

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

TRADE NEGOTIATIONS COMMITTEE

Twenty-first meeting: 13 January 1992

1. The Trade Negotiations Committee held its twenty-first meeting at official level, under the Chairmanship of Mr. Arthur Dunkel.
2. The Chairman said that in preparing for the meeting, he had been reminded of the days of the Punta del Este Ministerial Meeting when the Uruguay Round had been launched. What he found most impressive was the fact that, during the five years since then, all participants in the negotiations had made major, and sometimes totally unexpected, adjustments in their positions which had brought them to the very high level of consensus in support of the Draft Final Act (hereinafter referred to as the DFA), which was now before the Committee in document MTN.TNC/W/FA.
3. The Round was now, very clearly, in the concluding phase. Therefore, efforts from now onwards had to be particularly well coordinated and directed towards the sole objective of bringing the Round to a successful and quick conclusion. He assumed all were in agreement on this; his contacts with representatives in Geneva and in capitals during the Christmas and New Year break had indeed left him with the clear impression that all participants were ready to carry the negotiating process forward constructively and expeditiously, and to work intensively in the coming weeks in a result-oriented manner.
4. In offering his thoughts on the purpose of the present meeting, he would first say what the meeting was not intended to be: (a) It was not the occasion for governments participating in the Uruguay Round to accept or reject the results of the Round. Before this stage could be reached, a number of essential steps would have to be taken. The work which still remained to be done had been defined quite clearly in his statement to the Committee on 20 December (MTN.TNC/24), and had also been outlined in the cover-note to the DFA; (b) the meeting was also not a negotiating meeting,

* The text of the Chairman's opening statement, as well as his concluding remarks, was circulated after the meeting in document MTN.TNC/W/99.

and therefore not an occasion for all kinds of specific concerns relating to specific paragraphs in the DFA to be enumerated. As Chairman, he would consider this counter-productive. If that were to happen, the meeting would continue for days with each of the 108 participants bringing his own shopping list. Even more importantly, this would inevitably result in an uncontrollable unravelling of the "package" he had presented in December in keeping with the working procedure agreed by the participants, and, as a consequence, the conclusion that an expeditious end to the Uruguay Round would be ruled out.

5. The Chairman went on to say that, as he had indicated at the 20 December meeting, the aim at this meeting was to conclude the intensive consultations which Dr. Gros Espiell, Chairman of the Committee at Ministerial level, had asked him to carry forward at the end of the Brussels Ministerial meeting on 7 December 1990. This, therefore, was the occasion when, individually and collectively, governments had to either agree to push the negotiating process forward so as to conclude the Round in the weeks ahead or to admit that the stage reached in December 1991 did not offer the basis for an early conclusion.

6. All the signals he had so far received led him to believe that governments preferred the first option. If so, this meeting should approve a work plan for the period ahead. While he had some concrete proposals to make in this regard, he would ask the participants once again to go over his statement to the Committee on 20 December 1991. In particular, he would stress three points: one, the presentation of a complete and consolidated document bringing together the results of five years of effort had been announced. This text had been with governments since 20 December. He recalled that in presenting it, he had said that it sought to strike the best possible balance across-the-board of the long negotiating agenda of this Round. This was still true. He also recalled that this document was, foremost, the result of intensive negotiations. In fact, the major part of the texts were the result of protracted negotiation in the well-established tradition of "give and take". On some outstanding points, where arbitration and conciliation had appeared unavoidable, the text was based on informed and conscientious decisions that he and the Chairmen of the former negotiating groups had had no alternative but to take. Here again, to the best of his knowledge, the situation had not changed and he had no new, or better, solutions to offer on his own; two, he had stated that the work from January 1992 onwards would be based on a global approach; and three, he had reminded participants that, being a single undertaking in accordance with the Punta del Este Declaration, the negotiations were governed by the principle that nothing was final until everything was agreed.

7. The Chairman said that it was in this context that he would make his proposals on how to organize the considerable amount of work that still needed to be done. He proposed that serious work should begin simultaneously and immediately on a four-track approach: track one: intensive, non-stop bilateral, plurilateral and multilateral negotiations on market access. An enormous effort was required here by all participants to ensure substantial and overall meaningful results. On

this would depend final agreement to the Final Act. As participants were aware, Market Access was the only group still in existence under the GNG; it was charged with the specific task of concluding the market access negotiations expeditiously. As he had informed the TNC in December, he included in the market access area negotiations on specific commitments on internal support and export competition in agriculture. The Group's Chairman, Mr. Germain Denis, who was in Geneva to overview these negotiations, intended to put maximum pressure on delegations and not leave the process only to bilateral efforts. What was envisaged was a series of rounds with continuous multilateral monitoring to ensure that the process was going in the right direction. All the facilities of the Secretariat would be available for this purpose; track two: intensive non-stop negotiations, again with continuous multilateral monitoring, on initial commitments in services under the GNS which also remained in place. Substantial and meaningful results for all parties in this area were also necessary for final agreement by parties to the total package; track three: work to ensure the legal conformity and internal consistency of the agreements constituting the Final Act. As he had said in December, this process was important and unavoidable though it should not lead to changes in the balance of rights and obligations established in the agreements; and, finally, track four: work at the level of the TNC with a view to examining whether it was possible to adjust the package in certain specific places.

8. He added that he hesitated even to mention this fourth track for fear of creating misunderstandings. To make it as clear as possible, this exercise would have to be very precise, and concentrated entirely on what all could collectively agree to without unravelling the package. This exercise also would have to be conducted rapidly in a low-key and professional manner in full consciousness of the very limited time available. As he had already said, the DFA was the expression of the most informed and conscientious evaluation of the level of consensus achievable after a one-year extension of the deadline for finalizing this Round. He considered it his duty, however, to be ready to serve as "honest broker" in the resolution of outstanding differences should this be considered necessary. If the work plan he had outlined above were agreed to, he would expect this meeting to be brief, and interventions to be of a general and political nature rather than devoted to specific points. At the end of the meeting, the Committee would approve the negotiating strategy he had outlined, thus enabling the immediate resumption of work in a business-like manner. The Committee would, of course, remain on call to meet periodically to review progress in the work and to take such decisions as might be necessary for the future of the Round.

9. Participants expressed their appreciation to the Chairman of the Trade Negotiations Committee and to the Chairmen of the Negotiating Groups for their personal dedication to the negotiating process in the pursuit of the objectives set by the participants at the Punta del Este, and for their untiring efforts in the task of bringing the negotiations to the stage which had culminated in the tabling of the DFA on 20 December 1991. They

also thanked the Secretariat for its assistance in this process. All speakers reaffirmed full support to the Chairman and said they shared the objective of concluding the Round quickly and successfully. In this context, they recalled their commitment to the multilateral trading system based on GATT. The developing country participants endorsed Morocco's statement on behalf of this Group of countries.

10. The representative of Morocco, on behalf of the developing country participants, said that these countries reaffirmed their unwavering commitment to a rapid and successful conclusion of the Round with satisfactory and balanced results. As in the past, they continued to believe that trade conducted within a multilateral system of agreed, transparent and non-discriminatory rules was the engine of world economic growth and prosperity. From this viewpoint, the success of the Round was unquestionably an inescapable necessity. After five years of uninterrupted, intensive and complex negotiations, participants had had available, since 20 December 1991, the DFA embodying the results of the Round. On the basis of a preliminary and partial evaluation, given the present lack of results in the market access area -- on which negotiations were to be resumed without delay -- the developing countries considered that the various texts did not take their concerns on specific subjects sufficiently into account. While they were being asked to undertake heavy obligations in such areas as TRIPs, TRIMs and Services, their needs and interests had been covered only in a partial, unbalanced and hence unsatisfactory way. In this connection, the developing countries attached fundamental importance to the evaluation of the results to be carried out in the context of the Group of Negotiations on Goods concerning their specific interests.

11. Despite the shortcomings and gaps which still flawed the DFA, the developing countries were anxious to bring the Round to a successful conclusion and considered that it represented an important and advanced stage of the negotiations. With regard to the Chairman's proposed workplan, they noted that the first three tracks represented a resumption of the programme of work already defined in the DFA. As to track four, they noted the suggestions whereby specific and limited amendments could be made in the DFA provided these did not call into question its overall balance. Before taking a position on this subject, they wished to know precisely how track-four work would be conducted; they strongly emphasized that it should be done in a transparent manner and with their full participation. During this exercise, special attention to the specific difficulties of the least-developed countries should be ensured.

12. The historical record would certainly show that at each of the major, crucial phases of the Round, as the current one was, the developing countries had never taken a pusillanimous position. On the contrary, they had shown, and showed again today their capacity to adopt an open and constructive approach in order to conclude the Round rapidly and successfully, thus allowing the establishment of a more open, viable and equitable multilateral trading system that would encourage growth and

development for the benefit of all countries and in particular the small trading nations. In this connection, it was essential that their developed partners made a greater contribution to the achievement of this common ambition.

13. The representative of Australia recalled that on 20 December 1991 the Chairman had presented the participants with a package and had asked them to judge it as such. Having done this, Australia found it, on balance, acceptable as a basis for concluding the negotiations even though it did not go as far as had been hoped for in some areas, and that in others a different draft would have been preferred. It was important now to move quickly to complete the detailed negotiations of market access commitments in all areas including the initial commitments on services, in order that in three months one could reach the point when the final decisions could be taken and the participants could agree that the Round had been successfully concluded. The need to move quickly to conclude the Round was now more critical than ever. The immediate prospects for the international economy would receive a significant setback if the Round were again perceived to be stalled. The need to build a sound basis for the future of international relations, both in the trade and wider political contexts, was more necessary than ever in view of the uncertainties created by the continuing rapid evolution of the international political and economic environment. One could not afford to create additional uncertainty by signalling confusion about the status of the work and thereby potentially delaying the conclusion of the next phase of the Round and the ultimate implementation of the results.

