

SENIOR OFFICIALS' GROUP

Record of Discussions

Note by the Secretariat

1. The Group of Senior Officials, established by the Decision of 2 October of the CONTRACTING PARTIES (L/5876), instructed the secretariat to issue summary records of the Group's discussions.

2. At the meeting of the Group on 12 November, the Chairman stated his understanding that the record would cover only substantive discussions, and noted that most of the Group's discussions after the meeting of 1 November had covered points of procedure.

3. These summary records are accordingly being issued by the secretariat under the symbol SR.SOG/- as follows:

SR.SOG/1	14 October	SR.SOG/7	30 October (first part)
SR.SOG/2	15 October	SR.SOG/8	30 October (second part)
SR.SOG/3	16 October	SR.SOG/9	31 October (first part)
SR.SOG/4	22 October	SR.SOG/10	31 October (second part)
SR.SOG/5	23 October (first part)	SR.SOG/11	1 November (first part)
SR.SOG/6	23 October (second part)	SR.SOG/12	1 November (second part)

Substantive points made at the meeting of 8 November will be included in SR.SOG/11.

4. During the discussions, a number of delegations referred to explanations of their positions given in written communications and statements with regard to the proposed new round of multilateral trade negotiations. Reference was also made to relevant statements in the Council debates on 5-6 June and 17-19 July 1985 (C/M/190 and C/M/191, respectively) and in the special Session of the CONTRACTING PARTIES held on 30 September - 2 October 1985 (4SS/SR/1-5).

5. Some delegations stated in the Group that they had frequently refrained from intervening in the discussions because they felt that their positions had been adequately set out in the communications, statements and records referred to in paragraph 4 above, or had been expressed by another delegation, or because they had reserved their right to revert to some of these matters at a later stage in the preparatory process.

6. Two copies of these summary records will be issued to each contracting party. Further copies will be available on request.

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<sup>1</sup>These communications and statements are: Developing countries L/5647 and L/5744, 24 Developing countries L/5818 and Add.1, ASEAN countries L/5848, Australia L/5842, Austria L/5849, Brazil L/5852, Canada L/5834 and L/5836, Chile L/5850, EFTA countries L/5804, European Communities L/5835, Jamaica (informal paper circulated to the Group), Japan L/5833, Korea L/5851, New Zealand L/5831, Nordic countries L/5827, Switzerland L/5837 and L/5883 (originally issued as Spec(85)52), United States L/5838 and L/5846.

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.SOG/2

22 November 1985

Special Distribution

## SENIOR OFFICIALS' GROUP

### Record of Discussions

#### Discussions on 15 October 1985

The Chairman, opening the meeting, said that, as agreed, he had consulted with various delegations on the question of admitting observers. He regretted that he was not in a position to inform the Group of any final decision, as it had not been possible to arrive at a consensus. He asked to be allowed to pursue consultations with the delegations concerned. Recalling the previous day's decision, he suggested that the Group should begin with a discussion of the objectives of the proposed new round of negotiations.

The representative of Uruguay said that among the possible objectives of a possible new round of negotiations, some were quite obvious, and would surely win the support of most or all delegations. One was the strengthening of the multilateral trade system for the benefit of all contracting parties. A second objective, based on his delegation's view that GATT was going through an institutional crisis which was weakening it, its work, and the implementation of its objectives, was the institutional strengthening of the GATT. This would call for most special consideration and attention. A third fundamental objective was that a new round of negotiations should contribute clearly and concretely to the economic growth of the developing countries. This objective was not put forward for the obvious reason, but because his own government, and others that had sizeable foreign debts, had reached the conclusion that a process of marked economic growth was the only way of dealing with this debt. This was therefore a fundamental objective, and if it could not be achieved the intended round of negotiations would be of no use to these countries. Furthermore, there was the obvious link between foreign debt and export promotion which he hoped to achieve through the intended negotiations. A fourth topic or objective to be kept in mind was the implementation of the Ministerial Declaration of 1982. Everyone was aware that it was very difficult to make a clear distinction between the new round of negotiations and a great many topics that were in 1982 Declaration. One could not separate these and, as he saw it, the proper implementation of the various chapters of that Declaration should be included among the objectives of a possible new round of trade negotiations.

The representative of Czechoslovakia said that the right path to strengthen the GATT was to carry out the objectives set out in the documents adopted in 1982 by Ministers. These objectives were good, really responded to the problems faced, and indicated aspects of solutions. Their aim was the elimination of barriers to world trade, and the strengthening of GATT rules, based on the principles which were the hard core of GATT. The elimination of barriers to world trade, in particular those set up after the Tokyo Round, should be done without any further negotiation. These barriers were set up without prior negotiation - indeed, as a rule were the effect of

unilateral decisions - and should be got rid of by the same ways and means and method. The objective of the preparatory process for the new round of negotiations that had now been embarked on should be the normal objective - that is, the liberalization of world trade on the basis of the sacred principles of the most-favoured-nation clause and non-discrimination. In this connection, he quoted Czechoslovakia's statement at the Special Session which listed as objectives:

1. Implementation of those parts of documents adopted in 1982 at Ministerial level requiring multilateral negotiations. Commitments on standstill and rollback should be implemented without further negotiations. The solution of long-standing hard core problems of trade in goods should not be frustrated or delayed by discussions on new issues;
2. To reinforce the basic principles and objectives of GATT, in particular non-discriminatory treatment of trading partners;
3. To assure the proper functioning of the international trading system and increased trade liberalization within it;
4. To expand the exchange of goods through further reduction of tariffs and non-tariff barriers and to strengthen the trading rules;
5. To achieve further substantial improvement in market access conditions, on as broad a basis as possible in terms of products, markets and measures, particularly in respect of quantitative restrictions and customs duties.

He hoped these would be included among the objectives for the proposed new round of negotiations.

The representative of Egypt said that it was not the understanding of his delegation that this Senior Officials' meeting would examine the objectives of the negotiations, since this did not figure in its terms of reference. However, in a spirit of co-operation, he would state his delegation's understanding on the subject, which would in fact be dealt with by a negotiating conference later on. The subject of objectives would be the framework of the future work of the negotiations as a whole. He recalled the most recent past experience of negotiations - the Tokyo Round of negotiations - as a guide to the objectives which might be picked up. One such objective was "the expansion and ever-greater liberalization of world trade, and improvement in the standard of living and welfare of the people of the world". The second and basic objective was to "secure additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, the diversification of their exports, and the acceleration of the rate of growth of their trade" through "substantial improvement in the conditions of access for the products of interest to the developing countries and ..... measures designed to attain stable, equitable and remunerative prices for primary products". These basic elements, which were unfinished business and still remained, could remain also for any proposed negotiation, and continue there. These objectives were within the main framework of GATT, as any objectives had to be.

