

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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COUNCIL

24 - 31 May 1962

MINUTES OF MEETING

Held at the Palais des Nations, Geneva,
from 24 - 31 May 1962

Chairman: Mr. J. LACARTE (Uruguay)

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1. Adoption of agenda (C/22)

The provisional agenda (C/22) was adopted with the addition of the following items: (i) Italian import restrictions affecting Israeli exports, (ii) United States tariff simplification, (iii) Contributions to the Working Capital Fund, (iv) General Service Salary Scales.

2. Membership of Council

The Chairman welcomed Portugal as a member of the Council.

3. Programme for expansion of trade

(a) Customs tariffs

It was agreed to convene the Working Party on Tariff Reduction for the fortnight beginning 24 September.

(b) Trade in agricultural products

At the February meeting the Council took note of the summary of the discussions at the first meeting of the Group on Cereals as contained in document L/1728. It had been agreed during that meeting that the Group might meet again at the end of March, if, after consultation with delegates, the Chairman of the Group considered that there existed at that time a reasonable basis for continuing the discussions.

The Executive Secretary, who had presided as Chairman of the Group, said that after holding an informal consultation with members of the Group he reached the conclusion that it would be premature to hold another meeting at the end of March. The consultation showed, however, that there was a general desire to hold the next meeting of the Group as soon as possible, but it was also generally accepted by the members of the Group that before a further meeting could usefully take place it would be necessary to be in possession of new elements which would provide the basis for a successful resumption of the work of the Group. The Executive Secretary said he would continue to consult members of the Group in order to reconvene the Group at the appropriate time.

At the February meeting the Council agreed to set up a Group on Meat with terms of reference as set out by Ministers in their recommendations in respect of trade in agricultural products. It was also agreed that the Executive Secretary should be Chairman of the Group and, in consultation with the members, should decide when the first meeting of the Group should be held.

The Executive Secretary said that he had carried out consultations with members of the Group during the month of April and had found that agreement existed on a certain number of points. It was agreed that a meeting of the Group attended by high-level officials should be convened only when the necessary elements were present for dealing effectively with the main problems confronting international trade in meat. Further, that it was desirable to hold a preparatory meeting which would afford an opportunity for members of the Group, on the basis of a secretariat document, to define more specifically the main elements of international meat trade problems and, if they so wished, to put forward specific ideas and suggestions for meeting such problems which would form the basis for a subsequent high-level meeting of the Group to be held at an appropriate time. The preparatory meeting had taken place on 21-23 May. At that meeting the Group had a discussion on the factual situation in international trade in meat of cattle and sheep, on the basis of a secretariat document (L/1772). The Group made a careful study of this paper and agreed on a number of amendments designed to highlight the principal problems affecting trade in meat products. It was considered desirable that governments should have a full opportunity to reflect on the situation as described in the paper and it was agreed that the paper in its revised form should be circulated to governments for further study and comment. In conclusion the Executive Secretary said that he would take account of any ideas and suggestions communicated by the governments and would continue to consult members of the Group in order to reconvene the Group at an appropriate time when sufficient elements were available for constructive action to be taken. It would be helpful if governments, reflecting on the situation stated in the paper, would put forward practical ideas or suggestions to form the basis for a discussion by a group of high-level officials.

The representative for Uruguay said that during the meeting of the Group on Meat his delegation took the view that any initial discussions should not exclude the possibility of exploring on a preliminary basis the fruitfulness of specific suggestions designed to solve the problems involved. The suggestions made by Minister Baumgartner of France during the ministerial meeting as well as the five points put forward by the United States representative in the Cereals Group, for example, could have been equally applied to the trade in meat. It was likely that other delegations had not supported the position taken by Uruguay in this matter because of uncertainties regarding policies of the EEC and the possible association of the United Kingdom with the Six. Countries like Uruguay depend a great deal on the cold storage trade, and these uncertainties did not conduce to a rational production of meat. However, he hoped that the next meeting of the Meat Group would be convened at a high level of representation and his delegation was ready to play its part whenever it was considered opportune to convene such a meeting.

The Council took note of the reports by the Executive Secretary, in his capacity as Chairman of the Cereals and Meat Groups, on the action taken since the last meeting of the Council.

