

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.TNC/10

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Trade Negotiations Committee

TRADE NEGOTIATIONS COMMITTEE

Eighth meeting: 5 - 8 April 1989

1. The Trade Negotiations Committee held its eighth meeting, at the level of high officials, under the chairmanship of Mr. Arthur Dunkel.

I. Review of the package of subjects referred to in the decision of the Trade Negotiations Committee meeting at Ministerial Level in Montreal

2. The Chairman of the Trade Negotiations Committee recalled that the decision taken by Ministers in Montreal had put on hold the results achieved at that meeting (MTN.TNC/7(MIN)) and had charged the Chairman of the TNC at official level with conducting high level consultations on the four items which required further consideration. In the course of these consultations he had met, either individually or collectively, or through the representatives of various country groupings, with every minister, high official or delegation having expressed the wish to take part. On the basis of these consultations he had drafted working papers on the four topics requiring decisions. Consultations on these papers were continuing, but he hoped that the Committee would soon be in a position to take a decision by consensus.

3. The representative of Colombia recalled that his country had participated actively in the negotiations since their preparatory process had been initiated in 1982 and in particular during the Punta del Este and Montreal ministerial meetings. He underlined the importance of the success of these negotiations for his country. He stressed, however, that his delegation could not support a text if it not been consulted in good time, so as to ensure that its interests were safeguarded. Transparency should be ensured during the process of negotiation in accordance with point B(i) of the general principles governing the negotiations.

4. The representative of Chile expressed concern over the crises facing both the trading system and the GATT as an institution and over the operational procedures of the GATT which was a contributing factor. He observed that countries were increasingly having recourse to protectionist measures or to threats thereof to solve their short-term economic and non-economic problems. Since Punta del Este, little had been done in the direction of free trade in particular due to a lack of political will by

the large industrialized countries. While trade liberalization would lead to international specialization and reduced prices, it would require structural adjustment, which the wealthy countries did not tire of recommending to the indebted but refused to implement themselves. He feared for the future of GATT, which was becoming an institution for the peaceful settlement of disputes rather than the promotion of free trade. Participants were forgetting the well-recognized benefits to themselves and the world economy of unilateral liberalization. Instead they requested exchanges of concessions which would for example involve, for the removal of agricultural support programmes in OECD countries, concessions by the rest of the world of the order of 200 thousand million US dollars a year. It was the World Bank and IMF that exercised pressure for the liberalization of trade, and the indebted developing countries who did most in that direction paid the price of short-term adjustment. If there were no tangible results in the direction hoped for at Punta del Este, it could mean the beginning of the downfall of the GATT. As to operational procedures, lack of transparency in the negotiations was one of the main obstacles to reaching an agreement. The decision-making process discriminated between participants, confined as it was to a very small number. No country should be expected simply to ratify agreements which affected its interests but on which it had not had appropriate opportunity to negotiate. His country could not do so.

5. The representatives of Cuba, Peru and Tanzania associated themselves with the preoccupations expressed by the representatives of Colombia and Chile concerning insufficient transparency in the consultations. They requested the Chairman to ensure that the negotiating mechanism enjoyed the necessary transparency to allow all contracting parties to express their views and participate effectively. This would secure a genuine consensus on a balanced final outcome which took into account the interests not only of developed but also of developing countries. The representative of Cuba further underlined that although the results of the negotiations were of fundamental importance to developing countries given the present international trading environment, no agreement could be accepted by his country if its interests were not taken into consideration. He reaffirmed the willingness of his delegation to contribute to the success of these negotiations.

6. The representative of Pakistan stressed that there was a great imbalance in progress in the different negotiating groups and that it was essential to find solutions to the four subjects on hold. He noted with optimism the signs of tangible progress in Agriculture but was disappointed by the draft texts on Textiles and on Safeguards. Acceptance by his country of the package of agreements on all 15 subjects would depend on the satisfactory resolution of the remaining issues and in particular Textiles and Safeguards.

