NOTE: 1. The aim of this Short Chronology is to indicate some of the principal events in the history of GATT over the past twenty years. Largely excluded, therefore, are the regular, day-to-day activities in connexion with the administration of GATT's provisions and the work done on a continuing basis by various Committees, etc. - e.g. Consultations on Import Restrictions; Committee on Trade and Development.

2. To supplement the Short Chronology, a number of Annexes are attached to it for reference purposes. These are:

   Annex A (page 11) Chairmen of the GATT
   Annex B (page 11) Member Governments and Observers
   Annex C (page 12) Executive Secretary/Director-General
   Annex D (page 13) Tariff and Trade Negotiations
   Annex E (page 20) Consultations
   Annex F (page 21) The GATT Trade Centre

3. Unless otherwise stated, all meetings have been held at Geneva.

   In 1946 and 1947 a Preparatory Committee, appointed by the United Nations Economic and Social Council was given the task of preparing a draft charter for an International Trade Organization (ITO). The Committee held sessions in London (1946), New York (1947) and Geneva (1947). The governments which formed the Committee agreed to hold negotiations aimed at lowering customs tariffs and reducing other trade restrictions among themselves, without waiting for the ITO itself to come into being.
1947 The first tariff negotiating conference was held at Geneva, simultaneously with the work of drafting the ITO Charter; trade in the products on which concessions were negotiated was estimated at $10,000 million. The participating countries drew up the text of the General Agreement on Tariffs and Trade, which included the tariff concessions and a set of rules designed to prevent these concessions from being frustrated by other protective devices. The Final Act of the tariff conference (which included the text of the GATT) was signed in the Palais des Nations, Geneva, on 30 October 1947.

The Charter for the ITO was completed at Havana by the United Nations Conference on Trade and Employment in March 1948. However, by the end of 1950 it became evident that the ITO Charter would not be generally accepted. The GATT, originally intended as a stop-gap arrangement pending the creation of the ITO, therefore became operative on a permanent long-term basis as the principal international instrument governing the conduct of world trade.

1948 On 1 January GATT entered into force for 23 countries: Australia, Belgium, Brazil, Burma, Canada, Ceylon, Chile, the Republic of China, Cuba, Czechoslovakia, France, India, Lebanon, Luxemburg, Kingdom of the Netherlands, New Zealand, Norway, Pakistan, Southern Rhodesia, Syria, South Africa, United Kingdom, United States.

February-March. The first session of the Contracting Parties was held at Havana. After a few months at Lake Success, the newly-formed secretariat of GATT was established at Geneva in July, and the second session was held at Geneva in August-September.

1949 New GATT Member: Indonesia.

April-August. The second round of tariff negotiations was held at Annecy, France, resulting in the accession of a further ten countries.

April-August. Third Session of the Contracting Parties (Annecy).

1950 New GATT Members: Denmark, Dominican Republic, Finland, Greece, Haiti, Italy, Nicaragua and Sweden.

February-April. Fourth Session of the Contracting Parties.

September-April 1951. The third round of tariff negotiations was held at Torquay, England, resulting in the accession of four countries.

November-December. Fifth Session of the Contracting Parties (Torquay). In December, the United States Government indicated that the Havana Charter would not be re-submitted to the Congress; this, in effect, meant that the ITO would not come into operation.

These three countries subsequently withdrew from the GATT.
1951 New GATT Members: Austria, the Federal Republic of Germany, Peru and Turkey.

April. A special session of the Contracting Parties, at Torquay, was concerned with the problems faced by certain European countries with low tariff levels in undertaking further tariff negotiations.

September-October. Sixth Session of the Contracting Parties. The French delegation presented a Plan - the "Pflimlin Plan" - for an across-the-board tariff reduction of 30 per cent, by sectors of import trade.

1952 October-November. Seventh Session of the Contracting Parties. Japan requested negotiations for accession. Waiver granted to the European Coal and Steel Community for the elimination of import and export duties between member countries during the transition period. Panel on Complaints established, to assist in settling complaints concerning the nullification or impairment of benefits under the GATT (see Annex E).

1953 New GATT Member: Uruguay.

June, "International Trade 1952" published. This was the first of the GATT reports which have analyzed year by year the changes in the structure and trends of world trade. "International Trade 1954" stressed, for the first time, the relative growth of trade within industrial areas and the relative decline in trade between the non-industrial and industrial areas. In each subsequent year the reports continued to keep this aspect of world trade under review.


November. Ministerial meeting inaugurating the review of the GATT.

1955 New GATT Member: Japan.

March. Review of the GATT completed. Main results: (a) reaffirmation of the basic objectives and obligations of the GATT; (b) amendment to the Article dealing with problems of less-developed countries so as to give these countries increased flexibility in the use of tariff and other measures for their economic development; (c) new provisions relating to export subsidies; (d) decision to consult regularly on quantitative restrictions still maintained for balance-of-payments reasons; developed countries have since consulted with the organization once a year and less-developed countries every two years.
At the ninth session a waiver was granted to the United States permitting it to impose restrictions on imports of agricultural products to meet the requirements of the United States Agricultural Adjustment Act. The so-called "hard-core" waiver was also adopted; this permitted countries that could no longer justify quantitative restrictions on balance-of-payments grounds to delay their removal where it would result in serious injury to a domestic industry or a branch of agriculture hitherto protected by such restrictions. (There is a general prohibition on the use of quantitative restrictions under the GATT, with the principal exception that such restrictions may be imposed for balance-of-payments reasons.)

