

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

IC/W/80

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Intersessional Committee

DRAFT

REPORT OF THE INTERSESSIONAL COMMITTEE

Report submitted to the CONTRACTING PARTIES on the Work of the Committee between the Twelfth and Thirteenth Sessions

The Committee is usually composed of seventeen members elected according to the criteria set out on page 201 of BISD, Vol. II. At the Twelfth Session, however, it was decided that, in view of the importance to all contracting parties of questions relating to the Rome Treaty, the Committee for the period between the Twelfth and Thirteenth Sessions would be composed of all contracting parties. The Committee, so constituted, has met on seven occasions since the Twelfth Session: on 30 November 1957 (IC/SR.36), 14 February (IC/SR.37), from 14 April to 2 May (IC/SR.38), 3 and 4 June (IC/SR.39), 9 and 10 July (IC/SR.40), from 24 to 26 September (IC/SR.41) and on 15 October (the record of which will appear in IC/SR.42). This report reviews the work and notes the recommendations of the Committee.

I. Questions referred to the Committee by the CONTRACTING PARTIES

At the Twelfth Session the CONTRACTING PARTIES expressly referred several questions to the Committee for consideration prior to the Thirteenth Session. These were dealt with by the Committee during the intersessional period as follows:

(a) Treaty establishing the European Economic Community

The Committee was instructed to continue the examination, in the light of the provisions of the General Agreement, of the relevant provisions of the Treaty of Rome, the problems likely to arise in its practical application, and the means that might be developed to establish effective and continuing co-operation between the CONTRACTING PARTIES and the EEC. The Committee had before it the Twelfth Session reports on the arrangements provided for in the Treaty with respect to tariffs, the use of quantitative restrictions, trade in agricultural products and the association of overseas countries and territories with the Community.

The Committee first met on 30 November 1957 to implement a recommendation adopted by the CONTRACTING PARTIES that a working party be established, with the same composition as Sub-Group D of the Twelfth Session Committee on the Rome Treaty, to undertake a study of the problems which the association of overseas territories raised for the trade of other contracting parties. The Committee appointed a working party to carry out this task with the same Chairman and membership as Sub-Group D. This Working Party held four meetings: from 5-20 February,

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25 February - 7 March, 17-28 March and 10-12 April. The Working Party's Report to the Committee was distributed in L/805/Rev.1 and its reports on the examination of the effects on trade in various commodities, viz: cocoa, coffee, tea, bananas, sugar, tobacco, oilseeds, cotton, hard fibres, wood, aluminium and lead, were reproduced in Addenda 1-12 respectively to that document.

As agreed at the Twelfth Session the Committee examined these questions at their meeting in April at which time the Working Party on the Association of Overseas Territories presented its report. Statements related to these various matters were made by members of the Committee and similar statements were made by the representatives of the EEC. As regards the common tariff, the Committee noted with satisfaction that the Community would endeavour to supply within the envisaged time-limit, i.e. by July 1959, the common external tariff and the fullest possible documentary material regarding this tariff. During the discussion, members of the Committee and the representatives of the Community re-affirmed the views they had expressed at the Twelfth Session concerning the maintenance or imposition of quantitative restrictions for balance-of-payments reasons. While the Committee recognized that the working out of the Community's agricultural policy would be a lengthy process, it assumed that the Community would furnish to the CONTRACTING PARTIES from time to time such information as the six Member States would have furnished initially to comply with paragraph 7 of Article XXIV if the agricultural policy were developed and set out in the Rome Treaty itself.

In the light of these statements and reports, the Committee felt that it would be more fruitful if attention could be directed to specific and practical problems, leaving aside for the time being questions of law and debates about the compatibility of the Rome Treaty with Article XXIV of the General Agreement. The Committee noted that the normal procedure of the General Agreement and the techniques and traditions of the CONTRACTING PARTIES in applying them, were well adapted to the handling of such problems and suggested that in the first instance the procedures of Article XXII would be the most appropriate for this purpose.

Accordingly, the Committee agreed upon procedures for dealing with specific and practical problems by means of consultations between members of the Community and other contracting parties. These procedures were later approved by the Council and the Commission of the EEC (L/822 and Add.1).