7. The Chairman adjourned the meeting in order to permit consultations to continue.

8. When it reconvened, the Chairman put before the Trade Negotiations Committee texts on Textiles and Clothing, Agriculture, Safeguards, and Trade-Related Aspects of Intellectual Property Rights including <sup>1</sup>Trade in Counterfeit Goods for adoption. The Committee adopted the texts<sup>1</sup> and agreed that these texts should be derestricted.

9. The Chairman noted that the Ministerial decision taken at the Committee's Montreal meeting stated that "the entire package of subjects, the results achieved in Montreal and the other items, should be reviewed at the meeting of the Trade Negotiations Committee in April 1989". The Committee then adopted the whole package of texts<sup>2</sup>, the four texts just adopted together with the texts on the items which were put on hold at its Montreal meeting (MTN.TNC/7(MIN)), on the understanding that for the purpose of:

- (a) paragraph 4, page 7 of MTN.TNC/7(MIN), the relevant date is 30 June 1989;
- (b) paragraph 1, page 26 of MTN.TNC/7(MIN), the relevant date is 1 May 1989;
- (c) paragraph A.3, page 26 of MTN.TNC/7(MIN), the relevant date is 1 May 1989;
- (d) paragraph 7(c), page 39 of MTN.TNC/7(MIN), the relevant date is 3 May 1989;
- (e) paragraph 10(a), page 43 of MTN.TNC/7(MIN), the relevant date is 20 April 1989;

10. The Chairman recalled that at the closing session of the meeting of the TNC in Montreal, the representative of Bangladesh had pointed out that proposals by the least-developed countries outlined in MTN.GNG/W/15 had not been discussed at that meeting and indicated his expectation that they would be taken up at the April 1989 meeting of the Committee (MTN.TNC/8(MIN), page 16). The Trade Negotiations Committee agreed that at its next meeting the GNG would examine the proposals for action in the appropriate negotiating groups on the concerns of least-developed countries referred to in MTN.GNG/W/15, with a view to meeting the objectives laid down in Part I.B of the Punta del Este Declaration.

11. The representative of the European Community believed that the Uruguay Round was now on course to obtain a result in which—advantage and

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<sup>1</sup>Reproduced in MTN.TNC/9.

<sup>2</sup>Reproduced in MTN.TNC/11.

obligation could be equitably shared by all participants. But there was a long way to go and time was short. This meeting showed the determination of participants to realize the now clearly defined goals. He stressed the Community's total commitment to the success of the Round. It was particularly anxious to see solid progress in the new areas of the negotiations, namely in Services, TRIPs and TRIMs. In the groups on market access, it was prepared to play its full part, given a similar commitment by others, in particular the more advanced developing countries. Especially in the area of Tropical Products, efforts from all participants were needed to give a new impetus. There was also an urgent need to advance the review of certain GATT articles which were not operating properly. And the Community was anxious to test the new mechanisms for dispute settlement and functioning of the GATT system. The agricultural negotiations had now been set a clear objective for the long term, which was to provide for substantial progressive reductions in support and protection. The negotiations would encompass access, domestic subsidies and exports. Support as a whole would therefore be negotiated in order to attain global commitments. A precise work programme had been laid down, under which participants were to submit a range of proposals. For the short term, the agreement obtained was significant and was both an earnest and a test of the participants' good will. When the first tranche of support reduction took place in 1990, the Community would at last be able to claim the credit to which it was entitled for what it had accomplished. Thanks to the solidarity of its member States, it had successfully defended its specific interests in conjunction with the general interest of the multilateral system. The agreement obtained was a balanced one, which provided the framework for negotiations to begin at last. Realism and the multilateral trading system embodied in the GATT were the winners. With regard to Textiles, the clear mandate of the Punta del Este Declaration had now been spelled out in operational terms, enabling substantive negotiations to get underway. It was important that this mandate be fully respected and that all negotiate in good faith. The Community would play an active and constructive role. However, precipitous phasing-out of the MFA could lead to disorder, disruption and the temptation to act unilaterally. The basis for the negotiating process leading to an opening of world textiles markets must be the establishment of agreed rules ensuring equitable competition as well as the necessary textile-specific safeguard arrangements during the integration process and the attendant progressive reduction and elimination of distortions. With respect to TRIPs, the Community's purpose was an agreed set of multilateral principles, procedures and disciplines, covering all the main issues, to forestall the dangers of bilateral and arbitrary behaviour and protect the have-nots as well as the haves. Notwithstanding the role of WIPO and other institutions, the GATT had a unique role in this area. Nothing should be prejudged or prejudiced in the negotiations, even though the Community was keen for disciplines to emerge which would be capable of incorporation in the GATT. In any event, the negotiations would continue to be governed by well-tried GATT procedures and practices. With regard to Safeguards, the bulk of the work remained to be done. The diversity of economic regimes represented in the GATT and the variety of possible situations would in no

