

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Forty-Third Session

SUMMARY RECORD OF THE SIXTH MEETING

Held at the International Conference Centre, Geneva
on Thursday, 3 December 1987, at 5.30 p.m.

Chairman: Mr. Mansur Ahmad (Pakistan)

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Arrangements for the Forty-Fourth Session

The CONTRACTING PARTIES agreed that the Forty-Fourth Session be held in the week starting Monday, 28 November 1988, bearing in mind the possibility for the Chairman of the CONTRACTING PARTIES, in consultation with delegations, to fix the dates and the duration of the Session with greater precision in the course of 1988, and even to modify the dates if circumstances made this desirable.

Report of the Council (L/6267) continued

Point 20. Recourse to Articles XXII and XXIII

Sub-point 20(d)(ii). Japan - Restrictions on imports of certain agricultural products (continued)

Mr. Hatano (Japan) said that, as he had stated in some detail on the previous day, the Panel's report treated 12 independent and different items. Japan believed that there was no logical reason to treat these 12 items in one set, and would be ready to accept the adoption of the report except for those parts whose logic and conclusion Japan opposed. His delegation deeply regretted that it had not received the support of other contracting parties on the previous day. Given this situation, his authorities had seriously considered the matter during the intervening 24 hours. He repeated that his Government would take appropriate measures based on the recommendations of the Panel's report for those items for which the import restrictions had been found to be unjustified under the GATT and should be eliminated, except for certain dairy products and starch. He confirmed that there had been no change in this position. However, his Government had not been able to reach a definitive conclusion concerning the treatment, in the report, of certain dairy products and

starch and the interpretation on state-trading presented therein. Under these circumstances, his Government had concluded that further time for deliberations was needed, and requested that this issue be reverted to at the next Council meeting scheduled for February. He hoped that the difficulty of the issue would be appreciated. In essence, the matter required further time for consideration. Japan believed that this might be the case for a number of other contracting parties, and hoped that its request would be considered favourably. He added that a paper supplementing the statement he had made the previous day would be made available later through the Secretariat.

Mr. Samuels (United States) said his Government was profoundly disappointed that Japan had refused to accept adoption of this report at the present Session. Japan had been one of the success stories of the GATT. During GATT's existence, Japan had succeeded in rebuilding its economy, acceding to the General Agreement, steadily expanding its foreign trade, and becoming one of the most important economic and financial powers in the world. Japan had benefitted from the GATT more than any other contracting party. The United States had applauded Japan's moves in recent years to assume part of the responsibility for sustaining progress in the world trading system. Japan was one of the first contracting parties to urge that the GATT begin a new round of multilateral trade negotiations. This reflected, it was hoped, the view that a country which wanted to be a major economic power had to assume the responsibilities that went with power.

The Panel's report resolved a long-standing dispute between his country and Japan, a dispute involving US\$80 million in bilateral trade. The United States had brought the dispute to a panel after years of negotiations had produced no solution. By not accepting the report at this Session, after three years of negotiations and a year-long dispute settlement process, Japan was telling the United States and other contracting parties that GATT dispute settlement was a waste of time. If differences could not be settled through negotiation, and GATT dispute settlement would not work, the United States might be forced to take actions that it would much rather avoid. This was the kind of situation that led to what was commonly called "bilateralism."

Japan had stated to the Uruguay Round Negotiating Group on Dispute Settlement that "the task before us in the Uruguay Round is to materialize a collective political commitment on strengthening the dispute settlement mechanism." At the present Session, in this case, there was an opportunity for Japan to show its commitment to the effectiveness of dispute settlement and to the GATT. The United States believed the report was a major step forward for agriculture in the GATT. It would benefit all agricultural exporting countries, including many developing countries. Japan should use the opportunity presented by this historic Session to advance the cause of trade liberalization, as befitted its rôle as a major trading power. It should not use this occasion to delay or block adoption of the report and deny market access to so many of its developing trading partners.

Mr. Bail (European Communities) said that various aspects of the dispute settlement question had been discussed on several occasions at the

present Session. The Community had taken careful note of all the statements. It did not wish to comment on the substance of the present case at this time but wanted to add its voice to those who had spoken in opposition, as a matter of principle, to any partial adoption of the Panel's report.

The CONTRACTING PARTIES agreed that the Panel's report would be before the Council for consideration and appropriate action.

The CONTRACTING PARTIES then adopted the Council's report (L/6267) as a whole.

Election of Officers

The following nominations were made:

Chairman of the CONTRACTING PARTIES:	Mr. Alan Oxley (Australia)
Vice-Chairmen of the CONTRACTING PARTIES:	Mr. Fredo Dannenbring (Federal Republic of Germany)
	Mr. Sang Ock Lee (Republic of Korea)
	Mr. Manuel Tello (Mexico)
Chairman of the Council of Representatives:	Mr. Amir Habib Jamal (Tanzania)
Chairman of the Committee on Trade and Development:	Mr. Parameswaran Nagaratnam (Sri Lanka)

The CONTRACTING PARTIES elected the officers nominated.

Mr. Samuels (United States) noted that although his delegation had had considerable concerns about the criteria to be applied in the election of the Chairman of the Council of Representatives and about the process by which the choice had been made, it had chosen not to block the consensus; i.e., the United States had not joined, but had not blocked, the consensus. He said that his delegation would endeavour to work openly and productively with the new Council Chairman.

Mr. Shukla (India), speaking on the same point, said that the question of the criteria and the process of this election had been satisfactorily discussed and settled in the process itself, and that his delegation was pleased that the election by consensus of the new Council Chairman had been accepted by acclamation. By electing a person of his eminence and stature,

the CONTRACTING PARTIES had, in the opinion of the delegation of India, done an honour not only to an illustrious son of Africa but in the process had honoured and enhanced the process of GATT itself.

The CHAIRMAN, making some concluding personal observations, remarked that this Forty-Third Session had coincided with the 40th anniversary of the GATT. Perhaps by comparison with the earlier events of the week, the Session itself had not been quite as glamorous or exciting. It had been business-like, and the work to be done had been accomplished successfully. He thanked all the delegations for their unfailing courtesy and unyielding support in this task, and expressed appreciation for the work of the Secretariat. In his view, the CONTRACTING PARTIES had acted wisely in electing a new Chairman in the person of Mr. Oxley who would certainly steer the CONTRACTING PARTIES with great distinction in what would be a most important year. On behalf of all delegations, he wished him great success.

Closure of the Session

The Session closed at 6.30 p.m.

Mr. Oxley (Australia) said that he appreciated the honour that the CONTRACTING PARTIES had conferred on him by electing him as their Chairman. He remarked that, given the workload, he was more grateful for that than for his election last year as Chairman of the Council. He had, however, felt honoured to be in that position in what had turned out to be an important year for GATT. He thanked Mr. Mansur Ahmad for his services to the CONTRACTING PARTIES as their Chairman during that period. Mr. Ahmad had served the CONTRACTING PARTIES very well and with distinction. As it befitted the position, he had been asked to do some difficult things and he had acquitted those responsibilities admirably.