

GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONTRACTING PARTIES
Thirty-Fifth Session

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SUMMARY RECORD OF FIFTH MEETING

Held in the Palais des Nations, Geneva
on Thursday, 29 November 1979, at 10.25 a.m.

Chairman: Mr. JUAN JOSE REAL (Uruguay)

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1. Accession of Mexico

The CHAIRMAN said that the Mexican Schedule of Tariff Concessions had been deposited and that it had been distributed to all contracting parties in document L/4849/Add.1. Furthermore, the United States had bilaterally carried out tariff negotiations with Mexico, the results of which would be incorporated in a Schedule of Concessions relating to the United States. This Schedule would also be annexed to the Protocol of Accession of Mexico and it would come into force upon the entry into force of the Protocol of Accession.

He enquired whether the CONTRACTING PARTIES would be in a position to take a vote on the draft Decision for the Accession of Mexico, which was contained in Annex IV of the Report of the Council.

Mr. LUYTEN (European Communities) said that his delegation had received the Schedule of Concessions to be annexed to Mexico's Protocol of Accession. His delegation had noted, however, that the list was not quite in conformity with what had been negotiated. Under these conditions the European Community could not, for the time being, participate in a vote on the accession.

Mr. DELGADO (Mexico) said that Mexico had deposited its Schedule, but that it was still subject to corrections and verifications of a technical nature. Mexico would take the necessary steps to finalize the Schedule in the light of the bilateral consultations.

The CHAIRMAN suggested that the Mexican Schedule should be verified in bilateral consultations and that the decision should be submitted to a vote when this process of verification had been concluded.

This was agreed.

2. Activities of GATT

The CHAIRMAN said that contracting parties could, under this item, make general statements in which they could review major developments since the last session. The CONTRACTING PARTIES would in this connexion consider first the report of the Committee on Trade and Development (L/4876) and secondly the proposal by the Director-General on the GATT Work Programme. This proposal was presented to the Council on 22 November and was contained in Annex VI to the Council's report (L/4884/Add.1).

Mr. LONG (Director-General) said it was appropriate at the close of the Multilateral Trade Negotiations which marked an important event in the life of the GATT, that the CONTRACTING PARTIES should give attention to the future work programme of the GATT. He said that a proposed GATT Work Programme was contained in Annex VI to document L/4884/Add.1. He pointed out that the elements included therein were not exhaustive and might have to be reviewed. The proposal was the result of careful consultations and discussion in GATT bodies, including the Consultative Group of Eighteen, the Committee on Trade and Development and the Council. Points made by individual delegations in these discussions were contained in the reports by those bodies. The proposal had been forwarded by the Council to the CONTRACTING PARTIES for consideration and adoption.

Mr. VRHUNEC (Yugoslavia) said that the CONTRACTING PARTIES must continue the struggle against the obstacles to the expansion of international trade, because of their adverse effect on economic development in general and on that of the developing countries in particular. Special attention should be given to strengthening the rôle of the Committee on Trade and Development, which should include in its work programme, inter alia, the surveillance and analysis of all protectionist and restrictive measures affecting exports from the developing countries, and also proposals for satisfactory solutions. The setting up of the subsidiary committee as part of the implementation of Resolution 131 of UNCTAD V was particularly important. It would have a special rôle to play in supervising the application of differential and more favourable treatment for the developing countries embodied in the results of the Tokyo Round and in the negotiations on the establishment of the overall system of trade preferences among developing countries. To GATT's activities in that direction should be added those connected with the search for

solutions in the context of the restructuring of world production. The GATT work programme in connexion with the liberalization of international trade should also embrace the problems of quantitative restrictions and the agricultural sector. Those were not new spheres of activity for GATT, but they were those in which no satisfactory results had been forthcoming up to the present. It was essential that GATT should find in its future work programme ways and means of achieving the goals of liberalization in those fields. In view of the importance of the safeguards system for the later development of international trade relations, and the desire expressed by the CONTRACTING PARTIES to continue negotiations with a view to reaching an agreement on the subject, GATT should pay particular attention to that matter in the very near future. The views expressed in regard to the future work programme of GATT had made it clear that Yugoslavia supported the main lines of the programme as proposed by the Director-General of GATT. If that programme were properly carried out it would be helpful in adapting GATT still more effectively to the new requirements of development and to a sound approach towards the search for solutions to the trade problems of today. GATT should seek new solutions on the basis of the United Nations principles, proclaimed and universally recognized, concerning international co-operation for a more equitable and just system of international trade relations in connexion with the establishment of the new international economic order. All countries should participate in that process on an equal footing, but account should be taken of differences in level of development.

