

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Group of Negotiations on Goods (GATT)  
Negotiating Group on Agriculture

SUMMARY OF THE MAIN POINTS RAISED AT THE FOURTEENTH MEETING  
OF THE NEGOTIATING GROUP ON AGRICULTURE

(10-12 July 1989)

Note by the Secretariat

Addendum

Please insert the following paragraphs after paragraph 12 on page 4:

1. Commenting on statements concerning rules and disciplines made by the representative of Switzerland (see NG5/W/99) and the representative of the Nordic countries (see NG5/W/100), a number of delegations expressed appreciation for the efforts put into the elaboration of the statements. It was said that these contributions would help further the negotiations in the agriculture sector although it was recognized that the statements were not submitted as final proposals. Some delegations said that the statements represented a change in the way in which those two delegations viewed agriculture trade. They therefore felt encouraged that the negotiations were moving in a direction that would enable the Group to achieve what was agreed at Punta del Este, and subsequently elaborated in Geneva in April of this year.
2. With regard to the Swiss statement, one delegation said that the means suggested to achieve the negotiating objectives did not have much place in a scheme for trade liberalization since it did not seem to meet the negotiating goals agreed to in April. Another delegation expressed appreciation for the elaboration of the non-trade concerns, in particular as regards food security. One delegation also said that export prohibition programmes, as well as food security, would have to be taken into account as legitimate concerns of importing countries. Another delegation was doubtful that the idea of achieving price stability through a system of reference prices established for a period of five years could be applied in developing countries with very high inflation. Another delegation requested further elaboration of the idea of developing an agricultural infrastructure through an international agency. He was also concerned that the idea of flexibility in respect of self-sufficiency rates might not be particularly meaningful if the productive capacity to increase output was not in place, as was the case in many net food importing countries. Another delegation emphasized the importance, especially to developing countries, of the social and development objectives contained in national

agricultural policies. One delegation was concerned about the minimum level of agriculture referred to in the Swiss paper, pointing out that the support and protection needed to ensure a minimum level would clash with the fair and market-oriented trade objectives agreed to in April.

3. The representative of Switzerland said he was encouraged by the preliminary comments made on his statement. Replying to a number of points made during the discussion, he said that his country stood clearly behind the April decisions and those of Punta del Este. What counts in the end was a system that everybody applied. He further said that just as all instruments of access had to be brought under rules, all situations had to be brought under rules. It would not be an "à la carte" system but a system where all countries respected the rules and since countries had different situations, these latter would have to be taken into account. The proposed minimum level of agriculture would have to be negotiated. Once negotiated it would be achieved by certain means that would be subject to rules and disciplines.

4. Commenting on the Nordic countries' statement, one delegation agreed that trade was not the fundamental one in dealing with agriculture. Another delegation supported what he saw as the underlying philosophy of the Nordic statement, that food was a basic need of man. Therefore each country's agricultural policy had to be such that it would render possible adequate supplies of food at affordable prices.

5. One delegation said that his country, like many others, was still in the process of refining the ideas concerning rules and disciplines. As concerned access his delegation believed that the basic problems were twofold: (1) some major import measures such as variable import levies were not currently subject to GATT disciplines; (2) absence of disciplines benefiting countries either through their Protocols of Provisional Application, terms of accession, or through a subsequent waiver. He said there would have to be one principle that all terms of access on all tariff lines would be subject to a binding; and a second principle that set out the agreement to phase out those import measures which were not consistent with the new GATT rules. Another general principle would be ceiling bindings of all fixed and variable import charges. He indicated that the basic problem with regard to subsidies was that most of the subsidies which distorted agricultural trade, whether export or domestic subsidies, were not currently subject to effective GATT rules. In his view agricultural policy makers needed some guidance as to which subsidy programmes were non-actionable or should be considered as such. He referred in this context to a paper that was circulated in the Negotiating Group on Subsidies and Countervailing Duty and which outlined a framework for negotiations on subsidies and countervailing duties, including those on agricultural products (see NG10/W/25). This paper included a suggestion that exhaustive lists should be drawn up of subsidies that were non-actionable, those that were actionable and those that were prohibited.