

GATT - THE INSTITUTION

The General Agreement on Tariffs and Trade (GATT) is a multilateral treaty with 93 Contracting Parties which together account for over 80 per cent of world trade. The basic objectives of the GATT are to liberalize world trade and place it on a secure basis. The contractual rights and obligations of the GATT have been accepted by all the Contracting Parties. GATT also provides the forum for multilateral trade negotiations to reduce barriers to trade and, as appropriate, develop new rules to deal with trade problems.

Organization

The highest body of the GATT is the Session of Contracting Parties, usually held once a year in November. This "Session" provides an opportunity for all Contracting Parties to review the work of all the GATT Committees and Working Parties and to take decisions.

GATT decisions are generally arrived at by consensus, not by vote. On the rare occasions that voting takes place, each contracting party has one vote. Most decisions by vote are taken by simple majority, but a two-thirds majority of votes cast, with the majority comprising more than half the member countries, is needed for "waivers": authorization, in particular cases, to depart from specific obligations under the Agreement. (One example is the USA waiver, obtained in 1955, from certain obligations of the GATT in order to maintain quantitative restrictions on certain agricultural products.)

Between "Sessions" of Contracting Parties, the GATT Council of Representatives is authorized to act on both routine and urgent matters. It meets nine or ten times a year. Reporting to the GATT Council, and through the Council to the "Session", are a large number of "Committees". These Committees may be established by the Council or "Session" to deal with specific problems. Such Committees would include, for example, the Committee on Trade in Agriculture, which was set up in November to examine ways and means of resolving problems affecting trade in that sector. Membership of these Committees is usually open to all interested GATT Contracting Parties. Committees are also established as standing Committees under one of the Agreements or "Codes" which have been set up under the provisions of the GATT through successive rounds of multilateral trade negotiations. The membership