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THE WORK OF OTHER REGIONAL COMMISSIONS
IN THE FIELD OF TRADE

ECONOMIC COMMISSION FOR LATIN AMERICA

1. The latest developments in world economic policy have led ECLA to devote a growing proportion of its technical resources to the intensive study of two subjects of paramount importance. The first is Latin American trade policy within the world context, particularly in view of the forthcoming United Nations Conference on Trade and Development; and the second, methods for accelerating the Latin American integration process.
2. At the tenth session of ECLA, held at Mar del Plata in May 1963, the secretariat was specifically directed to give priority to these two subjects. The Commission was formally exhorted to proceed with and intensify its work in the field of integration, which has played an important part in setting up the Free-Trade Area and the Central American Common Market and continues to be a positive factor in these two groupings' proper entry into operation. Likewise, the imminence of the United Nations Conference on Trade and Development clearly pointed to the need for an over-all study of all aspects which should make up a Latin American foreign trade policy, the formal expression of which could be presented to the above-mentioned Conference.
3. In compliance with the Commission's directive concerning integration, the secretariat is at present devoting its efforts to evaluating the results obtained after two years of effective operation of the Montevideo Treaty and three years after the entry into force of the General Treaty on Central American Economic Integration. This evaluation brings into relief the prospects of advancement of the two integration systems in the near future, and the obstacles and problems which might become factors making for the stagnation or distortion of the process.
4. The Central American Integration Treaty is being implemented very satisfactorily, within the terms envisaged. It has already been possible to eliminate a very large proportion of the reciprocal customs tariffs and considerable progress has been made in drawing up a common tariff for the rest of the world. Furthermore, agencies engaged specifically in financing investments for the common market and for the systematic solution

of monetary, exchange and other similar problems have begun operations. The new efforts should be directed towards seeing that internal decisions concerning development duly benefit by the favourable circumstances arising from the progressive elimination of mutual barriers and restrictions. The machinery for regional development programming in the countries parties to the Integration Treaty, which is already functioning with ECLA's co-operation, is especially important for the achievement of this goal.

5. The Latin American Free-Trade Association, in its turn, has held annual rounds of negotiations aimed at reducing customs tariffs, and is preparing a third for October 1963. In the course of the first two rounds, commitments under the Montevideo Treaty were far exceeded. Over 7,000 reductions were granted on a multilateral basis, with the result that intra-Area trade increased by almost 40 per cent in the first year alone. The Standing Executive Committee and the secretariat of ALALC are continuing to work actively on the preparation of future stages and the creation of a favourable atmosphere for further opportunities of negotiation.

6. In spite of this undoubted initial success, there are a few vital points in respect of the Area on which intensive technical work is required, besides highly important political decisions in order to overcome any possible serious obstacles. In the first place, doubts arise as to whether the existing system of negotiation for gradually reducing intra-Area trade restrictions can really bring these countries up to the necessary level of integration. The current commitment is weakened by the strong protectionist positions and interests still prevailing in each individual country in the Area. Moreover, the commitment is confined to the essential items of trade, leaving a major proportion of the Area's industrial and agricultural production outside the field of compulsory negotiation. These motives of concern have led to the necessity of studying more automatic and more general formulas for reducing customs duties. ECLA is giving high priority to this type of study.

7. The urgent need to carry out this kind of technical work is becoming daily more evident in Latin America, to judge from the interest in the subject displayed in very wide circles in the public and private sectors.

Industrialists and farmers in the Area have begun to regard the integration process as inevitable and necessary, and to feel that its prospects must be thoroughly clarified and safeguarded. The Latin American Governments, for their part, have begun a movement of their own aimed at examining integration problems at the highest political level and considering the decisions required to solve them. Thus, the Presidents of Brazil and Chile encouraged the idea of convening a conference of Ministers for Foreign Affairs of the ALALC countries, for the purpose of proposing the decisions that are indispensable for speeding up the integration process. This meeting will take place in Montevideo in October 1963.

8. To ensure the successful outcome of the intensive integration process, it is further necessary to seek solutions to other problems, relating both to technical questions and to economic policy, which have already begun to emerge. The most important is that of co-ordination between national development programmes, which need to be revised in order to incorporate in them systematically the real conditions and prospects which integration brings in its train. This will entail working out a methodology for regional programming in the Area, a subject of deep interest both to the ALALC secretariat, which organized a meeting of Latin American planners in Lima in April 1963 and to ECLA, which has already embarked upon the relevant basic studies.

