

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Special Distribution

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## Arrangement Regarding Bovine Meat

### INTERNATIONAL MEAT COUNCIL

#### Special Meeting

#### Note by the Chairman

1. At the request of Argentina and pursuant to Articles IV:6 and V:2 of the Arrangement Regarding Bovine Meat, the International Meat Council held a special meeting on 9 April 1984 in the presence of observers from non-signatory countries and from governmental international organizations.
2. The Council had before it a communication from Argentina (IMC/W/31) briefly explaining the concerns of Argentina and the reasons for which the meeting had been called. At the meeting the representative of Argentina expounded the reasons for which the special meeting had been called, underlining that the international meat market was going through a critical period because, inter alia, of subsidized exports and protectionist policies of restrictions on free access to markets (annexed). Also annexed are the introductory remarks made by the representative of the European Economic Community.
3. During the discussions, it became evident that several participants concurred with the Argentine view that there was a crisis on the international bovine market, and that it was necessary to find solutions to remedy this crisis caused by the following factors: decreased demand, surplus production, competition from subsidized exports, import practices and effects of the international recession. Some participants were of the opinion that there was no acute crisis at the moment but that one could be expected to emerge in the near future (1985-1986); it would therefore be of interest to move forward and agree on action to prevent such a crisis. Participants agreed to study these particular problems of the international meat market in depth.
4. To this end, participants agreed that the special meeting would recommend to the June 1984 meeting of the IMC, the setting-up of a working party, which would be open to all signatories of the Arrangement Regarding Bovine Meat. The terms of reference of the working party would be decided upon by the IMC in June. However, to facilitate the task of the IMC the Chairman of the Council was asked to define these terms of reference in consultations with interested participants before the June meeting in order to put forward a formal proposal at that meeting. The terms of reference of the working party would take into account, in particular, the provisions of Article IV, paragraph 2, of the Arrangement. The working party would start its work after the June 1984 meeting of the IMC. It was noted, however, that the IMC itself was to proceed to the identification of possible solutions for examination and decision by governments, on the basis of the work and the proposals by the working party.

ANNEX I

Statement by Mr. Néstor E. Stancanelli,  
Deputy Secretary for Foreign Trade, at the Meeting  
of the International Meat Council (9/10 April 1984)

First of all, and by way of introduction, I must make it clear that the problem that is giving concern to our country should be seen in the context of an international situation characterized by the lack of effective solutions for a resumption of economic activity and trade flows and the reduction of imbalance between the developed and the developing countries. In the latter in particular, the high level of foreign indebtedness, the decline in exports and prices of commodities, and difficulties of access to the markets of industrialized countries constitute serious threats to their possibilities of remedying the crisis.

The difficulties that the world economy is currently experiencing, the signs of which have been more than evident in recent years, are a reflection of structural imbalances which can only be remedied through resolute will on the part of all countries.

Without the political will to strive for change, nothing will be possible, because the crisis we are going through is unprecedented, it is unique in both characteristics and magnitude.

In the circumstances just mentioned, international trade has been significantly affected because of its slower growth rate, the resulting decline in the value of trade and the change in the conditions in which it takes place. Application of the rules set forth in the General Agreement and the principles that they have recognized as permanent objectives since 1948 are being increasingly brought into question by the practices of a great many developed countries which, by coincidence, are the very ones that originally inspired the adoption of these principles.

While it is difficult to speak in an absolute way of an attitude of "every man for himself", the endless series of declarations of intention which are forgotten when it comes to implementing them seems to indicate that this harmful principle has been gaining ground in recent times.

The most serious aspect of the imbalance in trade flows is that the countries it affects are those which are in the worst economic conditions and are least able to react. So long as one does not recognize the existence of predominant structural inequality, any attempt to solve the problems is doomed to failure.

There is nothing more inconsistent with the principles set forth in the General Agreement than the fact that it is the developing countries - in favour of which that instrument makes provision for differential and more favourable treatment (Part IV) - which bear the major burden of adjustment and anticyclical measures that are being implemented in the principal industrialized countries, and which include a proliferation of protectionist and market-distorting practices.

In requesting this special meeting of the International Meat Council, my country has confirmed various submissions made by it before this body since its establishment in 1980, in order to call attention to the urgent need to arrive at adequate regulation of the world market for bovine meat. In those submissions, Argentina underlined that within the framework of this Council, decisions and mechanisms should be adopted to avoid or limit existing distortions that are detrimental not only to international trade in the sector concerned but also, and very severely, to the livestock programmes and economic planning of efficient producers, particularly those in developing countries.