(c) Trade of less-developed countries (L/1768 and Corr.1)

Committee III met in the first week of May and submitted the report in document L/1768 and Corr.1.

The representative for Australia, presenting the report on behalf of the Chairman of Committee III, said that in accordance with its work-programme (L/1732 and Corr.1) the Committee had devoted its attention to the various types of trade barriers - quantitative import restrictions, customs tariffs, revenue duties and internal taxes and other non-tariff barriers - and the report contained the views and suggestions of the Committee on each of these subjects. With regard to the trade barriers affecting the export of tropical products, it would be recalled that the Council had approved the appointment of a Special Group on Trade in Tropical Products.

Several representatives said it was gratifying to see that some progress had been made in removing some of the difficulties confronting the exports of less-developed countries; in this connexion mention was made of action taken by the United Kingdom and of action envisaged by Italy in reducing certain charges on coffee and cocoa products. On the other hand, they regretted that progress had not been more substantial. Representatives of some industrial countries assured the Council that their governments would continue to explore ways and means of contributing to the solution of the difficulties brought out in the Committee's report.

The Council took note of the report of Committee III, contained in document L/1768 and Corr.1, and agreed to recommend its adoption by the CONTRACTING PARTIES.

The Council noted that the Special Group on Trade in Tropical Products would meet during the week of 4 June and that Committee III would meet again before the twentieth session.

4. Balance-of-Payments Import Restrictions

(a) Reports on consultations

The Chairman of the Committee on Balance-of-Payments Restrictions presented reports on consultations carried out with Brazil (L/1777), Ghana (L/1778), Greece (L/1776) and Israel (L/1775). He said the Committee had been gratified to note that, with the exception of Ghana which had imposed import restrictions in December 1961 to arrest a serious decline in its foreign exchange reserves, progress had been made towards import liberalization by the consulting countries since their last consultations with the Committee.

The Council took note of these four reports and agreed to recommend their adoption by the CONTRACTING PARTIES. The Chairman expressed his thanks to the mission of the IMF for their valuable assistance in carrying out these consultations.

The Chairman of the Committee informed the Council that a consultation with Pakistan had just been completed, but that the report would not be available before the close of the present meeting of the Council. It was agreed that the report on the consultation with Pakistan should be submitted to the CONTRACTING PARTIES at the twentieth session.

(b) Chilean restrictions (L/1755)

In April the CONTRACTING PARTIES were informed by the Government of Chile that new restrictive measures had been imposed on imports in order to safeguard the external financial position (L/1755), and this matter had been placed on the agenda in accordance with the existing procedures.

The representative of Chile described the current economic difficulties and explained the measures which had been taken, and stated that the Government of Chile was prepared to consult with the CONTRACTING PARTIES concerning these measures in accordance with Article XII:4(b) (unrevised). (The full text of the statement by the representative of Chile will be distributed in document BOP/9).

The Council agreed that Chile should be invited to consult under Article XII:4(b) (unrevised) and that the Committee on Balance-of-Payments Restrictions should carry out the consultation at a time to be arranged by the Executive Secretary in consultation with the Government of Chile, the Chairman of the Committee and the International Monetary Fund.

5. Residual import restrictions (L/1774 and L/1769)

The Panel of Experts on Residual Import Restrictions, which had submitted an interim report at the February meeting of the Council, held a further meeting in May and a second report was submitted in document L/1774.

Mr. Conron (Australia), a member of the Panel, presenting the report on behalf of its Chairman, drew attention to the principal points in the report: Part I contained a general stock-taking of the notifications communicated pursuant to paragraph 7 of the Procedures adopted at the seventeenth session while Part II contained notes on the position of individual contracting parties. All the lists of restrictions examined by the Panel were reproduced in document L/1769. In presenting this report the Panel considered that it had completed its mandate.

Recalling that the CONTRACTING PARTIES had instructed the Council at the seventeenth session to review the Procedures for dealing with residual restrictions, which had been adopted as "an arrangement of an interim character" and that at the nineteenth session it had been agreed that this review should be held in 1962, several members of the Council proposed that a working party be appointed to assist the Council in carrying out this mandate. The representative of the United States suggested that the working party be given the following terms of reference:

"Taking account of the reports of the Panel of Experts on the notifications of import restrictions which are applied contrary to the provisions of the General Agreement and for which the authorization of the CONTRACTING PARTIES has not been obtained to consider the adequacy of the procedures agreed on the CONTRACTING PARTIES at their seventeenth session as set out in their Decision of 16 November 1960 and to make recommendations thereon to the Council in time for the Council to report to the CONTRACTING PARTIES at the twentieth session."