Mr. LEMMEL (Sweden, speaking on behalf of the Nordic countries) stated that the results of the Multilateral Trade Negotiations were not only an event in multilateral economic co-operation, but were essential in order to save the international trading system from the risks of gradual breakdown. National governments would now be in a stronger position to reject demands for protectionist measures. The probably troublesome years ahead in which one of the main characteristics of the world economy would be uncertainty having in mind energy supply problems, inflationary tendencies and low growth rates, would be likely to lead to increasing pressures on governments to take protective actions. In this situation governments needed a common basis for acting against such pressures. The Nordic countries, being heavily dependent on foreign trade, fully recognized the need for concerted action in the field of economic policy. They were firmly committed to international rules and disciplines between trading nations. The GATT system was, in their view, of fundamental importance in securing positive conditions for a smooth development of world trade. In the long run benefits to all countries could only be achieved by pursuing liberal trade policies and not by protectionist measures. It was important that the different agreements under the MTN were dynamically implemented.

Referring to other fields to which GATT had to direct its efforts and which the Nordic countries regarded as important, he stated that GATT had strengthened its position as the global centre for trade rules and arrangements and had now a good basis for playing a major rôle in North-South trading relations. He noted that trade issues of interest to the developing countries made up a very significant part of the proposed work programme, that the Committee on Trade and Development would play a more significant rôle in the future and that a new round of negotiations for further trade liberalization between developing countries was about to begin.

He stated that all items in the work programme were relevant to both developing and developed countries: the implementation of the MTN was important to all countries; the question of safeguards did not concern only a limited group of countries; the continued process of trade liberalization should not be directed towards some but involve all parties; and the important and complex question of structural adjustment was not only of significance to exports from developing countries but also highly relevant in a general context. The Nordic countries considered it important that the unity of GATT was being preserved and that the organization would go on working efficiently with a continued orientation towards achieving concrete results. The action already taken at the current session regarding the results of the MTN reflected the common desire to preserve the unity of the GATT system as a whole.

He stated that the Nordic countries looked forward to the co-operation of all contracting parties in the coming work to give an effective and dynamic implementation to the MTN agreements and to achieve further liberalization of the world trading system. They believed that the work programme, proposed by the Director-General, would give a realistic and forward-looking direction to the GATT, which would further strengthen the organization as a pragmatic and efficient vehicle for promoting world trade.

Mr. SOLBES MIRA (Spain) referred to the experience and traditions of GATT that provided a basis for the development of a realistic and pragmatic work programme and to the intensive consultations that had taken place in this connexion. He stated that his delegation fully supported the programme of future work as proposed by the Director-General, which he considered was well balanced and based on a realistic assessment of the economic situation and prospects for international trade. He shared the view of other delegations that the implementation of the MTN results was among the priorities for future GATT activities both in the short- and medium-term. He stressed the importance of the participation of the maximum number of countries and of the CONTRACTING PARTIES periodically reviewing the practical operation of the different instruments and mechanisms that had been agreed during the MTN. The fact that some important issues such as those relating to agriculture, safeguards and protectionism had not found solutions during the MTN

showed that an overall approach to international trade relations as envisaged in the Tokyo Declaration was still missing. To effectively deal with these issues and to fill the lacunae that still existed it might be necessary to be imaginative and to go beyond what would be possible under the available GATT machinery.

He stated that the other elements in the proposed work programme and the functions of the Council and other GATT bodies in this respect were likely to be of great significance in the light of the probable developments in the international trade and economic situation. Referring to Spain's own experience, he stressed the importance he attached to the strengthening of the Committee on Trade and Development and to the effective implementation of Part IV of the General Agreement in view of the interrelationship of trade and development.

In his view, the proposed guidelines for the future work of GATT were carefully balanced and the result of difficult compromises. He considered that the pragmatism that GATT had always shown, together with the contribution that the rules and discipline of GATT had made with regard to resisting the threat to the world trading system, augured well for the future.

In conclusion, he expressed the wish of the Mediterranean countries, which his country represented at the Consultative Group of Eighteen, to receive the documentation relating to that Group.

Mr. SMITH (United States) said that while his delegation was disappointed that some of the items the United States had advocated for the work programme were not included in the Director-General's proposal, they were nevertheless satisfied the programme represented a solid foundation on which to begin the future work. He noted the Director-General's proposal gave proper emphasis to the implementation of the MTN results; that it included a mandate for continuing those efforts begun but not finished in the MTN such as safeguards, export restraints, and the agricultural framework; and that it laid out an agenda for working on matters not undertaken in the MTN, such as structural adjustment. He said it was crucial that in the coming months the MTN agreements be put into operation in an efficient and timely manner. It was also important that a concerted effort be made to complete those tasks left undone in the MTN such as safeguards, export restraints and the agricultural framework. His delegation was prepared to work promptly and hard for a resolution of these outstanding issues. Although his delegation was one of those that would have liked to have added more new projects to the work programme - such as Minimum international labour standards and Rules of origin - they could accept the Director-General's proposal to concentrate common efforts on several priority issues to begin with and to let general discussions in these and other important areas continue before they would be included more specifically in the work programme.

