

AD HOC COMMITTEE ON AGENDA AND INTERSESSIONAL BUSINESS
(Meeting to be held in Geneva commencing 17 August 1953)

Explanatory Notes on the Agenda for the Eighth Session

To assist the Committee in considering what matters are likely to arise at the Eighth Session an advance agenda (G/46) was distributed on 8 June. That advance agenda includes the items which, according to information available to the secretariat, should be included in the provisional agenda for the Eighth Session commencing on 17 September 1953. The following notes provide additional information on these agenda items.

ADOPTION OF AGENDA

Rule 3 of the Rules of Procedure stipulates that "the first item of business at each session shall be the consideration and approval of an agenda".

ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

The term of office of the Chairman, Mr. J. Melander (Norway), will expire on 2 October 1953. The office of Vice-Chairman is vacant owing to the demise of J. A. Tonkin (Australia). In order to avoid a change in the Chairmanship during the Session, it may be considered desirable to extend the Chairman's term of office for the duration of the Session and to hold the election of Chairman and Vice-Chairman for the following year towards the end of the Session.

TARIFF NEGOTIATIONS

A note by the Chairman on tariff questions arising at the Eighth Session has been distributed (L/93):

(a) Article XXVIII: The assured life of the schedules to the Agreement comes to an end on 31 December 1953. The Chairman, in his Note L/93, has suggested that the CONTRACTING PARTIES should consider what action, if any, should be taken to extend the period of firm validity; he has analysed the issues involved and has enumerated the alternative courses of action.

(b) Report by the Working Party on Reduction of Tariff Levels: The Intersessional Working Party has not met since the Seventh Session because of the desire of some members to hold informal discussions on certain technical aspects of the French plan. As a result of these informal talks the French Government has submitted a revised plan (L/103) with which the Governments of

Belgium, Denmark, Germany and the Netherlands have agreed in principle. It is suggested that the Sub-Group of the Working Party should meet during the week preceding the opening of the Eighth Session in order to consider this revised plan (L/103), and to complete its report on its technical aspects. At the Eighth Session the CONTRACTING PARTIES might consider, along the lines proposed by the Chairman in L/93, the principles of the French plan with a view to the appointment of an intersessional body to pursue these matters after the Eighth Session at such time as might seem appropriate having regard to the prospects for further progress in the process of tariff reduction. It would seem appropriate that the same intersessional body should be asked to examine, against the same background, the proposal for a "low tariff club" mentioned in the following paragraph.

(c) The Creation of a "Low Tariff Club": As announced in G/46/Add.1, the Committee of Ministers of the Council of Europe has invited the CONTRACTING PARTIES to place on their agenda for the Eighth Session a study of the substance of the problem involved in the creation of a "low tariff club" as advocated in a recommendation of the Consultative Assembly. A suggestion for dealing with this request is contained in the preceding paragraph. A note is being prepared by the secretariat comparing the "low tariff club" proposal with the French plan.

(d) Accession of Japan: At the last Session the Intersessional Committee was instructed "to consider the conditions and timing under which the application of Japan should be pursued and to report on the matters involved by this application". The Committee met in February 1953 and prepared a report (L/76) which it referred to the CONTRACTING PARTIES "with a view to arriving as soon as possible in special session at decisions as to the conditions under which the accession of Japan should be proceeded with and as to the nature and timing of the tariff negotiations". As no special session has been convened the report of the Committee stands for consideration at the Eighth Session. In this connection a communication has been received from the Japanese Government (GATT/AIR/37 reproduced as IC/W/13) suggesting a course of action to be pursued if it should not be possible to decide at the Eighth Session on arrangements for tariff negotiations with Japan.

