The Tenth Session of the Contracting Parties to the General Agreement was held at Geneva from 27 October to 3 December 1955.

At the opening of the Session the following officers were elected and will hold office until the beginning of the Eleventh Session.

Chairman: Mr. L. Dana Wilgress, Canadian Ambassador to the North Atlantic Council and to the Organization for European Economic Cooperation

1st Vice Chairman: Mr. Fernando Garcia Odlini, Chilean Envoy Extraordinary and Minister Plenipotentiary to Switzerland

2nd Vice Chairman: Mr. Paul Koht, Director of the Political-Commercial Department of the Norwegian Ministry for Foreign Affairs.

The Chairman's opening remarks are reproduced in press release GATT/243 and his closing remarks in press release GATT/264.

In the comments that follow a rough and ready division has been made into

(a) Items arising out of the operation of the Agreement, including items falling under the complaints procedures

(b) Tariffs and tariff negotiations

(c) Administrative barriers to trade

(d) Commodity Problems

(e) Surplus Disposal

(f) Accession of Japan

(g) The Administration of the Agreement

MORE
(a) Items arising out of the operation of the Agreement, including items falling under the complaints procedures

CONSULTATIONS ON IMPORT RESTRICTIONS

In accordance with the provisions of the General Agreement the Contracting Parties have held at their present Session consultations with the five Governments on the discriminatory aspects of the import restrictions which they apply for the purpose of safeguarding their balance of payments and monetary reserves. The five Governments which consulted with the Contracting Parties were Australia, Ceylon, New Zealand, the Federation of Rhodesia and Nyasaland and the United Kingdom of Great Britain and Northern Ireland. The Government of Australia consulted with the Contracting Parties also in regard to the intensification of its import restrictions on 1 October 1955.

Consultations on the discriminatory application of import restrictions have been held every year since 1952, and consultations with the Contracting Parties are mandatorily required under the Agreement, whenever a government substantially intensifies restrictions. The purpose of the consultations is to afford an opportunity for examining the restrictions in the light of the relevant provisions and criteria of the Agreement, and for the exchange of views on the problems facing the countries imposing the restrictions, as well as countries whose exports are affected by such restrictions.

In the course of the consultations held at this Session, the representatives of the consulting Governments provided information on the various aspects of the restrictions. Discussion took place not only on the financial background against which such restrictions were maintained or intensified, but also on the effects and ramifications of the restrictions in relation to the commercial and economic interests of other countries. The representatives of the consulting Governments participated in the discussions on all questions on which the representatives of other contracting parties showed an interest.

As provided for in the General Agreement, the Contracting Parties, in conducting these consultations with the Governments, also consulted fully with the International Monetary Fund, and the representative of the Fund participated in the consultations conducted by the Contracting Parties. In each of these consultations the Contracting Parties had before them and made extensive use of certain background material prepared in the Fund. Wherever these existed, account was also taken of the results of the International Monetary Fund's recent consultations with the Government concerned.

As required by the Agreement, the Contracting Parties have drawn up at the Tenth Session a Sixth Annual Report on discriminatory restrictions, which covers the restrictions applied by twenty-three of the Governments participating in the Agreement. This report will be published at a later date. At the same time, consideration was given to improvements in the procedures for the preparation of such reports and for the conduct of consultations in future.
European Coal and Steel Community

In April 1951, Belgium, the Federal Republic of Germany, France, Luxemburg, Italy and the Netherlands concluded a Treaty constituting the European Coal and Steel Community and a Convention containing the transitional provisions. The Treaty came into force on 23 July 1952. The establishment of the common market involves the abolition as between the six countries of import and export duties and of quantitative restrictions on the movement of coal and steel between the territories of the six countries of the Community. The six Member States (all of them being contracting parties to the GATT) therefore submitted to the Contracting Parties a request for a release from certain of their obligations under the GATT, in particular the most-favoured-nation clause contained in Article I and the rule of non-discrimination regarding the application of quantitative restrictions in Article XIII, so as to enable them to establish the Community consistent with their international commitments.