He expressed his hope and expectation that the Consultative Group of Eighteen would become a regular channel for the development of future items on the GATT work agenda, passing these items on to the Council and the Committee on Trade and Development when they would be ready for more detailed study. He believed that with this work programme in mind the CONTRACTING PARTIES were well prepared for managing the trade problems of the 1980s. Accordingly, the United States supported the adoption of the work programme as presented.

Mr. FARNON (New Zealand) said that his delegation approached the question of the future work programme of the GATT from the viewpoint of a country which was concerned above all about the problems of trade in agricultural products. He added that while agreeing with the priority given in the Director-General's proposals to the implementation of the results of the MTN's his delegation was disappointed at the failure of the MTN's to reduce substantially the wide range of tariff and non-tariff barriers facing trade in agricultural products, and thus reduce the imbalance of treatment between agricultural and industrial trade. He added however that the meat and dairy arrangements and the proposals for an agricultural framework, to which his country attached great importance, were moves towards meaningful progress in rationalizing the basis of agricultural trade. He said that while the earlier texts for the agricultural framework were not entirely satisfactory to his delegation, they were reasonably specific in setting the terms of reference for discussion. His delegation had considered it of real value to establish in the GATT context a multilateral agricultural framework based on the recognition that trade in agricultural products was of ever increasing importance, that agricultural policies should be developed in a manner which did not adversely affect international trade, which provided for working towards the expansion of trade in agricultural products and which referred to improved efficiency in the utilization of world agricultural resources. He said that his Government became concerned when these criteria were no longer to be found in the later proposal for the agricultural framework. He added however that the proposals for a future work programme now tabled by the Director-General alleviated the concern to some extent, by making it clear that the problems of trade in agriculture remained to be tackled. He noted that the importance of agriculture in the work programme was specifically acknowledged and that the Director-General had been asked to consult with interested delegations on the modalities of developing active co-operation in the agricultural sector and to report back at the next regular session of the CONTRACTING PARTIES. He said that while his country was prepared to accept this proposal, it would have preferred a more specific and formal framework for continuing discussions on the problems facing exporters of agricultural products. He said that his delegation would take a keen interest in the work in this area and he expressed the hope that the criteria set out earlier would guide the discussions. He further expressed the hope that substantial progress would be achieved and that it would be possible for the Director-General to give a substantive first report to the CONTRACTING PARTIES at the next session.

He also expressed the hope that the work of the proposed meat and dairy councils would also help to redress some of the imbalances of treatment between agricultural and industrial trade. It was therefore important that these new institutions would have a good start and would be able to maintain their momentum in the future. He stressed that adequate support should be given to the work of these councils, both by contracting parties and in terms of administrative facilities. He said that in other areas of the work of GATT New Zealand would continue to press for greater attention to be paid to agricultural trade. He noted that proposals had been made in the work programme for the Council and the Consultative Group of Eighteen to deliberate further on the continuation of the process of trade liberalization and structural adjustment, and on trade policies. In the view of his delegation the barriers facing agricultural exporters and the distortions caused by some support systems were central issues in both areas of work.

He noted that the proposed work programme acknowledged the need to move forward on safeguards, that it gave priority to the implementation of the framework texts and that it recognized the importance of the question of GATT and the developing countries. In this context, he considered proposals for strengthening the rôle of the Committee on Trade and Development as essential to the future work of the GATT and its rôle in the 1980s. He concluded that, in the light of these comments, he considered the proposals of the Director-General as satisfactory and acceptable to his delegation.

Mr. HLAVATY (Czechoslovakia) said since the Multilateral Trade Negotiations were completed the results should be used for solving and alleviating existing problems and difficulties of international trade. The time had come to agree on a work programme for GATT in the post-MTN period. He considered that the Director-General's proposal relating to the GATT Work Programme, contained in Annex VI of document L/4884/Add.1, represented a reasonable basis for future GATT activities. His delegation supported a number of ideas contained in this proposal, such as the implementation of the results of the MTN with respect to tariffs and framework texts and the over-all approach to the problems faced by developing countries. However, some parts of the work programme should be formulated more explicitly or should be considered with greater urgency than was suggested in the present text of the programme. Thus, he considered as a priority the speedy implementation of the Tokyo Round agreements and their faithful translation into national law. He said that Czechoslovakia was taking all the necessary steps to implement the results of the MTN and to introduce them into the national legislation. He considered as the next priority the problem of dealing with quantitative restrictions, since the results of the MTN in the field of quantitative restrictions had failed to meet the expectations of a number of countries. Another priority item of the work programme was in his view the finalizing of the Tokyo Round with respect to the safeguard issue. His delegation shared

the preoccupation expressed by developing countries in this respect and he was of the opinion that any future arrangement on safeguards should lead to better discipline, objectivity, transparency and surveillance without sacrificing the basic principles of GATT.

