

CLOSING REMARKS OF THE CHAIRMAN OF
THE CONTRACTING PARTIES, SHRI L.K. JHA

I came to Geneva for this the Thirteenth Session of the Contracting Parties immediately after attending the Commonwealth Conference at Montreal and the meetings of the Boards of Governors of the Bank and the Fund at New Delhi. The main question in my mind, therefore, was how the Contracting Parties would respond to the quickened sense of interdependence and the challenge of the struggling young nations which had been so much in evidence at Montreal and New Delhi. I had every reason to expect a quick and positive response from the Contracting Parties, for they themselves had played an important part in creating this new and more hopeful atmosphere for international economic cooperation by commissioning the report of the Experts which has been so widely acclaimed in our meetings here and in the world outside. After the general discussions, in which a number of Trade Ministers participated, I felt -- and I think my colleagues shared this feeling -- a new sense of hope and expectation. On the basis of these discussions, we have worked together at this Session to lay the foundations for a coordinated programme for a further expansion of international trade. It is true that so far we have only created machinery for the study of this programme. At the same time, it has been my feeling that the governments represented around this table are addressing themselves to this programme with the firm intention of making it a success. If, as I feel confident, it turns out to be so, we shall all look back upon this Thirteenth Session of the Contracting Parties as one of historic importance.

You will understand that for me, one of the most significant elements in the programme is the recognition of the urgent need to help under-developed countries, or, I should say, help them to help themselves. The more wealthy countries have shown great generosity in the last few years in extending their financial aid to the less developed countries and in helping them with technical assistance. But, over and beyond all that has been done and will be done in these directions, the growing need of the less developed countries is to have opportunities, by trading with other countries, to expand their foreign earnings and thus provide themselves with additional means for paying for the imports which are a matter of life and death for their hopes of economic expansion and a higher standard of living for their peoples. Through this programme for trade expansion, the less developed countries will expect that the goodwill which exists in the more highly developed countries will express itself in concrete form. It is also our hope that through this new programme we shall arrive at a modus vivendi reconciling the interests of producers of agricultural and food products with the social and political needs of the more highly industrialized countries to assure a measure of support for the incomes of their own agricultural producers. On the basis of the proposals of the United States, we are also looking forward to a further general round of tariff negotiations which should give a further impulse to the expansion of trade, and facilitate the adjustment of the world trading community to some of the important developments such as the founding of the European Economic Community which we have been discussing over the last few years.

This programme is one to which we shall all have to contribute, but it is evident that its success or failure will largely depend on the leadership which is given by the principal trading nations. And here we are looking to the United States, the United Kingdom and the powerful economic entity which is taking shape as the European Economic Community. I am sure that if these countries will give us a strong lead in this enterprise on which we are now engaged, a good many of the difficulties that threaten to divide us will be swallowed up in the general advance which will then become a reality.

Whilst these discussions on the programme for the expansion of trade have naturally dwelt largely in our thoughts, we have again at this Session dealt with an impressive agenda. We have received a report on the conclusion of the negotiations for the provisional accession of Switzerland, and that country will henceforth be participating in our work in accordance with the Resolution we have just passed. We have also been strengthened by the association of Cambodia which we hope will be followed by her full accession in the course of the general tariff negotiations which are being planned in connexion with the programme for expansion of trade. We have received a request from Yugoslavia for closer association with our work and we have set up a working party to examine the possibilities.

We have had a further discussion of the special difficulties arising in connexion with trade in primary products, and by spelling out in greater detail the potentialities of the General Agreement as a means of finding solutions for such problems, I feel that we have taken a step forward and opened up possibilities for useful and constructive activity by the Contracting Parties on these matters.

Many countries have found it necessary for one reason or another to seek a release from the tariff bindings which they have accepted under the GATT. Thus, Norway, Cuba and Denmark are engaged in a wholesale revision of their tariff structure and system, while some other countries have found it necessary to make adjustments here and there. We have dealt with these requests at this Session with due regard to the interests of all concerned. We have also received a report on negotiations with Brazil, designed to replace the existing tariff Schedule of Brazil. We look forward to the speedy entry into force of this new Protocol, and the results of the tariff negotiations which are annexed to it.

We have carried on consultations with countries which are obliged to use quantitative restrictions on their import trade because they are in balance-of-payments difficulties. Then again, as in the past, through our good offices and the machinery for consultations and conciliation we have been able to settle a number of disputes and differences between countries in matters connected with international trade.

The success of our consultation procedures in resolving differences is in my view one of our outstanding achievements. Thus, when the European Coal and Steel Community had been formed, grave apprehensions had been expressed by many contracting parties about the effects of the establishment and policies of the Community on their trade. Under the waiver granted by the Contracting Parties, consultations have been held with the Community over their annual reports. The last of these consultations has now been held and at this Session there was a general note of satisfaction that through these consultations at GATT Sessions full understanding had been reached. It is not, therefore, surprising that we have chosen to have recourse to consultation procedures to reconcile the differences that persist over two of the most important items on our Agenda this year. I refer to the European Economic Community and German Import Restrictions.

In regard to the former, as agreed at the Inter-Sessional Committee meeting last spring, consultations with the Six member countries of the European Economic Community have already started during this Session in respect of a number of important products like coffee, tea, cocoa, sugar, tobacco and bananas. These consultations are still in their initial stages. It is inevitable that there should be at present both procedural difficulties and differences in outlook. It is the purpose of consultations to enable these differences to be resolved. As was pointed out yesterday, these consultations have taken place in a cordial atmosphere and the statements made at this Session which have, I feel, led to a better mutual understanding, give us confidence that the consultations will yield fruitful results.

In regard to the import restrictions maintained by the Federal Republic of Germany, acute differences have persisted throughout the Session. We do not at present see our way ahead, but we have, wisely, resorted to the well-tryed and well-proven procedures of consultations in the hope that once again these will lead us in the direction of a generally acceptable solution.

We have heard an important statement from the countries of Latin America about their plans for the expansion of trade in that area, and we should feel great satisfaction that the Latin American countries concerned, even before their plans have fully matured, have thought it appropriate to inform the Contracting Parties of their intentions and hopes. From a widely different area of the world, we have also heard of plans for regional integration through a statement by the delegate of Norway on the proposed Nordic Economic Union. We shall look forward with interest to receiving in due course more details as these plans advance.

We have also at this Session decided to embark upon new fields of study with a view to examining whether understanding and agreement in the GATT could not be further extended in respect of subsidies, State-trading, restrictive business practices, and anti-dumping and countervailing duties. Appropriate agencies have been set up to carry out these studies.

I could continue for some time thus to catalogue the wide variety of matters which have engaged our attention in these last weeks, but I have listed enough to show the range and importance which the work of the Contracting Parties has assumed in greater measure as each year passes.

Finally, we have faced the fact that in order to deal with this impressive range of matters which call for the attention of the Contracting Parties, we must strengthen our administrative arrangements, and we have therefore decided to hold two regular Sessions in 1959, and also made arrangements for an impressive volume of work in preparation for these Sessions. This programme will impose a heavy strain upon the Contracting Parties, but I feel that the very success which has attended our work over the past, lies at the root of its steady expansion, and also provides the justification for governments making the sacrifices necessary to ensure that the GATT moves forward upon the basis of work well done.