fundamental review of the existing procedures on behalf of the CONTRACTING PARTIES and to report to the Council on the means whereby existing procedures could be improved. In drawing up its paper the secretariat had profited from the work done in the FAO; the paper was divided into two parts, the first dealing with transactions to which the FAO principles would specifically apply and the second dealing with other transactions.

13. Many delegations supported the suggestions made in the secretariat paper. It was generally felt that if, as seemed probable, the FAO procedures worked satisfactorily, the GATT rôle with regard to concessional transactions need not go beyond what was suggested in the paper. With regard to export aid measures many delegations supported the secretariat proposals. Some delegations said that the proposed standing committee should also work towards the limitation and eventual rollback of export aids. The understanding was expressed that the secretariat proposals would not modify existing rights to request consultations under the General Agreement.

14. Some delegations noted that recipient developing countries would not be expected to consult on concessional transactions. They also expressed the hope that assistance urgently required, as a result of natural disasters for instance, would not be delayed by the consultations. They also noted that any new procedures for reporting and consultation on export aid measures would not prejudice the position of contracting parties as far as obligations under Article XVI were concerned. Some delegations said that their traditional markets had been jeopardized by concessional transactions and that the secretariat, in preparing any draft resolution, should assess the effects of usual marketing requirements.

15. One delegation noted that the CONTRACTING PARTIES had requested the Committee to consider the question of the disposal of commodity surpluses "within the framework of its work programme". Section I, 2 of the outline for the second stage of the Committee's work (COM.AG/11, page 6) dealt with the questions raised in the secretariat's paper; and Annex 2 of the paper, which

took account of work done in other bodies, might usefully be incorporated in the work programme. The secretariat paper proposed a procedure for regular notification. The Committee already had certain notifications and might decide, at the end of the second stage, that notifications should be received on a regular basis. The paper also proposed a consultation procedure and the establishment of a committee. His delegation was not sure that this would provide an adequate solution in the third stage but paragraph 8 of the paper might be put into the work programme although his delegation might be prepared to go further when the Committee took up the third stage of its work.

16. It was suggested that consideration of the question within the framework of the work programme could only go to a certain point since a recommendation should be made to the CONTRACTING PARTIES at their next session; what was meant was that the Committee, in formulating its recommendation, should use the experience and knowledge gained in implementing its work programme. Several delegations said that this question was a separate one which should not be submerged in the work programme and that adequate procedures for notification and consultation should be seen as an interim stage quite separate from the search for solutions. It was suggested that the secretariat be requested to submit the text of a draft resolution to the next meeting of the Committee. It was also suggested that this might be combined with the proposal that Annex 2 of COM.AG/16 be integrated in the work programme and that Annex 2 might be examined at the next meeting of the Committee. Some delegations stressed the importance of reaching agreement on the measures to be covered. It was suggested that transactions having the effect of pre-empting or reserving the whole or part of a market should be added to the list. It was also suggested that the list was of measures which might aid exports, rather than of export aid measures.

17. The Committee agreed to request the secretariat to draw up the text of a draft resolution in consultation with interested delegations for consideration by the Committee at its next meeting, and to examine the list of transactions reproduced in Annex 2 of COM.AG/16 at that meeting, with a view to making recommendations to the Council at its meeting in December.

18. One delegation said that certain measures might be used to dispose of surpluses but that in thinking of future solutions it would be necessary to look to the causes of the surplus situation in measures taken at exportation, at importation and in production policies. It would also be necessary to look not only at exporting countries but also at importing countries. They asked the secretariat to take this into account in drawing up their text of a draft resolution.