

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1605

6 November 1961

Limited Distribution

CONTRACTING PARTIES

Nineteenth Session

13 November - 8 December 1961

PROVISIONAL AGENDA

Notes by the Secretariat on Agenda Items

The provisional agenda for the nineteenth session has been distributed in L/1580 and Add.1 and 2. The following annotations are provided to assist delegations in preparing for the session.

1. ADOPTION OF AGENDA AND ORDER OF BUSINESS

The provisional agenda for the session (L/1580 and Add.1 and 2) will be submitted to the CONTRACTING PARTIES for adoption.

Proposals by the Executive Secretary as to the order of business will be put forward for approval. Some suggestions for the conduct of the business of the session have been submitted to the contracting parties by the Executive Secretary in airgram GATT/AIR/260. It is there indicated that, in accordance with the views of the Council, delegations should be prepared to initiate discussion of all items in the first week so that most of the work of the session can be completed before the opening of the meeting of Ministers. It is also indicated that Committee II, the Commodities Working Party and the Group on Swiss Accession will meet early in the session and that it is desirable that working parties on relations with Yugoslavia, agricultural waivers and German import restrictions should be appointed early in the session so that they can complete at least most of their work before the Ministers' meeting.

Note: Delegates to the session are requested to register with the Conference Officer (Room A.390 in the Palais des Nations), if possible, before 1 p.m. on 13 November.

2. ARRANGEMENTS FOR MEETING OF MINISTERS

In airgram GATT/AIR/258 contracting parties have been asked to inform the Executive Secretary by 1 November of the names of the Ministers who will attend the Ministerial meeting to be held on 27-30 November. A draft agenda for the Ministerial meeting has been prepared by the Council (see document L/1576). This draft will be submitted to the CONTRACTING PARTIES early in the session and the agenda proposed by the CONTRACTING PARTIES will be placed before Ministers for adoption at the opening of their meeting at 11 a.m. on 27 November. In the airgram referred to, the Executive Secretary has suggested that the Ministers might devote approximately one day to each of the three main items on the draft agenda (i.e. reduction of tariff barriers to trade, trade in agricultural products, and obstacles to the trade of less-developed countries) thus leaving one day at the end of the meeting for the conclusion of the discussion of items on the agenda.

As agreed at the eighteenth session (SR.18/4), provision has been made for full interpretation in Spanish.

3. PROGRAMME FOR EXPANSION OF TRADE

The Executive Secretary, as Chairman of the Tariff Negotiations Committee, may wish to report to the CONTRACTING PARTIES on progress in the tariff conference.

The Chairman of Committee II presented the Committee's third report (L/1461 and Corr.1) at the eighteenth session, but it has not been formally adopted.

The Chairman of Committee III will present the Committee's fifth report (L/1554) and also the special report (L/1557).

The examination and adoption of the reports of Committees II and III should be completed before the opening of the meeting of Ministers. This item is related to the arrangements for the Ministerial meeting and should therefore be taken early in the session.

4. BALANCE-OF-PAYMENTS IMPORT RESTRICTIONS

(a) The Committee on Balance-of-Payments Import Restrictions is meeting from 30 October - 11 November to carry out several consultations under Articles XII:4(a), XII:4(b) and XVIII:12(b). The Committee's reports will be submitted to the CONTRACTING PARTIES for adoption.

(b) As in previous years, the Committee will also draw up a programme for the conduct of consultations in 1962. The Committee's proposals will be submitted to the CONTRACTING PARTIES for approval.

5. RESIDUAL IMPORT RESTRICTIONS

(a) The procedures for dealing with restrictions maintained for other reasons than balance-of-payments difficulties (9S/19), which were adopted by the CONTRACTING PARTIES at the seventeenth session, were regarded as of an interim character and the Council was instructed to review them in the light of experience and to report its views to the CONTRACTING PARTIES. The question was examined by the Council at its meeting in September (C/M/8), but the Council found that it was too early to carry out a full review of the operation of the procedures and decided to recommend that this should be done by the Council at an appropriate time in 1962.

