

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES  
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## PROPOSALS ON GATT ORGANIZATION Second Report by the Special Group

### I. ESTABLISHMENT OF A COUNCIL

The Special Group, which in its first report (L/1200) submitted for consideration by the CONTRACTING PARTIES the proposal for the establishment of a Council, were interested in and impressed by the discussion at the meeting of Heads of delegations on 20 May 1960. They were gratified with the support which their proposal received and noted that there was not any substantial difference of view on the principle of their proposal. Nevertheless, among the twenty-five delegates who participated in the discussion there were several who expressed some hesitation about certain details. The Group has reconsidered the detail of the proposed arrangement and hopes that the following elaboration of certain points will help to dispel these doubts.

The principal criticism centred on the size and composition of the Council as proposed in paragraphs 10 and 11 of the report. In considering the question of membership, the Group had examined and has now reconsidered several possibilities:

#### (i) A Council of the Whole

The Group recognized that individual contracting parties might hesitate to agree to the delegation of important functions to a body of which they might not be members. On the other hand, it seemed to the Group that a Council composed of some forty governments (and the number of contracting parties may increase to nearly fifty within two or three years) would be too large for the desired efficiency to be achieved. Moreover, many contracting parties might have serious difficulties in being represented on a body which meets at frequent intervals throughout the year. It seemed to the Group that a smaller body would serve the purpose equally well provided that a contracting party which was not a member would be co-opted, at its request, for the discussion of a question in which it was particularly interested.

(ii) A Council of Limited Membership

The Group also considered the merits of having a Council of fixed and limited membership as provided for in the Agreement on the Organization for Trade Co-operation and as has been the case with the Intersessional Committee. The Group discussed several possible formulae upon which the membership of a small Council could be based, but did not find any of these to be satisfactory. The Group concluded that no such formula would meet the desires of all contracting parties while keeping the Council small in size and also representative in character.

(iii) An "open" Council appointed by the CONTRACTING PARTIES

Thus the Group came to favour the proposal described in paragraph 10 of its report, namely a Council composed of all those contracting parties wishing to accept the responsibilities of membership and able to make arrangements for effective participation. This appeared to the Group to be the only satisfactory compromise between (i) and (ii). In view of the onerous duties of membership it appeared to the Group that this formula would in fact result in a Council of some twenty-five to thirty members. A contracting party seeking membership would consult with the Chairman concerning the duties and responsibilities involved. It goes without saying that groups of contracting parties would be free to propose one or more of their members to participate in the Council.

As for the functions of the Council, as proposed in paragraphs 6 to 8 of the first report, the Group wishes to clarify a point which appears to have caused some misunderstanding. The proposed duties and responsibilities of the Council, as set out in subparagraphs (i) to (v) of paragraph 6 - and particularly subparagraph (ii) - must be read in conjunction with the limitations given in paragraph 8. This can be made more explicit when the terms of reference are drawn up in final form. It can then also be made clear that the duties given to the Council will be subject to review in the light of experience.

With these additional explanations, the Group hopes that their proposal will commend itself to all contracting parties and that a decision can be taken to proceed with the establishment of a Council.

There would remain the question of timing for the setting up of the Council. The Group would like to see a Council established before the close of the present session, if this is practicable, and suggests that this matter be discussed at a meeting of Heads of delegations.

## II. SESSIONS OF THE CONTRACTING PARTIES

The Group has considered the arrangement for future sessions of the CONTRACTING PARTIES. As indicated in paragraph 4 of its report, the Group considers - on the assumption that a Council is formed and functions

efficiently and that the Council and standing Committees and Working Parties deal adequately with the great bulk of the work of the GATT month by month - that the ideal arrangement is to have one annual session of the CONTRACTING PARTIES of about four weeks' duration, preferably in the northern spring. The Group also considered the desirability of holding occasional meetings at Ministerial level and concluded that such meetings are undoubtedly desirable. The Group, however, does not wish to submit recommendations as to the timing, agendas and arrangements for such meetings and recommends that this question be referred for examination to the Council.

### III. STAFF REQUIREMENTS

As indicated in its first report (paragraph 15) the Group has examined the size of the secretariat in relation to the present and future needs of the CONTRACTING PARTIES. It appears to the Group that an enlargement and strengthening of the secretariat is as urgent a matter as the provision of permanent machinery for action in the form of a Council. Accordingly, the Group asked the Executive Secretary to put forward proposals. The note received from the Executive Secretary is annexed to this report. It is not a firm plan but gives indications of anticipated needs in the near future. The Group feels that this should be approved in principle as an overall plan within which the Executive Secretary could proceed with recruitment as and when required. The probable cost of these proposals is some \$300,000 per annum.

A full manning table is being issued confidentially one copy to each delegation. This will show the present and proposed posts. It has been drawn up to provide an indication of magnitude and is of course subject to variation in detail. The GATT gradings and salary scales follow those of the United Nations, a schedule of which will accompany the manning table.

Finally, the Group suggests that there might be some advantage in providing the Executive Secretary with a possibility of obtaining advice on budgetary and financial questions. The Council might consider making arrangements to this end.

ANNEX

STAFF ENLARGEMENT

Note by the Executive Secretary

As will be seen from the accompanying organizational chart, I would propose that the Deputy Executive Secretary should supervise and co-ordinate the Trade Policy and Trade Intelligence Divisions, whereas two Assistant Executive Secretaries would divide between them the supervision of the multifarious activities which I have grouped together in the Executive Office.

The Trade Policy Division should, I consider, be strengthened to enable it to deal more effectively with current business, and also to provide for annual leave and sickness which is not the case at the present time. Moreover, I think that there should be some room for recruiting young people who could be trained with an eye to the future. Accordingly I suggest that the establishment of the Trade Policy Division should be strengthened by adding the following posts:

- 1 Deputy Director
- 2 Economic Affairs Officers
- 3 Assistant Economic Affairs Officers

The Trade Intelligence Division must, I think, now be strengthened so as to enable it to perform the double task of preparing the Annual Report on International Trade as well as providing increasing assistance in connexion with the substantive work of the CONTRACTING PARTIES. For this purpose I propose the Division be strengthened by adding the following posts:

- 1 Deputy Director
- 3 Assistant Economic Affairs Officers

The Executive Office will also need reinforcement and I propose the following additions:

- 2 Assistant Executive Secretaries
- 1 Legal Officer
- 1 Economic Affairs Officer
- 1 Assistant Economic Affairs Officer

The Languages Staff I suggest, should also be strengthened, (a) so as to permit the use of simultaneous interpretation in the Council and in major Committees; (b) to strengthen the translation services and diminish an excessive reliance on temporary assistance. For this purpose it would be necessary to recruit three additional interpreters, but in order to make maximum use of these officers for translation purposes when they are not interpreting, I suggest that two of them should combine the qualifications of Interpreter and Translator.

On the strictly translation side I recommend the following additional posts:

- 2 Translators
- 1 Reviser

In the Administrative and Financial Services the secretariat is under-staffed, particularly on the financial side, and I would propose the appointment of an additional Finance Officer.

This expansion of the professional staff will of course entail increases in General Service staff estimated at about twenty posts.

I estimate the probable overall cost of these proposals at some \$300,000 per annum. The additions to the permanent staff, however, will avoid the need for some temporary assistance so that the additional expenditure may fall short of this estimate. Thus the total budget would be within the ceiling of \$1,000,000 which I suggested to the Heads of delegations at the Tokyo session.

I do not suggest that the whole of this recruitment could or should take place in 1961, but I think it should be approved as an overall project and that the Executive Secretary should have authority to proceed with recruitment within this framework as he deems appropriate.