9. Other problems are connected with payment systems within the Area, mechanisms for regulating exchange rates between member countries, transport, co-ordination of trade policy, and, primarily, the establishment of a common tariff for third countries. On all these points the secretariats of ALALC and ECLA are collaborating actively.

10. In so far as the United Nations Conference on Trade and Development is concerned, the secretariat was requested to analyse the various problems of the external sector affecting Latin America's economic development, with a view to presenting the corresponding conclusions both to the Conference and to a seminar for Latin American government

experts scheduled to be held in Santiago in January 1964. It is hoped that these findings may be conducive to the Latin American countries' adopting a joint position with regard to their trade problems, which could be the basis for their participation in the Conference and pave the way for the subsequent detailed preparation of a long-term trade policy, taking into account the joint interests and possibilities of the countries of the region.

11. The ECLA secretariat is forging ahead with a series of studies for this meeting of government experts. Programmes for placing Latin American commodities on international markets are being reviewed, as also future world market trends, and existing possibilities for the diversification of regional exports, especially of manufactured and semi-manufactured goods. It is likewise hoped to clarify those aspects of internal economic policy which would have to be overhauled in order to alleviate balance-of-payments problems and bring about a regional development structure which is better adapted to intensification of exports and to import substitution on lines compatible with the appropriate considerations of cost and the methodical saving of foreign exchange. A study is also being made of the best kind of external financial aid for these countries, in particular during the transitional period, and of the prospects offered by trade with regions of the world which hitherto have represented minor or sporadic flows, especially the centrally-planned economies.

12. At the tenth session of the Commission, held in May, the secretariat presented the following documents relating to trade:

Trade with Europe and Latin American trade policy. Note by the secretariat (E/CN.12/667)

Recent developments and trends in Latin American trade with the European Economic Community (E/CN.12/631)

The achievement of co-ordination in Latin American trade policy; relations with the European Economic Community (E/CN.12/632) and Economic Bulletin for Latin America, Vol. VII, No. 2

The progress achieved by the Free-Trade Area and the prospects for Latin American economic integration (E/CN.12/668)

The economic development of Latin America in the post-war period (E/CN.12/659)

Report of the eighth session of the Central American Economic Co-operation Committee (E/CN.12/672)

General situation and future outlook of the Central American Integration Programme (E/CN.12/666)

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

1. The ECAFE Committee on Trade continued to devote attention to the work of promoting both intraregional and interregional trade which includes such projects as development of trade and trade promotion services, regional economic co-operation, expansion of international and intraregional trade, shipping and ocean freight rates, commercial arbitration facilities and improvement of customs administration.
2. The following is a brief summary of the activities of ECAFE in the field of international trade during the period 1962-1963 (up to September).

Review of developments in trade and trade policies

3. The Committee on Trade noted with concern the continued decline in the export earnings and the deterioration in the terms of trade of some ECAFE countries during 1962. It also noted the increasing imbalance between the supply of and the demand for certain primary commodities due to the tendency for the demand for primary commodities to rise more slowly than the demand for manufactured goods and also to the increased production in the industrialized countries of cheaper synthetics and substitutes. Moreover, it observed that the application of tariff, non-tariff and other barriers by some developed countries seriously hindered the growth of exports of the developing countries in the region. In this connexion, the Committee felt that the industrialized countries had a special responsibility in giving greater access to the exports of manufactured goods and agricultural products of developing countries and that the advanced countries should create an effective demand for these products by making suitable adjustments in their industrial structure and by not promoting domestic industries to produce these goods.
4. The Committee took note of proposals for compensatory financing aimed at achieving stability in primary commodities markets under consideration at different United Nations bodies. It recognized

that the developing countries stand to gain from comprehensive commodity arrangements on a global basis which would include fixing prices at more remunerative levels. The Committee further pointed out that the economic aid given by the industrialized countries to the less developed countries had to a large extent been offset by the decline in the prices of goods exported by the latter and the increase in the prices of industrialized goods.

Regional economic groupings and regional co-operation

5. In reviewing developments in regional economic groupings of developed countries the Committee reiterated its view that such groups should be outward-looking and that their policies with respect to agricultural protectionism, tariffs, quantitative restrictions, cartels, mixing regulations, internal taxation and state trading had to be watched closely by the developing countries. In this connexion, the Committee felt some apprehension regarding the European Economic Community in the absence of any reassurance from the Community that it was in fact pursuing outward-looking policies. The Committee expressed concern over the possible adverse consequences of the Community's agricultural policies on exports from the ECAFE region, particularly rice and coconut oil. It noted the renewal of the Association Convention between the Community and eighteen African States and anxiety was expressed by some ECAFE countries regarding the possible adverse effects on their exports of preferences created for the Community's Associated States and Territories.