14. For this reason, Australia strongly supported those elements of the work plan which would see a predictable movement by all participants to prepare schedules of commitments in all areas of market access and initial commitments on services. The work had to be characterized by a genuine sense of urgency in order to offer the greatest chance of completing the overall negotiations over the coming months. As all were aware, some participants had consistently sought a more liberalizing approach throughout the negotiations in some areas than others and he did not need to remind all that the text on agriculture fell short of the Cairns Group's ambitions. At the same time, some participants would be disappointed because the package appeared too liberalizing. One should remember, however -- as the Chairman had just recalled -- that it was as a result of the participants' failure to reconcile all issues after five years of negotiations that special procedural steps, combining negotiated and conciliated outcomes, had been required for a global package to be tabled on 20 December. Because of this, Australia saw a great danger that the track-four "examination" would bring to the fore a long list of unfulfilled wishes, consideration of which could choke the negotiation process, and reduce, delay or eliminate the possibility of moving to the market access schedules envisaged in the first and second tracks. This would indeed risk the unravelling of the entire package, a development which, obviously, would seriously prejudice prospects for the successful conclusion of the Round. Against this background, Australia strongly preferred that the integrity of the existing package be maintained and urged that any track-four examination be marked by discipline and

self-restraint by all; it looked to the Chairman to continue his strong guidance in order that the exercise be indeed conducted in a rapid, low key and professional manner.

15. The representative of Argentina said that at the beginning of this definitive stage leading to the conclusion of the Round, Argentina would reiterate the commitment towards the multilateral trading system based on GATT which it had clearly expressed throughout the negotiating process in the Round. In this respect, he noted that Argentina had undertaken an economic programme aiming at maximum efficiency in the distribution of resources and its integration into the international economy. This programme, which involved great sacrifice on the part of the population, had meant eliminating subsidies to internal production and external trade, opening the external sector, and guaranteeing protection only through reduced tariffs, without applying non-tariff barriers. This approach, followed by many developing countries, should also guide those with the main responsibility for the development of the international economy, since the burden of adjustment and the liberalization efforts should be shared by all. Moreover, trade liberalization and the elimination of subsidies should be undertaken in those areas of greatest interest to the developing countries.

16. With this in mind, Argentina supported the Chairman's proposals for the final stage of the Round. The DFA represented a difficult balance between the various negotiating positions -- perhaps an unstable one in view of the fact that many of the liberalization objectives, particularly in areas of greatest interest to many developing countries such as agriculture, were very far from having been achieved. At the same time, while the text offered possibilities in the new areas and in competition rules, it created demands which went much further than what would be necessary for a fair burden- and benefit-sharing among all participants. In spite of these deficiencies, Argentina believed that the text constituted the only possible basis for the final results of the negotiation. Consequently, it was necessary to ensure that the negotiations on market access for goods and initial commitments in services be based on this text. As to the Chairman's proposed procedure, Argentina wished to underscore its concern with the possibility under the fourth track of specific modifications, albeit of low profile, in the DFA. Because of the delicate balance therein, any modification might very well lead to the unravelling of the entire negotiating package. Participants, therefore, should restrain themselves in insisting on specific aspects which had not been agreed on the basis of negotiated texts and had been subjected to conciliation by the Chairmen. The responsibility for reopening the negotiations would fall on these participants since it would not be possible, in order to re-establish the precarious balance obtained, to avoid other positions from being presented which had not been, or only insufficiently, contemplated in this text. Argentina considered it its duty to underline this substantive aspect towards the satisfactory conclusion of the Round. Moreover, it would be necessary for this process to be duly transparent and neutral. Furthermore, any alternatives should be considered and discussed by all participants and should obtain the necessary consensus. Argentina supported the Chairman's proposal, and would continue working in its usual constructive and firm manner.

17. The representative of the United States said that finally, after five long years of work on the most complex trade accord ever attempted, a comprehensive Draft of the final agreement was available. Where the participants had not been able to negotiate a deal in the allocated time-frame, the Chairman and his team had faced the difficult task of producing a text closing all the gaps in the negotiations and making it acceptable to all participants. It was obvious from their efforts that they had wanted to suggest workable compromises to the differences that remained between participants when negotiations had ended on 19 December. The question now before the participants was simple: did the DFA provide the necessary elements for finalizing the Round? The United States' answer was yes. He quoted the US President as saying in Singapore the previous week that he was "urging the world's trading nations to join with us in making GATT Director-General Dunkel's proposed Draft Agreement the basis for the successful conclusion of the Uruguay Round. While all of us have problems with portions of that Draft, none of us can afford to let the progress it represents slip away into the past. Now is the moment for a strong collective response".

18. The United States saw much to be gained from the agreement now emerging: reduction of trade-distorting subsidies and tighter disciplines in this area; new régimes for agriculture and textiles; prohibition of certain trade-distorting investment policies; a more credible institutional framework for resolving trade disputes based on international rules; and many other positive elements. On the other hand, certain sections of the paper were seen as being deficient. In some cases, the text did not go far enough in reducing barriers, setting rigorous standards, or providing strong disciplines and remedies against unfair behaviour, and of course, like others, the United States faced calls from special interest groups to scale back the reforms in the text. Nevertheless, it strongly believed that, if changes were to be made, they should serve only to strengthen the disciplines and/or lead to greater market liberalization. There was also the question of the upcoming market access negotiations on goods, especially the US proposals for global free trade and, as the Chairman had noted, improved access for agriculture and textiles and clothing. Furthermore, a services agreement that secured substantial liberalization and market access, particularly for financial services, had to be achieved. Without good results in these areas, the United States would not find the overall package acceptable.

19. Weighing all these factors, the United States believed that much progress had been made toward a significant reform of the GATT system, and that the DFA provided an opportunity to conclude the Round successfully. It was prepared to work with others towards that objective, but time was of the essence. If the Round was to be completed and was to enter into force by early 1993, one had to move forward vigorously. The next few weeks would be critical. If differences persisted beyond that time-frame, one would not be able to meet the target for implementation. One had to begin immediately to accelerate the pace of the tariff negotiations and the completion of the services commitments. Much work remained and there could be no more excuses for any party failing to negotiate in all market access sectors. The United States stood ready to engage in intensive efforts to turn this Draft agreement into a reality. One had to avoid unravelling it

and to be ready to work cooperatively to resolve remaining differences. To do otherwise would put the entire multilateral trading system into a state of considerable uncertainty. Common sense dictated that every effort be made to create a strengthened, effective and multilateral system for promoting world trade. Certain pivotal moments in world affairs called for vision and leadership. The Chairman had faced such a moment on 20 December and had met that challenge. The parties responsible for reaching a final agreement now had to face that same challenge. It was vital that they succeeded.

20. The representative of the European Communities said that the Community was ready to continue and complete the negotiations according to the programme and timetable proposed by the Chairman. Since 21 December 1991, a DFA for the Uruguay Round had been available to the participants for the first time. This was the first time, therefore, that one had a full overview of what the results of these years of negotiations might be, even though this sum-total still had to be completed by the results of the market access negotiations in the areas of both goods and services.

21. The DFA text gave rise to difficulties for each and every participant and above all for those which already had a very open market. He recalled in this regard that the Community was the world's largest importer of both industrial and agricultural products. This being said, the Chairman had made available to participants a reference point for the solution of the problems which in Punta del Este had been decided to be tackled in the form of a global negotiation and as a single undertaking. However, it was common knowledge that, for the Community, very serious difficulties arose in the area of agriculture, where the text had to be seriously improved upon, and in the area of the rules governing trade in goods where certain adjustments had to be made. In any case, negotiations had to be further completed in the area of market access for goods and in the area of initial commitments for services; the results of these forthcoming negotiations, as well as the Act in its final form, would in the last analysis determine the Community's complete and definitive judgement on the overall results of the negotiations. In conclusion, the Community was ready to continue the negotiations on the basis of the procedures and timetable proposed by the Chairman, in order to find fair and balanced solutions to the difficulties which still remained. The Community expected that the same readiness would be manifested by its partners and that they would contribute to ensure that the overall positive elements which seemed to have already been achieved would not be jeopardized, so as to develop and strengthen the multilateral trading system.

22. The representative of Japan said that it was generally agreed that no other agenda in the current international economic and trading system was more important than the early, successful conclusion of the Uruguay Round. Japan was fully committed to this undertaking and, in cooperation with other participants, intended to make the utmost efforts to this end. Japan believed that the DFA represented an important step which had helped establish momentum toward this goal; a further important step would be to negotiate improved market access for goods and services. Japan was still conducting a detailed analysis and assessment of the contents of the DFA and would not be in a position to assess the overall result of the Round

until the upcoming market access negotiations were completed. His remarks about this draft, therefore, should be regarded as provisional. From the viewpoint of establishing a more stable and predictable multilateral trading system, there were indeed a few positive elements in the DFA. It also contained, however, problematic elements in the rule-making area as well as in the new areas such as services. In agriculture, in particular, the treatment of border measures lacked balance by comparison to that of export subsidies; especially, the concept of comprehensive tariffication posed extreme difficulties for Japan. In supporting the Chairman's proposed four-track work programme, it was Japan's view that the fourth track was needed and was one in which its concerns with regard to the DFA might be addressed properly. Japan wished to participate therein constructively.