October-December. Tenth Session of the Contracting Parties.

1956 January. GATT training programme for government officials, mainly from developing countries, inaugurated. (By the end of 1967 some 190 officials from some 60 countries will have participated in these courses.)

January-May. Fourth round of tariff negotiations, among twenty-two countries and the European Coal and Steel Community.

October-December. Eleventh Session of the Contracting Parties. Arrangements made for the provisional accession of Switzerland. Decision that another general examination of quantitative import restrictions imposed for balance-of-payments reasons should be conducted in 1957.

1957 New GATT Members: Malaysia and Ghana.

October-November. Twelfth Session of the Contracting Parties, attended by Trade Ministers. The Ministers reviewed the prospects for international trade. They considered that there were some disturbing elements, including the failure of the export trade of less-developed countries to expand at a rate commensurate with their growing import needs. A Panel of Experts (Dr. Campos, Prof. Haberler, Prof. Meade and Prof. Tinbergen) was established to review the present state and prospects for international trade, including in particular "the failure of the trade of less-developed countries to develop as rapidly as that of industrialized countries".

Committee set up to examine the relevant provisions of the Treaty of Rome, establishing the European Economic Community, in the light of the relevant provisions of the GATT and in particular of Article XXIV which sets out rules relating to the establishment of customs unions and free-trade areas.

Consultations undertaken with 21 countries on import restrictions imposed for balance-of-payments reasons.
1958 October, publication of "Trends in International Trade", the report of the Panel of Experts, usually known as the "Haberler Report", which provided the initial guidelines for the work of the Contracting Parties in tackling, in subsequent years, the trade and development problems of developing countries, as well as the trade effects of agricultural protectionism in industrial countries. The report provided the basis for the Ministerial directives of the thirteenth session.

October-November. Thirteenth Session of the Contracting Parties, attended by Trade Ministers. Programme for the Expansion of Trade adopted, providing for the establishment of three Committees: Committee I, to convene a further tariff negotiating conference; Committee II, to review the national agricultural policies of member governments and to examine the effects of agricultural protection on international trade; Committee III, to tackle the problems facing the developing countries in expanding their trade with the rest of the world. The Programme represented a three-pronged movement for the expansion of world trade. (These activities were to lead to the Dillon and Kennedy Rounds of trade negotiations; a far better understanding of countries' agricultural problems and the inclusion of agriculture in the Kennedy Round; and much pioneering work on the trade problems of the developing countries.)

November, tariff negotiations for the accession of Switzerland completed.


September. Committee II started consultations on the agricultural policies of member countries. During 1959-1961 consultations were held with forty countries. In 1962 the Committee examined the changes in the agricultural policy of the EEC member States, subsequent to the entry into force of the Common EEC Agricultural Policy. In 1965 the Committee held consultations with the EEC, the United States and the United Kingdom on changes in their agricultural policies.

October-November. Fifteenth Session of the Contracting Parties, with participation of Ministers, at Tokyo. Many industrialized contracting parties declared their intention to dismantle remaining import restrictions, following moves towards the convertibility of currencies early in 1959. This was a period of continuing pressure for the removal of import restrictions; good results were progressively secured in the industrial sector.
1960 New GATT Member: Nigeria.

May-June. Sixteenth Session of the Contracting Parties. Examination of the Stockholm Convention establishing the European Free Trade Area. Decision to establish the Council of Representatives to deal with business arising between sessions. (The Council superseded the previous Intorsessional Committee.)

September. Opening of the fifth tariff conference; the first phase was concerned with negotiations with the member States of the European Economic Community, for the creation of a single schedule of concessions for the Community, based on its Common External Tariff.

October-November. Seventeenth Session of the Contracting Parties. Examination of the Montevideo Treaty establishing the Latin American Free Trade Area. Declaration prohibiting the use of export subsidies on goods other than primary products opened for signature. (Hitherto these provisions of Article XVI, on which agreement had been reached in 1955, had been operating from year to year. The Declaration entered into force in October 1962 on its acceptance by fourteen industrial countries: Austria, Belgium, Canada, Denmark, France, Federal Republic of Germany, Italy, Luxemburg, Netherlands, Norway, Sweden, Switzerland, United Kingdom, United States.)

1961 New GATT Members: Sierra Leone and Tanzania.

May. Second phase of the 1960/61 tariff conference opened - the "Dillon Round". This was a further general round of tariff negotiations conducted, as had been all the earlier negotiations, on a product-by-product basis.

May. Eighteenth Session of the Contracting Parties. Decision to call a Ministerial meeting later in 1961, in order to review the work done under the Programme for Trade Expansion during the past three years and to give directives for the future.

July. Meeting of countries with an interest in trade in cotton textiles. The governments concerned drew up the Short-Term Arrangement on Cotton Textiles and appointed the Cotton Textiles Committee to undertake work looking towards a long-term solution.

October. Short-Term Cotton Textile Arrangement entered into force, for one year.

