GENERAL AGREEMENT ON TARIFFS AND TRADE

DECISIONS, RESOLUTIONS, DECLARATIONS AND RECOMMENDATION

OF THE

CONTRACTING PARTIES

Between the End of the Seventh Session and the End of
the Eighth Session (November 1952 - October 1953)
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RECOMMENDATION

1. RECOMMENDATION OF 7 NOVEMBER 1952 CONCERNING THE BELGIAN FAMILY ALLOWANCES (ALLOCATIONS FAMILIALES)

The CONTRACTING PARTIES recommend to the Belgian Government to expedite the consideration and the adoption of the necessary measures, consistent with the General Agreement, including a possible amendment of the Belgian legislation, to remove the discrimination complained of and to report to the CONTRACTING PARTIES not later than the first day of the Eighth Session.

¹ Contained in paragraph 8 of the Working Party report (G/32) adopted by the CONTRACTING PARTIES at the Seventh Session, this recommendation should have been included in the collection of decisions, etc., in G/39 and in the First Supplement to Basic Instruments and Selected Documents.
DECISIONS AND RESOLUTIONS

1. DECISION OF 14 FEBRUARY 1953 GRANTING A FURTHER EXTENSION OF THE TIME-LIMIT FOR SIGNATURE OF THE TORQUAY PROTOCOL BY THE GOVERNMENT OF BRAZIL¹

CONSIDERING that paragraph 10 of the Torquay Protocol to the General Agreement on Tariffs and Trade provided that the Protocol would be open for signature by present contracting parties and acceding governments until 21 October 1951 and that this time-limit was extended until 31 December 1952,

CONSIDERING that the Government of Brazil was only empowered to sign the Protocol a few days after the expiration of the above time-limit, and

CONSIDERING the desirability of affording an additional opportunity to the Government of Brazil to sign the Protocol,

The CONTRACTING PARTIES

DECIDE that, notwithstanding paragraph 10 of the Torquay Protocol, signature of the Protocol shall be deemed to be effective for all purposes of that Protocol, if affixed by the Government of Brazil not later than 28 February 1953, and

INSTRUCT the Executive Secretary to forward a copy of the present Decision to the Secretary-General of the United Nations.

¹ Adopted by postal ballot.
2. DECISION OF 20 FEBRUARY 1953 GRANTING A FURTHER EXTENSION OF THE TIME-LIMIT FOR SIGNATURE OF THE TORQUAY PROTOCOL BY THE GOVERNMENT OF NICARAGUA¹

CONSIDERING that paragraph 10 of the Torquay Protocol to the General Agreement on Tariffs and Trade provided that the Protocol would be open for signature by present contracting parties and acceding governments until 21 October 1951 and that this time-limit was extended until 31 December 1952,

CONSIDERING that the Government of Nicaragua was unable to sign the Protocol before the expiration of the above time-limit but has asked for an extension of time in order to give further consideration to the question of signature, and

CONSIDERING the desirability of affording an additional opportunity to the Government of Nicaragua to sign the Protocol,

The CONTRACTING PARTIES

DECIDE that, notwithstanding paragraph 10 of the Torquay Protocol, signature of the Protocol shall be deemed to be effective for all purposes of that Protocol, if affixed by the Government of Nicaragua not later than 30 June 1953, and

INSTRUCT the Executive Secretary to forward a copy of the present Decision to the Secretary-General of the United Nations.

¹ Adopted by postal ballot.
3. DECISION OF 15 JUNE 1953 GRANTING AN EXTENSION OF TIME FOR SIGNATURE OF THE ANNECY AND TORQUAY PROTOCOLS BY THE GOVERNMENT OF URUGUAY¹

CONSIDERING that paragraph 10 of the Annecy Protocol provided that the Protocol would be open for signature until 30 April 1950 by acceding governments and that the Decisions of 9 November 1950, 24 October 1951 and 7 November 1952 provided for extensions of this time-limit until 30 April 1953,

CONSIDERING that paragraph 10 of the Torquay Protocol provided that the Protocol would be open for signature until 21 October 1951 by Uruguay, and that the Decisions of 24 October 1951 and 7 November 1952 provided for extension of this time-limit until 30 April 1953,

CONSIDERING that the legislative procedures have not allowed the Uruguayan Government to sign the Protocols by that date, but that a Bill to authorize Uruguay's accession to the General Agreement has been approved by the Uruguayan Senate and is now before the House of Representatives, and

CONSIDERING the desirability of affording an additional opportunity to the Uruguayan Government to accede to the General Agreement,

The CONTRACTING PARTIES, acting pursuant to Art. XXXIII of the General Agreement,

DECIDE that, notwithstanding the provisions of paragraph 10 of the Annecy Protocol and paragraph 10 of the Torquay Protocol, signature of the Annecy Protocol or of the Torquay Protocol by the Government of Uruguay shall be effective for all purposes of these protocols if affixed not later than 30 October 1953, and

INSTRUCT the Executive Secretary to forward a copy of the present Decision to the Secretary-General of the United Nations.

