

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/547

11 October 1956

Limited Distribution

INTERNATIONAL ACTION IN THE FIELD OF TRADE COOPERATION

Report by the Executive Secretary on discussions at the Twenty-second Session of the United Nations Economic and Social Council

At its twenty-second Session, in July 1956, the Economic and Social Council had on its agenda an item entitled "The world economic situation, including the questions of full employment and expansion of world trade". With reference to the expansion of world trade, the Secretary-General had submitted a report on international procedures and bodies concerned with the development of trade cooperation.

The Secretary-General's report reviews the developments since the Second World War and describes the existing arrangements for trade cooperation. It describes the General Agreement on Tariffs and Trade and the Agreement on the Organization for Trade Cooperation and outlines the activities of the CONTRACTING PARTIES, the International Monetary Fund, the Organization for European Economic Co-operation, the United Nations Regional Economic Commissions, etc. In the preparation of this report the Secretary-General consulted with the Executive Secretary on the sections relating to the GATT and the OTC.

During the discussion of this item, the delegation for the USSR proposed a resolution, based on the "need and growing desire to set up international machinery within the United Nations to facilitate the development of international trade with the special task of developing trade cooperation on a universal basis", urging governments not to slacken their efforts to develop international trade, to take steps to remove discriminatory restrictions and obstacles, and to set up a Committee to work out proposals for establishing an international organization for trade cooperation open to all States members of the United Nations and other interested countries.

This draft resolution was amended, and the following text was adopted unanimously:

^{1/} "International Machinery for Trade Cooperation" (E/2897)

"MEASURES FOR THE DEVELOPMENT OF TRADE COOPERATION

"The Economic and Social Council

"Noting with satisfaction that the relaxation of international tension creates conditions favourable to the development of economic and trade relations between States,

"Recognizing that the further expansion of world trade is one of the most important factors favouring the economic development of countries and the improvement of economic relations between all countries, thus making for peace throughout the world,

"Taking into account the steps so far taken by the Council, especially in resolution 531 C (XVIII) of 4 August 1954 on the removal of obstacles to international trade and means of developing international economic relations, in resolution 579 A (XX) of 4 August 1955 on the expansion of world trade, and, in particular, in resolution 592 (XX) on international machinery for trade cooperation of 7 December 1955,

"1. Strongly urges Governments not to slacken their efforts to develop international trade;

"2. Invites the Governments of States Members of the United Nations to submit at an early date to the Secretary-General comments concerning the international machinery for trade cooperation and, in this connection, commends the Secretary-General's report on the subject to their attention;

"3. Requests the Secretary-General to analyse the replies received from Governments pursuant to the previous paragraph and to submit to the Council for consideration at its twenty-fourth session such a report as he may be in a position to make;

"4. Reaffirms the confidence expressed in its resolution 579 A (XX) in the valuable services of the United Nations regional economic commissions in connection with trade cooperation, and calls their attention to the advisability of studying difficulties preventing expansion of international trade, pointing out obstacles that should be removed according to the conditions and needs specific to each of their regions;

"5. Further requests the Secretary-General to keep under review all trade developments."

In voting for this resolution the delegate for the United States explained that given the existing and projected organizations in this field, it was the opinion of his delegation that no further action was necessary and that GATT was an effective instrument of international cooperation. The delegations of Czechoslovakia and the USSR favoured an international organization for trade cooperation within the framework of the United Nations. The delegates for a

a number of under-developed countries said that the existing machinery was inadequate and should be strengthened to assist trade between developed and under-developed countries.

The Executive Secretary took no part in these discussions, having confined his participation to providing factual data to assist the Secretary-General, as stated above, in the preparation of his report. This question will come up for further consideration at the twenty-fourth Session of the Council, which will be held in Geneva in the summer of 1957. The Executive Secretary, unless otherwise instructed, proposes to limit himself to the provision of factual information when required. If, on the other hand, the CONTRACTING PARTIES wish to submit their views on the question to the Council, it would be necessary to make arrangements at this session for the formulation of such views and the drafting of appropriate instructions to the Executive Secretary.