The representative of France, speaking on behalf of the member States of the European Economic Community, questioned the need for a working party at this stage. Before agreeing to a working party, the member States would wish to know in what way the Procedures adopted in 1960 were considered to be inadequate and what modifications were proposed; in their opinion the Procedures had operated satisfactorily.

In the course of the discussion the representative of France enquired whether procedures adopted by the CONTRACTING PARTIES were binding upon individual governments. In reply the Executive Secretary said that the establishment of a new procedure which went beyond the provisions of Articles XXII and XXIII would, in his opinion, constitute in effect an amendment to the General Agreement even though it was not achieved through the provisions of Article XXX. Although Article XXV entitled the CONTRACTING PARTIES to take collective action for furthering the objectives of the GATT, any decision under that Article which had the result of imposing new obligations on the contracting parties should be arrived at by agreement. He thought it would be imprudent for the CONTRACTING PARTIES to impose such a decision upon a government which dissented from it.

After discussion it was agreed to defer further consideration of the review of the Procedures for dealing with residual restrictions until the next meeting of the Council on 22 October 1962. It was also agreed that the Council should on that occasion discuss the substance of the matter in order to provide the material on which a working party, if necessary, could work. Such a working party could meet in the first week of the twentieth session. The representatives of the United States and Canada made it clear that they expected a working party would be needed to assist the Council in conducting the review requested by the CONTRACTING PARTIES. The representative of the EEC in agreeing to the deferment of the matter until the next Council meeting did not wish to exclude the possibility that the Council could itself deal with the matter without setting up a working party. If, however, this should prove not to be the case and there should be suggestions and proposals which required detailed examination, the EEC would not be opposed to the appointment of a working party for this purpose.

It was further agreed that the Executive Secretary would submit a report to the Council on the experience gained thus far under the Procedures in question.

6. German import restrictions

This item was included in the agenda at the request of the United States delegation. The representative of the United States recalled that the Working Party of the nineteenth session, which examined the third annual report by the Government of the Federal Republic of Germany under the Decision of 30 May 1959, had noted that the waiver would expire towards the end of 1962 and that some members of the Working Party had suggested that the Council might include on its agenda for this meeting the question arising from the expiration of the waiver Decision with a view to having a preliminary discussion of such plans as the Federal Republic might be in a position to submit. It had been observed from the materials submitted by the Federal

Republic at the nineteenth session that some of the restrictions might not be removed by the date of expiration of the waiver, and it was appropriate that the Federal Republic should now inform the Council of its intentions regarding the removal of these restrictions. The United States Government would have serious concern over the maintenance of the restrictions beyond the expiry date of the waiver. Several other representatives also expressed concern that more progress had not been made by the Federal Republic in removing the restrictions.

The representative of the Federal Republic of Germany stated that his Government would present a report to the twentieth session as required by the waiver. The restrictions contained in Annex C would be removed within the time limit provided for. As for the remaining restrictions, it was not possible to forecast the decision of his Government, since these restrictions were now being considered in connexion with the Common Agricultural Policy of the EEC. He would, however, inform his Government of the views expressed by Council members.

The Council noted that the Federal Republic of Germany would submit a report under the Decision of 30 May 1959 and would consult with the CONTRACTING PARTIES at the twentieth session.

7. Italian import restrictions affecting Israeli exports (L/1786)

The representative for Italy informed the Council that, in accordance with the undertakings given by the Italian delegation at the consultations held during the nineteenth session, and as announced in the report submitted by his Government (L/1786), Italy had recently taken measures liberalizing the importation of certain products from Israel. For some of the products not benefiting from these measures, the Italian Government proposed to establish quotas. It was understood that Israel was not entirely satisfied, and in that case the Italian Government would be willing to consult through diplomatic channels with Israel.

The representative for Israel regretted that greater progress in liberalizing the imports of Israeli products had not been achieved, and expressed the hope that the Italian Government would soon find it possible to abolish completely all restrictions on the imports of Israeli products. Israel was ready to engage in further consultations with Italy.

