

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

C/M/16
3 July 1963

Limited Distribution

COUNCIL
19-21 June 1963

MINUTES OF MEETING

Held at the Palais des Nations, Geneva from
19-21 June 1963

Chairman: Mr. S.Chr. SOMMERFELT (Norway)

	<u>Page</u>
<u>Subjects discussed:</u>	
1. Membership	2
(a) Council	2
(b) Committee II	2
2. Implementation of Conclusions and Resolutions adopted by Ministers	2
(i) Action Committee	2
(ii) Working Group on Preferences and Committee on the Legal and Institutional framework of the GATT in Relation to Less-Developed Countries	5
3. Balance-of-Payments Restrictions - reports on consultations	5
4. Residual Import Restrictions	6
5. Chilean Import Surcharges - waiver	7
6. Turkish Stamp Duty - waiver	8
7. United States Tariff Simplification - waiver	8
8. Uruguayan Import Surcharges - waiver	10
9. Subsidies and State trading	11
10. Annual Review on Relations with Poland	12
11. New Zealand renegotiation under Article XXVIII:4	13
12. Modification of Schedules under Article XXVIII:1	13
13. Administrative and Financial Questions	14
(a) Appointment of Committee on Budget, Finance and Administration	14
(b) Venue of the 1964 Trade Negotiations	15
(c) Conference and Secretariat Accommodation	15
14. Programme of Meetings, September-December 1963	15

1. Membership

(a) The Chairman welcomed Yugoslavia as a member of the Council.

(b) The Council agreed that Sweden should be added to the membership of Committee II.

2. Implementation of Conclusions and Resolutions adopted by Ministers (C/W/56)

The Council was required to appoint certain working groups in connexion with the implementation of the Conclusions and Resolutions of the recent Meeting of Ministers relating to measures for the expansion of trade of developing countries as a means of furthering their economic development. Proposals by the Chairman were distributed in document C/W/56.

(1) Action Committee

The Executive Secretary said that in considering the implementation of the Conclusions and Resolutions adopted by Ministers regarding the trade and development problems of the less-developed countries, he had been very much impressed by discussions which were going on elsewhere on the same subject. There seemed generally to be the feeling that the procedures adopted by the GATT in the past had not been entirely efficacious and this was a judgment which had to be taken into account. It therefore appeared to him that merely renaming Committee III as the Committee of Action would not entirely reflect the state of opinion among contracting parties. Having regard to the feeling which seemed to be widespread that the work of the CONTRACTING PARTIES in this field was not sufficiently effective, it seemed to him that the recommendations of the Ministers should be taken, as he believed they were intended, as a signal for establishing supplementary machinery which would provide a means of overcoming these major difficulties which had so far prevented the work of bodies such as Committee III from arriving at more satisfactory conclusions. In his view an Action Committee along the lines proposed by the Chairman, and which would be a combination of efficacy and representation, would be able to concentrate on overcoming these obstacles.

It was almost inevitable that in the work of Committee III, and in the work of the Working Groups on Preferences and on the modification of the text of the General Agreement, there would be some points where major problems would be encountered. It might then be helpful if a small group of highly placed officials, having before them the full records reflecting the shades of opinion giving rise to the difficulties, could concentrate on the problems and give guidance to the working bodies concerned, thus enabling them to overcome the obstacles to progress. Alternatively, if circumstances required, the Action Committee might draw up suggestions or recommendations and place them before the CONTRACTING PARTIES, calling them to a session if necessary specially to deal with major questions on the basis of a full and responsible analysis of the

difficulties and the possibilities for action which the Committee thought existed. Such an Action Committee would certainly want to invite to its discussions contracting parties which had problems which they felt were not being adequately met or dealt with through the normal mechanisms as well as those contracting parties which were having difficulties in making adaptations in policies which were blocking progress on a broader front. In addition the Action Committee would follow the practice of other subsidiary bodies of the CONTRACTING PARTIES, in allowing contracting parties which were not members to observe its proceedings, in order that they would be able to report the trend of the discussions fully and accurately to their governments.