¹ Adopted by postal ballot.
4. RESOLUTION OF 13 OCTOBER 1953 CONCERNING THE IMPORT RESTRICTIONS APPLIED BY THE UNITED STATES ON DAIRY PRODUCTS¹

HAVING RECEIVED the report of the United States Government requested by the Resolution of 8 November 1952 regarding certain restrictions maintained by the United States Government in the importation of a number of dairy products,

NOTING from this report that, although section 104 of the Defense Production Act has been repealed, import restrictions of substantially the same severity continue to be applied under the United States Agricultural Adjustment Act, and

RECOGNISING that a number of contracting parties have indicated that they continue to suffer serious damage,

The CONTRACTING PARTIES

AFFIRM the right of the affected contracting parties to have recourse to the appropriate provisions of Article XXIII while the restrictions remain in effect,

AUTHORISE the Netherlands Government to suspend the application to the United States of its obligations under the General Agreement to the extent necessary to allow it to apply a limit of 60,000 metric tons on imports of wheat flour from the United States during the calendar year 1954,

RECOMMEND to the United States Government that it have regard to the harmful effects on international trade relations of the continued application of the present restrictions, and

REQUEST the United States Government to report, before the opening of the Ninth Session, on the action which it has taken.

¹ See SR.8/14.
5. RESOLUTION OF 14 OCTOBER 1953 ON THE EXPENDITURE OF THE CONTRACTING PARTIES IN 1954 AND THE WAYS AND MEANS TO MEET SUCH EXPENDITURE¹

The CONTRACTING PARTIES,

HAVING CONSIDERED the estimates of expenditure of the CONTRACTING PARTIES during 1954, as set forth in the schedules annexed to this Resolution,²

RESOLVE that:

1. The Executive Secretary is authorized to repay promptly ICITO for services rendered during the year 1954, provided that such repayment does not exceed a total of U.S. $344,500.00.

2. The repayment referred to in paragraph 1 shall be financed
   (a) by contributions from contracting parties for an amount of U.S. $342,000.00, and
   (b) by miscellaneous income estimated at U.S. $2,500.00.

3. The Executive Secretary is authorized to pay to ICITO, in consideration of services rendered before 1951, an amount of U.S. $36,773.87 to be drawn from the Reserve set up on 27 November 1950.

4. The Executive Secretary is authorized to transfer from the Cash Surplus to a Repatriation Grant Fund an amount corresponding to the rights acquired by the staff to such grants as on 31 December 1953.

5. Any cash balance as at 31 December 1953 in excess of the amount transferred in accordance with paragraph 4 above and payments of outstanding contributions for 1949, 1950, 1951, 1952 and 1953 and other receivables which may be received in 1954, shall be left at the disposal of the Executive Secretary for use as approved by the CONTRACTING PARTIES, provided that such approval shall not be necessary to finance approved expenditure in 1954 pending receipt of contributions.

¹ See SR.8/15.
² The schedules are given in L/151.
6. The Executive Secretary shall report to the CONTRACTING PARTIES at the Ninth Session on the status of budgetary expenditure including all commitments entered into to meet unforeseen and extraordinary expenses.

7. The contributions of the contracting parties in 1954 shall be assessed in accordance with the scale of contributions set forth in Annex C to this Resolution¹. Contributions from present contracting parties are considered as due and payable in full as from 1 January 1954. In the case of an acceding government the contribution is considered as due and payable in full as from 1 January 1954 or the date on which it becomes a contracting party, whichever is the later.