The Council noted that consultations between Italy and Israel regarding restrictions still maintained by Italy were continuing. The Chairman expressed the hope that a settlement would be reached so that the question need not be brought before the CONTRACTING PARTIES at the twentieth session.

8. European Economic Community

(a) Association of Greece

It was agreed that the Working Party, which had been established at the nineteenth session to examine the Agreement of Association, should meet during the week beginning 10 September.

(b) Common agricultural policy

At the February meeting of the Council the representative of the European Economic Community advised that the Community had agreed on the general outline of its common agricultural policy and that the final text of the decisions taken would be made available to the CONTRACTING PARTIES. The texts were distributed in document L/1771.

The Chairman invited members of the Council to address themselves to the question of the procedure to be followed for the examination of the substance of the Community's decisions. In summing up the discussion which followed, the Chairman said that the European Economic Community had now furnished information on the establishment of the common agricultural policy thus supplementing the information previously submitted concerning the implementation of the Rome Treaty and the developments leading toward the formation of the customs union. The provision of this information by the Community was also in accord with that part of the Decision taken by the CONTRACTING PARTIES in implementing the Ministerial Conclusions under which contracting parties were invited to notify any substantial changes in their agricultural policies.

The discussion had shown that members of Council recognized that the most immediate issue before them was how the common agricultural policy might be expected to affect trade in agricultural products. Several representatives had indeed referred to the Decision of the CONTRACTING PARTIES at the nineteenth session when in implementing the Conclusions of the Ministers the CONTRACTING PARTIES decided as follows:

"that contracting parties be invited to notify any substantial changes in their agricultural policies so that the information assembled from past Committee II consultations can be kept up to date and, further, that Committee II be authorized to consider, when so requested, the carrying out of consultations with particular contracting parties".

It would be recalled that in reaching this Decision the CONTRACTING PARTIES had had very much in mind the formulation and adoption of procedures designed to facilitate discussion of access to markets and expansion of trade in agricultural products.

It seemed most appropriate therefore to follow this Decision of the CONTRACTING PARTIES and to accept the suggestion that had been made that Committee II should be requested to carry out a consultation with the European Economic Community, examining during such consultation the changes in the agricultural policy of the member countries of the Community. As had been clearly brought out in the discussion, the adoption of this procedure would in no way prejudice the rights or possibilities of any contracting party to revert to the application of Article XXIV or of any other relevant Article of the General Agreement to the Treaty of Rome. These rights had been and remained clearly reserved under the standstill Decision reached at the thirteenth session of the CONTRACTING PARTIES.

The procedures proposed by the Chairman were agreed and it was decided that Committee II should meet for the two weeks preceding the twentieth session, to continue, if necessary, after the opening of the session to enable it to report to the CONTRACTING PARTIES before the close of the session. Meanwhile, any additional information obtained by the secretariat will be made available to contracting parties.

9. Central American Free Trade Area (L/1706, L/1770 and L/1782)

The text of the Treaty Concerning Preferential Exchanges and Free Trade between the Republics of Panama, Nicaragua and Costa Rica was distributed in document L/1706. The text was accompanied by a statement by the Government of Nicaragua including a request concerning the treatment of this matter by the CONTRACTING PARTIES. This question was on the agenda for the Council at its meeting in February but it was considered advisable to postpone discussion until a representative of Nicaragua could be present. Meanwhile, the Executive Secretary, as requested, had analyzed the legal and economic questions arising in connexion with the Treaty (document L/1770) and a further communication from the Government of Nicaragua had been received (L/1782).

The representative of Nicaragua recalled that the participation of Nicaragua in the General Treaty for Central American Integration was the subject of a Decision by the CONTRACTING PARTIES on 13 November 1956. This Treaty had been ratified by Nicaragua, Guatemala, El Salvador and Honduras, and on 4 June 1962 it would enter into its second year of operation leading to a further reduction of customs tariffs between the four countries. Costa Rica had not yet ratified the Treaty, but had informed the other four countries of its desire to commence negotiations leading to its ratification. As was pointed out in document L/1706, Nicaragua, Costa Rica and Panama signed on 2 August 1961 a Treaty Concerning Preferential Exchanges and Free Trade. This Treaty had been ratified by Nicaragua and Panama, but no decision had yet been taken by Costa Rica on the matter. The schedules referred to in Articles 2 and 5 of the Treaty had not yet been drafted; there were no plans as yet for the completion of the free trade area arrangements and any plan that might be drawn up at this stage could have only a theoretical character. If in the absence of the schedules and an integration plan the Council could not decide upon a recommendation to the CONTRACTING PARTIES, his Government would not object to having the matter deferred for the time being.

