

21 November 1958.

PROGRAMME OF ACTION DIRECTED

TOWARDS FURTHER EXPANSION OF INTERNATIONAL TRADE

New steps to promote international trade are to be taken by the Contracting Parties to the General Agreement on Tariffs and Trade (GATT).

Three committees have been formed to work out a co-ordinated programme specifically directed to this end.

This decision takes one step further the emphasis recently placed on the need for economic expansion in other international forums, such as the International Bank for Reconstruction and Development, the International Monetary Fund and the Montreal Commonwealth Trade and Economic Conference.

The need for expansion of international trade was underlined in the discussions which the Contracting Parties to the GATT held a year ago. They then invited a Panel of Experts to assess the medium-term prospects for international trade.

The report of this Panel, known as the Haberler Report, formed the basis of the discussions among the Contracting Parties at their Thirteenth Session which has just concluded.

The main emphasis at the Twelfth Session was on trade in agricultural products, but the Haberler Report and the discussions at the Thirteenth Session covered a much wider field.

At the conclusion of the general discussions at the opening of the Thirteenth Session in which Trade Ministers of a number of 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.

In the 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 agricultural policies could obstruct the expansion of trade and that procedures should be set up under which this matter could be considered. Thirdly, a good deal of attention had been given to other measures interfering with 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. In order to carry out the co-ordinated programme the Contracting Parties have established three Committees.

The first of the three Committees will examine the possibility of arranging a further general round of multilateral tariff negotiations within the framework of the GATT. It will make suggestions to the Contracting Parties on the scope of such negotiations, the rules and conditions for holding them and their timing and venue.

The special problems of trade in agricultural products, which affect all the members of GATT, have been assigned to Committee No.2. Its immediate task will be to examine the effects on international trade of policies pursued by GATT members to protect their agriculture. Secondly, it will report to GATT on the extent to which the existing GATT rules and their application have proved inadequate to promote the expansion of international trade. It will also make proposals for further consultations among contracting parties about their agricultural policies.

The particular difficulties which face the expansion of trade of the less developed countries have now been more clearly seen as being of such importance to world trade as to demand more detailed analysis in preparation for specific action. These difficulties will be examined by Committee No. 3.

The prime need of these countries is to enlarge their export earnings and to develop and diversify their economies. They require markets for their goods in the highly developed countries in order to earn the income necessary to foster their development. Among the obstacles they face are protective measures which impede the development of exports of non-agricultural primary products such as minerals and metals. In some countries there are fiscal measures which restrict consumption of products, such as coffee, tea, cocoa, tobacco and sugar, on which a number of less developed countries depend very heavily for their export income. 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. This group of problems will be the special task of Committee No. 3.

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.

The text of the Decision taken by the Contracting Parties is as follows:

/Text of Decision/