

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

CONTRACTING PARTIES
Twenty-first Session
24 February-20 March 1964

PROVISIONAL AGENDA

Notes by the Secretariat on Agenda Items

The provisional agenda for the twenty-first session has been distributed in documents L/2124 and Add.1. The following annotations are provided to assist delegations in preparing for the session:

1. ADOPTION OF AGENDA

The provisional agenda will be submitted to the CONTRACTING PARTIES for adoption.

The Executive Secretary will put forward proposals concerning the order of business. Part A of the agenda consists of items which will be taken up during the first two weeks of the session. Also during that period a number of committees and working parties will meet. The Working Group on Preferences and the Committee on the Legal and Institutional Framework of GATT in Relation to Less-Developed Countries will begin their meetings on or about 25 February. It is proposed that the Working Party on the Provisional Accession of Iceland should begin its work on or about 2 March. In addition, the CONTRACTING PARTIES may wish to establish working parties to prepare reports for other items on the agenda, for example Item 7 (Article XVIII) and Item 32 (Accession of Viet-Nam).

2. BALANCE-OF-PAYMENTS IMPORT RESTRICTIONS

(a) Reports on consultations

The reports by the Committee on Balance-of-Payments Restrictions on consultations carried out in June with Chile (L/2018), Finland (L/2017), Indonesia (L/2019) and Turkey (L/2020) were submitted to the Council (C/M/16), which has recommended their adoption by the CONTRACTING PARTIES. The Committee met again in December to carry out consultations with Burma (L/2104), Israel (2099), New Zealand (L/2096 and Add.1), South Africa (L/2094), United Arab Republic (L/2105) and Yugoslavia (L/2101); these reports will be submitted for approval.

(b) Arrangements for consultations in 1964

The secretariat will propose a programme for the conduct of consultations in 1964.

3. RESIDUAL IMPORT RESTRICTIONS

Procedures for dealing with restrictions maintained for reasons other than balance-of-payments difficulties were adopted at the seventeenth session (9S/19). At the twentieth session the CONTRACTING PARTIES requested the Council to review from time to time the lists of restrictions notified in accordance with paragraph 7 of the procedures. These were reviewed by the Council in June 1963 (C/M/16). A document indicating the restrictions still maintained, as notified by contracting parties, is being prepared by the secretariat, and the CONTRACTING PARTIES may wish to consider the present situation in the light of that document.

4. DISPOSAL OF COMMODITY SURPLUSES

Experience under the Resolutions of 4 March 1955 on the disposal of surpluses and the liquidation of strategic stocks has been reviewed at recent sessions of the CONTRACTING PARTIES. At the twentieth session it was agreed that the item should be retained on the agenda and that contracting parties should again be requested to submit reports of any disposal or liquidation arrangements in which they may have engaged. A request for the submission of reports has been issued in document L/2115 and the statements received will be distributed at the opening of the session. Further, the Executive Secretary was requested to follow action in this field by other intergovernmental agencies; a report on such action will also be distributed. It was agreed at the twentieth session that the CONTRACTING PARTIES would review this matter at the twenty-first session in the light of these reports.

5. CENTRAL AMERICAN FREE-TRADE AREA AND NICARAGUA-EL SALVADOR FREE-TRADE AREA

Under the Decisions of 13 November 1956 (5S/29) and 25 October 1951 (II/30) the Government of Nicaragua is required to report annually. A statement by the Government of Nicaragua has been distributed in document L/2085 and it has been invited to submit further relevant information for consideration at the session.

6. EQUATORIAL CUSTOMS UNION/CAMEROON

The Governments of the Central African Republic, Congo (Brazzaville), Gabon and Chad have entered into a customs union arrangement. The text of the Convention was distributed in document L/2061, which also contained the text of an agreement regulating the economic and commercial relations between the member States and Cameroon. The external customs tariff has been distributed in L/2061/Add.1. These texts have been submitted for examination under paragraph 7 of Article XXIV.

This matter was considered by the Council in December (C/M/19) and contracting parties were asked to submit to the secretariat any questions concerning the provisions of the Convention or its implementation. From the replies received a questionnaire has been prepared and has been sent to the governments concerned. The Council proposed that the examination of this Convention should be carried out during the session.

It has been pointed out on page 2 of document L/2061 that the status of the Schedule of Gabon should be reviewed in the light of the new situation created by the formation of the Customs Union.

7. ARTICLE XVIII

(a) Request by Ceylon for extension of release

The release granted to the Government of Ceylon, under Section C of Article XVIII, with respect to imports of sarongs, sarees and cotton piece-goods expired on 27 August 1963. In document L/2082 and Add.1 Ceylon has requested an extension of this release for five years. On the recommendation of the Council, the release was extended, by postal ballot, until the close of the twenty-first session (L/2109).