The representative of Zaire said that in embarking on any exercise it was important to know which way one was heading, what one wanted to obtain. A priority objective concerned GATT's credibility. GATT's power had to be strengthened, and for this purpose a standing surveillance body should be established to oversee the implementation by contracting parties of principles and rules of the General Agreement. This was the only way to ensure that GATT remained for all contracting parties a forum for consultation and negotiation, where rights and obligations were maintained in proper balance. The existence of such a surveillance body would make it possible to ensure that contracting parties fulfilled their obligations under the General Agreement. The proposed negotiations should also permit examination of the rules and activities of GATT pertaining to developing countries, with a view to improving them. The rôle of the Committee on Trade and Development was relevant. His delegation felt that future negotiations should enable developing countries to avoid suffering the effects of graduation and to gain full benefit from the Enabling Clause. Zaire had agreed to join the preparatory process without any afterthoughts, its guiding spirit being to make GATT a proper forum where all contracting parties could meet and solve the difficult problems that arise in the sphere of world trade. His delegation remained open to any constructive proposal that would enable effective implementation of GATT's principles and rules. GATT must also not lose sight of the importance and effects of the monetary situation upon trade, since the lowering of tariffs might be of no significance compared with high interest rates or movements in currency rates. These factors were of capital importance.

The representative of the European Communities said that the present exercise was not one of negotiation or bargaining. Each representative must be able to state his views, clarify them or go into greater depth, enabling the secretariat to consolidate or synthesize what had been said and identify common ground.

His delegation saw three main chapters of objectives. First, were the fundamental and permanent objectives - the objectives of the GATT, contained in Volume IV of the Basic Instruments and Selected Documents. There were two other categories of objectives that his delegation wanted to bring out clearly. First, there were the objectives suitable to the new round of negotiations, which the European Community had spoken about in its own written communication (L/5835) and which were summarized in Spec(85)45. It was important to clarify these objectives. The intended future round should contribute to putting a brake on protectionism and to resisting the evident steady pressure of protectionism. GATT contracting parties should then go on gradually to dismantle trade barriers as the economic recovery gathered momentum, and should ensure additional gradual liberalization through the implementation, among other things, of the 1982 Work Programme, to which the European Community remained committed. There were also the operational objectives of the negotiation, about which he would say more when the Group talked about various issues of substance. For the Community, one objective was to seek a restoration of the correct balance of rights and obligations which was now upset, preventing GATT from being as effective as they wished

it to be. Reassuring representatives of developing countries, he added that this imbalance was chiefly a matter between developed countries, to be settled among them. Leaving aside waivers that had existed for thirty years or more, there was the binding of tariffs: some countries had tried to make the most of world trade and gave nothing in return. All these were part of what he called the operational objectives of negotiation.

The representative of Brazil said that his delegation attached importance to conducting the Group's work within the consensual decision at the Special Session, which put subject-matter as the first problem for discussion. He would however address the issue of the question of objectives, stressing Brazil's firm belief in proceeding by consensus. This was very important, especially when addressing matters of such relevance, closely linked with the future of the multilateral trading system. The Brazilian authorities assumed that all delegations were prepared to work on substance, and to have an exhaustive debate. All opportunities should be given for this debate to take place in GATT and an appropriate schedule of meetings should be provided so that delegates could comply fully with their mandate, since the CONTRACTING PARTIES were expected to be in a position to take a decision in November. The nature of this decision was not yet decided and would certainly depend on the ripeness of the issues being addressed and on the degree of consent that could be reached. He had heard many interesting contributions to the discussions, especially in the contributions of the representatives of Jamaica (regarding objectives and modalities), of New Zealand (on the important question of standstill and rollback), and by Switzerland (as incorporated in Spec(85)82). His delegation saw a general definition of objectives for the proposed new round in the Ministerial Declaration, which stressed the multilateral trading system and the aim of trade liberalization, the wider context of the crisis of the world economy and the need for parallel efforts in the monetary and financial field, as well as the trade-financial link and the debt problems of the developing countries, the issue of exchange rates, and the importance of improving access to LDC's so that they can in turn increase their import capacity. The objectives of strengthening the multilateral trading system and the GATT and its central clause - most-favoured-nation treatment and non-discrimination - and the objective of trade liberalization could not be viewed in isolation from these wider issues, especially by a developing country such as Brazil, besieged by debt problems and committed to economic growth at high rates. The same pre-occupations and objectives were in fact present in the Tokyo Declaration, although the results of the negotiations and lack of progress in the monetary and financial areas significantly reduced what was achieved, particularly for the developing countries. Commitment to trade liberalization should not allow one to lose sight, in the case of developing countries, of the primary objectives of economic development and the need to make trade liberalization compatible with economic development. The adoption by developed countries of measures to improve market access for developing countries would contribute to achieving these aims. In the case of Brazil, 40 per cent of whose export receipts were used in payment for its debt, trade liberalization was obviously linked to a more equitable solution to the debt problem.

Furthermore, trade liberalization and the strengthening of the multilateral trading system could only be truly achieved if there were determined and concerted actions to reform the monetary and financial system, as stressed in document L/5818 presented by twenty-four developing countries. In this connection, he cited the question of exchange rate fluctuations and their effect on trade, included in the Work Programme. A connected and important point was the question of increased macro-economic discipline on the part of the major trading partners. Serious imbalance in macro-economic policies was having great repercussions on GATT's work and jeopardized any gains from trade liberalization, by encouraging the easy alternative of shipping the burden to others through protectionism. An important aspect of the multilateral trading system and the GATT was the hard-won recognition of the dichotomy between developed and developing countries, and of the need to adopt differential and more favourable treatment for developing countries, so that they could more equitably and fully share in the benefits of trade liberalization and further their primary aim of economic development and raising the standards of living of their population. Improving the GATT framework in this area was an important objective. His delegation fully shared the views expressed by several delegations that the conduct of the Group's work was influenced by the general climate in world trade: threats of increased protectionism and of disruption of the multilateral trading system undermined both its work and the rôle of consensus. He therefore strongly supported the views of the New Zealand delegation on establishing concrete and credible commitments in terms of standstill and rollback, an objective evidently shared by a greater number of countries. The objectives of improving market access and strengthening the multilateral trading system could not be seriously discussed if measures continued to be taken by the major trading partners to undermine these objectives. The aim of arriving urgently at a comprehensive agreement on safeguards was essential for the preservation of the system and for securing the results of any further liberalization efforts.

