



FEDERAL ACTIONS



Department of Defense

ARMY QUARTERMASTER CORPS

NORWEGIAN OCEAN PERCH FOR TROOPS IN GERMANY:

The U. S. Quartermaster Corps during October 1954 contracted in Norway for 333,200 pounds of ocean perch fillets, valued at US\$69,139, for delivery to the U. S. Armed Forces in Germany, a November 12, 1954, Foreign Operations Administration report from Norway reports.



Department of State

U. S. DELEGATES TO GATT ANNOUNCED

The Department of State on October 26 announced the membership of the United States delegation for the Ninth Session of the General Agreement on Tariffs and Trade (GATT) which is scheduled to begin in Geneva on October 28, 1954. President Eisenhower has designated Mr. Samuel C. Waugh, Assistant Secretary of State, as Chairman of the United States delegation.

The delegation will include Congressional members from both political parties as well as public members.

The Ninth Session will deal primarily with a proposed revision of the GATT. In his message of March 30, 1954, to the Congress, the President recommended that the GATT be renegotiated with a view to simplifying and strengthening the instrument in order to make it contribute more effectively to a workable system of world trade. He also stated that the renegotiated organizational provisions of the Agreement would be submitted to the Congress early next year for its approval.

The GATT was originally developed in 1947 to lay down a set of rules for the conduct of international trade. The current review will take into consideration the improved world economic situation since 1947. It is hoped that this improvement will make possible further relaxation of restrictions now imposed by some countries on the import of United States goods. The review will also consider the need of underdeveloped countries to develop and strengthen their economies. Provisions of the Agreement affecting international trade in agricultural commodities are also expected to be examined during the review.

The United States delegation consists of:

Chairman: Samuel C. Waugh, Asst. Secretary of State for Economic Affairs.

Vice Chairman: Winthrop G. Brown, Counselor of Embassy for Economic Affairs, London.

Congressional Members: Senators Albert Gore and Frank Carlson; Representatives Jere Cooper and Richard M. Simpson.

Public Members: Lamar Fleming, Jr., Anderson Clayton and Company, Houston, Texas; and Cola Godden Parker, Kemberly-Clark Corp., Neenah, Wisconsin.

Advisers: Kathleen Bell, Department of State; A. Richard DeFelice, Department of Agriculture; Robert Eisenberg, American Legation, Luxembourg; Morris Fields, Department of State; Walter Hollis, Department of State; Florence Kirlin, Department of State; Gerald D. Morgan, Administrative Asst. to the President; Bernard Norwood, Department of State; Robert E. Simpson, Department of Commerce;

Advisers (Cont.): Edward F. Thompson, Department of Treasury; Leonard Weiss, Department of State; and Clayton E. Whipple, Department of Agriculture.

Secretary of Delegation: Henry F. Nichol, Department of State.

Technical Secretary: Virginia McClung, Department of State.

The General Agreement on Tariffs and Trade (GATT) is an agreement among governments which contains a set of rules and principles by which member governments agree to conduct their mutual foreign trade relations, and provides a means to reduce tariffs and other governmentally imposed barriers to international trade through negotiation.

Thirty-four governments (Contracting Parties) are associated in the GATT. These countries carry on some 80 percent of world trade. The GATT's tariff schedules, the results of three series of international tariff negotiations, reflect significant reductions in the tariffs of all participating countries. The Agreement has provided unprecedented stability in tariff levels despite the widespread economic disruption resulting from World War II. The GATT is the principal instrument for international cooperation in the field of trade.

The Contracting Parties are: Australia, Austria, Belgium, Brazil, Burma, Canada, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Dominican Republic, Finland, France, Federal Republic of Germany, Greece, Haiti, India, Indonesia, Italy, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Peru, Federation of Rhodesia and Nyasaland, Sweden, Turkey, Union of South Africa, United Kingdom, United States, Uruguay. (Obligations under the Agreement between the United States and Czechoslovakia have been suspended, Japan is a participant on a provisional basis.)