At the September meeting the Committee was informed that consultations pursuant to these procedures had been requested on the effect of the association of overseas territories to the EEC on trade in cocoa, coffee, bananas, tea, sugar and tobacco. A representative of the six Member States said that the EEC might find it convenient to hold these consultations during the Thirteenth Session. During the discussion, however, the question as to the efficacy of the operation of the consultations procedure was raised. It was pointed out that when a consultation was requested it was uncertain whether requests to join in the consultations would be forthcoming and whether, under the

established procedures, such requests required the approval of the contracting party which had made the initial request. It was agreed that the procedures could be improved if a time-limit were fixed for requests to be joined in a consultation and it was understood that approval for a request to be joined in a consultation was required only from the contracting party to whom the request was addressed. The Committee therefore agreed to amend the procedures accordingly.

The Committee now submits the following amended procedures for the approval of the CONTRACTING PARTIES:

"The contracting parties interested in possible consultations under Article XXII on questions affecting the interests of a number of contracting parties, as a matter of convenience and in order to facilitate the observance of the basic principles and objectives of the General Agreement, agree on the following procedures:

- "(a) any contracting party seeking such a consultation under Article XXII shall at the same time so inform the CONTRACTING PARTIES / Executive Secretary for the information of all contracting parties;
- "(b) any other contracting party asserting a substantial trade interest in the matter shall, within thirty days of the notification by the Executive Secretary of the request for consultation, advise the consulting countries and the Executive Secretary of its desire to be joined in the consultation;
- "(c) such contracting party shall be joined in the consultation provided that the consulting country / contracting party or parties to which the request for consultation is addressed agree that the claim of substantial interest is well founded; in that event they shall so inform the contracting parties concerned and the Executive Secretary;
- "(d) if the claim to be joined in the consultation is not accepted, the applicant contracting party / concerned / shall be free to refer its claim to the CONTRACTING PARTIES;
- "(e) at the close of the consultation, the consulting countries shall advise the CONTRACTING PARTIES / Executive Secretary for the information of all contracting parties of the outcome;
- "(f) the Executive Secretary shall provide such assistance in these consultations as the parties may request."

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The question was raised in the Committee as to whether the procedures were intended to permit only contracting parties with an exporting or a producing interest to participate in the consultations, or whether contracting parties with an importing interest could also be joined. The Committee did not enter into a discussion on the principle of this point, it being understood that this matter could be raised at the Thirteenth Session if contracting parties so wished and that if a case arose in any particular consultation where a claim of substantial interest was disputed the matter could be referred to the CONTRACTING PARTIES.

(b) European Free-Trade Area Proposals

It was agreed at the Twelfth Session that it would be desirable for the CONTRACTING PARTIES to be kept informed of developments in negotiations for the formation of a free-trade area embracing the six Member States of the EEC and other members of the OEEC. The Committee was requested to maintain contact with the OEEC in this connexion and to report to the CONTRACTING PARTIES at the Thirteenth Session.

At the April meeting a representative of the OEEC informed the Committee that the negotiations, which were being conducted by an Inter-Governmental Committee at Ministerial level under the Chairmanship of Mr. Maudling, were of a complex nature and were far from completion. At the September meeting the representative of the OEEC reported that it was hoped that broad lines of agreement could be reached before the end of 1958. An important, and perhaps decisive meeting of the Maudling Committee was scheduled for the end of October. The Committee took note of the fact that a representative of the OEEC would make a statement on the progress of the negotiations at the Thirteenth Session.

(c) European Coal and Steel Community

Paragraph 7 of the Waiver embodied in the Decision of 10 November 1952, which enabled the six Member States to fulfil their obligations under the Treaty constituting the ECSC, required that during the transitional period their Governments would report annually to the CONTRACTING PARTIES on measures taken towards the full application of the Treaty. In view of the fact that the transitional period came to an end on 10 February 1958 the CONTRACTING PARTIES at the Twelfth Session empowered the Committee to examine the report on the last period covered by the Waiver. Accordingly the Committee, at its April meeting, gave consideration to the final report of the Member States.

In presenting the report to the Committee the representative of the Member States pointed out that the main report included a statement on the harmonization of external duties the implementation of which had resulted in important tariff reductions for the three major importing Member States and a lower overall tariff incidence for the Community than would have otherwise obtained from commitments normally undertaken under the General Agreement. The second section of the report contained a supplementary statement on production, trade and prices, similar to those previously transmitted to the CONTRACTING PARTIES.