To repeat what was stated in its communication to the Council, my country would wish an in-depth examination to be made of the question of subsidized exports of bovine meat, the effects of which are seriously jeopardizing the development of international trade in this sector in which the Argentine Republic is closely involved; furthermore, such exports constitute a real obstacle to attainment of the objectives set forth in Article I of the Arrangement.

It is essentially for this reason and because of the need to find a favourable solution for eliminating the practices we have mentioned that my country requested this special meeting of the Council in accordance with the established provisions.

In the sector with which we are concerned, part of the international market, comprising the developed market-economy countries - in which consumption is traditionally largest in both absolute and relative terms - is characterized by two main factors.

It should be added that the examination could in general cover all agricultural products of the temperate zone and those of the tropical zone which can be replaced by temperate-zone products (cane-sugar, for example, which can be replaced by beet-sugar).

The first factor, which we could term structural or autonomous, lies in the difference between the growth rate of demand for industrial products and that of demand for primary products and processed agricultural products as income rises. Indeed, as from a certain income level, demand for the latter category of goods becomes inelastic.

In this connection, the trend in aggregate imports (intra- and extra-regional) by the European Economic Community well illustrates this phenomenon. According to EUROSTAT data, EEC imports (in value) showed the following structural change between 1958 and 1980.

Whereas in 1958, Community imports of primary products (excluding fuels) and processed agricultural products represented 50 per cent of the total value, they accounted for only 18.8 per cent in 1980, thus becoming the least dynamic items.

The other factor, which one can consider as induced, results from protectionist policies and is reflected in the slower growth rate of trade in primary products and processed agricultural products as compared with the increase in domestic production of the developed countries.

In this case too, if one takes as an example the import trend in the EEC, one finds that for foodstuffs, beverages and tobacco, the regional coverage increased from 24.2 per cent in 1958 to 64.3 per cent in 1980.

In this context, our country considers it desirable to analyse the causes of market instability which, in the view of Argentina, stem from three closely linked elements: protectionist practices, production incentives and large-scale allocation of resources for disposal of accumulated surpluses.

Protectionist practices have been largely responsible for the instability of meat production and trade and for encouraging the inefficient allocation of resources that is characteristic of this sector.

It is because of those practices that the increase in imports by the developed countries has been offset by their exports.

For example, in practice the European Economic Community has limited its imports from non-EEC countries almost exclusively to the quotas negotiated in GATT and some bilateral preferences, since meat coming from outside the region cannot be competitive if levies have been charged on it.

These protectionist practices have greatly reduced the export possibilities of the traditional meat-exporting countries, and consequently their foreign exchange earnings. A clear example of this negative effect can be seen in an evaluation by the FAO, which concluded that if protective rates had been uniformly reduced by 25 per cent, world exports of bovine meat would have been 22 per cent above their actual value in 1977-79 and the average of international prices would have risen by 7 per cent. In terms of effective commercial value, instead of \$2,800 million for the three years 1977-79, aggregate earnings of Latin America and Oceania from exports of bovine meat and livestock would have reached \$3,800 million per annum. Furthermore, in the event of a reduction by 50 per cent, the export earnings of those regions would have increased, in relation to 1977-79, to an annual average of \$5,300 million in 1980-82.

Restriction of imports is essential for operation of the policy of guaranteed high prices which the EEC pursues in regard to bovine meat. Its application has led to self-sufficiency and in addition to the accumulation of supply surpluses.

The second element characteristic of the common organization of the EEC market for bovine meat is its permanent policy of incentives to domestic production regardless of the final volumes that could result. In

the absence of any limits to the fixing of guide prices, EEC production of bovine meat has increased much more rapidly than internal consumption. Since per capita consumption has reached a ceiling level while production has continued to increase, an unbalanced situation has developed in which the self-sufficiency rate has risen rapidly and surpluses have been increasing.

The situation I have described has brought a drastic reduction in imports by the EEC and a spectacular increase in purchases by the intervention agencies of its member countries.

Furthermore, because of the high cost of accumulated stocks, it has been necessary to reduce them through disposals on the international market.

As a better illustration, one may mention that the self-sufficiency rate increased from 91 per cent in 1971 to 103 per cent in 1982, that intervention stocks currently amount to more than 400,000 tons and that there seems no likelihood of their declining in the immediate future.