¹ The Annex is given in L/151.
6. RESOLUTION OF 23 OCTOBER 1953 REGARDING THE INCREASE OF THE UNITED STATES DUTY ON DRIED FIGS¹

TAKING NOTE that:

1. the Governments of Greece, Turkey and the United States had submitted progress reports on the consultations they had held between the Seventh and Eighth Sessions concerning the modification of the concession on dried figs (paragraph 740 of the Tariff Act of 1930 of the United States) announced on 16 August 1952, pursuant to Article XIX of the General Agreement;

2. the United States Government caused a supplementary investigation to be made by the United States Tariff Commission, the President of the United States announced that the existing rates of duty with respect to dried figs were not to be altered at that time in view of the Commission's recommendation that the escape clause action which increased the duty remained necessary to prevent serious injury to the domestic industry, and the United States Tariff Commission has been instructed to keep the conditions affecting the fig industry under review and to report periodically to the President;

3. the United States Government is continuing its consultations with the Governments of Greece and Italy with a view to determining a basis of agreement for restoring the balance of the General Agreement; and

4. the Government of Turkey, continuing to consider that the only satisfactory solution would be the restoration of the concession rate granted at Torquay on dried figs by the Government of the

¹ See SR.8/18.
United States, reserves the right to submit this matter for consideration by the CONTRACTING PARTIES at a later session,

The CONTRACTING PARTIES

REAFFIRM their conviction that the most satisfactory solution of the matter is a restoration by the United States of the concession on dried figs negotiated at Torquay, and

REQUEST the United States and the consulting governments to report at the Ninth Session of the CONTRACTING PARTIES as to further action taken in this matter.
7. DECISION OF 23 OCTOBER 1953 EXTENDING THE
TIME-LIMIT IN PART II OF ARTICLE XX¹

WHEREAS it is provided in Article XX that measures instituted under
Part II of Article XX, which are inconsistent with other provisions of the
General Agreement, shall be removed as soon as the conditions giving rise to
them have ceased, and in any event not later than 1 January 1951,

WHEREAS the CONTRACTING PARTIES at their Fifth Session considered that
the conditions due to the war had not improved at the rate and to the extent
expected when the said provisions were drawn up and therefore waived the
obligations of the contracting parties under Part II of Article XX until
1 January 1952 and for the same reasons extended this time-limit at their
Sixth Session until 1 January 1954, and

WHEREAS these conditions have still not improved sufficiently to permit
the general removal of measures maintained under the said provisions,

The CONTRACTING PARTIES, acting under Article XXV:5 (a) of the
General Agreement,

DECIDE to waive until 1 July 1955 the obligation of contracting parties
instituting or maintaining measures under Part II of Article XX to discontinue
them or seek the approval of the CONTRACTING PARTIES for their continuance.

¹ See SR.8/18.
8. DECISION OF 23 OCTOBER 1953 EXTENDING THE TIME-LIMIT UNTIL 31 DECEMBER 1953 FOR THE GOVERNMENT OF URUGUAY TO SIGN THE ANNECY AND TORQUAY PROTOCOLS¹

CONSIDERING that paragraph 10 of the Annecy Protocol provided that the Protocol would be open for signature until 30 April 1950 by acceding governments and that the Decisions of 9 November 1950, 24 October 1951, 7 November 1952 and 15 June 1953 provided for extensions of this time-limit until 30 October 1953,

CONSIDERING that paragraph 10 of the Torquay Protocol provided that the Protocol would be open for signature until 21 October 1951 by Uruguay, and that the Decisions of 24 October 1951, 7 November 1952 and 15 June 1953 provided for extension of this time-limit until 30 October 1953,

CONSIDERING that the legislative procedures have not allowed the Uruguayan Government to sign the Protocols by that date, but that a Bill to authorize Uruguay's accession to the General Agreement has been approved by the Uruguayan Senate and is now before the House of Representatives, and

CONSIDERING the desirability of affording an additional opportunity to the Uruguayan Government to accede to the General Agreement,

The CONTRACTING PARTIES, acting pursuant to Article XXXIII of the General Agreement,

DECIDE that, notwithstanding the provisions of paragraph 10 of the Annecy Protocol and paragraph 10 of the Torquay Protocol, signature of the Annecy Protocol or of the Torquay Protocol by the Government of Uruguay shall be effective for all purposes of these protocols if affixed not later than 31 December 1953, and shall be deemed, by virtue of paragraph 7(c) of the Torquay Protocol, to constitute an acceptance of the Declaration of 24 October 1953 on the Continued Application of Schedules to the General Agreement on Tariffs and Trade, and

INSTRUCT the Executive Secretary to forward a copy of the present Decision to the Secretary-General of the United Nations.

¹ See SR.8/18.