(b) Annual review under paragraph 6

Paragraph 6 of Article XVIII requires the CONTRACTING PARTIES to review annually the measures applied under Section C of the Article. Only Ceylon at present applies measures under these provisions. The annual reviews at the nineteenth and twentieth sessions were carried out in plenary meetings. A background document is being prepared.

8. CONSULAR FORMALITIES

At the twentieth session the CONTRACTING PARTIES adopted the report and approved the recommendations of a panel of experts which had been appointed to survey the consular formalities still maintained by contracting parties and to recommend ways and means of ensuring their simplification and their elimination in accordance with the recommendations adopted by the CONTRACTING PARTIES in 1952 and 1957 (13/25 and 6S/25). Contracting parties still regularly requiring consular formalities have been invited (GATT/AIR/374) to submit reports on their reasons for maintaining these requirements and on their future policy (11S/214). The reports received will be distributed at the beginning of the session.

9. SUBSIDIES

The Declaration of 19 November 1960 extending the standstill provisions of paragraph 4 of Article XVI (9S/33) expired at the end of 1963. The CONTRACTING PARTIES may wish to consider whether it would be desirable to extend the validity of this Declaration.

10. RELATIONS WITH POLAND

The second annual review envisaged in the Declaration of 9 November 1959 on relations between contracting parties and Poland (8S/12) was carried out by a working party which submitted its report (L/2058) to the Council in December. The Council recommends its adoption by the CONTRACTING PARTIES (C/M/19).

11. APPLICATION OF ARTICLE XXXV TO JAPAN

The inclusion of this item on the agenda has been requested by the Government of Japan. It is expected that the representative of Japan will report on consultations since the twentieth session between his Government and contracting parties which still maintain their invocation of Article XXXV.

12. PROVISIONAL ACCESSION OF SWITZERLAND

Under paragraph 1(b) of the Declaration of 22 November 1958 (7S/19), as extended by the Procès-Verbal of 8 December 1961 (10S/12), the Government of Switzerland is required to furnish an annual report on the measures maintained consistently with the reservation set out in that paragraph; if so requested by the CONTRACTING PARTIES, the Government of Switzerland will consult with them regarding these measures. The report for 1963 will be distributed prior to the opening of the session.

13. PROVISIONAL ACCESSION OF ICELAND

The request by the Government of Iceland to negotiate for provisional accession (L/2100) was submitted to the Council in December. The Council decided that a working party should be established to undertake preparations for consideration of this request by the CONTRACTING PARTIES (C/M/19). Contracting parties wishing to be members of the working party were requested to inform the secretariat (L/2100/Add.1), and the composition of the working party has been announced in document L/2133. A memorandum by the Government of Iceland on its foreign trade régime will be distributed in the near future in document L/2134. It has been proposed that the working party should meet on or about 2 March and it is expected that representatives of the Government of Iceland will participate.

14. NEWLY-INDEPENDENT STATES

By their Decision of 14 November 1962 (11S/53) the CONTRACTING PARTIES prolonged their recommendation concerning the de facto application of the GATT to certain newly-independent States in Africa. It was envisaged that the status of the territories concerned would be reviewed at the twenty-first session. There are three States to which the recommendation of de facto application will cease to be valid unless further extended. One of these, Congo (Leopoldville), has requested an extension. The other States are Mali and Togo.

15. RELATIONS WITH LESS-DEVELOPED COUNTRIES

At the twentieth session the CONTRACTING PARTIES considered a proposal put forward by the Government of the United States that the CONTRACTING PARTIES should explore the possibility of offering arrangements whereby less-developed countries which had so far not acceded to the GATT could participate actively in its work (SR.20/11). This suggestion was referred to the Council, which established a working party to consider whether practical and satisfactory ways could be

devised to give effect to this suggestion. The working party's report (L/1990) was submitted to the Council at its meeting in April which decided to act upon one of the working party's recommendations and to refer the remainder of the report to the CONTRACTING PARTIES for consideration at the twenty-first session.

The recommendation on which the Council took action appears in paragraph 5 of the report. The Council decided that, if the Ministers at their meeting in May 1963, should decide to convene a trade negotiating conference, the Executive Secretary should communicate with those less-developed countries which were not contracting parties enquiring whether they would wish to take the opportunity afforded by the Kennedy round to enter into negotiations with a view to accession under Article XXXVIII. After the Decision of the Ministers to convene a trade negotiating conference, the Executive Secretary issued his enquiry and he will report to the session on the replies received. In the light of this report the CONTRACTING PARTIES may wish to consider the other recommendations put forward by the working party.

