Attached hereto is a draft of a press release which provides background information concerning the main items of the agenda of the Ninth Session for press correspondents.

Delegations are requested to send or telephone their corrections to the Information Office, Room A-644 (extension 3026), if possible by 1 PM on Saturday 30 October and in any case not later than 10.00 AM, Monday 1 November, so that a final draft can be prepared for approval of the Contracting Parties on Monday afternoon.

This draft release remains restricted until it has been finally approved.
GENERAL AGREEMENT ON TARIFFS AND TRADE
Ninth Session of the Contracting Parties

Guidance for Press Correspondents

on the Agenda of the Ninth Session of the
Contracting Parties to the General Agreement on Tariffs and Trade

The Ninth Session of the Contracting Parties to the General Agreement on Tariffs and Trade opened at Geneva on 28 October 1954. The Session, which includes a Review of the Agreement, is expected to close at the end of January 1955.

There are 34 countries which are contracting parties to the GATT. These are listed, together with other governments and intergovernmental agencies represented at this Session, on the final page of this guidance.

The Chairman of the Contracting Parties is Mr. L. Dana Wilgress, Canadian Ambassador to the North Atlantic Council and the Office of European Economic Co-operation.

The first Vice Chairman is Mr. Fernando Garcia Oldini, Chilean Envoy Extraordinary and Minister Plenipotentiary, and the second Vice Chairman is Mr. Gunnar Seidenfaden, Chief of Section, Danish Ministry for Foreign Affairs.

In the comments which follow on the main items of the agenda, a rough and ready division has been made into

(a) The Review of the Agreement,
(b) Items arising out of the operation of the GATT, including items falling under the complaints procedures,
(c) Tariffs and tariff negotiations,
(d) Administrative barriers to trade,
(e) The administration of the GATT.
(a) **THE REVIEW OF THE AGREEMENT**

The decision to review the GATT was taken by the Contracting Parties at their Eighth Session in October 1953. They decided to convene a session (in fact, the Review of the GATT is 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".

The discussions concerning the Review of the Agreement will open on Monday 8 November and it is expected that a number of policy statements will be made during the following days and that these statements will be issued to the press.

(b) **Items arising out of the operation of the GATT, including items falling under the complaints procedure**

**BALANCE OF PAYMENT IMPORT RESTRICTIONS**

In accordance with certain provisions of the GATT, the Contracting Parties will hold consultations with several governments on the discriminatory aspects of the import restrictions which they apply for the purpose of safeguarding their balance of payments and monetary reserves.

These provisions for consultations with individual governments are one of the special features of the General Agreement, and the purpose of consultations on import restrictions is to afford an opportunity for an exchange of views on the problems facing the countries imposing the restrictions and the difficulties created for exporting countries by the restrictions.

As provided for in the General Agreement the Contracting Parties will consult with the International Monetary Fund and representatives of the Fund will participate in the consultations conducted by the Contracting Parties.

It is expected that, as on previous occasions, a working party on Balance of Payment Import Restrictions will be set up early in the Session.
ANNUAL REPORTS ON WAIVERS

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 within the six countries of the Community.

The six Member States of the Community are contracting parties to GATT. They submitted to the Contracting Parties a request for a release from certain of their obligations under the GATT. This request concerned mainly the most-favoured-nation clause contained in GATT Article I and the rule of non-discrimination in Article XIII regarding the application of quantitative restrictions.

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 the six countries will submit annual reports to the Contracting Parties on the progress towards the full application of the Treaty.

The first report was considered at the Eighth Session in October 1953 and the second report by the Member States will be submitted to this Session. It is expected that the Report will be examined by a working party to be set up early in the Session.

United Kingdom Waiver re Article I

At the Eighth Session in October 1953 the Contracting Parties took a Decision on the request of the United Kingdom Government for facilities to relieve them of the need, under the rules of Article I regarding tariff preferences, to impose duties on duty-free goods from the Commonwealth as and when they may have occasion in the future to increase the unbound duties on foreign goods. In asking for these facilities, the United Kingdom made it clear that it was not their intention to use them for the purpose of diverting trade away from foreign to Commonwealth countries. The Contracting Parties granted the waiver, subject
to procedures for consultation and, where necessary, arbitration as to whether proposed tariff changes would be likely to cause such a diversion of trade. In granting the waiver the Contracting Parties requested the United Kingdom Government to furnish an annual report of action taken under the waiver. The first report will be considered at this Session.