The Executive Secretary then informed the Council that the secretariat was, for its part, taking steps to assist in the implementation of the recommendations of the Ministers. There was the intention, following the close of the Council meeting, to address an airgram to all contracting parties asking them to indicate what measures or steps they were taking or proposed to take with a view to implementing the Programme of Action. A report based on the replies to this inquiry would be an important working document for the Action Committee. In addition, the secretariat would distribute to contracting parties, and at the same time communicate to the Action Committee, proposals for the implementation of certain other measures which were agreed upon by Ministers, notably the study of that part of the development programmes of contracting parties which related to exports and export potential. Within a short time the secretariat would be in a position to make constructive suggestions for the initiation of studies under this heading which no doubt the Action Committee would wish to review and comment upon at its first meeting.

In considering the proposals put forward by the Chairman, in document C/W/56, some representatives agreed that the membership of the Action Committee should be limited in order to ensure efficiency. They were of the view that if the Ministers had had in mind an Action Committee with a very wide membership, they would not have thought it necessary to create another such body in addition to Committee III. The Ministers no doubt had considered that, in order to obtain more rapid action, some other types of mechanism had been called for. A small group would have the advantage of being able to meet at frequent and regular intervals and would be able to co-ordinate and streamline the work which would be going on in the various working groups of the GATT. The establishment of a committee with limited membership should not cause any apprehension to countries which were not represented on it, since it was clear that membership was not intended to be a privilege but to entail responsibilities with the obligation to achieve progress in the interest of all developing countries.

The representative of Nigeria, in supporting the view that the membership of the Action Committee should be limited, proposed inter alia that it should be composed of fourteen members selected on a regional basis and subject to annual rotation. The Chairman of Committee III should be an ex officio member, and the Committee could be assisted in its work by a Sub-Committee. The Action Committee should submit monthly confidential bulletins of progress and a formal report to the CONTRACTING PARTIES every three months.

Some other members proposed that the Action Committee should have a wide membership. Supporters of this view felt that the Committee should include the twenty-one less-developed countries which had sponsored the Programme of Action. They pointed out that there would be nothing to prevent the Committee from setting up an executive and they stressed that the terms of reference given to the Action Committee by the Ministers were broad, and it might not be wise to give such a mandate to a very small group. Further it was debatable whether one country could truly represent the interests of others.

Several members suggested that perhaps the question of the composition of the Action Committee could be more easily settled if the interpretation of the terms of reference and the functions of the Action Committee were fully discussed. The Executive Secretary should give further views on what he considered the rôle of the Action Committee would be in relation to existing GATT organs dealing with problems of the less-developed countries in the trade field. The views expressed by the Executive Secretary are annexed to this Minute.

After further discussion, the Council concluded that a decision on the composition of the Action Committee could not be reached at the present meeting and that it would be necessary to convene again for a short meeting to settle the question.

(ii) The Working Group on Preferences and the Committee on the Legal and Institutional Framework of the GATT in Relation to Less-Developed Countries

The Council authorized the Executive Secretary to enquire whether the Government of Japan could make Mr. H. Miyazaki available as chairman of the Working Group on Preferences; and further, to ask the Government of Ceylon whether Mr. H.E. Tennekoon could be made available to serve as chairman of the Committee on the Legal and Institutional Framework of the GATT in Relation to Less-Developed Countries. Contracting parties wishing to participate in the work of either of these bodies should inform the secretariat.

3. Balance-of-payments restrictions (L/2018, L/2017, L/2019, L/2020)

The Committee on Balance-of-Payments Restrictions had recently carried out consultations with Chile, Finland, Indonesia and Turkey. The reports on these consultations had been distributed in documents L/2018, L/2017, L/2019 and L/2020 respectively.

The Chairman of the Committee on Balance-of-Payments Restrictions, in presenting the reports, said that in accordance with the arrangements made by the CONTRACTING PARTIES at their twentieth session, the Committee was required to conduct consultations with six contracting parties this spring. The consultation with Israel was, for practical reasons, postponed until the autumn and the consultation with Burma had not yet taken place due to the inability of the delegation of Burma to arrive in Geneva at the appointed date. Consequently, the Committee had held consultations with Chile, Finland, Indonesia and Turkey.

