

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES  
Twelfth Session

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## SUMMARY RECORD OF THE TENTH MEETING

Held at the Palais des Nations, Geneva,  
on Wednesday, 30 October 1957, at 9.30 a.m.

Chairman: H.E. Mr. L. K. JHA (India)

- Subjects discussed:
1. Agenda for Ministerial Meeting (continued)
  2. Tenth Anniversary of the Signing of the Final Act of Geneva
  3. Conclusion of Ministerial Meeting

### 1. Agenda for Ministerial Meeting

The following statements were made:

- H.E. Mr. Hector BOZA (Ambassador to France for Peru) (cf. Press Release GATT/366)
- H.E. Prof. SUNARDJO (Minister for Trade, Indonesia) (cf. Press Release GATT/367)
- H.E. Guido CARLI (Minister for Trade, Italy) (cf. Press Release GATT/368)
- Hon. R.G. SENANAYAKE (Minister for Commerce and Trade, Ceylon) (cf. Press Release GATT/369)
- H.E. Mr. Fernando GARCIA-OLDINI (Ambassador to Switzerland for Chili) (cf. Press Release GATT/370)
- Mr. Jaroslav KOHOUT (Deputy Minister for Foreign Trade, Czechoslovakie) (cf. Press Release GATT/371)
- Mr. S. Chr. SOMMERFELT (Norwegian Ministry of Foreign Affairs) (cf. Press Release GATT/372)
- Mr. M.N. CUHRUK (Permanent Representative for Turkey of the European Office of the United Nations) (cf. Press Release GATT/373)
- H.E. Mr. Theray Sithu U HLA MAUNG (Ambassador to Yugoslavia for Burma) (cf. Press Release GATT/374)
- Mr. N.R. BERTRAM, (Secretary for Commerce and Industry, Federation of Rhodesia and Nyasaland) (cf. Press Release GATT/375)
- Mr. H. de BESCHE (Deputy Secretary-General of the Ministry of Foreign Affairs, Sweden) (cf. Press Release GATT/376)

## 2. Tenth Anniversary of the Signing of the Final Act of Geneva

The CHAIRMAN welcomed the Executive Secretary of the Economic Commission for Europe, who wished to convey to the CONTRACTING PARTIES a message on behalf of the Secretary-General of the United Nations.

Mr. SAKARI TUOMIOJA (Economic Commission for Europe) said that the Secretary-General had asked him to convey to the CONTRACTING PARTIES, on the occasion of the tenth anniversary of the signing of the Final Act of Geneva on 30 October 1947, to which was annexed the text of the General Agreement on Tariffs and Trade, his deep sense of what they had accomplished in fulfilling the provisions laid down at the Havana Conference in reducing tariffs and other trade restrictions. At the same time, the Secretary-General was deeply aware of the magnitude of the problems faced at this time by the CONTRACTING PARTIES and sent his best wishes for the success of their deliberations.

The CHAIRMAN then announced that he had also received a communication from the Chairman of the Executive Board of the International Monetary Fund, which extended that organization's congratulations to the CONTRACTING PARTIES on the occasion of the tenth anniversary of the signing of the Final Act of Geneva. He read the text of the letter, which made reference to the collaboration between the CONTRACTING PARTIES and the Fund during the past ten years in a common endeavour to establish a sound and balanced growth of multilateral trade and payments. The Fund looked forward with pleasure to the continuation of these close relations in dealing with those matters in which a common interest was shared with the CONTRACTING PARTIES and hoped the efforts of the CONTRACTING PARTIES would be rewarded with a great measure of success.

In view of the importance of the occasion, the Chairman thought that it would be appropriate if the Executive Secretary replied to these congratulatory messages in suitable terms reciprocating, on behalf of the CONTRACTING PARTIES, their expressions of goodwill.

## 3. Conclusion of Ministerial Meeting

Turning to a review of the Ministerial meetings that had just concluded, the Chairman first pointed to the advantages of having such meetings on a regular basis, as stated by the representatives of Canada and Ceylon. Perhaps, as indicated by the representative of Chile, the time set aside for the meetings this year was of too short a duration and any future meetings could be somewhat longer; this would be particularly advantageous for ministers coming from more distant countries. If future meetings were to be held the same advance preparations should be made by the Intersessional Committee in order to enable the Ministers to again make an important and effective contribution to the work of the CONTRACTING PARTIES.

The Chairman then summed up the points of a general nature that had emerged from the discussion. Although no immediate decisions could be expected on many of the issues raised, advantages would nevertheless be derived from the exchange of views that had taken place on the particular difficulties and problems with which various contracting parties were confronted. Some of the points raised of course would be considered further by the CONTRACTING PARTIES at the present Session. Many contracting parties had spoken of their desire to see the establishment of the Organization for Trade Co-operation at an early date and it was heartening to note the statement by the United States delegation that the Administration would again submit the OTC to Congress for approval.

Many contracting parties had expressed their appreciation at the value of International Trade, 1956 and no doubt many of the comments that had been made would serve as a useful guide to the secretariat in the preparation of future reports. Attention had also been given to the problems arising from the imposition of import restrictions for balance-of-payments reasons. The delegations of Sweden, Turkey, and the United States had referred to the success that had attended the present programme of consultations under Article XII:4(b) and the advantages that had been derived therefrom, particularly in the mutual understanding of the problems involved that had resulted. The consultations represented a step forward in the reduction and eventual removal of such barriers to trade. Comments had also been made on the basic problems leading up to balance-of-payments difficulties, such as the dollar shortage, the difficulties of economic development, and fluctuations in the prices of those commodities on which many non-industrialized countries were dependent to such a large extent for their export income. In the tariff field several delegations, particularly the Scandinavian representatives, had spoken in favour of the achievement of further reductions in tariff levels. Reference had also been made to important regional developments in the tariff field which seemed to be under contemplation, such as the possibility of Nordic and Latin-American customs unions.