**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 advantages 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. In order to safeguard the interests of other contracting parties a procedure for prior notification and consultation was included in the waiver, which may be reviewed at a future date if the economic factors affecting the production and trade of the Territory should change in such a way that the special treatment authorized by the waiver should result or threaten to result in substantial injury to the competitive trade of any contracting party.

At this Session the Australian Government will furnish its first annual report on the operation of the waiver.

**Italy/Libya**

At the Sixth Session in 1951 the Contracting Parties agreed to a request by Italy for authority to continue for one year to exempt from customs duties certain goods originating in and coming from Libya and imported into Italy. (Preferential treatment by Italy for Libyan goods dates back as far as 1911).

At the Seventh Session in 1952, Italy supported by the (new) government of Libya obtained authority to continue, for a further period of three years, exemption from Italian Customs duties for a definitive list of Libyan exports. During this period the Italian Government will submit annual reports on the
operation of the special régime and the Government of Libya will submit annual reports on its plans for economic development. The first annual reports were considered at the Eighth Session, and the second will be considered at this Session.

**Federation of Rhodesia and Nyasaland**

In November 1953 the Contracting Parties were informed that the Central Government of the Central African Federation had become responsible for the implementation of the international commercial obligations of Southern Rhodesia, Northern Rhodesia and Nyasaland, including obligations under the GATT. The GATT Intersessional Committee has considered the changes with respect to the Agreement that results from this transfer of authority and will submit a report at this Session.

**CUSTOMS UNIONS AND FREE TRADE AREAS**

**South Africa-Southern Rhodesia Customs Union**

At the Eighth Session the Contracting Parties took note of the Fourth Annual Report of the Customs Union Council and agreed to await developments in view of the establishment of the Federal Government in the Rhodesias and Nyasaland (see above). The Contracting Parties were informed that the two governments had agreed to continue the present Agreement as a modus vivendi, either party being free to terminate it on six months' notice. The Fifth Annual Report will be considered at this Session.

**Nicaragua-El Salvador Free-Trade Area**

At this Session the Contracting Parties will consider the third Report submitted by Nicaragua on the functioning of the Free-Trade Treaty with El Salvador.

**APPLICATIONS UNDER ARTICLE XVIII**

Under Article XVIII a contracting party may obtain authority to impose non-discriminatory, protective measures for purposes of economic development or reconstruction, or, in the actual words of the article, to give "special governmental assistance to promote the establishment, development or reconstruction of particular industries or branches of agriculture". Applications to the
Contracting Parties for authority to impose such measures are treated in accordance with established procedures and are judged by certain criteria. Authority has been given by the Contracting Parties for the temporary maintenance or imposition of several measures by Ceylon, Cuba, Haiti and India, and some other countries.

At this Session the Contracting Parties will consider requests (a) by Cuba, to extend an authorization granted in 1949 and (b) by Ceylon, to extend the authorization for five releases granted between 1949 and 1952 and to authorize a new release. They will also consider a notification of existing protective measures submitted by Uruguay, which became a contracting party on 16 December 1953.

**COMPLAINTS**

**United States Restrictions on Imports of Dairy Products**

At the Eighth Session in October 1953 the United States Government reported on the maintenance of restrictions on imports of certain dairy products and on the situation brought about by the repeal of Section 104 of the United States Defense Production Act, under which these restrictions were imposed in 1950, and the subsequent developments which led to the continuance of these restrictions, in accordance with the requirements of Section 22 of the Agricultural Adjustment Act, as amended.

The Contracting Parties adopted a resolution which (a) affirmed the right of the affected contracting parties to have recourse to Article XXIII procedures while the restrictions remain in effect, (b) authorized the Netherlands Government to continue to limit during 1954 their imports of wheat flour from the United States to a maximum of 60,000 tons, (c) recommended the United States Government to have regard to the harmful effect of these restrictions on international trade and (d) requested the United States Government to report, before the opening of the Ninth Session, on what action it had taken.

**United States Import Duty on Dried Figs**

In August 1952, under the Article XIX "escape clause" procedure, the United States increased its import duty on dried figs to 4½ cents per pound. The former duty was 2½ cents per pound, which was a concession granted to Turkey in the 1951 Torquay negotiations. At the Seventh Session in 1952, Greece, Italy and Turkey
 drew attention to the effect of the United States duty increase on their export trade, and the Contracting Parties adopted a resolution by which (a) the United States Government undertook to request the United States Tariff Commission to review the facts and report on them at the Eighth Session, (b) the Turkish Government decided to apply, temporarily, certain increased rates of duty to imports from the United States, (c) the United States and Greece would consult as regards the possibility of the United States making concession to compensate Greece.