small measure dictate what could be achieved. The issue of grey-area measures would have to be dealt with realistically. The Community supported the outcome of the mid-term review process in its totality and was ready to implement the results achieved and prepare for the next stage of the negotiations.

12. The representative of Bangladesh expressed appreciation for the decision of the Committee regarding the concerns of the least developed contracting parties (paragraph 10 above). He hoped for a more balanced progress of negotiations in the different groups. He noted the difficulties and constraints facing the least developed countries and, therefore, urged flexibility in the application of the deadlines agreed for the submission of proposals to the various negotiating groups. While expressing appreciation for the technical assistance received so far, he requested further assistance from all concerned in drawing up proposals and carrying out negotiations.

13. The representative of Brazil welcomed the outcome of the mid-term review, which proved the wisdom of not coming to a premature and unsatisfactory conclusion in Montreal. There, some developing countries, conscious of their competitive position in the agricultural field, had stood up for the principles of free and equitable trade which were the raison d'être of the GATT. Participants had thus been forced to confront rather than paper over the difficulties. The decision adopted fell short of expectations, but did represent a historical breakthrough, setting the scene for a concrete multilateral discussion within GATT. It was now up to the major players to keep to their promises. The strengthening of the dispute settlement procedures was particularly welcome at a time of increasing trade tensions. Positive, if modest, steps were to be taken in the area of Tropical Products. His delegation had shown good faith in accepting new procedures for the surveillance of trade policies, and looked forward to further progress in the field of Services. The area of TRIPS had always been a sensitive one, particularly for developing countries in their legitimate aspirations for industrial and technological advancement. The decision of the Committee reflected Brazil's willingness to have a frank discussion and arrive at a balanced compromise. The discussions would need to take account, at all stages and in every respect, of the objectives of economic and technological development, of public interest and of the principle of special and differential treatment. The decision did not prejudice the final result of the negotiations in relation to either its content or the institutional framework in which it might be implemented. He hoped that the coming deliberations would confirm a new spirit of cooperation, in which the just and legitimate aspirations of developing countries for a system that allowed for access to technology and real economic development to the benefit of all partners, would be met. A lot remained to be done to transform the multilateral trading system into a framework in which the benefits of the recent impressive growth in world trade could be shared by all. Determined efforts were still required of

all participants to make of the GATT an instrument for economic development and a mark of human achievement.

14. The representative of Finland, speaking also on behalf of Sweden, welcomed the fact that the results of the mid-term review established a comprehensive basis for the work that remained to be done. However, good faith and a constructive spirit were required of all participants to maintain the balance achieved and to bring the Round to a successful conclusion. The agreement on Agriculture posed some challenges, but the delicate balance achieved had enabled Finland and Sweden to join the consensus. The long-term elements constituted an ambitious framework for negotiation. The concepts governing short-term action remained somewhat imprecise. He nevertheless hoped that implementation, in a spirit of equity, would prove beneficial. In respect of TRIPS a carefully balanced text had been agreed which enabled real negotiations to begin on new rules and disciplines. Neither the outcome of the negotiations nor the views of participants on the institutional aspects had been prejudged. He pledged continued active participation in bringing the Round to a successful conclusion by the agreed time.

