GENERAL AGREEMENT ON TARIFFS AND TRADE

Fifteenth Session of the CONTRACTING PARTIES

SURVEY OF THE FIFTEENTH SESSION OF THE CONTRACTING PARTIES

TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The fifteenth session of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade was held at Tokyo from 26 October to 20 November 1959.

OFFICERS

During the fifteenth session the Chairman was Mr. Fernando Garcia Oldini, Chile, who assumed that office at the close of the thirteenth session, in November 1958.

At the close of the fifteenth session the CONTRACTING PARTIES elected Mr. E.P. Barbosa da Silva, Brazil, as Chairman, and Mr. T. Haguiwara, Japan, and Mr. W.P.H. van Oorschot as Vice-Chairmen. They will hold office until the end of the last session in 1960.

OPENING OF THE SESSION

The session was opened with an address of welcome by Mr. Nobusuke Kishi, Prime Minister of Japan (GATT/459). This was followed by the opening address by the Chairman of the CONTRACTING PARTIES, Mr. Fernando Garcia Oldini in which he reviewed recent trends in international trade, and dealt with various aspects of the work of the CONTRACTING PARTIES to be undertaken during the session (GATT/460).

MEETING OF MINISTERIAL REPRESENTATIVES

The first three days of the fifteenth session were devoted to an exchange of views between Ministerial representatives of contracting parties. At the conclusion a communiqué was published (GATT/461):

Improved Economic Situation

The Ministers took note with satisfaction of the improved economic situation which, they felt, opened the door to a further significant advance in international trade and provided an opportunity for substantial progress in furthering the objectives of the General Agreement.

1 The CONTRACTING PARTIES to the Agreement, together with other governments and inter-governmental agencies which were represented at the fifteenth session, are listed on the final page of this release.
Need to Dismantle Discriminatory Import Restrictions

The Ministers welcomed the action taken during the past year by certain countries to make their currencies convertible for non-residents. They agreed that, as a result of this development, there was no longer any justification on balance of payments grounds, for discriminatory restrictions by countries whose export earnings were largely in convertible currencies and noted the measures already taken by a number of countries to reduce discrimination; the Ministers took particular account of the recent decision of the International Monetary Fund on discrimination. They recognized that where such discriminating restrictions had been in force for a long time, a reasonable but short period might be needed before they could be eliminated fully. They also considered that rapid progress could now be made in the elimination of all quantitative restrictions on imports by countries no longer experiencing balance of payments difficulties.

GATT Programme for Trade Expansion

The Ministers also felt that the present favourable climate of international trade made it important to press on with the GATT programme for trade expansion, that is to say (a) arrangements for the 1960/61 Tariff Conference should be rapidly completed due account being taken of the suggestions put forward in the course of the discussion, (b) the examination of the ways and means of expanding international trade in agricultural products and of reducing agricultural protectionism should be energetically pursued and (c) the search for practical steps to help the less-developed countries to increase their export earnings should be intensified.

Assistance for Less-Developed Countries

Throughout the discussions great emphasis was laid on the importance of every effort being made to help the less-developed countries which have not shared fully in the improvement of economic conditions. It was pointed out that increased export earnings by these countries are essential to help them to develop and diversify their economies, and thus to reduce their vulnerability to short-term fluctuations in primary commodity prices.

Exports of Manufactured Goods from Low-Cost Producers

In the course of the Ministerial discussions, reference was frequently made to the possible disruptive effect of a sharp increase in exports of manufactured goods from countries where the cost of production is substantially lower than that prevailing in the importing countries. It was generally recognized that, although this may in certain instances create serious economic and social problems in the importing countries, it was essential to adopt liberal rather than restrictive policies to overcome those difficulties.
Regional Economic Arrangements

In reference to the European Economic Community and to other regional economic arrangements, such as the proposals for a free trade association among seven countries in Western Europe and the plans for economic integration in Latin America, the Ministers agreed that such groupings had to take full account of the trade interests of other countries and to pursue outward-looking policies in accordance with the principles and objectives of the General Agreement.

Increasing Membership of GATT

The Ministers expressed their satisfaction at the increasing membership of the GATT and at the arrangements which had already been made or are proposed for bringing Yugoslavia and Poland into closer association with the CONTRACTING PARTIES. This, they considered, was evidence of the increasing recognition throughout the world of the important role played by the GATT in matters relating to international trade policy.

