AGRICULTURE

Communication from New Zealand

The following communication has been received from the delegation of New Zealand.

The following are New Zealand's views on the essential elements of a Ministerial Declaration and Programme of Work relating to agricultural products:

(i) It should have a clearly stated political orientation;

(ii) It should comprise concise and realistic tasks;

(iii) It should be conducted within specified time frames;

(iv) It should lead the way to the better application of GATT, including part IV, and the development of improved GATT rules and opportunities for agriculture.

Political Orientation

A programme of work without a clearly stated political objective is unlikely to lead to meaningful progress. We consider that paragraph (f) of Prepcom/W/26/Rev.1 provides a basis for developing appropriate language to put before Ministers. In this we would not be starting from scratch. The concept of equitable treatment for agriculture has been the focus of the work and consultations on agriculture in the CG 18. What we are proposing is a natural extension of that work. The political declaration will need to take account also of the pressing urgent concerns of countries involved in international trade in agriculture. These concerns include the existence and threat of intensified import restrictions, and the impact on conditions of competition in international markets from exports of products heavily supported by direct Government assistance measures. Ministers are certain to want to register their concern regarding these problems in the Ministerial Declaration.

Tasks

In our view, the agriculture work programme should comprise the following tasks:

A It should provide for a review of Article 16 and the relevant provisions of the code on subsidies relating to the use of subsidies on the export of agricultural products.
Other relevant practices (eg. non-commercial transactions) which can distort trade or cause serious prejudice in the sense of Article 16, should also be covered.

The objective should be to seek mutually satisfactory solutions, through improved GATT rules and disciplines, to the problems caused by subsidisation seriously prejudicial to the trade or interests of contracting parties.

We believe that this work should be conducted on a priority basis.

B Secondly, we propose that national policies and measures affecting trade in agriculture should be subjected to a process of multilateral examination and consultation in the light of existing GATT rights and obligations.

As part of this examination, and as a first stage, the objectives would be to explore the opportunities for contracting parties making further progress in fulfilling their obligations under the General Agreement. An integral part of this work would be to examine policies and measures that are the subject of waivers or other exceptions to GATT, or which are not adequately or expressly covered in the General Agreement.

In a further stage of this process, we propose that consideration should be given to

(i) the scope for developing improved rules and disciplines of general application to all aspects of national policies and measures having a significant effect on trade in agriculture;

(ii) The possibilities for developing a mutually acceptable basis for a balanced reduction in protectionism and a liberalisation of trade in agriculture.

How this work is carried out is a matter for consideration once questions of substance are settled. A committee on agriculture would be appropriate in our view. There would also be merit in consideration being given to setting up a small group, free from the constraints of officialdom, to act as a pathfinder in one or two of the more difficult areas (such as export support measures) and to provide the stimulus that committees of officials are sometimes found to lack.