The representative of Yugoslavia said that he hoped that the exchange of views on the objectives of the new round would facilitate the Group's main task in accordance with the consensus decision of the Special Session, namely to examine the subject matter and modalities of the proposed negotiations. The objectives of the new round should be derived from the basic objectives of the General Agreement, bearing in mind the competence of GATT. Negotiations on individual subject matters should be aimed at raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, developing the full use of the resources of the world, and expanding the production and exchange of goods. Because the multilateral trading system alone could not solve all these problems, it was necessary to undertake parallel and urgent action aimed at sustained growth and development. GATT could contribute by creating conditions for the expansion of trade in goods. This pre-supposed concerted efforts of all contracting parties to progressively dismantle protectionist barriers and discrimination in international trade, and the improvement of the GATT system in such a way as to enable trade expansion to the benefit of all countries, restoring normality and symmetry in trade

relations between developed and developing countries, and bringing about genuine trade liberalization within the framework of the multilateral trading system. This was essential for the welfare and prosperity of all contracting parties, bearing in mind the extremely serious economic, trade and financial situation in the majority of developing countries, and an especially critical situation in the least-developed among these countries. Experience of past rounds in GATT, and the fact that trade liberalization provided the biggest benefits to the most competitive countries (which in most sectors was the developed countries) led his delegation to believe that an objective of negotiations should be to ensure additional benefits for the international trade of developing countries and a better balance between developed and developing countries in the sharing of the advantages of trade expansion. Developing countries should be enabled to substantially increase their export earnings and to diversify their exports in order to be able to accelerate their growth and development, and to service their debt. The objectives set out in the Tokyo Declaration, paragraph 2, sub-paragraph 2, remained valid.

The representative of Peru stressed that the purpose of a new round of negotiations within the framework of GATT would have to be in conformity with that of the General Agreement itself, i.e., the expansion and the greater liberalization of trade. The expansion of trade was absolutely fundamental, since the world economy was slowly recovering from a deep recession, and a major expansion of trade was needed to give impetus which could be transmitted to all countries. The development of access for products from developing countries was essential for them, and in particular for those countries which were suffering from a very serious crisis of foreign indebtedness. These countries urgently needed trade opportunities so as to increase their earnings, as the only means of emerging from their serious problems and avoiding a new crisis. The inter-relation and inter-dependence between the developing countries and the developed countries, often discussed, was the reason why it was now urgent and indispensable to develop trade access for the developing countries. A second fundamental objective, in her view, was to strengthen the provisions of the General Agreement, seriously eroded in recent years by trends towards bilateralism which were fragmenting trade and fostering protectionism. Not only trade liberalization, but also a strengthening of the disciplines of GATT were therefore essential, and should be begun through a prior commitment to standstill and to progressive dismantling of trade barriers. It would be absurd to move towards new negotiations while at the same time the developed countries continued to increase levels of protectionism and to raise their trade barriers. It was also necessary to strengthen GATT as an institution. She supported the proposal of the representative of Zaire to set up a permanent body for surveillance of the application of the provisions of the General Agreement, and to examine measures which were not covered by the provisions of the Agreement. A third objective of particular importance for developing countries was to strengthen preferential and more favourable treatment in favour of developing countries. The developed countries were doing something in this respect, but could do much more if they were to apply the provisions of Part IV and the Enabling Clause. The

Work Programme had still not been carried out, partly because of lack of political will on the part of developed countries and partly because of the situation of the world economy. These objectives were well described in the document presented by the twenty-four developing countries (L/5818). The GATT Work Programme had still not been carried out, partly because of lack of political will on the part of developed countries, partly because of the situation of the world economy, and partly because its contents had simply been forgotten. It was essential that the Work Programme be fulfilled. A short and priority time-table should be established with the objective of liberalizing trade in tropical products and textiles and reaching agreement on a safeguards arrangement based on the m.f.n. principle. The subjects for negotiation should also include tariffs and non-tariff measures with respect to raw materials and processed products and in particular natural resource based products and agricultural products. She recalled that at the Special Session of the CONTRACTING PARTIES Peru had referred to the link between the external debt, the balance of payments situation and the development possibilities of developing countries. Her delegation had proposed the adoption of emergency treatment for the indebted developing countries that should contemplate the following modalities: (i) binding at duty free all the products included in the GSP without restrictions of any kind such as quantitative restrictions, tariff measures and conditionality clauses; and (ii) enlargement of the coverage of the GSP to include all the products of interest to the indebted developing countries.

The representative of Hungary said that everybody, especially those contracting parties who proposed the new round of negotiations, seemed to agree that their basic objective was to save the multilateral trading system: to revitalize the GATT. His delegation agreed. What was most needed was to reinforce the basic principles and objectives of the General Agreement. One of the basic objectives, if not the most important, was the assurance of non-discriminatory treatment in international trade. The Preambular part of the General Agreement, which called simply for "substantial reduction" of tariffs and other barriers to trade, set as the basic objective of the GATT from its very inception the elimination of discriminatory treatment in international commerce. The latest thorough review of the GATT system had taken place in 1982; the resulting Ministerial Declaration, in particular commitments regarding the most evident contractual obligation of the CONTRACTING PARTIES - to make their national policies and measures conform with the GATT - had been relegated to a best-effort approach. As the delegate of New Zealand had stated the day before, credibility had to be created prior to the launching of a new round. What was really necessary, he said, was to accomplish the existing obligations and commitments. A further important consideration was that a new round of negotiations, consisting of a quid pro quo exchange of commitments for the future, should not be substituted for the elimination of measures which should be implemented unilaterally without negotiations. It followed that, although his country supported negotiations, it believed that certain issues should not be included because they should be the subject of unilateral elimination, being inconsistent with present obligations under the GATT. This was the first priority for his delegation. The second was to bring within an effective multilateral discipline certain trade sectors which had evaded until now the GATT discipline; his delegation was among



the supporters of a thorough discipline on agriculture. A third priority was liberalization of tariffs and non-tariff measures. He recognized the qualifications introduced by some delegations who insisted on realism and progressivity in these areas, given the widespread economic difficulties, particularly in the indebted countries. But this should not be understood to give a general waiver, under the pretext of economic difficulties, for not conforming to GATT obligations. As regards the idea of eliminating or implementing measures on a basis of progressivity, this should be based on a concrete, graspable definition with a strict time-limit; otherwise, as his country had learned, an undertaking of this kind amounted to next to nothing. As regards liberalization, it was very important that any move should be made in conformity with the basic rule of non-discrimination, which was not only a defence for the smaller trading nations but was equally important for the major trading nations. Yesterday there had been some discussion on trade turnover versus GATT discipline, the question being whether delegations were to discuss basic principles or actual trade interests. It was his view that governments in the GATT were responsible first of all for maintaining discipline. Nobody in the GATT was compelled to trade with each other, but all were compelled to stick to certain basic norms and principles. His delegation was open-minded in this respect, but insisted on the question of priorities. If the intention was to extend the GATT building, to build another storey on it, then it would be necessary to strengthen first the basic pillars of the GATT; otherwise the ceiling would fall on everyone's heads.