The Council took note of the 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.

4. Residual import restrictions (L/2014 and Add.1)

Under the procedures adopted by the CONTRACTING PARTIES at the seventeenth session, contracting parties which apply import restrictions contrary to the provisions of the GATT and without the authorization of the CONTRACTING PARTIES were invited to submit lists of such restrictions. The lists submitted were examined by a Panel of Experts in 1962 and at the twentieth session, and the CONTRACTING PARTIES requested the Council to review these lists from time to time. A note distributed by the Executive Secretary in document L/2014 and Add.1 summarized communications received from three countries since the twentieth session giving details of changes in residual restrictions during the past six months.

Referring to paragraph 10 of document L/2014, the representative of Japan said that his Government would be able to forward a list in the near future in order that the matter might be discussed at the next session of the CONTRACTING PARTIES.

The representative of Austria said that his Government had established a new liberalization list of more than 100 items. This liberalization would be effective from 1 July 1963, and contracting parties would receive details in the near future; the establishment of a negative list was still under consideration.

The representative of Australia said that his delegation attached particular importance to reporting under this item as a means of maintaining pressure for the removal of residual import restrictions, and as a basis for advice to Australian exporters on remaining trade barriers and new trading opportunities. The Australian delegation was disappointed at the inadequate submissions by contracting parties on their residual import restrictions and he hoped that the Council would urge contracting parties to conform scrupulously to reporting requirements in this field. The Australian Government would be interested to learn what were the intentions of the European Economic Community as a whole regarding the reporting of residual import restrictions. It was the understanding of the Australian Government that a programme on common commercial policy had been adopted at the end of 1962, and it wished to obtain information regarding any measures which had been taken within the framework of this common commercial policy.

The representative of the EEC, replying to the question by the Australian representative, said that at present no quantitative restrictions were applied by the EEC as a result of a common commercial policy and that was why individual notifications had been made by the member States. As soon as quantitative restrictions which resulted from a common commercial policy were applied, the Community would respond to the invitation for reporting. The Australian representative had referred to the existence of a common commercial policy, but this was not yet in existence and what had been drawn up was merely a plan for action and did not apply to the entire Community.

The Council took note of the note submitted by the Executive Secretary in document L/2014 and Add.1 and of the remarks made during the discussion. The Chairman urged contracting parties to conform to the procedures for reporting and the Council agreed to review the matter again.

5. Chilean import surcharges (C/33, C/W/60)

By the Decision of 27 May 1959 the CONTRACTING PARTIES waived, subject to certain conditions, the provisions of paragraph 1 of Article II to allow the Government of Chile to maintain as an emergency measure certain surcharges additional to the import duties specified in Schedule VII. These surcharges were to be eliminated by 1 January 1961, but the waiver was subsequently extended until 1 January 1963. The Government of Chile in the autumn of 1962 informed the CONTRACTING PARTIES that on 15 October 1962, important changes had been made in the exchange control of Chile involving recourse to a system of free exchange rates and that modifications had been made in the system of import surcharges. At the same time, the Government of Chile requested the CONTRACTING PARTIES to extend the Decision authorizing Chile to maintain surcharges for a further period of one year.

Taking account of the fact that full information on the new exchange controls and on the modifications in the surcharges was not available, the CONTRACTING PARTIES agreed to defer the examination of the Chilean request for an extension of the waiver and authorized the Council to deal with the request; meanwhile the Government of Chile was authorized to maintain the surcharges. In order to enable the Council to deal with this matter efficaciously and since the surcharges were maintained inter alia to protect Chile's monetary reserve, the Committee on Balance-of-Payments Restrictions considered the balance-of-payments aspects of the request by Chile and submitted a report in document C/33.