The representative of Sweden drew the Committee's attention to a reservation entered by his delegation when the Waiver was granted, recorded in paragraph 10 of the Working Party's Report (1st Supplement BISD, page 88), concerning adequate compensation by Member States in cases where the Waiver involved economic sacrifices for other contracting parties. The effects of the common market on the trade of other contracting parties was yet to be tested in adverse economic conditions and accordingly his delegation reserved its right to submit at a later stage more detailed conclusions on its impact on the Swedish economy.

The representatives of Norway and Austria informed the Committee that the harmonization of the tariffs of the Member States did not correspond to the action their Governments had understood to be contemplated when the Waiver was granted. The Norwegian representative cited in particular the case of ferro-manganese and proposed that all aspects of the new tariff be referred to the Thirteenth Session. The representative of Austria held the view that the so-called principle of "geographical protection", used as a basis for establishing tariffs on goods originating in third countries, was not compatible with the terms of the Waiver. Excessive customs tariffs introduced on this basis, notably in Italy, could cause serious prejudice to Austria's traditional exports. The Austrian delegation reserved the right accorded under Article XXIII to return in due course to these problems either at the Thirteenth Session or later.

The representative of the High Authority stated that the Member States had fully observed the obligations they had undertaken vis-à-vis the CONTRACTING PARTIES to harmonize the duties on steel at the end of the transitional period. The terms of the Waiver itself foresaw that external tariffs would not be uniform but "harmonized". The obligation assumed under the Waiver was to arrive at a tariff whose general incidence would be lower than that applicable at the time the Treaty entered into force and this had been accomplished. The ECSC was prepared to discuss with the CONTRACTING PARTIES any problems of an economic nature that might arise as a result of the operation of the Common Market, and the machinery provided for in Article XXII of the General Agreement could always be resorted to by those contracting parties which considered themselves affected.

The Committee took note of this final Report of the Member States. In conclusion several members paid tribute to the appreciable progress recorded by the Community in the past five years and expressed their confidence that the spirit of co-operation that had prevailed between the Member States and the CONTRACTING PARTIES would be maintained in the future.

(d) German Import Restrictions

The report on the Article XII:4(b) consultation with the Federal Republic of Germany (L/644) in June 1957 brought out the fact that, consequent upon the findings of the International Monetary Fund, the Federal Republic's import

restrictions no longer fell under that Article. At the Twelfth Session the CONTRACTING PARTIES approved a report drawn up by a working party consolidating the views expressed by contracting parties on Germany's import restrictions for transmission to the Federal Government (L/768 and Corrigenda) and decided to postpone consideration of further action until the meeting of the Intersessional Committee in April 1958. As had been requested by certain delegations at the Twelfth Session, the German Government sent to their governments a Note Verbale on 3 March 1958 setting out its current position. This Note Verbale was circulated to all contracting parties for their information (L/799).

In a statement made at the April meeting (L/818), the German representative referred to a document which had been circulated to the contracting parties and which set out the legal basis of the standpoint his Government had adopted on the Marketing Laws (L/807). As regards the residual restrictions on commodities not covered by these laws the German Government, while acknowledging that their maintenance would not be in harmony with the provisions of the General Agreement, hoped that the CONTRACTING PARTIES would take into account the difficult problems in this field with which the Federal Republic was confronted.

After hearing the statement by the representative of Germany, many members of the Committee expressed their disappointment that, in spite of the representations made at the Twelfth Session, the German Government had confirmed its intention to maintain import restrictions which were no longer covered by Article XII and did not intend to make use of special procedures provided for such cases. The Committee thereupon decided to reconstitute the Working Party on German Import Restrictions set up at the Twelfth Session and entrusted it with the special task of examining the contention of the German Government that, by virtue of paragraph 1(a)(ii) of the Torquay Protocol, Germany's obligations under the General Agreement did not prevent the application of restrictions pursuant to the Marketing Laws.

The views expressed by members in discussing the report of that Working Party and a draft recommendation by the United States representative are recorded in detail in IC/SR.38.