The notifications of restrictions still maintained, submitted by contracting parties under paragraph 7 of the procedures, were distributed in document L/1565. Subsequently, further data have been received and will be made available to the CONTRACTING PARTIES before the session. A note by the Executive Secretary on action taken under paragraphs 8 and 9 of the procedures, which deal with consultations under the provisions of Article XXII and with possible resort to Article XXIII, was issued in document L/1566.

(b) The Decision of 5 March 1955 (3S/38) dealing with "problems raised for contracting parties in eliminating import restrictions maintained during a period of balance-of-payments difficulties" (the "hard-core" waiver) provided in paragraph A:1 that a contracting party wishing to obtain the concurrence of the CONTRACTING PARTIES in the maintenance of restrictions for a limited period should submit its request by 31 December 1957. This time-limit was extended by the Decision of 19 November 1960 (9S/35) until 31 December 1961, and at the nineteenth session the CONTRACTING PARTIES are to review paragraph A:1 of the Decision of 5 March 1955.

6. ITALIAN RESTRICTIONS ON IMPORTS FROM ISRAEL

In September the Government of Israel consulted with the Italian Government under paragraph 1 of Article XXII concerning the discriminatory quantitative restrictions maintained by Italy on imports from Israel. In document L/1575 the Government of Israel advises that the consultation did not lead to a satisfactory solution and therefore refers the question to the CONTRACTING PARTIES under paragraph 2 of Article XXII, in accordance with paragraph 9 of the procedures adopted on 16 November 1960 (9S/19).

7. BILATERAL ARRANGEMENTS, DISCRIMINATORY TREATMENT AND VARIABLE DUTIES

The Government of Uruguay has requested the inclusion of this item in the agenda to obtain the views of the CONTRACTING PARTIES on the compatibility of certain commercial policy measures with the provisions of the General Agreement. Some of the measures in question were referred to in a statement by the representative of Uruguay at the last Council meeting (see L/1572, page 10/11).

8. IMPACT OF COMMODITY PROBLEMS ON INTERNATIONAL TRADE

The Commodities Working Party, which was appointed at the thirteenth session (L/948), will meet early in the session, beginning on 14 November. The Working Party will examine the documentation relevant to the review by the CONTRACTING PARTIES of the impact of commodity problems on international trade and will submit a report to provide a basis for the review.

As provided in the Resolution of 17 November 1956 (5S/26) the review will be based on the report submitted by the CONTRACTING PARTIES' nominee as Chairman of ICCICA and on other relevant documents; the Chairman of ICCICA, Mr. L.K. Jha, will not be able to attend the session, but statements which he made at the seventeenth and eighteenth sessions have been distributed in documents L/1329 and L/1483. A note by the Executive Secretary has been distributed (L/1595). It was suggested by the Executive Secretary at the seventeenth session that the Commodities Working Party might on this occasion examine the note submitted by the International Chamber of Commerce (L/1318) on obstacles to the operation of future markets. A memorandum on this question by the Government of Sweden has been distributed in L/1567.

9. DISPOSAL OF COMMODITY SURPLUSES

The Council at its meeting in September decided that this item should be included in the agenda for the session and that the suggestions made during the Council's discussion should be brought to the attention of the CONTRACTING PARTIES (see C/M/8, page 13). At an earlier meeting the Council had agreed that the scope of the item as discussed at previous sessions should be widened to cover action under both Resolutions of 4 March 1955 (3S/50-51) dealing with disposal of surpluses and liquidation of strategic stocks.

In preparation for this discussion, the Council invited contracting parties which had disposed of commodity surpluses or strategic stocks since the seventeenth session to submit reports on action taken. The reports received have been distributed in document L/1550 and Add.1. A secretariat note on the activities of other international agencies has been issued in document L/1587.

10. TRADE IN COTTON TEXTILES

In accordance with a decision by the Council a meeting was held in Geneva in July of "countries substantially interested in the importation and exportation of cotton textile products". The record of the meeting including the text of an arrangement drawn up and opened for acceptance by governments has been distributed in document L/1535. The participating countries agreed to create a Provisional Cotton Textile Committee (which met from 23 to 27 October) and to request the CONTRACTING PARTIES to confirm the establishment of the Committee to "undertake work looking toward a long-term solution to the problems in the field of cotton textiles" (see L/1535, page 18).