At the Seventh Session in 1952 the Contracting Parties granted a waiver and it was agreed that from the date of the creation of the common market for coal products (10 February 1953) until the end of the transitional period (10 February 1958) the six countries would submit an annual report to the Contracting Parties on the progress towards the full applications of the Treaty. The first report was considered at the Eighth Session in October 1953 and the second report at the Ninth Session. The third report was examined by a working party at this Session.

The Working Party examined the measures taken towards the complete establishment of the common market and further concluded that the actions to date in these fields were consistent with the terms of the waiver.

The Working Party also had the opportunity of discussing other aspects of the commercial policy of the Community; in particular, the extent to which the interest of third countries were taken into account during the period under review in the application of export control on scrap, in the application of tariffs and other trade regulations, and in the discharge of the Community's undertaking to ensure that prices charged by its exporters to third countries remain within equitable limits.

A summary of the Working Party's report which was approved by the Contracting Parties is given in press release GATT/263.

Australia/Papua-New Guinea

At the Eighth Session in October 1953 the Contracting Parties granted to the Australian Government a waiver of obligations under Article I in order that Australia might provide certain advantage for primary products of the Territory of Papua-New Guinea when these products are imported into Australia, for the purpose of promoting the economic development of the Territory. In granting the waiver the Contracting Parties took into consideration the assurances given
by the Government of Australia that the waiver would be utilized for the
development of the Territory in such a manner as not to cause material injury
to the competitive trade of any other contracting party.

At this Session the Contracting Parties approved the Second Annual Report
of the Australian Government on the operation of the waiver and agreed to
extend the waiver by authorizing Australia to grant duty-free treatment to
certain timber products of Papua-New Guinea origin.

Italy/Libya

At the Seventh Session in 1952, Italy supported by the Government of
Libya, obtained a waiver which allowed Italy to grant, for a period of three
years, exemption from Italian customs duties for a definitive list of Libyan
exports. (Preferential treatment by Italy for Libyan goods dates back over
forty years).

At this Session the Contracting Parties considered a request by the
Government of Italy for an extension of the waiver, which is due to expire at
the end of this year.

The Contracting Parties took note of the assurance by the Government of
Libya that efforts are being made to promote economic development and the
standard of national production so that Libya will be able to participate in
international trade on a normal competitive basis. In view of this assurance
and the fact that the nature and volume of the production and trade involved
are not likely to result in substantial injury to the trade of any of the
contracting parties, the Contracting Parties decided to extend the waiver
for two years, to 31 December 1958. At the same time some modifications to the
list of products covered by the waiver were agreed.

United Kingdom/Article I

In October 1953, at the Eighth Session, the United Kingdom obtained a waiver
from the rules of Article I regarding tariff preferences to relieve the United
Kingdom of the need to impose duties on duty-free goods from the Commonwealth
as and when the United Kingdom may have occasion to increase duties on foreign
goods. In March 1955 the scope of the waiver was somewhat extended.

At this Session the United Kingdom submitted its Second Annual Report
which stated that since the First Report was made the waiver had been invoked
in connexion (i) with a change made in the unbound most-favoured-nation rate
of duty on certain flowers and plants in flower and (ii) with an increase in the
unbound most-favoured-nation rate of duty on wood wool.

The Report stated that in the case of flowers none of the interested countries
requested consultations (under the procedures set out in the waiver); in the
case of wood wool there were informal discussions with certain interested
governments, following which it was agreed that the waiver should apply.