The Committee adopted the Working Party Report (L/821) and approved a Recommendation which, inter alia, called upon the Government of the Federal Republic to reconsider its position and to report to the Thirteenth Session what action it had taken to eliminate the remaining restrictions (L/817).

(e) Restrictive Business Practices

At the Twelfth Session the secretariat was instructed to collect and analyse documentation on this subject for submission to the Committee which would then decide whether to establish a working party or a group of experts or to refer the matter to the CONTRACTING PARTIES. At the September meeting

the Committee took note of the memorandum (MGT/75/58) prepared as directed, but, in view of the fact that it had only recently been distributed, decided to refer this question to the CONTRACTING PARTIES.

(f) Status of Protocols and other Instruments

As instructed by the CONTRACTING PARTIES in their Decision of 28 November 1957 the Committee reviewed the status of the Protocols of Amendment and of the Agreement on the Organization for Trade Cooperation. The Executive Secretary informed the Committee at the September meeting that in order to expedite consideration of this item at the Thirteenth Session he had requested each contracting party whose acceptance of one or more of these instruments was still awaited to indicate whether the required action would be taken before the Session. The status of these various instruments, with the comments by those governments which had replied to the enquiry, was reported to the Committee. The Committee took note of the situation and invited members to bring the Executive Secretary's report to the notice of their governments.

(g) Operation of Sections C and D of Article XVIII

At the Twelfth Session, in view of the entry into force of the amended provisions of Article XVIII, the CONTRACTING PARTIES instructed the Executive Secretary to prepare a new questionnaire for the guidance of contracting parties in notifying measures under Article XVIII:C and D, and to submit it to the Committee for approval. The Committee considered a draft questionnaire (IC/W/73/Rev.1) at the September meeting and agreed that certain revisions should be made in the light of the discussion that took place. At the October meeting the Committee examined a revised draft questionnaire (IC/W/73/Rev.2) and approved the text as reproduced in L/ 7.

II. Meeting of Trade Ministers

In September the Committee agreed upon the desirability of convening a meeting of the CONTRACTING PARTIES at Ministerial level during the Thirteenth Session subject, however, to an assurance that there would be a representative attendance of Ministers drawn from all the important geographical areas represented in the GATT. It was agreed that the meeting should be held on 16-18 October with the following agenda:

I. TRENDS IN INTERNATIONAL TRADE

For this topic the background documents would be the experts' report. This discussion would afford Ministers the opportunity of commenting upon the major problems dealt with in the report, viz., the conditions of trade in agricultural products, commodity problems, and special problems affecting the trade of the less developed countries.

II. FUTURE ACTIVITIES OF THE CONTRACTING PARTIES DIRECTED TOWARDS THE CONTINUED EXPANSION OF INTERNATIONAL TRADE

In this connexion Ministers might like to examine:

- A. Action directed towards further tariff reduction.
- B. Action directed towards the elimination of quantitative restrictions, and in particular of the remaining elements of discrimination. Here, Ministers might like to lay down directives or guiding lines for the conduct of the consultations which will take place in 1959.
- C. Other international measures directed towards the expansion of world trade, including the harmonization of regional and broader programmes.
- D. Means of improving the effectiveness of the General Agreement in contributing towards its objectives.

III. Peruvian Import Charges

The meeting of the Committee in June was convened expressly for the purpose of giving consideration to a communication from the Government of Peru (GATT/AIR/130) concerning action it intended to take as part of an economic stabilization programme consequent to a serious decline in foreign exchange reserves. The representative of Peru informed the Committee (L/827) that in 1957 a trade deficit of \$70 million was recorded and by April 1958 exchange reserves had been depleted to \$4 million, and that the International Monetary Fund had recommended a series of corrective measures some of which, in the view of the Peruvian Government implied the need to increase customs revenue partly in order to check foreign currency spending on non-essentials. The Peruvian Government preferred not to resort to quantitative restrictions, since experience had shown they were difficult to abolish, and believed that the only practicable alternative in the circumstances was the temporary imposition of supplementary charges on all imports, including those items which were the subject of GATT concessions. As the need for such action arose mainly from balance-of-payments difficulties the Peruvian Government was of the opinion that this problem could best be considered under Article XII.