The representative of Pakistan said he was willing to contribute positively to the discussion on objectives, although he agreed with those delegations who said that the mandate for the Senior Officials was to look on the subject matter and the modalities. He would like the objectives to be written not in rhetorical, vague or preambular terms, but as a more clear-cut resolution on objectives. He suggested six elements for any set of objectives: first, the objectives and commitments of GATT itself; second, the Ministerial Declaration, and particularly its paragraph 6; third, standstill and rollback of protectionism; fourth, special treatment for the developing countries; fifth, market access on the lines indicated by various delegates on page 19 of Spec(85)45; and sixth, the issue of monetary and financial problems, so far as they related to international trade problems. On this sixth issue, he suggested that it had two aspects. One was the general consideration that monetary and financial issues had to be addressed to ensure that the international trading system operated in the right economic environment. Secondly, and more importantly, the objectives of Article XXXVI of GATT had to be kept in mind, since this Article recognized the relationship and need for linkage between financial flows and the trade problems of the developing countries.

The representative of Chile welcomed the plan put forward by Switzerland to deal with the various topics, which in his view clarified things a great deal. He would have been happy if the Group could have worked on the paper to try and improve it. There seemed to be consensus that the general objective of the new round should be substantial liberalization of trade in products, especially in sectors of greatest

interest to developing countries. But "liberalization" covered a multitude of very restrictive policies and practices and a multiplicity of intentions. It was therefore necessary to define one's terms on trade and liberalization. A first element was to comply with the General Agreement, as the basic rule of trade liberalization. His delegation supported the Uruguayan suggestion for the institutional strengthening of the legal mechanisms of the GATT, especially as regards dispute settlement. Compliance also meant that all the anti-protectionist undertakings which appeared in paragraph 7(i) of the Ministerial Declaration of 1982 had to be implemented, since if past commitments were not fulfilled, future commitments would not be taken seriously. Trade liberalization required that things be done in a transparent way: restricted arrangements and conversations, and fait accompli practices, should be given up. On the institutional side this meant that certain groups such as the CG18 should be modified in their composition. As regards the situation of the developing countries, especially those affected by foreign debt and natural disasters, there should be formulas for immediate liberalization, even if on a provisional and extraordinary basis. For real multilateralism, which was today drowned in exceptions or free trade areas, customs unions and common markets of one sort or another, effective multilateral disciplines were needed, with equitable negotiations and adequate safeguard mechanisms. In discussing liberalization, under-development had to be recognized as a multiple phenomenon that covered a great diversity of situations and required distinct analysis of its nature. Agriculture had to be handled directly and concretely, to get rid of existing exceptions and restrictions and to restructure world trade in agriculture. The same applied to textiles. To liberalize trade also meant to bring an end to tariff escalation, which hampered exports of goods with greater-added value in such fundamental sectors as forestry and fishing. Other major aims were to eliminate restrictive practices, suppress barriers to market access, put an end to the indiscriminate application of subsidies, (which were now the principle manifestation of protectionism, depressing prices, generating unmanageable surpluses and distorting competition) and preserve the benefits of the GSP, where margins of preference might otherwise be reduced as a result of negotiations. It was necessary to define how to put into practice the undertakings on standstill and rollback. The multilateral trading system must be strengthened by improving or amending the disciplines and provisions of the GATT, and elaborating new ones. All contracting parties must participate in the negotiation process, and its results, where appropriate, must be applied on an m.f.n. basis. Concluding, he said that the general problems of foreign debt, huge problems that affected chiefly developing countries, almost compelled a launching of negotiations.

The representative of Argentina believed, like others, that the Group's mandate was to discuss matters of substance and modalities rather than objectives, which were to be found in the General Agreement and a great many other documents such as decisions and declarations taken at the Ministerial level. He said that the intended negotiations should above all find the solution to the world economic crisis through a strengthening of GATT rules,

improving transparency, true liberalization of trade, and attending to the asymmetry between developed and developing countries and to the serious problems of countries that needed to export more to meet their debt obligations. That would mean a transfer of resources from North to South, instead of South to North as it now was. GATT's standards and rules had to be fulfilled, and that in turn required a rebuilding of trust and restoration of the credibility of GATT within its consensus system. A starting point should be standstill - status quo - and rollback. There was no need, and no case, for negotiating the dismantling of present protectionist measures i.e., the abolition of abuses and wrongs. Standstill and rollback should cover the whole range of existing measures including unfair competition, especially in the sector of agriculture. GATT needed also to be strengthened by implementing its Work Programme and finishing off what had been left unfinished in earlier rounds of negotiations. The special and differential treatment for developing countries needed to be quantified. He believed that consultations in the Committee on Trade and Development had shown that the decisions and provisions on this treatment were not truly being implemented. Priorities should be determined so as to define the topics of greatest interest to developing countries, such as market access for their exports to developed countries. These were a few objectives that were achievable and would certainly strengthen the multilateral trade system and GATT.