At the Eighth Session in October 1953 the Contracting Parties adopted a resolution noting that the United States Government was continuing its consultations with Greece and Italy, re-affirming their conviction that the most satisfactory solution would be for the United States to restore the concession on dried figs negotiated at Torquay and requesting the three Governments concerned to report at the Ninth Session as to further action taken.

**United States Export Subsidy on Oranges**

At the Eighth Session in October 1953 Italy drew attention to the serious effect on her export trade from the granting by the United States of subsidies on exports of oranges to certain countries, in particular European countries. The delegation of South Africa also drew attention to the difficulties of 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 delegation gave an assurance that it was fully prepared to consult with the governments concerned and would report under Article XVI. (A similar undertaking was given in respect of the effect on exports of the United States marketing programme for almonds which limited the amounts that could be sold through domestic channels.)

**Brazilian Internal Taxes**

This complaint, originally made by France and the United Kingdom, concerns the element of discrimination in certain Brazilian internal taxes against certain French, United Kingdom and United States exports such as cognac, aperitifs, watches and clocks, beer and cigarettes. At the Eighth Session in October 1953,
the Brazilian delegation expressed regret that owing to legislative difficulties it had not been possible for the Brazilian Congress to consider the draft law which would remove the element of discrimination. Both French and British delegations expressed great disappointment at the continued delay and reserved the position of their governments in the matter. At the request of the French delegation the Contracting Parties decided to maintain this item on the Agenda and adopted a recommendation urging the Brazilian Government to amend the existing laws so as to bring them into conformity with the GATT and to report as early as possible, and in any case not later than the Ninth Session on action taken.

Belgian Dollar Import Restrictions

A complaint by Canada and the United States concerning Belgian import restrictions on goods from the dollar area was made at the Sixth Session in 1951. At the Seventh Session the Belgian Government stated that it felt justified in proceeding cautiously towards a régime of freedom from quantitative restrictions on imports, and, in fact, significant measures of relaxation were announced in February 1953.

The possibility of the Belgian Government taking further steps to relax its import restrictions was discussed at the Eighth Session and it was agreed that further talks between Belgium and other interested governments should be held and that the results should be reported to the Ninth Session.

Belgian Family Allowances

This complaint, originally made by Norway and Denmark with which Austria, Germany, Italy, Finland and Canada have since become associated, concerns the Belgian Family Allowances system. The system, which provides for family allowances to workers, is financed by contributions imposed upon the Belgian employers, and in order to counterbalance these contributions a special tax of 7.5 per cent ad valorem is levied on products imported by the Belgian, national, provincial and municipal authorities. Exemption from this import tax can be granted in the case of importation from countries where similar contributions are imposed upon the employers either by law or by collective agreements.

At the close of the Eighth Session in 1953 the Belgian delegation stated that a draft law, which would, if enacted, resolve the problem, was being examined by the Belgian Council of State. It has since been reported that the tax in question was suppressed in March 1954.
French Statistical Tax on Imports and Exports

The United States Government at the Eighth Session in 1953 complained that a French Statistics and Customs Control Tax, levied at the rate of 0.4 per cent. ad valorem on all imports and exports, nullified or impaired the concessions made by France under the General Agreement. The French delegate stated that his Government agreed that it infringed the provisions of the Agreement and had, therefore, taken steps to abolish the tax as from 1 January 1954. The tax remained in force, and in March 1954, the rate was increased from 0.4 per cent to 0.75 per cent ad valorem.

The French Government has reported that the tax in question has been suspended for the period 1 October to 31 December 1954.

French Stamp Tax

In March 1954 the French Government increased the Stamp Tax on imports from 1.7 per cent. to 2 per cent. The United States Government considers that this increase in the Stamp Tax is inconsistent with France's obligations under the GATT and that the problem should be considered by the Contracting Parties.

This is a new complaint.

French Special Import Taxes

Under the Decree of 17 April 1954, a special compensatory tax at the rate of 5 per cent. or 10 per cent. ad valorem on certain imported goods was introduced in France. In the view of the Italian Government this measure does not appear to be in conformity with the requirements laid down in Article II:1(b) of the General Agreement which forbids the application of charges of any kind on imported goods for which duties have been bound under the General Agreement. The Decree in question authorizes the application of the compensatory tax to 162 items of the French customs tariffs on which the duties have been bound. In the opinion of the Italian Government this measure should have been the object of a request for a waiver of obligation under Article II; in the absence of any such request the Italian Government has asked that the question be placed on the agenda of the Ninth Session.