16. URUGUAYAN IMPORT SURCHARGES

In a report submitted under the Decision of 8 May 1961 (10S/51), permitting the maintenance of certain surcharges on imports, the Government of Uruguay has asked for an extension of the waiver for three years, i.e. until 1 July 1966 (L/2016 and Add.1 and 2). The Council gave preliminary consideration to this request and on its recommendation the waiver has been extended by postal ballot until the close of the twenty-first session (L/2041 and L/2130). The matter has also been considered by the Committee on Balance-of-Payments Restrictions, which consulted in this connexion with the IMF, and has submitted a report in document L/2103.

17. REPORTS UNDER WAIVERS

(a) Australia/Papua-New Guinea (2S/18)

The annual report by the Government of Australia is submitted early in each calendar year. The report for 1963 will be submitted to the CONTRACTING PARTIES if it is received before the end of the session.

(b) Ceylon - temporary duty increases (11S/60)

A report by the Government of Ceylon has been distributed in document L/2068. Ceylon is required to consult with the CONTRACTING PARTIES and in this connexion the CONTRACTING PARTIES will wish to consult with the IMF under Article XV:2.

(c) France/Germany - Saar (6S/30)

The reports by the Governments of France and Germany have been distributed in document L/2063.

(d) Italy - trade with Libya (10S/45)

The reports by the Governments of Italy and Libya have been distributed in L/2034 and L/2039 respectively.

(e) Italy - trade with Somalia (9S/40)

The report by the Government of Italy has been distributed in L/2069. The report by the Government of Somalia has not yet been received.

(f) Rhodesia and Nyasaland/United Kingdom territories (9S/47)

The report by the Government of the Federation of Rhodesia and Nyasaland has been distributed in L/2116.

(g) South Africa/Article I (9S/51)

The report by the Government of South Africa has been distributed in L/2126.

(h) United Kingdom/Article I (2S/20)

The report by the Government of the United Kingdom has been distributed in L/2121.

(i) United Kingdom/dependent overseas territories (3S/21)

The report by the Government of the United Kingdom has been distributed in document L/2122.

(j) United States import restrictions (3S/32)

The report by the Government of the United States has been distributed in document L/2081. At previous sessions the United States Government's report has been examined by a working party.

18. MODIFICATION OF SCHEDULES UNDER ARTICLE XXVIII:1

Under the procedures established in paragraph 3 of the Notes and Supplementary Provisions relating to paragraph 1 of Article XXVIII (Annex I to the GATT) contracting parties wishing to enter into negotiations for the modification or withdrawal of concessions in their Schedules were required to notify the CONTRACTING PARTIES not later than 30 September 1963. The Trade Negotiations Committee decided to extend this closing date until 31 October 1963, and to submit this Decision for the formal approval of the CONTRACTING PARTIES at their next session (TN.64/SR.2).

The negotiations thus notified were to be concluded by the end of December, but at the request of some of the contracting parties concerned, this time limit was extended by the Council until 31 January 1964 (C/M/19) and it was further extended until the end of the twenty-first session as a consequence of the proposal put forward by the Executive Secretary in GATT/AIR/378. These extensions should be formally approved by the CONTRACTING PARTIES. It is possible that a further extension will be requested.

19. STATUS OF PROTOCOLS

A statement on the protocols and other instruments which have not yet been accepted by all contracting parties has been distributed in document L/2090. A number of protocols, some of them dating from 1955, have not entered into force

because they have not been accepted by one of the contracting parties (Uruguay). The most important of these is the Protocol amending Part I and Articles XXIX and XXX. The CONTRACTING PARTIES may wish to consider a further extension of the closing date for the acceptance of this Protocol.

20. FELLOWSHIP PROGRAMME AND TECHNICAL ASSISTANCE

A report by the Executive Secretary will be distributed before the session. This report will describe the half-yearly in-service training programmes at the GATT secretariat and the one-month courses held in Africa. In addition it will cover the technical assistance afforded in connexion with commercial policy problems of newly-independent States.

21. FINANCIAL AND ADMINISTRATIVE QUESTIONS

(a) Report by Committee on Budget, Finance and Administration

A report by the Committee, including the recommendations contained therein (L/2064) with the exception of paragraph 6 (liaison offices), and the scale of contributions for 1964 (L/2064/Add.1), has been approved by the Council, which recommends its adoption by the CONTRACTING PARTIES (C/M/19). The question of regional liaison arrangements was left over for action by the CONTRACTING PARTIES. The resolution on expenditure in 1964, on pages 7-11 of the report, has been adopted by the CONTRACTING PARTIES, by postal ballot.