CONSIDERING that:

(a) it has not been practicable for the CONTRACTING PARTIES in present circumstances to proceed with the request made by the Government of Japan to accede to the General Agreement in accordance with the provisions of Article XXXIII,

(b) the CONTRACTING PARTIES are desirous meanwhile of associating the Government of Japan with their discussions and deliberations,

(c) a number of contracting parties agree by a Declaration\(^2\) that, pending the accession of Japan following tariff negotiations, their commercial relations with that country shall be governed by the provisions of the General Agreement, and

(d) the said Declaration requests the CONTRACTING PARTIES to perform certain functions comparable in nature to their functions under the General Agreement,

The CONTRACTING PARTIES

**DECIDE:**

1. to invite the Government of Japan to participate in Sessions of the CONTRACTING PARTIES and of subsidiary bodies established by the CONTRACTING PARTIES,

2. to accept such functions as are necessary for the operation of the Declaration referred to in the preamble to this Decision, and

3. that this Decision shall take effect if approved by not less than two-thirds of the contracting parties and shall continue in effect until the accession of Japan following tariff negotiations with contracting parties or until 30 June 1955 unless it is agreed to extend it to a later date.

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1. See SR.8/19.
2. See page 30 below.
10. RESOLUTION OF 24 OCTOBER 1953 CONCERNING
   THE COMPENSATORY CONCESSIONS NEGOTIATED BY
   THE GOVERNMENT OF BRAZIL IN 1949

   CONSIDERING that the Government of Brazil has not yet given effect to
   the compensatory concessions in respect of oat flour, domestic earthenware,
   tetraethyl and automotive parts, agreed in negotiations with the Governments
   of the United Kingdom and the United States, which, as modifications of
   Schedule III, were incorporated in the First Protocol of Modifications which
   was signed by Brazil on 13 August 1949,

   The CONTRACTING PARTIES

   URGE the Government of Brazil to give effect to these concessions without
   delay and to report as early as possible on the action taken.

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1 See SR.8/20.
11. RESOLUTION OF 24 OCTOBER 1953 ON BRAZILIAN INTERNAL TAXES

CONSIDERING that the CONTRACTING PARTIES have had on their Agenda for six successive sessions the issue raised by the Government of France concerning the increased discrimination against imported products in the application of certain internal taxes maintained by the Government of Brazil,

CONSIDERING that on 2 June 1950 the Government of Brazil sent a message to the Brazilian Congress requesting action towards amending all existing laws which provide for different levels of taxation with respect to domestic and imported products in order to bring these laws into conformity with Article III of the General Agreement,

CONSIDERING that at their Fifth Session the CONTRACTING PARTIES examined a draft law prepared by the Brazilian Government for adoption by their Congress and found that it appeared to eliminate for the most part the discrimination in favour of domestic products which had been adopted or increased since 30 October 1947, and

CONSIDERING that the Brazilian Congress has not yet passed legislation to bring these laws into conformity with Article III of the General Agreement,

The CONTRACTING PARTIES

URGE the Government of Brazil to take all steps necessary to amend the existing laws so as to bring them into conformity with the General Agreement and to report, as early as possible and in any case not later than the Ninth Session, to the CONTRACTING PARTIES on action taken in this matter.

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1 See SR.8/20.
12. DECISION OF 24 OCTOBER 1953 ON ARRANGEMENTS FOR A REVIEW OF THE GENERAL AGREEMENT. ¹

RECOGNIZING that:

(a) substantial progress has been made in restoring normal conditions of production, in combating inflationary pressures and increasing productivity in agriculture and manufacturing industries;

(b) international co-operation has contributed to a substantial progress in the restoration of more normal trading conditions;

(c) nevertheless international trade continues to be restricted by high tariff barriers and by widespread application of other restrictions; and

(d) accordingly, progress towards the objectives of the General Agreement is being impeded; and

NOTING that a number of contracting parties are currently reviewing their commercial policies and methods of international collaboration in the field of international trade with a view to considering ways and means of making more rapid progress towards these objectives,

The CONTRACTING PARTIES DECIDE:

1. to convene a session of the CONTRACTING PARTIES to meet on 15 October 1954 or at such later date as may be recommended by the Ad Hoc Committee on Agenda and Intersessional Business (a) to review the operation of the General Agreement upon the basis of the experience gained since it has been in provisional operation, and (b) in the light of this review to examine to what extent it would be desirable to amend or supplement the existing provisions of the Agreement, and what modifications should be made in the arrangements for its administration, in order that the Agreement may contribute more effectively to early progress towards the attainment of its objectives;