November-December. Nineteenth Session of the Contracting Parties, with the participation of Ministers. The Contracting Parties adopted a Declaration on the Promotion of the Trade of the Less-Developed countries.
which provided further directives aimed at expanding the export earnings of the developing countries. The Declaration called for, inter alia, the removal of quantitative restrictions on imports, further reduction of tariffs and the removal or reduction of revenue duties. It was based on the work done by Committee III; since 1958 this had evolved along the following lines: identification of barriers to trade on a commodity-by-commodity basis; continuing efforts to achieve the removal of these barriers; the broad study of development plans and export potential of individual developing countries; and the consideration of other ways and means to expand exports of these countries.

**1962**

*New GATT Members:* Israel, Portugal, Trinidad and Tobago, and Uganda.

**January-February.** Cotton Textile Committee drew up the Long-Term Cotton Textiles Arrangement. (By 1967, 30 countries were parties to the Arrangement.)

**July,** conclusion of the 1960-61 Tariff Conference. Value of trade covered by concessions negotiated in the "Dillon Round" estimated to be $4,900 million. Four countries - Cambodia, Israel, Portugal and Spain, negotiated for accession and all have acceded, except Cambodia.

**September.** First of a regular series of courses on commercial policy for officials from African Governments held at Dar-es-Salaam and Dakar, in co-operation with the United Nations Economic Commission for Africa. (Since 1962 similar courses have been held at Kampala, Abidjan, Nairobi, Yaoundé, Addis Ababa, Lomé, Lagos, Tananarive, Lusaka and Dakar.)

**October-November.** Twentieth Session of the Contracting Parties. Decision to convene a Ministerial meeting in 1963 to consider a programme for further liberalization of trade in both primary and secondary products.

**1963**

*New GATT Members:* Cameroon, Central African Republic, Chad, Congo (Brazzaville), Cyprus, Dahomey, Gabon, Ivory Coast, Kuwait, Madagascar, Mauritania, Niger, Senegal, Spain and Upper Volta.

*May.* Meeting of Ministers. It was agreed to hold comprehensive trade negotiations, on a most-favoured-nation basis, to begin on 4 May 1964, with the widest possible participation; the negotiations would deal with both tariff and non-tariff barriers; the tariff negotiations would be based on a plan of substantial linear tariff reductions, with a bare minimum of exceptions, to be subject to confrontation and justification. The negotiations should provide for acceptable conditions of access to world markets for agricultural products; and every effort should be made to reduce barriers to exports of the less-developed countries, but the
developed countries would not expect to receive reciprocity from the less-
developed countries. A Trade Negotiations Committee was created to
supervise the conduct of the negotiations, which came to be known as the
Kennedy Round.

The Ministers also formulated an Action Programme representing a further
attack on trade barriers facing the exports of developing countries. The
Programme provided for: a standstill as regards the creation of new tariff
and non-tariff barriers; the elimination of quantitative restrictions;
duty-free entry for tropical products; elimination of tariffs on primary
products; the reduction and elimination of tariff barriers facing developing
countries' exports of semi-processed and processed products; the progressive
reduction of internal fiscal charges and revenue duties; and, finally, for
reporting on measures taken by contracting parties with respect to these
barriers to trade. The Action Committee was created to supervise the
Programme. The Ministers proposed, inter alia, that studies should be
made regarding (a) the granting of preferences on selected products by
industrialized countries to developing countries as a whole; and (b) the
granting of preferences by developing countries to all other developing
countries. This work was undertaken by the Action Committee and, later,
by the Committee on Trade and Development.

1964 New GATT Members: Jamaica, Kenya, Malawi, Malta and Togo.

February-March: Twenty-first Session of the Contracting Parties. Much of
the work of this session was concentrated upon the trade problems of less-
developed countries. In particular, (i) it was agreed that, so as to
provide a legal and institutional framework for the work of the Contracting
Parties towards expanding the trade of developing countries, a new Chapter
on Trade and Development should be drafted for incorporation in the General
Agreement, (ii) the policy of undertaking studies of individual national
development plans as to their trade and aid aspects was endorsed,
(iii) it was decided to establish trade information and trade promotion-
advisory services for the benefit of the less-developed countries.

May. GATT International Trade Centre began operation (for an outline of
its work, see Annex F).

May. The Trade Negotiations Committee met at Ministerial level and
formally opened the Kennedy Round of Trade Negotiations. The Committee
had agreed that a rate of 50 per cent should be used as a working hypothesis
for the linear reduction of industrial tariffs by industrial countries,
with a minimum of exceptions which would be subject to justification.

MORE
November. Certain industrial countries participating in the Kennedy Round on the basis of linear reductions tabled their lists of items excepted from the 50 per cent linear offer.

November 1964 and February 1965. Special session of the Contracting Parties at which the text of the new Part IV of the GATT, on Trade and Development, was adopted and submitted for approval by governments. Part IV gives a contractual and legal basis for commitments by contracting parties undertaken with the objective of expanding the trade of developing countries, raising their standard of living and promoting more rapid economic development.

1965 New GATT Members: Burundi and Gambia.

February. The new Part IV of the GATT entered into force on a de facto basis.