The representative of Australia offered three objectives for the trade round: to liberalize world trade; to achieve a complementary review of national measures which restrict trade; and to restore the principles of GATT to their rightful place. His delegation believed that these objectives could be achieved through multilateral solutions which met the interests of both developed and developing countries. He commented on each suggested objective. On liberalization, he thought it unnecessary to refer to the original Articles of the GATT. Liberalization was a fairly clean and pure principle, yet the statement concerning it in the Ministerial Declaration of 1982 was diluted and qualified. This was no accident, and it was also no accident that the world trading environment had not improved and if anything had probably worsened since 1982, with an increasing amount of trade under bilateral restraint arrangements and orderly marketing arrangements. Regarding the Work Programme, Australia supported its key objectives and thought that realization of them should be negotiated in a new round. But, like the Hungarian representative, he was puzzled at the value being attributed to what was only the best that could be achieved at the time. He did not think that it would be in the interests of the organization, or of medium or small traders, to argue that the terminology of the Work Programme on the question of liberalization of trade was binding in considering what the objectives of the new trade round should be. The same section of the Work Programme referred to the issue of expansion of trade. It was Australia's view that the expansion of trade by means other than liberalization was not a good deal. Many of the measures which were described as having achieved an expansion of trade were just short-term bargains that served to erode the basic principles which should under-pin the liberalized trading environment. Regarding his second objective, to

achieve a complementary review of national measures which restrict trade, he recalled Australia's statement at the Special Session of the CONTRACTING PARTIES, when it suggested that a bench mark for the success of this round would be whether or not governments regarded participation in it as an integral part of a review by them of their own national measures which hindered or restricted trade. If governments saw the round in this light, and acted on the assumption that the removal of such barriers and distortions was worthwhile because their own economies would be the principal beneficiaries of such actions, then the round would be a success. The attitudes shown in the language of the first paragraph of the Ministerial Declaration were very different: "liberalization and expansion of trade based on mutual commitments, mutual advantage and overall reciprocity". (Mention of the most-favoured-nation clause was probably the brightest part of that paragraph.) He asked what mutual commitment and mutual advantage could be achieved by medium and small-sized trading nations when they entered negotiations with a large trading nation which had locked-up a disproportionate share of its trade and arrangements outside the GATT. He agreed with the delegate of the EEC on one point he had made about standstill: that it made no sense without also having rollback, and that it was only then that one could move to liberalization. It was difficult and a bit unrealistic to talk only about standstill; one must have standstill and then rollback. But he did not think that the third stage necessarily followed from the second, because once one was into rollback one was surely into liberalization. For that reason, he endorsed wholeheartedly the comments made by other delegations about the importance of standstill. His delegation's third objective would probably be achieved if the other two objectives were achieved, but would also need to be worked towards because of the unfortunate state of affairs to which GATT had come as a result of developments over time. This objective was to restore the principles of the GATT as the centrepiece of international trading arrangements.

The representative of the European Communities said that his delegation was in agreement with the concept of standstill on the condition that it could be the first step in a broader process. If not, if one tried to undertake only standstill, it could freeze unacceptable imbalances. If one started with standstill to permit movement into the second step of rolling-back protective measures, this was welcome but was still not enough: a third stage, negotiated liberalization, was needed. The process as a whole had to be initiated. His delegation could not subscribe to a standstill alone, as past experience had shown that this approach was a failure.

The representative of Switzerland said he had been encouraged insofar as most speakers had voiced an obvious need, and undoubted will, to negotiate and most of them had recognized considerable changes in economic circumstances in the last few decades. However, some speakers, although recognizing the change in the world economy, hesitated to draw the full conclusions necessary. A number of useful statements had been made about the objectives of the intended round, notably by the representative of Jamaica. Many speakers had said that the first objective should be trade

liberalization with a view to greater expansion of trade and increasing the general prosperity. This was a noble theme; one on which agreement was easy in general terms. But looked at more closely, questions arose. When one spoke of achieving greater prosperity and trade expansion throughout the world economy most people actually thought of their own country's economy and trade. One was over-inclined to think of global prosperity and expansion as being a sum of individual gains and prosperity, rather than seeing these as a consequence of general prosperity and general expansion of trade. This approach was bound to have effects on the way problems were dealt with, and might well run counter to the proper implementation of GATT. If countries did not observe immediate effects upon their own prosperity in the proper implementation of the GATT, they would tend to forget this proper implementation, or move away from it, with the unfortunate results that were well known. Another point was that in talking of trade expansion and prosperity, one should at the same time have a clear recognition of the significance of changes in the general economic context. The age of general and spectacular growth was gone, and might not return in the near future. To avoid imbalance, injustice and unacceptable tensions, it was necessary to learn to manage prosperity and acquire the right instruments, including of course multilateral instruments. The adequate instrument for general prosperity was liberalization, and to achieve this a proper legal framework was needed - the General Agreement. That very legal framework and its proper use were now at stake. Revision, adjustment and updating of that framework should be the main objective of the negotiations. These remarks were not trivial: it was necessary to understand the nature of the problems faced if one was to organize the best and most effective approach to, and handling of them. Such an understanding would make it easier to review the various concrete topics or subject matters, to define these in their various chapters, categories and characteristics, and to classify them properly. To sum up, it was his delegation's view that the first objective of negotiations should be to strengthen the multilateral trading system and the foundations upon which it was laid. The General Agreement needed to be updated because of changes in the economic environment. That adjustment could include an extension of the Agreement to new sectors of activity. It should take into account the diversity of situations in which contracting parties might find themselves. He added that the adjustments he had in mind concerned the functioning of GATT as an institution, rather than as an instrument. Such a strengthening of the system would, he hoped, make progress in world trade liberalization possible, to encourage its expansion and thereby greater prosperity of all contracting parties. Lastly, he hoped that during and after the negotiations the CONTRACTING PARTIES could make known their trade policies through GATT, to the outside world in such a way that it could be understood what world economic conditions had to be met to permit an effective world trading system to function. This was the basis on which his delegation wanted to participate in a discussion of subject matters and future modalities of negotiation so that their exact characteristics could be discovered and they could be allocated to bodies that would handle them effectively.

The representative of Colombia said that the most important proposal for a new series of negotiations was liberalization of trade and strengthening of the multilateral international trading system. These objectives could only be achieved through a full application of the work programme of 1982. Another objective was the strengthening of the legal framework of the General Agreement. For that purpose, it was indispensable to see how to improve certain points on which there were no clear indications, such as safeguards and dispute settlement, which were absolutely fundamental for the good functioning of GATT. Any new cycle of negotiations had to consider how to improve access of developing countries to the markets of the developed countries through the full implementation of Part IV of the General Agreement, giving priority to the matters which were of particular interest to those countries. Work on these matters was very far behind. There was a need for political will to fight against protectionism, for a commitment not to establish new measures which were contrary to the General Agreement and to set out a programme of dismantling those existing measures which were not in conformity with the General Agreement. This approach would ensure that the round of negotiations would be favourable to all contracting parties and not only, like the previous negotiations, to the advantage of a few.