¹ See SR.8/20.
2. to invite contracting parties to submit written proposals and
suggestions regarding this review to the Executive Secretary, for circulation
to the contracting parties, at an early date and if possible not later than
1 July 1954;

3. that the Ad Hoc Committee on Agenda and Intersessional Business shall
meet at a date to be determined by the Chairman and the Executive Secretary,
in consultation with contracting parties and in the light of the data
submitted pursuant to paragraph 2 above, in order (a) if, having regard to the
then existing circumstances, a different date for the meeting of the
CONTRACTING PARTIES than that suggested in paragraph 1 above would be more
likely to be conducive to fruitful results, to recommend an alternative date
for the consideration of the CONTRACTING PARTIES, and (b) to prepare an annotated
agenda for the review referred to in paragraph 1 above, taking into account
any proposals and suggestions submitted by contracting parties;

4. that, concurrently with the preparatory work referred to in paragraph
3 (b) above, the Ad Hoc Committee on Agenda and Intersessional Business shall
pursue the study which it has been instructed to undertake on the basis for
future tariff negotiations; and

5. that the review referred to in this Decision shall be deemed to fulfil
the requirements of paragraph 3 of Article XXIX.
13. DECISION OF 24 OCTOBER 1953 ON THE ADJUSTMENT OF SPECIFIC DUTIES IN SCHEDULE XXV (GREECE) 1

CONSIDERING that the Government of Greece, with the concurrence of the International Monetary Fund, on 9 April 1953 devalued the drachma by 50 per cent,

CONSIDERING that the Government of Greece has, pursuant to paragraph 2 of the Note to Schedule XXV in Annex B to the Annecy Protocol of Terms of Accession, increased the additional coefficient provided for therein to 300, which was the maximum adjustment provided for by such Note by reason of the above devaluation, and

CONSIDERING that, in order to give effect more fully to the principles of paragraph 6(a) of Article II, the Government of Greece is desirous of being in a position to adjust further the duty payable in paper drachmae, in the case of any product for which a specific duty is specified in Schedule XXV, by increasing such specific duty by an amount which will not result in a duty payable in paper drachmae more than 100 per cent in excess of the duty so payable pursuant to such schedule immediately preceding the devaluation,

The CONTRACTING PARTIES, citing their authority under Articles II and XXV of the General Agreement,

CONCUR that the increases in specific duties included in Schedule XXV specified in the list annexed to this Decision 2 do not impair the value of the concessions provided for in those Schedules, and

DECIDE that the Government of Greece may give effect to such increases, and to such similar increase in any of the specific duties specified in Schedule XXV as has been notified by the Government of Greece on 20 October 1953, insofar as such increase will not result in a duty payable in paper drachmae in respect of any product more than 100 percent in excess of the duty so payable, pursuant to such schedule, immediately preceding the devaluation; provided that, within thirty days after the notification referred to above, no contracting party has

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1 See SR.8/20.
2 The list is given in G/62.
claimed that any such increase would impair the value of the concession provided for in the appropriate Schedule. If any such claim is maintained the question whether a proposed increase would impair the value of a concession shall be decided by the CONTRACTING PARTIES as though they were acting pursuant to paragraph 6(a) of Article II.
14. DECISION OF 24 OCTOBER 1953 CONCERNING AUSTRALIAN TREATMENT OF PRODUCTS OF PAPUA-NEW GUINEA.¹

NOTING the request of the Government of Australia to be authorized to provide advantages to the primary products of the Territory of Papua-New Guinea upon their importation into Australia for the purpose of promoting the economic development of that Territory,

TAKING NOTE of the obligations of the Government of Australia as Trustee for the Trust Territory of New Guinea,

CONSIDERING that, owing to the absence of a home market in the Territory of Papua-New Guinea for the products thereof, a prerequisite for inducing the investment of capital in projects of development in that Territory is the reasonable assurance of a market in Australia for such products, and

CONSIDERING the assurances given by the Government of Australia that the action authorized by this waiver will be utilized for the development of the Territory of Papua-New Guinea in such a manner as not to cause material injury to the competitive trade of any other contracting party and will not be utilized for the protection of domestic production in Australia,

The CONTRACTING PARTIES, acting pursuant to Article XXV:5(a) of the General Agreement,

DECIDE that:

1. Subject to the provisions of paragraphs 2 and 3 of this Decision, the provisions of paragraphs 1 and 4(b) of Article I of the General Agreement shall be waived to the extent necessary to permit the Government of Australia to grant or continue to accord duty-free treatment to primary products of Papua-New Guinea not then specified in Schedule I to the General Agreement, without regard to the rates of duty applicable to like products of any other contracting party.