6. To implement resolution 45 (XIX) adopted by the Commission during its nineteenth session held in Manila on Accelerated Measures for Regional Economic Co-operation for Development of Trade and Industry, the ECAFE Executive Secretary convened an Expert Group on Regional Economic Co-operation in August-September 1963. The report of this Expert Group will be considered by the Preparatory Meeting for Special Conference on Asian Economic Co-operation to be held on 21 - 26 October 1963 in Bangkok. A meeting of high level representatives will be held in

Manila from 3 - 6 December 1963 to review the progress so far achieved in regional co-operation and to formulate and adopt more positive measures for concerted regional action.

Foreign trade aspects of economic development plans of ECAFE countries

7. The Committee on Trade noted that some countries of the ECAFE region had not included foreign trade programmes in their economic development programmes. Its attention was drawn to the fact that many import and export commodity targets in several country plans had been drawn up without adequate regard to the programmes and requirements of other countries of the region, and in some cases without sufficient appreciation of world factors affecting the particular commodities. It suggested that member countries examine the export goals and import requirements set out in their plans for new opportunities of expanding intraregional and interregional trade and to enable ECAFE countries to find ways of avoiding duplication and inconsistencies and wastage of resources.

8. The Committee suggested that the ECAFE secretariat should undertake a study of import substitution in the countries of the region in order to provide some guide lines as to the type of products in which substitution is feasible on a national as well as regional or sub-regional basis.

United Nations Conference on Trade and Development

9. The Committee considered that the United Nations Conference on Trade and Development was one of the most important conferences to be organized by the United Nations and that the developing countries of the ECAFE region had a large common stake in making it a success. It urged ECAFE countries to study more exhaustively their trade problems and to submit constructive and realistic proposals for consideration of the Conference.

10. The Committee drew attention to a number of problems of special importance to developing countries which may be submitted for

consideration of the Preparatory Committee of the Conference including measures for ensuring stabilization of primary commodity markets; promoting exports of developing countries, particularly of manufactures; bringing about appropriate adjustments in the industrial structures of developed countries; mitigating the possible harmful or restrictive effects of regional groupings on the trade of developing countries and expanding the trade relations between centrally planned economies and free enterprise economies in the interest of the development and expansion of trade among all countries.

Working Party on Customs Administration

11. The revised and expanded framework of the ECAFE Code of Recommended Customs Procedures as formulated by the Working Party on Customs Administration held at Bangkok in 1962 was commended by the Committee on Trade. It noted that the amendments carried out by the Working Party had removed many of the difficulties which a number of member countries had experienced in adopting the Code.

12. A Regional Training Centre-cum-Seminar on Customs Administration was organized by ECAFE, with the aid of the United Nations Bureau of Technical Assistance Operations. Eighteen participants representing seventeen countries of the ECAFE region participated in the Training Centre-cum-Seminar held in Bangkok from 28 May to 2 July 1963. The Training Centre-cum-Seminar programme included, among others, subjects relating to customs administration and procedures, smuggling and allied problems, economics of customs taxation, commodity classification and work done by the Customs Co-operation Council.

Intraregional Trade Promotion Talks

13. Fourteen ECAFE countries participated in the fifth series of the Intraregional Trade Promotion Talks held in Bangkok in January 1963.

14. As in the past, participating countries reviewed the results of previous talks, follow-up action taken and new measures proposed for promoting intraregional trade. The group devoted three days of the

meeting to the discussion of measures for accelerated development of intraregional trade, including those relating to co-operation in commodity problems, United Nations Conference on Trade and Development, techno-economic co-operation, joint tourist promotion and publicity programmes, travel facilities for businessmen, shipping and ocean freight rates, joint ventures in industry and mineral development, ECAFE code of trade practices, establishment of a regional bank, establishment of a regional standard and testing institute, reduction of barriers and provision of special incentives to intraregional trade and various other subjects related to the promotion of intraregional trade. Eighty-nine bilateral talks were held in camera by the participating countries.

