

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
Twenty-Sixth Session

SUMMARY RECORD OF THE FIRST MEETING

Held at the Palais des Nations, Geneva, on
Monday, 16 February 1970, at 3 p.m.

Chairman: Mr. SULE KOLO (Nigeria)

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Before opening the twenty-sixth session, Mr. SULE KOLO (Nigeria), Chairman of the CONTRACTING PARTIES, said that since they had last met one of their most prominent colleagues, Mr. L.D. Wilgress, had died some six months ago at his home in Ottawa. He recalled that when in 1946, Dana Wilgress had joined the small band of experts engaged in drafting the Charter for an International Trade Organization and the General Agreement on Tariffs and Trade, he had already had a distinguished career in the diplomatic and commercial service of his country and had served as Ambassador in Moscow. As a recognized expert in international trade, he had been elected Chairman of the Commercial Policy Committee at the Havana Conference. At the first session of the CONTRACTING PARTIES in 1948, Mr. Wilgress had been elected Chairman and had presided over the first five sessions and again at the ninth and tenth sessions. During the 1950's he had served his country as Ambassador in Switzerland and as High Commissioner in London and, in 1964, had come back to Geneva as leader of the Canadian delegation to the first UNCTAD.

He recalled the great services of Mr. Wilgress to the GATT, his able Chairmanship and his wise counsel. He invited contracting parties to join him in recognizing their debt to Mr. Wilgress and in expressing to the Canadian Government their sympathy in the loss of one of their most distinguished public servants.

Mr. CLARK (Canada) thanked the Chairman and all those who had associated themselves with this tribute to Dana Wilgress. He traced a brief picture of Dana Wilgress' remarkable career: Trade Commissioner, Deputy Minister of the Department of Trade and Commerce, helping establish the first Canadian diplomatic commission in the Soviet Union, his participation in the San Francisco Conference for the United Nations and in the preparatory work of the trade organizations and the General Agreement on Tariffs and Trade, Canadian High Commissioner in London for NATO between 1953 and 1958

and his rôle in establishing the OMEC Scientific Policy and member of the Permanent Board of Defence.

1. Opening address by the Chairman

The CHAIRMAN said that the opening of a new decade was an appropriate moment to review briefly the developments of the past ten years and appraise the work that had been done and judge whether the direction taken and the goals sought were well chosen.

The past ten years had brought important developments from many points of view. The number of contracting parties had doubled; six countries had officially announced their wish to become contracting parties and were in varying stages of preparing their full accession, while another twelve newly-independent countries continued to apply de facto the provisions of the General Agreement. Finally, many countries had demonstrated their interest in the organization's work by being represented at the session by observers.

In the past decade international trade had also doubled in value and nearly doubled in terms of volume. This expansion had made a substantial contribution to the material prosperity and economic growth in all countries. Among the factors that had contributed to this development, the Dillon and Kennedy Rounds of tariff and trade negotiations had played an important rôle. The phenomenon of regional economic integration had also come to the fore in the past decade. This was not only apparent in the large well-known regional economic groupings, but efforts were also being made in this field in the Caribbean and the Latin American countries, in the Arab Common Market and in the Central African Union. The reduction and even complete abolition of import barriers and the progressive liberalization of trade on a regional scale had resulted in a very significant expansion of inter-regional trade. As Chairman of the CONTRACTING PARTIES he wished to impress upon these regional groupings the continuing need for outward-looking trade policies and the importance of avoiding serious difficulties for the smaller countries in particular.

One aspect of the great expansion of international trade which was of concern to all was that the greatest growth in world trade and the most important advances in trade liberalization had been achieved among industrial countries. This expansion was considerably in excess of the rate of growth in the trade of developing areas. The export trade of the developing world had failed to expand commensurately with the expansion of trade between industrialized countries or in line with the expansion of world trade generally. While there had been a significant increase in the exports of developing countries in the 1960's, this had fallen far short of these countries' growing import requirements for purposes of their economic development. The need for a substantial increase in the export earnings of developing countries had of course been well to the fore in the

contracting parties' discussions and preoccupations for many years. Progress had been made in this period, but it was inadequate when measured against the magnitude and urgency of the problems confronting the developing countries. The new Part IV was incorporated in the General Agreement but machinery for the application in practice of the new legal principles was still to be established. Over the years, the contracting parties had acquired a great experience in dealing with the trade problems of the developing countries. However, there seemed to be a lack of political will to facilitate and expedite concrete achievements. Largely, because of this, many of the major difficulties confronting developing countries in the field of trade had remained unresolved. He expressed the hope that in the opening year of the 1970's and of the Second Development Decade, at a time when G.I.T.T was developing a determined new assault on non-tariff barriers to trade in both industry and agriculture, a decisive break-through would be seen in the efforts of the contracting parties to deal with the trade problems of the developing world.