¹See SR.8/20.
2. Before taking and action under this waiver the Government of Australia shall notify the CONTRACTING PARTIES and, in respect of any action hereunder which would result in increasing duties, shall consult with any contracting party which considers that such action would threaten substantial injury to its competitive trade with Australia, or would be likely to provide disproportionate protection to the domestic production of Australia. Should no agreement be reached in such consultations, the question of such threat or likelihood may be considered by the CONTRACTING PARTIES. The Government of Australia may increase the duties as proposed if, within thirty days after such notification, no contracting party has requested consultation or if it is agreed by a contracting party requesting consultation or by the CONTRACTING PARTIES, as the case may be, that no such threat or likelihood exists.

3. The Government of Australia shall report annually to the CONTRACTING PARTIES on the measures taken and on the effects of those measures on the trade of Papua-New Guinea and on imports of the products affected from all sources into Australia.

4. In the event that the underlying economic factors affecting the production and trade of the Territory should change so that the special treatment authorized by this Decision should result or threaten to result in substantial injury to the competitive trade of any contracting party, the CONTRACTING PARTIES, upon request of any affected contracting party, shall review this Decision in the light of all relevant circumstances.
15. DECISION OF 24 OCTOBER 1953 GRANTING A WAIVER TO THE UNITED KINGDOM IN CONNECTION WITH ITEMS NOT BOUND IN SCHEDULE XIX AND TRADITIONALLY ADMITTED FREE OF DUTY FROM COUNTRIES OF THE COMMONWEALTH.¹

HAVING RECEIVED from the Government of the United Kingdom of Great Britain and Northern Ireland a request for facilities, consistent with the objectives of the General Agreement, to relieve them of the requirements prescribed in paragraph 4(b) of Article I of the Agreement as regards maximum margins of preference when they have occasion hereafter to impose or increase a most-favoured-nation rate of protective duty in respect of any class or description of goods, which has traditionally been admissible free of protective duty when imported into the United Kingdom from the territories listed in Annex A to the General Agreement, and for which they have negotiated no tariff concessions,

APPREHENDING that the establishment or increase of a margin of preference incidental to the imposition or increase of a most-favoured-nation rate of protective duty in respect of a class or description of goods might have the effect of increasing imports into the United Kingdom of such goods from the territories listed in Annex A at the expense of imports of such goods from other sources so as to constitute a substantial diversion of trade; and that such diversion would be contrary to the objectives of Article I and would therefore constitute a nullification or impairment of benefits due to accrue to other contracting parties under that Article,

CONSIDERING however the explanations given by the Government of the United Kingdom regarding the circumstances which prevent them from resolving their difficulties by a general modification of existing tariff legislation to enable them to impose protective duties on products imported into the United Kingdom from the territories listed in Annex A,

TAKING NOTE, moreover, of the assurance of the Government of the United Kingdom that it is not their intention to use the aforesaid facilities in order to increase the advantage enjoyed in the United Kingdom market by

¹ See SR.8/21.
products imported from the territories listed in Annex A over products imported
from other sources, and of the declaration of the Government of the United
Kingdom that they remain desirous of contributing to the objectives of the
General Agreement through arrangements directed to the reduction of trade
barriers including tariffs and that the grant of the facilities sought by them
will not affect their continued readiness to participate in action by the
CONTRACTING PARTIES to secure further reduction of tariffs,

NOTING, furthermore, the assurances given by the Government of the United
Kingdom with regard to the procedures for consultation to be followed before
using the aforesaid facilities, as approved concurrently with, and as an
integral part of, the present decision, and their agreement to make annual
reports to the CONTRACTING PARTIES of all action taken by them in the use of
these facilities,

The CONTRACTING PARTIES, pursuant to paragraph 5(a) of Article XXV of the
General Agreement, and in consideration of the assurances recorded above,

DECIDE that the provisions of paragraph 4(b) of Article I shall not be so
applied that, when the Government of the United Kingdom impose or increase a
most-favoured-nation rate of protective duty in respect of a given class or
description of goods for which they have not as of this date negotiated tariff
concessions, they shall be required to impose a duty on goods of that class or
description when imported from any of the territories listed in Annex A to the
General Agreement; provided that the incidental establishment or increase of
a margin of preference is not likely to lead to a substantial increase of
imports of goods of that class or description from the aforesaid territories at
the expense of imports from other sources; and provided further that protective
duty has at no time since 1 January 1939 been chargeable in respect of that
class or description of goods when imported into the United Kingdom from the
aforesaid territories; and