Trade in certain commodities

15. 1) Jute and jute products The Committee on Trade considered the report of the ad hoc Joint FAO/ECAFE Meeting on Jute, held at Bangkok in 1962. It noted the importance of jute, kenaf and allied fibres to the economy of several ECAFE countries and the harmful effects of instability in the jute market to both producing and consuming countries. It recognized the valuable work done by the Meeting, and, accordingly, endorsed its recommendation that a similar meeting be convened in the future, if required, to consider the progress made since the first meeting. The Committee on Trade also endorsed the proposal to establish an FAO Study Group on Jute, Kenaf and Allied Fibres. The FAO Committee on Commodity Problems approved the establishment of such a group.
- 2) Coconut and coconut products In pursuance of the decisions reached by participating governments during the last consultations, the Executive Secretary convened the second series of Consultations on Coconut and Coconut Products at Bangkok from 12 to 14 August 1963. The Group discussed common problems which it felt required co-operative effort among producing and exporting countries of the region, including the EEC tariff policy and preferential

arrangements with its associated territories; disposal of soyabean oil under US Public Law 480; international agreement on copra and coconut oil; and the continuation of the FAO Study Group on Coconut and Coconut Products.

16. The group reiterated that the consultations should continue to be held within the framework of the Intra-regional Trade Promotion Talks, and should be convened by the Executive Secretary at least once a year.

Shipping and ocean freight rates

17. Countries of the ECAFE region reiterated the fact that ocean freight rates were a significant factor in determining the competitiveness of their export commodities. Some countries reported that they were not able to export the expected quantities of their products due to the relatively high freight rates in the past year.

18. The Committee on Trade noted the efforts being made by some governments and shipping conferences to establish close relations with one another. It recommended that the secretariat intensify its study of shipping and ocean freight rates to include an analysis of the effects of freight rates structure on important commodities of the region and that it adopt a global approach to the problem.

19. The usefulness of convening an ad hoc Committee on Shipping and Ocean Freight Rates, with the participation of representatives of shipping lines, to examine shipping problems at the technical level was endorsed by the Committee.

Asian trade fair

20. The unforeseen difficulties encountered by the Government of Pakistan in the issuance of invitations to the Fair originally scheduled for 1963 was noted by the Committee on Trade. It felt that 1964 or 1965 might not be a most suitable time to hold the Asian Trade Fair because most member governments were already committed to participation in other international trade fairs. In this connexion, the Committee noted

that the Government of Thailand planned to organize an international trade fair in Bangkok in 1966. The Committee requested the ECAFE secretariat to explore with the Government of Thailand the possibility of holding the Asian Trade Fair in Bangkok in 1966. The Government has agreed to organize the Fair in Bangkok some time in 1966 and requested that technical assistance be provided by the United Nations.

ECONOMIC COMMISSION FOR EUROPE

1. This Note reviews the work of the ECE Committee on the Development of Trade and its subsidiary bodies from July 1962 to August 1963, and includes the relevant decisions taken by the eleventh session of the Committee held in Geneva in September 1962. The note thus completes and continues the information on ECE's trade work given to the ECA Standing Committee on Trade in document E/CN.14/STC/3. Special attention is drawn to an account of the recent developments in ECE's work in matters which appear to be of particular interest to ECA countries such as trade relations between countries with different economic systems (paragraphs 2 - 4 below), trade consequences of economic groupings (see paragraph 10 below), standardization of conditions of sale of various commodities (see paragraphs 18 - 26 below), insurance problems (see paragraph 30 below) and simplification of external trade documents (see paragraphs 31 - 38 below). The ECE documents referred to in this Note can be obtained, on request, through the ECA Secretariat. An addendum to this Note will be issued later to cover the results of the twelfth session of the ECE Committee on the Development of Trade, to be held in Geneva from 21 - 29 October 1963.

Work on Removal of Obstacles to Intra-European Trade

2. Following up the action reported earlier (E/CN.14/STC/3, paragraphs 5 - 8), the ECE Committee on the Development of Trade considered further at its eleventh session the preparation of recommendations for the removal of economic, administrative and trade obstacles to the development of trade between the ECE countries and agreed that the next step should be to convene an ad hoc group of governmental experts from all member countries. In the course of informal discussions which took place during the Committee session, suggestions were made on possible subjects which could be considered by such an ad hoc group but no agreement was reached. The Committee decided to request the Commission itself to indicate the questions which should form the subject of eventual recommendations.

3. At its eighteenth session, held in April/May 1962, the Economic Commission for Europe decided unanimously in its resolution 4(XVIII) to establish an ad hoc Group of seven governmental experts to undertake an intensive examination of the following subjects in the field of East-West trade:

- (a) The role of customs tariffs in the trade of member countries with different economic systems and the bearing of pricing and taxation policies on external trade;
- (b) The most-favoured-nation principle and non-discriminatory treatment as applied under different economic systems, and problems concerning the effective reciprocity of obligations under the different systems, and
- (c) The possibility of establishing multilateralization of trade and payments.

