

Chapter XVI

The Interim Commission for the International Trade Organization (ICITO) and the General Agreement on Tariffs and Trade (GATT)

The United Nations Conference on Trade and Employment, held at Havana, Cuba, from November 1947 to March 1948, drew up a Charter for an International Trade Organization (ITO) and established an Interim Commission for the organization (ICITO). Because of lack of acceptance of the Charter, establishment of ITO was postponed indefinitely. However, while the Charter was in preparation, the Preparatory Committee's members, deciding to proceed with tariff negotiations among themselves, also drew up the General Agreement on Tariffs and Trade (GATT). The Agreement—a multilateral treaty embodying reciprocal rights and obligations—entered into force on 1 January 1948, with 23 contracting parties. Since that date, ICITO has provided the GATT secretariat.¹

In 1976, the number of contracting parties to GATT stood at 83, with three additional countries acceding provisionally and 24 other countries applying GATT rules in their trade. It was estimated that the contracting parties conducted about 85 per cent of all international trade.

Multilateral trade negotiations

The substantial reduction of tariffs and other barriers to trade is a main aim of the General Agreement. It has been the objective of a series of negotiations or "rounds" held within the framework of GATT, the latest of which was launched in Tokyo, Japan, in September 1973 by the Tokyo Declaration.² The Declaration among other things called for a review of the basic trading rules of GATT. Developed countries were expected to negotiate on a basis of reciprocity, while this was not expected from developing countries in the form of any contributions inconsistent with individual financial, trade and development needs.

Over 70 developing countries, including 28 non-members of GATT, were among the 97 participants in the Tokyo round negotiations in 1976. A special assistance unit was set up in the GATT secretariat to help the developing countries in the negotiations.

The progress of the seven negotiating groups in the Tokyo round in 1976 is outlined in the following sections.

Tariffs

During 1976, the tariff negotiating group focused on several proposed formulae for dismantling tariffs. At its meeting in December it decided that agreement on measures for giving special and more favourable treatment to exports of developing countries should be reached before, or at least by the time that, a tariff-cutting formula was chosen.

Non-tariff measures

Negotiations on non-tariff measures were based on a comprehensive inventory of some 850 notifications by Governments of measures that they believed had either hampered their exports or provided unfair advantage to their competitors. Major categories of non-tariff measures for which solutions were being negotiated in 1976 included technical standards, customs questions, subsidies and countervailing duties, quantitative restrictions, and Government procurement practices.

Sectoral approach

During 1976 negotiations, the possibilities for co-ordinated reduction or elimination of barriers to trade on the basis of trade and other data for the ores and metals sector were examined. The groups also looked at a number of sectors of interest to exporters in developing countries, and for this purpose examined information regarding handicrafts; fish and fish products; hides, skins and leather products; pulp and paper; and wood and wood products.

Safeguards

During 1976, the negotiating group on safeguards carried forward its examination of the adequacy of the multilateral safeguard system and in particular Article XIX of the General Agreement, which specifies the circumstances in which member countries may take emergency action of a non-discriminatory character to restrict imports of particu-

¹ For further information, see previous volumes of Y.U.N.

² See Y.U.N., 1973, pp. 967-69, for text of Declaration.