

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/W/81

29 October 1964

Limited Distribution

COUNCIL

28-30 October 1964

LEGAL AND INSTITUTIONAL FRAMEWORK OF THE GATT

Draft Conclusions by Council

1. The Council has reviewed the provisions in the Draft Chapter annexed to the report of the Legal and Institutional Committee and notes that on certain points agreement has not yet been reached. The Council recommends that the CONTRACTING PARTIES should endeavour to find solutions to these problems before the plenary discussion of this matter begins in the Special Session. It, therefore, agrees that a Conciliation Group should meet on 16 and 17 November to seek solutions and report to the CONTRACTING PARTIES.

The Council took note of the recommendation in paragraph 16 of the report of the Legal and Institutional Framework Committee that a Legal Drafting Group should be set up composed of legal experts from members of the Committee which can make such experts available. The Council approves the setting up of a Legal Drafting Group which should report to the CONTRACTING PARTIES at their Special Session. The Council approved the following terms of reference for the Group:

- (i) to remove any legal drafting imperfections in the new Chapter;
- (ii) to ensure conformity between the texts in the two official languages;
- (iii) to make a recommendation on the most appropriate means for incorporating the Chapter in the General Agreement;
- (iv) to draw up the protocol of amendment.

2. The Council also considered those sections of the report of the Legal and Institutional Committee relating to the matters on which the Committee had not completed its study (paragraphs 8-11 of L/2281). The Council reached the following conclusions.

(a) Amendment of Article XVIII

The Council considered the request of the Legal and Institutional Committee that appropriate arrangements be made for examining proposals (including the Australian proposal - L/2165) for the amendment of Article XVIII and agreed that such proposals should be referred to the Legal and Institutional Committee for examination and that this Committee should report with appropriate recommendations to the Council.

(b) Amendment of Article XXIII

The Council considered a recommendation from the Legal and Institutional Committee that a Working Party should be established to review in the light of experience the operation of Article XXIII, taking into consideration the proposal by Brazil and Uruguay (L/2195/Rev.1, Annex 4) and any other proposals that might be put forward by contracting parties. The Council has examined this request and recommends that the Legal and Institutional Committee should undertake this task and should report with appropriate recommendations to the Council.

3. Establishment of Committee on Trade and Development

The Council considered the recommendation in paragraph 14 of the report of the Legal and Institutional Committee concerning the setting up of a Committee on Trade and Development. The Council thought it was highly appropriate that an adequate permanent institutional framework should be established for the effective supervision of the Chapter on Trade and Development, and recommends to the CONTRACTING PARTIES that such a Committee be established by formal resolution of the CONTRACTING PARTIES. The Council further recommends to the CONTRACTING PARTIES that the Committee on Trade and Development be given the following terms of reference:

1. to keep under continuous review the application of the provisions of the Chapter on Trade and Development;

2. to carry out, or arrange for, any consultations which may be required in the application of the provisions of the Chapter;
3. to formulate proposals for consideration by the CONTRACTING PARTIES in connexion with any matter relating to the furtherance of the provisions of the Chapter;
4. to consider any questions which may arise as to the eligibility of a contracting party to be considered as a less-developed contracting party in the sense of this Chapter and to report to the CONTRACTING PARTIES;
5. to carry out such additional functions as may be assigned to the Committee by the CONTRACTING PARTIES.

The Council noted a suggestion that in view of the importance of the Committee on Trade and Development, reference to it should be made in the Chapter itself. Some members of the Council drew attention to difficulties which might arise if this action were taken, but it was agreed that the Legal Drafting Group should look into the possibility of including in the Draft Chapter appropriate reference to the machinery required for pursuing the work of the CONTRACTING PARTIES as provided in the Chapter.