His delegation furthermore expected that GATT in its future activities would pay continuous attention to other pressing problems confronting the international community such as the inappropriate linkage of political and trade objectives still exercised by some countries, and the reluctance of some countries to apply fully the m.f.n. treatment to all contracting parties. He concluded by saying that the future activities of GATT should encompass the interests of all contracting parties regardless of their level of development or their economic system.

Mr. KRZYSZTOFOWICZ (Poland) said that the Multilateral Trade Negotiations had made it possible to solve many problems, and the implementation of the instruments drawn up was calculated to improve the conditions of international trade. However, there were still important sectors, such as agriculture and the efforts to achieve liberalization of trade in regard to quantitative restrictions, where it had not been possible to achieve anything. Those questions, which were included in GATT's work programme, should be given priority attention so that results could be achieved within a reasonable time. Only in those conditions was international trade likely to improve to any considerable extent.

Mr. NETTEL (Austria) believed that the changes in the structure and operational methods of GATT resulting from the new instruments and mechanisms for surveillance and negotiation were adequately taken care of in the work programme proposed by the Director-General. In his view the GATT work programme should give immediate and absolute priority to the implementation of the results of the Multilateral Trade Negotiations. With respect to tariff schedules, he stressed the necessity to start work on the compilation of tariff concessions and initial negotiating rights, the absence of which had so often created difficulties for countries, in particular to smaller and developing countries, which tried to find out what their concrete rights were under the GATT. He also supported the proposal that the rôle of the Committee on Trade and Development should be strengthened. In this context, it was necessary to bear in mind that the further intensification of the North-South Dialogue was of high importance also for GATT. Referring to the item in the work programme concerning structural adjustment and trade policy, he stated that his delegation had always recognized the need for continued structural adjustment. He was of the view that the Tokyo Round agreements, if implemented with determination, should promote world-wide efforts towards positive adjustment measures. In expressing his support for the work programme proposed, he cautioned that there was a certain risk of overloading not only the GATT machinery, but also national administrations in capitals.

New tasks in the work programme should therefore be taken up in a pragmatic way. Particularly in the coming year, the main consideration should be given to the implementation of the results of the Tokyo Round and questions relating to developing countries as constituting priority areas of work.

Mr. SAWAKI (Japan) said that it was the immediate task of the CONTRACTING PARTIES to reorganize themselves so that they would be able to respond to the needs of the post-MTN era. He considered that the initiative taken by the Director-General in proposing a Work Programme for the immediate future was a timely attempt in response to this task. He agreed with the Director-General's proposal that immediate priority should be given to the implementation of the results of the MTN.

His delegation also agreed that the basic concerns of the developing countries should be attended to adequately and that at the same time, in approaching all problems, care should be taken so as to ensure the proper balance for the GATT as the foremost guardian of the open and free world trade system. His delegation was furthermore of the view that the future work on trade liberalization should be preceded by sufficient preparation by the secretariat, such as updating of relevant information. This was indispensable for a smooth and successful continuation of the trade liberalization process. He concluded by saying that his delegation was ready to adopt the proposed Work Programme.

Mr. RYAN (Australia) said that he was speaking in conjunction with his statement made earlier in the session and he repeated Australia's disappointment at the results of the MTN in the fields of trade liberalization and quantitative import restrictions. He had furthermore commented on the area of export subsidies and on the fact that the proposed consultations on agriculture fell far short of Australia's expectations. However, in view of the stalemate that had developed in the field of agriculture his delegation had accepted the decision to request the Director-General to carry out consultations. Australia would participate in the consultations in a very constructive way in order to achieve substantive progress in this area. His delegation would reassess its position on this matter in the light of the Director-General's report. He recalled his misgivings that in contrast to other areas of the negotiations there had not been established any guidelines to work towards improvements in agricultural trade. In spite of this, however, his delegation could go along with this section of the Work Programme. He shared the concerns expressed by other delegations about the absence in the programme of such areas as liberalization of trade, the proper treatment of quantitative restrictions, access to markets. Although these areas were not only relevant to agriculture he expected that greater attention should be given to the concerns expressed in this regard. As to the reference in the Work Programme relating to export restrictions and charges, he said that Australia did not consider itself bound by any consensus in this respect and that it would decide in due course whether it would participate in any future work on this subject.