Current Reappraisal of the GATT: Economic conditions throughout the world have changed vastly since 1948 when the GATT was first put into effect. Many of the participating governments have concluded that the time has come to review the Agreement's substantive and organizational provisions.

The United States' desire for such a review was set forth by President Eisenhower in his message to Congress on March 30, 1954, when he said that the United States will "suggest to other Contracting Parties revisions of the substantive provisions of the Agreement to provide a simpler, stronger instrument contributing more effectively to the development of a workable system of world trade." The President has also called for the organizational provisions of the Agreement to be renegotiated and submitted to the Congress for its approval.

The Trade Agreements Program and the GATT: The General Agreement on Tariffs and Trade developed out of United States postwar proposals for multilateral approaches to the solution of international trade problems. A number of Federal agencies with an interest or special competence in our foreign trade policies and relations shared in the development of these proposals. The same agencies now take part in the day-to-day administration of United States foreign trade policy. The central unit for this purpose is the Interagency Committee on Trade Agreements, which submits its recommendations to the President. The Departments of State, Treasury, Defense, Ag-

riculture, Commerce, Interior, and Labor, and the Foreign Operations Administration and the Tariff Commission are permanently represented on this Committee.

Operations of the GATT: The general provisions of the GATT provide a unique and extensive framework of principles and rules designed to promote international trade. Aimed at the improvement of living standards, expanding opportunities for productive employment, and the fuller use of world resources, these principles and rules establish a standard for international cooperation in the reduction of tariffs and other barriers to free world trade. Quantitative restrictions on imports (quotas) are forbidden as a general rule, and in exceptional circumstances their use is regulated. By requiring that the tariff and trade concessions made to one country be applicable to other participating countries (most-favored-nation treatment), discrimination is avoided and trade is stimulated. The Agreement includes rules dealing with such matters as internal taxes which discriminate against imports, selling goods in international trade below cost, customs procedures which block imports, and principles applicable to trading transactions by governments as distinguished from those engaged in private commercial trading.

The general provisions serve as deterrents to actions by cooperating governments which would frustrate or defeat the Agreement's objectives. The harmful actions which might have occurred without the GATT cannot, of course, be measured with mathematical precision. When the governmental measures used in the 1920's and 1930's are recalled, however, it is clear that they would have been substantial.

The United States has found the Agreement useful in protecting its interests on numerous occasions. It has helped us in forestalling tariff-raising against United States products, in preventing discrimination by other countries in the operation of their import controls, in stopping action to impose taxes which would have cut United States exports. Other participating governments, too, have found it helpful in similar respects.

The periodic business sessions of the Contracting Parties have also provided a needed forum. They enable governments to discuss and agree on measures to moderate or remove restrictive or discriminatory measures, to reduce trade disputes and avoid friction-producing misunderstandings, and to develop supplementary rules and codes of trade practices.

To the public and to those United States interests engaged in foreign trade, the GATT is best known for the work accomplished at Geneva, Switzerland, in 1947; at Annecy, France, in 1949; and at Torquay, England, in 1950-51. Those meetings produced agreements between the Contracting Parties to reduce trade barriers reciprocally--particularly tariffs--or bind them against increase. In all, more than 50,000 tariff concessions were negotiated by all participants. Those agreements represent the most extensive effort ever made to promote free world trade.

Major Matters for Consideration in GATT Review: The Ninth Session of the Contracting Parties to the GATT convened at Geneva, Switzerland, on October 28, 1954. At this session the United States and other delegations reviewed the Agreement's provisions. The United States delegates will negotiate such modifications of the GATT as are necessary and feasible to make it more effective in developing a sound system of world trade. While the representatives of the United States or of the other countries may propose modification of any provisions of the Agreement, those which experience indicates are of most importance are briefly discussed on the following page.

1. ORGANIZATION: The Contracting Parties now have no regular organization to apply their agreement, nor has the GATT a permanent secretariat. In order to apply the Agreement, they now rely on periodic meetings of the Contracting Parties and on diplomatic channels. Between regular sessions of the Contracting Parties, recommendations on items of urgent business are developed by an Intersectoral Committee, which is a limited group of the GATT countries including the United States. It has been apparent that the GATT requires an organizational arrangement more nearly adequate to the task of dealing on a continuing and prompt basis with the many problems which arise in international trade.