March-April. Twenty-second Session of the Contracting Parties. The Committee on Trade and Development established its working programme and gave specific tasks to subsidiary groups. A working party began its consideration of the Agreement between the United States and Canada on automobiles and parts, under which the United States would extend duty-free treatment to imports of vehicles and original parts of Canadian origin. Subsequently, in November 1965, the Contracting Parties granted the required waiver to the United States.

March. The Trade Negotiations Committee adopted procedures for the negotiations on agriculture and for the participation of developing countries in the Kennedy Round.

December. Major review of the Cotton Textiles Arrangement after three years of operation.

1966 New GATT Members: Guyana, Rwanda, Switzerland and Yugoslavia.

March-April. Twenty-third Session of the Contracting Parties. Review of the implementation of Part IV and the work of the Trade and Development Committee. Examination of Agreements establishing the New Zealand-Australia Free Trade Area and the United Kingdom-Ireland Free Trade Area. Waiver granted to Australia to provide tariff preferences to less-developed countries. Decision to admit Switzerland as a full contracting party. Protocol for the accession of Yugoslavia, on the completion of tariff negotiations, approved.

June. Part IV of GATT entered into force, de jure, for those contracting parties which had accepted it.
January. Committee on Trade and Development met at Punta del Este, Uruguay, and reviewed the progress of the work of GATT in the trade and development field, with particular reference to the problems of concern to developing countries in the Kennedy Round.

April. Cotton Textiles Committee agreed on text of a Protocol for the prolongation of the Cotton Textiles Arrangement for three years, from 1 October 1967. All parties to the Arrangement subsequently accepted prolongation.

15 May. Announcement that the essential elements in the Kennedy Round had been successfully concluded, with important tariff cuts, including reductions of 50 per cent in many areas, on a wide range of industrial products. The value of trade in the products on which concessions were negotiated is estimated at $40,000 million. The basic elements to be incorporated in a grains arrangement were agreed, including the provision of food aid for developing countries amounting to 4.5 million metric tons of grain annually, over a three-year period.

In the non-tariff field a code was agreed for the administration of national anti-dumping legislation. There were tariff cuts on many products of principal or potential export interest to developing countries. (Annex D)

30 June. End of the 1964-67 trade negotiations (the Kennedy Round). The Final Act was signed by all participants. The results of the negotiations were contained in the following instruments which were opened for signature: (1) Geneva Protocol, which contains the lists of concessions negotiated by each country; (2) Agreement relating principally to Chemicals; (3) Memorandum of Agreement on Basic Elements for the Negotiation of a World Grains Arrangement; (4) Agreement on Implementation of Article VI (Code for the administration of anti-dumping legislation). Protocols for the accession of Argentina, Iceland, Ireland and Poland were tabled.

September. Publication of the concessions negotiated in the Kennedy Round, including legal instruments, in five volumes containing 4,000 pages.

October. Protocol prolonging the Cotton Textiles Arrangement for three years entered into force.

November. Twenty-fourth Session of the Contracting Parties.
Annex A

CHAIRMEN OF THE CONTRACTING PARTIES

The following have occupied the position of Chairman of the Contracting Parties since GATT entered into force on 1 January 1948: Mr. Dana WILGRESS (Canada), Mr. J. MELANDER (Norway), Sir Claude COREA (Ceylon), Mr. L.K. JHA (India), Mr. Garcia OLDINL (Chile), Mr. E. Barbosa da SILVA (Brazil), Mr. W.P.H. van OORSCHOT (Netherlands), Mr. J.H. WARREN (Canada), Mr. J.A. LaCARTE (Uruguay), Mr. K.B. LALL (India).

Annex B

GATT MEMBERSHIP: STATUS AT NOVEMBER 1967

1. Contracting parties to the GATT (74)

| Argentina | Ghana | Norway |
| Australia | Greece | Pakistan |
| Austria  | Guyana | Peru |
| Barbados | Haiti  | Poland |
| Belgium  | India  | Portugal |
| Brazil   | Indonesia | Rhodesia |
| Burma    | Israel | Rwanda |
| Burundi  | Italy  | Senegal |
| Cameroon | Ivory Coast | Sierra Leone |
| Canada   | Jamaica | South Africa |
| Central African Republic | Japan | Spain |
| Ceylon   | Kenya  | Sweden |
| Chad     | Korea  | Switzerland |
| Chile    | Kuwait | Tanzania |
| Congo (Brazzaville) | Luxemburg | Togo |
| Cuba     | Madagascar | Trinidad and Tobago |
| Cyprus   | Malawi | Turkey |
| Czechoslovakia | Malaysia | Uganda |
| Dahomey  | Malta  | United Kingdom of Great Britain and Northern Ireland |
| Denmark  | Mauritania | United States of America |
| Dominican Republic | Netherlands, Kingdom of the | Upper Volta |
| Finland  | New Zealand | Uruguay |
| France   | Nicaragua | Yugoslavia |
| Gabon    | Niger,  | |
| Germany, Fed. Rep. of | | |

2. Countries which have acceded provisionally (3)

| Iceland* | Tunisia | United Arab Republic |

*Iceland has completed negotiations for full accession and will accede shortly.
3. Countries which participate in the work of the Contracting Parties under special arrangements (1)