23. The representative of Finland, on behalf of the Nordic participants, said that in their view the DFA represented an impressive result of the long and pressing negotiations of the past five years. One now had texts in all the different negotiating areas which provided a comprehensive picture of the Uruguay Round and facilitated an evaluation of the prospective results. The Nordic countries stood ready to enter into the Chairman's proposed four-track process on the basis of this draft package and considered it necessary for this process to be carried out as transparently as possible. While the Nordic countries liked certain parts of the package, certain parts bothered them for one reason or another while others they did not like at all. Their most serious problems concerned agriculture and services and they did not like some elements in the rules package, although they felt that an internal balance had been achieved which should be maintained. They would not be specific at this juncture, but reserved their right to raise their detailed concerns in relevant areas at a later stage. Finding reasonable solutions to these problems and achieving needed results for all in the market access negotiations, as planned in the draft paper, could help achieve the balanced package that would lead to a positive evaluation of the final results. The Nordic participants were willing to do their part to continue and advance the process. They realized that the final outcome was a single political undertaking, and wished to see an end to the Round, as early as possible. This would entail give-and-take, as was the nature of negotiations. In the end, however, all participants stood to gain from liberalized trade and a more stable and predictable trading environment.

24. The representative of New Zealand said that his country agreed that the DFA tabled by the Chairman on 20 December should be regarded as bringing to an end the consultations which the Chairman of the Committee at ministerial level, Dr. Gros Espiell, had mandated him to carry out in 1991. New Zealand hoped that the participants would now move, with all possible speed, to conclude the Round. New Zealand accepted the DFA text, as its Minister of External Relations and Trade had confirmed publicly on 9 January. Like all participants, New Zealand had difficulties with parts of the text, but had looked at the package as a whole, as the Chairman had asked. As noted by Australia, the text on agriculture fell short of the Cairns Group's aspirations. However, New Zealand had concluded that there would be a net gain from implementation of the agreements and, on balance,

considered that this comprehensive package would strengthen the international trading system, and lead to long-term benefits, both economic and political, for those who participated in it.

25. Against this background, New Zealand accepted the Chairman's approach and looked forward to concluding the outstanding aspects of the negotiations as rapidly as possible. Like others, however, New Zealand felt anxiety about the proposed fourth track. It was opposed to changes in the 20 December package, not because it liked each part of it more than other participants, but because the package resulted from a long and difficult process which had involved all of them. Clearly the texts existed in a state of tension; their balance should not be destroyed or altered for the worse. The urgent task now was to complete - and implement - this achievement, not unravel it. In this final stage, he hoped the emphasis would therefore be on access negotiations in both goods and services. New Zealand supported the ambitious timetable proposed by the Chairman and urged all participants to enter into intensive negotiations on national commitments in services and to table their detailed notifications on agriculture as soon as possible. Indeed, until individual country notifications on agriculture had been tabled and examined by all participants, it would be hard to make the necessary progress to conclude the market access negotiations. New Zealand would continue to work with other delegations and with the Chairman to bring this final stage of the negotiations to a successful conclusion.

26. The representative of India said that his delegation had listened to the Chairman's statement with great attention, and had taken note of its contents. The DFA package covered all negotiating areas with the exception of those relating to market access in goods and initial commitments in services. As the Chairman had pointed out, the package was incomplete without the results of negotiations in these two areas. The issue of the acceptance or rejection of the results of the Round therefore did not arise at this stage. Nevertheless, the stage where the texts of the agreements in all negotiating areas were before the participants had been reached, and this was an important milestone towards the final goal. His Government had not yet completed its scrutiny of the long and complex DFA document; it was currently involved in consultation with members of Parliament, representatives of industry, intellectuals and opinion makers and was not, therefore, in a position to evaluate the package as a whole just yet. His Government, however, favoured an early end to the negotiations, with fair and balanced results. India was convinced that the multilateral trading system needed to be preserved and strengthened. As a small trading nation, India had considerably greater stakes in the system and would continue to do its best to ensure that the system was further strengthened. This could only be achieved if the Round's results were not only fair and balanced but were perceived as such. Based on its preliminary assessment, India had a general idea of what the document implied in terms of its needs and expectations; it was, however, greatly disappointed, on the one hand, with those aspects of the package which had a bearing on developmental issues and public policy concerns in the developing country context, and on the other, with those which had to do with market opening and trade liberalization in areas of interest to developing countries, such as the agreements on TRIPs and Textiles.

27. As to the question of where one went from here, it was obvious that work in the area of market access in goods and initial commitments in services had to be completed. India agreed with the Chairman that this work had to be taken up immediately and completed as soon as possible. While this process was going to be essentially bilateral, and perhaps plurilateral in some cases and to some extent, it would have to be kept under multilateral review. India also agreed that work would have to be undertaken to examine the DFA text for internal consistency and legal conformity. India was uncertain, however, with regard to track four. Further consultations on this would appear necessary so as to have a better understanding of the dynamics of the process. It would be essential, however, to ensure that the process remained transparent and provided an effective opportunity for interested participants during the course of what was hopefully the very last, and therefore perhaps the most critical, stage of negotiations. He recalled in this context that the GNG was to conduct an evaluation of the results of the negotiations before their conclusion, and to assess how effectively the application of differential and more favourable treatment to developing countries had been secured. It was obvious that such an assessment would be possible only after the results on market access in goods and initial commitments in services were available. India saw this assessment as a substantive issue, and not a mere formality, which implied the need to provide adequate time and attention for a meaningful evaluation, as well as a real possibility of adjustment in the package as would be warranted by such an assessment. His delegation would extend its full cooperation to the Chairman with a view to achieving an early end to the negotiations with fair and balanced results, generally in accordance with the programme and timetable that the latter had suggested.

28. The representative of Pakistan said that five years after the launch of the Uruguay Round, the participants were meeting today to consider the DFA, which represented the Chairman's approximation of national positions, and his comprehensive recommendations regarding the possible common denominators. The Final Act, when approved, would determine the new order of world trade over the coming decades. It was therefore a document of primary importance, not only because it represented the gist of five years of complex and complicated negotiations, but also because for the first time new areas were being dealt with within the ambit of GATT. He recalled that Pakistan had been among the first to support the launching of the Round and even the inclusion of services in the agenda, in the belief that this was indeed an important element in the establishment of new structures for world trade. The multilateral trading system being developed in the negotiations was of obvious interest to all participating countries, many of which were developing countries with large populations that had an earnest aspiration for a better standard of living. The interest of these countries in the Round was therefore pragmatic, and of an abiding nature. Pakistan remained committed to bringing the Round to an early and successful conclusion. But the new trading system that this Round sought to establish would only take root if it took due account of the legitimate concerns of these large population masses, and of the relatively low rungs on the ladder of economic development at which they stood; an even-handed approach that took due regard of these aspirations and concerns was, therefore, essential if the results of the Round were to be sustained.

29. Pakistan supported the Chairman's four-track approach for work in the coming weeks. In fact, if the latter had not proposed such an approach, his delegation would have proposed it, because it continued to face difficulties as many of its essential minimum concerns had not yet been fully taken into account. Some of these concerns figured in the annotations and required further discussion. He agreed that reopening the draft document might run the risk of unravelling the package but, as his delegation had repeatedly stressed, for any multilateral agreement to endure, it had to be based on the shared principle of single standards for all agreements, which unfortunately was not the case. Many asymmetries both with respect to concept and approach needed to be identified and addressed. Otherwise, the impression would be given that agreements in this Round had been the result of understandings among a few major participants, to the relative exclusion of the interests and concerns of the vast majority of developing countries. Pakistan hoped that the coming weeks would enable a free and open discussion among all participants, in an approach that reflected a truly multilateral process, and which produced multilaterally agreed solutions to the remaining problems. He recalled that the end product would still need to be presented for evaluation from the point of view of ensuring effective application of differential and more favourable treatment for developing countries, in accordance with the agreement at Punta del Este.

30. The representative of Chile said that in his country's view the general content of the DFA provided a basis for the conclusion of the Uruguay Round over the next weeks. For this to occur, it was essential to immediately undertake, as Chile was ready to do, access negotiations in goods and services because nothing could be accepted as final until significant breakthroughs had been made in these areas. His Government supported the DFA because it constituted an important contribution toward the strengthening of the multilateral trading system, in spite of certain aspects which were not fully satisfactory for Chile. For example, it did not believe that the degree of progress in the agricultural area was sufficient because the text did not provide for offsetting the cost of the commitments that were implied for Chile. Chile also had reservations as regards the selective use of safeguards. In the area of intellectual property, Chile believed that the duration of patents for inventions was excessive and that the régime of geographical indication was too restrictive. As regards services, the text did not contain sufficient disciplines in respect of competition and government procurement, and the MFN principle had been inhibited. As regards investments, Chile believed that governments and enterprises would have to adapt to the principle of non-discrimination between nationals and foreigners. In spite of these reservations, Chile supported the first three tracks suggested by the Chairman to conclude the negotiations as soon as possible. To this end, it would be inappropriate to open up discussion on the document, as might be the case possibly under the fourth track. This would jeopardize the overall achievements to date, and the responsibility for that would have to be shouldered by those who began the unravelling of the package. In brief, this proposal constituted fundamental progress towards further trade liberalization reactivating the world economy and opening development opportunities. Chile remained prepared to take a constructive approach to conclude the Round successfully as soon as possible.

31. The representative of Peru said that while the DFA did not satisfy all of Peru's aspirations, it accepted the package as the only possible provisional basis on which the various participants might achieve a global agreement in order to conclude the Uruguay Round. In other words, Peru accepted the DFA as being the result of a very delicate global balance even if it did not reflect Peru's original positions. The reopening of negotiations in the areas included therein might therefore harm this equilibrium. Peru was ready to continue working on all pending matters so as to achieve a final balance through the inclusion of significantly more important access conditions for goods and services, in particular those exported by Peru and other developing countries. Peru had certain concerns with the fourth track, because the latter would make it possible to adjust certain matters. These areas had not been spelt out and it was not yet quite clear as to who would be deciding thereon, who would be participating in the exercise, and according to which mechanism the adjustments would be incorporated in the DFA. His delegation obviously preferred to avoid, as far as possible, entering into an adjustment mechanism which might lead to unforeseen consequences. If this was unavoidable because of the global nature of the negotiations, then it should be a very precise, moderate and transparent exercise in which all participants would be present at each stage, and which should not unbalance the existing status of the DFA on which a full consensus could not be doubted. Peru would contribute positively to these negotiations, as it had done in the past, and accepted the DFA as a basis for achieving final results that would be positive for all. In this connection, his Government had decided to bind the totality of its tariffs on the condition that Peru be granted increased access to its main markets. He hoped that this important concession would help towards the achievement of a balanced, significant and successful result to the Round.