The representative of Chile said that in 1962 his Government had had to give up many of the liberalization measures it had introduced in the preceding years. Unfortunately it could not take all the appropriate corrective measures without aggravating the serious economic and political difficulties with which it was faced, and the corrective measures had therefore to be implemented gradually. The result of the corrective measures which had so far been applied could not be immediate and improvements had not become perceptible until the first quarter of 1963. The stabilization of the external position would therefore still take some time and that was why his Government had requested a waiver until 1965. Further the Chilean Government had submitted to Congress a bill establishing a new customs tariff. He hoped that, in the light of statements by the International Monetary Fund to the Committee on Balance-of-Payments Restrictions and considering the intention of the Chilean Government not to go beyond what was needed to obtain a reasonable improvement in its reserves, the CONTRACTING PARTIES would regard his country's situation with understanding.

The representative of the EEC said that the Community appreciated the position of Chile but noted that if it were possible to establish a reasonable and equitable price for copper a number of problems would be solved to the benefit of the Chilean balance of payments.

Commenting on the statement made by the representative of the EEC, the representative of Brazil said that Chile's situation was an example of the difficulties faced by the less-developed countries. Such problems should be dealt with as major problems rather than as marginal ones. Examples like Chile should lead to the revision of certain principles of the General Agreement.

The text of the draft decision in document C/W/60, after an improvement in drafting, was approved for submission to contracting parties for a vote by postal ballot.

6. Turkish stamp duty (C/W/62)

At the meeting of Council in April, the Government of Turkey requested a waiver to legalize the 5 per cent stamp duty on imports (including bound items) which was introduced on 1 March as one of several new measures to raise revenue to finance Turkey's current five-year development plan. The Council decided to consider this request at this joint meeting.

The representative of Turkey said that Turkish imports in January/February 1962 were valued at \$78 million, in March/April 1962, \$93 million, and in January/February 1963, \$98 million. Throughout these three periods, the measure under reference was not in existence. The measure had been introduced since March 1963 and the import figure for March/April 1963 was \$113 million, a fact of considerable significance, since there had been an almost 20 per cent increase above the previous comparable figures. His delegation believed that these figures were sufficient and eloquent evidence of the unrestrictive nature of the measure under consideration. He hoped that this would help to remove any doubts any contracting party might have with respect to an eventual restrictive effect of the stamp duty. The Turkish Government regretted that it had had to resort to these measures and would appreciate if the contracting parties would grant the waiver requested.

Several representatives, while supporting Turkey's request for a waiver, regretted that Turkey had found it necessary to implement the stamp duty without prior consultation with the CONTRACTING PARTIES. They hoped that Turkey would keep the CONTRACTING PARTIES closely informed on developments and would give its co-operation in case the waiver should cause undue **hardships** to other contracting parties.

The text of a **draft** decision in document C/W/62 was approved for submission to contracting parties for a vote by postal ballot.

7. United States tariff simplification (C/W/54, C/W/63)

At a meeting of the Council in May 1962, the United States delegation presented a 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 requested authority was then granted. It was the intention of the United States Government that the revised tariff would be implemented on

1 January 1963, but when the Council met on 16 January 1963 the United States delegation reported that the effective date of the new tariff had been postponed until 1 July. During the past year the United States Government had been in consultation with a number of contracting parties concerning the proposed changes in the tariff classification of items which appeared in the United States Schedule. The United States was now requesting a waiver, although some of the negotiations had not yet been completed, in order to enable the Government to introduce the new tariff at an early date. A draft text for such a waiver, drawn up by the United States Government, had been distributed at their request in document C/W/54.

The representative of the United States outlined the background to his Government's request and pointed out the intimate connexion between the achievement of the United States plans for a simplification of its tariff system and the success of the round of tariff negotiations decided upon by the GATT Ministers for 1964. He stressed the advantages which would accrue to contracting parties if the United States were enabled to proceed as proposed. He said it was the intention of his Government to discharge those obligations which would still exist if the waiver were granted. (The full statement was circulated to the Council as document Spec(63)177.)

All representatives who spoke were in favour of granting the waiver requested by the United States provided that certain specific safeguards were provided in the decision. It was agreed that a drafting group should be set up to consider the United States draft in order to achieve this end. Several representatives, in supporting the United States request, expressed their expectations that the United States Government would be prepared to offer full compensation as envisaged under Article XXVIII. They also hoped that any remaining points which had not been settled would be resolved in the process of the coming negotiations in accordance with the procedures of Article XXVIII.