Cambodia

4. Countries to whose territories the GATT has been applied and which now, as independent States, maintain a de facto application of the GATT pending final decisions as to their future commercial policy (2)

Algeria
Botswana
Congo, Dem. Rep. of
Lesotho
Maldive Islands
Mali
Singapore
Zambia

OBSERVERS

The following countries have been represented by observers at recent sessions of the Contracting Parties and other meetings:

Bolivia
Bulgaria
Republic of China
Colombia
Ecuador
Guatemala
Honduras
Hungary
Iran
Iraq
Ireland
Ireland
Libya
Mexico
Philippines

Rumania
Saudi Arabia
Somalia
Sudan
Syria
Thailand
Venezuela

EXECUTIVE SECRETARY/DIRECTOR-GENERAL

Mr. Eric Wyndham White was Executive Secretary of the Preparatory Committee for the International Trade Organization (1946-47) and also of the Havana Conference (1947-48). He continued as Executive Secretary of the GATT and was appointed Director-General at the beginning of 1965 when this position was created.

*Ireland has completed negotiations for full accession.
Annex D

TARIFF AND TRADE NEGOTIATIONS

The "substantial reduction of tariffs and other barriers to trade" is laid down in the General Agreement as one of the principal means of attaining its broad objectives, i.e. raising standards of living, developing the full use of the resources of the world and expanding the production and exchange of goods.

In the nineteen-thirties several attempts were made to reach agreement for the stabilization and reduction of customs tariffs, while some limited success was achieved in bilateral negotiations all multilateral attempts were unsuccessful, as might have been expected in an atmosphere of deepening recession and national protective policies. When, following the signing of the Atlantic Charter and the negotiation of the United States Lend Lease Agreement, the United States put forward its Proposals for Expansion of World Trade and Employment (November 1945) - the genesis of the Havana Charter - the principle of tariff reductions was stressed: "... in the light of the principles set forth in article VII of the mutual aid agreements, members (of the proposed trade organization) should enter into arrangements for the substantial reduction of tariffs ...". This initiative was carried forward into the international field when the United Nations Economic and Social Council established the Preparatory Committee to work out the draft for a Charter for an International Trade Organization.

At their first meeting, in London in 1946, the countries which formed the Preparatory Committee drew up the rules for the conduct of multilateral negotiations for the reduction of tariffs; in the following year they proceeded with tariff negotiations among themselves, without waiting for the trade organization's charter (the Havana Charter, March 1948) to be completed and for the organization (International Trade Organization) to come into existence. Thus, between April and October 1947, the first multilateral tariff conference was held at Geneva, at the same time as the draft charter was being worked out. The text of the General Agreement, designed to provide protection for the tariff reductions negotiated, pending the entry into force of the Charter and the establishment of the ITO, was roughly equivalent to the section of the charter dealing with commercial policy. As events turned out the ITO was never brought into existence and the GATT became the permanent instrument, providing the rules of good conduct for international trade and, over the years, sponsoring further negotiating conferences for the reduction of tariffs and other barriers to trade.

Multilateral tariff bargaining, as devised in 1947 and employed at subsequent conferences held under GATT, up to 1964, was a new development in co-operation between governments. The technique called for the holding of
simultaneous bilateral negotiations between pairs of countries and the
generalization of the resulting concessions among all the partners. A novel
feature was the fact that governments, in determining the concessions they were
prepared to offer, were able to take into account the indirect benefits they might
expect to gain as a result of all the bilateral pairs of negotiations.

The results of the first (Geneva) round of tariff negotiations were very
considerable. Twenty-three countries completed 123 bilateral agreements in
seven months. It was estimated that the total trade covered by all the
concessions was some 10,000 million (at 1938 prices), and that the concessions
would affect about one half of world trade. It must be borne in mind, however,
that apart from the United States, most participating industrial countries were
at that time using quantitative restrictions on imports, currency restrictions and
other devices to rebuild their war-torn economies, and that the customs tariff did
not play a major rôle in these countries.

The main purpose of the second round, held at Annecy, France, in 1949 was to
expand the size of the GATT membership. One hundred and forty-seven bilateral
agreements were completed in 138 days. The following countries completed
negotiations for accession: Denmark, Dominican Republic, Finland, Greece, Haiti,
Italy, Liberia\(^1\), Nicaragua, Sweden and Uruguay.

At the third round, held at Torquay, England, in 1950/51 the following
countries completed negotiations for accession: Austria, Federal Republic of
Germany, Korea, Peru, Philippines (did not accede), and Turkey. One hundred and
forty-seven bilateral agreements were completed between thirty-one countries.

The problem of the "low tariff" countries became evident during the third
round. Certain European countries, in particular the Benelux countries and the
Scandinavian countries, found that having bound their tariffs at low levels in the
first two rounds they had little to offer in the way of tariff reductions in any
further negotiations. They had found in practice that, notwithstanding the
rule that the binding of a low duty or of duty-free treatment was to be recognized
as equivalent in value to a reduction of a high duty, the "high tariff" countries
were not prepared to make further reductions merely in return for a rebinding of
low rates. This led the Contracting Parties to review the effectiveness of the
negotiating procedures at their fourth session in 1950.