4. As requested by the Commission, its Chairman designated the following countries to nominate governmental experts to serve on the ad hoc Group, whose first meeting was convened from 9 - 20 September 1963: Czechoslovakia, France, Hungary, Sweden, the United Kingdom, the Union of Soviet Socialist Republics and the United States of America. The Commission requested the ad hoc Group to submit a preliminary report to the twelfth session of the Committee on the Development of Trade.

Contribution to the United Nations Conference on Trade and Development

5. At its eleventh session the Committee expressed its great interest in the United Nations Trade and Development Conference and wished to make known its desire that the special competence and experience of the ECE should be made available to the Preparatory Committee. In particular it assured the Executive Secretary of its support in the work he would be called upon to do by the Secretary-General.

6. The Commission at its eighteenth session considered the question of the ECE's contribution to the preparation of the Conference and in its unanimously adopted resolution 14(XVIII) appealed to all ECE Governments

to participate constructively in these preparations. It also requested the Executive Secretary to contribute to this work and to prepare for submission to the Preparatory Committee studies, analyses and documentation on problems to be considered by the Conference. The Executive Secretary was invited to transmit to the Preparatory Committee all material and information on ECE work in the field of trade and development which might be useful to the Committee.

7. Following the second session of the Preparatory Committee and the thirty-sixth session of the Council, the Executive Secretary has been in touch with the Secretary-General of the Conference and arrangements have been made for further assistance by the ECE Secretariat. In particular, work is progressing in the ECE Secretariat on a number of papers to be included in the documentation and studies submitted to the Conference.

Development of Intra-European and Especially East-West Trade

8. At its eleventh session the Committee reviewed the recent developments and prospects in the trade relations among ECE countries against the background of general economic developments during the past year. While satisfaction was shown with the present general trend of European trade as a whole, regrets were expressed that East-West trade in Europe remains at so low a level and it was hoped that the Committee would continue its efforts in seeking all possible ways to increase intra-European trade as well as to improve further and to facilitate trade relations among ECE countries.

9. The Secretariat prepared as background information for this discussion a review of recent developments in Europe's trade contained in the Economic Bulletin for Europe, Volume 14 No. 1 (Sales No. 62.II.E.7). In this Bulletin the Secretariat analyses Europe's place in world trade and recent developments in Western Europe's trade, including the evolution of the region's intra-trade and its trade with North America and primary producing countries overseas. The Bulletin also discusses recent developments in the trade policy and export financing in Western Europe and North America.

The trade of Eastern European countries, and the new tariffs in the Soviet Union and Hungary are the subjects of special articles. The Bulletin ends with an analysis of the development of trade between Eastern and Western European countries.

Consequences for Intra-European Trade of Efforts to Achieve a Greater Degree of Economic Integration on a Sub-Regional Basis in Europe

10. At the eleventh session of the Committee a review took place of the application of the recommendation adopted by the Committee at its tenth session concerning procedures on consultations between participants and non-participants in sub-regional economic groupings in Europe (see paragraph 10, E/CN.14/STC/3). Delegations also discussed the effects on their trade of measures taken by sub-regional economic groupings. A number of delegations stated that during the year the difficulties for their countries' exports to members of the European Economic Community had augmented as a result of further measures carried out within the framework of the Rome Treaty, and gave examples to illustrate the difficulties which they were encountering. The representative of Italy speaking on behalf of Governments members of the European Economic Community, and supported by representatives of countries members of the European Free Trade Association, stated that they did not agree with the view that the creation of sub-regional economic groups in Western Europe had adverse effects on intra-European trade. They pointed out that economic integration was also being promoted among the countries with centrally planned economies and that the methods or means open to them were not less efficient than the mutual reduction of customs tariffs under way between member countries of the sub-regional groupings in Western Europe. The representatives of these countries expressed their continued readiness to discuss difficulties which might arise for third countries, in accordance with the recommendation adopted by the Committee at its tenth session. The representative of Austria recalled his Government's statement made at the seventeenth session of ECE, that if the Committee on the Development of Trade were to set up an organ to examine concrete cases of difficulties arising from efforts

at economic integration, Austria would be ready to take part. He added that this statement retained its validity. Other delegations pointed out that participation in the Council for Mutual Economic Assistance did not imply any obligation to introduce discriminatory measures relating to trade with third countries.

