

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES  
Fourteenth Session

## EXPANSION OF INTERNATIONAL TRADE

### Note by the Chairman

At the thirteenth session the CONTRACTING PARTIES agreed, after discussion of the report on Trends in International Trade by the Panel of Experts and taking into account the proposals made during the meeting of Ministers, to initiate (in the words of the Decision of 17 November 1958) "a co-ordinated programme of action directed to a substantial advance towards the attainment of the objectives of the General Agreement through the further reduction of barriers to the expansion of international trade". Three Committees were appointed and it was agreed that the work of these Committees would be supervised and co-ordinated by the CONTRACTING PARTIES themselves.

Accordingly, when item 2 on the agenda of the fourteenth session is taken up by the CONTRACTING PARTIES, the Chairman proposes to review the progress thus far achieved, as reflected in the first reports submitted by the three Committees, and to afford the contracting parties an opportunity to comment on the programme as a whole as well as to comment on the reports of the individual Committees.

Committee I was asked to examine "the possibility of arranging a further general round of multilateral tariff negotiations within the framework of the General Agreement and to make suggestions to the CONTRACTING PARTIES on the scope of such negotiations, the rules and conditions for holding them, their timing and venue". The Committee's report appears in document COM.I/3.

The Committee recommends that a conference should be convened, commencing in September 1960; it is proposed that the scope of this conference should cover four categories of negotiations:

- (i) negotiations among contracting parties for new concessions as proposed by the representative of the United States at the thirteenth session;
- (ii) negotiations with the Member States of the European Economic Community pursuant to Article XXIV:6;
- (iii) re-negotiations of concessions in the existing schedules as envisaged in Article XXVIII:1; and
- (iv) negotiations with countries wishing to accede to the GATT.

However, the Committee has not yet drawn up the rules for negotiation. This and a number of other questions will require further study. Therefore, it seems desirable that the Committee should meet again between now and October and should submit a further report to the sixteenth session.

Committee II was instructed to assemble data "regarding the use by contracting parties of non-tariff measures for the protection of agriculture or in support of incomes of agricultural producers and regarding the agricultural policies from which these measures derive". The Committee was asked to examine the effects of these measures on international trade and to consider the extent to which the existing rules of GATT and their application have proved inadequate to promote the expansion of trade on a reciprocal and mutually advantageous basis. Further, the Committee was asked to suggest procedures for consultations between contracting parties on agricultural policies as they affect international trade.

The Committee recommends that consultations on agricultural policies should be held with all contracting parties, attention being focused on the effects of these policies on international trade, with a view to promoting understanding of mutual problems and the maximum expansion of trade. These consultations are intended to deal with the longer-term problems discussed by the Committee. The Committee recommends procedures for the conduct of these consultations and suggests that all of these should be held within the next twelve months. In deciding upon a time-table for the consultations, the CONTRACTING PARTIES will have to keep in mind the time required for the preparation of documentation. The CONTRACTING PARTIES may feel that something more should be done to render more precise the scope and technique of the consultations.

The Committee also considered a shorter-term problem, namely, the question of the participation of agricultural exporting countries in the tariff negotiations proposed for 1960 but decided to ask the CONTRACTING PARTIES to determine whether it should be for Committee I or Committee II to examine this problem further. It seems desirable that Committee I should be asked to study this question and to report at the sixteenth session.

Committee III was asked to consider "other measures for the expansion of trade with particular reference to the importance of the maintenance and expansion of export earnings of the less-developed countries to the development and diversification of their economies".

The Committee proposes certain studies to be undertaken on the basis of lists, submitted by less-developed countries, of primary and secondary products and manufactured goods in which they have actual or potential export trade. The preparation for these studies will be time-consuming; probably, therefore, the Committee will not be ready to meet again until early next year.

During the deliberations of this Committee an important question emerged, namely whether special provision should be made for the scope of the proposed tariff negotiations to cover revenue duties. In the rules adopted for previous negotiations, no distinction has been drawn between revenue and protective duties, but the principle of selection has permitted countries to refuse to negotiate on duties having special fiscal importance.

The CONTRACTING PARTIES need only take note of this report and approve the proposed arrangements for the collection of data and for the studies to be carried out by the Committee. The Committee will be convened by the Executive Secretary when the required data has been collected and the necessary preparations have been made.