As alternative methods of tariff reduction, two suggestions were put forward
for discussion in 1951: the Benelux proposal for the reduction of high tariff
rates, so as to reduce the disparity of customs tariffs in Europe and the French
Plan for the world-wide reduction of tariffs by an average of 30 per cent in each
sector of import trade. The French Plan was discussed at the seventh and
eighth sessions in 1952 and 1953, but it became evident that it could not be
accepted by the majority of the contracting parties.

\(^1\) Liberia became a contracting party but later withdrew from the GATT.
Meanwhile, procedures had been agreed for tariff negotiations to be held between important general rounds, so as to enable countries to accede to GATT. Thus tariff negotiations with Japan were undertaken in 1955, resulting in her accession later in that year.

In 1956 the fourth round of tariff negotiations was held, to take advantage of the new United States negotiating powers which permitted reductions of rates of duty by 15 per cent. Twenty-two countries and the European Coal and Steel Community completed fifty-nine sets of bilateral negotiations.

From May to November 1958 tariff negotiations with Switzerland were held and subsequently Switzerland acceded provisionally to GATT.

The fifth round of tariff negotiations, held from September 1960 to July 1962, fell into two parts. The first consisted of renegotiations with the European Economic Community, required as a result of increases in rates on bound items which the six member States would be obliged to make when they adopted the common external tariff of the EEC. The second part was a further general round of tariff negotiations, called the "Dillon Round" (named after Mr. Douglas Dillon who, as United States Under-Secretary of State, proposed the holding of this round). During the Dillon Round, Cambodia, Israel, Portugal and Spain completed negotiations for accession.

Experience gained in the Dillon Round, which like all previous negotiations had been conducted on a product-by-product basis, led the Contracting Parties to conclude that the traditional techniques for tariff negotiations were no longer adequate to meet the changing conditions of world trade and that the possibility of adopting new techniques, including that of negotiating on the basis of a linear or across-the-board offer should be examined. When Ministers launched the Kennedy Round in May 1963 they were able to lay down directives looking towards the reduction of tariffs and other barriers to trade on a much wider front and with a more comprehensive scope than had ever before been foreseen in international negotiations. Ministers agreed, inter alia:

1. that comprehensive negotiations should be held starting in 1964 with the widest possible participation;
2. that the negotiations should cover all classes of products including agricultural and primary products;
3. that the negotiations should deal with both tariff and non-tariff barriers;
(4) that the negotiations should provide for acceptable conditions of access to world markets for agricultural products;

(5) that, for the major industrialized countries the tariff negotiations in the industrial sector should be based upon a plan of substantial linear reductions with a bare minimum of exceptions which should be subject to confrontation and justification, but that in those cases where there were significant disparities in tariff levels, the reductions would be based on special rules of general and automatic application;

(6) that certain countries with a special economic or trade structure should participate in the negotiations on the basis of a positive offer; and

(7) that every effort should be made to reduce barriers to exports of the less-developed countries.

Ministers also agreed that the negotiations between developed countries should be conducted on the basis of reciprocity but that the developed countries could not expect to receive reciprocity from the less-developed countries.

When the trade negotiations were formally opened in May 1964 a rate of 50 per cent was agreed as a working hypothesis for the determination of the general rate of linear reduction.

In all some fifty countries took part in the negotiations, eleven industrialized participants on the basis of an offer of a 50 per cent reduction in industrial tariffs subject to limited exceptions. These were: Austria, Czechoslovakia, Denmark, the EEC (which negotiated as a single entity), Finland, Japan, Norway, Sweden, Switzerland, the United Kingdom and the United States. Four countries were recognized as having a special economic or trade structure: Australia, Canada, New Zealand and South Africa. Some thirty-five countries participated under special procedures drawn up for the developing countries. A further four countries negotiated with a view to acceding to the GATT - Argentina, Iceland, Ireland and Poland.

After a preliminary stage, concerned mainly with procedural problems and an attempt to draw up automatic rules to deal with the problem of disparities, the tabling of offers marked the first stage of the negotiations. For the countries participating on the basis of a linear offer on industrialized products, this consisted in the tabling of exceptions lists. Such lists were tabled by the EEC, Finland, Japan, the United Kingdom and the United States on 16 November 1964. On the same day the following countries indicated that subject to obtaining reciprocity from their negotiating partners they were not tabling lists of exceptions - Austria, Czechoslovakia, Denmark, Norway, Sweden and Switzerland. Canada also tabled its list of positive offers on the same day, the industrial offers of the other developed countries being tabled soon afterwards.
Detailed procedures for the tabling of offers on agricultural products were adopted on 18 March 1965. In the case of cereals, meat and dairy products the aim was the negotiation of general arrangements. With respect to other agricultural products, including tropical agricultural products, it was agreed to proceed by means of specific offers on individual products. Proposals for a general arrangement on cereals were tabled in May 1965 and the tabling of offers on other agricultural products was substantially completed by September of that year.

Special procedures for the participation of the less-developed countries were also agreed on 15 March 1965. These special procedures provided *inter alia* that developing countries which had formally indicated their intention to participate in the negotiations should receive details of the offers made by developed countries on items of export interest to them, before they themselves indicated the contribution which they would be making to the objectives of the negotiations.