Venue of the Fifteenth Session

The Ministerial representatives joined in expressing satisfaction that the fifteenth session of the CONTRACTING PARTIES was being held in an Asian capital. This was the first such meeting since the foundation of the organization. The Ministerial representatives were also unanimous in their appreciation of the generosity and hospitality of the Japanese Government and of the great effort which had been made to provide such excellent facilities for the work of the conference.

During the meeting of Ministerial representatives the Chairman was Mr. Aiichiro Fujiyama, Minister for Foreign Affairs of Japan. The following representatives made statements, which were issued in full to the press:

The Hon. Douglas Dillon
Under-Secretary of State
United States
Spec(59)222

Dr. the Hon. N. Diederichs
Minister for Economic Affairs
Union of South Africa
Spec(59)220

H.E. Mr. Giovanni Spagnolli
Senator
Under-Secretary of State to the Ministry of Foreign Trade
Italy
Spec(59)213

Mr. Herman Kling
Minister without portfolio
Sweden
Spec(59)217

Dr. Fritz Bock
Minister for Trade and Reconstruction
Austria
Spec(59)221

Mr. Aiichiro Fujiyama
Minister for Foreign Affairs
Japan
Spec(59)226

The Hon. Leon Balcer
Solicitor-General
Canada
Spec(59)223

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<tr>
<td>Mr. Jens Otto Krag</td>
<td>Minister for Foreign Affairs</td>
<td>Denmark</td>
<td>Spec(59)228</td>
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<tr>
<td>Mr. Leonidas Dertilis</td>
<td>Minister for Commerce</td>
<td>Greece</td>
<td>Spec(59)227</td>
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<td>Mr. Max Flechet</td>
<td>Secretary of State for Economic Affairs</td>
<td>France</td>
<td>Spec(59)232</td>
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<tr>
<td>The Hon. Ray Boord</td>
<td>Minister for Customs</td>
<td>New Zealand</td>
<td>Spec(59)233</td>
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<tr>
<td>Mr. Paul Lehtosalo</td>
<td>Second Minister for Finance and Minister of State</td>
<td>Finland</td>
<td>Spec(59)234</td>
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<tr>
<td>Mr. Pinhas Sapir</td>
<td>Minister for Commerce and Industry</td>
<td>Israel</td>
<td>Spec(59)230</td>
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<tr>
<td>Sir John Crawford</td>
<td>Secretary, Department of Trade</td>
<td>Australia</td>
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<td>Dr. L. Westrick</td>
<td>Secretary of State, Federal Ministry of Economics</td>
<td>Federal Republic of Germany</td>
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<td>Mr. Th. Hijzen</td>
<td>Director of External Relations</td>
<td>European Economic Community</td>
<td>Spec(59)225</td>
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<tr>
<td>Mr. Max de la Fuente Locker</td>
<td>Ambassador, Permanent Representative to the international organizations in Geneva</td>
<td>Peru</td>
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<tr>
<td>Mr. Jaroslav Kohout</td>
<td>Deputy Minister for Foreign Trade</td>
<td>Czechoslovakia</td>
<td>Spec(59)246</td>
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<td>Shri Nityanand Kanungo</td>
<td>Minister of Trade</td>
<td>India</td>
<td>Spec(59)261</td>
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<tr>
<td>Sir Paul Gore-Booth</td>
<td>Under-Secretary of State for Foreign Affairs</td>
<td>United Kingdom</td>
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<tr>
<td>Sir Deepal Susanta de Fonseka</td>
<td>Ambassador Extraordinary and Plenipotentiary to Japan</td>
<td>Ceylon</td>
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<td>Inche Mohamad Khir Johari</td>
<td>Acting Minister</td>
<td>Malaya</td>
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<td>The Hon. P.K.K. Quaidoo</td>
<td>Minister for Commerce and Industry</td>
<td>Ghana</td>
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<td>Mr. Eng Hun</td>
<td>Minister of Commerce and Finance</td>
<td>Cambodia</td>
<td>Spec(59)216</td>
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<td>Mr. Ljubo Babic</td>
<td>President of the Committee for Foreign Trade</td>
<td>Yugoslavia</td>
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<tr>
<td>Dr. W.P.H. van Oorschot</td>
<td>Director-General of Foreign Economic Relations</td>
<td>Kingdom of the Netherlands</td>
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<td>Thiri Pyanchi U Sein Kyi</td>
<td>Secretary, Ministry of Trade Development</td>
<td>Burma</td>
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<td>Mr. Albert Weitnauer</td>
<td>Delegate of the Federal Council, in charge of commercial agreements</td>
<td>Switzerland</td>
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<td>Mr. Eigil Nygaard</td>
<td>Ambassador Extraordinary and Plenipotentiary to Japan</td>
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<td>Mr. A. Lonnoy</td>
<td>Minister Plenipotentiary Ministry of Foreign Affairs</td>
<td>Belgium</td>
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<td>Mr. Edmundo Penna Barbosa da Silva</td>
<td>Head of the Economic Department, Ministry of Foreign Affairs</td>
<td>Brazil</td>
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<td>Mr. V. Asiroglu</td>
<td>Deputy Director-General Department of International Economic Affairs</td>
<td>Turkey</td>
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<td>Mr. Mohammed Ali</td>
<td>Ambassador Extraordinary and Plenipotentiary to Japan</td>
<td>Pakistan</td>
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<tr>
<td>H.E. Dr. R.A. Asmaun</td>
<td>Ambassador Extraordinary and Plenipotentiary to Japan</td>
<td>Indonesia</td>
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<tr>
<td>Mr. Roberto Suarez Barros</td>
<td>Ambassador Extraordinary and Plenipotentiary to Japan</td>
<td>Chile</td>
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<tr>
<td>The Hon. Zanna Dipcharima, M.H.R.</td>
<td>Federal Minister of Commerce and Industry</td>
<td>Nigeria</td>
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CHAIRMAN'S SURVEY OF THE SESSION

