

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations

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STATEMENT BY THE SECRETARY FOR EXTERNAL TRADE
AND INTERNATIONAL ECONOMIC NEGOTIATIONS OF THE
REPUBLIC OF ARGENTINA, H.E. MR. LEOPOLDO TETTAMANTI,
ON 9 DECEMBER 1975

The present multilateral trade negotiations were initiated in the context of a process which led on to the most serious crisis that the industrialized countries have had to face since the second world war.

While the international economic system in operation since 1945 by no means met the needs of the developing countries, which lived through a continual state of crisis, on the other hand it did help the developed countries to steer their constantly expanding economies.

It is only in the last few years that these countries too have encountered growing difficulties which have seriously upset trade flows and the international monetary system. All the efforts made to overcome the difficulties proved insufficient, and it was then that the problem of energy supplies revealed a major crisis in world economy.

We can only emerge from this crisis if a firm political will exists to face all the problems which have arisen in the world economic order and to establish a set of rules in keeping with the interests of all on an equal footing, while taking account in an equitable manner of the particular situation of the developing countries.

It would be wrong to believe that adequate solutions have been found once the developed countries begin to gain control of the most obvious signs of the economic crisis through which they have been passing, or even when they reach understandings among themselves in the monetary and trade fields.

We must see things clearly and view the future that awaits us in its true perspective. It is no longer possible for a few countries to solve their problems or launch their development to the detriment of many others. Men and nations demand equality of opportunity; the solution must therefore be for all or for no-one at all. The time has passed when the richest or the strongest could impose their will or isolate themselves in an exclusive club. The time has come for negotiation, concertation and co-operation in which all participate and all feel that account is being taken of them.

This is the context of the present negotiation, which forms part of a broader field of efforts and of a series of negotiations designed to create a new world economic order. This is not a negotiation between two parties or just a few; it concerns all the participants and essentially the international community as a whole.

For this reason, when it began after the Tokyo Declaration it gave rise to great expectations; but this latest meeting of the Trade Negotiations Committee is taking place in a climate of great disappointment. We have not advanced sufficiently; and what is more, where the developing countries are concerned, one can wonder whether we have advanced at all.

This negotiation must be conceived as a whole, and any of its elements that lag behind will hold back progress of the whole. For the Republic of Argentina, this is particularly true of the agricultural sector, which is precisely the one that is encountering the greatest difficulties.

The difficult economic situation the world has had to face does not adequately explain the lack of progress. Indeed this very situation should encourage us to redouble our efforts.

The situation of the developing countries in particular could already have been taken into account in the negotiations, in regard both to the establishment of preferential norms for those countries and to advance implementation of the results.

On the contrary, while we are witnessing paralysis of the negotiations, in the last two years we have observed the reappearance of a growing wave of discriminatory and restrictive measures; and there is reason to fear that one day we may find ourselves faced with a fait accompli, with results negotiated in our absence. Even certain inter-State agreements may in particular circumstances have a negative effect on the course of the negotiation unless the higher interests of the negotiation are duly taken into account.

All this is a matter of concern to us, and we cannot but point it out. But we wish to do so not in a negative spirit but out of a desire to contribute to the success of our efforts. Although we may not agree with what has been done up to now, and may be profoundly concerned at the present virtual impasse in the negotiations where the developing countries are concerned, especially in the agricultural sector, we reiterate yet again our faith in the possibilities offered by these negotiations and our unshakable decision to contribute to their utmost success.

We believe that everything possible should be done to unblock this situation; and first of all, it is for the two main parties in the agricultural negotiations to make efforts. But these efforts would fall short if they did not from the outset take account of the interests of the other countries concerned.

This seems to us so fundamental that unless such a step is taken during the present meeting of the Trade Negotiations Committee, it would be appropriate for its Chairman to take the initiative forthwith and propose to us with suitable formulas for organizing a dialogue - with a view to negotiating and not merely for procedural purposes - that takes into account both the interests of the two main parties and those of the rest of the interested countries participating in the negotiations.

