25th October 1954.

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THE NINTH SESSION OF THE CONTRACTING PARTIES
AND THE REVIEW OF THE GATT

The Ninth Session of the Contracting Parties to the General Agreement on
Tariffs and Trade (GATT) will open at Geneva on Thursday 28 October 1954 at
3.00 p.m. (Previously, the GATT Intersessional Committee will meet on 26
and 27 October to make arrangements for the Session and prepare the agenda.)

This Session will be of far greater importance than the normal annual
sessions in that it includes a Review of the Agreement. The discussions con­
cerning the Review of the Agreement will open on 8 November, and it is expected
that many governments will be represented at the ministerial level during the
initial stages of these discussions. Normally, the business of a GATT session
needs about six or seven weeks to be completed. On this occasion, however, it
is thought that the Review of the Agreement will not be completed until the

In addition to the normal invitations to the thirty-four GATT contracting
parties, invitations to attend the Ninth Session have been sent to the countries
that signed the Havana Charter, and there are other countries that did not sign
the Charter which may wish to be represented. It is possible that between
fifty and sixty governments will be represented. A list of governments and
intergovernmental agencies invited to attend the Ninth Session is given at the
end of this release. It is subject to amendment.

As in previous sessions the Contracting Parties will probably give a "first
reading" in plenary meetings to the main items of the agenda and will then set
up a number of working parties to examine these matters in detail, so that at
a later stage they can be taken up in plenary meeting and disposed of without
delay.

No tariff negotiations will be held during the Ninth Session, but several
matters involving tariffs and tariff negotiations (at a future date) arise out
of the agenda. Of particular importance is the status of the tariff schedules
after 30 June 1955. One of the major contributions the GATT has made in the
MGT/27/54
sphere of commerce is the provision of substantial stability in tariff levels throughout the world. Through the operation of the GATT a large proportion of the world's tariff rates have been "frozen" since 1948. The most recent extension of the binding of the GATT tariff schedules will expire on 30 June 1955. The possibility of extending further the period of binding was considered by the Intersessional Committee in August 1954 and stress was laid on the need to prolong the element of stability while affording a reasonable opportunity to less developed countries and to countries with out-dated tariffs to adapt themselves to current needs.

Another matter which will attract attention is the request of the Government of Japan for an opportunity to negotiate for formal accession to GATT through tariff negotiations. This request was originally made in July 1952 but for various reasons it has not been practicable to arrange the negotiations. However, at the Eighth Session in October 1953 Japan was invited to take part in the work of the Contracting Parties and a number of contracting parties agreed that, pending the accession of Japan following tariff negotiations, commercial relations between themselves and Japan would be governed by the GATT. When the GATT Intersessional Committee met in August 1954 the majority of delegations supported the Japanese request to enter into tariff negotiations for formal accession to the GATT and the Committee recommended to the Contracting Parties, for their consideration at the Ninth Session, that arrangements should be made for tariff negotiations to be held in Geneva beginning on 1 February 1955.

As at previous sessions, a number of complaints, arising under the provisions of the GATT, will be heard. In some cases the complaints date back to earlier sessions and the governments concerned will report on the steps taken towards settlement of these questions. In other cases the complaints will be presented for the first time.

During the session further work will be done in a field of particular interest to importers and exporters, namely the easing of burdensome formalities in customs administration, such as the steps taken towards the abolition of consular formalities and towards the reduction of the documents that have to be filled in by traders. Under another item of the agenda annual reports will be presented by the governments that have received waivers from certain GATT obligations, as, for example, the six countries forming the European Coal and Steel Community.
The Review of the GATT

The decision to review the GATT on the basis of the experience gained since it has been in operation was taken by the Contracting Parties at their Eighth Session in October 1953. They decided to convene a session (actually it will be an integral part of the Ninth Session) "to examine to what extent it would be desirable to amend or supplement the existing provisions of the GATT, and what changes should be made in the arrangements for its administration, in order that the GATT may contribute more effectively towards the attainment of its objectives".

There was a preliminary exchange of views among the members of the Intersessional Committee which met in August 1954, and the following is an extract from their press communiqué:

"There was broad agreement as to the value of the GATT as an instrument for promoting a set of rules for trade on a world-wide basis, and there was a general consensus that GATT should serve as the administrative organ for these rules and should be provided with an organization. Stress was laid on the need to examine the effectiveness of the provisions of the Agreement after seven years of operation and to see where they should be strengthened so as to carry out more effectively its objectives of achieving freer world trade.

"The need to consider carefully the special problems of countries in less advanced stages of development was acknowledged as one of the most important elements in the Review Session. At the same time there was general recognition that the full participation of these countries was of prime importance, for only an organization which was representative of all types of economies could effectively undertake to increase trade on a world-wide scale. While it seemed undesirable for the Review Session to undertake any widespread relaxation of the obligations imposed under the Agreement, it was clear that the past seven years had brought a whole new set of circumstances into being
in the fields of international commerce and monetary policy and there would of necessity have to be a profound examination of these developments - and of developments that might be expected in the next few years - in relation to the provisions of the Agreement as it stands today, and to the relations between the GATT and other international bodies with responsibilities in the economic sphere."