MORE
United Kingdom Dependent Overseas Territories

The Contracting Parties, by a Decision (5 March 1955), extended to the United Kingdom the right to give special assistance to the products of its colonial territories which depend largely on the United Kingdom market, through actions which would otherwise be inconsistent with the provisions of the Agreement. These rights apply only to cases where the industry or branch of agriculture of the colonial territory would be benefited, but not industry or agriculture in the United Kingdom or any other country. The United Kingdom undertook to report annually to the Contracting Parties on any such measures adopted. The United Kingdom Government reported at this Session that it had so far taken no action under the terms of the Decision.

First Annual Report by the United States Government on the Waiver granted in connexion with Section 22 of the United States Agricultural Adjustment Act

Under the terms of the Decision of 5 March 1955, the United States Government submitted to the Contracting Parties a report on the import restrictions in effect under Section 22 of the Agricultural Adjustment Act. The Contracting Parties examined the reasons for the maintenance of these restrictions and the steps taken with a view to a solution of the problem of agricultural surpluses which has given rise to these restrictions. The Contracting Parties recognized that a number of contracting parties were seriously concerned about the maintenance of United States agricultural restrictions and about the prospects for their removal, particularly in view of the continued existence of very large stocks of some of the products concerned and that a number of contracting parties had indicated that they continued to suffer serious damage from the application of United States import restrictions on dairy products.

An account of the report and a summary of comments by delegations is given in press release GATT/258.

In view of the indication given by the Kingdom of the Netherlands that concessions granted by the United States have been impaired, and as the import restrictions have not been relaxed in the past year, the Contracting Parties authorized the Netherlands (as in 1952, 1953 and 1954), under the provisions of Article XXIII, to limit their imports of wheat flour from the United States to a maximum of 60,000 tons during 1956.

REQUESTS FOR WAIVERS AND RELEASES

Belgium to eliminate quantitative restrictions on Agriculture before the end of 1962

One of the basic tenets of the General Agreement is the obligation laid down in Article XI for member countries to refrain from using quantitative restrictions on imports as a means to protect domestic industries. This
principle has been upheld in the course of the review of the Agreement at the Ninth Session. The Contracting Parties recognized, however, at that time, that when industries had enjoyed for a long time incidental protection from restrictions maintained during a period of balance-of-payments difficulties, the sudden removal of those restrictions might result in substantial injury to the domestic industry. In order to meet these difficulties and to preserve at the same time the interests of third parties, the Contracting Parties adopted on 5 March 1955 the so-called "hard core Decision" which would assist the governments in eliminating within a comparatively short period of time the vestiges of quantitative restrictions, under the control of the Contracting Parties.

The first request submitted under this new procedure was that of the Government of Belgium, with respect to a number of agricultural products. Within the framework of the policy of liberating trade which it has pursued for a number of years the Government of Belgium has ceased to claim the benefit of the provisions of the Agreement permitting resort to quantitative restrictions for balance-of-payments reasons. It has also established with the Netherlands and Luxemburg a common market in the Benelux Customs Union which covers the major part of the trade amongst the three partners. The Belgian Government has to complete the liberation of trade within the Benelux and generally with the other GATT countries. To that effect, it needs some time to adjust the support granted to the Belgian agriculture so as to make it competitive and prosperous within the normal regime of protection authorized by the General Agreement. The object of the Belgian request, therefore, was to obtain from the Contracting Parties the necessary facilities to implement this constructive programme.

That request was subjected to a detailed examination with a view to satisfying the Contracting Parties that the request was consistent with the definite terms of the Decision of 5 March 1955 and, as a result of that examination, the Government of Belgium agreed to withdraw a number of products from its original request.

Having received the necessary undertakings from the Government of Belgium that the necessary measures would be taken to ensure the elimination of the restrictions within the terms of the Decision, the Contracting Parties decided to allow Belgium to maintain the restrictions for a period of five years. However, taking principally into account certain complications in the situation which result from the existence of the Benelux Customs Union, and more particularly from the harmonization of the agricultural policies of the third countries concerned, they agreed to permit the retention of the restrictions which would not have been eliminated by 1960 by reason of the above exceptional circumstances for a period not exceeding two years. This means that all the restrictions will have to be eliminated before 31 December 1962.

