GENERAL AGREEMENT ON TARIFFS AND TRADE
Eighth Session of the Contracting Parties

Proposal for Extending Firm Life of
Schedules sent to a Working Party

At their plenary session on Monday, 21 September, the Contracting Parties agreed to send to a working party the proposal for rebinding the schedules without modifications for twelve or eighteen months. The working party will prepare an instrument for signature by the Contracting Parties to prolong the life of the schedules annexed to the GATT and will consider the best means of dealing with individual difficulties expressed during the debate.

During the debate Mr. Gunnar Seidenfaden, Denmark, supported a decision for rebinding for eighteen months. It was, he said, because his government was afraid that a new tariff war might be started on 1 January 1954 and that one of the main results of GATT would be wiped out that he felt a further period of rebinding was essential. Mr. Max Suetens, Belgium, said that—speaking also on behalf of Netherlands and Luxembourg—he was in favour of rebinding for twelve or eighteen months, although a few cases of adjustment might be required to assist the Belgian Congo. For the United States, Mr. Samuel Waugh said that the Foreign Economic Policy Commission would not report until early March 1954, and an extension was needed to avoid possible tariff increases. He suggested an extension of eighteen months to 30 June 1955 and urged that there was no real reason for exceptions, since GATT provided for consultations. Mr. Werner Hagemann, Germany, said that the continuing validity of the GATT schedules had given a firm basis to world trade and they should be prolonged until the end of 1954. If a further extension was required it could be discussed at the Ninth Session. In the meantime the plan for lowering duties could be studied. Mr. Donne, France, pointed out that in supporting an extension for twelve to eighteen months, his government had been obliged to dismiss several requests for higher duties and to disregard the special claims of its overseas territories. The prolongation would give time to the United States Government to redefine their commercial policy and obtain from Congress the means to implement it.

For Brazil, Mr. Alfredo Valladao supported twelve to eighteen month's extension and said the period should be used to review the tariff position of less developed countries. The delegate of Turkey, Mr. Hasam Isik, pointed out that Turkey was in the process of changing her tariff to the Brussels Nomenclature and to ad valorem rates and would need some liberty in this respect to discuss the relevant legislation. He added that owing to the commercial policy of certain of its trading partners Turkey had failed to raise its exports to a level covering its imports and that therefore in signing the proposed declaration to extend the schedules, Turkey might wish to make a reservation; but his government did not intend to modify its tariffs during this period unless certain circumstances arose. Dr. A. Y. Helmi, Indonesia, agreed with the need for an eighteen month's extension.
Dr. L.R.S. Singh stressed that India could only support the extension with specific reservations. When the assured life of the schedules was extended three years ago, the circumstances were different: India's economy was expanding. Today several industries were applying to the Tariff Commission for higher tariffs, but the number of commodities was not large. However, it was not possible to anticipate the findings of the Tariff Commission; he also pointed out that a large part of India's revenue is derived from customs and, since many export duties had been reduced to encourage trade, it might be necessary at some stage in the national interest to increase revenue through import duties. There were thus two categories and cases. For New Zealand, Mr. K. L. Press pointed out that New Zealand had an initial disadvantage when entering GATT since there had been no major tariff changes since 1934; there was also the disadvantage of having very few exports on which to offer concessions. Moreover New Zealand's hopes of increasing trade with the United States had not been fulfilled; in fact the restraints on New Zealand exports had increased. The view of the New Zealand Government, said Mr. Press, was that there should be no extension after 31 December 1953. Nevertheless he was impressed by the arguments for extending the life of the concessions but would have to consider a reservation which would provide for certain proposals of the New Zealand Board of Trade in the intervening period.

Mr. P. Papatzonis, Greece, reverted to the special difficulties of Greece which were set out by the Greek Minister of Finance in plenary session (see press release GATT/120). He urged that the extension should be limited to a maximum of twelve months and stressed how urgent it was for Greece to revise some concessions, possibly through the Article XVIII or XIX procedures.

Mr. V. A. Clark, Australia, said that some reservations to implement decisions of the Australian Tariff Board might be required, but by way of illustration he pointed out that in only three cases in the past three years had the Board recommended an increase. With this reservation, Australia would agree to an extension. Mr. S. Sahlin, Sweden, strongly supported an extension of the schedules without alterations for eighteen months. Like other countries Sweden was reviewing its tariff systems, and Sweden would abstain from renegotiations in this period provided other countries would, in general, also abstain. For South Africa, Dr. P. R. Botha agreed that there should be a resolution or declaration not to invoke Article XVIII for eighteen months. While sympathizing with countries having special difficulties (South Africa also had difficulties), he hoped all contracting parties would accept a declaration at the end of the Session. Mr. Akhtar Husain, Pakistan, supported an extension, which should be kept to a minimum. He hoped that modifications of concessions during this period would not be necessary. Mr. Kurt Enderl, Austria, agreed to a rebinding for twelve or eighteen months but said that difficulties might arise if concessions affecting Austria were withdrawn. Mr. T. Notarangeli, Italy, also agreed to a twelve to eighteen month's extension. Baron Bentinck, Netherlands, said that, on behalf of Benelux and overseas territories, he agreed to a rebinding; but an exception would be required for Netherlands Antilles whose present tariff dated from 1908.
Mr. C. D. Howe, Canada, agreed with rebinding the schedules for eighteen months and stressed that it was desirable that there should be no major withdrawals or impairments. Mr. Peter Thorneycroft, United Kingdom, called for a rebinding during this difficult transitional period in which there was a risk that the tariff structure might be unravelled. If some countries were to stand outside the difficulties of others would be greatly increased; therefore the contracting parties should see whether existing safeguards and escape clauses were not sufficient to cover special cases. He stressed that there must be equality of treatment among all contracting parties and there should not be certain favoured nations that could move a tariff which their Tariff Boards wanted to change.