The representative of Singapore recalled that the main objectives of the ASEAN in the new round were, firstly, to ensure increased and improved market access for all goods of export interest to the ASEAN; and secondly, to evolve an international trading system arising from the new round which would enhance ASEAN economic and trade growth potential in the twenty-first century. The ASEAN consisted of six developing countries. Within these two objectives, it could be seen that fulfilment and completion of the Work Programme would certainly meet a few of these objectives with regard to the point raised by some delegations. As to whether trade liberalization comes first, or economic growth comes first, he quoted from a recent address to the US Congress by his Prime Minister, who had said: "Let us not forget that protectionism and thus less trade means less growth for the developing countries. This means that the debt burden cannot be discharged. Default may be unavoidable, with incalculable consequences for the international banking system. Even if the banks survive the upheavals, these developing countries will have to abandon all thoughts of liberalization towards plurality and more democratic freedom. Severe or repressive government is the other side of austere or negative economic growth".

The representative of Poland saw two broad categories of objectives that should be discussed at this preparatory stage. One category covered national objectives and the time would come later for a detailed debate on these. At this stage the Group should try to identify and agree on general goals because for the success of any new round, and for its public reception, it was necessary that there was a sufficient degree of public awareness that the participating contracting parties had the widest possible common denominator of jointly shared objectives. In his view there were four such objectives: expansion of world trade through liberalization; elimination of trade discrimination; increased integrity and efficiency of

the system; and effective mitigation of the impact which narrow nationalistic approaches might exert on the multilateral pattern of the GATT. In this process, the fundamental issue to be tackled was the extent to which GATT itself might need to be adapted to the present-day world economy. The GATT was a child of the Bretton Woods system, and the walls around it had changed. The economic doctrines on which GATT was founded also needed to be revised. However, the adaptation of GATT should not be achieved by the short-cut way of liberal recourse to the concept of conditionality of the most-favoured-nation principle, as this would inevitably lead to a disintegration of the multilateral framework. If the GATT system was to survive the new round exercise, it would also have to work on the assumption of an inseparable linkage between trade and the financial-monetary environment. A number of comments made on this issue, particularly by developing countries, had been welcome. As a final remark he noted that by some estimates only one-third of world trade was covered by GATT disciplines. A fundamental question arose: should the aim just be to try to slow down this process, or should there be a more ambitious approach which would help to increase the authority of the system by putting more trade under its effective rules and disciplines?

The representative of Cuba noted that her delegation's position with respect to all the subjects of the various proposals concerning the new round of negotiations was contained in document L/5818. The objectives to be reached through these proposals were the liberalization of trade in goods, and the elimination of trade barriers to the exports of developing countries to the markets of the industrialized countries, as well as the strengthening and improvement of the multilateral trading system. This implied the elimination of trade measures which were discriminatory and of an illegal nature. Among sectors which should have priority treatment were the establishment of a system of safeguards, based on the principle of non-discrimination, and the liberalization of trade in agriculture, guaranteeing the fulfilment of the disciplines of GATT in the field of subsidies so that these should no longer have such a large influence on the interests of the developing countries. Another aspect for consideration was the improvement of the mechanism of dispute settlement so as to incorporate into it elements of interest to the rights of developing countries. The negotiations should be developed according to the provisions of the General Agreement, and should cover the totality of the trade and tariff and non-tariff barriers. They should also ensure the protection and respect of the rights of the developing countries. The proposed negotiations should not represent a step backwards as regards the multilateral nature which GATT should have, nor with respect to the obligations - so far not implemented - of the developed countries to grant special and more favourable treatment to the developing countries. The negotiations should also, by leading to greater access to the markets of the developed countries, and thus to an increase of exports from the developing countries, mitigate to a certain extent the burden of the debt of the already very weak economies of the developing countries.

The representative of Bangladesh agreed with the representative of Egypt that the real task of the Group was to examine subject matter and modalities. On the question of objectives, he felt that those of previous rounds remained essentially the same for any future negotiations, as these objectives had remained largely unfulfilled. This fact was reflected in the Ministerial Declaration of 1982. The basic objectives of the last round remained valid: firstly, expansion and greater liberalization of world trade and improvement and strengthening of the multilateral framework for the conduct of world trade, and secondly, securing additional benefits for the international trade of the developing countries through significant enlargement of access to their goods so as to achieve a higher growth in these countries in our sectors. These basic objectives could be elaborated further by taking into account elements from the GATT Ministerial Work Programme including particularly implementation of the standstill and rollback provisions, improvement of the multilateral safeguards system and of the dispute settlement procedures, and strengthening of the effectiveness of GATT rules. The talks should also aim, within the context of differential treatment to the developing countries, at addressing the special problems of the least-developed among the developing countries and should fully implement the GATT Ministerial Decisions which had provided for specific actions in favour of these countries.

The representative of Korea said that the objectives of the new round should be clear and simple for the strongest possible impact. The first objective should be to promote economic development within every nation, developed and developing, through a timely joint undertaking against the perpetual and recurrent phenomena of protectionism, and through positive steps of liberalization in trade. His second objective was to help accelerate developing countries' development through proper supportive arrangements for their trade. These two objectives should be broad and simple, to serve as the guiding spirit and principle of the new round. But such an undertaking must logically be accompanied by a commitment to standstill at the outset, and by appropriate implementation of rollback during the negotiation, if it were to be credible and effective.

The representative of Canada said that in his country's view the fundamental goals of a new round were to establish a more predictable trading environment, and to enlarge market access in order to help foster sustained economic growth and employment. The rule of law in international trade had to be restored, and the GATT system adapted and updated at the same time as the momentum towards further trade liberalization was restored. Each country's view of the fundamental goals that might be reached might vary, because each had individual priorities and interests. But his delegation believed the pursuit of the objectives established in documents L/5834 and L/5836, as amplified by the discussion that day, could help. The Work Programme as set out by the Ministerial Declaration of 1982 established a number of important priorities in the search for these goals, and those priorities remained highly relevant and could not be set aside. But his delegation firmly believed that to meet these goals and objectives, those priorities must be brought into a new round. His delegation was convinced that meaningful and practical commitments on standstill and rollback could be an integral part of the launching of the MTN. He believed, from listening to the discussion, that the fundamental goals were the same for all.