The following is a summary of the remarks of the Chairman of the Contracting Parties, Mr. Fernando Garcia Ol'ini, at the close of the fifteenth session of the Contracting Parties, on 20 November 1959:

This session has marked the end of the exceptional post-war conditions which led to the widespread use of quantitative restrictions applied under Article XII for balance of payments reasons and of the discriminatory application of these restrictions under Article XIV. Governments have given careful thought to the trade implications of the convertibility moves of last winter, and have drawn the appropriate conclusions. Governments have at this session firmly declared their intention of proceeding to the dismantling of restrictions which the improvement in the financial situation makes both logical and appropriate. These decisions moreover demonstrate the determination of the governments concerned to move forward resolutely in fulfilment of the obligations they have assumed as contracting parties to the General Agreement.

It has been generally recognized that a resumption of the growth of national economies depends upon a further advance towards the expansion of international trade. In these circumstances the CONTRACTING PARTIES can congratulate themselves on their foresight in preparing the way for such an advance by commissioning the Haberler Report and then upon the basis of the consideration of that Report, in launching the programme for trade expansion. The programme for trade expansion represents an important advance in our work since, in addition to tariff negotiations, we are giving importance to efforts to find solutions to problems of trade in agricultural and food products as well as with the fundamental and urgent question of the expansion of export earnings of the less-developed countries. We have arranged for the Government of Tunisia to enter into tariff negotiations with contracting parties with a view to accession, and we have accorded to Tunisia the status of having acceded provisionally pending the conclusion of the negotiations during the 1960-61 tariff conference. The Declaration on relations with Yugoslavia has entered into force and that country has taken its place at our table and now participates fully in our sessions. We have also concluded an arrangement which should lead to a closer association with Poland. Further, we have also heard that the Government of the Argentine is seriously studying the possibility of seeking early accession to the General Agreement.

We have been advised of two further moves in the direction of regional integration: the proposed European Free Trade Association and the Free Trade Area of the southern States of Latin America. In the early future we shall be examining in detail the Treaties providing for these arrangements. In the meantime we can take satisfaction from the fact that the spokesmen for the countries engaged in these negotiations have repeatedly confirmed their desire that these arrangements shall contribute to the expansion of trade generally and fully conform to the letter and spirit of Article XXIV.

Discussions have taken place about another complex problem, namely the problem of the avoidance of marked disruption caused by sharp increases in imports, over a brief period of time and in a narrow range of commodities. We have decided to consider this matter as one of particular urgency and to
put it on the agenda of our next session.

