

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Trade Negotiations Committee

TRADE NEGOTIATIONS COMMITTEE

(Heads of Delegations)

Twenty-Sixth Meeting: 5 July 1993

1. The Trade Negotiations Committee (TNC) held its twenty-sixth meeting at official level for the purpose of electing its Chairman at official level.
2. Mr. Zutshi, Chairman of the CONTRACTING PARTIES, explained the reason why he was presiding the meeting. Under the negotiating structure of the Uruguay Round, Arthur Dunkel, then Director-General, had been elected Chairman of the Group of Negotiations on Goods (GNG) in his official capacity and Chairman of the TNC at the official level in his personal capacity, in keeping with the separate-track approach to negotiations on Goods and those on Services. In a letter dated 14 June 1993 addressed to Minister Sergio Enrique Abreu Bonilla, Chairman of the TNC at Ministerial level, Arthur Dunkel had informed participants that in view of the anticipated change in the incumbency of the post of Director-General, he would not be available to continue as Chairman of the Committee at official level as of 1 July 1993 (MTN.TNC/W/111). The present meeting had been convened following consultations with Minister Abreu through the Permanent Mission of Uruguay in Geneva, to elect a new Chairman of the TNC at official level in place of Mr. Dunkel. Mr. Zutshi was in the chair to facilitate the the transition from one Director-General to another insofar as it related to the UR negotiating process.
3. Before turning to the business of the day, he thought it appropriate to place on record, on behalf of all UR participants, their appreciation of Arthur Dunkel's services to the cause of multilateralism in general and the UR negotiations process in particular. The Draft Final Act, known as the "Dunkel Text", which the latter had tabled in this Committee on 20 December 1991, was the result of Mr. Dunkel's courage and conviction, and could truly be characterized as his legacy. For that, Mr. Dunkel was owed a debt of gratitude and he suggested that these sentiments be suitably conveyed to him.
4. Turning to the election of a Chairman, he recalled that in the consultation process for the selection of a new Director-General, it had been agreed that in order to maintain the integrity and efficiency of the UR negotiating process, the new Director-General would have to be put in charge of the apex body of the negotiating structure at the official level. In looking for a suitable person to succeed Arthur Dunkel, a major

consideration had been to seek an individual capable of facilitating an early and successful conclusion of the Round. Indeed, the major focus of the search had been on finding an individual who would lead the negotiating structure at the official level in Geneva. He believed that such a person had been found in Mr. Peter Sutherland, the new Director-General of GATT. He therefore commended the participants to elect, by acclamation, Mr. Sutherland, in his personal capacity, as Chairman of the Trade Negotiations Committee at official level. Mr. Zutshi added that Mr. Sutherland would also act as Chairman of the Group of Negotiations on Goods. As he would be doing so in his capacity as Director-General of GATT, in accordance with the TNC Decision of 27 October 1986 on the organizational arrangements under the Punta del Este Declaration (MTN.TNC/1, paragraph 2), a separate decision was not required.

5. The Committee elected Mr. P. Sutherland in his personal capacity as Chairman at official level, and also took note that as Director-General he would Chair the Group of Negotiations on Goods.

6. On his own behalf and that of other participants, Mr. Zutshi welcomed this decision and congratulated Mr. Sutherland on his election. He assured him of the participants' cooperation in the task of bringing the Round to a successful conclusion in the shortest possible time and wished him well in this undertaking.

7. Mr. Sutherland formally assumed the Chairmanship of the meeting.

8. The Chairman, Mr. P. Sutherland, thanked Mr. Zutshi for his kind words and the participants for their acclamation. He said that in addition to their good wishes he would need a great deal of support in the tasks ahead. He was honoured that the participants had appointed him as Chairman of the Committee at official level and looked forward to receiving their cooperation and confidence through the coming period.

9. He went on to say that the events which were unfolding even as the Committee met today made it vitally important that participants renewed their collective commitment to the successful completion of the Uruguay Round. This would be no mean achievement bearing in mind the time limits under which they were operating. The only way to make progress was through a collective effort. For his part, he would leave no stone unturned in trying to bring the negotiations to a quick and balanced conclusion. He was, however, at best, a facilitator and not a magician. The participants ultimately had to muster the will and commitment to bring about the conclusion of the Round. He hoped all would concur that agreement could be reached only if the dealmakers, that is the governments, were ready and willing. The partnership, therefore, had to be a two-way street. He, of course, looked forward also to working closely with the Chairman of the Committee at Ministerial level, Minister Abreu, with whom he had already been in contact.