In accordance with the terms of the Decision the Government of Belgium will keep the Contracting Parties informed of the administration of the restrictions and submit to them a detailed report each year. The Contracting Parties will review annually the operation of those restrictions as well as the progress made towards eliminating them progressively.
Luxemburg - Import Restrictions on Agricultural Products

The Government of Luxemburg requested the Contracting Parties for a waiver which would enable it to maintain a limited list of quantitative restrictions on agricultural imports. The Contracting Parties were given an assurance that Luxemburg had undertaken to pursue the harmonization of its agricultural policies with the policies of its two Benelux partners, to adopt measures necessary to make its agriculture more competitive and therefore to relax the restrictions now in force so far as would be practicable. The Contracting Parties also took into consideration that the effects of the restrictions on contracting parties other than Belgium and the Kingdom of the Netherlands were very small. They decided, therefore, to permit Luxemburg to maintain restrictions at present imposed on a specified list of products. The Government of Luxemburg will report annually on the restrictions in force and any changes in their administration, and the Contracting Parties will review the progress made towards removing the restriction, in 1960.

Request by Haiti for an Extension of Waiver under Article XVIII

By a Decision of 27 November 1950 the Contracting Parties granted the Republic of Haiti a release under Article XVIII for the maintenance of a state monopoly in respect of the purchase and production of and trade in tobacco, cigars and cigarettes. This release is due to expire in November 1955 and the Government of Haiti has requested an extension.

The request was examined by a Working Party which, on the basis of information supplied to it, did not see anything in the measures maintained by Haiti which would require a release under Article XVIII.

Request by Ceylon for Releases under Article XVIII

Article XVIII of the GATT provides a means whereby a contracting party in the early stages of economic development may seek authority to impose non-discriminatory protective measures for the promotion of economic development. At this Session the Government of Ceylon has applied for and obtained releases for certain petroleum products and ceramic ware.

The facts relating to the application for petroleum products were set out in press release GATT/253; in particular, the intention to establish in Ceylon an oil refinery which would eventually provide all Ceylon's needs of these products.

The Contracting Parties granted to Ceylon a release from its obligations under Article XI in respect of certain petroleum products for a period of ten years from the date on which the refinery commences commercial operations, so as to permit Ceylon to apply a quantitative restriction on the importation of such products whenever this is necessary to enable the refinery, with a maximum capacity of 1,050,000 tons, to market its products. The release is granted on the understanding that the refinery would begin to operate before the end of 1958 and that Ceylon will not use this authority in such a way as to enable the refinery to sell these petroleum products at above the landed cost in Ceylon of like products.
The Contracting Parties granted a release, for a period of five years for ceramic ware in order to permit the operation and development of a new factory which has been established for the production of ceramic ware. Imports of these items, namely chinaware, domestic crockery and porcelainware and crockery, will be subject to regulation only in cases where there is local production of similar goods of a comparable quality, and then only to a limited degree.

COMPLAINTS

The complaints which have been made at previous sessions are listed first; complaints presented for the first time are grouped afterwards.

Brazilian Internal Taxes

This complaint, originally made by France and the United Kingdom in 1949, concerns the element of discrimination in certain Brazilian internal taxes against certain French, United Kingdom and United States exports such as cognac, aportoits, watches and clocks, beer and cigarettes. At the last Session, the Contracting Parties were informed by the representative of Brazil that a Bill to amend the existing laws was under consideration by the Brazilian Congress which would correct the situation in 1955.

At this Session, the delegate of Brazil re-affirmed that his Government recognized the legal validity of the complaint and the right of countries whose interests were affected to have recourse to the appropriate provisions of the Agreement to obtain compensation. He said that the Brazilian administration was trying to obtain the approval of the Congress for a draft law to amend the existing laws but the examination of the text had been delayed because the Congress was in process of considering a new fiscal code.