The magnitude of the resources allocated by the EEC to export refunds on bovine meat, the amount of which since 1980 has greatly exceeded the total value of annual exports by the Argentine Republic, has disrupted the bases of sound competition in world trade in this product.

The efforts and assiduity characteristic of meat production in the traditional exporting regions, based on utilization of available natural resources for this activity, are being frustrated by the impossibility of selling the product on profitable terms because of this artificial factor of the grant of subsidies generated in sectors other than agriculture.

The result is a serious disruption of supply, to the extent that the latter no longer depends on the trend in international prices, but on circumstances completely alien to market rules.

Through this policy of highly subsidized exports, the Community has become the second largest world exporter of bovine meat, with shipments to third countries in excess of 500,000 tons annually in the period 1980-83. For 1984, forecasts point to more than 700,000 tons, which might make the Community the leading exporter, whereas prior to the establishment of the common organization of the market it had been the largest net importer.

This sharp growth in exports is still more serious if one considers that the volume of world trade in bovine meat has not varied substantially since 1978; not including intra-Community trade, it is of the order of 3.4 to 3.5 million tons, carcass weight.

As a result, the relative share of EEC exports in the world market for meat has increased from 6.4 per cent in the period 1977-79 to 17.1 per cent in the period 1980-82, thereby displacing traditional supplying countries

such as Argentina, whose relative share dropped back from 19.5 per cent to 14.2 per cent in the same period, as may be seen from the annex to the document already presented.

The negative consequences of subsidization policies are reflected in the most recent figures available regarding developments and prospects for the cattle herd; these figures show that in the principal countries comprising the group of traditional exporters, the cattle herd will be down considerably in 1984 in relation to 1979 (by 5.3 per cent in Argentina, 18.9 per cent in Australia, 8.6 per cent in New Zealand, 9.7 per cent in Uruguay).

As against this decline in cattle herd which will inevitably bring about a reduction in the future participation of these countries in the meat trade, one can see an increase in the share of countries that used to be net importers of meat.

By way of example, we may mention the case of Italy, which although clearly in deficit in respect of bovine meat (its production covered 50 per cent of national requirements) nevertheless offered some 45,000 tons of bovine meat on the international market in 1983, excluding intra-Community trade.

The second factor that clearly proves the existence of the distortion already mentioned is the "price war" that started with the EEC irruption and is still continuing in the meat trade.

This "price war" results from the application of production and export subsidies that are not occasional. On the contrary, these policies have become permanent systems that are seriously affecting the earnings of traditional exporting countries. Their continuing application is resulting in export flows that are increasingly aggressive, quantitatively larger and in which competition is determined by the economic resources earmarked for subsidization and not on more rational use of the natural and human resources intended for livestock production.

The deterioration in prices of bovine meat on the international market is clear if one compares the price of \$1,161 per ton, which is the average price of the 408,000 tons exported by Argentina in 1983, with the price of \$1,195 per ton, the average price of the 551,000 tons exported by Argentina in 1973, i.e. ten years earlier.

This comparison, in constant values, shows that the price of bovine meat on the international market has declined by about 50.8 per cent (figure adjusted by the United States wholesale price index).

An example that clearly reflects the impact of the subsidization policy on prices ruling in the international market and the distortion created in trading conditions is to be seen in invitations to tender on the Egyptian market. According to bidding in January last, prices quoted by

EEC meat exporters were 6 to 13 per cent below those quoted for similar qualities of Latin American products, and 15 per cent lower than those established in the contract signed between the Argentine Meat Board and IMPEXMIR of Egypt.

To sum up, my country considers that subsidization policies for meat exports and other practices have contributed substantially to the depression and instability currently prevailing in the international market for bovine meat, and that as a result of the facts reported, Argentina's participation in the international meat trade has been clearly affected.

The distortion and imbalance existing in the market constitute a major obstacle to attainment of the objectives of the Arrangement Regarding Bovine Meat, as set forth in Article I thereof.

Indeed paragraph 1 of that Article recognizes stability of the market as an objective. The characteristics already mentioned in connection with the sudden increase in EEC exports as a result of the use of subsidization as an instrument of market penetration are clearly distorting the conditions of competition. That distortion is clearly apparent if one takes into account that, when competition is based on the financial feasibility of granting subsidies, comparative advantages become meaningless and supply of products on the market becomes completely erratic and independent of any current price trend. If to all that one adds the reduction of cattle herd in traditional exporting countries because of declining profitability, one is bound to conclude that the dominant element is instability, with all the negative consequences it implies.