2. SPECIAL TREATMENT FOR UNDERDEVELOPED COUNTRIES: The less economically-developed countries want to speed up their industrialization. Many feel their tariffs were set without regard for such needs. They feel at a relative disadvantage in following trade rules identical with those followed by the industrially advanced countries. In general, they wish to be free to apply such measures as quota restrictions and higher duties to encourage new industries in early stages of development.

The problem, therefore, is how to provide "special treatment" responsive to the needs of economic development which will not be unduly prejudicial to the trade and economies of other countries.

3. AGRICULTURAL QUOTAS AND EXPORT SUBSIDIES: While the GATT now contains provisions on agricultural import quotas and export subsidies, many countries consider that these provisions are inadequate.

The United States has a two-fold interest in the agricultural provisions in the GATT. We want to have adequate leeway to take necessary measures to prevent imports from impairing our domestic farm programs. At the same time we want to protect our agricultural exports against arbitrary and restrictive measures by other countries.

The problem is to find means of dealing with this matter in a way that satisfies these dual objectives. What provisions could be adopted which would be fair and equitable both to countries needing agricultural import quotas and export subsidies and to countries which might be affected by such measures?

4. IMPORT RESTRICTIONS FOR BALANCE-OF-PAYMENTS REASON: The GATT now permits countries in balance-of-payments difficulty to apply import restrictions. Such restrictions are intended to conserve a country's foreign exchange. During the postwar period, when countries were short of foreign currencies and for various reasons found it impracticable to take other corrective measures, they applied restrictions on imports extensively in order to limit the drain on their monetary reserves and protect their external financial position. Since imports from the United States and other hard currency areas required payment in American dollars or other scarce exchange, imports from such areas were particularly subject to restrictions. A number of Contracting Parties now believe that there has been sufficient improvement in the financial position of many countries to warrant some tightening of the rules on use of quotas for balance-of-payments reasons. The United States is particularly concerned that this be done.

5. STABILITY OF TARIFF CONCESSIONS: One of the contributions which the GATT has made has been to help maintain stability in world tariff levels. These tariff commitments have restrained arbitrary, sudden, and sweeping increases in rates adversely affecting the interests of other countries.

The GATT, however, contains a provision which would permit countries after a certain date to increase duties which had been the subject of tariff concessions. This provision has never come into operation. The date has been extended on two occasions, the latest extension expiring on June 30, 1955.

The United States and other countries want no unravelling of tariff concessions with a consequent destruction of the tariff stability already achieved. There is concern on the part of some countries, however, that the Agreement should provide adequate flexibility to meet exceptional circumstances which they may face. The problem, therefore, is to find a way to provide needed flexibility and still preserve the stability of tariff rates achieved under the GATT.

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UNITED STATES INTENTION TO UNDERTAKE TRADE- AGREEMENT NEGOTIATIONS:

The Interdepartmental Committee on Trade Agreements on November 13 issued formal notice of the intention of the United States Government to participate, under the authority of the Trade Agreements Act of 1934 as amended and extended, in reciprocal tariff negotiations involving Japan. The President has given high priority to expansion of Japan's trading opportunities because of Japan's vital importance to free-world mutual security, a November 12 Department of State news release points out.

The announcement, including the listing of products and the scheduling of hearings, formally opens United States preparations for participation in an international tariff-negotiating conference to be convened February 1955 in Geneva, Switzerland, under the sponsorship of the countries associated in the General Agreement on Tariffs and Trade. The purpose of this conference will be tariff negotiations looking to Japan's full accession to the General Agreement, thus enlarging her trade possibilities with other countries as well as with the United States.

To aid in the development of positions which the United States should adopt in the proposed tariff negotiations, and in accordance with established procedures, a list was also published of the products on which the United States may consider offering concessions. Hearings are also scheduled and opportunity is provided for submission of briefs for the purpose of obtaining views and information from interested persons on all phases of these negotiations, including views for or against concessions which the United States might seek or offer on particular products.

