

## CHAPTER XIV

## THE INTERNATIONAL TRADE ORGANIZATION AND THE GENERAL AGREEMENT ON TARIFFS AND TRADE

## THE INTERNATIONAL TRADE ORGANIZATION (ITO)

(Not yet established)

The United Nations Conference on Trade and Employment, held in Havana from November 1947 to March 1948, drew up a Charter, known as the Havana Charter, for an International Trade Organization (ITO)<sup>1</sup> and established an Interim Commission for the International Trade Organization (ICITO).

The main task of the Interim Commission was to prepare for the first session of ITO. This task, so far as events could be foreseen, was completed in 1949.

As a result of the lack of acceptances of the Havana Charter, it became evident that the establishment of ITO would be indefinitely postponed. In view of the decision of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) to provide for the establishment of an organization<sup>2</sup> which would administer GATT, there is tacit recognition that the proposal to establish ITO has been abandoned.

## THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT)

In 1947, while the Charter for ITO was in course of preparation, the members of the Preparatory Committee decided to proceed forthwith with tariff negotiations among themselves, and also drew up the General Agreement on Tariffs and Trade (GATT).<sup>3</sup> The Agreement entered into force on 1 January 1948, there being 23 contracting parties at that time.

Up to the end of 1959, the Contracting Parties had held 15 regular sessions. At the end of 1959, there were 37 contracting parties and five countries participating in the work of the Contracting Parties under special arrangements.

The Contracting Parties have held four major negotiating conferences for the reduction of tariffs—in 1947, 1949, 1950 and 1956. The decision to convene a further tariff conference in 1960/61 is described below.

Following the decision taken in 1958 to hold two sessions each year, in place of one, the Contracting Parties held their fourteenth and fifteenth sessions during 1959, the former at Geneva, the latter at Tokyo.

## THE FOURTEENTH SESSION

The fourteenth session of the Contracting Parties to GATT was held at Geneva from 11 May to 30 May 1959. Main developments included the following:

(1) Further progress was made in the programme of action towards the further expansion of international trade.<sup>4</sup> In the field of tariffs, the Contracting Parties decided to convene a tariff conference, commencing in September 1960. The conference was to be held in two phases. The first phase, to last up to the end of 1960, would be concerned with renegotiations with member States of the European Economic Community (EEC). The second phase, opening at the beginning of 1961, would be concerned with (a) negotiations among contracting parties for new tariff concessions and (b) negotiations with countries wishing to accede to GATT.

In the field of trade in agricultural products, the Contracting Parties drew up a programme for consultations with all contracting parties about their agricultural policies and the restrictive effects of such policies on international

<sup>1</sup> For further information, see previous volumes of Y.U.N.

<sup>2</sup> The organization will be called "Organization for Trade Go-operation" (OTC). A number of countries had accepted the OTC agreement by the end of 1954; it also required acceptance by the United States Government to come into effect.

<sup>3</sup> For a fuller description of the structure and functions of GATT, see Y.U.N., 1953, pp. 836-37.

<sup>4</sup> For a description of this programme, see Y.U.N., 1958, p. 503.