

GENERAL AGREEMENT ON TARIFFS AND TRADE

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COMMERCIAL POLICY PROBLEMS OF NEWLY INDEPENDENT STATES

Note by the Executive Secretary

1. At the session of the Council held from 22 February to 2 March, the Executive Secretary put forward suggestions as to how the CONTRACTING PARTIES might provide valuable assistance to newly independent States in dealing with commercial policy problems. These suggestions are reproduced in an Annex hereto. The Council, following a preliminary discussion of the matter, instructed the Executive Secretary to prepare elaborated proposals for further consideration by the Council at an early date. The present Note is, therefore, to be considered as supplementing and explaining the proposal in the annexed paper and to be read in conjunction with it.

Co-ordination with technical assistance authorities of the United Nations and specialized agencies

2. The Executive Secretary agrees that, if the proposals are accepted by the CONTRACTING PARTIES, there should be close co-ordination with other organizations engaged in technical assistance, and particularly with the United Nations and specialized agencies. The objective would be, not to duplicate, but to supplement these activities in a field where the GATT has special competence and experience.

3. The Executive Secretary had informal consultations on this point with the Chairman of the Technical Assistance Board. The latter has welcomed the interest shown by the Council in this question, and also the intention that any activity by the GATT in the commercial policy field would be intended to supplement and not to duplicate the work of the United Nations and specialized agencies. He suggests, and the Executive Secretary concurs, that this could be achieved by associating GATT more closely with the TAB without, however raising the more complicated question of full membership. This would permit a full discussion of policy issues, administrative questions, and inter-agency problems. It would not entitle GATT to an allocation of technical assistance funds, but it is not excluded that, in appropriate circumstances, funds might be made available to GATT for approved programmes on a sub-contractual basis through the United Nations Technical Assistance Organization. The Executive Secretary proposes to discuss this particular aspect of the question with the UNTAO representatives during the Geneva session of the Economic and Social Council in the summer. At the same time, the Executive Secretary would also explore the possibility of associating the GATT with any joint mission that may be sent by the United Nations and specialized agencies with terms of reference extending to commercial policy and related matters.

The nature and scope of the assistance to be furnished by the
CONTRACTING PARTIES

4. It is difficult to define in advance the nature and scope of the assistance which could be rendered by the CONTRACTING PARTIES. It is for this reason that the Executive Secretary's original proposal was expressed in somewhat general terms. The first step would be for the CONTRACTING PARTIES to indicate to the countries concerned their willingness to furnish advice and guidance on matters falling within the competence and jurisdiction of the GATT and authorizing the Executive Secretary to take the necessary steps to respond to such requests as might come forward. It is envisaged that requests might involve various kinds of action:

- (a) When the request relates to information or advice on a particular point, the GATT secretariat would normally be in a position to transmit the information or advice after having consulted, when necessary, with experts. This advice would be of a purely technical nature, and given on the responsibility of the Executive Secretary alone.
- (b) The request might be slightly more complex, and it might be necessary to send an official from the secretariat to the country concerned. Here again, the responsibility would rest with the Executive Secretary alone, and all that would be involved for the CONTRACTING PARTIES would be to make adequate provision in the budget to cover some additional costs for travel on official business.
- (c) In cases where the secretariat on its own was not competent to furnish the advice requested, the Executive Secretary might obtain the assistance of a competent expert to visit the requesting country, either alone or accompanied by a member of the secretariat.
- (d) Finally, a government might wish to consult about a broad range of questions in the commercial policy field - such a consultation might in fact, in many cases, be an essential prerequisite to determining its attitude towards participation in the General Agreement. It is mainly with this type of request in mind that the Executive Secretary suggested the procedures set out in the Annex hereto. In applying these procedures, the Executive Secretary intended that there should be the fullest consultation with the requesting government regarding the composition and terms of reference of the mission and the arrangements for carrying out its task. As already indicated, the object of the mission would be to report to the requesting government, and it would be for the latter to decide whether it was appropriate or desirable for the report to be given any wider distribution.