(b) Absence on military service

A note by the Executive Secretary proposing the adoption by the CONTRACTING PARTIES of the proposals contained in document L/2055 will be distributed. (The Committee on Budget, Finance and Administration did not reach a unanimous conclusion in this matter.)

(c) Final 1963 budget position

A report on the budget position as at 31 December 1963 will be distributed, including proposals for transfer between sections of the budget and transfer from the surplus account, for adoption by the CONTRACTING PARTIES.

(d) Assessment of additional contributions

Document L/2089 containing proposals for the assessment of additional contributions to the 1963 budget and advances to the Working Capital Fund is submitted for approval by the CONTRACTING PARTIES.

(e) Reclassification of Geneva for purposes of post adjustment

A note on this question will be distributed.

(f) Trade information and promotion

The report of the Expert Group on the establishment of trade information and trade promotion advisory services in the GATT (COM.III/128) will be considered by Committee III early in the session. The report of Committee III on this question may lead to further proposals of a financial and administrative character being submitted for approval by the CONTRACTING PARTIES.

22. TRADE NEGOTIATIONS, 1964

It was agreed at the meeting of Ministers in May 1963 that trade negotiations (now called "the Kennedy Round") should be held in 1964. A Trade Negotiations Committee has been set up to elaborate a negotiating plan and to supervise the conduct of the negotiations; this Committee has established sub-committees to deal with special problems and some of these may meet during the session. A report on the preparations for the negotiations will be made by the Chairman of the Trade Negotiations Committee.

23. TRADE OF LESS-DEVELOPED COUNTRIES

(a) Report by Committee III

Since the meeting of Ministers in May 1963, Committee III has resumed and further expanded its work under a number of headings. The report on its meeting in October has been distributed in L/2080. The Committee will meet again during the first half of the session to examine the report of the Group of Experts in the Field of Trade Information (COM.III/128) regarding the most efficient means for establishing trade information and trade promotion advisory services in the GATT.

(b) Report by Action Committee

The Ministers at their meeting in May 1963 decided on the establishment of an Action Committee to assist the CONTRACTING PARTIES in the implementation of the Programme of Action and to initiate and co-ordinate further positive measures mentioned in the Ministers' Conclusions to help developing countries to strengthen their production potential and export capacity. The Action Committee met in September and December; secretariat notes on the proceedings at these meetings have been distributed in AC/3 and AC/8. The latter note also summarizes briefly the work undertaken by the Sub-Committees which the Action Committee have established. A report on the work of the Action Committee and of its Sub-Committees will be made to the session.

(c) Report by Working Group on Preferences

In accordance with the Conclusions adopted by Ministers, at their meeting in May 1963, the Council established a working group on the question of preferences for the exports of less-developed countries. The

membership and terms of reference of the Group are set out in document L/2048 and Add.1. The Group held its first meeting in October, and a summary of points raised at that meeting was issued in L/2073. The Group met again in December and will hold its third meeting during the first half of the session, beginning on or about 25 February.

(d) Report by Committee on Legal and Institutional Framework

In accordance with the Conclusions adopted by Ministers, at their meeting in May 1963, the Council established a committee to examine all aspects of the problems related to the provision of an adequate legal and institutional framework which would enable the CONTRACTING PARTIES to discharge their responsibilities in connexion with the work of expanding the trade of less-developed countries. The membership and terms of reference of the Committee are set out in document L/2049 and Add.1 and 2. The Committee met in October and December and will meet again during the first half of the session beginning on or about 25 February.

A summary of the points raised at the December meeting has been distributed in document L/2114, and certain proposals put forward by the Brazilian delegation at that time in L/2123. Governments were invited to formulate their individual proposals concerning a new chapter on trade and development for incorporation in the GATT, for consideration at the next meeting. Proposals have thus far been received from India (L/2128), the United States (L/2136) and the United Arab Republic (to be distributed).

(e) Report by Special Group on Trade in Tropical Products

The Special Group will meet from 18-20 February to examine, inter alia, the problems facing the cocoa industry, in so far as they come within the purview of the GATT, following the failure of the United Nations Cocoa Conference. A report on the meeting will be submitted to the session.

