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## PROGRAMME FOR THE EXPANSION OF INTERNATIONAL TRADE

### Statement by the Spokesman for the Communities on 10 November 1967

This session of the CONTRACTING PARTIES occurs at a particularly significant juncture in the life of our organization. Indeed the GATT is at this session celebrating its twentieth anniversary after giving once again, through the successful conclusion of the Kennedy Round, evidence of the valuable contribution it can make to the development of even closer international co-operation in all aspects of world trade. I do not wish at this particular time to attempt to evaluate all the achievements of the CONTRACTING PARTIES over the past two decades of the life of our organization. Our delegations will have the opportunity to speak on this point when the CONTRACTING PARTIES take up the relevant item on their agenda. But the discussion which is being initiated under item 3 of the agenda - and we hail the Director-General's initiative in placing this point on the agenda - cannot, in our view, disregard the historical context in which it is happening.

It is clear that the successful conclusion of the Kennedy Round ushers in a new era in the life of the CONTRACTING PARTIES: the Programme of Action launched by the Ministers in 1958 which for years thereafter dominated all the activities of GATT enabled us to transcend the item-by-item concept of negotiations, which tended to be unduly limited, and to adopt a new approach which contributes to a better understanding of the problems of international trade as a whole and takes fuller account of the increasing interdependence between domestic economies. We believe that the results which the unrelenting efforts of all participants have enabled us to reap provide a sound basis for the expansion of world trade in the years to come.

The completion of a task of the magnitude envisaged in the 1958 Programme of Action leads us all very naturally to give consideration to the orientation of the future work of our organization. We believe that the first concern of the CONTRACTING PARTIES should be to safeguard what has been accomplished. Only to the extent that the efforts undertaken in the past by all those concerned were finally consolidated and only to the extent that de facto equality was secured between all contracting parties as regards the application of the provisions of the General Agreement would it be possible to contemplate further initiatives.

What could such initiatives be in the three fields which, taken together determine international trade: trade in industrial products, trade in agricultural products and trade of the developing countries? The Director-General who has provided such effective guidance for our work and whose single contribution to our achievements has been so considerable has given us the benefit of his views on the matter. There is no doubt that his statement gives us food for thought.

In the industrial field, it is obviously interesting to give some thought to the objectives which long-term action by the CONTRACTING PARTIES might aim at and, in this respect, the suggestions put forward by the Director-General deserve our fullest attention. At this stage, however, when all the economic effects of the results of the Kennedy Round have not yet been fully assessed by all governments, it would seem that the first step which GATT could initiate might consist in undertaking, on the widest and most accurate basis possible, an objective analysis of the tariff situation which will emerge when all the Kennedy Round concessions have been fully implemented. It would, indeed, seem to us that such an analysis would be a prerequisite for any activity which the CONTRACTING PARTIES might undertake in the future with a view to evolving a philosophy and procedures for possible future actions.

The fact that we stress the importance that we attach to the traditional activities of GATT, i.e. its endeavours to bring about the elimination of tariff barriers, does not mean that the Community fails to perceive the growing importance of non-tariff barriers. During the Kennedy Round, the Community had occasion already to bring up for discussion some such problems which appear to us particularly significant. The negotiations undertaken in this respect have not, unfortunately, been brought to successful completion in each and every case. On the other hand, one can hardly envisage that further action in this field could be undertaken in the near future with concrete results. In the circumstances, the inventory of these various measures suggested by the Director-General would be an initial realistic step. Among the measures which in our view should appear in pride of place in such an inventory one should mention in particular the difficulties arising out of differences in tariff nomenclatures and the differences in the rules for valuation.

We now come to the question of agriculture: the Community notes with many other contracting parties that negotiations in this field could only yield limited results and that the new ideas and concepts put forward during these negotiations could not materialize either.

However, the general framework of an overall negotiation did create particularly propitious circumstances for progress in this extremely delicate sector.

Although the circumstances which had led the Community to propose a new concept for agricultural negotiations do not exist any longer, the Community would be no less willing to participate in further talks on the basis of the general approach which inspired its behaviour during the trade negotiations, with a view to examining all problems, wherever they may occur, in order to devise adequate solutions. In this respect the Community is particularly

anxious that, as a prerequisite for any new efficient undertaking, all agricultural products of interest in terms of international markets should be included in the programme for discussion and that, in addition, all countries, that is all interested or interesting countries - as the Community has had occasion to recall in many instances - in other words, the countries which have a determining influence on the situation of the markets of the products concerned, should participate in the discussions.

It is in this spirit that the Community would be prepared to participate actively in the studies to be undertaken within GATT to pave the way for the subsequent quest for positive solutions which could be mutually accepted by all the contracting parties concerned.

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The objectives that the CONTRACTING PARTIES should attain in the field of expansion of the trade of the developing countries also seem to us to be clearly defined. In the past, the GATT could demonstrate the importance that it attaches to the solutions of such problems and this importance will certainly not be less in the years to come. Here, too, it would seem that a preliminary task might consist in securing, first, the concretization of what has already been obtained as a result of the Kennedy Round. We are convinced that the concessions resulting from these negotiations will be such as to facilitate the efforts of the developing countries in order to increase their earnings from exports to industrialized countries. It is with this consideration in mind that the Community examines at present the implementation, without phasing, of those concessions which are more particularly of interest to the developing countries. We are also convinced that the new opportunities thus provided are of real value only to the extent that they are fully exploited. We believe that the CONTRACTING PARTIES have, with the International Trade Centre, an efficient instrument which could be made full use of. We endorse the suggestion of the Director-General to give priority to the Centre activities for the prospection of new markets' opportunities which could result for the developing countries from the Kennedy Round.

The question of the institution of a general system of tariff preferences on a non-discriminatory basis should be considered in this context. We believe that the CONTRACTING PARTIES acted wisely when they initiated the study of this concept a few years ago. Progress has no doubt been made since in this field. From this angle, the problem should not be lost sight of when the CONTRACTING PARTIES establish their long-term programme of work.

In addition, it seems to us that the other suggestions which have been put forward as regards the future action of the CONTRACTING PARTIES provide a useful contribution. However, before we take a stand in this matter, it would behoove the countries primarily interested to express an opinion, in particular as regards the desirability of initiating a new type of consultation.

Mr. Chairman, notwithstanding the complexity of the problems which confront us and the time-limits before us, we hope that the exchange of views which will take place during this session of the CONTRACTING PARTIES will make it possible to establish a realistic programme of work, fully adapted to the pragmatic methods which characterize our organization. Thus, we shall succeed in consolidating and, eventually, in extending further the continuing endeavours of the CONTRACTING PARTIES towards better co-operation in the field of international trade.