We now enter into a new and decisive phase of our work. Many problems which have been hidden from view behind the facade of balance of payments restrictions have now come to the forefront and will have to be faced. Fortunately the CONTRACTING PARTIES have over the years built up techniques and procedures which are well adapted for dealing with these problems.

Faced with a wide variety of complex problems the CONTRACTING PARTIES must ensure that they do not fail in their task for lack of adequate organizational and administrative arrangements. They have decided to take up this matter at the next session on the basis of a report to be prepared by the present officers and the officers elected for next year, in consultation with the Executive Secretary.

PROGRAMME FOR EXPANSION OF INTERNATIONAL TRADE

At the thirteenth session, in November 1958, following the discussions in which a number of trade ministers took part - discussions which were based largely on the Haberler Report - the CONTRACTING PARTIES decided to formulate a co-ordinated programme of action directed towards the further expansion of international trade and they established three Committees to carry out the programme.

Committee I was to examine the possibility of arranging a further general round of multilateral tariff negotiations within the frame-work of the GATT. The work of Committee II covered the agricultural policies of Member governments and in particular it was charged with examining the effects of agricultural protectionist measures on international trade. Committee III had before it the broad problem of the difficulties which face the less-developed countries in expanding their export trade with the rest of the world, thus enabling them to earn the income necessary to promote their economic development.

Committee I

At the fourteenth session the Contracting Parties, on the basis of the first report of the Committee, decided to convene a tariff conference beginning in September 1960. They also agreed on the various types of negotiations which should be conducted in the course of the conference and on its timing.

At the fifteenth session the Contracting Parties adopted the rules and procedures for the forthcoming tariff conference. In order to provide for the interests of agricultural exporting countries and less developed countries the rules permit negotiations to be undertaken regarding non-tariff barriers to trade such as subsidies (which operate directly or indirectly to reduce imports), and internal taxes. However the acceptance of these rules by the Contracting Parties does not imply obligation by any contracting party to undertake negotiations on non-tariff items. The representative of the Commission of the European Economic Community and other delegations made it clear that the Commission will negotiate only for tariff concessions during the 1961 tariff conference.
Committee II

Committee II adopted a plan for regular consultations with all contracting parties about their agricultural policies. These consultations are focussed on the effects of agricultural policies on international trade. Each contracting party consults in its turn and there is, first, an examination of its general agricultural policy followed by more detailed discussion of its policies in relation to specific commodities.

In September 1959 consultations were held with the first group of countries, namely, Australia, the Netherlands, Switzerland, the Union of South Africa and the United Kingdom. Consultations were held with a second group of countries, namely Burma, Ceylon, Indonesia, Malaya and the Federation of Rhodesia and Nyasaland, at the Tokyo session.

Committee III

In the third part of the programme the difficulties faced by less-developed countries in expanding their export earnings are being tackled on a product-by-product basis. There has already been a detailed study of the obstacles facing exports of such products as vegetable oils and seeds, tobacco, cotton manufactures, tea, coffee, cocoa, jute manufactures, timber, lead, etc. These obstacles are encountered in the form of customs tariffs, internal revenue duties, quantitative import restrictions, etc. Reporting at the fifteenth session, on the first phase of its work, Committee III recommended that contracting parties, particularly industrialized countries, should examine tariffs, revenue duties and internal charges, quantitative restrictions and other measures which they apply with a view to facilitating an early expansion of the export earnings of the less developed countries. This would make these countries less dependent on external aid, strengthen their economies and accelerate their development.

The Committee during the Session decided on an extensive work programme to be undertaken by the Committee early in 1960, including detailed examination of obstacles to trade and other aspects of its basic work programme.

Balance of Payments Import Restrictions

At this session the CONTRACTING PARTIES concluded consultations with a number of countries on the import restrictions which they maintain for the purpose of safeguarding their balance of payments and the monetary reserves. These include the consultations with Austria, Denmark, Finland and Ghana, which were started early in the year, and those with Australia, Japan, the Federation of Malaya, Norway, the Federation of Rhodesia and Nyasaland and Sweden, which took place in Tokyo immediately before the opening of the GATT session. As a part of their regular activity, such consultations are carried out periodically with contracting parties which maintain such restrictions. This year, as in the past, the consultations proved an occasion for a full and frank exchange of views; the consulting countries supplied full information on the restrictions they maintain and took note of the views expressed by other contracting parties. A number of countries during this session announced measures of further liberalization of their import restrictions and reduction in discrimination. Some of these actions have been the subject of previous press releases.
In 1960 the CONTRACTING PARTIES will carry out similar consultations with some twenty-five countries, and arrangements and procedures have been worked out at the present session.

