DRAFT PRESS RELEASE

ARRANGEMENTS FOR A REVIEW OF THE GATT

WILL DELEGATES KINDLY SEND THEIR CORRECTIONS

TO THE INFORMATION OFFICER, ROOM A.214

BEFORE 1 P.M. MONDAY 19 OCTOBER

Sec/124/53
Arrangements for a Review of the GATT

The Contracting Parties have decided unanimously that arrangement should be made for a review of the GATT.

Following a discussion, of which a brief summary is given below, the Contracting Parties have taken a Decision along the following lines:

- to convene a session of the Contracting Parties on 15 October 1954 (or at a later date, as may be recommended by the Ad Hoc Committee on Agenda and Intersessional Business). The purpose of this session would be to review the operation of the GATT on the basis of the experience gained since it has been in operation. At this session the Contracting Parties would 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.

- Contracting parties are invited to submit written proposals and suggestions regarding this review to the Executive Secretary, not later than 1 July 1954. The GATT Ad Hoc Committee for Intersessional Business will meet in due time to decide whether the above mentioned date is best suited for the successful conduct of this session and if necessary to recommend an alternative date. This Committee will also pursue the study which it has been instructed to undertake on the basis for future tariff negotiations.

In the course of the discussion, the delegate of Sweden, Mr. Stig Sahlin, said that there were many new factors having an influence on the working of GATT - improved economic conditions, expansion of trade, the dynamic stage of industrialization reached by several countries, fiercer international competition and problems arising from the policy of liberalization - and it was reasonable to suggest that they should now pause and take stock of the position. But he added a note of warning: the GATT, he said, had served international trade well. It had maintained a large measure of stability and had provided a code of behaviour in tariffs and trade policy, which had, he considered, been of greatest value to
the trading community. He stressed the positive aspects of GATT so as to avoid too drastic and unwise actions when approaching the question of reviewing the GATT and warned against the risk of having a document less conducive to safeguarding an orderly and expanding world trade than the present one.

Mr. André Philip, France, said that when the time for the review was reached, his Government would insist less on modifications than on the need to complete the GATT with elements not at present included in it — provisions for the stabilization of prices of primary products (as in the Havana Charter) and a wider scope to cover restrictive trade practices. He emphasized that the preparatory work must be thorough and precise — or else they would be faced with a number of irreconcilable proposals.

Mr. Wilhelm Thagaard, Norway, said that the review of GATT should not be confined to an examination of the GATT as it stands but that an attempt should be made to transform the present GATT into a charter for an international trade organization. He urged that provisions to secure as far as possible a full and productive employment in the different countries should be included, as well as provisions aimed at promoting the general economic development of all countries, and provisions with regard to the control of international trusts and cartels. In short, it might be necessary to have provisions relating to most of the matters dealt with in the Havana Charter.

Mr. L. Dana Wilgress Canada, said that this was one of the most important matters the Contracting Parties had yet discussed. He said that it was always intended that GATT should be reviewed at the appropriate time, although when GATT was drafted it was expected that the Havana Charter would come into force and supersede the GATT. Reviewing the operation of GATT, Mr. Wilgress said that GATT had been proved to be an almost indispensable instrument in the conduct of world trade. He agreed with the Swedish delegate's note of caution. Do not, he said, throw away the good in the pursuit of something unobtainable. While he would, in the review, include all aspects towards making GATT more effective, he did not want another Havana Conference. He regarded October 1954 as a useful target date for the review session, but the Intersessional Committee should in
the summer of 1954 decide on the date in the light of prevailing circumstances. He suggested (and the Contracting Parties subsequently agreed) that the Executive Secretary should make special studies of problems facing the less developed countries in relation to the review of the GATT.

Mr. Gunnar Seidenfaden, Denmark, warned the delegates of the risks of postponing the proposed date for the Session and urged that the Intersessional Committee should take very great care to take into account all factors - both economic and political - before recommending a postponement.

M. Sergio Parboni, Italy, stressed that in the proposed review the vitality of the GATT should be safeguarded, and said that it was essential to avoid the risk that if the revision was carried too far, the continuity of the GATT, which had rendered real services for the better conduct of commercial relations, would be interrupted. The revision should be limited to what was effective and of the most urgent necessity, tending towards strengthening the GATT in the future.

Mr. Hasan Isik, Turkey, said that in his view the additions to the GATT were more important than the modifications of existing articles. He suggested that when GATT was reviewed the provisional aspects of its application should be studied and revised, because conditions had changed since GATT came into force.

Shri L.R.S. Singh, India, agreed that a review of the GATT should be undertaken in the not too distant future, and, without committing his Government, he supported the main features of the Decision (which is summarized at the beginning of this release). He said that his delegation attached great importance to flexibility in the time-table.

Mr. Werner Hagemann, Germany, said that - as stated by Professor Erhard earlier in the Session - his Government greatly appreciated the work done through the operation of the GATT and considered it essential to give the GATT greater efficiency and to extend its scope into spheres of interest not at present covered in the GATT.

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Mr. Winthrop Brown, United States, said that he believed that the GATT had made a genuine contribution to the advancement of multilateral trade. The tariff concessions embodied in the schedules represented a major achievement and the general provisions had proved very useful. The sessions, the discussions, the complaints that had been settled, the relationships which had developed - all had made a contribution. It was appropriate after six years' operation to review the present provisions of the GATT and see how they can be improved. He agreed with the arrangements and the target date proposed for the review.

Mr. C.W. Sanders, United Kingdom, said that the question of the review of GATT was closely associated with the United States review of commercial policy and its outcome insofar as it might affect progress towards freer trade and payments. Therefore, the time-table for the review should be kept flexible, as well as the target date for presentation of written proposals.

Dr. A.Y. Helmi, Indonesia, said that, although not committing his Government, he found the proposal to review the GATT a sound idea.

Mr. Karel Svec, Czechoslovakia, said that the task was not so much to modify the rules and to review the operation of the existing rules and to find ways and means to see that these rules were adhered to. The East-West trade discrimination and the "Cold War Strategy" are contradictory to GATT rules, he said, and are resulting in disrupting rather than improving world trade. He favoured the review of GATT and hoped it would contribute to resolving some of these problems.

Baron C.A. Bentinck, Netherlands, agreed with delegates who had used words of caution. GATT must not become an optical illusion, he said. The time table for the review should be flexible so as to take account of world wide events and developments. Mr. V.A. Clark, Australia, and Mr. Jean Leroy, Belgium, said they were fully in accord with the proposals, and Mr. Olyntho Machado, Brazil, indicated that he supported them.
Summarizing, the Chairman, Mr. Johan Melander, Norway, said first, there was clearly a high degree of satisfaction with the GATT after six years of operation and he stressed the vote of caution which some delegates had made. It was generally agreed that the GATT should be reviewed and revised. But the review, which would deal with both the administration and the provisions of GATT would be held with a view to attaining the main GATT objectives. The target date should, if possible, be maintained. The submission of proposals in writing would help the secretariat to prepare precise and concrete proposals to amend and supplement the GATT, thus ensuring a practical workmanlike Session.