BALANCE-OF-PAYMENT IMPORT RESTRICTIONS

(a) Consultations under Article XIV:1 (g): The initiation of consultations, on the continuance of resort to the provisions of Article XIV under paragraph 1 (c) or Annex J, by seven contracting parties (Australia, Ceylon, Italy, New Zealand, Southern Rhodesia, South Africa and the United Kingdom) was announced in L/86. It may be expected that the conduct of the consultations will be entrusted to a working party which will be instructed, as last year, to direct its attention particularly to the trade aspects of the restrictions. If it should be impossible to proceed with the financial side of any of these consultations because the IMF has not concluded its 1953 consultation with

the same government, it would seem desirable for the working party to limit that consultation to its purely trade aspects and for the CONTRACTING PARTIES then to consider that the contracting party had fulfilled its obligation to consult. This would be a better course to pursue than that adopted last year of holding over a consultation from one year to the next merely because the CONTRACTING PARTIES were not in a position to complete it.

In addition, the consultations under Article XIV:1 (g) initiated in 1952 by three contracting parties (New Zealand, Southern Rhodesia and South Africa) were not completed at the Seventh Session (see Working Party Report, L/51). The IMF has submitted background information on the restrictions maintained by Southern Rhodesia and also the result of its 1952 consultation with the United Kingdom in respect of Southern Rhodesia (L/79). These consultations are to be completed at the Eighth Session; if by any chance the CONTRACTING PARTIES should not be in a position to proceed with the financial aspects of any of these consultations, for the same reason as led to its postponement last year, it would be preferable rather than postpone it again to record that the contracting party had fulfilled its 1952 obligation to consult.

(b) Fourth Annual Report on Discrimination: To date 16 contracting parties, which impose restrictions pursuant to Article XII, have replied to the questionnaire (L/69) on the discriminatory application of import restrictions. Article XIV:1 (g) requires the CONTRACTING PARTIES to "report" annually and it has been customary to publish the report. Since, as a rule, working party reports are now published in supplements to "Basic Instruments and Selected Documents", it might suffice if in future the report on discrimination was published in this form. The preparation of the report could be entrusted as usual to the working party which conducts the consultations.

(c) Procedures for Report and Consultations under Article XIV:1 (g) in 1954: This item appears regularly on the agenda and is referred to the working party which prepares the report on discrimination and conducts the consultations.

(d) Consultations under Article XII:4 (b): No consultation under the provisions of Article XII:4 (b) has been initiated since the Seventh Session. The following documents, on modifications of import restrictions since the Seventh Session, have been issued: Australia - L/80 and 102, France - L/90, New Zealand - L/99, Pakistan - L/95, United Kingdom - L/89. A document giving such details as are available to the secretariat of changes in import controls since the Seventh Session will be distributed prior to the meeting of the Committee.

The consultations under Article XII:4 (b) initiated in 1952 with seven contracting parties (Brazil, Chile, Finland, New Zealand, Southern Rhodesia, South Africa and Sweden) were not completed at the Seventh Session. The IMF has submitted background information on the restrictions maintained by Southern Rhodesia and also the results of its 1952 consultations with Finland and Sweden

and with the United Kingdom in respect of Southern Rhodesia (L/79). These consultations are to be concluded at the Eighth Session. If it should again prove difficult for the CONTRACTING PARTIES to complete any of these consultations for the same reason that led to its postponement last year it would be desirable to follow the course proposed in the second paragraph under (a) above for uncompleted consultations under Article XIV.

SPECIAL EXCHANGE AGREEMENTS

(a) Report by the Chairman on the Operation of the Agreements with Haiti and Indonesia: The report will be distributed at the Session.

(b) Reports and Consultations under Article XI of the Agreements: The IMF has agreed to submit reports on restrictions on payments and transfers maintained in Haiti and Indonesia for the assistance of the CONTRACTING PARTIES in the preparation of their reports under Article XI.

Neither Haiti nor Indonesia has initiated a consultation in 1953, pursuant to paragraph 3 of Article XI, as to the further retention of restrictions on payments and transfers. The consultation with Indonesia initiated in 1952 was not completed at the Seventh Session. The Chairman is in touch with the Government of Indonesia on these matters.

METHODS OF VALUATION FOR CUSTOMS PURPOSES

Contracting parties were invited (L/81) to submit reports on steps taken to conform to the principles of Article VII and to describe the valuation methods at present applied. Reports from ~~eighteen~~ contracting parties have been received to date and copies are being distributed; these are to be reviewed at the Eighth Session. The secretariat is preparing a synopsis of the reports and this will be distributed prior to the Session.