32. The representative of Egypt said that there had not been sufficient time since the Committee's meeting on 20 December for governments, particularly those of developing countries including Egypt, to undertake a thorough, comprehensive and overall study of the contents of the DFA. At any rate a comprehensive evaluation could not be made before the end of the negotiations on the remaining sectors, including market access for goods and initial commitments on services. However, he understood that the purpose of the present meeting was to allow a preliminary evaluation of the draft and to see together how one could proceed further. He referred to a recent Press statement that any amendment to the DFA should enjoy the consensus of all negotiating parties in order to be accepted. This was difficult to accept and could not be reconciled with other statements made by the Chairman, and with Egypt's understanding of the current phase of the negotiations, since there had been no consensus agreement on the DFA. Egypt had understood from earlier statements that nothing would be concluded until everything was agreed, which provided the hope that Egypt's interests would not be sacrificed in the negotiating process. Against this background, and in light of the continuing evaluation of the unfinished package proposed by the Chairman, his delegation was ready to go along with the negotiating plan during the coming weeks with a view to an early and successful conclusion of the Round, bearing in mind that its rights and interests should be safeguarded. Egypt wished to see transparency in the work under the fourth track and in the mechanism through which proposals might be made. Moreover, the full participation of all parties should be

ensured. Egypt, together with other parties, would have the sovereign right to put forward proposals to amend the DFA, in the conviction that all partners respected the fair and democratic rules of the game, in a manner that would ensure greater trade liberalization while at the same time concretizing the principles of special and differential treatment for developing countries in conformity with the Punta del Este Declaration.

33. Egypt firmly believed that improvements to the draft Declaration concerning effects of agricultural reforms on net food-importing developing countries were necessary to mitigate the additional financial burden which its economy, as those of other net food-importing developing countries, would have to face if the present draft Agreement on agriculture were to be implemented. Clear commitments on increasing food aid programmes to these countries were needed, as was their access to a concessional financial facility to provide necessary resources in addition to the multilateral financial facility. Egypt, together with other participants, would also be seeking to strike a better balance for developing countries in the draft Agreement on trade in services. Furthermore, it believed that developing countries' interests in some areas including TRIPs and TRIMs should be safeguarded; in particular, developing countries needed longer transitional periods in a number of sectors in order to enable them to adapt their economies to their commitments under the Final Act. With respect to institutional matters, there was a need to ensure equal rights for all member states in any potential Multilateral Trade Organization, as well as universal membership, transparency of the decision-making process and comprehensive coverage of issues. In fact, any decision on that issue and on the conclusion of the Round should be made at the final Ministerial Meeting which should allow ample time for considering institutional matters in the light of the overall outcome of the Round.

34. The representative of Colombia said that his delegation did not consider it realistic or constructive to try to appraise the results of the Round before the end of the negotiating processes on market access, especially those pertaining to tariffs and non-tariff measures, and on initial liberalization commitments in the field of services. It was only then that one would be in a position to offer a commitment to the global balance of the Round. While Colombia had reservations and observations on various aspects of the DFA, it had the firm will to continue with negotiations based on the proposed text if all participants, especially its main trading partners, were ready to act accordingly. Colombia deemed it of utmost importance to put on record that substantial modifications could not be envisaged unless negotiations on the whole document were re-opened; it would not be acceptable if negotiations on the document were opened to satisfy partial interests or demands from one country or group of countries without similar action being taken on behalf of all participants. For this reason, Colombia supported the Chairman's proposed strategy but was deeply concerned with the scope and working methods for track four thereof.

35. There was considerable divergence between the aims agreed in Punta del Este, and later in Montreal, when the participants had committed themselves to the Round, and its foreseeable results as implied from the DFA. Moreover, Colombia wondered if all this was going in the right direction. It wondered whether the aim of truly liberalizing trade and the economy --

the raison d'être and source of inspiration of GATT -- had been abandoned and whether the version of "managed trade" which seemed to arise as a commitment of participants in the Round was not a new form of interventionism or interference that might in future be the cause of paralysis and failure of the system. It also wondered whether one was prepared to overcome the enormous tensions already anticipated and to redress the evident protectionist tendencies which had indeed hindered the real success of the work carried out by the international community over more than five years. For its part, Colombia had made great efforts to obtain positive results in this Round and to contribute to building an international environment favourable to development. Firstly, its economy -- one of the few to have grown in the region during the decade of the 1980s -- had been autonomously liberalized further and was undergoing a phase of modernization and adaptation which would render it one of the most open and liberalized. Such efforts had been carried out in parallel to a process of political and institutional strengthening without precedent in its history or in that of the hemisphere. Secondly, since the preparatory process of the Round prior to Punta del Este, at its launching, and afterwards throughout the Round, Colombia had actively and constructively participated and cooperated toward its success. Colombia hoped that its main trading partners as well as the other participants would appraise these facts at their real value and use them as reference points for the conclusion of the Round so as to obtain positive answers to Colombia's needs and conclude the Round with a balance consistent with the will agreed at its launching, i.e., to halt and reverse protectionism and remove distortions to trade and thereby to bring about further trade liberalization and expansion to the benefit of all countries, especially the less-developed participants.

36. The representative of El Salvador, also on behalf of Guatemala, Honduras and Nicaragua, recalled that the Economic Ministers of the Central American countries had met in Guatemala City on 9 January in order to take stock of the Uruguay Round and to reach preliminary conclusions on the DFA. Their preliminary opinion had been that the texts in the document constituted in general a delicate balance between the participants' different positions. For this reason, their countries were ready to take the DFA as a valid platform for negotiations in the areas which required completion, i.e., market access, initial commitments in services and the revision of texts to ensure legal consistency. They were of the view that the parts already negotiated should make it possible to reach a satisfactory overall conclusion of the Round provided that the results to be achieved in the outstanding negotiations adequately reflected their trading interests. For them, the prompt and successful conclusion of the Round was of vital importance, in particular because it coincided precisely with the establishment of new bases for the strengthening of their economic integration process and the improvement of their integration in the world economy. National efforts would be strengthened and invigorated by a more transparent and appropriate multilateral trading system. Moreover, the commitments stemming from the Round would constitute an additional incentive to further the modernization efforts undertaken by the economies in the region. They believed that any revision of the DFA which would go beyond simple legal adjustments or drafting amendments might lead to its weakening; the participants that intended to reopen these texts would have

to shoulder the political responsibility of a revision process with unforeseeable results. Finally, they reiterated their full commitment to participating in the outstanding negotiations, and that their vital interests were at stake.

37. The representative of Brazil recalled the fable -- from the Greek philosopher Zeno, founder of the Eleatic School -- of "Achilles and the Tortoise" to illustrate what he referred to as situations in which the very idea of movement would lead to impossible contradictions, a situation which seemed to describe the way one had been proceeding in the Round. His impression was that the attitude some participants had formed about the negotiating process was also based on a fallacious judgement, and as a sensible opponent of this school of thought, he could disprove the argument about the impossibility of movement in a very simple way, i.e., by moving.

:S. His Government had been carefully reviewing the contents of the DFA with a view to assessing all the implications of the proposed texts. Given the complexity of the subjects involved and the less than optimal degree of clarity of some texts, he could hardly say that this process had been completed. Positive aspects had been identified as well as shortcomings, several of which had come about as bad last-hour surprises. While it was tempting for his Government to recommend the reopening of such questions, it had come to the conclusion that even though the DFA package was not satisfactory in many respects, it should be maintained, since attempts to amend it would start a process of unravelling that could end up in the collapse of the Round with all the dire consequences for the multilateral trading system that one had so forcefully tried to avoid. Brazil was therefore greatly concerned with the fourth track of the Chairman's proposed strategy, which could be the window through which proposals could be introduced that either nullified important achievements or introduced unacceptable concepts which would unsettle the current precarious balance. In many capitals, including his own, there was much anxiety over concessions that appeared in the present text. It was therefore crucial that the market access negotiations produce significant results, even if only to compensate for what was being proposed in certain parts of the DFA. Brazil's support for the Draft as the best means for a speedy and successful conclusion of the Round should not be construed wrongly. If by some chance other participants decided to take upon themselves the burdensome responsibility of reopening the negotiations and engaging in a fourth-track-type exercise, his delegation would have no recourse but to put forward its own proposals and solutions, which would not be a short list. He reiterated his Government's statement in a communiqué of 8 January that it considered the best solution at this moment, after five years of exhaustive discussions, to be to accept the DFA and to conclude the remainder of the market access negotiations, initial commitments on services and specific commitments in agriculture in a swift and expeditious manner.

39. The representative of Switzerland recalled that when introducing the DFA on 20 December, the Chairman had said that a very important aspect -- market access -- was still missing. This very important element in the evaluation to be made by governments was, indeed, still lacking. The Chairman had also rightly said that two further tasks had to be undertaken by the negotiators in January, i.e. an evaluation of the results in the area of goods as provided for in the Punta del Este Declaration, and a revision of the DFA with respect to its internal consistency and legal conformity. It was in this frame of mind that Switzerland had undertaken a preliminary evaluation of the document and in which he would present its first preliminary appreciation articulated around six points.