Attached to the Committee's notice of intention to negotiate is a list of products on which modifications may be considered during the negotiations. Listing of an item is for the purpose of gathering information on the possibility of a concession; it does not necessarily mean that a concession will be offered on the product. No tariff concession can be made by the United States on any product not included in this or a subsequent published list.

As indicated in the announcement, the United States also proposes to take advantage of the occasion of these tariff negotiations to carry out four renegotiations arising out of various United States actions. In two cases, there was enacted legislation calling for modification of certain trade-agreement obligations by an upward adjustment of import duties for commodities affected by exceptional developments. The laws in question are P. L. 689 on fish sticks and P. L. 479 on certain rubber-soled shoes....

The majority of the listed articles are included for the purpose of giving consideration to concessions in negotiations directly between the United States and Japan. There are, however, many articles which are of primary interest to other countries. For these articles consideration will be given to possible concessions under circumstances where these other countries are also negotiating with Japan under the General Agreement and where a concession by the United States would broaden the over-all results of the multilateral negotiations through the triangular exchange of benefits.

In addition, because of the extensive and time-consuming nature of the procedures for getting information on possible concessions, there are a relatively few articles of interest primarily to countries which may decide to negotiate with Japan though they have not yet done so. As a general rule no concessions would be made on such products if the country having a primary interest does not complete its negotiations with Japan.

As required by law, the Committee for Reciprocity Information also gave notice that it will receive views of interested persons concerning any aspect of the proposed negotiations. The members of the Committee for Reciprocity Information and the Committee on Trade Agreements are the same. They include a member of the United States Tariff Commission and representatives designated by the Secretaries of State, the Treasury, Defense, Agriculture, Commerce, Labor, and Interior, and the Director of the Foreign Operations Administration.

Domestic producers, importers, and other interested persons were invited to present views and all possible information regarding products on the published list, including information relative to section 2 of the trade agreements extension act of 1954. This section provides that no action should be taken to decrease the duty on any article where the President finds that such reduction would threaten domestic production needed for projected national defense requirements. Consideration will be given to submissions concerning wages in the exporting country in accordance with the President's message of March 30. All views and information will be carefully considered in arriving at a decision as to whether or not a concession should be offered by the United States on each product.

There is no limitation on the products on which the United States may request concessions, and domestic producers or exporters interested in developing markets in Japan are invited to present suggestions to the Committee for Reciprocity Information as to concessions which should be sought. The Department of Commerce also furnishes the Interdepartmental Committee on Trade Agreements with studies of the trade in and other facts regarding articles exported from the United States on which the United States might consider seeking concessions in the negotiations.

Hearings before the Committee for Reciprocity Information opened on December 13, 1954.

The United States Tariff Commission also announced the opening of public hearings on December 13, to receive views and information useful in preparing its "peril-point" report to the President, as required by section 3(a) of the Trade Agreements Extension Act of 1951, on the extent to which United States concessions on particular products may be made in the negotiations without causing or threatening serious injury to a domestic industry producing like or directly competitive products.

Views and information received by the Tariff Commission in its hearings referred to above will be made available to the Committee for Reciprocity Information for consideration by the Interdepartmental Committee on Trade Agreements.

The notice of the Interdepartmental Committee on Trade Agreements sets forth a list of items on which modification of United States import duties may be considered during the negotiations. This list included, among other things, such fishery products as fresh and frozen tuna; fresh and frozen swordfish fillets and chunks; canned tuna; fresh, frozen, and canned crab meat; canned clams and clam products (except razor clams and clam chowder); canned oysters and oyster juice or combinations with other substances; seed oysters; frozen scallops; fresh or frozen frogs and frog legs; agar agar; kelp; and miscellaneous shellfish and dried fish. Also subject to negotiation are duties on such fishing gear as cotton fish nets; fish hooks; and flax, hemp, or ramie nets or netting.

