GATT ACTIVITIES IN 1972

GATT Intensifies Preparations for the Forthcoming Negotiations

The multilateral trade negotiations that are to open under the auspices of GATT toward the end of this year provide the main focus of "GATT activities in 1972", just published.

These negotiations, the GATT secretariat's report suggests, "will affect critically the economic and political relations among the developed countries, and between the developed and the developing world. They are capable of influencing the living standards of the whole of mankind". The secretariat points out, however, that "the prospect of multilateral negotiations does not mean that the frictions and the protectionist tendencies of the past five years have vanished. They have not. Evidence of this is to be found in the numerous trade problems raised in GATT in 1972. Nor does it mean that the great changes taking place in conditions of trade and trade relationships have ceased to weigh heavily on the multilateral trade system and the existing rules."

"Nevertheless, a crucial step toward meeting these challenges has been taken. The best way to overcome the problems confronting the international trading community is to negotiate about them".

The report also refers at some length to another of the numerous matters before the GATT in 1972 - the enlargement of the European Economic Community.

1Obtainable from the GATT secretariat. Price US$2.50 or Sw.Fr. 7.50.
Preparations for the new multilateral trade negotiations

Following the publication in early February 1972 of two similar declarations—one by the United States and Japan, the other by the United States and the European Economic Community—calling for "a comprehensive review of international economic relations", at a meeting of the GATT Council in March 1972 a large number of member countries announced their intention of initiating multilateral trade negotiations in 1973.

This firm prospect gave a new orientation to the preparatory work under a programme whose timetable for completion had until then been unclear. The immediate aim was to bring out the advantages and disadvantages of techniques which might be used. The study thus carried out, "although not exhaustive at this stage, reveals that a wide range of means will be available to governments for reducing or eliminating the effects of customs duties in international trade".

The techniques examined which could be used for reducing or eliminating the effects of tariffs applied on industrial products may be arranged under a number of heads: the "product-by-product" technique; continuance of the reductions resulting from the Kennedy Round; duty-free trade in industrial products; elimination of low customs duties; across-the-board or linear reduction of customs duties; tariff harmonization; and combinations of the above techniques. In addition, the study has covered the sectoral approach.

In the non-tariff field, satisfactory progress was made in 1972 in the search for ad referendum solutions for a number of specific barriers. In view of the good progress made, additional non-tariff barriers were added to the list of those already examined.

In the agricultural sector, the technical preparations for the coming negotiations are also well advanced. The techniques and modalities examined may be grouped under four broad headings: specific measures (export aids, tariffs, levies, etc.), general measures (international stabilization arrangements, codes of good conduct, etc.), common criteria for assessment (self-sufficiency ratios and support margins), and combinations of techniques.

The work has also included a study of safeguard provisions at present available under the GATT. This study is being pursued.

An important measure of agreement has been reached on the broad aims of the coming multilateral negotiations as far as they concern developing countries. Particular encouragement has been given to the active involvement of these countries in the preparations for the negotiations. The GATT Secretariat is, on request, providing technical assistance to enable developing countries, whether or not members of GATT, to be fully prepared for the negotiations.

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1 i.e. subject to government approval.
Examination of the new European arrangements

"The most significant moves toward regional trade integration to be made since the establishment, at the end of the nineteen-fifties, of the European Economic Community and the European Free Trade Association were agreed during 1972 and will take place in 1973" notes the GATT secretariat. All the countries concerned are GATT members, and the GATT secretariat emphasizes in its report that because of the far-reaching nature of the new European arrangements, "the consequent GATT examinations represent a heavy and complex task. It is also a task of great importance. The countries involved are major trading partners of all GATT members, and the interests at stake are correspondingly large".

As far as concerns the enlargement of the European Economic Community by the accession of the United Kingdom, Ireland and Denmark, a special GATT working group has been given the task of examining the compatibility of the provisions of the treaties of accession with the requirements of Article XXIV of the General Agreement. During 1972 the group's work was mainly concerned with assembling the extremely complex documentation needed. The secretariat's report also explains why the renegotiations under Article XXIV:6 are necessary.