DECLARE that, in deciding as aforesaid, it is not their intention to impede
the attainment of the objectives of Article I of the General Agreement and that
in no circumstances shall the present decision be construed as impairing the
principles of that Article.
PROCEDURES

(a) The United Kingdom, before taking action under the waiver, will simultaneously, in strict confidence, notify (i) contracting parties which appear to the United Kingdom likely to have a substantial interest in the trade in the item in question, and (ii) the GATT secretariat of their desire to act under the waiver in respect of that item. The United Kingdom will give figures for past trade in the product and, in the case of seasonal duties, will state the period in which it has been decided that the increased duty should operate. The GATT secretariat will immediately pass this information to all contracting parties, so that any contracting party not directly approached by the United Kingdom which might claim a substantial interest in the trade in the item may know what is proposed.

(b) The United Kingdom will enter into consultations with any contracting party which requests consultation within 30 days of notification under (a) on the grounds both (i) that it has a substantial interest in the trade in an item and (ii) that the increase in the margin of preference incidental to an increase in the most-favoured-nation rate of duty would involve likelihood of substantial diversion of trade in that item from the aforesaid contracting party to suppliers within the preferential area as defined in Annex A. In the absence of any such request for consultation, the waiver shall apply after the expiry of thirty days from the date of notification under (a).

(c) Consultations under (b) shall, if the United Kingdom or one or more of the countries with which it is consulting so requests, take place at meetings organised and serviced by the GATT secretariat.

(d) In the event that a contracting party requests consultations on grounds which do not appear to the United Kingdom to satisfy the terms of (b) above, it shall be open to the United Kingdom to seek a speedy determination on the matter from the CONTRACTING PARTIES, through appropriate intersessional machinery if the case arises while the CONTRACTING PARTIES are not in session.

(e) If the United Kingdom enters into consultation under paragraph (b) above with any contracting party, or if the CONTRACTING PARTIES determine under paragraph (d) above that the grounds on which consultation is requested by any contracting party satisfy the terms of paragraph (b) above, the United Kingdom will inform, in strict confidence, such contracting party of the proposed rate of duty.

(f) If in consultation in accordance with paragraph (b) above it is agreed that there is no likelihood of substantial diversion of trade in the sense defined in that paragraph, the waiver shall apply.

(g) Failing such agreement, it shall be open to the United Kingdom to seek arbitration by the CONTRACTING PARTIES (through appropriate intersessional machinery if the matter should arise while the CONTRACTING PARTIES are not in session) as to the likelihood of substantial diversion.
(h) The CONTRACTING PARTIES or the appropriate intersessional body may reach one of the following three decisions:

(i) that there is no likelihood of substantial diversion,
(ii) that there is likelihood of substantial diversion, or
(iii) that the evidence is not sufficient for them to determine whether or not there is likelihood of substantial diversion.

In case (i) the waiver shall apply. In case (ii) the waiver shall not apply. In case (iii) the waiver shall apply conditionally; that is to say, the waiver shall apply but if the CONTRACTING PARTIES should determine, upon the representation of a contracting party affected, after a reasonable period of time (and not less than one year), that the increase in the margin of preference had in fact led to a substantial diversion of trade, the waiver shall cease to apply.

(i) It is recognised to be essential that there should be no disclosure of a proposed modification of duty before such modification is publicly announced by the United Kingdom. Accordingly, the CONTRACTING PARTIES agree to make provision for the observance of the utmost secrecy at every stage of the procedures set forth above.
DECLARATIONS

1. DECLARATION OF 24 OCTOBER 1953 ON THE CONTINUED APPLICATION
   OF SCHEDULES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE¹

The contracting parties to the General Agreement on Tariffs and Trade
(hereinafter referred to as "the General Agreement"),

CONSIDERING that, under the provisions of Article XXVIII (as amended),
the assured life of the concessions embodied in the schedules annexed to the
General Agreement will expire on 31 December 1953, in the sense that there-
after it will become possible for a contracting party by negotiation with other
contracting parties to modify or cease to apply the treatment which it has
agreed to accord under Article II to any products described in its schedule,

CONSIDERING that, although by the terms of the Agreement the schedules
will retain their full validity notwithstanding the expiry of their assured
life, the possibility of invocation by contracting parties of the procedure
of Article XXVIII for modification of specific concessions would, in present
circumstances, impair the stability of tariff rates which has been one of the
principal achievements of the General Agreement, and