5. Some further explanation may also be necessary concerning the suggestion to establish a panel of experts, as this appears to have given rise to some misunderstanding. The selection of experts would be the responsibility of the Executive Secretary but, in order to enable him to select the best men available, it is suggested that contracting parties which are willing to collaborate in this programme should furnish to the Executive Secretary a list of experts in various aspects of commercial policy who could be seconded at short notice and for brief periods. This list of experts would constitute a panel¹ or roster from which the Executive Secretary would draw in order to meet the requests coming from the governments. It has been suggested that, in the initial stages, the experts would be seconded to the secretariat for the period of the mission without reimbursement, and that, during their mission, they would have the status of international civil servants and would accept no instructions from anybody but the Executive Secretary. The CONTRACTING PARTIES would be responsible for the travel and subsistence expenses of the experts whilst on mission, either at Geneva or in the field. If the requesting government were prepared to pay for accommodation and subsistence for the experts whilst in its territory, the charge for the CONTRACTING PARTIES would be reduced accordingly. There will be some other administrative questions relating to the stay of the experts abroad, but it does not appear that this would involve an unbearable burden on the secretariat; it might also be possible to discuss with the United Nations Technical Assistance the possibility of making use of their administrative services which have great experience in this matter.

6. In all of these arrangements, the Executive Secretary would keep in close touch with the United Nations Technical Assistance Authorities and with the regional commissions of the United Nations which have important functions to perform in the field of technical assistance.

¹The UNTAO has indicated its interest in the establishment of such a panel which might prove very useful for its Technical Assistance Recruitment Service.

ANNEXProposals Submitted to the Council
by the Executive Secretary in February 1961

At the seventeenth session the CONTRACTING PARTIES took a Decision which afforded newly independent States a breathing space in order to determine their attitude towards accession to the General Agreement and also provided for the de facto maintenance of GATT treatment during that period on a basis of reciprocity. Whilst this Decision is helpful it seems to me an inadequate response by the CONTRACTING PARTIES to the problems of the newly independent States. These countries, quite apart from their manifold problems in other fields, have to face a wide range of extremely difficult and important questions of commercial policy including tariff structure, customs administration, the framing and application of export and import policies etc. These problems would in any circumstances be difficult enough, but they are even more complex in the context of change and movement in international trade today. The newly independent countries may also be handicapped by the absence of a sufficient number of trained administrators. In this they have been helped in some small degree through the existing Fellowship Programme. They also receive considerable technical assistance from the United Nations. But in the area of commercial policy I feel that the CONTRACTING PARTIES could provide valuable additional assistance to these countries which would also be beneficial to the international trading community as a whole.

Accordingly, I would like to put forward the following as a basis for discussion by the Council in the hope that if these ideas gain wide acceptance the Council would be prepared to propose and submit more detailed recommendations for consideration by the CONTRACTING PARTIES at their eighteenth session.

- (a) The CONTRACTING PARTIES should establish a panel of experts in commercial policy and trade administration
- (b) For this purpose they should invite contracting parties to designate experts for inclusion in the panel.
- (c) Upon the request of any of the countries covered by the Decision of 18 November 1960 (seventeenth session) the CONTRACTING PARTIES will arrange for the despatch to the said country of an advisory mission of not more than three experts chosen from the panel plus one member of the secretariat.
- (d) The Executive Secretary shall immediately thereafter provide the mission with the background material necessary for this mission to prepare its work.
- (e) After a suitable period during which the designated experts could familiarize themselves with this background material (say three months) the mission should proceed to the capital of the requesting government which would have made all the necessary arrangements to facilitate the work of the mission.

- (f) The mission would normally spend two/three weeks in the territory of the requesting country and a further week in the preparation of its report either on the spot or in Geneva.
- (g) The report would be made to the requesting government, a copy also being deposited with the Executive Secretary. If the requesting government so desired, the report would also be circulated for the information of the contracting parties.
- (h) In the initial stages - in order to reduce the charge on the budget of the CONTRACTING PARTIES - the selected experts would be seconded by the nominating government to the secretariat for the period of the mission without reimbursement. The CONTRACTING PARTIES would discharge the travel and subsistence expenses of the experts whilst on mission. These charges might be reduced if the requesting government were prepared to provide accommodation and subsistence for the experts whilst in its territory.

Clearly these suggestions would have to be elaborated in greater detail if the proposal were adopted by the CONTRACTING PARTIES. However, the indications given appear to me to be sufficient for the purpose of an initial discussion.

It is also for consideration whether, if the CONTRACTING PARTIES were to adopt such a proposal, the facilities suggested should not, at any rate eventually, also be made available to contracting parties entitled to invoke Sections A, B and C of Article XVIII.