The Contracting Parties adopted a Resolution affirming the right of the affected contracting parties to have recourse to the appropriate provisions of Article XXIII, urging the Government of Brazil to take all steps to bring the existing laws into conformity with the GATT and requesting the Brazilian Government to report as early as possible, and in any case not later than the Eleventh Session, on action taken.

French Special Compensatory Tax on Imports

Under a Decree dated 17 April 1954 a special compensatory tax was instituted in respect of products imported from abroad into France or into the French customs territory. The list of items subject to the tax is established by the regulations relating to the application of the Decree. (This tax is levied on imports from all countries outside the French Union of products which are liberated from quantitative restrictions when imported from member countries of the Organization for European Economic Cooperation.)

At the Ninth Session, on 17 January 1955, the Contracting Parties adopted a Decision which stated that the tax had increased the incidence of customs
charges in excess of the maximum rates bound under Article II and had also increased the maximum margins of preference permissible under Article I. The Contracting Parties instructed the Intersessional Committee to follow closely the undertaking of the French Government to remove the tax as soon as it is possible to do so.

At this Session the Contracting Parties reviewed the information supplied by the French authorities (the discussion by the Contracting Parties is summarized in press release GATT/254) and adopted a Resolution requesting the French Government to accelerate the process of reduction and elimination of the tax and of reducing its discriminatory effects and calling upon the French Government to report to the Intersessional Committee on measures taken to reduce and abolish the tax.

German Discrimination in Coal Imports

At the Ninth Session the United States Government drew attention to certain regulations applied by the Federal Republic of Germany which had the effect of limiting imports of coal from the United States. In the view of the United States these restrictions were inconsistent with the obligations of the Federal Republic towards the United States under the General Agreement. As restrictions in the meantime were relaxed and coal imports from the United States into Germany increased, the United States withdrew the item from the Tenth Session agenda, reserving the right to re-introduce it if necessary.

Swedish Anti-dumping Duties

The Government of Sweden advised the Contracting Parties that the special regulations with regard to the imposition of anti-dumping duties on imported ladies' nylon stockings, which were the subject of a complaint by the Government of Italy at the Ninth Session, had been abrogated. This action disposed of the complaint.

United States Export Subsidy on Oranges

At the Eighth Session in October 1953 Italy alleged that the granting by the United States of subsidies on exports of oranges to certain countries, in particular European countries, had a serious effect on her export trade.

The delegation of South Africa also claimed that there were difficulties in marketing South African oranges in Europe owing to the effect of the United States subsidy, and the United Kingdom delegation referred to the interest of certain dependent countries in the matter. The United States maintained that the difficulties complained of were not the result of the United States export subsidy.

At this current Session, the Italian delegation stated that as a result of bilateral consultations with the United States, the Italian Government
wished to withdraw the item. The South African delegation agreed that the item should be deleted on the understanding that the South African Government reserved its right to take up the matter again if necessary. The item was therefore removed from the agenda.

In connexion with this item, the United States delegate pointed out that from 1 November 1955 the United States export payment on oranges was reduced from 75 cents a box to 50 cents a box.

**French Stamp Tax**

In August 1955 the French Government increased the stamp tax on customs receipts from 2 per cent to 3 per cent, with the specific provision that the proceeds of the increase are to be applied to the budget for agricultural social benefits.

The United States Government complained that this was a violation of Article II and contrary to Article VIII of the Agreement. The French representative agreed that the increase was inconsistent with their GATT obligations but pointed out that the small addition to customs protection was minimal and undertook to eliminate the increase as soon as practicable. The Contracting Parties noted this undertaking of the French Government and invited them to report on the action taken before the next Session.

**Hawaiian Regulations affecting Sales of Imported Eggs**

The legislature of the United States Territory of Hawaii on 24 May 1955 enacted a Bill requiring that retail establishments should display a sign reading "we sell foreign eggs" if the eggs are imported from abroad.