(f) Report by Group of Experts on Financial Assistance

At its meeting in October Committee III decided to set up a group of experts to study the rôle of GATT in regard to the problems of relationship between trade and financial assistance for less-developed countries. The experts met in January, and a report on the meeting has been distributed in document COM.III/127. The report was to have been submitted to the Council, but since the Council will not be meeting before the session the report will be submitted to the CONTRACTING PARTIES. The Group has recommended that its report should be taken into account by the Committee on the Legal and Institutional Framework of GATT in Relation to Less-Developed Countries, which will be meeting during the first half of the session.

24. IMPACT OF COMMODITY PROBLEMS UPON INTERNATIONAL TRADE

Under the Resolution of 17 November 1956 (5S/26 and 7S/42) the CONTRACTING PARTIES review annually the impact of commodity problems on international trade. The reviews are based on reports submitted by the CONTRACTING PARTIES' nominee as Chairman of ICCICA, and other relevant documents. It is expected that the report by Mr. Hasnie, the Chairman of ICCICA, will be received in time for distribution before the opening of the session. Other relevant documents include the 1963 Review of International Commodity Problems submitted by ICCICA to ECOSOC (E/3731 and Add.1) and the review of recent trends in commodity trade published in the secretariat's annual report entitled "International Trade, 1962".

This item will be taken up in a plenary meeting on Monday 9 March, when Mr. Hasnie will attend to present his report.

25. EUROPEAN ECONOMIC COMMUNITY

A representative of the Economic Commission of the Community will furnish information on the implementation of the Rome Treaty.

26. EUROPEAN FREE TRADE ASSOCIATION AND THE ASSOCIATION AGREEMENT WITH FINLAND

The Vice-Chairman of the EFTA Council, on behalf of the member States, will present a statement relating to the implementation of the Stockholm Convention. In addition, the Vice-Chairman of the Joint Council, on behalf of the partners to the Agreement between the member States of EFTA and Finland, will present a statement on the implementation of this Agreement. The statements in question have been distributed in document L/2125.

27. LATIN AMERICAN FREE TRADE AREA

It is expected that the member States will furnish information on the implementation of the Montevideo Treaty in accordance with paragraph (e) of the Conclusions adopted by the CONTRACTING PARTIES on 18 November 1960 (9S/21) after their examination of the Treaty at the seventeenth session.

28. TRADE IN COTTON TEXTILES

The Long-Term Arrangement Regarding International Trade in Cotton Textiles entered into force on 1 October 1962. The parties to the Arrangement are members of the Cotton Textiles Committee, which is required to review the operation of the Arrangement annually and to report to the CONTRACTING PARTIES. The first review was carried out by the Committee in December 1963 and its report will be distributed in document L/2135. In paragraph 18 the Committee draws the attention of CONTRACTING PARTIES to the effect of tariff barriers on trade in cotton textiles and considers that this should be taken fully into account in the arrangements for the forthcoming trade negotiations.

29. PROGRAMME OF MEETINGS FOR 1964

The Executive Secretary will propose a programme for meetings of the Council, committees and working parties and for sessions of the CONTRACTING PARTIES to be held during the period April-December 1964.

30. ELECTION OF OFFICERS

At the twentieth session the following officers were elected:
Chairman - Mr. J.H. Warren (Canada); Vice-Chairmen - Mr. W.P.H. van Oorschot (Kingdom of the Netherlands) and Mr. J.B. Daramola (Nigeria). The election of officers will be considered in the first instance at a meeting of heads of delegations.

31. PERUVIAN IMPORT SURCHARGES

The Government of Peru has recently imposed surcharges on importation affecting certain concessions in the Peruvian Schedule, and intends to request the CONTRACTING PARTIES to grant a waiver under paragraph 5 of Article XXV for the maintenance of these surcharges. A statement by the Government of Peru will be distributed in the near future.

32. ACCESSION OF VIET-NAM

The Government of Viet-Nam has submitted an application to accede to the GATT pursuant to Article XXXIII. It is expected that a representative of the Vietnamese Government will attend the session to present this request.

NOTE

CONFERENCE AND SECRETARIAT ACCOMMODATION

At a meeting of the Council in June 1963, the Executive Secretary drew attention to the increasing difficulties which were being experienced in the provision of suitable conference accommodation and also to the need of additional office space for the secretariat. The Executive Secretary was authorized to make inquiries as to the possibility of arranging for self-contained conference facilities and secretariat offices in Geneva or elsewhere.

The Executive Secretary reported on this matter to the Council in December and it was suggested that he might pursue the matter further in consultation with the Committee on Budget, Finance and Administration with a view to recommendations being submitted to the CONTRACTING PARTIES. Owing to the fact that the various alternatives open to the CONTRACTING PARTIES are not yet clear the Executive Secretary recommends that further consideration of this matter be postponed until later in the year.