15. The representative of Japan expressed satisfaction that a sound basis had been established for moving forward in all areas of the negotiations. However, renewed efforts were required to make up for lost time. With respect to the short-term elements in paragraph 15 of the text on Agriculture, he made the following points: (i) Japan would implement the commitments on reduction in good faith; (ii) the aggregate measurement of support (AMS) was to be expressed on the individual country basis as the sum of the volumes of the AMS for major agricultural products; (iii) the base year for the reduction would be 1986, the year in which the Round was launched; (iv) there was widespread recognition that the AMS would be further developed in the course of the negotiations, when remaining problems concerning product and policy coverage and fluctuations in exchange rates would be dealt with.

16. The representative of Austria indicated his country's full support for the objectives and negotiating agenda in the area of Textiles and Clothing, the clear aim of which was integration of this sector in the GATT and liberalization. With respect to Agriculture, Austria would continue to implement its supply control measures as they were an important contribution towards alleviating negative trade effects. Such measures would have to be taken into account during the negotiations on long-term measures. He emphasized the need, in applying the short-term commitments, to exercise flexibility within the scope of existing national legislations. As stated in paragraph 6, credit was to be given for measures implemented since Punta del Este. The decision ensured that non-trade objectives would be dealt with in the agriculture negotiations. His country also attached great importance to the issue of Safeguards in view of its relevance to other areas such as Textiles and Clothing. He welcomed the consensus on TRIPS and supported the negotiating agenda directed to the application, in

this area, of GATT concepts and principles, including procedures for multilateral prevention and settlement of disputes. Problems arising from intellectual property infringements relating to trade posed a real threat to the multilateral trading system. The decisions adopted in all four areas did not prejudice the final outcome of the negotiations. Work in all areas should now proceed expeditiously in order to respect the timetable of the Round.

17. The representative of India welcomed the outcome of the meeting and stated that his country would continue its participation in the Round with a view to strengthening the GATT and the multilateral trading system. In the area of Textiles and Clothing he was encouraged by the renewed commitment to enter into substantive negotiations to reach agreement during the Round on modalities for the integration of this sector into GATT and by the reaffirmation of the commitment on standstill and rollback in this area. He welcomed the recognition given to the problems relating to the development of the agricultural sector and to the need to consider government measures on assistance as an integral part of development programmes, and the exemption granted to developing countries from making contributions in the short term. With respect to Safeguards, he felt confident that the decision to conclude a comprehensive agreement, eliminating also measures which escaped multilateral control, provided a solid basis for a successful outcome. In the area of TRIPS he was gratified that a way had been found to bridge the gap between the differing views of participants. His country hoped, on the basis of this text, to participate actively in the forthcoming negotiations. It was India's view that the Punta del Este Declaration did not include consideration of standards and principles for intellectual property rights. But India had agreed to allow the multilateral process to move forward with the objective of strengthening the multilateral system. However, duplication between international organizations must be avoided. It had been agreed that the relationship of the outcome of the negotiations with GATT must therefore be decided at the end of the Round by Ministers. Nothing was prejudged at this stage. Participants had agreed to take fully into consideration the concerns of countries at different levels of development and with differing systems governing intellectual property rights. Given both the needs of developing countries and the need to reward the innovator, a balance had to be maintained with aspects of national policy such as public interest and developmental and technological objectives. He was hopeful that the outcome of the negotiations would allow all to remain on board.

18. The representative of Switzerland welcomed the successful completion of the mid-term review of the Uruguay Round. However, little time was left to fulfil the mandate and in certain areas, particularly the reform of the rules governing world trade, some catching-up would be necessary. With respect to Agriculture, Switzerland confirmed its firm intention to contribute to the attainment of the long-term objective of establishing "a fair and market-oriented agricultural trading system", giving priority to the establishment of universally acceptable and accepted rules. The

political commitment made did not affect rights and obligations under the General Agreement and protocols of accession. For his country, the non-trade factors mentioned in paragraph 9 concerned above all food security, environmental conservation, rural development and social aspects. With regard to the short-term measures, which were framed within existing national legislations his country understood the price undertakings as being addressed more specifically to products not subject to production restrictions. As for the other areas, the agreement reached represented a major success which would in particular allow negotiations, in the context of the Uruguay Round and under GATT auspices, on the protection of intellectual property, specifically from the trade aspect. As far as tropical products were concerned, he was confident that Switzerland would be able to implement the Montreal results on 1 July.

