

19 November 1958

DRAFT COMMUNIQUE

PROGRAMME OF ACTION DIRECTED TOWARDS FURTHER EXPANSION
OF INTERNATIONAL TRADE

It is requested that any suggested amendments to the attached draft should be addressed to the Information Officer, Conference Office A.660, to arrive not later than

PROGRAMME OF ACTION DIRECTED TOWARDS FURTHER EXPANSION
OF INTERNATIONAL TRADE

At the conclusion of the general discussions at the opening of the Thirteenth Session in which Trade Ministers of some contracting parties took part the Chairman of the Contracting Parties, Mr. L.K. Jha, took the opportunity to summarize the main themes which had been emphasized. In the course of the deliberations a wide range of topics and subjects had been touched upon and there had been a broad accord of thought, even though there were differences of view on some matters. The basic theme which ran through the debate was that of an expansion of world trade. It was not an isolated theme, for ministers and delegates had drawn attention to the increased emphasis on economic expansion in other international forums, such as the International Bank for Reconstruction and Development and the International Monetary Fund. In this broad framework the Contracting Parties would address themselves to the question of the expansion of trade.

In the Ministerial discussions there had been three major points of emphasis to the basic theme. First there was the proposal for a new round of negotiations to reduce tariff levels, through techniques which had already been developed by the Contracting Parties. Secondly, views were expressed that there should be some attempt to overcome those obstacles to the expansion of trade which arose from national agricultural policies. Thirdly, a good deal of attention had been given to other obstacles to the expansion of the export trade of the underdeveloped countries. These problems presented a challenge to the Contracting Parties.

In the course of the Session the Contracting Parties gave a thorough consideration as to the most practical way in which to meet the challenge and to tackle these fundamental problems. They decided to formulate a co-ordinated programme of action directed towards the further expansion of international trade and they adopted a Decision to set the programme in motion. The programme is firmly based on the Report of the Panel of Experts on Trends in International Trade and on the general discussion which took place at the beginning of the Thirteenth Session.

In order to carry out the co-ordinated programme the Contracting Parties have created three Committees:

Committee No. 1 will examine the possibility of arranging a further general round of multilateral tariff negotiations within the framework of the General Agreement and 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 will be concerned with 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.

The Committee will 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, the Committee will 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.

The Committee will also 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.

Finally, Committee No. 2 will suggest procedures for further consultations between all contracting parties on agricultural policies as they affect international trade.

Committee No. 3 will be concerned with other obstacles to the expansion of trade, particularly in regard to the need for the less developed countries to maintain and expand their export earnings and to develop and diversify their economies.

The Panel of Experts, in their Report, drew attention to a number of difficulties which face the less developed countries in expanding their export trade. Fundamentally there is the need of these countries to market their goods in the highly developed countries, in order to earn the income they need to foster economic development. Among the obstacles they face are, for instance, protective measures which impede the development of exports of non-agricultural primary products. In some highly developed countries there are fiscal measures, such as high revenue duties, which hamper the expansion in consumption and consequently in the growth of imports of primary products -

particularly certain tropical products - exported by the less developed countries. There are also protective measures in some highly developed countries which impede the exports of manufactured goods by countries in the early stages of economic development. Such are examples of the other obstacles to trade with which Committee No. 3 will be concerned. Whilst these particular questions are of special concern to less developed countries it has been emphasized in the discussions that some of these questions are of great concern to other countries as well.

It should be emphasized that in setting up the three committees the Contracting Parties have made it clear that what is proposed is a co-ordinated programme of action of which the main topics specifically mentioned are essential components.

The Contracting Parties have decided to review at the Fourteenth Session the work undertaken pursuant to the achievement of the programme.