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FUNCTIONS OF THE NEW ORGANIZATION

Note by the United Kingdom Delegation

As matters stand at the moment the CONTRACTING PARTIES can take whatever action they feel is necessary to facilitate the operation and further the objectives of the General Agreement. It seems to the United Kingdom Delegation that it will be important, and in line with the general aims and objectives the CONTRACTING PARTIES have so far been following, to ensure that the process of transferring the powers of the CONTRACTING PARTIES to a new organization, and of setting out the functions of that organization in its Agreement, should not result in the powers of that organization being narrower than those at present enjoyed by the CONTRACTING PARTIES.

This point seems important both

- (a) in relation to the continuation and development of activities which have already been encouraged and facilitated by the CONTRACTING PARTIES, e.g. the Samples Convention and the existing codes of standard practices, and
- (b) in relation to the encouragement and facilitation in future of intergovernmental action in other fields relating to international trade.

Having originally sponsored the Samples Convention, the CONTRACTING PARTIES (or eventually the new Organization) would appear to be the natural and appropriate body to continue to be responsible not only for encouraging the widest possible adherence to this Convention but also for sponsoring, should the need arise, a meeting of the parties to that Convention to deal with any questions of interpretation, amendment, etc. which might arise. But all these functions would necessarily involve employing the secretariat of the new Organization for functions related not to the General Agreement itself but to a separate agreement with largely, but not wholly, similar membership.

Then there are already three codes of standard practices, dealing with import licensing procedures, customs documentation and consular formalities, which the CONTRACTING PARTIES have brought into existence, and one of these, that relating to consular formalities, involves a continuing task of administration for the CONTRACTING PARTIES.

There may be other matters relating to international trade which it might in future be equally appropriate for the CONTRACTING PARTIES to deal with either by way of sponsoring a Convention similar to the Samples Convention or by sponsoring codes of standard practices. Suggestions have, for example, been made for dealing in some suitable way with certain matters relating to samples which are not already dealt with by the Samples Convention. Again, as time goes on, some of the matters now dealt with by the codes of standard practices might be found to be suitable for handling by the more formal device of an international convention.

If the United Kingdom Delegation correctly interpret the various drafts which have been proposed for defining the functions of the proposed new organization, none of these would exclude the possibility of the new Organization appointing a Working Party to draft a code of standard practices or an agreement or convention (like the Samples Convention) regarding some matter affecting international trade and recommending such code or convention to governments. But the need goes beyond this, since, as the examples quoted above show, there is generally continuing need for a body which can provide the services and facilities necessary for the administration of the code or convention, and the natural and appropriate way of providing for this would be for the Organization to make available for this purpose the services of its own secretariat in the case of agreements which came into being as a result of its own sponsorship.

It seems, therefore, to the United Kingdom Delegation that it would be illogical and retrograde if the functions of the proposed organization were not to be so drafted as to admit not only of the possibility of the Organization sponsoring agreements between governments on matters concerning international trade but also to permit of the Organization being responsible for assuming such functions in relation to these agreements as the Organization might in consultation with the parties to these agreements decide. Accordingly, the United Kingdom Delegation would suggest the addition of a clause on the following lines:-

"(b) to sponsor international negotiations and the conclusion of international agreements on matters relating to trade and to undertake such functions in relation to such agreements as may be agreed between the Organization and the parties to those agreements."

Apart from thus providing for the Organization to continue to be able to operate as the CONTRACTING PARTIES have operated hitherto in regard to matters affecting international trade which may be judged to be best dealt with by sponsoring a separate agreement, it seems to the United Kingdom Delegation that the addition would also be desirable of a further general clause designed to secure for the Organization the continuation of the powers of the CONTRACTING PARTIES not already specifically covered by other clauses. This might take the following lines:-

"(e) such other functions in relation to international trade as the Organization may from time to time decide."