19. The representative of Norway expressed satisfaction about the outcome of the meeting. The agreement on Agriculture posed some challenges, but the delicate balance achieved had enabled his country to join the consensus. As to the long-term aspects, he stressed the importance Norway attached to non-trade concerns. These were central elements of its agricultural policies and extended not only to food security but also to considerations such as environment, regional policies and social aspects. With regard to short-term measures he noted that the existing legislation would provide the framework for implementation. As Chairman of the Sub-Committee on Trade of Least-Developed Countries he expressed appreciation for the decision adopted by the TNC (paragraph 10 above) and hoped it would be of real benefit to these countries.

20. The representative of Colombia recalled that he had expressed concern in the negotiating group on TRIPS at attempts to go beyond the mandate and objectives set out in the Punta del Este declaration. Colombia had participated in the group on the understanding, to which it still held, that the declaration constituted its mandate. In the text adopted by the Committee, his delegation had thought it necessary to include the concept of public interest and understood that this was covered by the spirit of paragraph 5. Consequently, this would need to be duly taken into account during the negotiations on the issues set out in paragraph 4. Furthermore, these negotiations would have to be directly linked to the trade aspects and it would be necessary to ensure that the "adequate standards and principles" and "effective and appropriate means for enforcement" did not constitute obstacles to legitimate trade. To this end the exercise should start with a clarification of the meaning of the articles of the General Agreement. He requested confirmation that the informal paper setting out the Chairman's understanding on this subject would be available for discussion at the next meeting of the negotiating group. (This was confirmed by the Chairman of the TNC.) Although the text adopted at this meeting went beyond the Punta del Este mandate in several respects, Colombia had, on the understandings outlined above, joined the consensus in the interest of allowing progress in all areas of the Round. With respect to Tropical Products he noted that there had been no change in the



implementation date of 1 January 1989 agreed in Montreal (MTN.TNC/7(MIN), page 14, paragraph 1). He trusted that those countries which had not already done so would implement their offers by 1 May 1989. In this context he acknowledged the information given by the representative of Switzerland.

21. The representative of Cuba recalled the concerns expressed at the opening of the meeting concerning the lack of transparency in the negotiations. Despite the much appreciated efforts of both the Chairman of the TNC and the Chairman of the Informal Group of Developing Countries, problems of transparency and participation in the negotiating process remained. There was little scope for the smaller trading nations to have their concerns taken fully into account in the face of the weight carried by the major participants. To change this situation it would be necessary to modify substantially the very basis of international economic relations and create a true spirit of cooperation between the large developed and the developing countries. To continue along the present path would take the negotiations further from the objectives set at Punta del Este and would not alter the realities of the present system, since the interests of smaller countries were being ignored. So far progress in the negotiations was little and mainly confined to the areas in dispute between the large developed countries. Currently, the most important problem both for the developing countries and for the health of the international economy was the indebtedness of the third world and its links with trade. This had been recognized in the Punta del Este Declaration but had been totally ignored in the negotiations. Yet all participants were increasingly frequently being exhorted to contribute fully and assume equal responsibility. Such equality among unequals could only lead to increased inequality. Special and differential treatment was packaged in such a way as to have become unrecognizable. He hoped that a greater number would come to share the appreciation of these problems already shown by some governments and sectors in some developed countries. With regard to the text adopted on TRIPs, his delegation considered it to be unbalanced, to go beyond the mandate of the Punta del Este Declaration and to ignore for the most part the needs of developing country participants. Its aim was to strengthen intellectual property rights while ignoring the obstacles this might put in the way of legitimate trade and the development of developing countries. His country opposed any attempt to introduce into GATT subjects which fell within the competence of other international organizations. It also opposed any decision that would endanger the access of developing countries to new technologies and effectively lead to a monopoly of such technologies. This would mean accepting a new type of economic dependency, with incalculable consequences for future development. He recalled his delegation's statement at Punta del Este (MIN(86)/SR/7).