The Committee was informed by the representative of the IMF that the Fund considered that substantially increased revenues were essential to the success of Peru's stabilization programme and the increased revenue likely to result from the various measures now proposed by the Peruvian Government was not more than necessary to achieve this end. The question of the approval of the measures affecting customs tariffs, however, was for the CONTRACTING PARTIES to decide upon.

While the Committee expressed sympathy and understanding with Peru's situation it considered that consultations under Article XII would be inappropriate. The General Agreement contained no provisions which would permit a contracting party unilaterally to increase bound rates of duty to meet balance-of-payments difficulties.

In the light of the statement by the representative of Peru and of the discussion which ensued the Committee approved a Recommendation that the CONTRACTING PARTIES examine the situation at the Thirteenth Session with a view to arriving at a generally acceptable settlement (L/876).

The Executive Secretary was subsequently informed by the Government of Peru (L/828) that with effect from 9 June 1958 the supplementary charges on imports were applied generally to all tariff items including those bound in Schedule XXXV (Peru). The surcharges did not apply, however, to the additional ad valorem duties which are also included in Schedule XXXV. In a later communication the Executive Secretary was informed that the surcharges had been further increased, effective as from 20 June 1958 (L/828/Add.1).

IV. Intensification of New Zealand Import Restrictions

In a communication dated 17 January 1958 (L/790) the Government of New Zealand informed contracting parties of certain modifications to its import restrictions effected on 1 January 1958. Under paragraph 4(a) of Article XII a contracting party raising the general level of its restrictions by a substantial intensification of measures applied under that Article should consult with the CONTRACTING PARTIES and the Government of New Zealand expressed its readiness to enter into consultation in accordance with these provisions. At its meeting in February the Committee decided that the consultation should be held on 21 April 1958 and established a working party to conduct it. At the April meeting the Committee agreed to a request by the New Zealand representative that the consultation initiated by his Government under Article XIV:1(g) should be carried out in conjunction with the Article XII consultation.

The Report of the Working Party on these consultations (L/816) will be submitted to the CONTRACTING PARTIES for adoption.

V. Timing of Consultations under Article XIV:1(g) with the United Kingdom

In response to a request by the United Kingdom representative at the July meeting the Committee agreed to recommend to the CONTRACTING PARTIES that, while the 1958 consultation under Article XIV:1(g) with the United Kingdom should be commenced at the Thirteenth Session as scheduled, substantive discussions should be postponed until early in 1959, to be taken up in the course of the Article XII:4(b) consultation to be held at that time.

VI. United States Action under Article XIX(a) Spring clothespins

At the Twelfth Session the Danish and Swedish delegations maintained that action taken by the United States Government in withdrawing, through the invocation of Article XIX, a concession granted to them on spring clothespins, was unjustified. It was agreed that discussions between their Governments and the Government of the United States be continued and that, if necessary, the matter could be referred to the Intersessional Committee. At the April meeting the Danish and Swedish representatives reported that consultations had thus far not yielded positive results. Since, however, they were to be continued and the United States Tariff Commission was to review this matter later in the year they did not request the Committee to take up the item at that stage. The United States representative confirmed that bilateral discussions would continue, but pointed out, however, that his Government considered the action taken to be fully in accord with its obligations under Article XIX.

The Committee therefore postponed consideration of this item and noted the intention of the Danish and Swedish delegations to submit this question to the Thirteenth Session should they find that necessary.

(b) Lead and Zinc

At the September meeting the Committee heard statements by the representatives of Australia, Peru and the United States concerning the decision of the President of the United States invoking the provisions of Article XIX to modify, for such time as necessary, the import treatment of lead and zinc by the imposition of country-allocated quarterly quotas effective 1 October 1958 (L/859). The Committee took note of these statements and agreed that this question could be added to the provisional agenda for the Thirteenth Session should that be considered desirable.

