CONTRACTING PARTIES
Twelfth Session

SUMMARY RECORD OF THE FIRST MEETING

Held at the Palais des Nations, Geneva, on Thursday, 17 October 1957, at 3 p.m.

Chairman: Sir Claude Corea (Ceylon)

Subjects discussed: 1. Opening address by Chairman
                    2. Adoption of agenda
                    3. Order of business
                    4. Observer representation
                    5. Admission of Ghana
                    6. Meeting of Ministers

1. Opening address by Chairman

   Sir Claude Corea, opening the Twelfth Session of the CONTRACTING PARTIES welcomed all delegations and extended a particular greeting to the Director of the European Office of the United Nations and the Executive Secretary of the Economic Commission for Europe. He then went on to outline the salient developments in the structure of international trade since the Eleventh Session. While during 1956 world trade had continued to expand both in volume and value at the same rate as in 1955, a word of caution was appropriate since more recent indications pointed to a slowing down in the rate of expansion. Again in 1956 as in recent years one of the outstanding features of the pattern of trade was that trade of the industrial countries had expanded much faster than that of the less developed countries. This persistent trend, which was of great significance for commercial policy, was recorded in the secretariat's annual reports. Should this tendency continue it would well result in further divergences between the standards of living of the two groups and slow down the rate of economic development in areas where it was so essential. He invited contracting parties to be mindful of such dangers when formulating their national policies.

   Sir Claude Corea referred to other threats to stability in the field of trade and payments arising from the impending threat of monetary disequilibrium. The Ministers when they met during the Session would no doubt wish to make an assessment of the overall situation and consider how, through international action – and particularly through the GATT – they could meet this threat of instability and maintain the expansionist trend.
Turning to the tasks confronting the CONTRACTING PARTIES at the Session Sir Claude Corea first drew attention to the degree of success which had so far attended the balance-of-payments consultations programme. These consultations would be continued during the Session and equally useful results were expected. The examination of the Rome Treaty establishing the European Economic Community would occupy much of the CONTRACTING PARTIES' time and thinking during the Session, since it was for them to see that this vast project for regional integration fits into the broader multilateral trade pattern of which GATT was the embodiment. The question of commodity problems should also be kept to the forefront of the deliberations. While he expressed regret that the Organization for Trade Co-operation had not yet been established it was gratifying to note that the important substantive amendments to the General Agreement, drawn up at the Review Session, had now entered into force. In his concluding remarks Sir Claude Corea welcomed the admission of Ghana and Malaya as independent contracting parties.

2. Adoption of agenda (L/680/Rev.1)

The CHAIRMAN introduced the provisional agenda containing items carried forward from the last session and items proposed by contracting parties and by the Intersessional Committee.

The agenda was adopted.

3. Order of business (L/708 Part VII(a))

The CHAIRMAN referred to the Intersessional Committee's recommendations as to the order of business both before and after the Meeting of Ministers.

The CONTRACTING PARTIES approved the recommendations of the Committee.

4. Observer representation (L/708 Part VII(b))

The CHAIRMAN drew attention to the recommendation by the Intersessional Committee that the CONTRACTING PARTIES, pursuant to rule 9 of the rules of procedure, agree to the requests that have been made to them and accordingly invite the League of Arab States and the Governments of Poland and Rumania to send observers to the Session.

The CONTRACTING PARTIES agreed to invite the two countries and the organization concerned to send observers to the Session.

The full text of Sir Claude Corea's statement is reproduced in Press Release GATT/338. In some copies of this Press Release the Chairman's remarks were incorrectly reported. At the end of page 3 and the beginning of page 4 the correct text is as follows: "A project conceived and brought into being with such imagination and foresight and with such a purpose cannot but excite our imagination. We in the GATT have a most significant part to play to see that this vast project for regional integration fits into the broader multilateral trade pattern of which GATT is the embodiment."
5. Admission of Ghana as a contracting party (L/691, L/699)

Mr. SANDERS (United Kingdom) stated that on 6 March 1957, by Proclamation under Order in Council, Ghana became independent, thus acquiring full autonomy in the conduct of its external commercial relations and of other matters provided for in the General Agreement. As contracting parties were aware, his Government had been requested to sponsor Ghana's accession to the General Agreement in accordance with the provisions of Article XXVI:5(c). It gave him pleasure now to make that declaration of sponsorship.

The CONTRACTING PARTIES thereupon approved the draft Declaration prepared by the Executive Secretary in L/699, and the Government of Ghana was deemed to be a contracting party pursuant to Article XXVI:5(c).

Many delegations then extended their congratulations to the Government of Ghana and welcomed the future participation of Ghana in the work of the CONTRACTING PARTIES. The representative of Japan, while sharing these views, wanted to reserve the position of his Government with respect to the reference in the third paragraph of L/699 to the effect that Ghana would be having recourse to the provisions of Article XXXV:1 in relation to its trade with Japan.

Mr. RIBEIRO AYEH (Ghana) on behalf of his Government, expressed his gratitude to the CONTRACTING PARTIES upon the admission of Ghana to full membership of the GATT and stated that Ghana was fully aware of the obligations and responsibilities that resulted therefrom. His country, though yet a young nation, looked forward to contributing substantially to the work of the CONTRACTING PARTIES. His delegation was aware of the difficulties which would arise at the present Session during the examination of the Rome Treaty. His Government would share in these difficulties but he expressed the opinion that in a spirit of give and take the problem should not defy solution. Mr. Ribeiro Ayeh then recorded his Government's gratitude both to the representative of the United Kingdom for having sponsored his country's admission and to the many other representatives who had offered their welcome. He expressed the hope that the point raised by the representative of Japan could be settled amicably.

6. Meeting of Ministers (L/708)

The CHAIRMAN said that in accordance with its instructions the Intersessional Committee had arranged for a Meeting of Trade Ministers to be held during the week commencing 28 October and made recommendations for the agenda.

The CONTRACTING PARTIES adopted the following agenda for the Meeting, as recommended by the Intersessional Committee:

(i) Progress in the Expansion of International Trade
(Reference International Trade, 1956).
(ii) Prospects for achieving further Progress in the Expansion of Trade through International Co-operation, particularly through GATT.

(iii) Consideration of the Principal Items on the Twelfth Session Agenda, such as the European Common Market, Trends in Commodity Trade and Machinery for International Trade Co-operation.

The meeting adjourned at 4.25 p.m.