

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.9/211

21 February 1955

Special Distribution

CONTRACTING PARTIES
Ninth Session

Working Party IV on Organizational Problems.

DRAFT REPORT OF SUB-GROUP IV-A ON THE CONTINUING ADMINISTRATION OF THE AGREEMENT

The Sub-Group recommends that the following paragraphs be inserted in the Working Party report:

1. The Working Party reviewed the existing arrangements for the Continuing Administration of the Agreement. In connexion with this review, it considered proposals by the Canadian and Danish delegations (W.9/179 and 171) for strengthening the present arrangements:
2. The Working Party based its review on the consideration that the general objective should be to ensure that the administration of the General Agreement should be full, effective and continuous. There was no question but that the CONTRACTING PARTIES must retain and exercise final authority on all policy matters. It was, however, recognized that, given that the CONTRACTING PARTIES do not normally meet in full session more frequently than once a year, it is essential to continue to provide for intersessional action by a smaller body acting on their behalf. In the first place, a number of specific provisions of the General Agreement (e.g. some of the consultation provisions under Article XII) might require joint action to be taken at any time, and some machinery was essential to ensure that such action could be taken intersessionally. In the second place, even in cases where no explicit provision was made in the General Agreement for action which would have to be taken intersessionally, there was a need, which had become increasingly apparent, to continue to develop the procedures of the General Agreement so as to provide a more effective forum for cooperation and consultation on matters within the scope of the Agreement. In the third place, it was recognized that the proved value of the regular (or special) sessions are enhanced, their duration lessened, and the representation at them maintained at a high level, if as much preliminary work as possible can be done beforehand so that the CONTRACTING PARTIES at the regular sessions may to a greater extent concentrate on major questions and on general issues of policy.
3. With respect to the Ad Hoc Committee on Agenda and Intersessional Business, the Working Party felt that the paramount consideration was that it should be an effective Committee. This implied, firstly that contracting parties nominated for membership should agree to provide adequate representation and in fact that it should be a condition of acceptance of membership that those contracting parties would undertake to send as representatives persons appropriately qualified. Secondly, the Committee should be prepared to convene at short notice. The Working Party noted particularly the difficulties of distant countries in making qualified representatives available within the time specified. On the other hand, acceptance of membership in the Committee implied acceptance of the responsibilities involved in such membership. The Working Party therefore considered that this point should be brought to the attention of the contracting parties concerned so that before accepting nomination to the Intersessional Committee, they could consider whether it

would in fact be possible for them to make the necessary arrangements to ensure adequate representation. One possibility would be for countries so placed to appoint representatives of suitable calibre and with knowledge of, and authority to speak on, commercial policy questions within the field of the General Agreement to one or other of the nearby European capitals, so that they could be available at short notice for meeting in Geneva.

4. There was agreement in principle with the terms of reference of the Intersessional Committee as proposed by the Canadian delegation. It was felt, however, that the existing intersessional procedures (as contained in Basic Instruments and Selected Documents, Second Supplement, pages 8 et seq.) provided for the exercise of most of the functions proposed and it was agreed, therefore, merely to amend the existing procedures where necessary in order to include them. The Annex to this document contains the changes suggested by the Working Party.

5. The Working Party felt that in view of the paragraph in the existing procedures which refers to "other matters arising before the next ordinary session which require urgent action, and for which no special arrangements have been made", it was not necessary to refer specifically, as the Canadian proposals did, to matters arising under Articles II:6(a), XIX and XXV:5(a).

6. The Working Party agreed on the need to avoid a proliferation of intersessional bodies, and considered that it would be useful to bring under the Committee matters presently within the purview of an intersessional working party. Consequently, it recommends that the Intersessional Committee take over the functions now assigned to the Intersessional Working Party on Article XVIII, and be directed to take over any matters arising from the Review Session which might require intersessional consideration; the latter could be added to the list of "matters expressly referred to the Committee by the CONTRACTING PARTIES" (viz. *ibid.*, page 9).

7. Other changes that the Working Party suggests to the existing procedures are as follows:

- (a) the adoption of the substance of the proposal by the Canadian delegation relating to "Consultations or action under Articles XII - XIV" and the inclusion of Article XV. The Working Party considered that under this heading provision should also be made for the Intersessional Committee to perform such functions as may be agreed to by the CONTRACTING PARTIES with a view to improved collaboration with the International Monetary Fund, pursuant to paragraph 1 of Article XV. A suitable provision covering this point should be inserted in the intersessional procedures in the light of the decision of the CONTRACTING PARTIES on this matter;
- (b) the insertion of a period of not less than ten days for the convocation of the Committee;

- (c) the inclusion of the paragraph suggested by the Canadian delegation concerning the provision of information by the secretariat.