This is a new complaint.
Swedish Anti-Dumping Duties

The Italian Government has asked the Contracting Parties to examine the methods by which the Swedish Government applies anti-dumping duties to imports of nylon stockings. In the view of the Italian Government the methods used have the effect of increasing the rate of duty which is bound under GATT and therefore there appears to be a breach of Sweden's obligations under GATT.

This is a new complaint.

Turkish Import Taxes and Export Bonuses

By an Order dated 1 September 1953, the Turkish Government authorized the payment of export bonuses for certain agricultural products and, at the same time, introduced import taxes, the rates of which vary from 25 to 75 per cent. ad valorem, on certain goods considered to be less necessary for the economy of the country.

The Italian Government has pointed out that the list of items of which the import taxes are charged includes several which were negotiated with Italy within the framework of GATT. Among the products benefiting from export bonuses are bitter almonds, lemons, wine, chestnuts and table olives. Subsidized Turkish exports of these products may harm Italian exportation of the same articles to the markets of other countries, and the Italian Government has asked the Contracting Parties to consider whether the action taken by Turkey violates her obligations under the GATT.

This is a new complaint.

German Discrimination in Coal Imports

The United States Government has drawn attention to certain regulations applied by the Federal Republic of Germany concerning imports of coal and has asked that the matter should be considered at the Ninth Session.

In answer to an inquiry in June 1953, United States representatives were informed that from 1 June 1953 until September 1953 new licences for United States coal would be granted by the Federal Republic only for United States coking coal that could be delivered by 30 September 1953. No licences were being granted, or would be granted in the future, for other kinds of coal from the United States.
Since the promulgation of these regulations, United States coal has been permitted to enter Germany only in limited quantities through third countries. In the view of the United States these restrictions are inconsistent with the obligations of the Federal Republic toward the United States under the General Agreement.

This is a new complaint.

Greek Luxury Tax and Tariff Charges

The Italian Government has asked the Contracting Parties to consider certain Greek customs measures affecting imports of artificial textile fibres and manufactures, cutlery and eyeglasses, which in their view are not consistent with Greece's obligations under the Agreement.

This is a new complaint.

Peru's Prohibition of Imports from Czechoslovakia

By a Decree of the President of the Republic of Peru dated 11 March 1953 imports of goods from Czechoslovakia were prohibited. The Peruvian Government has not replied to several approaches by the Czechoslovakian Government, to the effect that the prohibition violates Peru's obligations under the GATT. Accordingly, the Czechoslovakian Government has asked the Contracting Parties to consider the matter at the Ninth Session.

This is a new complaint.

Belgian Restrictions on Imports of Coal

In October 1953 Belgium intensified its restrictions on imports of United States coal. In the view of the United States Government this intensification of restrictions, which is still in effect, appears to be discriminatory in character and inconsistent with Belgium's obligations under the General Agreement. The matter has been discussed between the two Governments, but since no solution to the problem has been reached, the United States Government has asked the Contracting Parties to examine the question.

This is a new complaint.
German Import Duties on Starch and Potato Flour

In 1951 at the Torquay tariff conference the German Federal Government undertook to reduce their import duties to the level of duties applied on their products by the Benelux Governments. In the view of the Benelux Governments this undertaking has not been carried out and since discussions between the respective governments have not proved fruitful, the Benelux Governments have decided to submit the question to the Contracting Parties.

This is a new complaint.

Tariffs and Tariff Negotiations

ACCESSION OF JAPAN

The Government of Japan made a request in July 1952 for an opportunity to enter into tariff negotiations with the contracting parties with a view to acceding to the GATT. For various reasons it was not possible, in the intervening period, to arrange the negotiations. However, at the Eighth Session, two important steps were taken. First, the Contracting Parties invited the Government of Japan to participate in their sessions, pending the time when tariff negotiations could be held. Secondly, some 24 contracting parties accepted a declaration to the effect that, pending the formal accession of Japan, their commercial relations with Japan would be governed by the provisions of the GATT (in particular, the granting of most-favoured-nation treatment under Article I).