The representative of India said that the objectives of multilateral trade negotiations could in no way be different from the objectives of the General Agreement, which were already there in the Preamble and in Part IV. They had later found expression in the Tokyo Declaration, particularly in its paragraph 2, and more recently could be found in paragraph 6 of the Ministerial Declaration of 1982. There was no need to follow the eclectic or empirical approach of document Spec(85)45 to identify the objectives. Objectives already existed, as far as contracting parties to the General Agreement were concerned. However, if one were to enumerate objectives, to facilitate the examination of the subject matter and modalities of the proposed new round of MTNs, his delegation would do it as follows: Broadly, improvement of world trade relations could be the only single objective of such negotiations. More particularly, the objectives could be put down as: (a) to build confidence in, and restore credibility to, the multilateral trading system based on the General Agreement; (b) to remove the asymmetry in trade relations between developed and developing countries which had resulted from the non-observance of the General Agreement as a whole; (c) to secure significant enlargement of access for developing countries' exports to the markets of developed countries; (d) to ensure effective protection and enforcement of the rights of developing countries; and (e) to adhere strictly to the principle of differential and more favourable treatment for developing countries, as an integral and inalienable part of the General Agreement. These objectives were all elaborated clearly in the document L/5818. More important than mere enumeration of objectives was setting the correct perspective for the negotiations and following the proper sequence of actions, as elaborated in L/5818. Once a correct perspective and sequence of actions had been set and agreed, delegations could turn to the area of priorities, including the question of a special time-table. The question of concretization of the special and differential treatment in favour of developing countries needed to be tackled if the negotiations were to achieve one of their basic objectives from the point of view of developing countries. In summary, the question of objectives needed to be seen in terms of the correct perspective for the multilateral trade negotiations and the proper sequence of actions in the context of making the multilateral system more credible and more equitable. The question of objectives should not be seen in terms of re-writing the preamble of the Agreement, or of changing its basic structure.

The representative of Israel said that his delegation had declared its support for the new round in the meetings of the Council on 5-6 June and 17-19 July, and continued to hold this view. It was appropriate that the Group should first debate the objectives of such a round. Some had been stressed to a greater or lesser degree such as the improvement of the world trade system or expansion through liberalization. The mandate of the Group clearly said that the Ministerial Declaration should be a guide, and this should be an eminent objective of the negotiations: its paragraph 6 and, even more, paragraph 7 provided sufficient objectives of major importance to one country or another. Important to his delegation was the call to eliminate restrictive trade measures imposed for reasons of a non-economic

character. His delegation would certainly judge the results of any negotiations in the light of the success in this direction. He added that it was not enough to call on the principle of non-discrimination, or to ask for others to comply with obligations: everyone had to look at how far he himself was complying with the basic obligations under the GATT. As to other objectives, the mandate also provided the very important objective of the continued consideration of changes in the trading environment so as to make sure that the GATT is responsive to these changes. GATT could not stick only to objectives which were elaborated thirty or forty years ago.

The representative of New Zealand was encouraged that the objectives he had suggested the previous day for a new round of multilateral trade negotiations had received a fair measure of support. These objectives were to be found in Spec(85)45, and in fuller form in the New Zealand submission in document L/5831. He added, however, two points. The first was that these were objectives for all contracting parties, for concerted action. His delegation had its own national objectives to which it would come to in due course. Secondly, he emphasized that in recalling, the previous day, the basic objectives of the GATT, he had done so to set these alongside the need to take appropriate measures to enable the GATT to respond to new developments in the composition of international commercial transactions. He added that if it was a question of priorities, his Government's first priority would be its long-standing objectives.

The representative of the United States noted that there had been references to better balance of trade and symmetry. In the United States, a better balance of trade would be a very popular notion. As his colleague had pointed out, symmetry is in the eye of the beholder. In any event, these new negotiations had to be in the commercial interests of all countries: that was what multilateralism was all about. He accepted certainly what the representative of India had said that the real objective was to re-establish confidence in the multilateral system. His Government recognized that there were a variety of factors affecting trade, and was doing its best to address them. But the time had now come for the trade area to do its part. His Government's objectives had been put forward in L/5846 and L/5838. The best way to accomplish objectives, and to re-establish confidence in the multilateral system, was through negotiation, to which his delegation was prepared to contribute constructively in the months ahead. In brief, the United States was seeking to strengthen and develop trading rules to better attune them to the current and future trading environment, was seeking to expand the exchange of goods through the reduction of trade barriers and thus to raise standards of living, and to adapt the GATT to address new issues. GATT could not be a static system: one had to look forward, not back. When the GATT was founded, no-one had expected the type of trade growth that had occurred in the last thirty-five years. No-one at that time had expected that GATT would have a standards agreement and other non-tariff measure agreements. To re-establish confidence in the multilateral system, it was necessary to create the best environment for that purpose. To do just that was the purpose of his own and other delegations which were therefore seeking a decision in November as was called for by the Special Session.

The representative of the United Kingdom speaking on behalf of Hong Kong said that Hong Kong was not among the proponents of a new round. In Hong Kong's view, everything that needed to be addressed was already included in the Ministerial Work Programme of 1982, a balanced, negotiated, package which should be worked through to its logical conclusion. However, Hong Kong was not on the other hand an opponent of the new round, and had taken the view that if it got off the ground it should be pursued expeditiously and effectively, with the fullest possible participation by all interested in it. With the initiation of a preparatory process for a proposed new round, it seemed that delegations were now working towards a very specific set of decisions on the logistics or modalities and negotiating parameters for a new round. It is important therefore to focus on substance and try to make steady, discernible progress towards the identification of the common ground and the areas for negotiation. Three objectives for a new round seemed to emerge from the discussions so far, on which agreement should not be difficult. They were first, to promote liberalization of trade, second, to re-vitalize the multilateral trading system and third, to realise the commitments of the 1982 Ministerial Declaration. His delegation supported the continuation and intensification of efforts directed towards the achievement of these objectives. They should form the core of any future trade negotiations and for that reason they perhaps required a little amplification. On the liberalization of trade, he deliberately did not use the word "further" to qualify liberalization since it was not clear than any genuine liberalization had yet taken place: on the contrary, there were many examples of intensification of restraints. What was needed was to commence a process of credible trade liberalization. On the second objective, the re-vitalization of the multilateral system, his delegation underscored the strengthening of adherence to the fundamental principles of the GATT, especially non-discrimination and the m.f.n. principle. Any new round should not become a pretext to try to water down or evade the disciplines of these vital principles. The key core subject was of course safeguards and it had long been a requirement that there should be a proper understanding on the application of safeguards. Some would say that a safeguard agreement would be a prerequisite for the return of textiles to the application of the normal GATT rules. If those who made this suggestion harboured the idea that a selective safeguard arrangement could be negotiated within the GATT, thus making the GATT compatible with the current textiles régime rather than the other way round, it must be stated clearly and firmly at this stage that selective safeguards would be unacceptable within GATT. The only basis for a satisfactory safeguard understanding was non-discrimination and the m.f.n. principle. As for the third objective of realising the commitments of the 1982 Work Programme, the existing work should not be set aside. A new round should not be used as a pretext to slide away from commitments accepted by Ministers in a negotiated package. False linkages should not now be established that would purport to make existing commitments conditional on further concessions not envisaged or required at the time of the conclusion of the 1982 Ministerial Declaration. Priority should now be given to progressing the important outstanding subjects from the Work Programme within, or in a manner compatible with, any new round.