Mr. AHMED (Bangladesh) referred to his statement under item 2 of the agenda and emphasized again that GATT should adapt to the new situation and the increased work load resulting from the MTN. He endorsed the proposal by the Director-General on the GATT work programme and drew attention to the fact that the programme was not exhaustive and that other problems might be included during its practical implementation. Bangladesh attached great importance to the fact that primary responsibility for the surveillance of the implementation of points 1 and 4 of the "Framework" text should be given to the Committee on Trade and Development. With regard to safeguards, the proposal constituted a good basis for future work in which Bangladesh would continue to participate. He welcomed the proposal to strengthen the Committee on Trade and Development and suggested that a sub-committee be established to deal with special problems of least-developed countries. As to the Consultative Group of Eighteen, he made the proposal that a representative of the group of least-developed countries should be co-opted. While preserving the actual composition of the Group for 1980, he considered it important that for the future membership, a representative of the least-developed countries should be selected as a full member.

Mr. LIONTAS (Greece) said that in spite of the efforts made by the various international bodies whose special field was the promotion of co-operation and aid for development, the imbalances and inequalities characterizing the international system of today were still considerable. The negotiations undertaken for example in the context of North-South relations had produced poor results - which basically reflected the complex nature of the problems involved. GATT could make a positive contribution to the efforts under way in the United Nations to pursue the North-South dialogue and to establish the new development strategy by promoting favourable treatment for the developing countries and the strengthening of trade among those countries. That would mean reinforcing the institutional framework of the General Agreement. The rôle of the various organs would have to be examined, particularly that of the Committee on Trade and Development and the Consultative Group of Eighteen, with a view to active participation in pursuing the North-South dialogue and establishing a coherent body of trade relations between developed and developing partners. It was obvious that the least-advanced countries should enjoy privileged treatment. The Committee on Trade and Development should pay special attention to the way in which technical assistance was furnished to developing countries so as to help them to make the best use of the opportunities provided by the different codes and other agreements of the Tokyo Round and to embark on a new series of trade negotiations among themselves. With regard to the Consultative Group of Eighteen, once it was converted into a permanent organ, its rôle would have to be strengthened in the direction of applying the results of the Tokyo Round and the North-South dialogue, and also in the matter of structural adjustment policies. Because of the interdependence of economies and the unequivocal interaction between

trade and development, the idea of concerted action on national economic policies within the Group was worth adopting, especially with a view to promoting expansion of the trade of the developing countries and their integration into world trade as a whole.

Mr. PREM KUMAR (India) said that in the light of present and future developments in the world economy a strong GATT organization, with a firm work programme and working in concert with other organizations would have an effective rôle to play in facing the challenges of the future. He stated that his delegation could accept the concept of a work programme on the clear understanding that it was indicative in nature, that there would be flexibility in its implementation and adaptation, and that no new proposals or ideas would be derived for the reasons that they were not mentioned in the work programme. His delegation agreed with the priority given to the implementation of the results of the MTN but it attached equal importance to the future pursuit of efforts in areas where the results were inadequate for developing countries, especially in respect of the work relating to structural adjustment and liberalization of the remaining quantitative restrictions faced by developing countries. He expressed the hope that in implementing the various agreements emanating from the MTNs the basic objectives of the Tokyo Declaration would be kept in view and that the special and differential treatment provided in the codes would be consolidated and effectively implemented. He stressed the importance which his delegation attached to the establishment of a Committee on Tariff Concessions on the understanding that it would be an effective forum for dealing with the residual tariff barriers facing developing countries in such priority sectors as textiles, jute and leather products, as well as tropical products. He stated that the Committee should also consider the problems of tariff escalation and advanced implementation of tariff concessions to developing countries.

With regard to the question of export restrictions and charges he emphasized that any work in this area should be related to the sovereignty of States over their natural resources as recognized by the Charter of Economic Rights and Duties, and the need for developing countries to diversify their exports and process their raw materials, a concept which was universally accepted and also enshrined in Part IV of the General Agreement.

With regard to the section in the work programme relating to agriculture he stressed that the parameters of active co-operation in the agricultural sector to be pursued in GATT should focus on the trade aspects and should be concretely defined. He believed that before initiating consultations with interested delegations on this matter, the Director-General should also consult with his counterparts in the Food and Agriculture Organization, in the World Food Council and in other relevant organizations, including the commodity councils. He stated that his delegation was looking forward to receiving the Director-General's report in the light of his consultations.

His delegation also attached importance to the continuation of the work on trade liberalization. Work in this area which pertained to the problems of developing countries should be taken up on a priority basis and should not be linked to the general work in this area. He also considered that the proposals concerning developing countries and in particular the strengthening of the rôle of the Committee on Trade and Development, were an area of immediate priority. He was particularly satisfied by the proposal that the Committee on Trade and Development would be resuming work relating to structural adjustment. He noted that while the Consultative Group of Eighteen would examine the general question of structural adjustment and trade policy, the Committee on Trade and Development would focus its attention on adjustment policies and measures of developed countries as they pertained to the trade of developing countries. The work of the Committee on Trade and Development therefore should not depend upon or be linked to that of the Consultative Group of Eighteen.