11. LONGER-TERM SOLUTIONS TO BUTTER MARKETING PROBLEMS

The outcome of a consultation which was held in April, under paragraph 1 of Article XXV was reported to the eighteenth session (SR.18/3). The report of a second meeting, in June, has been distributed in document L/1514. In September a meeting of the United Kingdom and the principal exporting countries was held in accordance with the procedures of paragraph 1 of Article XXII.

At the request of New Zealand, this item "Longer-Term Solutions to Butter Marketing Problems" has been included in the agenda for the session. The New Zealand and Netherlands Governments propose that the CONTRACTING PARTIES should consider formulating and adopting recommendations on butter marketing and should also consider the means of reviewing implementation by contracting parties of such recommendations as may be adopted.

12. EUROPEAN ECONOMIC COMMUNITY

(a) The representative of the Commission of the European Economic Community will furnish information on the implementation of the Rome Treaty.

(b) At the eighteenth session questions raised in connexion with the association of overseas territories with the Community were discussed and it was agreed that this item should remain on the agenda for further consideration at an appropriate time. The Council decided to place the item on the provisional agenda for the nineteenth session (see SR.18/6 and C/M/8).

(c) Document L/1479 contains a report by the Tariff Negotiations Committee on its examination of the common tariff of the Community. This report was submitted to the eighteenth session and the CONTRACTING PARTIES noted that there had been a fundamental difference of views as to the interpretation of paragraph 5(a) of Article XXIV. Final consideration of the matter was deferred and the Council has placed the item on the provisional agenda for the nineteenth session (see SR.18/4 and C/M/8).

(d) The member States of the Community and the Government of Greece have transmitted, for examination under paragraph 7 of Article XXIV, the text of an Agreement of association between the Community and Greece (see L/1601). The CONTRACTING PARTIES will no doubt wish to make arrangements for the examination of the Agreement.

13. EUROPEAN FREE TRADE ASSOCIATION

(a) The member States of the Association will furnish information relating to the implementation of the Stockholm Convention.

(b) At the eighteenth session the CONTRACTING PARTIES entrusted to a working party the task of examining the Agreement creating an Association between the member States of the European Free Trade Association and the Republic of Finland (SR.18/6). The report of the Working Party has been distributed in document L/1521 and will be submitted to the session for adoption.

14. CENTRAL AMERICAN FREE TRADE AREA

By the Decision of 13 November 1956 (5S/29) the CONTRACTING PARTIES agreed that the Government of Nicaragua was entitled to claim the benefits of the provisions of Article XXIV in respect of its participation in the Central American Free Trade and Economic Integration Treaty. The Treaty entered into force in 1959 between Nicaragua, El Salvador, Guatemala and Honduras, and a report by Nicaragua has been distributed in document L/1564.

In connexion with the implementation of a separate instrument called the General Treaty for Central American Economic Integration, dated 13 December 1960, the Government of Nicaragua has requested release from certain obligations of Article II (see documents L/1425 and Add.1 and 2).

In September the Council established a working party to examine the report and the documents referred to above, with instructions to report thereon with recommendations to the CONTRACTING PARTIES at their nineteenth session (L/1573). The Working Party's report will be distributed before the session.

15. NICARAGUA-EL SALVADOR FREE TRADE AREA

In accordance with the Decision of 25 October 1951 (Volume II-30) the Government of Nicaragua submits annual reports to the CONTRACTING PARTIES. The report for 1961 has been distributed in document L/1582. This report shows that more than 90 per cent of the trade between the two countries continues to be subject to the provisions of the Treaty.

16. SUBSIDIES

(a) The Declaration of 19 November 1960 to give effect to the provisions of paragraph 4 of Article XVI (9S/32), which was prepared and opened for acceptance by the CONTRACTING PARTIES at their seventeenth session, provides that it will enter into force when it has been accepted by certain specified countries; it still requires acceptance by Austria, Denmark, the Federal Republic of Germany, Italy and Switzerland.