VII. Panels for Conciliation

At the April meeting the Committee noted certain disputes and differences referred to it and for which it might be desirable to establish panels. It was considered appropriate, therefore, to adopt procedural arrangements designed to meet certain practical difficulties experienced in the past with regard to the availability of members when meetings of a panel were deferred to give time for further bilateral discussion. Accordingly the Committee adopted the following procedures for the nomination of panels for conciliation during the period prior to the Thirteenth Session:

- (1) The Intersessional Committee, when seized of a matter arising under Article XXIII, may, upon the request of the applicant contracting party, establish a panel to inquire into, and report on, the matter.
- (2) If, however, it is desired that the convening of the panel shall be deferred to some unspecified future date in order to afford a further opportunity for bilateral consultation, the Intersessional Committee may designate the panel but it shall be understood that the Chairman of the CONTRACTING PARTIES may appoint substitutes, if necessary, for any member or members of the panel who may not be available at the time when the need to convene it arises.

(a) Italian Discrimination against Imported Agricultural Machinery

At the Twelfth Session the United Kingdom delegation submitted a complaint that, under a Law of 25 July 1952, the Italian Government granted loans on special favourable terms to Italian farmers for the purchase of tractors and other agricultural machinery of domestic, but not of foreign, origin. At that time it was agreed that bilateral discussions between the two Governments would be continued but that if no agreement were reached the question could be referred to the Committee.

At the April meeting the United Kingdom reported that bilateral discussions had been of no avail, and since various aspects of the complaint were related to the interpretation of Article III, it would be appropriate for the Committee to refer the question to a panel.

The Panel appointed by the Committee met in Geneva, in July, and drew up its report and a draft recommendation (L/833) which will be submitted for consideration by the CONTRACTING PARTIES at the Thirteenth Session.

(b) French Assistance to Exports of Wheat and Flour

At the April meeting the Australian representative presented a complaint that in recent years France had applied export subsidies on wheat and flour in such a manner as to secure, inconsistently with the provisions of Article XVI, more than an equitable share of world trade in these products. Such subsidized sales had caused serious prejudice to the interests of Australian exporters in their traditional markets, particularly in South East Asia. The representative of France pointed out that his Government had always held the view that the subsidies it granted were in conformity with the provisions of Article XVI.

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The Committee referred the matter to a Panel which met during the April meeting and, after hearing statements from the parties concerned, agreed to adjourn its hearings in order to enable the continuance of bilateral discussions. In September, however, the Australian Government informed the secretariat that further bilateral discussions have led to no satisfactory outcome and accordingly has requested that the Panel be reconvened early in the Thirteenth Session.

(c) Italian Assistance to Exports of Flour

This complaint by the Australian Government (L/853) was considered by the Committee at its September meeting. The Australian representative contended that the operation of the Italian wheat/flour scheme, under which an Italian miller could purchase wheat for export as flour at a price substantially below that prevailing on the home market, introduced an element of subsidy contrary to the provisions of the General Agreement and had resulted in recent incursions by Italian exporters in traditional Australian markets in Asia and Indian Ocean ports. Bilateral consultations initiated in July had led to no satisfactory solution, and although these had been resumed, the Australian representative requested that the Committee refer this matter to a Panel pending their outcome.

The Committee referred this matter to the Panel it had established under (b) to deal with "French Assistance to Exports of Wheat and Flour" which is to be reconvened early in the Session. Should the two parties reach agreement in the course of bilateral discussions, however, the Chairman of that Panel should be so notified and the Panel would no longer be charged with the matter.

VIII. Article XXVIII Negotiations(a) Extension of Time Limit for Negotiations begun in 1957

The Decision of 28 November 1957 extended to 31 March 1958 the final date for the completion of negotiations for the modification or withdrawal of particular concessions under the procedures of Article XXVIII notified to the CONTRACTING PARTIES by 31 December 1957. Provision was made, however, for the Intersessional Committee to fix a later date for negotiations not then completed. At the February meeting, the Committee noted that a number of negotiations could not be completed by the date envisaged and extended the final date to 30 June 1958. At the April meeting the Committee noted that several negotiations might, by reason of their complexity, not be completed by the latter date and accordingly agreed to further extend the final date for the completion of negotiations until the end of the Thirteenth Session.

(b) Requests for Re-negotiation

At the meetings in April, July and September the Committee considered requests by the Governments of Denmark, Australia and the United States, Sweden and Australia, respectively, for authority under paragraph 4 of Article XXVIII to re-negotiate items in their Schedules. In each case, after having heard the facts presented, the Committee found that "special circumstances" existed in the sense of Article XXVIII:4 and accordingly authority was granted to the Governments concerned.