Negotiations on the basis of the offers which had been tabled were in general conducted on a bilateral basis, negotiations being conducted in more multilateral groups when the nature of the negotiating problems demanded this. Groups were established to conduct the negotiations on chemicals, steel, cereals, meats, dairy products, tropical products and anti-dumping policies. A special committee was established to be responsible for overseeing and providing a focus for the negotiations with developing countries.

The final phase of the negotiations, which opened towards the end of 1966, was concerned with the establishment of reciprocity among the developed participants while minimizing the adverse effects of this on the trade interests of developing participants. It was in mid-May 1967 that the Director-General of the GATT was able to announce that the essential elements had been successfully negotiated. The negotiations were brought to a conclusion on 30 June 1967 when participants signed the Final Act authenticating the legal instruments resulting from the Conference.

These legal texts specify the international obligations which participating governments agree to accept. In addition to the schedules of tariff concessions, separate agreements have been negotiated on grains, on chemical products and on anti-dumping policies. Protocols have also been drawn up providing for the accession of four new GATT Members - Argentina, Iceland, Ireland and Poland.

The following participants in the negotiations are to make tariff concessions: Argentina, Australia, Austria, Brazil, Canada, Chile, Czechoslovakia, Denmark, Dominican Republic, European Economic Community (member States: Belgium, France, Federal Republic of Germany, Italy, Luxemburg,
The principal industrialized countries made tariff reductions on 70 per cent of their dutiable imports (cereals, meat and dairy products excluded). Two thirds of these cuts were of 50 per cent or more. Around another one fifth were between 25 and 50 per cent. On a further 15 per cent there are to be cuts of less than 50 per cent. 19 per cent of rates remain unchanged. While duty reductions will affect items accounting for 70 per cent of all dutiable imports of the main industrialized countries, they will affect a greater percentage of dutiable imports in the following sectors: chemicals (93 per cent), pulp and paper (89 per cent), machinery, transport equipment and precision instruments (91 per cent), raw materials other than fuels (82 per cent), base metals other than iron and steel (81 per cent) and miscellaneous manufactures (81 per cent). Duty reductions will affect a smaller percentage of dutiable imports in the following sectors: textiles and clothing (66 per cent), iron and steel (63 per cent), non-tropical agricultural products (49 per cent), tropical products (43 per cent) and fuels (16 per cent).

The figures quoted above exclude cereals, meat and dairy products for which the aim was the negotiation of general arrangements. The negotiation of cereals resulted in agreement on basic minimum and maximum prices for wheats of major importance in international trade and the provision of food aid for developing countries to the amount of $40 billion metric tons of grains each year initially for a period of three years. These agreements were incorporated in the International Grains Arrangement 1967 negotiated under the auspices of the International Wheat Council in co-operation with UNCTAD. Some bilateral arrangements were concluded on meat. In the case of dairy products very little was obtained in the negotiations.

Two agreements are of particular importance in the area of non-tariff barriers. The Chemical Agreement should result, inter alia, in the abolition of the ASP system of valuation in the United States and the modification of taxation of automobiles by certain European countries. The Anti-Dumping Code interprets the provisions of Article VI of GATT (dealing with Anti-Dumping Duties) and lays down rules for their application in order to provide greater uniformity and certainty in their implementation.
The results obtained in the Kennedy Round fell short of what developing participants had desired. The results for these countries were, however, significant. The overall results on items notified by developing countries as of export interest did not differ greatly from the results of the negotiations as a whole, 80 per cent of these items being subject to reduction in duties. Many of the products notified by developing countries are however, of potential rather than actual export interest to them. Reductions on dutiable manufactured products of actual interest to developing countries fell somewhat below the results obtained in the negotiations as a whole. Twenty-four per cent by value of imports into the main industrialized participants will not be the subject of tariff reductions, 29 per cent will be the subject of reductions of less than 50 per cent and 47 per cent will be the subject of reductions of 50 per cent or more. Comparable figures for all manufactured products are: no reduction, 16 per cent; less than 50 per cent reductions, 29 per cent; reductions of 50 per cent or more, 55 per cent.

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Tariff Conferences: Amount of Trade Covered

The following are estimates of the trade in the products on which concessions were negotiated at the tariff conferences:

1947, Geneva 10,000 million (at pre-war prices)
1949, Annecy not available
1950/51, Torquay not available
1956, Geneva 2,500 million
1960/61, Geneva 4,900 million
1964/67, Geneva 40,000 million

MORE
CONSULTATIONS

The principle of consultation between contracting parties on trade matters and problems is basic to the GATT and its operation. Such consultation permits a clearer understanding of the difficulties that arise and facilitates the finding of equitable solutions. There are regular consultations with the organization by countries maintaining import restrictions for balance-of-payments reasons. Important consultations have taken place with contracting parties on, for example, their national agricultural policies. The principal business of GATT is, to a considerable extent, consultation and negotiation.