The CONTRACTING PARTIES, at the fifteenth session, also drew up their Tenth Annual Report on the discriminatory application of import restrictions. They reviewed recent changes in the discriminatory use of restrictions and drew certain conclusions. The matter was discussed against the background of a recent decision on this subject of the International Monetary Fund. The CONTRACTING PARTIES reaffirmed that the removal of discrimination applied under Article XIV of GATT is a vital step towards the achievement of the objectives of the General Agreement and the expansion of international trade. There was a consensus that the remaining discrimination applied under Article XIV of GATT should quickly be eliminated. The CONTRACTING PARTIES welcomed the substantial progress made towards dismantling quantitative restrictions maintained for balance of payments reasons. Contracting parties reaffirmed their intention to do away with such restrictions as soon as their balance of payments positions permit.

In dealing with all these matters which relate to the balance of payments and the monetary reserves, the CONTRACTING PARTIES consulted fully with the International Monetary Fund which supplied the necessary documentation and whose representative participated in the discussion.

REGIONAL ECONOMIC INTEGRATION

Rome Treaty establishing the European Economic Community

During the fifteenth session the representative of the Commission of the Community presented a report on the recent developments in the activities of the Common Market and of the decisions taken in the different fields in which the action of the Community developed in the course of the past year. The report noted that the provisions of the Rome Treaty regarding reduction of customs duties and relaxation of quota restrictions in intra-EEC trade had been carried out on schedule, and that many tariff reductions had also been extended to the products of outside countries. It stated that the Commission hoped to submit proposals on agricultural policy to the EEC Council of Ministers before the end of 1959. It also stated that the EEC draft external tariff was receiving urgent attention, so that it would be ready in ample time to allow for preparation for the 1960-61 tariff conference. The report gave particular attention to trade with third countries and showed an increase in imports originating in these countries in recent months, in particular in imports of certain tropical products. The report also mentioned the decision of the Council of Ministers to create an ad hoc committee to study the problems of countries in process of development.

In general the report was welcomed as showing an encouraging trend, particularly in its trade aspects. However some delegates stressed the need for Community's agricultural policy to pay due attention to the legitimate interests of third countries.

Latin American Economic Integration

In a communication by the delegations of Brazil, Chile, Peru, Uruguay and by the Observers for Argentina and Bolivia the CONTRACTING PARTIES were informed that during the year 1959 progress had been made in various aspects.
of the preparatory work designed to pave the way for the gradual and progressive economic integration of Latin American countries.

An important stage was covered at the Conference held at Montevideo in September 1959 by the Governments of Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay. This conference prepared and approved the text of the draft free-trade area treaty. This draft treaty is expected to be finally considered in the second period of sessions of the Montevideo Conference, scheduled for the first half of February 1960.

In their communication the Governments concerned declared that, as soon as the Free Trade Area Treaty takes concrete shape, they will submit the relevant information to the CONTRACTING PARTIES for whatever purposes they may deem advisable.

In the discussion of this subject at the fifteenth Session many speakers gave a warm and sympathetic welcome to the proposal for the formation of a free trade area among the seven countries. It was stressed that the community should be "outward looking" and that their plans should lead to the expansion not the diversion of trade, as foreseen in GATT Article XXIV. If these objectives were attained, the Member countries of the free trade area could look forward to accelerating their programmes of economic development and to improving the standards of living of their peoples. The contracting parties took note of the statements made by the representatives of the Latin American countries and of their intention to submit the final draft of the Treaty to the CONTRACTING PARTIES.

European Free Trade Area Association

During the Ministerial debate the representative of Sweden, speaking on behalf of the seven Governments, declared that in order to comply with the provisions of Article XVIV the seven Governments would make the text of the EFTA Convention available without delay. (The seven Governments are Sweden, Norway, Denmark, United Kingdom, Austria, Switzerland and Portugal).

