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The first three days of the Fifteenth Session of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade have been devoted to an exchange of views between the Ministerial representatives of contracting parties.

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.

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; the Ministers took particular account of the recent decision of the International Monetary Fund on this matter. They recognized, however, that where such measures had been imposed for a long time, a reasonable but short period might be needed before they could be eliminated fully. They also felt that rapid progress could not be made in the elimination of all quantitative restrictions on imports by the countries whose trade is conducted in convertible currencies.

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, (b) the examination of the possibility of mitigating the effects on international trade of agricultural protectionism should be energetically pursued, and (c) the search for possibilities of helping the under-developed countries to maximize their export earnings would be intensified.

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 to an equal extent in the revival of economic conditions. Increased export earnings by these countries were essential if they were to achieve the diversification of their economies which was desirable and which would reduce their vulnerability to short-term fluctuations in commodity prices.

In the course of the ministerial discussions, reference was frequently made to problems presented to industrialised countries by the appearance on their markets of a large volume of manufactured products produced in countries where labour wage rates are very low. It was generally recognized that, although this does from time to time create serious economic and social problems, it was essential to adopt
liberal policies rather than restrictive ones. A suggestion was made during the course of the discussions that this is a problem which might usefully be studied by a panel of experts to be designated by the CONTRACTING PARTIES. This suggestion will be examined in the course of the present session.

In reference to the European Economic Community and to other regional economic arrangements such as the proposals for a Free Trade Association among seven European countries in Western Europe and the plans for economic integration in Latin America, the Ministers, while expressing their appreciation of the motives prompting such regional groupings, nevertheless stressed the need for the countries concerned to take full account of the trade interests of other countries and for them to pursue outward-looking policies compatible with the principles and objectives of the General Agreement.

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 certain countries with centrally planned economies 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.

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 recognizing the generosity and hospitality of the Japanese Government, and the great effort which had been made to provide facilities for the work of the conference.