In the view of the Australian Government this enactment is contrary to the letter and spirit of the General Agreement, and has serious implications for Australian trade.

The matter was left in abeyance pending the outcome of a court case on the legislation in question.

**Italian Import Duties on Greek Cotton**

The Greek Government complained that the valuation method applied by Italy to imports of Greek cotton applied in such a way that it was taxed at a rate of 14 lire per kilogram more than imports of Turkish and other similar cotton, and that this valuation method is not in accordance with the spirit of Article X:3(a).

The Italian delegate stated that his Government was giving detailed study to the complaint with a view to finding a solution to satisfy both parties. The Greek delegate agreed not to pursue the matter further at this Session and it was agreed to put the item on the agenda of the Intersessional Committee if it had not been resolved in the meantime.

MORE
Italian General Turnover Tax applied to Imported Pharmaceutical Products

The United Kingdom Government complained that the Italian General Turnover Tax (I.G.E.) was being levied on imported pharmaceutical products at a higher rate than on Italian products, contrary to the provisions of Article III of GATT which requires contracting parties not to subject imported goods, directly or indirectly, to internal taxes or other material charges of any kind in excess of those applied, directly or indirectly, to like domestic products.

At this Session the Italian representative gave an assurance that as from 1 January 1956 the tax on imported pharmaceutical products would be reduced to 5 per cent. The United Kingdom representative welcomed the Italian statement, expressed the hope that the action proposed would lead to a satisfactory solution of the matter, and agreed to drop the matter from the agenda of this Session.

Italian Import Duties on Cheese

In the middle of August 1955 the Government of Italy was compelled to increase their import duties on certain types of cheese, of particular interest to Denmark, pending negotiations with Denmark, as regards compensation for the withdrawn concessions. (These duties were bound under GATT at the Torquay negotiations).

The Italian Government declared however that it was willing to continue negotiations with Denmark in order to seek agreement on such compensations. These negotiations between Italy and Denmark were successful and an agreement providing for compensatory concessions granted by Italy was concluded on 30 November. As an integral part of this agreement a question regarding the importation into Italy of breeding cattle was settled. The item in question was therefore withdrawn from the agenda.

(b) Tariffs and Tariff Negotiations

ARRANGEMENTS FOR A TARIFF NEGOTIATING CONFERENCE

At this Session, the Contracting Parties completed the arrangements for a tariff negotiating conference, which will open on 18 January 1956 at Geneva. The target date for the completion of the Conference has been set at 1 May 1956.

Although the timing of the Conference has been arranged to take advantage of the new powers granted to the United States President for reducing the United States tariff through negotiation, it is stressed that this conference will not merely consist of tariff negotiations between certain contracting parties and the United States. It will be a general round of tariff negotiations in which many contracting parties will negotiate with each other. Since October the participating governments have been exchanging "request lists" of products on which they hope to obtain concessions.
The following twenty-six contracting parties have notified that they intend to take part in the negotiations:

Australia       Cuba       Italy
Austria         Denmark    Japan
Belgium         Dominican Republic Nicaragua
Luxembourg      Finland    Norway
Kingdom of the Netherlands France    Sweden
Czechoslovakia  Germany    Turkey
Canada          Greece     United Kingdom
Ceylon          Haiti      United States
Chile           India

A fuller account of arrangements for the negotiations is contained in press release GATT/256.

THE FEDERATION OF RHODESIA AND NYASALAND

At the Ninth Session the Contracting Parties recognized the Government of the Federation of Rhodesia and Nyasaland as a contracting party. On 1 July 1955 the new customs tariff of the Federation came into force. At the same time, the Customs Union Agreement of 1949 between the Union of South Africa and Southern Rhodesia has been terminated and has been replaced by the new Trade Agreement with the Union of South Africa. At this Session the Contracting Parties examined the new Federal tariff and the new trade agreements between the Federation and Australia and South Africa, respectively. They came to the conclusion that, while the provisions of the General Agreement could not adequately take account of all the exceptional circumstances involved, the actions of the three governments were in full conformity with the spirit and objectives of the Agreement. The Contracting Parties consequently adopted a Decision which reflects these findings and will enable the Federation and the other two governments to make the adjustments necessitated by the circumstances.