40. One, like many previous speakers, he noted that the DFA represented an important step in the negotiating process begun in 1986 in Punta del Este. A substantial body of texts were available though they were still of a different nature: draft legal arrangements which might bring -- it had to be recognized -- partial solutions to certain acute world trade problems, such as for textiles, rule-making, institutions and intellectual property; a full draft text on agriculture resulting from multilateral negotiations, plurilateral and informal consultations, and finally arbitration; and a basis for the completion of negotiations on market access for goods and services. In this latter respect, Switzerland subscribed to the Chairman's proposals.

41. Two, the spirit of Punta del Este invited participants, should any doubt arise, to decide in favour of a multilateral trading system. In this regard, Switzerland was somewhat particularly disappointed with respect to rule-making by the scope as well as the contents of certain proposals which were at the very heart of GATT or which would play a decisive rôle in its future. These rules were all the more essential in strengthening the system since the latter, in conformity with spirit of Punta del Este, should be further broadened in terms of membership and material scope. The agreement on safeguards and the rather modest nature of the proposals regarding trade-related investments fell in their category.

42. Three, there was a risk that some proposals, either too lax or too general, would affect the predictability and the legal security of the multilateral trade system. In both cases, the objectives of its strengthening would not be reached, or only badly so. The recent proliferation of grey-area measures, taken in areas already covered by GATT for some 40 years, further increased Switzerland's concerns.

43. Fourth, the DFA was still, as the Chairman had emphasized on 20 December, a juxtaposition of the potential results on the 15 negotiating themes brought into one coherent package, as shown by the significant differences between the stated principles and the possibility, or lack thereof, for making exceptions either of a material nature or with respect to implementation, particularly with respect to transitional periods. At this stage, there was still a need to establish a better balance between the rules common to all and the actual provisions for concrete implementation to ensure that participants could apply in their respective situations to the benefit of all.

44. Five, while agriculture still remained central to the negotiations, it was not the only aspect. This was too often forgotten, both at the multilateral as well as national level, and both in importing countries as well as net agricultural exporting countries. As Japan had pointed out, it was the least ripe aspect of the negotiations and particular efforts should be made by all from now on to make progress in this area; efforts were particularly necessary to tackle the issues of the new modalities of border protection measures, such as the concept of tariffication without exception, and of a safeguards mechanism and transitional periods.

45. Six, with the DFA, the Round had entered a phase which gave it a new political dimension. The process now beginning had to reckon with this. Its truly multilateral nature would be a major advantage to ensure political acceptance of the package by all participants. Switzerland would appraise the fourth track in this spirit. His delegation was ready to continue negotiations and the DFA offered a basis to enter into this final phase. The process now starting was of major importance in order to fill in the gaps and make the essential corrections to this text so that the final results could rapidly lead to a balanced and politically acceptable result which could be effectively translated into economic realities.

46. The representative of Hungary said that in the short period since 20 December, the DFA had been the object of a careful analysis by his authorities, who had taken into account the individual texts in each negotiating area and their inter-relationships. They had also devoted special attention to the political context of the negotiations. Three aspects of this context deserved all participants' attention: the first was obvious in that fundamental political changes had occurred in the world since the launching of the Round; the second was that these changes had led to new political and economic orientations which, in many countries and in particular those of Eastern Europe like Hungary, were being translated into unilateral trade liberalization measures. It was clear that these countries could not continue with their policies of providing greater trade access unless there was a favourable external environment. This factor alone would suffice for Hungary to favour any work in the Round which would help trade liberalization, including clear and foreseeable disciplines and greatly increased access possibilities.

47. His authorities had analysed the DFA in that light and in particular had sought answers to the following questions: How far did the package support the transformation process of Hungary's economy, and did it envisage, in specific areas, sufficiently flexible transitional measures for the new rules to facilitate the economic transition? The analysis had shown that notwithstanding certain elements of satisfaction, other aspects led to very serious concerns. Hungary's global conclusion was, however, that the DFA represented a promise to reach a reasonable and equitable package and his authorities, therefore, were ready to go forward on the basis thereof. It was important to finalize the negotiations as soon as possible within the following weeks. His authorities saw in the Chairman's proposed strategy and approach a reasonable way of achieving this. There were elements of capital importance in this final phase, such as the market access concessions to be negotiated, in particular the schedules of agricultural concessions, and the initial commitments on services. At the

same time, the legal drafting and the fine-tuning exercises should preserve the very delicate balance reflected in the existing text, lest the whole effort be jeopardized.

48. The representative of Indonesia, on behalf of the ASEAN contracting parties, said that these countries were firmly committed to an early and successful conclusion of the Round, which was crucial for the strengthening of the multilateral trading system as well as for sustaining and further accelerating world economic growth. The future of the GATT and the multilateral trading system was at stake. A failure of the Round would inevitably lead to increased protectionism, unchecked unilateralism and inward-looking trading blocs which would be detrimental to the trade and economic interests of all countries. After more than five years of intensive and serious negotiations, a DFA embodying the results of the Round was available. This package, however, was incomplete, as it did not as yet embody the results of the market access negotiations, the scheduling commitments in agriculture and the initial commitments in services, as important integral elements of the final package. Based on their preliminary assessment, the ASEAN countries were of the view that while containing some positive elements, the DFA package fell short of their original expectations and posed difficulties particularly in the areas of interest to them, such as agriculture, textiles and clothing, rule-making, TRIMs, TRIPs and dispute settlement. The package was, nevertheless, positive in one major respect in that it provided the basis for strengthening the multilateral trading system; to a certain degree it could contribute to a greater predictability and certainty in world trade, provide the framework for the conduct of multilateral trade relations and make the resort to unilateralism even more unjustifiable. In addition, multilateral rules would be extended to trade sectors in which none had previously existed.

49. These countries noted that the DFA contained, in various parts, provisions for special and differential treatment for developing countries. They were prepared to participate in, make all the necessary contributions to, and assume obligations in the Uruguay Round agreement on the basis of satisfactory provisions for special and differential treatment. It was, therefore, incumbent for the major trading partners to translate into concrete terms the relevant principles contained in the Punta del Este Declaration and to implement them in favour of all developing countries. The detailed results of the market access negotiations to be held in the coming weeks were of the utmost importance to ASEAN countries and would represent a vital and integral element for their ultimate consideration and final acceptance of the overall package. A substantive and meaningful outcome in this area was particularly important when viewed against the many substantive concessions that they would have to offer and the many onerous obligations they would have to undertake, especially in the new areas of TRIPs, TRIMs and services. At this stage, all participants needed to assess their position realistically and to look at the package in its totality. It was now time for the major trading partners to demonstrate political leadership and to assume political responsibility to bring the Round to a successful conclusion. All things considered, the ASEAN countries preferred to be guided by the wisdom of pragmatism and realism in approaching the package embodied in the DFA. Indeed, while the package did

not adequately meet their expectations, and the onerous obligations to be undertaken would burden them, it provided a reasonable framework in which to build the necessary structure and to set the positive direction of world trade in the future. For these reasons, and at this critical juncture, the ASEAN countries were prepared to consider the DFA package as a reasonable basis to continue further work with a view to bringing the Round to a successful conclusion. They stood ready to work together with all parties to this end, and endorsed the Chairman's proposed approach and work programme to conclude the Round formally within the next few weeks. The first three tracks involved work that had already been envisaged and were necessary to facilitate the final acceptance of the DFA. The fourth track, however, was ambiguous and the ASEAN countries were unclear as to how this process would be carried out. In their view, it was important that the process limit any attempt by any participant to unravel what had already been achieved and embodied in the package. They therefore urged all participants to approach this exercise with utmost care to ensure that it did not result in the unravelling of the overall package, thereby putting an early and successful conclusion of the Round in jeopardy.

50. The representative of Mexico said that his authorities had closely analysed the DFA and had found it interesting, with many positive elements representing the results of more than five years of intense and complex negotiations in the various areas of the Round. He noted with attention that since December 1991 some changes had been effected in the very concept of the work programme. While in December the Draft had been intended to be the definitive version of the results to be reached for the various subjects, it was now clear that some adjustments to the text would be necessary so as to be able to finalize the negotiations with success in the forthcoming weeks or months. The DFA was a good draft, which contained a delicate balance of what might be, qualitatively speaking, the greatest progress ever achieved in GATT. One could indeed find therein substantive improvements in the international trading rules for the traditional as well as the new subjects of GATT. Its quick acceptance, through the Chairman's proposed work programme -- which his Government firmly supported -- would no doubt result in a reinforced and extended multilateral trade organization which would be of benefit to all parties.

51. Mexico had, however, some substantive problems with the Draft, and had voiced these problems on several earlier occasions. It could not accept the universal tariffication on agricultural products, and the lack of flexibility, or the form thereof, which had been suggested for export subsidies and, in particular, for domestic support in the developing countries' agricultural products. These concerns had been stated formally by Mexico in documents MTN.GNG/AG/W/7 and W/10 of 17 and 18 December 1991 respectively. As this should be the last phase in the Round, and in spite of the fact that some points in the DFA were not fully satisfactory, Mexico was ready to continue negotiations on the basis thereof as well as of the communications and proposals presented by participants in connection with it. The only way to finish in due time was by concentrating on the search for creative solutions to the problems of vital interest which had been raised. Mexico urged participants to refrain from seeking greater concessions or improvements which were not fully essential to the proposals on the table. It was necessary now to reach a global balance which would

reflect each participant's political and economic situation and for the access negotiations on goods and services to be carried out with a view to compensating some of the disequilibria contained in the package. This would ensure that the exports of those countries which had liberalized their external trade in recent years would obtain better access opportunities on the main world markets. Mexico trusted that the most complex and ambitious Round in the entire history of GATT would be concluded in the following three months. All countries needed this.