The representative of the United States said that his Government favoured the integration of Central America and was happy to hear of the progress so far achieved. However, his Government was of the opinion that the cause of Central American integration would be better served by the participation of Panama in the General Treaty for Integration rather than in the Treaty Concerning Preferential Exchanges. In order that participation in an integration movement should carry full benefits, he felt that any arrangements should comply substantially with the rather carefully-drawn provisions of Article XXIV. When the time came for an examination by the CONTRACTING PARTIES of the Treaty Concerning Preferential Exchanges, the Treaty should be examined under the provisions of Article XXIV.

The Council agreed that the question should be deferred for the time being, to be taken up by the Council or by the CONTRACTING PARTIES when sufficient information, particularly regarding the schedules of products to be subject to the terms of the Treaty, was available.

10. Relations with Poland (L/1785)

The Council appointed Mr. J. Kaufmann (Netherlands) as Chairman of the Working Party on Relations with Poland, which was to conduct the first annual review under the Declaration of 9 November 1959. The Working Party met during the period of the Council meeting and submitted its report in document L/1785.

In presenting the report to the Council Mr. Kaufmann said that the review had provided an opportunity for a full exchange of views, contributing to a better mutual understanding of the current situation.

The Council took note of the report and agreed to recommend its adoption by the CONTRACTING PARTIES at the twentieth session.

11. Relations with Yugoslavia

This item appeared on the agenda of the Council in view of the request by the CONTRACTING PARTIES that arrangements should be made in advance of the twentieth session for the third annual review under the Declaration of 25 May 1959 on relations between contracting parties and Yugoslavia. During this third review contracting parties are to consider "whether the arrangement shall be terminated, modified or continued". The Executive Secretary had distributed a note in document C/1/40 on proposed procedures and arrangements for the review - suggestions as to its scope and a proposal for some preparatory work to be done by the secretariat.

The representative for Yugoslavia made a statement on recent changes in Yugoslavia's commercial policy and on the current trade situation. (The full text will be distributed in document L/1800).

The Council agreed to reappoint the working party which had carried out the second review at the nineteenth session, as follows:

Chairman: Mr. N.V. SKAK NIELSEN (Denmark)

Members:

Australia	Finland	Israel	Sweden
Austria	France	Italy	Turkey
Brazil	Greece	Japan	United Kingdom
Canada	India	Netherlands	United States
Czechoslovakia	Indonesia	New Zealand	Yugoslavia

The Working Party was given the following terms of reference:

"To conduct the third annual review under Section C of the Declaration of 25 May 1959, on relations between contracting parties and Yugoslavia, including consideration, pursuant to paragraph 3 of Section D of the Declaration, as to whether the arrangements should be terminated, modified or continued, and to report with recommendations to the CONTRACTING PARTIES at the twentieth session."

12. Television programmes (L/1741)

The Working Party which was established at the nineteenth session to examine the question of the application of the GATT to international trade in television programmes issued a report in document L/1741.

The Chairman of the Working Party reported that it had not been possible to reach a final conclusion and that the Working Party wished to hold another meeting.

The Council took note of the report and agreed that the Working Party should meet again during the twentieth session.

13. Consular formalities (L/1743)

The Panel of Experts, which was established to make a survey of existing consular formalities and to recommend ways and means of ensuring their simplification and elimination, held a meeting in March and submitted a report in document L/1743.

A member of the Panel, in presenting the report, said that, since the CONTRACTING PARTIES adopted the Recommendation in 1952 to abolish consular formalities, many important trading nations which had previously maintained consular formalities had suppressed these requirements and at present there were only eight contracting parties which normally require consular action prior to the importation of goods; a few countries also maintain special requirements not mentioned in Annex A of the report. He expressed regret that none of the countries regularly applying consular formalities had found it possible to nominate an expert to serve on the Panel.