Turning to the session ahead he said that much attention would be devoted to the comprehensive programme of trade expansion. The work of the Committee on Trade in Industrial Products was concentrated in two main areas: the tariff study and the problems relating to non-tariff barriers. The Committee's report should be examined with great care. He hoped that in the course of deliberations the contracting parties would not only provide guidance on how the Committee should proceed in its future work but also give serious consideration to the possibility of subscribing to a Declaration of Intent along the lines proposed by the Director-General. Developing countries attached great importance to the work of the Committee since many non-tariff barriers had a heavy impact on their export products. He hoped however, that developing countries would not merely ask for priority attention to their problems, but participate effectively in the discussions and make concrete suggestions for dealing with these problems.

He recalled that the problems which had been entrusted to the Agriculture Committee were deeply rooted in national systems of farm support which were established in isolation. He hoped that in seeking some moderation of support policies in agriculture the contracting parties would keep permanently in mind the interests of countries which derive most of their earnings from agricultural exports.

Consideration of the report by the Committee on Trade and Development on its activities since the twenty-fifth session would give the opportunity to discuss the trade problems of developing countries. This Committee has discussed a number of substantive problems relating to the lowering of tariffs and quota restrictions on the trade of developing countries and the opening of new opportunities for their exports through such measures as the use of the adjustment policies by importing countries. The problems confronting trade in tropical products had also been the subject of specific attention following the establishment of the Special Group on Trade in Tropical Products in early 1962. The Trade Negotiations Committee of Developing Countries had continued its efforts to foster a multilateral exchange of mutually advantageous concessions on tariff and non-tariff barriers between developing countries. This was a new field of endeavour for the developing countries and it was inevitable that progress should be slow. However, this was a field which held an important potential for the future.

The CHAIRMAN mentioned two further types of activities in the GATT which were especially directed to benefit developing countries: the GATT Training Programme and the International Trade Centre. He called for special attention to the question of the continued maintenance of import restrictions and hoped that the proposals made by the Director-General and endorsed by the Council would meet with CONTRACTING PARTIES' approval.

The question of the inter-relationship between commercial and monetary policies had become more prominent in recent years and had increasingly occupied the attention of policy-makers. He was sure that governments would have given close attention to this important question and to the possibility of GATT playing a more effective rôle in the international adjustment process.

He concluded that much work had been achieved since the last session. Work of a more difficult nature lay ahead. The time had come to start drawing conclusions for future action from the extensive investigations that had been under way.

The full text of the Chairman's address has been distributed in Press Release GATT/1053.

2. Adoption of the agenda (L/3304/Rev.2)

The CHAIRMAN recalled the Decision of the CONTRACTING PARTIES at the twenty-fifth session that the Council should undertake a wider range of work so that at sessions of the CONTRACTING PARTIES attention could be concentrated on major issues of commercial policy. Accordingly the Council had dealt with many matters which had previously appeared on the agenda for the annual session, resulting in a much shorter agenda proposed for this session than in the past. He added that the Report of the Council would be considered by the CONTRACTING PARTIES later in the week.

Mr. FOGARTY (Australia) recalled that the Rules of Procedure for sessions of the CONTRACTING PARTIES required that a provisional agenda be communicated to the contracting parties at least five weeks before the date of meeting, (BISD, 12S/10) and stated that the Provisional Agenda for the twenty-sixth session (L/3304) was still undergoing change at a late date. He expressed the hope that in the future a reasonably firm provisional agenda could be circulated within the prescribed time-limit so that governments, especially those remote from Geneva, would have adequate opportunity to brief their delegations effectively.

The CHAIRMAN noted that the Provisional Agenda for this session had, in fact, been issued on 12 January but that certain items thereon had eventually been deleted from it.

Mr. KHALILAF (United Arab Republic) stated that he wished to reserve the right to add to the agenda during the course of the session a point of particular interest to his Government. The Chairman stated that note had been taken of this request.

The Agenda proposed in document L/3304/Rev.2 was adopted.

3. Order of business - Recommendation of the Council (W.26/1)

The CHAIRMAN suggested that the Council's recommended Plan for Plenary and Other Meetings (W.26/1) be amended so that on the morning of Wednesday, 25 February the CONTRACTING PARTIES should return to the principal item on the agenda - Expansion of International Trade - for discussion of any reports submitted by the Drafting Group on Conclusions.

He stated that in preparing the programme, the Council had agreed that sufficient opportunity should be given for the holding of informal meetings in order to have proper discussion on a number of important problems which might be expected to require the formal attention of the CONTRACTING PARTIES in the foreseeable future. No records would be made of these meetings and it was expected that the Heads of Delegations would be accompanied by no more than two advisers.

The order of business set out in document W.26/1 was approved as amended.

The meeting adjourned at 5 p.m.