NICARAGUA - EL SALVADOR FREE TRADE AREA

At this Session the Contracting Parties took note of the fourth annual report submitted by Nicaragua on the functioning of the Free Trade Treaty with El Salvador.

ANTI-DUMPING AND COUNTERVAILING DUTIES

The Norwegian Government has pointed out that as a result of increasing international competition the question of levying anti-dumping and countervailing duties has become more and more pressing and has proposed that the Contracting Parties should take the first steps towards instituting a survey of these problems. It was agreed at this Session that contracting parties should submit copies of their national laws and regulations on this subject to the Executive Secretary not later than 30 June 1956. The information
submitted will be placed before the Intersessional Committee and the subject will be included in the Eleventh Session Agenda.

(c) **Administrative Barriers to Trade**

At the Seventh Session the Contracting Parties recommended that governments which maintained consular formalities in connexion with imports should arrange for their abolition by the end of 1956. An examination at this Session indicated that some ten contracting parties still maintained formalities and fees affecting a large part of their import trade. It was agreed that the item should be retained on the agenda for the Eleventh Session. It was also agreed that further study of uniform rules for the nationality of imported goods should take place at the Eleventh Session.

The Contracting Parties noted that, following the adherence of fifteen governments, the Convention to facilitate the Importation of Samples and Advertising Material entered into force on 20 November and they dealt with certain queries covering the interpretation of the Convention.

**DISCRIMINATION IN TRANSPORT INSURANCE**

In April 1953, the United Nations Economic and Social Council referred a study on discrimination in transport insurance to the Contracting Parties for possible action. At the Ninth Session the Contracting Parties considered a report by the Executive Secretary on the issues involved. The report discussed the nature and extent of discrimination and included proposals for international action.

At this Session the matter was further examined in a working party. The Contracting Parties took note of the report of the working party, which contained the draft of a possible resolution on the subject. The resolution recommends that governments avoid measures in the transport insurance field which have a restrictive effect on trade and that governments now applying such measures should seek to eliminate them as rapidly as circumstances permit. The Contracting Parties agreed to revert to the subject at the Eleventh Session.

(d) **Commodity Problems**

At the Ninth Session the Contracting Parties had established a Working Party on Commodity Problems under the chairmanship of M. George Peter, France, to consider proposals for intergovernmental action to overcome problems in the field of international trade in primary commodities.

During the present Session the Contracting Parties considered the Report of that Working Party, including the proposed draft of an international Agreement on Commodity Arrangements, which would be separate from the GATT and which would establish a set of principles and procedures for the future negotiation of individual commodity arrangements and the relations between governments which accept the agreement. In the light of the further discussions which took place during the Session and which resulted in the solution of **MORE**
several important points of difference that had remained outstanding at the end of the Working Party's deliberations, the Contracting Parties decided that encouraging progress had been made and that the draft Agreement represented a promising basis for further efforts to arrive at a final agreement. They decided that discussions between governments should continue after the Session and make provision for the establishment of a Drafting Group, if appropriate, which would take into consideration the results of these discussions. The Drafting Group would prepare a final draft on which the Contracting Parties would take action at their Eleventh Session. The Contracting Parties also made provision for receiving the views of interested international organizations and member governments of the United Nations.

