

THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT)

In 1947, while the Charter for ITO was in course of preparation, the members of the Preparatory Committee, charged with drafting the Charter, decided to proceed forthwith with tariff negotiations among themselves, and also drew up the General Agreement on Tariffs and Trade (GATT). The Agreement entered into force on 1 January 1948, there being 23 contracting parties.²

GATT is an international contract which contains provisions to protect the tariff concessions resulting from the 1947 and subsequent tariff conferences. These concessions are incorporated in the schedules of GATT. The Agreement also contains a set of rules to govern the commercial relations of the Contracting Parties. It provides that representatives of the Contracting Parties shall meet from time to time to give effect to those provisions which require joint action. Up to the end of 1958 the Contracting Parties had held 13 regular sessions. At the end of that year, there were 37 contracting parties and two countries which had acceded provisionally.

As of 31 December 1958, the Contracting Parties had held four major negotiating conferences for the reduction of tariffs. As a result, tariffs are now stabilized over a very wide area.

THIRTEENTH SESSION OF THE CONTRACTING PARTIES

The thirteenth session of the Contracting Parties to GATT was held at Geneva from 16 October to 22 November 1958. Main developments included the following:

(1) The most important feature was the establishing of a programme of action towards further expansion of international trade. Forming a background to this programme was the report by a panel of experts entitled Trends in International Trade (also called the Haberler Report) published by the GATT secretariat in October 1958. The Contracting Parties established three committees in order to set the co-ordinated programme in motion. Committee I was charged with examining the possibility of arranging for a further round of tariff negotiations within the GATT framework. Committee II was to be concerned with special problems of trade in agricultural products, such as protectionist measures. Committee III was to ex-

amine the particular difficulties which face the expansion of trade of the less developed countries. The work of the Committees was to be reviewed at the fourteenth session of the Contracting Parties.

(2) The Contracting Parties approved the approach regarding the European Economic Community (EEC), developed by the Inter-Sessional Committee in April-May 1958, on procedures for consultation and the decision to postpone any examination of legal questions. It was agreed that the normal procedures of the Agreement could be adapted to handle problems as they arose. Consultations were begun during the thirteenth session on the problems of trade in coffee, tea, cocoa, tobacco, sugar and bananas which might arise out of the development of EEC.

(3) Consultations were held with five contracting parties on import restrictions maintained by them to protect their balance of payments. The Contracting Parties also made arrangements to carry out consultations in 1959 with 16 countries.

(4) The Contracting Parties continued discussions with the Federal Republic of Germany on its remaining import restrictions which are no longer justified for balance-of-payments reasons. Contracting parties whose trade was being damaged were to consult jointly with the Federal Republic of Germany on this problem in January 1959, at Geneva.

(5) In the field of tariff adjustments, Peru obtained a waiver to enable her, temporarily, to levy surcharges on goods which had been the subject of GATT concession, in order to assist in her stabilization programme. A Tariff Negotiations Committee was set up to steer the renegotiations which Cuba expects soon to embark on under its current tariff revision. A protocol to embody the results of the tariff negotiations conducted with Brazil during 1958 was approved.

(6) To improve the administration of the Agreement, two three-week sessions of the Contracting Parties will, in future, take the place of the annual sessions, which lasted five to six weeks.

² For a fuller description of the structure and functions of GATT, see Y.U.N., 1953, pp. 836-37.