Question of the Periodic Consideration by the Committee of Long-term Trade Trends and Perspectives

11. As reported previously (E/CN.14/STC/3, paragraph 4), the Committee is considering the Executive Secretary's suggestion concerning the possibility of an annual exchange of information and views among ECE Governments on long-term perspectives or plans for trade (TRADE/117). The results of the enquiry undertaken by the Executive Secretary in accordance with the Committee's decision at its tenth session led the Secretariat to report to the Committee's eleventh session that it might be premature, at the present time, to carry out an exchange of information as originally suggested. The Secretariat stressed, however, that general interest had been expressed among ECE Governments in the objective of increasing and improving knowledge of foreign trade prospects and plans. During the discussion at the eleventh session of the Committee the possibility of the setting up of a group of experts was considered to study methods used in various countries for the establishment of foreign trade plans and perspectives. The Committee emphasized its general interest in this work and asked the Secretariat to keep in touch with United Nations Headquarters regarding work undertaken by the Economic Projections and Programming Centre; to continue its enquiries in order to obtain Governments' views and to report further to the Committee at its twelfth session on this matter. The Secretariat is reporting to the forthcoming session of the Committee on the work done at Headquarters and in other regions to establish Programming and Projections Centres.

Inter-regional Trade

12. The Secretariat prepared, as usual, for the Committee's consideration at its eleventh session, a detailed report on the work of the other

regional economic commissions in the field of trade, including that of the ECA Standing Committee on Trade (TRADE/136, paragraphs 35 - 49).

13. In the course of the discussion delegates emphasized the importance their Governments attached to the trade with developing countries of the other regions and the efforts made by their countries to expand such trade as an essential means of assisting the economic development and raising the standard of living in the other regions. Some delegates described in detail the volume of the trade their countries reached with individual countries of the other regions and appraised the prospects for further development of this trade. Some delegates also urged the Committee to try every means at its disposal to develop inter-regional trade as an important instrument for the strengthening of international cooperation. The importance of inter-Secretariat cooperation on problems relevant to inter-regional trade was also underlined.

14. The delegate of the Soviet Union, supported by the delegate of Czechoslovakia, expressed the opinion that the Secretariat should consider, jointly with the Secretariats of the other regional economic commissions, the possibility of arranging for a closer cooperation between Trade Committees of the various Regional Economic Commissions including the convening of joint sessions of these Trade Committees.

15. The delegate of Sweden drew attention to the considerable differences which existed in import propensity and possibilities in developed countries for various commodities offered by developing countries and suggested that efforts should be made, both by individual Governments and jointly, to expand imports in ECE countries for exports from developing countries of the other regions, in the first instance for those commodities where developing countries actually have excess export capacity (e.g., coffee, cotton, textiles).

Improvement of Payment Arrangements

16. During its eleventh session the Committee held its usual review of the progress made by ECE Governments towards the achievement of

effective transferability of their currencies and greater flexibility in payment arrangements, in accordance with the recommendation adopted by the Committee in 1960 (see paragraphs 14 - 16 of document E/CN.14/STC/3).

17. The Committee also considered the Fifth Annual Report on the Operations of the Multilateral Compensation Procedures (E/ECE/59). The Procedures, it will be recalled, are a facility available on an optional basis to Governments entitled to participate in the work of the Economic Commission for Europe. This also comprises countries, members of the United Nations, participating in the work of the other regional economic commissions, including a number of ECA countries. Since the beginning in 1957 of the Operations which enable central banks of interested countries to compensate on a voluntary, non-automatic, basis balances arising under bilateral agreements, balances amounting to the equivalent of some 80 million dollars have been transferred. The Committee decided that the Procedures be continued in the present form subject to review by the twelfth session of the Committee.

General Conditions of Sale and Standard Forms of Contract

18. Basic information on the work of the ECE on the drawing up of general conditions of sale and standard forms of contract was given in document E/CN.14/STC/3, paragraphs 17 - 22.

19. The characteristic feature of these Conditions is that they are drafted by experts from exporting and importing countries representing various interests and that they attempt to provide a balanced formulation of rights and duties in order to avoid litigation and to be in accord with current practice in the particular trade covered. Since 1951, when this work started in ECE, these Conditions have been increasingly used in actual trade transactions not only in Europe but also in inter-regional trade.

20. The text of Standard Contracts and General Conditions of Sale already prepared under the auspices of ECE in the fields of engineering,

timber, cereals, citrus fruit and coal trade can be obtained, on request, through the ECA Secretariat or directly from the Sales Section, United Nations, Palais des Nations, Switzerland or from any sales agent for United Nations publications.

