Eleventh Session

REPORT ON POLICY DISCUSSIONS AT HEADS OF
DELEGATIONS MEETINGS

1. The heads of delegations have examined the present position of the General Agreement on Tariffs and Trade with a view to determining what measures and decisions are needed for strengthening cooperation between the contracting parties in order to make more effective the application of the principles embodied in the General Agreement and to ensure renewed progress in removing obstacles to the orderly conduct of international trade.

2. The exchange of views revealed complete agreement on their part of the high degree of importance that should be given to safeguarding the very vital achievements of the CONTRACTING PARTIES and to opening up possibilities for further useful work. There was a strong and widely-held view that, in respect to the attitudes and policies of member governments, both in the national and international field, the basic principles of the General Agreement have not always been fully observed. At the same time, the GATT is the only world-wide organization in the field of trade through which countries seek and are encouraged to put into practice these mutually beneficial principles. As such, it merits whole-hearted support.

3. In order to achieve a better appreciation in the various governmental, trading and industrial circles of the real importance of GATT, there should be a concerted and determined effort on the part of all those, officials and others, who know GATT, to put it in the proper light and perspective, both before the national authorities responsible for policy decisions and before the general public.

4. The heads of delegations wish to draw the attention of governments to the following points:

A. The heads of delegations were unanimously agreed that general recognition must be obtained for the fact that the rules laid down by GATT have been accepted by the parties to the Agreement because they felt that their application was of fundamental advantage to them, both as individual nations and as members of the international trading community. The restraints and controls which are imposed on the use of protective and other administrative measures are not designed to impede the legitimate development of national policies, but to prevent such national policies from becoming mutually destructive and imperilling the attainment of the objectives which the contracting parties have set themselves through the GATT.
B. The heads of delegations were unanimously agreed that the prime necessity of maintaining the stability which GATT has ensured in the field of tariffs should be more generally and better appreciated. That it has been possible in the post-war period to lower or consolidate rates covering % of world trade and % of the trade between member countries is proof that something new has been introduced by GATT in the relations between nations. Without the restraint exercised by GATT on the upward movement of tariff rates the rebuilding of world trade on the basis of free and multilateral exchanges could not have been envisaged. Without the positive encouragement it has given to lowering tariff barriers, the present high level of international trade would not have been achieved.

C. The heads of delegations felt that although the CONTRACTING PARTIES have been able to accomplish a great deal through the operation of the General Agreement, the need for better machinery on a permanent basis should be realized. In order to support the GATT in its efforts to develop world trade, governments members of GATT should make it known that they recognize it as the sole competent organ in the field of world-wide international trade and that they intend with the least possible delay to give the General Agreement the permanent basis of a formal Organization. They should, as soon as possible, take whatever steps are necessary to ratify the protocols of amendment agreed upon at the Ninth Session of the CONTRACTING PARTIES. They should also agree to whatever organizational changes are necessary and possible to enable the CONTRACTING PARTIES as a body to function more efficiently.

D. The heads of delegations were unanimous in stating that in order to deal more effectively with the fundamental common problems of world trade, and to exploit fully the opportunities for international cooperation and exchange of ideas which GATT presents, the Ministers responsible for international trade should convene at some time during the annual session of the CONTRACTING PARTIES. They should have on the agenda of their meetings problems of broad general significance. In particular the annual report of GATT on conditions in world trade should be thoroughly debated. Such a meeting would facilitate the solution of certain urgent problems because of the presence of those who could take immediate decisions at the highest level.

E. Governments should also ensure that for those parts of the annual sessions when Ministers are not present, their delegations should be in a position to participate fully in work and debates covering the whole range of what is properly international trade.
F. Many of the heads of delegations expressed serious concern that there are several problems of international trade of importance for the attainment of the objectives of GATT that have so far been touched ineffectively, if at all, by the CONTRACTING PARTIES, such as special problems affecting the trade in primary commodities, restrictive business practices, administrative obstacles to trade etc. They felt strongly that work of real value should be undertaken in these fields. The participation of all delegations in this work, whatever the views they have to uphold would be essential in order to ensure a high degree of realism and effectiveness. These views received an extremely wide degree of support.

G. Finally, the heads of delegation were of the opinion that governments should recognize the high quality of the work done so far by the Executive Secretary and his staff, with a praiseworthy economy of means.

They held that the Executive Secretary must be in a position to retain and recruit personnel of high calibre in order to maintain the high standards of the secretariat in the face of the increased load of work which the proper carrying out and expansions of the functions of GATT will entail. To this end, effective decisions must be taken in connexion with the level of the budget, the conditions of employment of the secretariat, and the provision of adequate pensions.