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 in February 1955. The list of countries that will take part in the negotiations will be issued later.
PLANS FOR TARIFF REDUCTION

At the Eighth Session in 1953 the Contracting Parties considered a report by the Working Party which had been making a technical study of the French Plan for the Reduction of Tariff Levels. The main principles and the Eight Rules, which set out the commitments which would be involved for the participating countries in the event of the application of the Plan, were published.* The Contracting Parties agreed that no decision on the report of the Working Party which drafted the Plan in its present modified form should be taken at that time but that it should be referred to governments for consideration and comments.

In July 1953 the Benelux Governments issued a Declaration of policy in which they endorsed the French Plan as opening up new possibilities for the progressive reduction of customs tariffs and stated their readiness to accept the Plan, in principle.

In August 1953, members of the GATT Intersessional Committee gave their views on the desirability of arranging for further tariff negotiations. They also gave their views on establishing adequate tariff negotiating procedures, taking into account the French proposals for revised negotiating procedures as well as suggestions for a further round of tariff negotiations on the Geneva-Annecy-Torquay pattern. The Committee recommended that this question should be examined early in the Ninth Session.

STATUS OF THE SCHEDULES AFTER 30 JUNE 1955

One of the contributions which it is felt that the GATT has made is the provision of a substantial stability in tariff levels throughout the world. These tariff commitments have had the effect of restraining arbitrary, sudden and sweeping increases in rates adversely affecting the interests of other countries.

* A New Proposal for the Reduction of Customs Tariffs, available on request from the GATT Secretariat

MORE
The GATT, however, contains a provision which would permit countries unilaterally to increase duties after a certain date. This provision has never come into operation, the date having been extended on two occasions, the latest extension expiring on 30 June 1955.

The Contracting Parties have long been concerned that there should 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 afford a reasonable opportunity to less-developed countries and to countries with out-dated tariffs to adapt themselves to current needs.

It is expected, therefore that the status of the schedules after 30 June 1955 will be discussed in connexion with the Review of the GATT.

**Greece - Request to negotiate certain items**

The Greek Government has requested permission to renegotiate the rates of import duty for tariff items (processed hides and skins) on the grounds that there has been an excessive increase of imports of the goods in question. These rates of duty are bound under the GATT. The Greek Government also considers, in this case, that it is entitled to invoke the provisions of Article XVIII, for the temporary protection of an infant industry.

**Administrative Barriers to Trade**

For the past four years the Contracting Parties have been tackling customs formalities and various administrative barriers to trade, stage by stage. In 1950 they drew up a code of standard practices for the administration, by governments, of import and export restrictions and exchange controls. In 1952 they adopted a code of standard practices for documents which are required for importation and they made several recommendations which envisage the elimination of consular visas and formalities as soon as possible. They also drew up and opened for signature (in February 1953) the International Convention to Facilitate the Importation of Samples and Advertising Materials the broad purpose of which is to minimize the costs and reduce the formalities and delays which traders and merchants have to face in sending samples and advertising material from one country to another.
At the Eighth Session further work was done towards standardizing methods of valuation for customs purposes and towards drafting uniform rules for determining the nationality of imported goods.

At the Ninth Session the Contracting Parties will review the progress made towards ameliorating these various aspects of customs administration and towards abolishing consular formalities, and in some instances these matters may be taken up in connexion with the review of the GATT.

**Discrimination in Transport Insurance**

At its Fifteenth Session on 16 April 1953, the United Nations Economic and Social Council adopted a resolution to the effect that certain resolutions and a study on discrimination in transport insurance by the Secretary-General of the United Nations be brought to the notice of the Contracting Parties for possible action. At the Eighth Session the Contracting Parties instructed the Executive Secretary to prepare, in consultation with governmental and non-governmental organizations, a report on the issues involved. This report will be considered at the Ninth Session.

**Protocols and Schedules**

At each Session the Contracting Parties undertake to examine the current status of the Protocols, in particular those which lack the acceptance needed to bring them into force.

As at previous Sessions the Contracting Parties will set up a working party to consider rectifications which any contracting party wishes to have made in its schedules of tariff duty concessions.

**Administration of the GATT**

Under this general heading fall such items as:

(a) the election of Chairman and Vice-Chairmen of the Contracting Parties: their terms of office expire at the opening of the Session;
(b) the financial statement for 1954 and the budget estimates for 1955;
(c) the renewal of intersessional arrangements for the administration of the GATT; and
(d) the date and place of the Tenth Session.