

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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REVIEW OF ARRANGEMENTS FOR CONTINUING ADMINISTRATION OF THE AGREEMENT

Note by the Chairman

1. At the Sixth Session, the CONTRACTING PARTIES, acting on the recommendations of a Working Party on the Continuing Administration of the Agreement (GATT/CP.6/41), adopted a number of proposals for dealing with matters requiring urgent action between sessions and certain preparatory work which would facilitate and expedite the work of the Seventh Session.
2. The CONTRACTING PARTIES established an Ad Hoc Committee for Agenda and Intersessional Business, the constitution and functions of which are fully set out in the Working Party report referred to above. This Committee has held four meetings. The proceedings are recorded in summary records IC/SR.1-5 and in the report of the Committee to the CONTRACTING PARTIES on the Order of Business of the Seventh Session.
3. The last two meetings were concerned with the examination of the Agenda for the Seventh Session. It is somewhat difficult to form a judgment as to how far these meetings contributed to the shortening of the Seventh Session. It appears likely, however, that the present Session, which has had a very extensive and complicated Agenda, will be completed in five weeks. This compares favourably with the experience of previous sessions. It seems, therefore, reasonable to conclude that the meetings of the Intersessional Committee prior to the Session and the opportunity thus afforded for a representative group of contracting parties to have some preliminary discussion of the matters submitted for the Agenda, were a contributory factor in the relatively expeditious handling of the business of the Session. It is more doubtful whether the existence of the Committee had any effect on the volume or quality of the documentation presented by contracting parties; on the other hand the fact that documentation was required for examination by an Agenda Committee some weeks in advance of the Session, had some effect in encouraging the preparation and submission of documents in good time. In this matter, however, there is still room for improvement.
4. The earlier meetings were occasioned by problems arising from the modification of import restrictions due to the deterioration of the balance of payments of certain contracting parties. For various reasons the Committee was not able to act on these matters very effectively. The principal difficulty arose from the absence of information which would enable the Committee to make the necessary judgments. Moreover, there was evident in the Committee's discussions, a considerable reluctance on the

part of some members to enter into discussions of the interpretation of the relevant provisions of the General Agreement, which these members felt could only be dealt with by the **CONTRACTING PARTIES** themselves. If the **CONTRACTING PARTIES** should decide to re-appoint the Ad Hoc Committee, it might well be desirable to instruct it on this point since almost any question arising under the Agreement involves questions of interpretation of varying degrees of importance. It might well be, for example, that it would be desirable for the Committee to examine the issues involved so that the ultimate determinations by the **CONTRACTING PARTIES** would be facilitated and shortened.

5. Apart from these balance-of-payment questions, there were in fact no other major problems which arose in the intersessional period which could either not have been held over until the Seventh Session, or dealt with by other administrative methods. It should be noted, however, that the Committee fulfilled a useful rôle in giving instructions to the secretariat on preparatory work for consideration of the waiver required by the members of the European Coal and Steel Community.

6. On balance my view is that the **CONTRACTING PARTIES** were wise in making plans for dealing with urgent matters arising between the Sixth and Seventh Sessions, and that a strong case exists for the re-appointment of the Committee to act between the Seventh and Eighth Sessions. It is clear from the experience of the present Session that certain matters will arise for intersessional discussion, e.g. the question of the accession of Japan, and that other questions are likely to arise.

7. It should be recorded that representation at the Committee was uneven. A number of members found it impossible to send representatives to some of the meetings, and in other cases were only able to send representatives who were not familiar with the operation of the General Agreement. It is clear that if the Committee is to operate effectively, and also to retain the representative character which its composition is intended to achieve, an improvement should be effected in this direction. It is fully understood that some contracting parties, particularly those situated at a great distance from Europe, experience difficulty in arranging representation at meetings. On the other hand, the system of rotation of membership alleviates the burden of membership of the Committee, and in these circumstances the **CONTRACTING PARTIES** might well feel that the acceptance of membership should connote willingness to provide effective representation.

8. The Executive Secretary reports that the recommendations adopted by the **CONTRACTING PARTIES** have resulted in an improvement in liaison between the secretariat and some of the contracting parties with whom in the past there had been some difficulty in establishing effective communication.

9. The arrangements made by contracting parties were as follows:

- (a) Some appointed Liaison Officers in near-at-hand capitals. This is the case for example with South Africa, Burma, Ceylon, Haiti, India, Liberia, Pakistan, Southern Rhodesia, United States and the Dominican Republic.
- (b) Others, for example, Australia, Cuba and Greece have appointed Liaison Officers resident in Geneva.
- (c) A number of contracting parties have not taken any action upon the recommendation of the CONTRACTING PARTIES.

10. In some of these cases no such action was necessary in that liaison with the secretariat was already satisfactory. In other cases, however, difficulties of effective communication continue, and it is hoped by myself and the Executive Secretary, that countries with whom there is no satisfactory liaison, will give further consideration to the recommendations of the CONTRACTING PARTIES, and the Executive Secretary would welcome discussions with the delegates of the contracting parties concerned.

11. On the basis of the foregoing report I would venture to put forward the following suggestions for consideration by the contracting parties:

- (a) That an Intersessional Committee be appointed to serve in the interval between the Seventh and Eighth Sessions.
- (b) That the Committee be instructed that although it would not be expected to resolve important questions of interpretation involved in matters brought before it, the Committee should nevertheless examine such problems of interpretation, and draw up such detailed reports as would facilitate the subsequent discussion of the matter in the CONTRACTING PARTIES.
- (c) Where it appears to the Intersessional Committee in its examination of matters submitted for the Agenda of the CONTRACTING PARTIES, that some preparatory work by the Committee would facilitate and expedite the discussion of the matter by the CONTRACTING PARTIES, the Committee should undertake such preparatory work or give appropriate instructions to the secretariat.
- (d) That the powers of the Intersessional Committee to set up working parties should be extended so that the Committee would be empowered to establish and convene in advance of the Eighth Session, working parties on matters of a complex technical character, e.g. a working party such as that established at the present Session to examine the report on the recommendations of the International Chamber of Commerce.

- (e) That contracting parties which agree to accept membership of the Intersessional Committee, should agree to make available for its meetings, representatives familiar with the operation and subject matter of the General Agreement.
- (f) That where satisfactory arrangements for liaison with the secretariat have not yet been made, the countries concerned should take the necessary steps to establish such arrangements.