He said that the expansion of trade among developing countries was another area which deserved priority treatment in view of the vast scope for growth which existed and its potential contribution to the economic growth of these countries and of the world economy. He expressed the hope that the expertise of the GATT in this field would be available to developing countries.

With regard to the supervisory rôle of the GATT, he said that the CONTRACTING PARTIES should, through the Council, supervise and co-ordinate the working of the entire system as it emerged from the post-MTN period, maintain the consistency of the various MTN agreements with the basic GATT law and safeguard the rights of contracting parties. Referring to the Consultative Group of Eighteen he said that his delegation considered it as a forum to discuss new ideas which should then be submitted to the Council and the CONTRACTING PARTIES for action. His delegation did not regard it as a necessary channel for communication. He also expressed the hope that if some suggestions in the Group were not found to obtain support the discussion should not be unnecessarily pursued.

Mr. YEE (Malaysia) referring to the work programme mentioned the problem of exports to developing countries of goods whose sale had been prohibited in developed countries for health reasons. He intended to revert to this issue at an appropriate time. He stated that his delegation had been encouraged by the resolve expressed by many speakers to make GATT a more effective and dynamic organization. In this context, he stressed the need for GATT to respond more fully and concretely to the needs of developing countries. In his view, conditions had to be evolved that would permit small trading nations to participate effectively in GATT. He noted that, while a number of developing countries were acceding to the GATT, some developing countries had not been able to attend the present session of the CONTRACTING PARTIES. He stated that much had to be done, especially in the context of the New International Economic Order and the MTN results. His delegation could accept the work programme as proposed in Annex VI of L/4884/Add.1. It was his understanding that the Committee on Tariff Concessions would be open to all contracting parties.

Mr. ZUNIGA (Chile) expressed the support of his delegation for the future work programme of GATT. In relation to the point concerning agriculture he stated that co-operation should focus on the trade liberalization aspect and that adequate co-ordination between GATT and other organizations such as FAO should be established to avoid duplication of work. In respect of structural adjustment he supported the views that the activities of the Consultative Group of Eighteen should not be considered as excluding work on this matter elsewhere in GATT. Referring to the limited membership of the Group of Eighteen, he stressed the need for the problem of structural adjustment to be considered in other GATT fora as well. He supported the idea of rotation for the membership of the Group after its formalization as a permanent GATT body. Finally, he stated that his delegation attached great importance to the work in respect of the new round of negotiations among developing countries. While recognizing that activities in this area went beyond the function of any of the permanent organs of GATT, he hoped that the CONTRACTING PARTIES would not only follow but also support and promote negotiations so that they could move forward rapidly in the general framework of GATT.

Mr. HOTTON-RIESLER (Argentina) stated that, in his delegation's opinion, there were four priority areas in the proposed programme for the future work of GATT. First, he mentioned the desire and willingness of his Government to participate in negotiations on safeguards. A satisfactory solution in this area would consolidate the results of the negotiations and lead to a more favourable environment for future work on the liberalization of international trade. He also stressed the need for the consultations in relation to the agricultural framework to be promptly and vigorously pursued. It was in the interest of free international trade as well as in the interest of particular delegations like his own to make substantive progress on this matter. Thirdly, the Committee on Trade and Development should be strengthened so as to ensure the fair and balanced application of Part IV of the General Agreement and also to carry out the permanent surveillance of protectionist measures affecting the trade of developing countries. Lastly, CONTRACTING PARTIES and the permanent organs of GATT should continue and finalize the work in the areas that had been left aside during the MTN or where the negotiations had not achieved sufficient results.

Mr. LUYTEN (European Communities) said that as the year 1979 came to a close, economic indicators and forecasts showed that the Western economies were faced with a new standstill which it was difficult to assess precisely. The cautious optimism in regard to the economic situation which for the past two years appeared to have pervaded the thinking of economic operators was being put to the test by certain forecasts for 1980. However, he felt that trade was on the whole more free of obstacles than it had ever been in the past, in spite of a certain decline in the prospects for increased imports in some sectors. Imports of manufactures into the industrialized countries from

the developing countries would appear to have increased in volume by 15 or 16 per cent and in value by 30 per cent. He recalled that it was the Community's intention to continue to bear its share of the burden involved in adapting the world economy to new levels of long-term equilibrium. Thus at the domestic level, the restructuring of ailing economic sectors would be pursued by as rapid a redeployment as possible of the factors of production, since trade policy must not hold up the adjustment process. Redeployment was largely a matter for the undertakings themselves. The Community was well aware of its responsibilities in regard to the developing countries. It was also conscious of its own interests, since the structure of its trade, which made it more dependent on the markets and raw materials of the third world than many other individual developed countries, gave it a special incentive to improve the climate of the North-South dialogue. Thus the Community had just renewed, within the framework of the Lomé Convention, the pact linking it with some fifty-five developing countries, including almost all those in the least advanced category. In that way, the Community was maintaining and improving the opening up of its markets and strengthening safeguard elements such as the extension of guarantees ensuring the stabilization of export receipts.