Fishery and Related Products Imported into the United States Proposed for Consideration in Trade Agreement Negotiations with Japan and Other Countries

Tariff Paragraph	1954 Schedule A Class. No.	Item	Present Rate of Duty	Duty Can Be Reduced to:
DUTIABLE LIST:				
717(b)	0060320	Swordfish, filleted, skinned, boned, sliced, or divided	1½¢ per lb.	1¼¢ per lb.
717(c)	0062290	Fish, dried & unsalted, other than cod, haddock, hake, pollock, cusk, and shark fins	5/8¢ per lb.	5/16¢ per lb.
718(a)	0065300 } 0065700 }	Tuna, canned in oil	45% ad. val.	22½% ad. val.
718(b)	0067210 } 0067250 }	Tuna, canned, not in oil	12½% ad. val.	6¼% ad. val.
721(a)	0080100	Crab meat, fresh or frozen or prepared or preserved, not in airtight containers	15% ad. val.	7½% ad. val.
	0080500	Crab meat, prepared or preserved in airtight containers	22½% ad. val.	11¼% ad. val.
721(b)	0081500	Clams (except razor) and clams in combination with other substances (except chowder) in airtight containers	35% ad. val. (based on American selling price)	17½% ad. val. (based on American selling price)
721(e)	0081100	Oysters, oyster juice, or either with other substances, in airtight containers	8¢ per lb.	4¢ per lb.

Note: Table continued on following page.

Fishery and Related Products Imported into the United States Proposed for Consideration in Trade Agreement Negotiations with Japan and Other Countries (Contd.)				
Tariff Paragraph	1954 Schedule A Class, No.	Item	Present Rate of Duty	Duty Can Be Reduced to:
775	1250250	<u>DUTIABLE LIST (Contd.):</u> Pastes, balls, puddings, hash, and similar mixtures of vegetables and meat or fish or both, n.s.p.f.	25% ad. val.	17½% ad. val.
41 1558	2800000 0023800	Agar agar Frog legs and frogs, dead	25% ad. val. { 10% 8% (Cuba)	12¼% ad. val. { 5% 4% (Cuba)
923	3230630 3230640	Cotton Fish Nets: Valued over 50¢ per lb. Other	30% ad. val. 40% ad. val.	15% ad. val. 20% ad. val.
1006	3390110 3390120 3390130	Flax, hemp, or ramie fish nets and netting webs and seines, n.s.p.f. of: Flax, valued over \$1.00 per lb. Hemp, valued over 60¢ per lb. Other	25% ad. val. 25% ad. val. 25% ad. val.	15% ad. val. 15% ad. val. 22½% ad. val.
1528	5953900	Pearls and parts, not strung or set, cultured or cultivated	10% ad. val.	5% ad. val.
1535	9420590 9420550	Snelled fish hooks Fish hooks, n.s.p.f.	45% ad. val. 30% ad. val.	22½% ad. val. 22¼% ad. val.
1756	0058100 0058500	<u>FREE LIST:</u> Tuna, fresh or frozen	Free	Maximum Concession Bind Free
1761	0087600	Oysters, net in airtight containers, other than fresh and frozen but including seed oysters	Free	Bind Free
1761	0087400	Scallops, frozen, dried, or canned	Free	Bind Free
1761	0087790	Shellfish, n.s.p.f.	Free	Bind Free
1677	0980180	Goldfish	Free	Bind Free
1705	2933000	Kelp	Free	Bind Free
1503	9700000	Beads and Articles of Beads: Imitation Pearls: Hollow or filled	60% ad. val.	30% ad. val.
1503 and 1528	9701610	Solid Iridescent: Valued not over 10¢ per inch	90% ad. val.	45% ad. val.
	9701660	Valued over 10¢ per inch	60% ad. val.	30% ad. val.
	9701720	Other Solid: Valued not over ¼¢ per inch	60% ad. val.	30% ad. val.
	9701730	Valued over ¼¢ per inch, but not more than 1¢ per inch	{ ½¢ in. + 60% ad. val.	{ ¼¢ in. + 30% ad. val.
	9701740	Valued more than 1¢, not more than 5¢ per inch	{ 1¢ in. + 40% ad. val.	{ ½¢ in. + 20% ad. val.
1528	9701750	Valued more than 5¢ per inch	60% ad. val.	30% ad. val.
1528	5957100	Pearls and Parts, Not Strung or Set: Imitation Pearls: Half pearls and hollow filled	20% ad. val.	10% ad. val.
1535	9420200	Fishing Tackle: Leaders and casts	{ 17½% minimum & 55% maximum	{ \$1.00 per doz. subject 17½% minimum 27¼% maximum
	9420300	Fishing rods n.s.p.f.	{ 15% minimum & 55% maximum	{ \$4.50 each subject 15% minimum 27¼% maximum
	9420500	Parts of fishing rods, n.s.p.f.	40% ad. val.	27¼% ad. val.
	9420560	Fish baskets, or creels	45% ad. val.	22½% ad. val.
	9420590	Fishing tackle and parts, n.s.p.f. Artificial baits, and flies, fly books, fly boxes, and snelled hooks	45% ad. val.	22½% ad. val.