At the stage of negotiations at which we still are, perhaps the best contribution we can make, as a developing country, is to define precisely what are our interests and our specific objectives in the negotiation. If all were to do this, and the negotiations were opened on a pragmatic basis, and comprising the special procedures applicable to developing countries, we could undoubtedly overcome the present stalemate. The task of satisfying the interests and achieving the objectives to which I refer, in the specific case of Argentina, should take the form of action specially focused on certain major markets and specific areas of negotiation. Thus, for example, in the case of bovine meat, we would like to see global decisions taken, or agreements concluded, guaranteeing for Argentina:

- (a) The opening up of the domestic markets of the United States and Japan to our chilled meat, and the elimination of restrictions in the form of sanitary safeguards which in our opinion do not take due account of the possibilities offered by the new techniques used in the production and handling of meat in controlled cuts or portions, ensuring in practice that the potential risk of contagion from certain diseases is removed. Measures similar to those we should like to see in effect in this sector are already applied in the United States to trade in other products potentially capable of transmitting the same diseases.
- (b) Adjustment of the EEC's general import system to the real facts of a trade that recognizes the existence of various markets according to products, and various degrees of influence or neutrality in regard to the formation of domestic prices, with more favourable treatment in the case of boneless chilled meat and special cuts.
- (c) Application in favour of developing countries of differential treatment in régimes for the control and quantitative limitation of markets, on the basis of bilateral quotas free of duty and/or the application of safeguards. In the same spirit, variable import duties and surcharges might be applied in order to remedy surplus demand situations or crises in domestic markets, without passing on the effects in their entirety to the normal supplier developing countries.

- (d) For our part, we are prepared to take on the obligations that are reasonably appropriate so as to facilitate the adoption and observance of such undertakings on the part of the EEC, the United States and Japan, adapting our policy and implementing measures to the extent necessary for this purpose.

With respect to grains, concerted multilateral action among the largest possible number of importers and exporters having a significant rôle in the international market should guarantee:

- (a) Limitation of accumulation of national or international stocks to the quantities reasonably necessary to cover the normal supply requirements of commercial markets and of the food aid programme.
- (b) A clear separation between commercial and non-commercial transactions, with effective multilateral control of the latter, so that they do not bring pressure to bear on prices or disturb operations in commercial markets.
- (c) Priority sales on the part of exporting developing countries, intended for food aid at market prices, and financed through contribution commitments in cash by developed countries.
- (d) More favourable price limits for developing countries in extreme situations of surplus or shortfall in the international market.
- (e) Application of reduced variable surcharges in certain markets, and in others binding of duty-free access and quantitative commitments regarding oriented government procurement.
- (f) In counterpart we would be disposed: (i) to respect the relevant fixed price limits and to guarantee priority supply of the importing markets concerned; (ii) to maintain sufficient reserves; and (iii) to contribute to the extent of our possibilities to the food aid programme.

At the completion of the tariff negotiations we would expect to see:

- (a) binding of preferential margins on industrial products of special export interest to us; and (b) advance implementation of the tariff concessions on products or sectors of priority interest to us.

With respect to subsidies and countervailing duties, we wish to have differentiated treatment regarding the incentive measures we have to adopt in order to improve the competitive capacity of our foreign sales, with a view to growing diversification of exports and a mechanism of international surveillance and arbitration, in order to avoid the application of subsidies by developed countries and, where appropriate, to obtain appropriate compensation for injury suffered by reason of such subsidies.

In order that our interests may be satisfied solely through our own national efforts, it is essential to create conditions affording free, competitive and continuing access to international markets for our exports. This implies the acceptance of fundamental changes in the policies and practices governing competition in these markets, so as to allow us to develop to the maximum our conditions of external competition, which has been diminished and disrupted by severe distortions that affect the fluidity of international trade.

The contracting parties to GATT decided, through the Tokyo Declaration, to set specific objectives and to conduct trade negotiations with special modalities to allow full participation of the developing countries. We hope that the opportunity will not be lost by the international community and that we can rapidly initiate concrete negotiations that can help to contribute to the solution of the major problems of development.