The Committee may wish to recommend that this and the two following items be referred to a working party with a composition similar to that appointed to deal with these items at the Seventh Session, and that the working party be instructed to consult with representatives of the ICC insofar as this would facilitate their discussions.

NATIONALITY OF GOODS

Contracting parties were invited (L/71) to submit statements of their present principles and practices in determining the nationality of imported goods. Statements have been received from twenty-three contracting parties and copies have been distributed (L/71/Add.1). The discussion of this question is to be resumed at the Eighth Session. A survey of the statements received is being prepared by the secretariat and will be distributed prior to the Session.

CONSULAR FORMALITIES

Contracting parties were invited (L/92) to report by 1 September on the steps taken towards the abolition of consular formalities. At the Seventh Session, the CONTRACTING PARTIES recommended that consular invoices and consular visas for commercial invoices should be abolished not later than 31 December 1956; pending total abolition, it was recommended that governments should reduce progressively the incidence of consular fees and that the consular authorities in countries of export should observe the standard practices for consular formalities. At the Session the contracting parties may wish to review this question in the light of the reports received.

EUROPEAN COAL AND STEEL COMMUNITY

Pursuant to the Decision of 10 November 1952, the Governments of the member States are required to report annually, until the end of the transitional period, "on the measures taken by them towards the full application of the Treaty". It is expected that the first report will be received before the opening of the Session, and it may be desirable for the CONTRACTING PARTIES, when adopting the agenda, to fix a date for the consideration of this report.

ITALIAN SPECIAL TREATMENT FOR LIBYAN PRODUCTS

Pursuant to the Decision of 9 October 1952, the Governments of Italy and Libya are to submit reports not later than 1 September each year: Italy is to report "on the development of trade under the special treatment thus accorded", and Libya is to report "on the economic progress made and expected which would permit Libya to participate in international trade on a normal competitive basis". Communications were addressed to the two Governments in June reminding them of this obligation but no indication has yet been received of the time when the reports will be submitted. It may be desirable for the CONTRACTING PARTIES, when adopting the agenda, to fix a date for the consideration of these reports.

SOUTH AFRICA - SOUTHERN RHODESIA CUSTOMS UNION

Copies of the Fourth Annual Report of the South African Customs Union Council have been received and one copy is being sent to each contracting party. A secretariat note will be distributed before the opening of the Session.

NICARAGUA - EL SALVADOR FREE-TRADE AREA

The Second Annual Report by the Government of Nicaragua was due on 30 June. The Government of Nicaragua has been reminded that the report is required before the Session. Copies of the report and a secretariat note will be distributed as early as possible.

UNITED STATES RESTRICTIONS ON DAIRY PRODUCTS

Modifications of the United States' import control of dairy products were announced in G/44 and Add.1. Section 104 of the Defense Production Act was not renewed when it expired at the end of June, but the restrictions in modified form are now maintained under Section 22 of the Agricultural Adjustment Act. In the Resolution of the Seventh Session (L/59) the CONTRACTING PARTIES requested the United States Government to report not later than the opening of the Eighth Session.

BRAZILIAN INTERNAL TAXES

At the Seventh Session, the representative of Brazil requested that this item be retained on the agenda for discussion at the Eighth Session if the problem had not been settled by that time. A communication has been addressed to the Government of Brazil enquiring whether a report will be submitted before the opening of the Session.

HELGIAN FAMILY ALLOWANCES

The complaint of the Norwegian and Danish Governments regarding the application of the Belgian law on the levy of a special charge on certain foreign goods was examined by the Panel on Complaints at the Seventh Session. In adopting the Report (G/32), the CONTRACTING PARTIES recommended to the Belgian Government to remove the discrimination complained of and to report to the Eighth Session.

TREATMENT BY GERMANY OF IMPORTS OF SARDINES

The complaint by the Norwegian Government was examined at the Seventh Session by the Panel on Complaints. The Report adopted by the CONTRACTING PARTIES (G/26) recommends consultation between the two governments and a report to the Eighth Session.

