

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

Spec(84)2/Add.9
13 January 1984

Committee on Trade in Agriculture

DRAFT MINUTES OF THE MEETINGS HELD FROM
4 TO 13 OCTOBER AND FROM
28 TO 30 NOVEMBER 1983

Addendum

Progress report

Further work

Progress report

1. When closing the session on 13 October 1983, the Chairman suggested to submit a progress report to the Council and the CONTRACTING PARTIES, with the following content:

(i) The Committee has held three meetings, in March, June and October 1983. At its first meeting in March 1983, the Committee adopted its Programme of Work, which has been circulated in document AG/1 (see Annex I). At a second meeting in June 1983, the Committee elected as its Chairman Mr. Aert de Zeeuw (Netherlands), confirmed its work programme and discussed problems related to the establishment of documentation and the organization of work at its third meeting.

(ii) The Committee entered into work on substantial matters at its third meeting, held from 4 to 13 October 1983. It carried out the examination of trade measures affecting market access and supplies, including those maintained under exceptions or derogations (Exercise A) for the following 23 countries and the European Communities, for which adequate information had been submitted as agreed when adopting the Programme of Work: Argentina, Australia, Austria, Bangladesh, Canada, Chile, Colombia, Finland, Hungary, Japan, Kenya, New Zealand, Nigeria, Norway, Pakistan, Peru, Philippines, South Africa, Spain, Sweden, Switzerland, United States, and Yugoslavia.

(iii) The discussion brought out some major deficiencies in the information submitted. It would therefore be desirable for the secretariat to act to improve that information, in particular by including in the tables all relevant information to be found scattered in various GATT papers. That however would be a long-term routine exercise which would not require establishing a special time-table. It is noted that the up-dating and completion of the agricultural documentation, the AG/DOC/-series, will be continued according to already established procedures (AG/1, paragraph 2).

(iv) The cross-examination of trading policies very clearly demonstrated a well-known phenomenon, namely that the contracting parties have all had recourse to a more or less broad range of restrictive practices, affecting both imports and exports. The perception which governments have of such restrictive measures is, broadly speaking, that their rights under the GATT permit them to take such measures. Provision of Article XI, XVI, XVII, XX and XXIV, "grandfather" clauses, legislation predating accession to the General Agreement or waivers have been frequently invoked to justify their action. It seems fairly clear that in many cases views differed as to the perception of the use of such rights under the GATT, either because of a different interpretation of GATT provisions or because it was felt that the use being made of certain of those provisions might substantially disrupt the balance of rights and obligations deriving from the General Agreement. In its preparation for the March meeting the secretariat should keep this aspect of the discussions in mind.

(v) The Committee decided to examine trade measures of other countries, for which the necessary information had not yet been available, at a meeting to be held from 28 November to 2 December 1983, and to conclude Exercise A at that meeting, if possible. The Chairman urged the delegations of those countries to take the necessary steps as a matter of urgency to have the required documentation submitted as soon as possible and not later than 7 November 1983.

(vi) Furthermore, the Committee has also started its examination of the operation of the General Agreement as regards subsidies, especially export subsidies, including other forms of export assistance (Exercise B), mainly on the basis of a note by the secretariat (AG/W/4).

(vii) The discussion revealed that the frequent and extended application of subsidies had caused problems to the trade in agricultural products, but the Committee recognized that it was difficult to assess the impact this has had on the trade.

(viii) A general opinion was prevailing in the Committee that any subsidy, including any form of income or price support, which operate directly or indirectly to increase exports or to reduce imports should be more extensively notified; that these notifications should be subject to regular review and that it might be necessary to reshape the questionnaire adopted by the CONTRACTING PARTIES in 1960. It was recognized, however, that some difference of view was still persisting with respect to product coverage and the measures to be included in such notifications. Views were also divergent with respect to the interpretation and application of other provisions of the General Agreement regarding subsidies, notably those contained in Article XVI, and the Committee decided to pursue further its discussion on such matters, inter alia, the obligation to discuss the possibility of limiting subsidization, and the notions "more than equitable share", "special factors" and "primary products".

(ix) The work on Exercise B may possibly be pursued further at the meeting in November, but will definitely be continued at the meeting scheduled for March 1984. The Committee intends in any case to complete both the examination of trade measures affecting market access and supplies, including those maintained under exceptions or derogations (Exercise A) and the examination of the operation of the General Agreement as regards subsidies, especially export subsidies, including other forms of export assistance (Exercise B) at its meeting in March 1984. It will also in March give preliminary consideration to conclusions to be drawn from the examinations. The Committee intends to elaborate its conclusions and recommendations, at meetings in May and June 1984 and subsequently adopt its final report to be submitted to the Council and the CONTRACTING PARTIES for consideration at their 1984 Session.

2. The Committee accepted the suggestion by the Chairman, and authorized him to make, on his own responsibility, a progress report to the Council and the CONTRACTING PARTIES. (The progress report has been circulated in L/5563.)

Further work

1. When closing the session of the Committee on 30 November 1983, the Chairman made the following suggestions with respect to further work:

(i) The secretariat is invited to prepare a report on the Committee's discussions so far, highlighting the essential aspects which have emerged from the debate, and have it distributed by 15 February 1984. This document will form the basis for the Committee's work at its meeting in March 1984.

(ii) The Committee will also have an opportunity to revert to any remaining problems relating to the notifications, including reverse notifications which may have been submitted by then.

(iii) The next meeting of the Committee will begin on 5 March 1984 as previously agreed and will be continued for as long as is necessary.

(iv) The Chairman intends to convene a meeting of the Committee at senior policy level on 2 to 4 April 1984. Delegations which intend to attend the meeting at such a level are invited to advise the Secretariat accordingly at an early date.

2. The Committee accepted the suggestions made by the Chairman regarding further work. (The decision has been circulated in AG/3.)