21. In its Note TRADE/147 the Secretariat is reporting to the twelfth session of the Committee on the Development of Trade of the ECE on the progress achieved in the work of standardization of general conditions of sale in 1962-1963. The following appear to be of interest to countries of the ECA region:

Engineering

22. The Ad Hoc Working Party of Contract Practices in Engineering adopted a Commentary on the General Conditions of Sale for the Import and Export of Durable Consumer Goods and of other Engineering Stock Articles No. 730 and instructed the Secretariat to publish it in the same manner as previous commentaries on other General Conditions of Sale. This Commentary has now been published (E/ECE/426, Sales No. 62.II.E/Mim. 29).

23. The Ad Hoc Working Party on Contract Practices in Engineering, at its eighteenth session held in May 1963, considered the question of the practical application of General Conditions of Sale Nos. 188, 574, 188A, 574A and 730 on the basis of information transmitted by Governments (IM/WP.5/59 and Add. 1). Noting that the Conditions had proved very useful but that in practice they were not all applied to the same extent, the Working Party instructed the Executive Secretary to suggest that each Government should adopt appropriate publicity measures in its country to extend the application of those General Conditions.

24. The Working Party adopted at first reading the text of additional clauses for supervision of erection of plant and machinery abroad, to be used in conjunction with General Conditions of Sale Nos. 188 and 574. This text has been communicated to Governments for comments and in the light of the comments received, the Executive Secretary will

consult Governments as to whether he should issue the additional clauses as adopted at first reading, or bring them into line with the new comments, or convene another meeting of the Working Party for a second reading of the clauses. As regards General Conditions for the erection of plant and machinery abroad, the Secretariat held consultations with interested Governments and is now arranging for the publication under its own responsibility of these conditions which will bear the numbers 188D and 574D.

25. The Secretariat was asked by the Working Party to prepare in cooperation with the Government of Czechoslovakia and with the International Federation of Consulting Engineers and the International Federation of Building and Public Works a study of the general conditions which might be applicable to contracts for the construction of buildings and public works in connexion with large industrial plants for the installation of which the contracting enterprises have accepted general responsibility. The Secretariat study will be submitted to a special session of the Working Party, at which Governments would be represented not only by experts on the supply and erection of large industrial plants but also by experts on the construction of industrial buildings and public works.

Timber

26. General Conditions for the Export and Import of Hardwood Logs and Sawn Hardwood from the Temperate Zone have been published and may be obtained under reference No. 420 (TIM/163, Sales No. 62.II.E/Mim.1). As regards the possible preparation of General Conditions of Sale for Tropical Timber, the Secretariat has been instructed by the Timber C Committee to prepare, on the basis of its comparative study (TIM/164), a first draft of General Conditions which will be submitted both to countries participating in the work of the ECE and, through the FAO, to other countries interested in the European trade of tropical timber. On the basis of this draft, the Timber Committee may decide, at its next session, whether it will be necessary to convene, possibly in

cooperation with the FAO, a meeting of the Working Party for the preparation of optional General Conditions of Sale for Tropical Timber for Import or Export or whether it will suffice to instruct the Secretariat to publish such optional conditions under its own responsibility.

Arbitration

27. As reported to the ECA Standing Committee on Trade, E/CN.14/STC/3 paragraphs 23 - 27, 18 ECE Governments signed in 1961 the European Convention on International Commercial Arbitration. So far, four countries, Romania, Ukrainian SSR, USSR and Yugoslavia have ratified this Convention and procedures have been initiated in a number of other countries with a view to ratification of the Convention or the accession to it. The Committee at its eleventh session expressed the hope that these procedures will be completed in the near future so that the Convention can enter into force.

28. The main purposes of the Convention and its practical usefulness were described in an earlier report prepared for the ECA Standing Committee on Trade (E/CN.14/STC/3, paragraph 26). It should be stressed that the Convention is also open for accession by Governments, members of the United Nations which are not members of the ECE. Thus it is possible for countries in the ECA region to accede to the Convention after its entry into force, i.e., after at least five ECE Governments have ratified it.

29. At its eighth session held in May 1963, the Ad Hoc Working Group on Arbitration adopted a set of optional rules to be known as the "Arbitration Rules of the Economic Commission for Europe of the United Nations Organization" and to be published by the Executive Secretary on the same lines as had been followed for the publication of the Commission's general conditions of sale for various commodities.