At a later stage in the session the Contracting Parties adopted a timetable which envisages the following procedures:

15 December  Convention to be communicated to Executive Secretary
31 December  Text of Convention to be communicated by Executive Secretary to contracting parties
1960
31 January  Questions to be submitted by contracting parties
15 February  Questionnaire to be submitted to the parties to the Convention
15 March  Replies to be submitted by parties to the Convention
28 March  Meeting of Intersessional Committee

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AVOIDANCE OF MARKET DISRUPTION

During the discussions at the Ministerial level the representative of the United States drew attention to the fact that sharp increases in imports, over a brief period of time and in a narrow range of commodities, can have serious economic, political and social repercussions in the importing countries. He pointed out that the problem is to find the means to ameliorate the adverse effects of an abrupt invasion of established markets while continuing to provide steadily enlarged opportunities for trade. The discussions made it evident that the apprehension that such situations might arise had led some countries to maintain or impose import restrictions against particular imports from some countries.

The question was discussed in plenary session and it was agreed that in view of the complicated nature of the problem the question should be deferred until the sixteenth session. Meanwhile the Executive Secretary will prepare a factual report for the Contracting Parties. At the sixteenth session the Contracting Parties can consider whether to establish a Panel of Experts to examine the problem or whether some other method of approach is likely to be more appropriate.

COMMODITIES

Disposal of Commodity Surpluses

This item stems from the Resolution on the Disposal of Surpluses, of 4 March 1955, in which the CONTRACTING PARTIES noted that it was the intention of individual contracting parties to liquidate agricultural surpluses in such a way as to avoid unduly provoking disturbances in the world market, and considered that any contracting party making arrangements for disposal of surplus agricultural products should consult with the principal suppliers of those products so as to achieve an orderly liquidation.

At this session - as at the previous four sessions - the United States delegation reported on the United States disposal programme for surplus agricultural products, under the terms of Public Law 480 during the fiscal year ending 30 June 1959. The report emphasized that the United States was continuing its efforts to bring agricultural production into better balance with demand, and was adopting techniques which tended to ensure that disposals would lead to increased consumption, particularly in the less developed countries. Broadly speaking, the United States was disposing of its surplus stocks in accordance with policies which gave extensive protection to commercial trade, both its own and that of other countries and which resulted in additional consumption, developed new market outlets and assisted the development of less developed countries. A number of delegations said that they appreciated the efforts made by the United States to solve the problem of disposing of surplus stocks and expressed satisfaction at the way in which consultations prior to disposal were being carried out. However, the discussion showed that while considerable progress had been made, the problem of surplus disposal was far from being solved. It was therefore agreed to include this item on the agenda of the seventeenth session.
Impact of Commodity Problems on International Trade

The importance of trade in primary commodities to many GATT Member countries, in particular the less-developed countries, has led to an annual review, by the CONTRACTING PARTIES, of trends and developments in such trade. When considering this subject in 1958 it was agreed that, in future, these reviews should be directed towards a better understanding of the impact of commodity problems upon world trade in general. At this session a working party examined relevant documentation and drafted a report which examines such matters as the impact of fluctuations in commodity prices on primary producing countries and factors including governmental measures affecting supply and demand. The report attaches considerable importance to international efforts directed toward (1) assisting countries which are heavily dependent on the export of primary products to diversify their economies and (2) directing international financial resources toward helping the producing countries in balance of payments difficulties due to a decline in export earnings during periods of falling prices. In particular the Report emphasizes the availability of the GATT consultation procedures wherever contracting parties are faced with difficulties, either as exporters or importers, or when contemplating action on problems arising in commodity trade.

TARIFF REFORMS AND ADJUSTMENTS

Cuba. At the fifteenth session the delegate of Cuba made a progress report on the reform of the Cuban tariff and on the various renegotiations which Cuba expects soon to undertake, with the objective of bringing up to date its tariff structure so as to contribute to the development of the Cuban economy.

Greece. The Greek Government is carrying out a tariff reform in order to adopt the Brussels Nomenclature. The Greek delegation indicated that the revised tariff would soon be submitted to Parliament and would enter into force as soon as it was enacted. The Contracting Parties granted Greece a waiver to allow it to put into effect modifications or withdrawals of concessions without having first obtained the agreement of interested contracting parties, under the terms of Article XXVIII.