The representative of the United States confirmed that it would be the intention of his Government to carry out the negotiations under normal Article XXVIII procedures and criteria, subject only to the fact that the waiver itself involved a change in the order in which those negotiations would normally be conducted.

The text of a revised draft decision, submitted by the drafting group (document C/W/63), was approved for submission to contracting parties for a vote by postal ballot.

8. Uruguayan import surcharges (L/2016, C/W/61)

In accordance with the waiver granted to the Government of Uruguay on 8 May 1961, authorizing the application of import surcharges until 1 July 1963 to certain items specified in the Uruguayan Schedule, the Government of Uruguay had submitted a report in document L/2016. In this report the Government requested a three-year extension of the waiver.

The representative of Uruguay, in highlighting some of the features of the report submitted by his Government, drew attention to the enormous trade deficit which Uruguay had suffered from 1959-1962, a period, the greater part of which was covered by the existing waiver. The import surcharges had not been as effective in acting as a brake against this disequilibrium as had been expected. Uruguay had been faced with very serious difficulties, in disposing of some of its main export products, because of those obstacles which had led his Government to have recourse to Article XXIII of the General Agreement. If these trade barriers did not exist Uruguay might not have needed to impose import surcharges. The situation which required the use of the surcharges was no more than one aspect of a general problem which his Government was compelled urgently to tackle. The Government of Uruguay was not yet in a position to modify its import policy without running into grave and unforeseeable risks, but nevertheless it intended to eliminate the surcharges as soon as the adverse factors affecting the present economic situation were overcome. In the meantime it was obliged to request a three-year extension of the waiver.

The representative of Brazil supported the request for a three-year waiver. He said that so far action in the GATT for the promotion of the trade of the less-developed countries had not produced measurable results, and answers to questions put to contracting parties by the Panel on Uruguayan recourse to Article XXIII were still coming in. Moreover, action regarding the modification of the text of the General Agreement to provide specifically for further activities regarding the trade and development problems of the less-developed countries still lay in the future. This situation made it absolutely necessary for primary and agricultural producers, like Uruguay, to have recourse to measures such as import surcharges in order to obtain the minimum of economic stability. What they really required was an increase in their export earnings so that they could reach their economic development targets.

Several representatives said that they appreciated the difficult situation of Uruguay. However, a careful and detailed examination of the continued maintenance of import surcharges was essential. As this would not be possible in the time available to the Council, they proposed that the waiver be extended for a short period after which it would be possible to consider the request for a waiver covering the remainder of the three-year period.

The Chairman suggested that, since the request had just been received and it would take some time to obtain all the required information to enable the Council to consider the matter fully, it might be best to extend the waiver for a few months and to ask the Committee on Balance-of-Payments Restrictions at its meeting in October to examine the balance-of-payments aspects of the matter. When the report was received from the Committee in the autumn the request could then be considered by the Council or by the CONTRACTING PARTIES.

The representative of Sweden commented that in the original surcharges scheme there was a certain variation in the amount of the surcharges, depending on the manner in which goods were brought into the country. His Government had made representations on this point and the matter had been satisfactorily settled. He wondered whether this situation also applied with respect to the new regulations and decrees.

The representative of Uruguay replied that he was unable to give a precise reply. As far as he was aware the situation had not altered up to the end of April; he had not been informed of any changes as a result of the new measures.

The text of a draft decision in document C/W/61, extending the waiver until the end of 1963, was approved for submission to contracting parties for a vote by postal ballot, after sub-paragraph (b) had been amended to read as follows:

"that, should the CONTRACTING PARTIES not be in session at that time, the Council be authorized, after receiving the advice of the Committee on Balance-of-Payments Restrictions and of the International Monetary Fund, to deal with the Uruguayan request;"

9. Subsidies and State trading (L/2015)

At the twentieth session the standing procedures for the submission of notifications by governments on subsidies and State trading under Articles XVI and XVII were examined and revised. Contracting parties were invited to submit by the end of January 1963 new and full notifications in response to the questionnaires, and the Council was instructed during the current year to take whatever steps it considered necessary to examine the adequacy of the notifications received. The secretariat had distributed to all contracting parties the notifications which it had received from twenty-one governments and the Executive Secretary had issued a document (L/2015) for consideration by the Council in dealing with this matter. It was said in the Executive Secretary's note that the policies in respect of subsidies and State trading of the countries participating in trade negotiations next year would be discussed in the context of these negotiations. It was therefore suggested that the Council transmit the notifications to the Trade Negotiations Committee "for such further action as the Committee sees fit".

