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REVIEW OF THE WORK OF THE CONTRACTING PARTIES AND FUTURE PROGRAMME

Statement by M. J.F. Deniau,
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on 23 November 1967

After twenty years of activity by the CONTRACTING PARTIES, we can now assess the work that has been done and look forward to guiding lines for the future.

With wisdom, realism and perseverance, GATT has carried out a two-fold task. First, a work of codification, by installing a system of rules and consultations valid for international trade and, second, a work of liberalization by ceaselessly striving towards the reduction of the various exchange barriers. After such codification and liberalization, we now have to consider the problem of balance.

The accession of more and more numerous and different countries gives our common aims a meaning which is wider, deeper and more complex. Encouraged and enriched by past experience, the CONTRACTING PARTIES will be able to find suitable ways and means to guarantee that the first-rate instrument at its disposal, namely, the General Agreement will continue to fit in with the conditions for further progress.

Our most immediate task is doubtless to consolidate the results that have been obtained, especially those of the comprehensive trade negotiations known as the Kennedy Round. The success of these negotiations is incomparably greater than anything so far achieved. It would be a pity if this success in itself gave rise to misgivings and reticences on certain points.

The first vital task is to get an exact idea of the meaning of the results achieved as a whole, to safeguard them and to see that they are applied. Otherwise, what would become of the atmosphere of mutual trust which is indispensable for further progress? This does not exclude a positive effort of thought about suitable ways and means of asserting the part played by GATT, and ensuring the best conditions for future action.

The success of the Kennedy Round is already largely due to its effort to break new ground. The method of linear reduction of customs duties has superseded the traditional method of negotiation product by product and has led to a mean

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reduction which has so far never been achieved in the industrial sector. This naturally leads us to wonder what methods could be used and what basis could be found for further progress, while safeguarding the principle of genuine reciprocity and mutual advantages. A thorough analysis of the tariff situation as seen from the Kennedy Round will certainly give us the appropriate elements of appreciation to illuminate and guide future thought and action in this sphere.

In a way it can also be considered that the Kennedy Round was a turning point in the road towards the liberalization of agricultural exchanges. It showed for the first time a degree of success in this field, even if this success is limited, but, above all, it opened the way to new ideas and new methods of confirming them, so that the problem is henceforward expressed in its real terms, that is to say, in all its terms. We have a clearer view of the interdependence of the questions, the necessity of an overall approach covering the contracting parties as a whole, and also the paths leading towards solutions.

The sector of non-tariff and para-tariff obstacles comes more and more into the forefront of the preoccupations of all the partners as tariff obstacles lose their importance. Much remains to be done in this sphere, which incidentally is not yet clearly defined. It is thus normal, once again, that an effort should be made to produce an exact definition so as to be able later to decide how to tackle it in the most efficient way, in order to determine the rules that will be required to ensure the reality of the liberalization of exchanges.

In connexion with the problem of under-development, a basic urgent question arises, bound up with the fact that the benefits of general progress are unfortunately not fairly distributed. Nothing is further from the letter and spirit of this organization than such a trend. In so far as its means and sphere of action permit, GATT should do everything in its power to correct this tendency.

The Community is particularly attentive to this basic problem, both because of its special responsibilities and its very lively feeling for its international responsibility. There again, it would seem useful to give a precise definition of the questions in order to find practical solutions in this very complex sphere; it may often be difficult to study them without taking into account the diversity of the situations existing.