(b) The other Declaration of the same date to extend the standstill provisions of paragraph 4 of Article XVI, which was opened for acceptance at the same time, has also not entered into force.

(c) Paragraph 5 of Article XVI provides that "the CONTRACTING PARTIES shall review the operation of the provisions of this Article from time to time with a view to examining its effectiveness, in the light of actual experience, in promoting the objectives of this Agreement and avoiding subsidization seriously prejudicial to the trade or interests of contracting parties." At the thirteenth session the CONTRACTING PARTIES appointed a Panel to undertake preparatory work for the first Review. The Panel held meetings in 1959 and 1960 and as recently as April 1961, and in its latest report, L/1442, it has assembled material for

the review. As requested by the Panel the secretariat has prepared additional data which has been sent to governments concerned for comment (Spec(61)289 and MGT(61)28). When revised in the light of the comments received, these documents will be reissued as addenda to the Panel's report.

17. ARTICLE XVIII

Under paragraph 6 of Article XVIII the CONTRACTING PARTIES are required to review annually all measures applied pursuant to the provisions of Sections C and D of the Article. The last review was carried out by a Panel at the sixteenth session and its report is contained in document L/1228.

Although not all the data required for this review have been received from the Governments of Ceylon and Cuba - the two countries concerned - the material at present available has been issued in document L/1593.

18. ITALIAN SPECIAL CUSTOMS TREATMENT FOR LIBYAN PRODUCTS

At its meeting in September the Council examined the reports submitted by the Governments of Italy and Libya, under the Decision of 9 October 1952 and also the request by Italy for a further extension of the waiver until 31 December 1964. The Council agreed to recommend to the CONTRACTING PARTIES that the waiver be extended and instructed the Executive Secretary to distribute a draft decision for consideration by the CONTRACTING PARTIES. In consultation with the Governments of Italy and Libya, a draft has been prepared and will be distributed before the session.

19. CHILEAN IMPORT CHARGES

By the Decision of 27 May 1959 (8S/29), as amended by the Decision of 18 November 1960 (9S/38), the Government of Chile was authorized to maintain certain surcharges additional to the import duties specified in Schedule VII. This waiver expires on 1 January 1962 and the Government of Chile has requested an extension until the end of 1962 (see L/1581). The International Monetary Fund has been invited to consult with the CONTRACTING PARTIES in this connexion.

20. REPORTS UNDER WAIVERS

The reports by Ceylon, France/Germany, Rhodesia and Nyasaland, the United Kingdom and Uruguay - i.e. sub-items (b) (c) (h) (i) (j) and (l) - were examined by the Council in September. The Council's recommendations, as reported in L/1591, will be submitted to the CONTRACTING PARTIES for approval.

The other reports:

(a) Belgian import restrictions

The report of the Government of Belgium, under the Decision of 3 December 1955 (4S/22), has been received and is being prepared for distribution. In previous years the report by Belgium has been referred to a working party on agricultural waivers. It is proposed that this working party should be established early in the session, so that it can complete most if not all of its work before the meeting of Ministers.

(d) German import restrictions

Under paragraph 3 of the Decision of 30 May 1959 (8S/31) the Federal Republic is required to consult annually with the CONTRACTING PARTIES regarding the application of the Decision and to report "on the progress achieved in the relaxation or elimination of the restrictions maintained". The report has been received and is being prepared for distribution. A working party should be appointed early in the session to examine the report and to carry out the consultation.

(e) Indonesia - renegotiation of Schedule

The Government of Indonesia reported to the Council in September (L/1555) that the renegotiations with a number of contracting parties, under the Decision of 10 April 1961 (as amended on 25 July 1961), had not been completed and it was agreed that a further report would be submitted to the CONTRACTING PARTIES.

(f) Nicaraguan import duties

The report by the Government of Nicaragua (L/1565) under the Decision of 20 November 1959 (8S/52), states that the increased duties permitted under the Decision were first introduced in January 1961. The Council in September referred the report to a working party which it had established to consider certain questions relating to Nicaragua's participation in the Central American Free Trade Area.