CONSIDERING FURTHER that it would be particularly undesirable to arrive
at such a result at a time when a number of contracting parties are studying
ways and means of making further progress in the reduction of tariffs and
other barriers to trade and towards the achievement of the other objectives
of the General Agreement,

¹ See SR.8/18 for the adoption of the text of the Declaration.
HEREBY DECLARE that they will not invoke prior to 1 July 1955 the provisions of Article XXVIII, paragraph 1, of the General Agreement to modify or cease to apply the treatment which they have agreed to accord under Article II of the General Agreement to any product described in the appropriate schedule annexed to the General Agreement.

The provisions of this Declaration shall not apply to concessions initially negotiated with a government with respect to which this Declaration is not in effect.

The Declaration shall be open for signature at Geneva until 30 October 1953. It shall thereafter be deposited with the Secretary-General of the United Nations, who is authorized to register this Declaration in accordance with Article 102 of the Charter of the United Nations, and shall be open for signature at the Headquarters of the United Nations until 31 December 1953.

The Secretary-General of the United Nations shall promptly furnish a certified copy of this Declaration to each Member of the United Nations, to each other government which participated in the United Nations Conference on Trade and Employment, and to any other interested government.

IN WITNESS WHEREOF the respective representatives, duly authorised, have signed the present Declaration.

DONE at Geneva, in a single copy, in the English and French languages, both texts authentic, this 24th day of October, one thousand nine hundred and fifty-three.
2. DECLARATION OF 24 OCTOBER 1953 REGULATING THE COMMERCIAL RELATIONS BETWEEN CERTAIN CONTRACTING PARTIES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE AND JAPAN

CONSIDERING that:

(i) the Government of Japan on 18 July 1952 made a formal request to accede to the General Agreement in accordance with the provisions of Article XXXIII,

(ii) a condition precedent to proceeding with this application would be the holding of satisfactory tariff negotiations between the contracting parties and Japan,

(iii) it is not at present possible for arrangements to be made for such negotiations in the near future,

(iv) accordingly it is not possible for the CONTRACTING PARTIES to proceed at this time with the application of the Government of Japan to accede,

(v) at the Seventh Session it had been recognized that Japan should take her rightful place in the community of trading nations,

(vi) the Government of Japan has so far been unilaterally granting in matters of trade, most-favoured-nation treatment to all contracting parties whether or not they accord most-favoured-nation treatment to Japan,

Those contracting parties to the General Agreement on Tariffs and Trade on behalf of which this Declaration has been accepted


1 See SR.8/19 for the adoption of the text of the Declaration.
(hersinafter called "the participating contracting parties") and
the Government of Japan

1. DECLARE that:

(a) pending the conclusion of tariff negotiations with
Japan with a view to the accession of that country under the pro-
visions of Article XXXIII, and without prejudice to the freedom
of individual contracting parties on the question of such later
accession, the commercial relations between the participating
contracting parties and Japan shall be based upon the General
Agreement as if the provisions of the arrangement for the appli-
cation of the General Agreement to acceding governments, approved
by the CONTRACTING PARTIES on 23 October 1951 (Basic Instruments
and Selected Documents, Volume 1, pages 111 to 115), were embodied
in this Declaration and as if the Schedule annexed to this Declara-
tion¹ were the schedule of an acceding government within the terms
of the said arrangement;

(b) in view of the provisional nature of the status of the
islands referred to in Article 3 of the Treaty of Peace with Japan,
this Declaration shall not require any modification in the present
arrangements for trade between Japan and such islands;

(c) the arrangements embodied in this Declaration shall not
be applied after the accession of Japan to the General Agreement
following tariff negotiations with contracting parties, or after
30 June 1955 unless it has been agreed to extend the validity of

¹ For the Schedule, see G/67.
this Declaration to a later date;

(d) this Declaration shall become effective between Japan and any contracting party on the thirtieth day following the day upon which it will have been signed by Japan and accepted by that contracting party.

2. REQUEST the CONTRACTING PARTIES to perform such functions as are necessary for the operation of this Declaration.

3. This Declaration shall remain open for signature until 31 December 1953 by contracting parties and by Japan at the Headquarters of the CONTRACTING PARTIES.

DONE at Geneva this twenty-fourth day of October, one thousand nine hundred and fifty-three, in a single copy in the English and French languages, both texts authentic except as regards the Schedule annexed hereto which appears and is authentic only in the English language.