Several representatives expressed disappointment that more complete documentation had not been submitted. There was general agreement that a more complete picture of the situation should be obtained and should be forwarded to the Trade Negotiations Committee. There was the view however that it was not sufficient for the Trade Negotiations Committee to examine the notifications, since the Council had not yet completed the work with which it was charged. The item should therefore be retained on the agenda of the Council. It was also stressed that the Council should invite contracting parties which had not yet sent in notifications to do so. In addition contracting parties which were not maintaining subsidies or State-trading practices should inform the secretariat so that a complete picture could be obtained.

The Council agreed to invite countries which had not yet submitted notifications to do so as soon as possible and that contracting parties not maintaining subsidies or State-trading should so inform the secretariat. It was also agreed that the Council should transmit notifications received, to the Trade Negotiations Committee, as proposed by the Executive Secretary. It was understood that this item could be placed on the agenda of the Council if desired.

10. Annual review on relations with Poland (L/2026)

The representative of Poland made a statement in connexion with the second annual review under the Declaration of 9 November 1959 on relations between contracting parties and the Government of Poland. His statement has been distributed in document L/2026.

The representative of Sweden said that the economy and trade of several contracting parties had been affected in recent years, directly or indirectly, by their membership in economic groupings. It was therefore likely that the COMECON would become very important for the Polish economy in the future. The Swedish delegation would, for that reason, appreciate if the CONTRACTING PARTIES would, in connexion with the review of their relations with Poland, obtain full documentation on the economic collaboration of Poland with this group.

The Chairman proposed that the Working Party, which had been appointed at the last meeting of the Council to conduct the second annual review, should meet in the second week of July and that the statement made by the Polish representative should serve as a basis for the conduct of the review.

This was agreed.

11. New Zealand renegotiation under Article XXVIII:4 (GATT/SECRET/151)

In document GATT/SECRET/151 the Government of New Zealand put forward a request for authority under Article XXVIII:4 to enter into renegotiations concerning a concession which had been negotiated with the European Economic Community during the 1960-1961 Tariff Conference. The Council was required to consider whether there were "special circumstances" in the sense of Article XXVIII:4 which would warrant the grant of the requested authority to enter into renegotiations.

The representative of New Zealand said that this request was a separate matter from the general renegotiations of the New Zealand Schedule XIII on which negotiations were almost completed. The request for authority and for a finding of "special circumstances" was based on a recommendation by the New Zealand Tariff and Development Board following an exhaustive enquiry on the industry manufacturing the item concerned. The industry was a new development in New Zealand and was based on a local raw material, further the Government of New Zealand looked to this new industry for the development of additional skills.

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 a "substantial interest", as provided in paragraph 1 of Article XXVIII should communicate such claim in writing and without delay to the Government of New Zealand and at the same time inform the Executive Secretary. Any such claim recognized by that Government would be deemed to be a determination by the CONTRACTING PARTIES within the terms of paragraph 1 of Article XXVIII.

12. Modifications of schedules under Article XXVIII:1 (GATT/AIR/327)

On 11 June the Executive Secretary issued an airgram (GATT/AIR/327) drawing attention to the fact that the next occasion for the modification of tariff concessions in the GATT Schedules will be in the latter part of the current year, unless the CONTRACTING PARTIES decide, under the provisions of paragraph 1 of Article XXVIII, to alter this time-table. The Executive Secretary enquired whether, in view of the comprehensive trade negotiations to take place during 1964, it might be advantageous to leave any renegotiations arising under the normal operation of Article XXVIII:1 to be dealt with in the framework of these negotiations and to extend the current period of firm validity by one year. He suggested that the Trade Negotiations Committee might be authorized to draw up a decision for submission to governments by postal ballot in the event it would wish to propose a change in the time-table.