Finland. The delegation of Finland informed the Contracting Parties that Finland intended to bring a new tariff into force, based on the Brussels Nomenclature, on 1 January 1960. It was not intended to increase the level of tariff protection or of fiscal duties. The Chairman invited all contracting parties to check the draft schedule as soon as possible.

MORE
WAIVERS TO ASSIST MONETARY RESERVES

Peruvian Import Charges

The delegation of Peru reported on the action taken to reduce or eliminate the surcharges on certain products which had been authorized under the Decision of 21 November 1958, in order to help Peru correct its adverse balance of payments. In view of the low exchange reserve position of Peru, and the need for substantially increased revenues and the intensive efforts of the Peruvian Government to stabilize the economy, it was agreed to accept the report submitted by Peru.

Nicaraguan Import Duties

In view of the need to safeguard its monetary reserves and to enable the Government to accomplish certain policies designed to restore internal and external equilibrium, Nicaragua requested a waiver to enable it to increase temporarily the rates of customs duties on a specified list of products on which concessions had been granted by Nicaragua. The Contracting Parties granted this waiver, under which Nicaragua undertakes to progressively reduce and eliminate the increases and to eliminate them totally not later than 30 June 1962.

REPORTS ON WAIVERS

(a) The United States reported an action to restrict imports of agricultural products under Section 22 of the Agricultural Adjustment Act, for which a waiver was granted in 1955.

(b) Belgium reported on its "hard core" waiver granted in 1955 under which Belgium undertook to eliminate quantitative controls on imports by the end of 1962. Several delegations expressed serious concern about the lack of progress towards the removal of restrictions during the past year. It was agreed that the Belgium Government should re-examine its position under the waiver and advise the Contracting Parties as early as possible, and, in any event, not later than the end of February 1960, of the steps it proposed to take.

(c) The Federal Republic of Germany made its first annual report under the Decision of 30 May 1955 granting a waiver under which the Federal Republic has agreed to progressively relax and liberalize the restrictions it imposes, in accordance with certain terms and conditions.

(d) The Contracting Parties also took note of reports on waivers granted at earlier sessions affecting (i) Australia and Papua - New Guinea (ii) Italy and Libya (iii) France and Germany - the Saar (iv) the United Kingdom.

MORE
ARTICLE XVIII

Article XVIII provides a means whereby a contracting party in the early stages of development may seek authority to impose protective measures to assist the establishment of new industries.

At the fifteenth session the Contracting Parties approved one such request by Ceylon, but decided to defer consideration until the sixteenth session of certain other requests by Ceylon pending further detailed information.

Regarding a request by Cuba to continue to apply quota restrictions on imports of henequin and sisal – restrictions which had been imposed following a release granted at an earlier session – the Contracting Parties also decided to defer examination for the next session.

APPLICATION OF ARTICLE XXXV TO JAPAN

As at earlier sessions the delegation of Japan requested that the application of Article XXXV to Japan should be put on the agenda. In his opening statement (reproduced in full in GATT/470) the delegate of Japan said that the hard core problem was the fact that Article XXXV was being invoked by certain more industrialized countries. Each of these countries seemed to fear lest their domestic markets might be disrupted as a result of mass imports of certain Japanese goods. These fears were unfounded; in any event difficulties could be settled through consultation and in some cases by voluntary export controls imposed by Japan. The Japanese delegate said that although it had not been possible to achieve the concrete results he had hoped for, his Government intended to speed up consultations with each of the fourteen countries applying Article XXXV.

Summarizing the discussion on this item the Chairman stated that while the debate showed the difficulties and complexities of the problem it also showed the existence of a will and determination to find a solution. In general the speakers all tended towards the search for a solution that would be practical, legal and final. It was clear that there had been a change in the atmosphere.

The matter will be put on the agenda of the sixteenth session.

ACCESSION TO THE AGREEMENT AND RELATED MATTERS

Declaration on Association of Yugoslavia enters into force

On 16 November 1959 it was announced that two-thirds of the contracting parties had accepted the Declaration on Relations between Yugoslavia and the CONTRACTING PARTIES and that the Declaration thus had entered into force.

