

The draft charter, further revised by a committee which met at Lake Success, New York, early in 1947, was the basic document submitted for consideration and elaboration at the second meeting of the Preparatory Committee at Geneva during the summer of 1947, and subsequently at Havana, Cuba, during the following winter. The document thus revised and amended was published on Mar. 24, 1948, as the "Havana Charter for an International Trade Organization". It will enter into effect if and when ratified by a sufficient number of governments as prescribed in Article 103 of the document itself.

At the Geneva Conference of 1947, concurrently with the revision of the draft charter, multilateral tariff negotiations were carried on by 23 countries. The object of these negotiations was to reduce tariffs on a reciprocal and multilateral basis in order to lower trade barriers. There were negotiations between 127 pairs of countries, by which 123 agreements were concluded. The results of these negotiations were embodied in the General Agreement on Tariffs and Trade. Since the charter was still in the draft stage and the International Trade Organization was not yet established, certain of the commercial provisions of the draft charter were incorporated with the tariff schedules in the General Agreement on Tariffs and Trade. The General Agreement is thus a substantive international agreement, independent of the draft charter, although it is provided that on the coming into force of the Charter certain parts and sections of the General Agreement will be superseded by the corresponding provisions of the Charter.

The General Agreement consists of three parts. Part I covers the results of the multilateral negotiations in 20 separate tariff schedules, together with the clauses providing for the exchange of multilateral Most-Favoured-Nation treatment.

Part II constitutes a code of international conduct in respect to commercial policy, and covers such matters as national treatment regarding taxation and regulations, freedom of transit, anti-dumping duties, valuation for customs purposes, customs formalities, marks of origin, publication and administration of trade regulations, quantitative restrictions to safeguard the balance of payments, non-discriminatory administration of quantitative restrictions, exchange arrangements, subsidies, purchasing by state-trading enterprises, economic development, and several other commercial matters. These provisions were taken from the draft charter and embodied in the General Agreement.

Part III of the General Agreement relates to its administration.

The Protocol of Provisional Application to the General Agreement had been signed by the middle of 1948, and the general provisions and concessions put into effect by practically all the 23 countries which participated in the conference. Australia, Belgium, Canada, Cuba, France, Luxembourg, The Netherlands, the United Kingdom and the United States signed before Jan. 1, 1948. Czechoslovakia signed on Mar. 20, 1948, followed by China on Apr. 21, South Africa on May 14, India on June 9, Norway on June 10, Southern Rhodesia on June 11, Burma, Ceylon and Lebanon on June 29, and Brazil, New Zealand, Pakistan and Syria on June 30. Chile was granted an extension and did not sign until Feb. 14, 1949. By signing the Protocol, each country committed itself to bring into force Part I (including the tariff schedules), Part II (to the fullest extent not inconsistent with existing legislation), and Part III of the Agreement.