10. The Round was now clearly in the end-game. The recognized December deadline meant that the period of suspended animation in Geneva had to be brought to an end. As all knew, the major trading nations had recently indicated their desire to bring the Round to a satisfactory conclusion.

Indeed, there had been a number of occasions when similar intentions had been expressed in the past. Their self-declared aim in doing this now was to ensure that a credible multilateral process was restarted immediately and the Round concluded by the end of this year.

11. It had been hoped -- and indeed signalled -- that one might wish for and expect some satisfactory results from the G7 Economic Summit in Tokyo. By satisfactory results, one had been led to understand that a communiqué with reasonably specific views on market access might be forthcoming. One had to continue to hope that that was the case. The Round could not be allowed to drift hopelessly away. The ingredients of a concrete package were at hand; the missing card was the decision by the governments to conclude. Under these circumstances, the efforts being made in capitals around the world could only be welcomed and encouraged.

12. The Chairman stressed, however, that by its very nature, the Uruguay Round was a genuinely multilateral negotiation with a wide range of vital national interests involved. As such, the acid test of the success or failure of the efforts in capitals to bring the Round back on track would have to be made at the multilateral negotiating table. The concluding agreements, the endgame, would have to be played out in Geneva, not elsewhere. All the participants would be required to contribute to the final multilaterally-agreed package. The TNC and the other bodies established under the Punta del Este Declaration would obviously play their rôles in this delicate phase. This Committee had the particularly important task of overseeing the global negotiating process and monitoring progress therein. It had been and remained on alert, and would certainly be needed in the days ahead. At this point he could only advise that members be ready to meet even at short notice, and while he regretted any inconvenience this might cause, he knew he could depend on their understanding, commitment and support.

13. Today's meeting had one specific purpose. He did not intend to propose any other business. There were, however, two housekeeping matters he would refer to.

14. Firstly, he welcomed on behalf of the Committee four new participants in the Uruguay Round and consequently to the Committee. They were Dominica, St. Lucia, St. Vincent and the Grenadines, and the Kingdom of Swaziland, all of whom had recently become contracting parties to the GATT.

15. Secondly, with regard to the participation of Yugoslavia in the Uruguay Round and in this Committee, he referred to the GATT Council decision of 16 June 1993 concerning the contracting party status of Yugoslavia which read as follows:

"The Council considers that the Federal Republic of Yugoslavia (Serbia and Montenegro) cannot continue automatically the contracting party status of the former Socialist Federal Republic of Yugoslavia in the GATT, and therefore decides that the Federal Republic of Yugoslavia (Serbia and Montenegro) should apply for accession to the GATT and

that it shall not participate in the work of the Council and its subsidiary bodies. The Council further invites other committees and subsidiary bodies of the GATT, including the Committees of the Tokyo Round Agreements and the Committee on Trade and Development, to take the necessary decisions in accordance with the above."

16. He proposed, therefore, that by analogy, and mutatis mutandis, this Decision apply to the Uruguay Round and to the Trade Negotiations Committee.

17. The Committee so agreed.

18. The Chairman then referred to his predecessor, Arthur Dunkel. As had already been mentioned by Mr. Zutshi, the Draft Final Act was a testimony to Mr. Dunkel's guidance and leadership and years of devoted service to the multilateral process. This document had set the Uruguay Round on an irreversible path. It also continued to be the only available multilaterally acceptable basis for concluding the Round. The Uruguay Round participants owed Arthur Dunkel a debt of gratitude and he was certain that he spoke on the Committee's behalf in wishing him well in his future endeavours.

19. He believed that the next days were going to be of considerable importance to the conclusion of the Uruguay Round. Whatever the result of the Tokyo Summit, and whatever the promise that was being held out to the Uruguay Round participants in regard thereto, the function of concluding this Round was essentially theirs. The responsibility as far as he was concerned was one that was willingly carried by himself because he believed that this process, to be concluded by the end of the year, was one of the defining moments of the latter part of this century. He therefore gladly took on, and shared with the participants, this responsibility in terms of bringing a productive and constructive conclusion to negotiations which had already gone on far too long.

