

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
Thirtieth Session

SUMMARY RECORD OF THE FIRST MEETING

Held at the Palais des Nations, Geneva
on Tuesday, 19 November 1974, at 10.30 a.m.

Chairman: Mr. H. KITAHARA (Japan)

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Opening address¹ by the Chairman

The CHAIRMAN referred to world-wide inflation, to unemployment which in many countries had reached serious proportions and to the crisis in international payments, and stated that the world was confronted with the most critical economic situation of the post-war period. The situation was particularly serious in many developing countries. He expected that inflation, and shortage of many basic commodities, would be the dominant economic problem for the international community in the near future, unless measures more successful than had been seen so far were adopted by a large number of countries. The balance-of-payments difficulties of many countries were almost certain to worsen in the near future. He felt it essential that appropriate national and international economic policies be worked

¹The full text of the Chairman's address is contained in Press Release GATT/1156.

out to deal with these problems and to alleviate their disruptive consequences. The rôle of the GATT itself should continue to be adapted to the realities of the present situation and its foreseeable evolution.

The Chairman called first, for concerted action to face up to the serious dangers threatening international trade relations and to maintain the effective application of the rules underlying the multilateral trading system and secondly for the energetic pursuit of the essential GATT activity of reducing trade barriers. As relationships between trade and monetary policies were closely interconnected, the CONTRACTING PARTIES had to be prepared to consider new kinds of problems calling for new policy measures and at the same time engage in closer collaboration with the International Monetary Fund.

The Chairman called for co-operation by all in upholding the principles of free and non-discriminatory trade, while maintaining efforts to meet the special needs of developing countries. Restrictions on trade should be avoided; such measures as export subsidies or import restrictions could very well trigger a general trade war. He welcomed the reaffirmation by the major trading nations at the recent IMF meeting of their intention to refrain from using such measures and he expected that these nations would reaffirm this intention at this session. He said that there was a pressing need for the CONTRACTING PARTIES to organize themselves in order not to be caught unawares by the sudden emergence of new trade problems or critical events. He recalled that the Director-General had continuously reminded the contracting parties over the past year of the importance of working towards the joint management of the trading system and had proposed the setting-up of a new group for this purpose. This body of high-level officials responsible in their respective capitals for commercial policy matters would be very well suited to carry through the concertation of trade policies and the closer collaboration with the International Monetary Fund. There was also a need for more bilateral and multilateral consultations within the GATT and he noted with satisfaction, in this connexion, that the Textiles Surveillance Body, set up under the International Arrangement on Textiles, had functioned satisfactorily as an organ for increased understanding of the problems, and for reconciliation of the disputes, that arise in the field of international textile trade.

Turning to the multilateral trade negotiations, he emphasized that the pursuit of these negotiations was now even more crucial than ever. The negotiations would contribute greatly to the restoration of general confidence in the future of the world economy. In this regard the fact that over 100 countries had subscribed to the Tokyo Declaration last year could not be over-emphasized. The responsibility of the major trading nations was particularly great in assuring that the negotiations did achieve the objectives

contained in the Tokyo Declaration, namely the expansion and liberalization of world trade and the securing of additional benefits for developing countries. Furthermore, it was to be hoped that many of the critical problems in international trade relations to which the developments of the past twelve months had given rise would be taken up and resolved in the negotiations. He expressed the hope that the contracting parties participating in the negotiations would reaffirm, at this session, their will to engage in effective negotiations with a view to their early conclusion, in accordance with the Tokyo Declaration.

In conclusion he called upon the major trading countries to reconfirm, during this session, their intention to refrain from the imposition of import restrictions or the use of export subsidies to avoid their balance-of-payments difficulties. He urged all contracting parties to reaffirm their determination to make the utmost effort towards the solution of their trade problems through consultation and dialogue within the framework of the GATT and constantly to seek to satisfy the special needs of the developing countries. He also urged all contracting parties participating in the Trade Negotiations Committee to be ready to enter into effective negotiations shortly, with a view to their early conclusion. Finally, he would welcome a discussion on the long-term aspects of the problems that confront the world trading community, as well as on GATT's future rôle in dealing with such problems.

1. Adoption of agenda

The Chairman referred to the Provisional Agenda (L/4094) and said that since the Council of Representatives had taken action in respect of a considerable number of subjects in the period since the twenty-ninth session, the proposed agenda could be kept short.

The agenda proposed in document L/4094 was adopted.

2. Order of business

The Chairman proposed that, as in recent sessions of the CONTRACTING PARTIES, delegations should be requested to limit the duration of their statements to no more than ten minutes. This would not preclude delegations wishing to have a more comprehensive statement circulated to all contracting parties from providing the secretariat with a sufficient number of copies for this purpose.

The CONTRACTING PARTIES approved the Plan of plenary meetings as proposed in document W.30/1 and agreed to limit the time to be allowed to each speaker to ten minutes.

3. Report of the Council (L/4109)

Mr. LAI (Malaysia), Chairman of the Council, stated that the fifth report, since the CONTRACTING PARTIES agreed, at their twenty-fifth session in November 1968, that the mandate of the Council should be enlarged, showed the extent to which the Council had been able to cope with a considerable number of subjects which had arisen during the period since the last session. He mentioned that, of the ten meetings held by the Council since the last session, three were convened at very short notice to deal with one subject only. This characteristic of the Council, the possibility of having been able to convene it at short notice, was proof of its usefulness as a body where important and urgent matters could be taken up expeditiously.

He also mentioned that the Council meeting held on 21 October was the 100th meeting since the Council's establishment in 1960, which gave a good indication of the extent to which the Council had taken much of the burden away from the sessional agenda, thus enabling the CONTRACTING PARTIES to concentrate on a few major agenda items. It was the business-like approach of delegations that had made it possible for the council to develop into an institution of great practical use to contracting parties individually and to the CONTRACTING PARTIES as a whole.

4. Report of the Committee on Trade and Development (L/4110)

Mr. TOMIC (Yugoslavia), Chairman of the Committee on Trade and Development, stated that since the last session of the CONTRACTING PARTIES, the Committee, at its two sessions in 1974, had continued to follow developments in the negotiations relating to matters of interest to developing countries. Other work followed up by the Committee in the course of the year had included the review of the implementation of Part IV of the General Agreement by contracting parties, an examination of developments in international trade affecting the interests of developing countries and technical assistance to developing countries by the secretariat in the context of the multilateral trade negotiations. Consideration was also given to the future work of the Committee.

With regard to the implementation of Part IV, he said that the Committee took note of commercial policy actions reported by governments in this connexion. In reviewing recent developments in international trade with particular reference to changes in commodity prices, delegations had noted that the trade and payments situation of many developing countries had begun to deteriorate in recent months. This situation had been aggravated by the imposition of trade restrictions by a number of developed countries. The Committee had agreed that there was an urgent need to avoid the imposition of

restrictions on imports from developing countries and to work out effective measures aimed at securing a further expansion of these imports through appropriate measures in all areas to which the trade negotiations were addressed. He pointed out that the Committee had endorsed the technical assistance being provided by the secretariat to developing countries at their request. Concerning its future work programme, the Committee had agreed that it should continue to consider developments in international trade as they affect the interests of developing countries and make comments and suggestions relating to technical assistance for developing countries in the course of the negotiations. The Committee would also follow developments in connexion with the Protocol Relating to Trade Negotiations Among Developing Countries. As part of its review of the implementation of Part IV, the Committee intended to examine further how it could follow progress in the multilateral trade negotiations, having regard to the objectives relating to developing countries provided for in the Tokyo Declaration.

The meeting adjourned at 11.55 a.m.