53. The representative of Hong Kong said that his Government had made a provisional assessment of the DFA document. While it appreciated the positive elements therein which would bring about further trade liberalization and expansion, the bulk of the proposals was unlikely to bring any immediate or direct benefit to Hong Kong. Certain elements fell short of the stated Punta del Este objective to improve the multilateral trading system based on the principles and rules of the GATT. Following the Chairman's advice, he would not enumerate or discuss these elements however strongly Hong Kong felt about some of them, including the proposal on quota modulation in the safeguards text. As to the Chairman's proposal to finalize the work on the Round under four parallel tracks, the importance of the first three tracks was self-evident; while he appreciated that there might be a need for the fourth track in order to resolve any residual intractable issues in certain areas, it was vitally important that any adjustments to the text under this track should result in further trade liberalization and in strengthening GATT principles, and not in the opposite. Moreover, the multilateral monitoring of this process could not be over-emphasized. He urged that the Chairman manage this particular track with utmost care. On the assumption that nothing was final until everything was agreed, Hong Kong would accept the DFA document as a basis to push the negotiating process forward with a view to concluding the Round as early as possible.

54. The representative of Poland said that his Government had repeatedly emphasized that the process of deep transformation in Poland's economic system had to be assisted and consolidated by an improved set of fair and equitable rules and disciplines affecting all aspects of international trade relations. This recognition had been reflected in Poland's consistent and continuing support for the objectives of the Round. His authorities viewed the DFA as providing a sufficiently comprehensive framework for the successful conclusion of the Round within the next few weeks in line with the Chairman's proposal. They regarded this text as a suitable basis for negotiations of the specific issues which could be seen more clearly from the text, and which needed to be resolved through bilateral and multilateral interaction. It was only now, on the basis of a comprehensive draft, that governments could better appreciate and evaluate the implications of the document for the balance of rights and obligations for each and every participant. Substantial work was still needed before one could be satisfied that the final outcome represented the best possible combination of gains and sacrifices for all as seen from their individual national perspectives. This was particularly true with respect to the part of the document on agriculture. The original ambitious goals concerning trade-related subsidies in agriculture had been substantially lowered in the DFA, and it appeared now that even those limited provisions might not

be entirely safe. In these circumstances, Poland, as a country with a minimum amount of subsidies, needed to seek greater security in access to its own agricultural market in the form of a more flexible approach to tariff levels and bindings. Poland wanted this to be clearly on the record and to reserve its right to revert to this extremely important issue in the course of future negotiations.

55. The representative of Tunisia, on behalf of African participating countries, said that although they had not yet had time to study the DFA in detail, they appreciated the global vision of international economic relations which constituted its guiding thread. The DFA seemed to reflect this overall ambitious vision of tomorrow's world to which they subscribed and that was the way in which it would take its place in history. The African countries shared the Chairman's and all contracting parties' desire to rapidly conclude the Round. This collective desire, however, should not stop short at simply that; the participants had an historical responsibility to ensure that the agreement was given the maximum possibility of being successfully implemented and that it represented the real impetus for new trading opportunities and greater prosperity in the world. A successful implementation of the Round was something which would generate well-being and prosperity, and peace and security. The world of the future would not be prosperous unless it had overcome tension and instability.

56. As to whether the DFA could serve as the basis to continue and conclude the negotiations rapidly, the African countries' answer was yes. But if one were to ask whether the final document constituted a sufficient basis for the establishment of an international economic environment which would generate prosperity and security, their answer would be: not yet. The Draft as presented did not take into account two elements of fundamental importance to developing countries, particularly the African countries amongst whom were the majority of the least-developed countries. The two elements were linked to the fact that the implementation of the results of the Round in their present formulation would require particularly arduous and costly efforts on their part at the economic, social and political levels. These would be needed in order to restructure their economies and to enable their integration in the international distribution of labour. The first element was linked to the time-periods which had been set for the implementation of the results, which were not sufficiently long to enable these countries to carry out the deep-rooted structural adjustments in their economies. It was somewhat abnormal that these periods were in fact shorter than those which had been granted to the industrialized countries; this imbalance could only be explained by the fact that they had been arbitrarily set without taking into consideration the effective capacity of the developing countries to effect the fundamental changes implied by the DFA. The African countries therefore emphasized the need for reviewing the periods, and in fact lengthening them substantially to enable these countries to bring about the necessary structural reforms. The second element was the fact that the implementation of the DFA would imply heavy economic, social and political costs which the African net food-importing countries would not be able to shoulder alone without political risks and without certain prejudice. The restructuring of their industries would unavoidably mean the reconversion

of certain economic activities and the loss of jobs with its social and political consequences. The developing countries -- and the African ones in particular -- whose economies still depended on commodities, hoped that all contracting parties would evaluate the consequences of implementing the DFA in its present form. They asked, therefore, that appropriate mechanisms be instituted by the international community as a whole in order to tone down its effects and repercussions on their countries. They hoped that their proposals would be well received in the context of the fourth track of the Chairman's proposed strategy.

57. The representative of Canada said that his authorities, at Cabinet level, had now had the opportunity to have an initial review of the DFA document and that, notwithstanding some concerns, were prepared to accept the document and the Chairman's work plan as the basis for concluding the negotiations. In that context he recalled that at the London G7 economic summit in 1991, Canada's Prime Minister had joined his summit colleagues in placing the highest priority on the successful conclusion of the Round. He quoted from recent comments by Canada's Minister for International Trade that "... Success in the Multilateral Trade Negotiations is very important to Canada. It will lead to a better environment for trade and investment world-wide and better prospects for growth at home and abroad. It will also sharply reduce the risk of protectionism, unilateralism, restrictive trade blocs and bilateral trade friction. We cannot afford a collapse of the Uruguay Round. Canada's future growth and prosperity lies in sharpening its international competitiveness, more open global markets and fairer trade rules of the game. Little of this can be achieved without a Uruguay Round deal". Obviously no government could assess the ultimate balance of benefits and concessions until the negotiations had been concluded. Specifically that meant one had to conclude the negotiations on market access for goods and on initial commitments for services before assessing the final outcome. In market access, Canada was pushing for an overall tariff reduction of at least one-third, with the possibility of greater reduction or elimination of tariffs in important trade sectors such as wood and paper, non-ferrous metals, fish and computer equipment.

58. While Canada accepted the DFA document as the basis for concluding the negotiations, it would want to address during the next several weeks a number of areas of particular concern. For example, Canada was disappointed that the text did not meet its concerns on the need for the clarification and strengthening of Article XI. Canada was also not convinced that the interest of countries like itself which practised supply management -- i.e., which did not over-produce and flood world markets -- were fairly reflected in the tariffication proposals. Moreover, notwithstanding many positive aspects in the Services agreement, Canada had consistently supported a strong agreement on financial services with meaningful liberalization in financial markets. In conclusion, however, Canada welcomed the text and was prepared to work on the basis thereof. Canada was very pleased at the tenor of other speakers' remarks.

59. The representative of Uruguay said that despite the complex and delicate process of negotiations and the singular way of arbitration and conciliation which had led to the tabling of the DFA, the document did not include all of Uruguay's points of view, aspirations and hopes in these

negotiations. Some parts of the text were difficult for his country; for example, the text presented for agriculture was insufficient. However, Uruguay would not be adopting a supportive attitude if the document did not include a commitment to reverse the protectionist trends including pernicious subsidies for agriculture. There were also certain gaps in the document, for example as concerns automaticity in the level of access to markets and the various ways of implementing the necessary differential and more favourable treatment for developing countries. These concerns should, of course, be taken into account in the course of the stage now starting when precise modalities would be drawn up for the instrumentation of the proposals in agriculture. The document also showed a substantive imbalance in establishing with precision the commitments for services, TRIMs and TRIPs, where the developing countries had made a great contribution to the Round, whereas for agriculture, textiles and other products, the solutions for providing increased access were yet to be seen. Uruguay's definitive acceptance of the final package would depend on the positive result of the evaluation to be carried out in accordance with the Punta del Este Declaration, once the negotiations in all areas had been finalized.

60. Uruguay would make all necessary efforts to ensure that the Round was concluded speedily. It therefore accepted the DFA as a basis toward this goal. Uruguay was ready to participate constructively and actively in this final stage according to the Chairman's proposed strategy. With regard to the legal conformity and internal consistency of the texts, these should be fully neutral from the point of view of the essence of the negotiations. The fourth track was therefore a matter of deep concern to Uruguay because of the important risks therein with respect to a speedy conclusion of the negotiations. Any adjustment of the text, albeit minor, could generate an uncontrollable process which could lead to the failure of the Round. Anyone asking for the reopening of the text would, therefore, have to assume all the implied political consequences. Should there be a reopening of the texts, all participants should be entitled to suggest their own adjustments on any one of these texts, so that they would all be open to renegotiation. This new, hopefully final, stage should be carried out with full equity and total transparency. All decisions should be adopted on the basis of consensus, as was traditional in GATT. Participation in the consultations which would have to be carried out should be open to all delegations at all levels in order to ensure adequate representation and defence, and to put an end to consultations limited to the participation of only a small number of delegations.

61. The representative of Austria said that for a country like his which was heavily dependent on international trade, a successful conclusion of the Uruguay Round was of the greatest importance. The world economy needed the strong impulse which would be generated by the liberalization of trade in goods and services. Economically weaker countries including those in transition needed the positive impact of improved market access. A strengthening of multilateral disciplines was needed to counter ever present tendencies to unilateral and bilateral measures. Austria could join in the consensus to proceed on the basis of the Chairman's procedural proposals with a view to concluding of the Round early in 1992, with the DFA as a negotiating basis in which it would seek a number of essential improvements. Since Austria saw the ongoing multilateral negotiations

against the background of its fundamental agricultural policy objectives, it also saw the part of the DFA dealing with agricultural reforms as requiring important modifications and essential improvements. Austria was also particularly interested in participating in negotiations on market access, services, TRIPs and safeguard provisions and this regard, he recalled that Austria's proposals on services had been sent to the Chairman in December 1991. With regard to the DFA document, it had been said that about 85 per cent thereof consisted of negotiated texts and that about 15 per cent were accountable to arbitration. It was probably unavoidable that in a process of arbitration the main parameters had been set by major players' negotiating positions. Now was the time to go into a phase of true final negotiations -- bilateral, plurilateral and multilateral -- in which all participants could fully take part. Austria was willing to participate in this exercise in a cooperative spirit.