The Working Party's consideration of this point in its terms of reference was deferred until it meets again during the session at which time it will also carry out the consultations with Nicaragua and the IMF as required by the Decision of 20 November 1959.

(g) Peruvian import charges

The report by Peru under the Decision of 21 November 1958, as amended by the Decisions of 17 November 1959 and 19 November 1960, has been received and is being prepared for distribution.

(k) United States import restrictions

The seventh annual report by the United States Government under the Decision of 5 March 1955 has been distributed in document L/1549. It is expected that the CONTRACTING PARTIES will wish to refer this report, as in previous years, for examination by the Working Party on Agricultural Waivers (see sub-item (a) above).

21. RECOURSE TO ARTICLE XXIII BY URUGUAY

This item has been included in the agenda at the request of the Government of Uruguay "for the consideration by the CONTRACTING PARTIES under paragraph 2 of Article XXIII of nullification and impairment of benefits accruing to Uruguay under the General Agreement consequent upon measures maintained by certain other contracting parties".

22. APPLICATION OF ARTICLE XXXV TO JAPAN

The Working Party, which was appointed at the eighteenth session to review the operation of Article XXXV with respect to Japan, has submitted its report in document L/1545. This report will be submitted to the CONTRACTING PARTIES for adoption. The Japanese Government has requested that this item should be taken up by the CONTRACTING PARTIES on or about 24 November.

23. ACCESSION

Within the framework of the tariff conference now in progress, the CONTRACTING PARTIES made provision for negotiations with six countries with a view to their accession under Article XXXIII. Progress in the negotiations will be reported to the session.

The Declarations providing for the provisional accession of Israel and Tunisia will expire on 31 December 1961 unless they have acceded by that date or unless the validity of the Declarations is extended by the participating governments. The Decisions inviting Israel and Tunisia to participate in the work of the CONTRACTING PARTIES will also expire on 31 December 1961 unless their accession has been completed by that date or unless the Decisions are extended by the CONTRACTING PARTIES.

24. PROVISIONAL ACCESSION OF SWITZERLAND

A consultation with the Government of Switzerland under paragraph 1(c) of the Declaration of 22 November 1958 was initiated at the seventeenth session. As subsequently arranged by the Council, the consultation is being conducted by a group of contracting parties drawn mainly from important agricultural exporters to the Swiss market. The Group is composed of Australia, Canada, Denmark, France, the Netherlands, New Zealand, the United States and Uruguay. The Group will meet again early in the session and will submit a report.

The Declaration on Provisional Accession will expire on 31 December 1961 unless Switzerland has acceded by that date or unless its validity is extended by the parties to the Declaration. The Resolution on the participation of Switzerland in the work of the CONTRACTING PARTIES will also expire on that date unless Swiss accession has taken place or unless it is extended by the CONTRACTING PARTIES.

25. RELATIONS WITH YUGOSLAVIA

Under the Decision and Declaration of 25 May 1959 the CONTRACTING PARTIES are required to review each year "the development of mutual relations between Yugoslavia and the other parties on the basis of the Declaration as well as the possibilities of further progress towards the full application of the provisions of the General Agreement". The first Review was conducted by a working party at the seventeenth session and its report is contained in document L/1378. The Council decided that the second Review should be conducted during the nineteenth session. Certain information concerning the Yugoslav customs tariff and trade controls has been made available in documents L/1494 and Add.1 and L/1574. Data on trade relations between Yugoslavia and other parties to the Declaration have been distributed in document L/1594.

The Executive Secretary has proposed in GATT/AIR/260 that a working party should be established early in the session and that it should conduct the Review during the second week of the session.

26. NEWLY-INDEPENDENT STATES

The secretariat has not thus far received any information in addition to that contained in documents L/1405 and Add.1-2 concerning the intentions of newly-independent States to which the GATT was formerly applied by metropolitan powers as to their future relations with the GATT. The relevant recommendations expire in respect of Guinea on 27 November 1961 and in respect of Togo on 27 April 1962. Further letters have been addressed to the Governments of Guinea and Togo and their replies will be reported to the CONTRACTING PARTIES. In respect of Cyprus, Madagascar and various States in Africa the Recommendation of 18 November 1960 will continue to apply at least until June/November 1962, and the status of these territories can be reviewed at a later session.

