

APPENDIX

PRESS RELEASE AND COMMUNIQUÉ, REVIEW OF GENERAL AGREEMENT ON TARIFFS AND TRADE

The Department of External Affairs released today the text of the "Communiqué on the Review of the General Agreement" which has been prepared by the GATT secretariat and which is being simultaneously released for publication in Geneva. This communiqué covers the review of the general agreement on tariffs and trade which was completed by the contracting parties to the GATT earlier this month. The text of the communiqué is attached.

COMMUNIQUE

ON

THE REVIEW OF THE GENERAL
AGREEMENT*Introductory Paragraph*

On 7 March 1955 the contracting parties to the general agreement on tariffs and trade completed a comprehensive review of the agreement in the light of seven years' experience. They have reaffirmed the basic objectives of the agreement, they have adapted the provisions of the agreement to meet the changed conditions and they have elaborated the objectives and the structure of an organization to administer the agreement.

The changes that have been worked out will now be submitted to governments for acceptance; in the meantime, the existing unamended agreement remains in force. The summary of the changes set out below indicates therefore—except where otherwise indicated—the main lines of agreed proposals, which will come into effect when they have been accepted.

Summary of Main Results

The major results of the review of the agreement may be indicated as follows:

Reaffirmation of the basic objectives and obligations including the principle of non-discrimination in trade and the general prohibition (with specified exceptions) to the use of quantitative restrictions on imports, which have guided the contracting parties in their commercial relations since 1948, subject to any requirements of existing mandatory legislation.

The drawing up of a renewed undertaking to prolong the firm validity of the tariffs bound under the agreement.

The provision, in a special article, of suitable procedures for dealing with the problems of countries in early stages of development.

Provision for the establishment of a permanent organization, to be known as the organization for trade co-operation. When it is established the organization will administer the agreement and will supersede the present informal operational structure.

The introduction of new provisions relating to export subsidies.

Tariffs

By providing for the assured life of negotiated rates of duty the general agreement has given stability to tariff levels for a large proportion of world trade. It was agreed to recommend to the governments of contracting parties the continuance of this stability by prolonging from 1 July 1955 to 31 December 1957 the assured life of the tariff schedules, and a declaration to this effect has been drawn up and opened for signature.

A new principle has been introduced into the revision of the agreement which would permit the automatic extension of the assured life of the tariff schedules in the future, by periods of three years, with provisions to enable contracting parties to seek authority to renegotiate during the bound period bound rates of duty if they find they must modify or withdraw some of them.

A new article dealing with tariff negotiations sponsored by the contracting parties has been included in the proposed amendments to the agreement. The article imposes no new obligations on contracting parties. Each party retains the right to decide whether or not to engage in negotiations or to participate in a tariff conference. The purpose of the article is to recognize the value of tariff negotiations directed to "the substantial reduction of the general level of tariffs and other charges on imports and exports and in particular the reduction of such high tariffs as discourage the importation even of minimum quantities". The article states the principle that, in tariff negotiations, the binding against increase of low duties or duty-free treatment shall be recognized as a concession equivalent in value to the reduction of high duties.

The contracting parties have also set up a special working party to study generally the possibilities for and methods of future tariff reduction and to recommend the convening of a tariff conference when it is felt that progress in that field is possible.