8. The Working Party noted that the existing procedures entitle contracting parties who are not members of the Intersessional Committee to be represented by observers at all meetings, and provide, furthermore, that the Committee shall co-opt as full members any contracting parties claiming an interest in the matter and wishing to be represented.

9. The Working Party agreed to recommend that the name of the Committee be abbreviated to the "Intersessional Committee".

10.¹ The Working Party considered the suggestion by the Danish delegation for the appointment of qualified panels to assist in carrying out consultations under Articles XII to XIV and in the consideration of complaints under Article XXIII, as well as other commercial policy matters which are the subject of regular reports for examination by the CONTRACTING PARTIES. In the course of the discussion, the Danish representative explained that the proposal had been put forward in the interests of the CONTRACTING PARTIES as a whole and not as the point of view of one contracting party. It appeared to the Danish delegation that the interests of all contracting parties would be advanced if the procedures of the CONTRACTING PARTIES were improved. The Working Party appreciated the objectives of the Danish proposals. The majority felt, however, that it was difficult to define procedures of this kind in precise terms at this stage, and without more experience of their application in particular cases. Accordingly they suggested that the CONTRACTING PARTIES should consider applying the technique proposed by the Danish delegation, which was in some respects similar to that which had been hitherto applied successfully in a number of cases arising under Article XXIII, to matters, of the kind described in the Danish proposal, arising at the regular sessions. Furthermore, the Intersessional Committee in making recommendations to the CONTRACTING PARTIES for the handling of matters on their agenda should bear in mind the possibility of recommending the use of this technique for dealing with particular items. It also appeared to the Working Party that the CONTRACTING PARTIES might authorize the Intersessional Committee to take account of these techniques in determining the composition and working methods of subsidiary bodies which the Committee is authorized by its terms of reference to establish to deal with urgent matters arising intersessionally.

¹ Chile and Pakistan reserve their positions on this paragraph.

ANNEX

INTERSESSIONAL COMMITTEE

Changes proposed to the intersessional procedures
set forth in Basic Instruments and Selected Documents,
Second Supplement, pages 8 et seq.

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1. (c) Consultations or action under Articles XII-XV

Paragraphs 5 and 6 should be deleted and replaced by the following two paragraphs:

"5. When a matter arises under Articles XII-XV, and subject to rules established by the CONTRACTING PARTIES, the Committee shall initiate and engage in consultations under those Articles and report or make appropriate recommendations to the CONTRACTING PARTIES.

"6. Provision re collaboration with the International Monetary Fund to be inserted."

2. Insert as Sections (d) and (e) before the present Section (d), the following:

"(d) Applications under Article XVIII

"9. The Committee shall examine an application made by a contracting party under Article XVIII when the CONTRACTING PARTIES are not in session, which requires prompt attention, and make recommendations to the CONTRACTING PARTIES. Decision on the application may be taken by the CONTRACTING PARTIES, either at the next ordinary session or by postal or telegraphic ballot, or by a special session according to the recommendation of the Committee.

"(e) Applications under Article XXVIII

"10. The Committee shall examine applications submitted when the CONTRACTING PARTIES are not in Session for authority, in special circumstances, to enter into negotiations for the modification or withdrawal of concessions included in Schedules to the Agreement and shall act on behalf of the CONTRACTING PARTIES in performing the functions prescribed in any procedures and conditions established by them. The Committee shall also make any required determinations under the arrangements made by the Executive Secretary in document L/322 for the conduct of negotiations undertaken prior to 1 July 1955 under the provisions of Article XXVIII.

3. Present Section (d) would become Section "(f) - Other urgent intersessional business".

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General Procedures

1. Paragraph 10 should read as follows:

"10. The Committee meets in Geneva on the call of the Executive Secretary. Notice of the convening of meetings shall be given to contracting parties at least ten days in advance of the meeting. Contracting parties not members of the Committee or of an intersessional working party are entitled, in accordance with the practice of the CONTRACTING PARTIES, to be represented by observers at meetings of the Committee or of a working party."

2. Add the following new paragraph after the present paragraph 14:

"15. The Committee may instruct the secretariat as necessary to provide or obtain from contracting parties information required by the CONTRACTING PARTIES in the consideration of items on the agenda of their sessions or necessary for the carrying out of the functions of the Intersessional Committee.

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Delete Section II.