27. STATUS OF PROTOCOLS

The status of protocols and other instruments which had not yet been accepted by all contracting parties on 19 September 1961 is set out in document L/1561. This statement will be brought up to date at the opening of the session.

The principal point for consideration at the nineteenth session concerns the entry into force of the Protocol Amending Part I and Articles XXIX and XXX. It was agreed at the eighteenth session (SR.18/1) that if, by the time of the nineteenth session, this Protocol, which requires unanimous acceptance, had not entered into force, the CONTRACTING PARTIES would consider whether these amendments should be abandoned or whether the closing date for signature should be again extended.

A number of other protocols and instruments, some of them dating from 1955, have not yet entered into force because of the non-acceptance by a number of contracting parties.

28. JAPANESE SCHEDULE

The Government of Japan has given notice of its intention to request authority under paragraph 4 of Article XXVIII to renegotiate certain concessions provided for in Schedule XXXVIII. The details of the items affected and relevant trade statistics will be submitted by the Japanese Government in the near future and will be distributed to the contracting parties.

29. RELATIONS WITH THE ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

This question was discussed at the eighteenth session under the heading "Paris Economic Meetings" (SR.18/2). The Executive Secretary was requested to consult with the Secretary-General of the OECD "on the question of when and how the proposed activities of the OECD in the trade field and the relationship between the OECD and GATT could best be discussed". The OECD has now been established and the Executive Secretary will report on his consultations.

The Secretary-General of the OECD has accepted an invitation to attend the session when this question comes up for consideration and has advised that 23 November would be a convenient day for him to be in Geneva.

30. FINANCIAL AND ADMINISTRATIVE QUESTIONS

The Budget Working Party which was appointed at the eighteenth session met in September and considered the Executive Secretary's financial report on the 1960 accounts, the report of the external auditor thereon (L/1529) and the budget estimates for the financial year 1962 (L/1517 and Add.1). The Working Party's report (L/1562) and its recommendations have been approved by the Council (C/M/8, page 21) and will be submitted to the session for adoption. Further relevant papers, which have been distributed for information, are L/1577, L/1578 and L/1579. In addition a report by the Executive Secretary on the financial position as at 30 September 1961 will be distributed before the session.

In view of the preparatory work which has thus been done, it is not expected that the Budget Working Party will have to meet during the session.

31. ANNUAL REPORT ON TRADE RESTRICTIONS

The Government of Uruguay has suggested that the secretariat should prepare an annual detailed report "on all forms of trade restrictions and discriminations", similar to the reports published by the International Monetary Fund on exchange restrictions and controls. When this suggestion is under consideration, the Executive Secretary will report on its implications for staff and budget.

32. FELLOWSHIP PROGRAMME

The Executive Secretary reports annually on the operation of the secretariat programme for providing training courses for officials from less-developed countries. The report for 1961 will be distributed in the near future in document L/1598.

33. CHAIRMANSHIP OF ICCICA

Mr. L.K. Jha, the CONTRACTING PARTIES' nominee as Chairman of the Interim Co-ordinating Committee for International Commodity Arrangements, informed the CONTRACTING PARTIES at their eighteenth session that it would not be possible for him to continue as Chairman of ICCICA after his present term of office expires in November. The nomination of a Chairman for the ensuing year will be considered in the first instance at a meeting of heads of delegations.

34. ELECTION OF OFFICERS

Under rule 10 of the Rules of Procedure (7S/7) a chairman and two vice-chairmen are elected during the course of the last session in each calendar year; they hold office from the end of the session at which they are elected until the end of the last session in the following calendar year. The election of officers for 1961/62 will be considered in the first instance at a meeting of heads of delegations.

35. PROGRAMME OF MEETINGS FOR 1962

During the session the Executive Secretary will submit a proposed programme for meetings of the Council, Committees and Working Parties and also for sessions of the CONTRACTING PARTIES in 1962.