22. The representative of Tanzania expressed concern over the tendency of the powerful trading partners to exercise their weight in such a manner as to accentuate global imbalances. From the outset, his delegation had looked to the negotiations on Textiles and Clothing as a critical test of

the commitment to strengthen the multilateral trading system, allowing full scope to developing countries to benefit from their comparative advantage. Deeds had seemed to run counter words. He hoped the text adopted would reverse the trend. References in it to special and differential treatment did not qualify the Punta del Este Declaration, notably its paragraphs D(iv)-(vii). He welcomed the European Community's commitment to the Punta del Este mandate. With regard to TRIPs, Tanzania had felt the insistence on introducing intellectual property rights per se into the GATT as an unbearable pressure. He therefore noted that the text adopted in no sense prejudged the final institutional outcome. His delegation would maintain its participation in the Round in the hope of persuading the powerful to lean more in favour of development.

23. The representative of Chile reiterated the widespread concern over the effects of protectionism on the world economy and on developing countries in particular. The text adopted on Agriculture was disappointing. It was imprecise, lacked quantifiable commitments and included questionable non-economic factors. It fell far short of the original position of the Cairns Group but his delegation had joined the majority view that such a modest agreement was better than none. It would become apparent both in the outcome of the Round and in the intervening ordinary work of the GATT, whether there was a true will to move in the right direction. He hoped that the message issuing from the mid-term review would be that agreements had been reached in order to further the Round, but that their true importance would be determined by their practical application in the coming months.

24. The representative of Iceland noted that the mid-term review had achieved a consolidation of views which laid the foundation for the next step towards an equitable world trading system. The text on Agriculture was a compromise in which he welcomed the recognition of certain non-trade factors. The short-term package was a complex set of understandings to be carried out under existing legislation. Fair and flexible interpretation of these understandings was vital for the future of the negotiations. In the area of Natural Resource-Based Products his country now attached utmost importance to achieving substantial progress.

25. The representative of Cameroon noted that the texts adopted by the Committee reflected a genuine will to arrive at a compromise and as such attempted to take into account the interests of all participants. He recalled the concerns of the African countries participating in the Montreal meeting (MTN.TNC/MIN(88)/ST/33). He was happy to note that, although there had not always been total transparency either in Montreal or in recent months, some of these concerns had now been acknowledged, in particular in paragraphs 3, 8, 9, and 19 of the text on Agriculture. However, in some important areas the results were not yet entirely satisfactory. It was not a question of reaffirming broad principles, but of translating them into concrete facts in order to demonstrate that the specific situation of these countries was taken into consideration.

26. The representative of Korea stated that, with regard to the text on Agriculture, his delegation had agreed to paragraph 9, relating to non-trade concerns, in the interests of achieving a consensus. He stressed that the legitimate interests of food-importing countries, including food security, should be taken into account fully and specifically in both the forthcoming negotiations and the final outcome of the Round.

27. The representative of Malaysia was satisfied that the results so far achieved put the Round back on course, though time to complete its work was short. However, he still wondered what special and differential treatment meant in real terms. In the area of Tropical Products, singled out for priority attention in the Punta del Este Declaration, modest concessions had been given and he hoped the outcome of the mid-term review would be to give renewed impetus in this direction.

28. The representative of Nicaragua welcomed the outcome of the meeting and looked forward to advance implementation of results, as foreseen in the Punta del Este Declaration. Concrete results had, however, been insufficient, particularly in the area of Tropical Products. With regard to TRIPS, he agreed with the representative of Colombia. He urged strict adherence, in the next stage of the negotiations, to the principles and objectives of the Punta del Este Declaration to ensure major advantages and increased benefits to all, in particular the developing countries.