Some representatives regretted that they were unable to support the recommendations contained in the report. The representative of Chile said that, owing to difficulties experienced by his country after elimination of customs formalities, his Government would be keeping the matter under review. The representative of Brazil said that his Government had found it necessary to retain for the time being certain forms of consular formalities to protect the interests of exporters; he would, however, convey the views of the Council to his Government. The representative of Indonesia stated that his delegation intended to make a full report on the reasons why consular formalities were maintained by his Government on goods imported from Singapore. The representative of Cuba, referring to paragraph 11 of the report, drew attention to the fact that the Decree abolishing consular formalities (L/1704) cited the Recommendation of the CONTRACTING PARTIES as one of the motives for the reform.

Having noted the reservations made by some delegations, the Council agreed to recommend to the CONTRACTING PARTIES the adoption of the report prepared by the Panel of Experts including the Recommendations set out in paragraphs 21 and 22. With reference to the reports requested from certain governments in paragraph 22, it was agreed to bring to the attention of the CONTRACTING PARTIES the desirability of providing some machinery whereby these governments could have the benefit of discussions with the Experts concerning the difficulties encountered in eliminating the remaining consular formalities.

14. United Kingdom waivers (L/1749)

At its February meeting, the Council appointed a Panel to examine a question referred to it by the CONTRACTING PARTIES. The Chairman of the Council, who had presided at meetings of the Panel, presented the report (L/1749).

The Council took note of the Panel's report.

15. Australian special treatment for products of Papua/New Guinea (L/1750)

The eighth annual report by the Government of Australia under the Decision of 24 October 1953 (document L/1750) recorded that no new measures had been taken.

The Council took note of the report.

16. United States tariff simplification (C/W/46)

The representative of the United States presented his Government's request for authority under paragraph 4 of Article XXVIII to enter into negotiations for the modification of concessions following upon the acceptance by the United States Congress of the Tariff Simplification Act. The circumstances and the Government's proposals were described in a statement distributed to Council members in document C/W/46.

The Council found that there were "special circumstances" in the sense of paragraph 4 of Article XXVIII and agreed to grant the authority requested.

The Chairman said that any contracting party which considered that it had "a principal supplying interest" or "substantial interest" as provided in paragraph 1 of Article XXVIII, should communicate such claim in writing and without delay to the Government of the United States and at the same time inform the Executive Secretary. Any such claim recognized by the Government of the United States would be deemed to be a determination by the CONTRACTING PARTIES within the terms of paragraph 1 of Article XXVIII.

The Council took note of the statement by the United States representative that if it appears that the negotiations will not have been concluded by the end of the year, his Government may request the CONTRACTING PARTIES at the twentieth session to grant a waiver to allow the implementation on 1 January 1963 of the changes made in the tariff as they affect bound items.

17. Accession of Cambodia

Members of Council were asked to remind their governments that voting on the accession of Cambodia must be completed before 5 June 1962 and that an abstention would constitute in effect a negative vote since the adoption of the decision required favourable votes from two thirds of the contracting parties.

18. Accession of the United Arab Republic (L/1759)

The Government of the United Arab Republic had informed the Executive Secretary of its desire to discuss the terms of which it might accede to the GATT under Article XXXIII (L/1759).

The text of a statement by the representative of the United Arab Republic presenting his Government's request to the Council, has been distributed in document L/1784.

Members of Council welcomed the application of the United Arab Republic for membership in the GATT and it was agreed to establish a Working Party, under the chairmanship of Mr. E. Treu (Austria), with the following terms of reference:

"To examine the request of the Government of the United Arab Republic to accede to the General Agreement pursuant to Article XXXIII and to make recommendations to the CONTRACTING PARTIES at the twentieth session."

Contracting parties wishing to serve as members of the Working Party were requested to inform the Executive Secretary not later than 31 July. The Working Party will meet prior to the twentieth session and meanwhile the United Arab Republic will submit a memorandum on all important aspects of its commercial policy. This memorandum will be distributed and contracting parties will then have an opportunity to ask questions and make requests for supplementary information through the secretariat.