In the view of the representative of Japan, the objectives of the new round were simple and clear. They were succinctly reproduced in the document Spec(85)45. In the background of his delegation's thinking was a sense of urgency with which to deal with the situation where protectionist measures had been growing ever stronger. Solutions should not be sought of a kind that could not be lasting. There was a need to build a viable trading system for the rest of the century, starting now. The new round should therefore have the following basic objectives: first, improvements with a view to re-vitalizing the international trading system based on the GATT principle, and to reversing, before it was too late, the erosion of the non-discriminatory and multilateral principles of the GATT. Second, the reduction and elimination of both tariff and non-tariff barriers to trade. Third, improvement of the environment for the developing countries, taking account of the cumulative shifts in comparative advantage in the world economy. The new round would benefit all countries, and particularly developing countries, by opening up vast opportunities for increased trade, and open trade policies would contribute to optimum distribution of world resources and to the strengthening of economic structures in developing and developed countries alike. The fourth objective should be the adaptation of the GATT to the changes in economic structures, such as expanding trade in services. There should not, of course, be any reduction in the importance of existing issues under the GATT. However, in view of the changing realities of the international trade and economy it was important that GATT should prove its responsiveness to changes in the trading environment.

The representative of Romania said that his delegation shared the views put forward by numerous delegations that afternoon: namely, that the basic objective of the intended negotiations should be the strengthening of the world trade system, as based on the principles and rules of the General Agreement. To that end, four main elements could be proposed as specific objectives. First, the elimination of tariff and non-tariff barriers, including both new and older trade barriers. Second, the strengthening of the non-discrimination principle which was a corner stone of GATT. Third, the specific problems and situation of developing countries. Their trade interests would need to be properly dealt with in the negotiations and in the decisions that would emerge, in conformity to the special and differential treatment applying to those countries. Fourthly, the traditional subject matters, among them those of particular interest to developing countries, should receive priority without any delay, and should not be neglected for the benefit of new subject matters.

The representative of the Philippines associated his delegation with the statement on ASEAN's main objectives in the new round made by the representative of Singapore, speaking for ASEAN delegations. As a contracting party to GATT, his country shared the broad objective of strengthening the multilateral trading system. As a developing country, the Philippines would like the new round to address the restoration of the import capacity of developing countries as a dynamic factor for sustaining the exports of the developed world through improved access for developing countries to the markets of the developed countries. Finally, he would like to see GATT as an efficient and dynamic institution. This could be achieved through a concerted effort on the part of all contracting parties, as well as with the co-operation of the international organizations concerned to meet problems and respond to new challenges as and when necessary.

The representative of Nicaragua said that his country was not one of those that wanted to launch a new round of negotiations. However, it felt that a basic objective of the new round should be the strengthening of GATT as an institution through the implementation of its principles as well as the 1982 Programme of Work. Trade liberalization for the benefit of contracting parties should be the result of dismantling of protectionist barriers. This would make possible an expansion of world trade that would itself enable developing countries to have access to the markets of developed countries. The least appropriate way of preserving the multilateral trade system which rested on the GATT was to restore symmetrical trade relations between developed and developing countries. It was essential to arrive at a true liberalization within the multilateral trade system. This in itself was a condition of the prosperity and well-being of all nations. It was also urgent to restore trust in the GATT, and the credibility of the trade system based on the GATT. In particular the settlement of dispute mechanisms needed to be improved, by introducing greater equity or fair play when it came to protecting the rights of developing countries. The unprecedented prosperity that the rest of the world had enjoyed from 1945 onwards was founded on unprecedented integration of the world economy, and co-operation to achieve progress of trade and international investment. Now that the momentum of world economic development had been broken radically, with a more dramatic slowdown than at any other time since the war, all countries - and especially the more developed and industrialized ones - were tempted to give up co-operation and to attend to their short-term interests and their protection. An increasing number of industrialized developed countries were setting aside the GATT multilateral rules and were signing restrictive discriminatory bilateral agreements which led to greater uncertainty about access to markets. Developing countries had a rôle to play of growing importance in the economy of the world. Many of them had strong productive capacities or were important sellers or buyers on the world market for a broad range of products. This must continue for the countries in question to achieve high levels of development. Often foreign earnings were among the main resources that developing countries had to emerge from their state of under-development. There would be no point in a new undertaking unless a set of rules that had gone against them, and indeed in some cases seemed to destroy them, were replaced by a different system, adapted to their own interests. His delegation fully supported document L/5818, which embodied the position of developing countries, and supported the corresponding portions of document Spec(85)45.

The representative of Malaysia said that his delegation fully subscribed to what had been said about the main objectives for ASEAN for this new round. He noted, however, that most if not all contracting parties had spoken as if GATT had failed them. He thought it was the other way round: the contracting parties had failed GATT. They had not been fair to GATT, or to each other. The main objective in the new round was therefore to be honest that they really wanted to strengthen the multilateral trading system, to have an open trading system, to have trade liberalization. They should be honest on the need for standstill and rollback, and that developed contracting parties really attached importance to special and differential treatment for developing countries. If contracting parties were honest to the letter in what they were saying, all these objectives would be fulfilled, and it was their credibility - not GATT's - that would be saved.

The Chairman said he would not sum up what had been a very ample, enlightening and useful discussion. He thought it important considering the time-table within which the Group was working, that the Group might perhaps invite the secretariat to prepare a record of the matters which have been discussed under each point, instead of trying to make a summing-up of the meeting. This list of subjects would not be a formal document but would be prepared under the responsibility of the secretariat. Its main purpose would be to help delegations to be able to follow at any point the thread of discussions, and logically this would also help in preparing the Group's report.