29. The representative of China attached great importance to the outcome of the mid-term review and looked forward to faithful implementation of the results achieved in Montreal. He hoped the negotiations would proceed in the same spirit of mutual understanding and cooperation. It would be necessary for all to adhere strictly to the principles and objectives set out in the Punta del Este Declaration.

30. The representative of Australia welcomed the agreement on Agriculture because it contained both a clear long-term commitment and a short-term freeze and cut-back package. The result vindicated the delay in reaching agreement. Some earlier speakers appeared to have attempted to interpret the text. For him, however, it stated quite clearly, in addition to the commitment to a freeze, the intent to reduce support and protection levels for 1990. No doubt questions of interpretation would be taken up in the months ahead.

31. The representative of South Africa welcomed the outcome of the meeting which finalized the guidelines for the last phase of the negotiations. It would be an ambitious and comprehensive endeavour, although participants, owing to the diverse nature of their economies, would not attach the same importance to the various subjects. He reaffirmed South Africa's commitment to the negotiations. However, he noted that while it did not claim the benefits accruing to developing countries, prevailing circumstances and its own development needs could influence its ability to undertake commitments comparable to those of the industrialised countries.

32. The representative of Pakistan welcomed the opportunity provided by the mid-term review to put the Round back on course so as to ensure mutual advantage and increased benefits to all participants. He welcomed the agreement on Agriculture, in particular with respect to the interests of developing countries. There was acceptance both of the principle of special and differential treatment as an integral element of the negotiations, particularly in regard to strengthened and more operationally effective GATT rules and disciplines, and of the principle that measures to encourage agricultural and rural development were an integral part of development programmes. It was his understanding that reform would extend to all agricultural products. With regard to Textiles and Clothing, Pakistan had accepted the text, though unbalanced, in a spirit of constructive compromise. He regretted that there was no clear acceptance of the principle of freeze on restrictions on developing country exports under the MFA. He hoped the negotiations would proceed smoothly towards an integration of this sector in GATT within a reasonable time-frame.

33. The representative of Côte d'Ivoire noted ~~that a~~ compromise, such as the one arrived at, could not satisfy everyone. Real efforts had been made to take his country's concerns into consideration, but more was required. He hoped these concerns would be respected in the forthcoming negotiations.

34. All speakers commended the efforts and contribution of the Chairman in assuming the responsibility placed on him by Ministers at Montreal to bring the mid-term review to a satisfactory conclusion.

## II. Arrangements for further meetings

35. The Committee noted that:

- (i) the dates for the first meetings of Negotiating Groups in 1989, set out in the Annex to the GNG's report to the Montreal Meeting, had been overtaken by events and that the Chairman, in his capacity as Chairman of the GNG, would establish a new list of dates to ensure that the Groups got down to business without delay;
- (ii) the GNG would meet on 25 April 1989;
- (iii) the GNS would meet on 18-20 April 1989;
- (iv) the Surveillance Body would meet on 17 May 1989;
- (v) the TNC would meet in July 1989, at a date to be set in consultation with delegations, inter alia, to evaluate the implementation of the standstill and rollback commitments, but that it could also meet earlier if necessary.

36. The Committee also noted that the GATT Council, at its meeting on 12 April 1989, would consider matters arising from the December 1988 and April 1989 meetings of the TNC.

37. In conclusion, the Chairman requested the delegation of Uruguay to transmit to Mr. Zerbino, Chairman of the TNC at Ministerial level, the Committee's appreciation of his contribution to the outcome of the mid-term review. He pledged attention to problems of transparency in the course of the negotiations, bearing in mind the very real difficulties posed by the large array of subjects and number of participants. He would also do his utmost to maintain the climate of confidence and mutual respect which was an essential precondition of success. He welcomed the support given by Ministers and the recognition of the rôle they had to play in the work of the Uruguay Round. The risk of holding a mid-term meeting had paid off. A great deal had been achieved in very little time. But the outstanding task was enormous, and time limited. He looked forward to the same spirit of cooperation and the will to move forward and conclude the negotiations on time. There was and would be only one winner: the multilateral trading system embodied in the GATT.