Insurance Problems

30. Detailed information on the problems of the agenda of the ad hoc Working Party on Insurance Problems was given to the ECA Standing Committee

on Trade in document E/CN.14/STC/3, paragraphs 28 - 35. At its fourth session, held in August 1963, the Ad Hoc Working Party adopted a recommendation on the freedom of re-insurance which, as decided by the Committee at its eleventh session, was sent directly to Governments, together with the report of the Ad Hoc Working Party dealing with the adoption of this recommendation (TRADE/149, paragraphs 12 - 17). The text of the recommendation will also be circulated as an unrestricted ECE document. As regards harmonization of general clauses of transport insurance policies, the Working Party took the view that all efforts to that end should be encouraged and left it to the Executive Secretary to convene it to review the situation when present or future work at the professional level with a view to the harmonization of F.P.A. or other maritime policies has reached a sufficiently advanced stage to make such a comparison possible.

Simplification and Standardization of External Trade Documents

31. A detailed report on the first session of the ECE Working Party on the Simplification and Standardization of Export Documents held in August 1961 was given in document E/CN.14/STC/3, paragraphs 36 - 39.

32. At its second session held in October 1962, the Working Party continued its work on the possibility of an international standardization of the principal export documents. The need for close cooperation between all the national and international bodies concerned in any way with such standardization was stressed and Governments were requested to furnish the Secretariat with information on the setting up and operation of national committees concerned with this problem. This information is contained in the Secretariat document TRADE/WP.4/24.

33. As regards the drawing up of a model document capable of adaptation to all international trade transactions, the Working Party instructed the Secretariat to transmit to Governments and to all the interested organizations a new draft model document to be accompanied, by way of example, by draft documents for the different modes of transport which

could be drawn up on the lines of the new draft. Comments on these new drafts received from Governments and interested organizations will be submitted to the Working Party at its next session (TRADE/WP.4/23).

34. Also for the next session of the Working Party, the Secretariat will submit a draft outline for a technical manual on the standardization of export documents prepared in cooperation with members of the Working Party and on the basis of comments received on the subject (TRADE/WP.4/26).

35. The Working Party also examined at its second session the question of the possible abolition of certificates of origin. It considered that a certificate of origin in the true sense of the term should not be required for foreign trade transactions, unless it was absolutely indispensable by reason of the relations between the country of origin and the country of destination of the goods. In cases where declarations or certificates of origin were found to be absolutely indispensable, the Working Party thought it would be useful for these documents to be issued in a form consistent with the general pattern of international standardization of export documents.

36. As regards the efforts undertaken to secure the abolition of consular visas and invoices and the results achieved, the Working Party noted the information transmitted by Governments and by regional economic commissions (TRADE/WP.14/16 and TRADE/WP.4/16 Add. 1), and considered that efforts in this field, with a view to the complete abolition of these formalities, should be continued and intensified. It instructed the Secretariat to continue its work on the subject in line with the parallel action being taken by GATT, and to transmit the Working Party's opinion on the matter to the other regional economic commissions of the United Nations.

37. The Working Party also examined the question of the use of the TIF Form and considered that it would be well to bear in mind the possibilities for simplifying import and export operations which were offered in certain situations by use of the TIF Form for various foreign trade transactions. In view of those possibilities it was found desirable to consider adapting the TIF Form to the system of international

standardization of export documents. The Secretariat was instructed to consult the experts of the Group of Customs Experts of the Inland Transport Committee of the Economic Commission for Europe on that matter and a proposal to that effect will be put before the Group at its next session.

38. The Secretariat was finally instructed to communicate to the other regional economic commissions the results of its work in this field as a whole so that the efforts to achieve standardization and simplification of export documents might have as wide an effect as possible (TRADE/138, paragraph 27). The Executive Secretary of ECE has communicated with the Executive Secretary of ECA accordingly.

Trade Fairs and Technical Shows

39. At its eleventh session the Committee examined the observations made by ECE Governments pursuant to Commission resolution 7(XVII) in which the Commission asked the Committee to consider whether it should undertake further work in the field of international trade fairs and exhibitions. After a discussion, in which all delegations stressed their interest in developing and facilitating the organization and the operation of international commercial fairs, the Committee requested the Secretariat to prepare a note on the way in which the recommendations of the ECE Working Party on International Fairs have been implemented by Governments and on the problems which remain to be solved in the field of international fairs. The Committee will consider the matter again at its next session on the basis of this document (TRADE/146).

Consultation on Intra-European and Especially East-West Trade

40. The tenth Consultation took place in September 1962 in conjunction with the eleventh session of the Committee. Some 56 bilateral discussions on trade problems took place between experts of participating countries. The general consensus of these experts was that the bilateral talks have been useful. The next Consultation will be held in conjunction with the twelfth session of the Committee in October 1963.