GREEK IMPORT TAXES

The removal of the special taxes (L/88) disposes of the complaint examined at the Seventh Session. Nevertheless this item may be retained on the agenda so that the CONTRACTING PARTIES may take note of the action taken by the Greek Government.

GREEK IMPORT DUTY COEFFICIENTS

The restoration of the pre-war coefficients to the levels bound under the General Agreement (G/51), if confirmed by the Greek Parliament, disposes of the complaint examined at the Seventh Session. Nevertheless this item may be retained on the agenda so that the CONTRACTING PARTIES may take note of the action taken by the Greek Government.

UNITED STATES DUTY ON DRIED FIGS

At the request of the Governments of Greece and Turkey, the action of the United States Government in modifying the concession on dried figs (L/14) was discussed at the Seventh Session. Pursuant to the provisions of paragraph 3 (a) of Article XIX, the Government of Turkey proposed to modify certain concessions which had been granted to the United States at Torquay, and this was not disapproved by the CONTRACTING PARTIES; the time limit for this action was extended until 25 February 1953, and on that date the Government of Turkey applied the proposed rates of duty to the trade of the United States (L/72). The Governments of Greece and of other countries having a substantial interest in the modification of the United States concession on dried figs were granted an extension of time until the opening of the Eighth Session. The United States and the consulting governments were asked to report at the Eighth Session on further action taken by them.

In March 1953 the United States Tariff Commission undertook a supplemental investigation, and reported in June that "the escape clause action which increased the duty on dried figs remains necessary to prevent serious injury to the domestic industry". (L/83 and Add.1)

UNITED STATES EXPORT SUBSIDY ON SULTANAS

The effects of the United States export subsidy on sultanas on the trade of Greece and of other contracting parties was discussed at the Seventh Session. It was agreed that bilateral consultations should continue and that the outcome should be reported to the Eighth Session.

CONVENTION ON IMPORTATION OF SAMPLES AND ADVERTISING MATERIAL

In G/47/Add.1 it was reported that the Governments of Belgium, Germany (with a reservation), Greece, Sweden, United Kingdom and United States have signed this Convention. Contracting parties might be given an opportunity at the Eighth Session to indicate their intentions concerning acceptance of, or accession to, the Convention.

The Convention provides in Article IX that it shall be open for signature by contracting parties to the General Agreement and by members of the United Nations and by any other government to which the Secretary-General of the United Nations will have communicated a copy for this purpose. The Executive Secretary proposed and the Secretary-General of the United Nations agreed that copies of the Convention should be sent to governments which are not members of the United Nations or contracting parties to the General Agreement, but which were invited to the United Nations Conference on Trade and Employment. The Secretary-General proposed, in addition, to send copies to Members of specialized agencies interested in economic questions, but advised that although Spain falls in this category he was not able to send a copy to the Government of Spain without a specific request from the CONTRACTING PARTIES.

RESTRICTIVE BUSINESS PRACTICES

An Ad Hoc Committee appointed by the United Nations has submitted a Report (E/2380) to the Economic and Social Council on the problem of restrictive business practices and including a draft Convention. The Council Resolution which established the Committee (375 (XIII) paragraph 6) required the Secretary-General to make recommendations on the administration of the Convention and the Secretary-General has intimated that he will seek the advice of the CONTRACTING PARTIES. However, a Resolution adopted at the recent Session of the Council requires the Secretary-General to proceed to carry out paragraph 6 of the earlier Resolution only when a sufficient number of governments have commented on the Committee's report to provide some indication of attitudes towards the report. The Executive Secretary understands, from the discussions at the recent Session of the Council, that the Council intends that the Secretary-General shall seek the advice of the CONTRACTING PARTIES in time for the question to be dealt by them at their Ninth Session. In these circumstances the Executive Secretary suggests that this item should not be included in the provisional agenda for the Eighth Session.