Article I:2 of the Arrangement, which calls for greater rationalization and more efficient distribution of resources, is also deprived of meaning because of the development of competition based on the possibility of subsidization. When price formation no longer depends on production costs, the efforts and assiduity that have characterized bovine meat production in traditional producing countries lose their significance, and the development of meat production is even limited in importing countries that do not grant any subsidies. This situation is thus hampering the effort to further expand trade on a competitive basis, as provided in Article I:4 of the Arrangement Regarding Bovine Meat.

The Argentine Republic likewise considers it a matter of concern that the provisions of paragraph 3 of that Article are not being observed, in other words that no additional benefits are being secured for developing countries and that they are not being given improved possibilities for participating in this trade through long-term stability of prices and maintenance and improvement of their export earnings.

Being a developing country, Argentina should be receiving the differential and more favourable treatment provided for in Part IV of the General Agreement, the declaration on more favourable treatment approved in the Tokyo Round on 28 November 1979, and the provisions of Article I:3 of the Arrangement on Bovine Meat.

In this connection, the injury suffered by our country by reason of subsidized exports of bovine meat is contrary to the letter and the spirit of the commitments entered into by the contracting parties to the General Agreement and is affecting its efforts at a time when export expansion is essential for its external payments situation.

Taking into account the need to reverse this situation, we consider it would be appropriate to examine in the International Meat Council appropriate procedures in relation with the provisions of Article IV:2 in order, with the participation of the Council members, to evaluate the present crisis in this sector and propose measures for overcoming it, on the basis of co-ordination of policies and gradual reduction of subsidies.

An expression of will in this sense, in conjunction with the progress that is being made in the Committee on Trade in Agriculture, would make it possible to change the negative prospects currently perceptible in the bovine meat sector and to move toward eliminating the distortions currently existing in the international meat market.

ANNEX II

Statement by Mr. Michel JACQUOT

(Representative of the EEC)

I join you, Mr. Chairman, in saying first of all that we have listened to an extremely full and rich presentation of the situation by the Secretary of State for Trade of the Argentine Republic. I shall not take advantage of this opportunity to reply in detail to all the remarks, all the observations and all the data that has been presented. I say this because I should not like it understood here that if I fail to answer one or another of the arguments presented, that could mean that we endorse, accept and share them. On the contrary, we should perhaps re-analyse some of them and we shall come back to that later in the discussion. Having said that, I think that two general observations are in order. The first is connected with the statement made by the Secretary of State for Trade concerning the world-wide economic situation in relation to the world market for meat. The fact that we, in the EEC delegation, are almost as numerous as the members of the other delegations shows that we are taking the demand of the Argentine delegation seriously. It also reflects the importance of the bovine meat sector in the European Economic Community: it cannot too often be repeated that the bovine meat business accounts for 15 to 17 per cent of the revenue of Community producers. Consequently, like Argentina, we too are worried by the situation. I would therefore say that what we are happy about most is that Argentina took the initiative of calling for a meeting of the Council to analyse the present situation and future prospects and to draw the necessary conclusions. But what we are not happy about is that it should be the European Economic Community's agricultural policy that is pin-pointed and that the Community should be used as a pretext for an occasion to talk seriously about bovine meat in GATT.

We in the Community are worried but not for the same reasons as the Argentine delegation. It is not so much the present situation which "is causing a problem" for the Community as it is the outlook for the future. In any case, what we have gathered from the general statement of the Secretary of State for Trade of the Argentine Republic is an appeal for international co-operation. That is fundamental: we must as exporting countries have the opportunity to exchange our points of view; we must as exporting countries try if possible to find solutions. That, of course, is one of the major functions of the International Meat Council and I shall say more about it shortly. But there must be co-operation not only among exporting countries but also between exporting and importing countries, especially if they are parties to the General Agreement, and it is in that sense that the Community is prepared to operate.

As regards the present diagnosis, I share the opinion of the Secretary of State that we are now living in a difficult environment. What is more,

the report published by the GATT secretariat at the end of the meeting of last fall indicates in its introductory general remarks that more than any other agricultural product, meat is really sensitive to the environment and in particular to the world economic and financial crisis we are facing today, even if in some developed countries one seems to be seeing the end of the tunnel. There is reason indeed to take into account the international climate, which, as concerns bovine meat, tells us to be very vigilant with regard to everything that happens in that market.