The United States has already made known the broad lines of its approach towards the review of the GATT in a statement issued by the Assistant Secretary of State, Mr. Samuel C. Waugh, at the opening of public hearings on the GATT held in Washington in September 1954. ( Earlier, in a message to Congress on 30 March 1954, the President stated his intention to renegotiate the organizational provisions of the GATT and to submit the results of this renegotiation to the Congress for its approval.) The following are major matters for consideration, in the United States Government's view:

**Organization.** The Contracting Parties to the GATT now have no regular organization to apply their agreement nor has the GATT a permanent secretariat. In order to apply the agreement the Contracting Parties now rely on transacting business at periodic meetings and on exchanges of views through diplomatic channels. There is a general feeling among the Contracting Parties that the GATT as now constituted lacks effective organizational arrangements to deal on a continuing and prompt basis with the many problems which arise in the field of international trade, and that a permanent organization with an adequate secretariat should be established.

**Special Treatment for Underdeveloped Countries.** The less economically developed countries aspire to accelerate their industrialization. Many feel that their tariffs were set without regard for such needs and, in consequence, that they are at a relative disadvantage in following trade rules identical with those followed by the industrially advanced countries. In general, such countries wish to be free to apply such measures as quantitative restrictions and higher duties in order to
facilitate the development and growth of new industries. There are now special provisions in the GATT relating to the treatment of underdeveloped countries. The question is: to what extent can the GATT provisions be responsive to the needs of underdeveloped countries without being unduly prejudicial to the trade interests and economies of other countries or affording uneconomic protection to special interests?

**Agricultural Quotas and Export Subsidies.** While the GATT now contains provisions on agricultural import quotas and export subsidies, many countries in the GATT feel that these provisions are inadequate. In the view of the United States Government, the questions are: what provisions should GATT contain which, while giving countries adequate latitude to safeguard their domestic agricultural programmes, at the same time provide reasonable protection to exporting interests? What provisions could be adopted which would be fair and equitable both to countries needing to resort to agricultural import quotas and export subsidies and to countries which might be affected by such measures?

**Import Restrictions for Balance-of-Payments Reasons.** The GATT now permits countries to apply import restrictions for balance-of-payments reasons. Such restrictions are intended to conserve a country's foreign exchange. During the postwar period when countries were short of foreign currencies and found it impracticable to take other corrective measures, they extensively applied restrictions on imports in order to limit the drain on their monetary reserves and protect their external financial position. Since imports from the United States and other hard currency areas required payment in American dollars or other exchange which was lacking, imports from such areas were particularly subject to restrictions. In the view of the United States Government, the problem is to ascertain what changes, if any, are desirable in the light of the improved payments position of many of the more highly developed countries of the world.
Stability of Tariff Concessions. (This matter is referred to above, under the agenda for the Ninth Session, in connexion with the prolonging of the stability of the GATT tariff schedules beyond July 1955.) The United States Assistant Secretary of State, in his statement, says that the United States and other countries are concerned that there be no unravelling of the tariff concessions and a consequent upsetting of the wide measure of tariff stability which has been achieved. There is also concern that the Agreement should provide adequate flexibility to meet exceptional circumstances which countries may face. The problem, therefore, is to find a way of providing such flexibility and still preserve the stability of tariff rates achieved under the GATT.

The views of the United Kingdom were expressed by Mr. Peter Thorneycroft, President of the Board of Trade, in the House of Commons on 21 October. He said that the considered judgment of the Government, which had the general support of organized industry, was that the Agreement was an essential instrument for maintaining order and fair play in international trade. It would be their aim to work for the re-affirmation and, where necessary, strengthening of its provisions, in order that it might play its part in further progress towards wider trade and payments. Instructions would be given to the British delegation in that sense.

Referring to Imperial Preferences he said that it remained the considered view of most Commonwealth countries on preferences that it would not be desirable or feasible to ask the foreign countries which are parties to the Agreement to change the present rules contained in Article I affecting discrimination against their goods. They preferred instead to consider any individual cases on their merits, and where appropriate to seek to deal with them by negotiation or waiver in the GATT. That was, in the circumstances, the policy which the Government proposed to pursue.
LIST OF COUNTRIES AND INTERGOVERNMENTAL AGENCIES

INVITED TO THE GATT NINTH SESSION

(subject to revision)

Afghanistan
Argentina
*Australia
*Australia
Belgium
Belgium
Brazil
Burma
Canada
Ceylon
Chile
Colombia
Costa Rica
Cuba
*Czechoslovakia

*Denmark
*Dominican Republic
Ecuador
Egypt
El Salvador
*Finland
*France
*German Federal Republic
*Greece
Guatemala
*Haiti
*India
*Indonesia

Iraq
Ireland
*Italy
Japan
Jordán
Jugoslavia
Liberia
Libya
Luxemburg
Mexico
*Netherlands
*New Zealand
*Nicaragua
*Norway

Panama
*Peru
Philippines
Portugal
*Rhodesia & Nyasaland
*Sweden
Switzerland
Syria
*Turkey
*Union of South Africa
*United Kingdom
*United States
*Uruguay
Venezuela

Organisation for European Economic Co-operation
Council of Europe
High Authority of the Coal and Steel
Community
Customs Co-operation Council

Chairman of the Contracting Parties: Mr. L. Dana Wilgress, Canada
First Vice-Chairman: Mr. Fernando García Oldini, Chile
Second Vice-Chairman: Mr. Gunnar Seidenfaden, Denmark
Executive Secretary: Eric Wyndham White.

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