20. The representative of Egypt congratulated Mr. Sutherland on his unanimous and unreserved nomination as Chairman, and also as the Director-General of GATT, saying that his well-known reputation and belief in the value of hard work had preceded him to Geneva. Convening this meeting on the very first working day after having assumed office was yet another proof of efficiency and a good omen. His delegation was fully confident in his ability and keenness to bring about an early and successful conclusion of the Uruguay Round which was satisfactory to everyone, and in particular to that of the developing countries, among which was the African Group for which he was speaking. Like others they expressed their full support for his chairmanship of the TNC and pledged their full cooperation. While the path ahead was not easy, they were nonetheless all full of hope and expectation that with his leadership, vigour and injection of new ideas they would be able to reach a successful and balanced outcome at the earliest possible date, and ultimately before the end of the year, on the basis of the Draft Final Act, for which Arthur Dunkel deserved credit.

21. The representative of Bangladesh, speaking on behalf of the least-developed countries, welcomed Mr. Sutherland as Director-General of GATT and congratulated him on his election as Chairman of the TNC. The least-developed countries assured him of their full cooperation in the endeavour to reach the set objectives. In this context, he mentioned that while their proposals in the Uruguay Round had been placed before the TNC, it seemed that their concerns had not yet been registered. They hoped, therefore, that these would be given due consideration by the participants before the package was finalized.

22. The representative of El Salvador, speaking on behalf of the Latin American and Caribbean countries, welcomed Mr. Sutherland to GATT and to Geneva, and pledged their full cooperation with him in the work of the TNC. They reiterated their oft-stated position that the Latin American and Caribbean countries were ready to resume negotiations in the Uruguay Round on the Basis of the Draft Final Act.

23. The representative of Morocco, speaking also as coordinator for the developing countries, welcomed Mr. Sutherland to the GATT and to the TNC, and wished him success. He knew for a fact that Mr. Sutherland was committed to multilateralism and to the Uruguay Round and that he would certainly contribute to its speedy conclusion. Mr. Sutherland had indicated that coming, too, from a small country which not long ago had been a developing country, his commitment in favour of developing countries was total. They knew that the task ahead was not easy and they did not underestimate the complexity of the issues. However, at least in so far as developing countries were concerned, he would be able to guide them with mastery and competence through the maize of these complexities. At the very outset of the process, they had shown both responsibility and commitment and had never hesitated to make any necessary concessions. They could now assure him of their cooperation and understanding in completing the Round successfully. He would, they were convinced, bring both the commitment and the competence that he had shown in previous tasks. They wished him well in this both arduous and exalting task.

24. The representative of the European Communities recalled that in aptly paying tribute to his predecessor for the heritage he had left to the multilateral trading system, Mr. Sutherland had also mentioned the Draft Final Act as being part of it. He himself welcomed Mr. Sutherland and said that the latter, in his dual capacity as GATT Director-General and TNC Chairman, and above all as a politician and political activist, would have to ensure that this Draft Final Act would prosper and succeed. Three difficult challenges awaited him in this respect: one, to ensure that the Uruguay Round was completed before the end of the year; two, to motivate and manage the Secretariat -- the backbone of the system -- and its members; and three, to pursue the construction of the future institution once the Uruguay Round had been completed.

25. Quoting from Corneille's "The Cid" that "if you win without peril you triumph without glory", he said that Mr. Sutherland was going to win with great peril and, therefore, would enjoy glory, along with all the participants together of course. Paraphrasing another quote, he said that in shaking the coconut tree, Mr. Sutherland should bring down the coconuts

without felling the tree, which was the system itself. This was important for all. On the Community's and its member States' part, they would give him their considered and intelligent support, not unconditional, but nevertheless loyal and unflagging. Their priorities were the continued maintenance of the multilateral system and the protection of the interests of all concerned -- i.e., their partners, those facing or challenging them, and those who represented the future of the system, namely the developing countries. This was the best way for the Community to protect its own interests and those of its member States. While it was true that one was going through difficult times, and that public opinion in member States did not always understand what one was doing in these negotiations, what mattered was that he had received the Chairman's message that whatever the signals received from outside might be, the essential thing was the work being done in Geneva.

26. The Chairman thanked the participants for their support and good wishes. He believed in the observation that "if you don't know where you are going, you end up somewhere else", and said that for his part he knew where he was going and hoped that all were going together in the same direction, i.e., the conclusion of the Round. He was not entirely sure as to whose coconut or tree was going to fall on whose head during the process, as he would have to establish that information later. He hoped, however, all would come out of the process in one piece. There was limited time within which to conclude the Round and, whatever happened, confidence had to be maintained that it had to be done collectively. For his part, he was sure this could be achieved. Now was the time to get down to work.

27. The Committee took note of the statements.