The Secretary of State drew attention to some agricultural policies described as protectionist. Actually, the policies conducted by all the contracting parties of GATT do not have protectionism as their goal. That they should appear in practice as a certain kind of protectionism is a fact, but it must be understood that it is imperative for a number of countries to isolate themselves from the international market because the international market does not have all the virtues one likes to ascribe to it and because it is subject to considerable fluctuations, so much so that it is not by reference to the international market or by a direct link to the international market that one can successfully conduct a responsible policy. The European Economic Community intends to conduct a responsible policy, especially since 31 March last, when some important changes were made not only in the common agricultural policy as a whole but also, and more specifically, in the policy concerned with the bovine meat sector.

Having said that, I do not think we ought to try to base the diagnosis of the present situation on the decisions of 31 March. I personally did not attend the most recent meetings of the International Meat Council - something I regret all the more, Mr. Chairman, since it is you who is now Chairman. However, I have tried to read the reports that were drawn up, the reports of GATT and the reports made by officials of the Community and of the other countries that participated in those meetings of the Council and its Working Group. One thing that struck me was the comparison between the Community's policy of stabilization and the subjection of other policies to the laws of the market and to world monetary and financial spasms. Would it be too much to say that fortunately the Community was there to keep world trade steady during the last few months? Without it, would not the world market have experienced an insane price explosion (as during 1973-75) which might have led to a cyclical depression of the opposite kind, i.e. surplus production and a resulting price collapse? It is thus my position that the stabilization policy conducted by the Community within its borders is a contribution to the relatively healthy situation of the present world market. In looking at the diagnosis made at the last meeting of the International Meat Council, what struck me is the fact that in many exporting producer countries there had actually been a significant decrease in production, hence a decline in availabilities, and, in a number of countries that are traditional exporters, even a rather considerable decline in consumption. I note, by the way, that in one of those countries, which I shall not name, the consumption of bovine meat fell by 15 per cent whereas, in spite of the situation of economic and social crisis in which the Community finds itself (and in spite of its

policy of high prices so often denounced on the international scene) it has succeeded in the tour de force of keeping the consumption of bovine meat at practically the same level as before. The comparisons made by Argentina with certain base years (which, by the way, are not always the same: sometimes the reference was to 1974, other times to 1979) for the purpose of diagnosing the present situation can sow confusion and in any case do not contribute to objective elucidation of the discussion. I think that we should look at the situation as it is today. I do not believe that the market for bovine meat is now in a situation of imbalance. I would even say that we are lucky to be in a situation of relative balance, that the import policies followed by some of our major partners, like the United States, Canada and other importing countries not members of GATT are not a present factor of concern, and the same applies to the export policies of other countries, including that of the Community.

On the other hand, what does cause us concern is the future, the outlook for supply and demand. Let us speak first about the European Economic Community and thereafter about what its partners are doing or not doing. It is true, as Argentina said, that the Community is holding large stocks, the figure being very close to that cited by the Secretary of State, in the vicinity of 400,000 tons, which weighs heavily on the market and will do so in the future. The budgetary resources made available to the Community's producers are at first sight also very large. Nor shall I challenge the table appearing in Annex III even if it is presented in dollars whereas we use the ECU. I even thank the delegation of Argentina for having presented these figures in dollars because they are not as consistent as they would be in ECUs.

A little while ago I referred to decisions taken the other Saturday at Brussels. For the Community's producers they mark a turning-point. They are also of importance outside the Community. The policy which some had regarded as a policy of incentives will henceforth be rationalized. The decisions that have been adopted apply not only for the marketing season just starting but also for the future of the European Economic Community, and they apply to production and consumption and to trade. Nor can we disregard here in the International Meat Council the decisions that have been taken regarding other sectors, in particular the dairy sector; the latter decisions may affect the production of meat (slaughtering) in the internal market and hence have consequences for the international market (additional Community availabilities). Once the decisions are applied in practice, the EEC can discuss this matter with its partners. Those are my remarks about the Community. However, Mr. Chairman, there are other factors of concern, for what is now happening in a number of countries with respect to production could affect the international market in 1985 and even in 1986. Let us try to summarize the present situation in Latin America and Oceania: there is a build-up of herds due perhaps to the prices now prevailing on the world market but due also to the domestic policies being followed by those partners. Even if they are not, strictly speaking, support policies, internal measures (monetary measures, for example) are being taken which affect present and, what is more important,

future production and consumption. In the next few months, or next year, we may see a build-down of herds in those countries. Thus, the relatively satisfactory situation we now have may in the near future become catastrophic for all of us. And that could affect countries like Argentina, Australia, New Zealand, Canada, the United States and also the countries members of the EEC.

