

7 November 1958

Report of the Drafting Group on Terms of Reference for
the Committee on Expansion of International Trade

After a thorough review of the suggestion for the establishment of a Committee of the Whole to draw up a programme of action directed towards the further expansion of international trade, the Drafting Group considered that in the light of the new arrangements which are being considered involving two meetings of the CONTRACTING PARTIES next year, it would be preferable that the programme should be supervised and co-ordinated by the CONTRACTING PARTIES themselves. Accordingly, they recommend that the CONTRACTING PARTIES adopt a Decision relating to the co-ordinated programme, and at this Session establish three committees to consider the separate groups of topics embodied in the programme, i.e. further tariff negotiations, agricultural questions, and matters relating particularly to the trade of the less developed countries.

Whilst the Group therefore does not recommend the constitution of a Committee of the Whole, they do not feel that the CONTRACTING PARTIES should at this stage exclude the possibility of the appointment of a permanent Chairman to supervise the work under headings (b) and (c). However, in view of the uncertainty as to the availability of a suitable person to act in this capacity at this time, they suggest that this possibility be borne in mind and reconsidered when the CONTRACTING PARTIES consider the interim reports from the three committees proposed at the Fourteenth Session which is expected to take place in March/April 1959.

The Working Party did not consider it necessary to enter into great detail concerning the terms of reference of Committees Two and Three, as they felt that the mention of the Haberler Report in the Preamble of the Decision would be a sufficient indication of the intentions of the CONTRACTING PARTIES that these Committees should take into account the relevant passages of the Report.

The text of the proposed Decision would be as follows:

TAKING INTO ACCOUNT the report of a Panel of Experts on Trends in International Trade, and the discussions on the Ministerial Agenda of the Thirteenth Session:

The CONTRACTING PARTIES

DECIDE

I. To initiate immediate consideration of a co-ordinated programme of action directed to a substantial advance towards the attainment of the objectives of the General Agreement through the further reduction of barriers to the expansion of international trade. The programme shall embrace three principal topics, that is to say:

- (a) the possibilities of further negotiations for the reduction of tariffs;
- (b) problems arising out of the widespread use of non-tariff measures for the protection of agriculture, or in support of the maintenance of incomes of agricultural producers;
- (c) problems related to the maintenance and expansion of the export earnings of the less developed countries.

II. In order to lay down the lines of action to be taken for the carrying out of the co-ordinated programme, to establish three committees as follows:

COMMITTEE NO. 1

Terms of Reference:

To examine the possibility of arranging a further general round of multilateral negotiations within the framework of the General Agreement and to make suggestions to the CONTRACTING PARTIES on the scope of such negotiations, the rules and conditions for holding them, their timing and venue.

COMMITTEE NO. 2

Terms of Reference:

- (a) To assemble in consultation with other competent international organizations, and in particular with the Food and Agriculture Organization, data regarding the use by contracting parties of non-tariff measures for the protection of agriculture or in support of incomes of agricultural producers, and the agricultural policies from which these measures derive. On the basis of such data and in consultation with the contracting parties concerned, to examine the effects of these measures adopted by individual contracting parties on international trade as a whole, and in particular on the trade in products entering importantly into international trade.

- (b) To consider in the light of such data, the extent to which the existing rules of GATT and their application have proved inadequate to promote the expansion of international trade on a reciprocal and mutually advantageous basis as contemplated in Article I, and to report on the steps that might appropriately be taken in the circumstances.
- (c) To suggest procedures for further consultations on agricultural policies as they affect international trade.

COMMITTEE NO. 3

Terms of Reference :

To consider and report to the CONTRACTING PARTIES regarding other measures for the expansion of trade, with particular reference to the importance of the maintenance and expansion of export earnings of the less developed countries to the development and diversification of their economies.