(e) Surplus Disposal

At the close of the Review of the Agreement, in March 1955, the Contracting Parties adopted a Resolution on the Disposal of Surpluses, of which the following is the operative paragraph:

"The Contracting Parties consider that when arranging the disposal of surplus agricultural products in world trade contracting parties should undertake a procedure of consultation with the principal suppliers of those products and other interested contracting parties, which would contribute to the orderly liquidation of such surpluses, including where practicable disposals designed to expand consumption of the products, and to the avoidance of prejudice to the interests of other contracting parties, and that they should give sympathetic consideration to the views expressed by other contracting parties in the course of such consultations."

At this Session, at the request of the Government of Australia, the Contracting Parties discussed the experience gained so far in relation to the terms of the above Resolution. The discussion showed that the disposal of surplus agricultural products and the consultation procedures relating to such disposals referred to in the above Resolution were matters of serious and continuing importance to many contracting parties. A number of countries indicated that, in their view, the consultation procedures conducted under the Resolution had had some effect in reducing the disruption of international trade. Most delegations also expressed the view that consultations had not been as effective as they would have wished. In particular, emphasis was laid on the need for sufficient time to enable the views expressed in such consultations to be taken effectively into account.

The Contracting Parties decided, because this question was of important concern to many of them, that it should be put on the agenda of the Eleventh Session.
On 10 September 1955 Japan became the thirty-fifth contracting party to the General Agreement. At this Session the Japanese Government requested that the position that had arisen following the invoking of Article XXXV by fourteen contracting parties should be examined. (This article provides in certain cases that a contracting party may refrain from undertaking GATT obligations towards an acceding contracting party).

At the opening of the Session, the leader of the Japanese Delegation expressed the disappointment of his Government at the situation which had arisen. His remarks are reproduced in press release GATT/247. There was a general discussion of the matter, which is summarized in press releases GATT/249. At the conclusion of the discussion it was agreed that the problem could be informally discussed between the Japanese and other delegations with a view to seeking a solution. Later, the Japanese delegate reported on the progress of these discussions and his statement is reproduced in press release GATT/225. At the end of the Session the Chairman summed up the present situation and recommended that those contracting parties which had begun the consultations at this Session with the delegation of Japan, should continue them. It was also decided to keep the matter under continuous review in the Intersessional Committee, and to review the matter again at the Eleventh Session.

(g) Administration of the Agreement and related matters

The Contracting Parties decided to convene the Eleventh Session at Geneva on 11 October 1956. They also made arrangements for such intersessional meetings as may be required, as well as deciding the membership of the Intersessional Committee. The members of the Intersessional Committee are Australia, Austria, Brazil, Canada, Chile, Cuba, France, Federal Republic of Germany, India, Indonesia, Italy, Kingdom of the Netherlands, Norway, Pakistan, Union of South Africa, United Kingdom and United States.

Among other decisions of an administrative character the Contracting Parties instructed the Executive Secretary to take steps towards obtaining the affiliation of the staff of ICITO/GATT with the United Nations Joint Staff Pension Fund.

The Contracting Parties unanimously nominated Sir Claude Corea, Ceylon, as chairman of the Interim Coordinating Committee for International Commodity Arrangements (ICCICA), in place of Sir Edgar Cohen, United Kingdom, whose period of office ended in November.

The Contracting Parties in the course of the Session approved the putting into effect on an experimental basis of a GATT in-service training programme for young officials of the governments of contracting parties holding fellowships granted by the United Nations Technical Assistance Administration.
**LIST OF COUNTRIES AND INTERGOVERNMENTAL AGENCIES**

**REPRESENTED AT THE TENTH SESSION**

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<td>*Chile</td>
<td>*Greece</td>
<td>*New Zealand</td>
<td>*United States</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>*Haiti</td>
<td>*Nicaragua</td>
<td>*Uruguay</td>
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<tr>
<td>*Cuba</td>
<td>*India</td>
<td>*Norway</td>
<td>Venezuela</td>
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<td>*Indonesia</td>
<td>*Pakistan</td>
<td>Yugoslavia</td>
</tr>
</tbody>
</table>

* Contracting party to the General Agreement on Tariffs and Trade.