I interpret the message of the Argentine delegation as meaning that we must now decide whether, facing these future prospects, these risks of crisis, the Arrangement Regarding Bovine Meat negotiated at the Tokyo Round can play its rôle. The purpose of the Arrangement is defined in Article I, which states its "objectives". In drafting an agreement, the negotiation of its objectives is difficult but there is a tendency to consider that they are only "objectives" - what one would like - and that what is important are the means of "mechanisms". It was, however, useful for the Argentine delegation to have reminded us of the principles and objectives contained in Article I and I shall therefore not argue about whether, by its policy, the EEC has not complied with Article I of the Arrangement. Argentina also states that the EEC has not observed the provisions of Article III concerning the obligation to provide information. I am responsible in the EEC for whatever concerns agriculture in GATT and this complaint therefore hit me head-on. My authorities were surprised to learn that I have not been filling out the prescribed forms. Is that true? I was under the impression, Mr. Chairman, that everything in the Community was known. Even before the Council of Ministers decides anything, and even more so before the Commission decides, there are many observers and representatives of third countries who come to the offices of the Commission, and more specifically to the offices of the Directorate-General for Agriculture, seeking all information possible and imaginable.

I was also under the impression that Mr. Zwickert, of the Commission's Meat Division, who is responsible for preparing all the tables, was doing a good job. I even asked the secretariat of GATT about it. The secretariat had, by the way, kindly given me - not for that particular purpose but to show me that Argentina's problem was not a new one - the report on the last meeting of the Council. I read it but I also read paragraph 3 of the report, which tells us that if anything has functioned well in this Arrangement, it is transparency. Why, then, this reproach to the Community? I shall forget it, while saying that the EEC is and will always be prepared to provide all the information available to the Commission, and if by chance some information is lacking, it is because we actually do not have it, for example information concerning commercial transactions, which we cannot have because we do not have the advantage (at least, not yet) of possessing a "Board" or a "Junta". In any case, there are not many meat traders at the international level, and so I suppose that between Argentine traders and Community traders information is passed, even the most confidential information and even information concealed from the Commission.

As I told you, we have reached the point today of asking ourselves whether the Arrangement Regarding Bovine Meat is important. I think it is.

This Arrangement contains an Article IV, which makes it possible to do two things:

- First, it enables us to diagnose the situation, and for that there is a Working Group, established in June 1981, which is functioning. The question we may ask ourselves is whether this Group appointed to analyse the market situation could be improved. The excellent latest report of the GATT secretariat shows that we have practically everything, except perhaps one thing: a sufficiently thorough analysis of the medium-term outlook. We should therefore decide, first of all, to fill this gap and to instruct the Group to intensify its analysis of the future, in all its component developments.
- The object of this Article IV is to make possible corrective measures if there is a crisis or a danger of crisis. It is important for this meeting to realize or to bear in mind that if today we are in a situation of relative balance, in ten, twelve or eighteen months' time the situation might be more catastrophic than now.

Looked at in that perspective, the communication of Argentina and the special meeting of this Council are important, because they enable us, if we wish, to adopt decisions cool-headedly before they become impossible to adopt. What kind of decisions is something we must discuss. The problem does not lie solely in the subsidies policy of the EEC, and that, by the way, is stressed by the Argentine communication: it is only "one of the factors", says the Argentine delegation and the statement by the Secretary of State bears that out. There are other phenomena that should be taken into account. Consequently, Mr. Chairman, the solution to our problems will not come only from an action by the EEC, much less from an action in connection with the Community's refunds policy. We must, as stated in Article IV of the Arrangement, try to work jointly to forestall the coming crisis. What can be done? A proposal has been made by Argentina's Secretary of State for Trade. It is for you, Mr. Chairman, to hear the statements of the other parties concerned and outline the solution which should be adopted today to prevent serious imbalance in the market. If that is really the object of this meeting of the International Meat Council, I do not think the Community will refuse you its co-operation in trying to find such a solution in the spirit suggested by Argentina.