At the thirteenth session the Government of Yugoslavia put forward a request for closer association with the CONTRACTING PARTIES. The CONTRACTING PARTIES established, at the fourteenth session, a Declaration

MORE
on relations between them and Yugoslavia. The Declaration provides for the establishment of commercial relations between Yugoslavia and those contracting parties which sign the Declaration, to as great an extent as possible on the basis of the provisions of the General Agreement. It also provides for the participation of Yugoslavia in the work of the CONTRACTING PARTIES. Under the terms of the Declaration the CONTRACTING PARTIES will review annually the development of mutual relations with Yugoslavia as well as further possibilities towards the full application of the provisions of the Agreement.

Provisional Accession of Tunisia

The CONTRACTING PARTIES agreed to the request of the Government of Tunisia for provisional accession to the General Agreement and on 12 November Tunisia was invited to participate forthwith in the work of the CONTRACTING PARTIES.

Under the terms of a Declaration, which has been opened for acceptance, commercial relations between Tunisia and those governments which accept the Declaration will be based upon the General Agreement pending Tunisia's full accession. Tariff negotiations between Tunisia and contracting parties, as a preliminary to full accession, will be held during the second part of the 1960/61 tariff conference.

Declaration on Association of Poland opened for acceptance

On 10 November the Contracting Parties opened for acceptance a Declaration on relations between contracting parties and Poland. The Declaration states that Poland and the parties to the Declaration, being guided by the objectives of the GATT, desire to extend their trade on the basis of mutual advantage in trading relations and opportunities. Under the Declaration the CONTRACTING PARTIES will review annually the development of trading relations with Poland. The Declaration will enter into force when it has been accepted by two thirds of the contracting parties and Poland will then be invited to participate.

Status of Guinea

At the fourteenth session the representative of France notified the Contracting Parties that Guinea had acquired full autonomy in the conduct of its external commercial relations. At a subsequent stage the Government of Guinea advised that it is at present over-hauling its foreign trade and customs tariff and hoped that the status quo may be maintained until such time as it is in a position to define its final attitude towards the General Agreement.

At the fifteenth session the Contracting Parties were recommended to continue to apply de facto the Agreement in their relations with Guinea, provided that Guinea also continues to apply de facto the Agreement to them, for a period of two years.
TEMPORARY IMPORTATION OF PACKING MATERIALS

Following the suggestions made in 1958 by the International Chamber of Commerce concerning the temporary duty-free importation of certain professional equipment and packing materials, the Brussels Customs Co-operation Council drew up a preliminary Draft Convention on Packing Materials, which was forwarded for consideration by the Contracting Parties.

The Contracting Parties decided that this draft text should be examined by a Panel of Experts which would make recommendations to the sixteenth session. The Panel will also consider the problems involved in the temporary importation of cinema and television equipment.

NOMINATION OF CHAIRMAN OF ICCICA

The Interim Co-ordinating Committee for International Commodity Arrangements (ICCICA) was established by the Economic and Social Council of the United Nations in 1947. The Chairman of ICCICA is nominated annually by the Contracting Parties to the GATT. At the fifteenth session Shri L.K. Jha of India, was nominated, to take the place of Sir Edwin McCarthy of Australia.

TRAINING PROGRAMME FOR GOVERNMENT OFFICIALS

At this session, once again, the Contracting Parties paid tribute to the fellowship programme. Under this scheme officials of both member and non-member governments, holding fellowships granted by the United Nations Technical Assistance Administration, join the GATT secretariat for a six-month period of training.

SESSIONS OF THE CONTRACTING PARTIES IN 1960

The Contracting Parties adopted a programme of meetings in 1960 which provides for:

Sixteenth Session of the Contracting Parties - 16 May - 4 June - Geneva.

Seventeenth Session of the Contracting Parties - Opening on 24 October - Geneva.
## LIST OF COUNTRIES AND INTERGOVERNMENTAL AGENCIES

### REPRESENTED AT THE FIFTEENTH SESSION

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<tr>
<th>Country</th>
<th>*Federal Rep. of Germany</th>
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<td>*Australia</td>
<td>Ghana</td>
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<td>*Austria</td>
<td>Greece</td>
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<td>*Belgium</td>
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<td>Norway</td>
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United Nations

International Monetary Fund

European Economic Community: Commission

European Economic Community: Council of Ministers

Organization for European Economic Co-operation

International Labour Organization

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*Contracting Party to the General Agreement on Tariffs and Trade.

Under special arrangements Cambodia, Israel, Switzerland, Tunisia and Yugoslavia participate in the work of the Contracting Parties.

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