The potential for increased trade between developing countries was considerable, and lack of foreign currency resources should not constitute an insurmountable obstacle, inasmuch as the expansion of that trade would be more or less balanced and thus it would be possible to develop a certain measure of complementarity in production. In some parts of the developing world that process of expansion of trade would appear to have already started. Negotiations between developing countries, which had the full support of the Commission of the European Communities, should be brought to a speedy conclusion so as to strengthen the movement. The Community shared the view expressed by the Director-General that the work programme should give immediate priority to the results of the MTN. The European Economic Community could endorse the proposed programme, which seemed to be balanced and realistic. Examination of North-South trade issues would in practice be handled within the General Agreement in a concrete manner on the basis of the Agreement's principles and rules. The rôle of the Committee on Trade and Development would be strengthened in the general context of the expanded activities of GATT in the post-Tokyo Round period. The proposal to set aside a place in the Consultative Group of Eighteen for a less-advanced country had the full support of EEC.

Mr. GLOVER-AKPEY (Ghana) said that in his view developed countries had not done enough for developing countries. With regard to the activities of the GATT, he stated that GATT as a forum for the co-ordination of trade policies should also be the forum for the co-ordination of actions for the implementation of a work programme, especially in respect of measures against

protectionism. In this regard, he called on the contracting parties to safeguard the results of the MTN, even though they were disappointing, through their effective implementation. He said that his delegation, like those of many developing countries, considered that the MTNs were still to be completed in as far as the problems of developing countries had yet to be considered in the light of the provisions of the Tokyo Declaration. His delegation would therefore approach with an open mind the work programme of the GATT as well as any proposals made by the Director-General to alleviate the problems of the developing countries. On the question of safeguards he pointed out that the interests of developing countries had so far not been sufficiently protected and he asked for a system which would guarantee such protection, especially in respect of tropical products, agricultural products, and manufactured products. He stated that his delegation preferred the work on this question to be pursued in the normal bodies of the GATT instead of an ad hoc institution.

Mr. POMPEE (Haiti) stated that his delegation was also in favour of opening the possibility for the least-developed countries to participate in the work of the Consultative Group of Eighteen. While he did not wish to have the composition for 1980 modified, he believed that an arrangement should be found to enable such participation in the future.

The CONTRACTING PARTIES took note of the statements made.

The CONTRACTING PARTIES adopted the GATT Work Programme (L/4884/Add.1, Annex VI) and the Report of the Committee on Trade and Development (L/4876).

Mr. HILL (Jamaica), in referring to his statement at the Council meeting of 22 November (C/M/137) in respect of agriculture, presented a number of suggestions for the informal consultations which the Director-General was requested to initiate. He suggested first that the informal consultations should be initiated within a reasonable period of time, that they be issue-oriented and that one of the issues addressed would be the link between production policies and measures at the frontier. Secondly, that GATT should establish closer working relationships with appropriate organizations such as the FAO, the WFC and the like so as to bring about a more concerted approach to the priority issues in agriculture. Thirdly, that the views of interested parties, not members of the informal consultations should be taken fully into account. Fourthly, he asked that the Director-General's preliminary report be made available in sufficient time prior to the next session of the CONTRACTING PARTIES, so as to allow for an exchange of views among interested members reflecting a balance of interest. Finally, he proposed that the report should, inter alia, include guidelines and principles, and he cited document MTN/INF/43 of 15 December 1978 as an illustration. This report, apart from the guidelines and principles should also include procedures for any institutional mechanism which needed to be established. He hoped that these points would facilitate a constructive approach to dealing with problems and issues in the agriculture sector.

Turning to the GATT Work Programme, he said that this programme was designed to continue to fulfil the objectives of the Tokyo Round, in which respect there was still much to be done. As one point he mentioned structural adjustment, and he recalled that his delegation had put forward certain ideas in the course of the negotiations on a possible declaration to be adopted and even the consideration of a code. He hoped that this matter would receive priority attention. His delegation also felt that the strengthened rôle of the Trade and Development Committee should facilitate the improvement in the conditions of trade relations which needed to be so constructed as to provide for equity. He said that Jamaica had an open trading régime and that as a small developing economy it suffered from the inability to make the adjustments as quickly as the larger trading nations. He therefore hoped that if international trade relations were managed on an equitable basis, there would be differential and more favourable treatment for economies like that of Jamaica.