62. The representative of Turkey said that like several other countries, Turkey was guided by the wisdom of pragmatism and realism in approaching the DFA package. Turkey was committed to a successful conclusion of the Round with a view to strengthening the multilateral trading system and accelerating world economic growth. The package was the result of five years of serious negotiations between more than 100 participating countries, but it still needed to be finalized by conducting negotiations on market access on goods, and on initial commitments on services. Consequently, a definitive assessment of the results of the Round would be premature at this stage, and even after the conclusion of the Chairman's proposed work programme it would still be difficult to evaluate the overall package and to foresee the potential benefits each country would be able to derive from it. Many imponderables existed in this kind of exercise, and an assessment based on a theoretical evaluation by experts would not necessarily reflect in advance the real situation which would clearly emerge only after implementation of the results. The most important feature of the package was, therefore, that it provided the framework within which the necessary institutions and structures would be built and a positive impulse imparted to world trade. In other words, the problem of assessment could only be solved in real life, even if the package seemed at first glance to burden some countries more than others with onerous obligations.

63. While the DFA contained some shortcomings in terms of its expectations and interests, Turkey believed that in general it was a balanced package which would greatly ensure multilateralism in the international trading system, and that every country participating in the Round could prosper in the new system provided the right economic policies were implemented. The work to be done, therefore, should not be seen as a means for political posturing beyond commercial objectives. In this context, one should be aware of the dangerous consequences of the failure of the Round. For these reasons, and at this critical juncture, Turkey was prepared to consider the DFA package as a reasonable basis to continue work with a view to bringing the Round to a successful conclusion. It also accepted the work programme, including the fourth track, but would suggest that the fine-tuning exercise be conducted in the manner normally implied by this term so that it would not amount to an unravelling of the final package.

64. The representative of Venezuela said that having carried out a preliminary evaluation of the DFA, Venezuela considered that it represented a tremendous effort to balance out the participating countries' diverging interests and concerns. The package had to be examined against the continuing erosion of the multilateral trading system. In Venezuela's opinion, the DFA represented a substantial improvement over the status quo, as seen for example in the important changes being proposed in GATT rules and disciplines, particularly those relating to anti-dumping and subsidies. Indeed, these proposals attempted to prevent such measures being used for protectionist purposes. Noting that more than half of Venezuela's non-petroleum exports were currently subjected to anti-dumping measures and countervailing duties, he said that if the disciplines contained in the DFA were immediately applied, such protectionist measures would no longer have any legal validity. This was a concrete manifestation of the fact that the Round had to be concluded rapidly and successfully. The DFA offered an adequate basis to this end, and success would depend on the way in which one proceeded in the final phase. The specific adjustments to which the Chairman had referred should be limited to fundamental issues which had the support and consensus of all participants in the negotiations. For this, full transparency and full participation of all countries in the negotiating process to be held over the next few weeks would be essential. This would be the only way to ensure that the negotiations resulted in a balanced package of results, and to guarantee a solid basis for concluding the outstanding negotiations on market access for goods and services.

65. On previous occasions, Venezuela had pointed out that participation in GATT -- and more particularly in the Uruguay Round negotiations -- did not represent a choice amongst different means of tackling unilateralism and protectionism, but was in fact the only alternative open to developing countries. These countries had opened their markets and offered their readiness to undertake greater commitments in the application of their trade policies. He hoped that in this final negotiating phase, the attitude adopted by the developing countries would receive a reciprocal response on the part of their trading partners.

66. The representative of Costa Rica said that the results of the negotiations would determine whether the multilateral trading system would be strengthened and adjusted to the benefit of the international community as a whole or, on the contrary, would be debilitated. His delegation considered that while the DFA contained some parts which were not in accordance with Costa Rica's interests, it provided a good basis for a positive conclusion of the Round. It was difficult, however, to carry out a complete evaluation of the results before the conclusion of the pending negotiations under the first three tracks of the Chairman's programme of work. Costa Rica was ready to participate fully and actively in the remaining negotiations. It supported the programme of work but considered that the fourth track should only allow for limited adjustments which would not jeopardize the global balance, and should be carried out in a transparent manner.

67. The representative of the Czech and Slovak Federal Republic (CSFR) said that although the DFA was not yet the definitive document to be accepted by all participants in the Round, it provided a good basis for the

strengthening of the multilateral trading system. The successful conclusion of the Round depended on the negotiations on market access, and Poland wished to obtain more information on the development and the current stage of these negotiations. His delegation wondered whether the conditional offers for the reduction of tariffs made by many countries were still valid or whether they had been modified. The DFA had also shown that a GATT compromise might be found for agriculture. The CSFR believed that acceptable solutions might also be reached for textiles, services and the other areas. It supported the Chairman's proposed calendar in order to find equitable and balanced results for the Round.

68. The representative of Cuba said that the DFA contained proposals which were not to Cuba's benefit or which did not take its interests into account. The final results should meet the interests of all participants in the Round on the basis of principles that had been agreed in Punta del Este. It would be difficult to accept a final result which was not favourable in the areas of market access, tropical products, special and differential treatment for developing countries and agricultural trade. He hoped that in the next few weeks one would be able on the basis of this text to work in the right direction and to reach a balance which would be of benefit to all and to the multilateral trading system.

69. The representative of Korea emphasized the critical importance of bringing the negotiations to a successful conclusion as early as possible. His Government saw the DFA as the consolidation of the results of five years of negotiations; it considered that many elements therein, such as improvements on various trade rules and disciplines, integration of textiles and clothing sector into the GATT system, and the strengthening of the function and institution of GATT, would contribute positively to the successful conclusion of the Round. However, with regard to some of the core issues, including those in the agriculture sector, his Government believed that further improvements should be made to achieve a more balanced package. With this understanding, Korea would continue to participate actively in the future process. With regard to agriculture, it was regrettable that the interests of the net agricultural importing and exporting countries, as well as other less-developed and developed countries, were not reflected in a balanced manner. His Government continued to have serious difficulties with regard to the idea of comprehensive tariffication, since it ignored the specific characteristics of agriculture in the individual food-importing countries and failed to safeguard the fragile agricultural production base against collapse. For this reason, it was Korea's view that a carefully defined exception from tariffication should be established for basic foodstuffs vital for food security. Korea also had serious difficulties with permitting minimum access to all products across-the-board. Furthermore, despite the fact that under the Mid-Term Agreement the commitment on standstill of domestic support and market access did not apply to the less-developed countries, the use of 1986-1988 as the base period for calculating of commitments in market access and domestic support imposed de facto a greater burden on the less-developed than the developed countries. In this regard, it would be more reasonable, in the case of less-developed countries, to take as the base period the most recent year for which statistical data were available. With respect to other issues, Korea wished to emphasize that the tariff

reduction target agreed upon at the Montreal Mid-Term Review had to be achieved on a priority basis before negotiating additional reductions, and that further adjustments were needed in the areas of safeguards, subsidies and countervailing duties.

70. Korea supported the Chairman's proposed four-track approach and would actively participate in the negotiations in the field of market access and services. He hoped that these would be conducted with due consideration being given to the participants' existing level of market opening and economic potential, which would certainly figure importantly in Korea's overall assessment of the package. Korea shared the Chairman's view that an exercise under the fourth track should be precise, limited and expeditious. In this regard, he echoed others' concerns about the need for transparency. His delegation believed this track would eventually prove to be extremely useful in achieving common objectives because it would present the last opportunity to address the preoccupations of those countries which still had serious difficulties with some hard-core issues. He pledged Korea's fullest cooperation of his delegation toward the successful conclusion of the Round.

71. The representative of Bolivia said that the DFA was a good basis toward a successful end to the negotiations. Bolivia believed that the text reflected agreements achieved on various subjects and suggested various formulae which would allow a consensus to be reached amongst the participating countries. For Bolivia, success in the Round was of utmost importance; for this reason it welcomed the DFA. Without overlooking its interests in other areas, Bolivia placed great hopes in market access. It hoped that the final agreement would be balanced, would take into account the contribution of open economies such as Bolivia's and would include the Punta del Este rollback commitment. As to the Chairman's proposed approach, Bolivia had deep concerns about the fourth track. If one were to open up such a negotiating process, some questions and revisions resulting therefrom could make it more difficult to reach a successful conclusion to the Round.

72. The representative of Jamaica said that his country was committed to a successful conclusion of the Uruguay Round. As a small net food-importing developing country, it believed that the strengthening of the multilateral trading system, based on equitable and predictable principles and disciplines, was vital for accelerating growth in the international economy. The presentation of the DFA had been a bold but unavoidable step. A preliminary review of this document indicated that the package reflected the distribution of negotiating power over the period, and whether or not one was prepared to accept it as a reasonable basis on which to resume the final negotiating phase, as proposed, was academic. For the record, Jamaica agreed. As to the fourth track, he cautioned that to reopen the DFA text substantively would make way for wide changes and revisions which could jeopardise the entire negotiating premises on which it was framed -- which might not necessarily be a bad thing -- and would necessitate modifications in the many areas where difficulties existed. Jamaica believed that the DFA fell considerably short of the expectations raised at Punta del Este. Some promises with respect to the interests of developing countries had either been ignored or had been less than

adequately dealt with. Some disciplines being imposed on the developing countries were not being shared by the developed countries. For the developing countries the overall benefits to be achieved from the Round would be judged largely on whether the market access package would be worthwhile in providing greater access to the developed countries' markets. These benefits had to be weighed against the major sacrifices developing countries would be asked to make in areas such as services, TRIPs and TRIMs.