In the same Resolution to the Council requested the Secretary-General to refer the Committee's Report (E/2380) and the secretariat analysis of governmental measures relating to restrictive business practices (E/2379 and Add.1) to the specialized agencies concerned and interested inter-governmental organizations for examination and any comment they may wish to make. It is expected that these documents will be referred to the CONTRACTING PARTIES, and in that event the CONTRACTING PARTIES may wish to examine the documents at the same time as they discuss the question of procedure.

DISCRIMINATION IN TRANSPORT INSURANCE

The Resolution of the Economic and Social Council of 16 April 1953, bringing to the notice of the CONTRACTING PARTIES certain resolutions of the Council and of the Transport and Communications Commission for possible action, was distributed in L/94 (cf. document E/CN2/139). On the assumption that the CONTRACTING PARTIES will accept this item for their agenda the Intersessional Committee may wish to consider proposing how the question can be dealt with, for example, by holding a preliminary exchange of views followed by the appointment of an intersessional body to do further preparatory work before the Ninth Session. As this item was sponsored before the Economic and Social Council by the ICC the CONTRACTING PARTIES may wish to hear a statement from a representative of the Chamber in the course of their discussions, and the intersessional body might be instructed to consult with representatives of the Chamber insofar as this would facilitate their discussions.

NOMINATION OF CHAIRMAN OF ICCICA

The nomination made at the Seventh Session was to be valid until the CONTRACTING PARTIES should make a further nomination at the Eighth Session; it was agreed that the nomination at the Eighth Session and thereafter should be for a fixed term of office to be determined at the Eighth Session.

The Economic and Social Council decided in February 1953 to enlarge the Interim Co-ordinating Committee by the inclusion of a fourth member appointed by the Secretary-General of the United Nations; the new member is to be "a person of wide experience in the problems confronting countries undergoing development whose economies are primarily dependent on the production and international marketing of primary commodities".

STATUS OF PROTOCOLS

The Governments of Brazil and Nicaragua have signed the Torquay Protocol since the Seventh Session. It has now been signed by all contracting parties. The time limit for signature by Korea and the Philippines expired on 21 May 1953. The Government of Uruguay has been given an extension until 30 October to sign the Ancey and Torquay Protocol (L/101). A statement by the secretariat on the status of protocols is being distributed (G/41/Rev.2).

RECTIFICATION OF SCHEDULES

The Government of Southern Rhodesia has requested some rectifications of Schedule XVI (L/85). Modifications of schedules which should receive the attention of a working party at the Eighth Session include the result of Cuba's negotiation with the United States under Article XXVIII (L/98) and the adjustment of rates of duty in the Schedule of Czechoslovakia (L/100).

RENEWAL OF INTERSESSIONAL ARRANGEMENTS FOR THE ADMINISTRATION OF THE AGREEMENT

The question of the re-appointment of the Committee, which was appointed for the period between the Seventh and Eighth Sessions, will arise at the Eighth Session.

FINANCIAL STATEMENT FOR 1953 AND BUDGET ESTIMATES FOR 1954

The statement and estimates will be distributed before the opening of the Session.

DATE AND PLACE OF THE NINTH SESSION

In considering the date and place for the Ninth Session, the CONTRACTING PARTIES will wish to take account of the pattern of conferences established for the years 1954-1957 by the Secretary-General of the United Nations pursuant to a Resolution adopted by the General Assembly. The period suggested for sessions of the CONTRACTING PARTIES is the last week of September, the month of October and the first week of November.

The Committee may wish to recommend that the CONTRACTING PARTIES, in selecting the date for the Ninth Session, should take into account the desirability of avoiding a clash with the date foreseen for the Annual Meeting of Governors of the IMF.

ITEMS PROPOSED BY CONTRACTING PARTIES

by the United Kingdom (G/46/Add.2)

The United Kingdom Government has asked for the following item to be placed on the agenda of the Eighth Session and has undertaken to submit a memorandum on this subject:

"The need for facilities, consistent with the general purposes and objectives of the GATT, to relieve a country which has occasion to impose or increase protective duties on foreign goods from the requirement to impose corresponding duties on imports which, under preferential arrangements, have traditionally been free of duty."