Turning to the Agreements covering certain non-tariff measures and trade in bovine meat and dairy products, he said that his delegation had taken cognizance of them. However, his delegation had not yet received instructions from the Government to authenticate these texts which have been open for signature. He recognized that some of these Agreements would have the effect of significantly modifying the existing rules of GATT. He stressed that the GATT was indivisible with each constituent part inter-related, and at all times not inconsistent with Article I. Furthermore, he stressed that the rights of Jamaica should continue unimpaired by any action flowing from the operation of these Agreements. He also stressed that the servicing or the operation of these Agreements by the GATT secretariat would imply that they would be open to all members of the GATT.

He said that his delegation wished to see the GATT become an open and universal forum, one which all developing countries would want to utilize. He drew attention in this respect to the programme of economic and technical co-operation among developing countries, which he saw as an area where trade policy could be perceived as development policy and he believed that the unrivalled expertise of GATT should be put to the service of the developing countries in co-operation with the other relevant bodies of the UN system. The negotiations had shown that it was not possible for the major trading partners to negotiate agreements amongst themselves. There was now a clear recognition that if there was to be a global trading system, the interests of the developing countries must, at each stage, be fully reflected in the negotiated agreements. His delegation therefore looked forward to the management of an even more open trading system which implied the participation of all members. This implied also that the secretariat would become more active and its rôle and its leadership would become even more critical.

He concluded by expressing the hope that the future Work Programme and the future management within the system of GATT would fully recognize the fact that no action would be taken which would deny the developing countries a say in the management of the system.

3. Retirement of Deputy Director-General

Mr. LUYTEN (European Communities) said that a great international official, Mr. Gardner Patterson, would retire at the end of the week. Gardner Patterson had brought to the service of the CONTRACTING PARTIES a glittering display of qualities, particularly during the Tokyo Round. Mr. Patterson also had an inexhaustible reserve of technical competent knowledge and experience, all of which he had placed at the disposal of the CONTRACTING PARTIES as a whole, and to each and every one of the contracting parties, who had sought his assistance. The impact of these rare qualities on the work of the CONTRACTING PARTIES could not fail to be great, allied with the demonstration that an academic experience could serve the great political and humanitarian aims of the General Agreement. Mr. Luyten wished to thank Mr. Patterson for his loyalty in every circumstance.

The CONTRACTING PARTIES supported with enthusiasm the statement of the representative of the European Communities by an ovation.

Representatives of other contracting parties endorsed whole-heartedly the tribute paid to Mr. Patterson.

Mr. PATTERSON thanked the contracting parties for the statements made.

4. Dates of the Thirty-Sixth Session

The CHAIRMAN proposed, bearing in mind the possibility for the Council to fix the dates and the duration of the next session of the CONTRACTING PARTIES with greater precision in the course of the year, and even to modify the dates, if circumstances made this desirable, that the thirty-sixth session be held at about the same time as the present session.

The CONTRACTING PARTIES agreed that the thirty-sixth session be held in the week beginning on 24 November 1980 and that the Council be authorized to fix the opening date and the duration of the session in the course of next year.

5. Election of Officers

The following nominations were made:

Chairman of the CONTRACTING PARTIES: Mr. Erik Nettel (Austria)

Vice-Chairmen of the CONTRACTING PARTIES:

Mr. James-Victor Gbeho (Ghana)

Mr. Robert J. Martin (Canada)

Mr. Janos Nyerges (Hungary)

Chairman of the Council of Representatives:

Mr. Gabriel O. Martínez (Argentina)

Chairman of the Committee on Trade and Development:

Mr. Atmono Suryo (Indonesia)

The CONTRACTING PARTIES agreed to elect the officers nominated.

6. Closure of the Session

The CHAIRMAN, in his concluding remarks, said that this session had been of particular importance in that it marked the transition from a stage of negotiations to that of implementation of the results achieved and a definition of the tasks that now awaited the CONTRACTING PARTIES. The coming year would see the implementation of most of the results and agreements reached in the multilateral trade negotiations, which would thus mark a new era of activity for the GATT. The Work Programme adopted by the CONTRACTING PARTIES gave certain directions for the continuing work of the GATT and it indicated certain areas in which the efforts of the GATT should primarily be concentrated. He believed that this was a sound basis for the task of the GATT in the immediate future and that it would be for the next session of the CONTRACTING PARTIES to consider the accomplishments in the year to come and to reassess and adjust this programme in the light of their consideration.

He said in conclusion that while certain delegations had individual interpretations as to the results of the negotiations, he believed that collectively the CONTRACTING PARTIES could declare themselves satisfied with the tasks achieved. He thanked the delegations for the spirit of co-operation in which they had worked and which had greatly facilitated his task.

Mr. NETTEL (Austria) expressed his appreciation for the work performed by Mr. Real during the past year. He also thanked the CONTRACTING PARTIES for having elected him as their new Chairman. He said that he would do his very best to justify their confidence placed in him.

The session closed at 6 p.m.