

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Multilateral Trade Negotiations
Group "Safeguards"

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As regards the Safeguards Code, there is in principle no question for the Community that such Code is applicable to trade in agricultural products.

However, it should be understood that all the commitments undertaken within the framework of the Code are equally valid for all signatories. But the general clause, as at present worded in the draft text, leaves some doubt in this respect.

It is, of course, admissible that the Code should recognize the possibility to apply normally the other existing provisions of GATT in the field of restrictions. However, some contracting parties have the possibility of resorting constantly and without any special justification to restrictive measures concerning imports of agricultural products by availing themselves either of general authorizations, some of which tend to become permanent, or of specific authorizations which have ceased to exist, so that they escape control by the Contracting Parties. Such Contracting Parties, if we understand right, would not have, as far as agricultural products are concerned, to invoke the provisions of Article XIX and therefore the new disciplines which have been written into the Code.

The result, therefore, is a substantial imbalance as regards the significance of the commitments for the various signatories of the Code as far as trade in agricultural products is concerned.

The balance of commitments which is the objective of the negotiations, and is recalled in the Declaration of 13 July, might therefore be jeopardized as a result.

The Community is of the opinion that, in these circumstances, it is essential to examine, during the negotiations, the way in which such imbalance can be remedied.