The representative of Japan had mentioned the continued application of Article XXXV by many contracting parties against his country, and the representative of Czechoslovakia had referred to problems encountered by those countries with a centrally-planned economy in the field of international trade. The Chairman expressed the view that the two delegations might usefully discuss these problems bilaterally with the other delegations concerned and added that the Czechoslovak delegation might bear in mind that many contracting parties seemed to entertain some doubts about the value of tariff concessions given by countries which had a centrally-planned system of trading.

The Chairman then proceeded to sum up the discussions that had taken place during the Ministerial meetings on the major issues of international trade.

The Ministers attending the Twelfth Session of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade, have discussed a number of the major questions of international trade. They noted with satisfaction the high

levels of international trade which have been developed in the past few years, and agreed that co-operation through the GATT had made an important contribution to this satisfactory situation. They took note also of the fact that the foreign trade of the less developed countries had expanded less rapidly than that of the industrialized countries. They considered that this phenomenon was not unexpected in view of the extensive development programmes which are being followed in the under-developed countries, but they considered that the CONTRACTING PARTIES should continue to give careful attention to this problem with a view to contributing, so far as possible, to a satisfactory development of the foreign trade of these countries which was recognized to be essential for the effective execution of plans for economic development.

The attention of the CONTRACTING PARTIES was drawn to the recent decline in the prices for some primary products, and it was emphasized that the tendency for prices of primary products to be subjected to violent short-term fluctuations presented serious problems to primary producers and affected their ability to contribute to the expansion of international trade. The CONTRACTING PARTIES were agreed that they should continue the study of the special problems connected with the trade in primary products which was initiated at the Eleventh Session.

Various Trade Ministers also raised the question of the widespread use of protective devices in international trade in agricultural products. It was recognized that this protectionism reflects special problems of a political, social and economic character, and that there might be value in a thorough and objective examination of the trends and consequences of widespread agricultural protectionism. It was agreed that these matters should be further considered by the CONTRACTING PARTIES during the present Session.

During the Ministerial meetings which have taken place, contracting parties to the General Agreement on Tariffs and Trade, including the Six Governments which have signed the Rome Treaty for the establishment of a European Economic Community, have given preliminary consideration to the relationship of the Treaty of Rome to the General Agreement on Tariffs and Trade. The General Agreement recognizes the desirability of increasing freedom of trade by the adoption of agreements for closer integration between the economies of the countries parties to such agreements without raising barriers to trade with other contracting parties.

During the preliminary consideration it was recognized that the creation of the European Economic Community would give rise to new and important relationships and problems in the economic and trade field. In order to further the common objective for the strengthening of trade relations between the European Economic Community and the parties to the General Agreement the CONTRACTING PARTIES have confirmed the desirability of establishing effective and continuing co-operation between the CONTRACTING PARTIES and the Community.

The statements made during the Ministerial meetings have shown the importance which all contracting parties attach to the successful operation of the European Economic Community in harmony with the objectives of the General Agreement on Tariffs and Trade.

A number of representatives of contracting parties expressed concern over the relationship between certain provisions of the Rome Treaty and the General Agreement on Tariffs and Trade and over trade and economic problems which might arise as the European Economic Community was established. The representatives of the Six signatories of the Rome Treaty were of the opinion that these apprehensions were unfounded. It was agreed that these matters would require further detailed consideration.

It has accordingly been decided at the Ministerial meeting to create a Committee to examine the relevant provisions of the Rome Treaty and the General Agreement on Tariffs and Trade and to consider the most effective methods of implementing the inter-related obligations which governments have assumed in the two instruments.

The CONTRACTING PARTIES approved the text of the Chairman's summary relating to the European Economic Community being issued as a Press Release.

The Chairman then referred to the terms of reference for the Committee to be set up on the Treaty establishing the European Economic Community which had been proposed by the Drafting Group established for that purpose. The CONTRACTING PARTIES agreed to set up the Committee with the following membership and terms of reference:

Chairman: Mr. L. Dana Wilgress (Canada)

Vice-Chairmen: Dr. Vargas-Gomez (Cuba)  
Mr. S. Osman Ali (Pakistan)

Members: All contracting parties to the General Agreement

Terms of reference:

- A. To examine, in the light of the provisions of the General Agreement on Tariffs and Trade, the relevant provisions of the Treaty of Rome and the problems likely to arise in their practical application. Such examination would include, inter alia, the arrangements provided for in the Treaty with respect to tariffs, the use of quantitative restrictions, trade in agricultural products and the association of overseas countries and territories with the European Common Market.
- B. To recommend, in the light of the conclusions which result from the examination provided for above, such action as may be appropriate and desirable, including a determination of the means of establishing effective and continuing co-operation between the CONTRACTING PARTIES and the European Economic Community.
- C. To report to the CONTRACTING PARTIES, and make such recommendations as may be appropriate with respect to the continuation of the work of the Committee.

Although not specifically stated in point C in the terms of reference, it was the understanding of the CONTRACTING PARTIES that the Committee would report to them before the close of the Twelfth Session.

The meeting adjourned at 1 p.m.