The representative of Japan said that while his Government did not at present envisage any need for comprehensive modifications or withdrawals of tariff concessions, it might find it necessary to modify or withdraw a limited number of items before January 1965. His delegation was in favour of the Council granting authority to the Trade Negotiations Committee as proposed providing this would not preclude the possibility that negotiations for modifications or withdrawals could take place at an early date should the need arise.

The Chairman suggested that the point raised by the representative of Japan could be considered as covered by paragraph 4 of Article XXVIII.

The Council agreed to authorize the Trade Negotiations Committee at its first meeting on 27 June to consider the matter and, if considered desirable to draw up a draft decision for submission to governments by postal ballot.

13. Administrative and financial questions.

(a) Appointment of Committee on Budget, Finance and Administration (C/W/58.Rev.1)

A proposal regarding the terms of reference and membership of the Committee on Budget, Finance and Administration had been circulated by the Chairman in document C/W/58.Rev.1.

In response to a question regarding the possible addition of another African country to the membership, in view of the recent increase in the number of contracting parties in Africa, it was agreed that the Committee would be enlarged if the African countries proposed one of their number to serve on it.

The Council appointed a Committee with the following composition and terms of reference:

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

<u>Members:</u>	Argentina	Japan
	Canada	Kingdom of the Netherlands
	Chile	Switzerland
	France	Tanganyika
	Federal Republic of Germany	United Kingdom
	India	United States

Terms of reference

- (1) To examine any questions arising in connexion with the audited accounts for 1962, the financing of the 1963 budget and proposals for the budget for 1964.
- (2) To examine the financial aspects of the report of the Working Party on Printing Costs.

- (3) 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.
- (b) Venue of the 1964 trade negotiations

The Executive Secretary recalled that the Resolution adopted by Ministers (MIN(63)9) called for trade negotiations to be held in Geneva beginning on 4 May 1964. However, there was a possibility that several other large conferences and meetings would be taking place in Geneva during the period envisaged for the trade negotiations. In view of this situation it might be virtually impossible to hold the trade negotiations in Geneva. He therefore suggested that the Council instruct him, in this eventuality, to explore, in consultation with contracting parties, alternative sites and to report to the Trade Negotiations Committee which might be authorized to take any decision necessary.

The Council agreed that the Executive Secretary be instructed as suggested and authorized the Trade Negotiations Committee to take a decision regarding the site of the 1964 Trade Negotiations.

- (c) Conference and secretariat accommodation (C/W/59)

A note by the Executive Secretary was distributed in C/W/59 describing the increasing difficulties of securing adequate and satisfactory accommodation for GATT meetings in Geneva.

The Executive Secretary said that over the last few years the secretariat had been experiencing acute difficulties in making adequate arrangements for meetings in Geneva. This was an understandable situation since the activities of the CONTRACTING PARTIES had been expanding and now required larger accommodation for meetings. The work of GATT was unlike that of other organisations in Geneva which were able to decide upon their programmes of meetings well in advance. The situation was indeed difficult since the GATT was situated in a city where there was a pool of conference facilities but in which it did not have priority over the United Nations bodies. If the GATT were to maintain its headquarters in Geneva, the necessity for arranging for self-contained conference facilities and secretariat offices would have to be faced. He therefore suggested that he be given authority by the Council to study possible solutions in Geneva or elsewhere with a view to the submission of recommendations to the CONTRACTING PARTIES.

The Council instructed the Executive Secretary to carry out the enquiries proposed concerning accommodation for the GATT conferences and the GATT secretariat.

14. Programme of meetings, September-December 1963 (C/W/57)

A note by the Executive Secretary on the programme of meetings for the remainder of 1963 was circulated in document C/W/57.

The Council agreed to recommend that the twenty-first session, which was to have begun on 22 October, be postponed until a date to be fixed by the Council at a meeting in September. At the request of the representatives of Ghana and the United Arab Republic it was agreed to wait until the November meeting of the Council to fix a time for the meeting of the Working Party on the African Common Market.

The programme of meetings suggested in document C/W/57 was approved subject to these amendments.