73. In resuming the final stretch of the negotiations, one had to recognize that immense changes had occurred in the international society between 1986 and 1992; even over the past two years historic political and economic changes had taken place which would have far-reaching effects on the global trading system. These developments had made it even more necessary to have an efficient and equitable multilateral trading system, particularly as new entities joined in. If the Round failed there would likely be increasing recourse to protectionism, unilaterism and bilateralism which would contradict the principles of multilateralism that had been at the core of the GATT system and had ensured benefits for all contracting parties. At the international level, the linkages between objectives and effects of policies on trade, finance, money and development were increasingly evident. Similarly, the gap between international trade policies and domestic policies affecting them had narrowed as had been made clearer during the period of the Round.

74. The representative of China said that the DFA concretely embodied the comprehensive progress achieved since Punta del Este as a result of the joint efforts and serious negotiations of participants. China supported Morocco's statement on behalf of the developing countries, and supported the DFA package as a reasonable basis to continue further work with a view to bringing the Round to a successful conclusion. Obviously the DFA was the outcome of negotiations among participants and arbitration and conciliation by the Groups' Chairmen; it was not all an agreed text and significant divergencies still existed over a number of issues. Given its present status, China was not in a position to make an overall assessment thereof and it was deeply concerned that due regard had not been given to the interests of non-contracting party participants.

75. The Uruguay Round was aimed at promoting greater trade liberalization and growth to the benefit of all participants, through the establishment of a more open and durable multilateral trading system. China, as a full participant in the Round, had actively engaged in the various negotiations and had made every endeavour, along with others, to press for their progress and success. China was an important trading partner with a population of nearly one fourth the world's total. Its ensured participation in the final agreements was both important for the strengthening of the multilateral trading system and conducive to the expansion of trade. Excluding China from such participation would be unjustified and inconsistent with the objective of the Round. It was well understood that a multilateral trading system without China was incomplete and lacked global representation. In this regard, China had reservations on the accession clause in the Agreement establishing the Multilateral

Trade Organization; it considered that this was contrary to the principles of international law and the rules and practices of the GATT, and consequently that it should be amended.

76. One had now entered the crucial phase of the negotiations. China supported the Chairman's proposals in this context and strongly hoped that all participants, especially the developed countries, in pursuance of the goal set by the Punta del Este Declaration and the long-term interests of world economic and trade development, would make further efforts and reach an early agreement that would represent a balanced package truly accommodating all participants' interests and effectively enhancing international trade liberalization.

77. The representative of Tanzania, speaking as a least-developed country representative, recalled the brief reference in Morocco's statement to the least-developed countries which had underlined that no other countries had anything of less substantial interest to offer than these. For the same reason, it was not surprising that none of the major trading partners had found it important to refer to the least-developed countries during the course of the meeting. His delegation had, of course, appreciated the advocacy of the African countries' interests by Tunisia. Of the some 30 least-developed countries participating in the Round, only a few could be counted as having made endeavours, inadequate as these had been, to express interest and actually participate in as many groups and sectors of the negotiations as possible. Their absence underlined the state of affairs concerning these countries themselves: they had neither the equipment nor the resources to participate physically, let alone to have the substance of an economy or of the administrative structures necessary to ensure implementation, both through regulations and even more importantly, by means of actual production of goods and services.

78. While he would not describe the harsh reality of a per capita income of 75 to 80 cents per day, or the rising expectations of a new generation now in formation, he would, however, continue to express and convey the least-developed countries' concerns for the duration of the Round. Tanzania was in a transition process from a least-developed country to a dynamically growing economy, progressively integrating itself within the global economy. Tanzania believed that only a multilateral, transparent, fair and realistic system would provide it with the horizon for moving forward, even as it ran into obvious contradictions between the IMF/World Bank prescriptions for a least-developed country and those being predicated in the DFA text. Tanzania believed these concerns had not been fully taken care of in the draft; it would continue, therefore, to play its part with these in mind.

79. The representative of Bangladesh recalled Morocco's statement on behalf of the developing countries, in which attention had been drawn, inter alia, to the fact that some specific concerns of the least-developed countries still remained outstanding and would need to be addressed under the appropriate tracks of the Chairman's proposed four-track work programme, including the fourth track itself. While making a preliminary appraisal of the DFA document, the least-developed countries looked for

answers to three questions: What obligations would the instruments therein thrust upon the least-developed countries in the short-, medium- and long-term, and would these obligations be compatible with their LLDC status, and their trade, finance and development needs?; How would the contents of the DFA encourage and facilitate expansion of the LLDCs' trading opportunities through provision of effective, unhindered market access for their exports, particularly those where they enjoyed comparative advantage? How would the strengthened rules and reforms of the multilateral trading system affect the flow of investments and technology to create employment opportunities in the LLDCs, and contribute to the increased welfare of their people? Answers to these questions that one could draw from the DFA text had given rise to some major concerns which these countries would bring to the participants' attention in the coming days, with the hope that the necessary adjustments in all relevant provisions would address them adequately. In so doing, they would invite the participants, in considering the LLDCs' concerns, to see if they had reached their limits in according special treatment to these countries as per their commitment in the Punta del Este Declaration. He emphasized that the weakest members of the international community -- the least-developed countries -- needed the rule of law most and therefore their interests and commitments were correspondingly strongest with regard to an early and successful conclusion of the Round. In concluding, he wished to put on record, on behalf of the least-developed countries, their deep gratitude to the Chairman, the chairmen of the negotiating groups, and all participants, for the appreciation they had thus far displayed in respect of the LLDCs' special needs and disadvantaged circumstances, and he asked that they continue to do so for the remaining period of the Round.

80. The representative of Israel said that his country attached great importance to the successful outcome of the Round and was ready to work with other participants towards this end. Israel was still studying the DFA package but could already state that it believed the package could constitute a basis for the final stages of work. As others, Israel would like to see some changes or improvements therein, particularly in the agricultural proposal and the concept of comprehensive tariffication. Israel hoped that the final phase of work in the coming weeks would lead to a successful outcome and in that spirit it accepted the Chairman's proposed work programme.

81. The representative of Sri Lanka said that from a preliminary evaluation of the DFA, his Government had reached a decision that it was an acceptable basis for an early and successful conclusion of the Round. While agreeing with the Chairman's proposed four-track approach, his delegation joined others in urging that adjustments made in the DFA text not lead to its unravelling.

82. The Chairman, also on behalf of the chairmen of the former negotiating groups and the Secretariat, thanked the participants for their kind words. He thought the intensity of the debate had once more established the importance that all participants attached to the Round. However, it was not enough to merely attach importance to a process. Many participants had underlined how urgently the world economy and the economic operators therein needed to know the results of the negotiations.

In all his contacts with the "real" world outside, he, too, had been struck by the fear of the unknown which, as everyone knew, was counter-productive.

83. For this reason, he had chosen to put to the participants only one question at this meeting: did they agree to push the negotiating process forward so as to conclude the Round quickly in the weeks ahead or did they concede that the stage reached in December 1991 did not provide the basis for an early conclusion? He hoped he was right in concluding that their collective and individual responses had been in favour of pushing the negotiating process forward immediately towards a rapid conclusion. In fairness to all, including himself, he would add that their sincerity in this regard would be tested in the coming weeks. This point, was very much related to his earlier comment about the fear of the unknown. His central message to the participants was that if their response really was "yes" to pushing forward with the negotiations and concluding them in the coming weeks, then they should indeed ensure that genuine efforts to achieve this were made.

84. With this goal in mind he had outlined a work plan for the period ahead: the so-called "Four-Track" process. His question again was: did the participants accept this working procedure? He believed their answer had been "yes". However, the "yes" had been qualified particularly in respect of track four. For obvious reasons this track was by far the most demanding in terms of political commitment and political courage. He would therefore go beyond notions and be more specific in respect of track four, although, and certainly in this case, as the saying went: "In confusion there is often profit". In other words, leaving an element of imprecision might be of advantage to all.

85. The first point made by many participants regarding track four related to transparency. He thought all that could be done to ensure transparency had always been done and that this practice had to be maintained. It was furthermore essential to exercise self-discipline, and, more importantly, self-restraint in the work under track four. The fundamental point in respect of track four was that work therein would be global, in the sense that if, at any stage -- and the TNC would remain fully informed in this regard -- it appeared that track four turned into a sort of negotiation, then it could only be a process involving government representatives responsible for conducting the negotiations as a whole. He repeated that the separate negotiating groups stood terminated and would not be recreated.

86. The Chairman noted that many delegations had stated that their governments were in the process of examining the DFA. He understood this well because the document was lengthy, complex and technical. From some statements, it had also appeared that there were misunderstandings in respect of certain areas in the text. In this regard, he invited the participants to seek clarification from the concerned Divisional Heads in the Secretariat.

87. All this meant that in regard to tracks one to three, the objectives were clearly understood. The thrust of track four was simple; it showed

that the procedure forced upon the Chairmen to bring out a DFA had its weaknesses, the main one being that arbitration and conciliation had had in some cases to be substituted for negotiation. He recalled the many TNC meetings at which he had repeatedly urged delegations to continue negotiating; and he had the same message again at this meeting.

88. Finally, as he had indicated, he considered it his duty to be available as "honest broker", with the help of his colleagues in the Secretariat, and possibly, at a certain stage, with the help of some participants if it appeared necessary. Once again, however, the proof of the cake would be evident very rapidly in the coming weeks.

89. In conclusion, it was clear that the TNC had to remain "on call". He then asked the Committee to formally agree to push the negotiating process forward so as to ensure the conclusion of the Round in accordance with the time-table made known in December, and in keeping with the four-tack approach described in his opening statement and made more precise in his concluding remarks.

90. It was so agreed.