

GATT is served by a small but efficient secretariat which has its headquarters at Geneva. Although with a total strength of only about thirty-five persons and an annual budget of around \$350,000, this secretariat has been able to do excellent work. It has produced some good reports. It is able to do this because in the off-season between sessions the staff has time for the research and study necessary to prepare reports on commercial policy questions.

It is important to bear in mind that it was never intended that GATT should exist as an organization. The General Agreement on Tariffs and Trade was negotiated at the same time as a draft Charter for an International Trade Organization was being drawn up. It was felt that the negotiations should take place in order to secure as wide a reduction as possible in tariffs. In that way the I.T.O. could start off with a practical demonstration of an attack on trade barriers. It was also agreed that margins of preference should be negotiable on the same basis as rates of duty so that during the course of the negotiations not only could rates of duty be reduced but also the extent of the preferences accorded by one Commonwealth country to another or exchanged between Cuba and the United States.

It was intended that once the I.T.O. commenced to operate it would take over responsibility for supervising the operation of the General Agreement and for dealing with the problems of commercial policy. The Havana Charter of the International Trade Organization was never ratified so that the I.T.O. has not come into being. In the meantime, however, GATT has been carrying on many of the functions which were envisaged for the I.T.O. in the commercial policy field. As such, it has been demonstrating the need for an organization to deal with these problems.

The General Agreement on Tariffs and Trade consists of three parts. Part I relates to the exchange of most-favoured-nation treatment and to the schedules of tariff concessions. Part II has taken over and adapted for purposes of the Agreement a whole series of articles for the draft Charter for the International Trade Organization. The principle underlying the selection of articles from the draft Charter for incorporation in the Agreement was the necessity of having provisions to protect the tariff concessions.

It was, therefore, chiefly articles from the Commercial Policy Chapter of the draft Charter which were included in the Agreement although there was one important article taken from the Chapter on Economic Development. The other parts of the draft Charter, such as the Chapters on Employment, Commodity Agreements and Restrictive Business Practices, were not included in the General Agreement. Part III of the Agreement incorporates those provisions peculiar to the General Agreement itself, such as territorial application, entry into force, withdrawal, modification of schedules, amendments, etc.

Another important fact to bear in mind is that the General Agreement on Tariffs and Trade has not yet been ratified by any country. It is being applied provisionally in accordance with a Protocol of Provisional Application. This protocol provided that the governments would apply provisionally Parts I and III of the General Agreement and Part II to the "fullest extent not inconsistent with existing legislation".