In Articles XXII and XXIII of GATT, procedures are set out enabling complaints to be made that benefits that should accrue under the GATT are being nullified or impaired. A contracting party which considers that a benefit which should accrue to it is being nullified or impaired or that the attainment of any objective of the agreement is being impeded may seek consultations with the parties concerned. If, after consultations, no satisfactory adjustment is reached, a complaint may be lodged and the Contracting Parties are then required to carry out prompt investigations, to make recommendations or to give rulings. In recent years, the practice has grown of submitting such differences - if not settled at the stage of consultations - to a group of experts chosen from countries which have no direct interest in the matter. These Panels of Conciliation, as they are called, have had a marked success in assisting the parties concerned to reach agreement.

Over the years, great and small countries have been involved in these applications, both as complainants and as defendants. Complaints by Chile against Australia, by Norway against Germany, by the United Kingdom and France against Greece, and India against Pakistan have been successfully dealt with. A French tax on imports and exports, which was intended to provide a social assurance fund for agricultural workers, was the subject of complaint as an infringement of the GATT. In due course, the tax was suppressed.

Other complaints successfully dealt with have included the suppression of a discriminatory tax levied on imports by the Belgian authorities and the lessening of restrictions on American coal imported into the Federal Republic of Germany. In another type of case, Sweden undertook to remove the cause of a complaint by Italy that Swedish anti-dumping duties on Italian nylon stockings were being administered unfairly. In another, following a complaint by Czechoslovakia, trade between that country and Peru, which had been previously stopped by the Peruvian Government, was restored. In 1957, Brazil took steps to settle a long-standing complaint regarding the discrimination in internal taxation between certain domestic and foreign products. In 1962, Uruguay
brought up cases against a number of contracting parties concerning their import restrictions and other barriers affecting Uruguay's export interests. The contracting parties which maintained restrictions, unjustifiable under the terms of GATT, were urged to remove them and in due course Uruguay reported that good progress had been made.

In another example, in 1963, the advice of a GATT Panel of Experts helped in the settlement of a difference between two contracting parties. In the course of establishing its common external tariff, the European Economic Community had withdrawn a tariff concession originally granted under GATT by the Federal Republic of Germany on poultry. Since it had not been possible to reach agreement on this withdrawal, the United States felt itself entitled to withdraw substantially equivalent concessions on its side. What withdrawals would be substantially equivalent depended on the value to the United States of the concession on poultry. The values ascribed to the concession by the two sides were very wide apart. The Panel established by the Contracting Parties made an assessment and this was accepted by the two sides.

Annex F

THE GATT TRADE CENTRE

The GATT International Trade Centre was established at the request of the developing countries in May 1964, to aid them in the promotion of their export trade. It is designed to provide them with information on export markets and marketing and to help them develop their export promotion services and train the personnel required for these services. The Centre's services have so far been utilized by seventy-one developing countries, of whom twenty-four are not GATT members.

The Centre's services comprise four main sectors: Market Information Service; Publications Programme; Trade Promotion Advisory Service; and Training Programme.

Market Information Service

The Market Information Service provides trade information in response to enquiries from individual developing countries concerning products of export interest to them. By autumn 1967, over forty developing countries had utilized this service. Over ninety ad hoc market reports had been prepared on items ranging from primary commodities to processed agricultural products and manufactured goods. Requests for assistance covered such facets of trade as: market potential in importing countries; commercial policy measures and health regulations affecting trade; marketing channels and techniques; prices, freight and insurance; etc.
Publications Programme

The Centre's Publications Programme includes the three separate language editions of its quarterly magazine, the International Trade FORUM, and its intermediate quarterly Supplement.

The FORUM is designed to publicize the export potential of developing countries; focus attention on import opportunities for them in developed countries; make known the role of infra-structural export services and export marketing and promotion techniques; publicize facilities for training in trade promotion; and list changes in countries' commercial policies as reflected in tariff and other measures affecting trade.

A Pamphlets Section of the Publications Programme produces a series on export promotion techniques and sources.

Trade Promotion Advisory Service

The Trade Promotion Advisory Service, is designed to provide on-the-spot counselling on the establishment of export promotion programmes and services, in response to requests for assistance from developing countries. Seven countries have been served by this service up to mid-1967: Algeria, Brazil, Indonesia, Peru, Tanzania, Uganda and Zambia.

Training Programme

Under existing arrangements the Centre has made available in 1967 more than 100 training vacancies in co-operative and Centre courses, and through the medium of trade tours and export promotion seminars. The Training Programme gives developing countries' personnel concerned with export promotion the opportunity to improve their knowledge and skills through participation in formal courses and/or in-service training with national export promotion bodies and/or private trading associations or firms, largely in developed countries.

Government departments, national trade promotion organizations and other trade bodies of Australia, Belgium, France, the Federal Republic of Germany, Finland, Ireland, Italy, the Netherlands, New Zealand, Norway, Sweden, Switzerland and the United Kingdom organized courses and/or provided in-service training in co-operation with the Centre in 1966 and 1967.

A new venture of the Centre in 1967 was the organization and operation of its own Training Course. Made possible by a donation from the Swedish Dag Hammerskjöld Foundation, it enabled twenty English-speaking African officials and officers of private sector trade organizations to participate in a three-part training programme, covering (i) academic tuition at the Economic University of St. Gall; (ii) in-service training in different European export boards and private companies; and (iii) market research work at the GATT Trade Centre.