

EUROPEAN PARLIAMENT

Working Documents

1979 - 1980

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DOCUMENT 1-561/79

Motion for a Resolution ⁽¹⁾

tabled by Sir Fred CATHERWOOD

on behalf of the Committee on External Economic Relations

**on the conclusion by the European Communities of the GATT
multilateral trade negotiations (Tokyo Round)**

⁽¹⁾ Adopted 29 November 1979 with 1 against and 3 abstentions.

Present:

Sir Fred Catherwood (chairman and rapporteur), Mrs Wieczorek-Zeul (1st vice-chairman), Mr van Aerssen (2nd vice-chairman), Mr Seal (3rd vice-chairman), Mrs Agnelli, Mr Almirante, Mr de Courcy Ling, Mr Jonker, Mr Kellett-Bowman, Mrs Lenz, Mr Louwes, Mr Majonica, Mr Martinet, Mrs Poirier, Mr Prout (deputizing for Sir John Stewart-Clark), Mrs Rabbethge (deputizing for Mr Lemmer), Mr Radoux, Mr Schmitt, Mr Seeler, and Mr Welsh

The European Parliament,

- having regard to the Council memorandum forwarded on 16 June 1979 to the relevant committees of the European Parliament (PE 59.337);
- having regard to the communication from the Commission to the Council containing the final report on the GATT multilateral trade negotiations in Geneva (Tokyo Round) and the proposal for a Council decision (COM(79) 514 final);
- having regard to the information given to its relevant committees by the President-in-Office of the Council on 21 November 1979,
- having regard to its resolutions on the course of the GATT negotiations¹,

1. Stresses that, although the European Parliament has followed the GATT negotiations very closely since 1973, the new Members of the directly elected Parliament have not debated the results obtained in detail; points out, therefore, that the following observations are made subject to this reservation;

Outcome of the GATT negotiations

2. Notes that in the tariff and non-tariff fields the following definite multilateral agreements and conventions were concluded:
 - the Geneva Protocol (1979) on tariff concessions,
 - the agreement on technical barriers to trade (technical specifications),
 - the agreement on government procurement,
 - the agreement on the interpretation and application of Articles VI, XVI and XXIII of the General Agreement (subsidies and countervailing duties),
 - the agreement on the implementation of Article VI of the General Agreement (dumping),
 - the agreement on import licensing procedures,
 - the agreement on the implementation of Article VII of the General Agreement (customs valuation),
 - the agreement on measures to discourage the importation of counterfeit goods,

¹OJ No. C 157, 14.7.1975, p.26

OJ No. C 163, 10.7.1978, p.57 et seq.

- the agreement on trade in civil aircraft, and
 - the international agreements on beef and veal and dairy products;
3. Notes further that agreement was reached on a number of texts designed to improve the international framework for the conduct of world trade and that in addition a number of bilateral agreements in the form of an exchange of letters and relating in particular to the agricultural sector were concluded by the Community with major trading partners;
4. Acknowledges the scale of the efforts made by the representatives of the Community's institutions and welcomes the fact that the Community's objectives and the wishes expressed in Parliament's resolutions on these GATT negotiations in important sectors were attained or met, in particular in the following areas:
- the overall 29% tariff reduction, the gradual implementation of which will enable structural adjustments to be made in the economic sectors of the Community affected, together with a review of the measures taken by third countries,
 - the balance and harmonization effect on the various tariffs levied worldwide produced by the formula agreed for tariff reductions,
 - the adoption of codes destined to reduce non-tariff barriers to trade;
 - the international agreements reached at least in two important areas of the agricultural sector (beef and veal and dairy products), the equally important bilateral agreements and above all the maintenance of the principles of the common agricultural policy,
 - the consideration for the developing countries demonstrated in the Community decisions on tropical products, with flexible special arrangements for the application of the various codes and with an adjustment of the legal framework for the conduct of world trade to meet the needs of those countries, while noting with regret that in some fields the results of GATT do not seem to be acceptable to developing countries;

5. Emphasizes the principle of reciprocity and balance, especially vis-à-vis the other industrialized nations, and calls on the Commission to monitor closely and ensure implementation of measures taken by the other major trading partners in respect of the tariff reductions and the application of the Codes;
6. While welcoming the overall success of the multilateral trade negotiations, Parliament regrets the low reductions in certain areas, such as textiles, where other industrialized states maintain extremely high tariffs and urges the Council and Commission to spare no endeavours to reach urgent and satisfactory agreements to protect the textile producers of the Community from cheap imports which benefit from concealed subsidies in the form of regulation of oil and gas prices;
7. Regrets that, despite their increasing share in world trade, the state-trading countries made no reciprocal concessions during the GATT negotiations, with the result that they will benefit from the negotiated tariff reductions without offering anything in return, and hopes, therefore, that an EEC-COMECON framework agreement will soon be concluded so that balanced trade arrangements can at last be achieved in commercial agreements concluded with state-trading countries;
8. Points out that in the important issue of a selective application of the safeguard clause contained in the General Agreement (Article XIX), the negotiations have as yet led to no concrete results and that an early solution to this problem must be found as a matter of urgency so as to afford the Community's economy effective protection and charges its relevant committees to consider this matter;
9. Attaches great importance to the texts relating to improvements in the legal framework for the conduct of world trade and urges that they be put into effect as soon as possible; and that GATT strengthens its monitoring and management capacity in order to anticipate disputes and settle them more quickly;
10. Regrets that it proved impossible to conclude any other international agreements on agricultural products, in particular cereals, and, in this context, calls on the Community institutions, in view of the desirability of market stability and the worldwide food problems, to urge the Preparatory Committee to work to conclude a new International Cereals Agreement which will enable a contribution to be made towards achieving a satisfactory balance on the world market and towards relieving the sufferings of the people affected;

Basic trade and economic issues

11. Hopes that, when future trade agreements are being concluded, greater account will be taken of their effects on the labour market in the Member States of the Community which should not be subject to rapid disruption;
12. Stresses once again that the Community can only retain its position in world trade if it introduces a common industrial policy and undertakes without delay the structural adjustments required for it to safeguard its level of employment and remain competitive;
13. Calls on the Community institutions to press for the worldwide harmonization of the various systems of generalized preferences and in so doing that in future they benefit the least developed countries to an even greater extent;
14. Notes that the outcome of the GATT negotiations may guarantee the regular flow of world trade and produce certain adjustments to cope with new patterns of trade, but that the more radical problems dividing not only north from south but also east from west can only be tackled by the establishment of a coherent Community Trade Policy which takes account of the separate circumstances of the developed, newly industrialized, state-trading and developing countries;
15. Emphasizes that agreements concluded during the GATT negotiations will work satisfactorily only if measures are taken to reform the international monetary system;

Procedure to be followed for the conclusion of the GATT agreements

16. Notes that the results of the GATT negotiations and the appropriate implementing measures must be ratified and approved respectively by the parliaments of the other major trading partners, but that the Community will no longer refer these matters to the parliaments of the Member States; points out moreover, that the legal bases for the requisite Community measures and decisions for the conclusion of the GATT negotiations are contained in Article 113 of the EEC Treaty and Article 72 of the ECSC Treaty and consequently fall entirely within the powers of the Community;

17. Instructs its competent committees to draw up and submit to it proposals for the participation of the European Parliament in future trade negotiations and for a procedure for the formal ratification of future trade agreements by the European Parliament;
18. Instructs its President to forward this resolution, containing its agreement to the conclusion of the GATT negotiations subject to the aforementioned reservations, to the Council of the European Communities.

