

Programme for Expansion of International Trade. This Programme was inaugurated at a meeting of Ministers in 1958 and covered tariff reduction, trade in agricultural products and the trade problems of developing countries. It was provided, and continues to provide, the broad basis and impetus for the activities of the Contracting Parties in these three fields

The Contracting Parties noted that significant progress had been made in the field of agricultural trade. Nonetheless, they recognized that problems remained and there were some sectors, of particular importance to Contracting Parties relying heavily on exports of agricultural products, in which progress achieved under the General Agreement had not matched that achieved in relation to industrial trade generally. The Contracting Parties reaffirmed, in the context of the further pursuit of the objectives of the General Agreement, their determination to pursue solutions to the problems in the agricultural field.

The Contracting Parties recognized the pioneering work in the field of the trade problems of the developing countries that had been done by the Contracting Parties and welcomed the progressively increasing attention being paid by them to these problems. They further took note of the adoption of Part IV of the Agreement. However, the results of the earlier efforts and the Kennedy Round had left many of the trade problems of most developing countries unresolved. They agreed that a maximum effort was needed in the GATT, and elsewhere, directed towards the expansion of the export earnings of the developing countries and thus towards the early resolution of their problems.

The Contracting Parties agreed that an essential first task was to secure the full implementation of all the results agreed upon in the Kennedy Round. However, they considered it understandable that such a far-reaching reduction of barriers as had been achieved in the Kennedy Round could create problems in some cases. In their view, the appropriate way to deal with any such difficulties would be through internal measures of adjustment and not through the creation of new obstacles to international trade. Where problems arose, the established GATT consultation procedures were available to facilitate constructive co-operation between countries. It was recognized that any significant trade restrictive measures would be likely to spread, particularly if introduced by one or more major trading countries. This, in turn, would threaten to undo what had been achieved in the field of trade liberalization and jeopardize future progress.

The Contracting Parties took note of the interest in the work of the GATT of countries with centrally-planned economies and welcomed the accession of Poland to the General Agreement and the participation of observers from Bulgaria, Hungary and Romania in the work of the Contracting Parties. They agreed that the Contracting Parties' approach to the question of trade relations with countries with centrally-planned economies should continue to be on a pragmatic, country-by-country basis.

The Contracting Parties reaffirmed that the liberalization of world trade by means of negotiations remains the primary objective of the General Agree-