19. Participation of Spain in the work of the CONTRACTING PARTIES

At the sixteenth session the CONTRACTING PARTIES made arrangements for Spain to enter into tariff negotiations with a view to accession under Article XXXIII and, at the same time, by the Decision of 4 June 1960, Spain was invited to participate in the work of the CONTRACTING PARTIES. This Decision continues in effect until Spain's accession or until 30 June 1962, whichever is the earlier

The representative for Spain informed the Council that the negotiations initiated during the 1960-61 Tariff Conference had not yet been concluded and that the Spanish Government would appreciate an extension of the Decision of 4 June 1960.

The Council agreed to recommend an extension until accession takes place or until the end of the twentieth session of the Decision of 4 June 1960 inviting Spain to participate in the work of the CONTRACTING PARTIES. The text¹ of a decision was approved for submission to a vote by contracting parties.

20. Application of Article XXXV to Japan

In 1961 the CONTRACTING PARTIES reviewed the operation of Article XXXV in the case of Japan and it was agreed that the matter would be retained on the agenda. The Council was instructed to follow developments in the light of any reports made by countries concerned.

The representative of Japan said that it was gratifying to note that the conclusions of the last ministerial meeting and the Decisions of the CONTRACTING PARTIES at the nineteenth session had yielded concrete and fruitful results. Since then, Cuba, Ghana, New Zealand and Tunisia had decided to normalize their GATT relations towards Japan by disinvoking Article XXXV. Japan was engaged in, or intended to enter into, negotiations with a number of other countries and hoped that they would very soon find it possible to disinvoke Article XXXV.

¹Before the close of the Council's meeting the adoption of the Decision was announced, the representatives of a majority of the contracting parties having cast votes in favour of the Decision on behalf of their governments (L/1769).

The Council noted that fourteen contracting parties were still applying Article XXXV to Japan and that the question of the review was retained on the agenda of the CONTRACTING PARTIES.

21. Administrative and financial questions

(a) Final 1961 budget position (L/1756)

The Council approved the proposal in document L/1756 regarding the transfer of savings between sections of the budget.

(b) Salaries of ungraded posts

The Council approved the following increases in the salaries of ungraded posts: for the Executive Secretary - \$20,460 and for the Deputy Executive Secretary - \$17,700, exclusive of allowances.

(c) Appointment of Committee on Budget, Finance and Administration

The Council appointed a Committee on Budget, Finance and Administration with the following composition and terms of reference:

Chairman: Dr. L.D. THOMSON (Australia)

Membership:

Belgium	Federal Republic of Germany	Peru
Brazil	Ghana	Switzerland
Canada	Japan	United Kingdom
Czechoslovakia	Pakistan	United States
France		

Terms of reference:

- (i) to examine any questions arising in connexion with the audited accounts for 1961, the financing of the 1962 budget and the proposals for the budget for 1963;
- (ii) to study any financial and administrative questions which may be referred to it by the Council or submitted to it by the Executive Secretary, and undertake such other duties as may be assigned to it by the Council.

(d) Contribution to the Working Capital Fund (L/1779)

The Council approved the amounts of the advances assessed on Sierra Leone and Tanganyika.

(e) General Service salary scales (L/1780)

The Council noted that, in accordance with the practice approved by the CONTRACTING PARTIES, the Executive Secretary intended to apply to the GATT General Service Staff the salary scales which the United Nations might decide to adopt for the European Office.

22. Twentieth session (C/W/43)

In view of the large number of meetings to be held in the autumn of 1962, the Council decided to postpone the opening of the session until 23 October.

The Executive Secretary distributed a list (C/W/43) of items for inclusion in the twentieth session agenda, in order to afford the Council an opportunity to consider what preparations should be undertaken. The following Decisions were taken:

(a) Impact of commodity problems on international trade

It was agreed that, unless proposals requiring examination were submitted, it would not be necessary this year to convene the Commodities Working Party to prepare for the Annual Review under the Resolution of 17 November 1956.

(b) Review of Article XVI - subsidies

It was agreed that, unless requested by contracting parties, the review of the operation of the provisions of Article XVI should not be included in the agenda for the twentieth session.

23. Programme of meetings (C/W/45/Rev.1)

The programme of meetings proposed by the Executive Secretary for the period June to November was approved.

24. De-restriction of documents (C/W/41)

The Council agreed to the proposal of the Executive Secretary (C/W/41) that documents issued since the nineteenth session and up to the close of the present Council meeting should be de-restricted on 31 July.