IX. Tariff Negotiations with Brazil

At the July meeting the Chairman of the Brazil Tariff Negotiations Committee reported that, in view of the fact that the negotiations would not be completed within the time-limit for putting into effect the results of their negotiations, (14 August 1958) fixed in the Decision of 16 November 1956, the Negotiations Committee recommended that the time-limit be extended. The Committee consequently adopted a Decision (L/834) extending until 31 July 1959 the time-limit provided in paragraph 1 of the Decision.

X. Tariff of the Federation of Rhodesia and Nyasaland

The representative of Rhodesia and Nyasaland informed the Committee at the July meeting that the Federal and the Australian Governments had not been able to complete, by the time provided in the Decision of 3 December 1955, i.e. 1 July 1958, their negotiations for the adjustment of preferences provided for in their Trade Agreement of 30 June 1955. Negotiations would be continued and a report on their progress would be submitted to the Thirteenth Session. An extension of the time-limit in the Decision was therefore requested.

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Since a report would be submitted to the Session, the Committee considered that there was no urgent need to extend the time-limit in the Decision and recommended that the CONTRACTING PARTIES should take any appropriate action at their Thirteenth Session to enable the two Governments to put into effect the adjustments envisaged in the waiver.

XI. Acceptance of the Agreement pursuant to Article XXVI

At the April meeting the Committee decided to review the status of the acceptance of the General Agreement pursuant to Article XXVI. At the September meeting the Committee took note of a report by the Executive Secretary which showed that Haiti was the only government having already accepted the Agreement; Finland, Ghana and Malaya had indicated their intention to accept in the near future; the views and intentions of a number of other governments in this respect were also contained in the report. The Committee noted that the question of definitive acceptance of the Agreement would be taken up at the Thirteenth Session.

XII. Administrative questions

At the April meeting the Committee considered proposals put forward by the Executive Secretary in his confidential note of 17 April 1958 based upon recommendations formulated by the Review Board on the grading of posts. The Committee approved the recommendations and authorized the Executive Secretary to put into effect the proposed changes in the Manning Table for 1958 and in the appropriations for Established Posts (L/756 - Part II, Section 1(i)), and to draw from the Working Capital Fund the necessary funds to cover this additional expenditure estimated at \$4,450. The Committee also concurred in the proposals submitted by the Executive Secretary in document L/808 concerning increased appropriations. At the September meeting the Committee approved a proposal by the Executive Secretary concerning the regrading of two professional posts as recommended by the Review Board.

XIII. Provisional Agenda for the Thirteenth Session

The purpose of the September meeting of the Committee was, inter alia, to consider what matters were likely to arise at the Thirteenth Session, to examine the adequacy of the documentation available and to undertake any preparatory work in order to facilitate the discussions. Other than the items specifically referred to the Committee, dealt with above, the decisions of the Committee in its review of the items on the Provisional Agenda included the following:

(a) Franco-Tunisia Customs Union

The Committee observed that no proposals had been put forward for action by the CONTRACTING PARTIES and accordingly agreed that this item be removed from the Agenda for the Thirteenth Session.

(b) Trends and Developments in International Trade

In view of the fact that the Report by the Panel of Experts had raised considerable interest, both among the general public and in other international organizations in the economic field, the Committee agreed that the Report, which would be available in printed form early in October, be released to the public.

(c) Accession of Switzerland

In view of the important questions to be discussed the Executive Secretary suggested the Committee might wish to consider a recommendation to the CONTRACTING PARTIES that, at the opening of the Thirteenth Session, a Decision be adopted inviting Switzerland to participate fully in the work of the Session. Such a Decision would be in anticipation of a successful outcome of the current tariff negotiations and consequent signature of an instrument of provisional accession. [At the October meeting the Committee]

(d) Intersessional Administration of the Agreement

The Committee took note of a suggestion by the Executive Secretary which he intended to submit for the consideration of the CONTRACTING PARTIES at the Thirteenth Session. The proposals aimed at putting the CONTRACTING PARTIES in a better position to give effect to the provisions of the General Agreement, as and when the need arose, by spreading their business over four meetings annually. The Executive Secretary's proposals have been distributed in L/868.

XIV. Arrangements for the Thirteenth Session

[To be completed after the meeting on 15 October.]