Samuel C. Waugh, Assistant Secretary of State for Economic Affairs and Chairman of the United States Delegation for the Ninth Session of the General Agreement on Tariffs and Trade, in an opening Statement at the Ninth Session, Geneva, Switzerland, November 10, 1954, stated in part:

“... The three principal objectives of the United States in the present review are: first, to provide the General Agreement with an organizational framework which will permit it to operate more effectively and on a permanent basis; secondly, to strengthen and simplify the provisions relating to quantitative

restrictions imposed for financial reasons; and thirdly, to safeguard the tariff concessions and assure their stability, while providing needed flexibility.*. . ."



Eighty-Third Congress (Second Session)

NOVEMBER 1954

The Senate adjourned sine die on December 2, 1954.

SCIENTISTS SEEK "FISH FORECAST SERVICE"

Until comparatively recently it had been believed that there was neither light nor life at the deepest parts of the sea; however, research has now established that there is life right down to the deepest depths--more than five miles--and that the great world of the oceanfloor was teeming with life. This was from an address by Dr. G. S. Steven of the Marine Biological Association, Plymouth, England. Dr. Steven titled the address "Scientists at Sea." Dr. Steven stated that scientists were striving towards an accurate fish forecast service which would enable fishermen to be told what fish to expect in different sea areas. Particular attention was now being given to discover the principles and perfect the methods for accurately predicting the fluctuation in fish stocks on which commercial fisheries depended.

If such predictions became reliable, he said, much benefit would accrue to the industry by enabling buyers, curers, and exporters to arrange in advance for dealing with an abundance or a scarcity of fish. He emphasized how helpful such information would be in connection with the provision of the required boxes, packing staff, etc. Considerable success had already been achieved in that work on herring, hake, and cod at Lowestoft, and on haddock at Aberdeen.

Much yet remained to be done, but the distant goal in view was the ultimate establishment of a fisheries prediction service somewhat similar to weather forecasts.

The speaker then went on to explain recent evidence which suggested that the number of baby North Sea haddock surviving each year, and so determining the success or otherwise of haddock seasons, might be largely determined by the strength and direction of the mean wind in that year. He illustrated his remarks by complicated graphs drawn in colored chalk on two blackboards. He said it was concluded from the data gathered that the fluctuation in the number of baby fish surviving in a certain period was due to the differential survival of the eggs and young pelagic larvae stages. Dr. Carruthers of the National Institute of Oceanography and Mr. Parris of the Aberdeen Laboratory had lately demonstrated convincingly that wind influence, operated through the water movements it set up, might be a dominating factor in brood survival of the North Sea haddock.

Those workers, assisted by their colleagues had found in general that high survival values occurred during years when south and east winds were strong and north and west winds were weak, and that low survival values were accompanied by the reverse conditions.

Among a number of questions which the lecturer was asked at the close was about whether scientists were investigating what effect nuclear experiments and radioactive elements might have on the fish and other marine life. Dr. Steven replied that the problem was already being dealt with at Plymouth, where a separate laboratory had been built and a special staff of experts set aside for the study of the matter.

--Fish Trades Gazette, June 5, 1954.