

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/2607

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CONTRACTING PARTIES  
Twenty-Third Session  
24 March-6 April 1966

## REPORT BY THE COUNCIL OF REPRESENTATIVES

### The Council's Activities Since the Twenty-Second Session

The Council wishes to report to the CONTRACTING PARTIES on the work it has carried out since the twenty-second session in March 1965. The volume and significance of this work clearly indicates the increasing importance of the intersessional work of the Council.

Since the twenty-second session, the Council has held ten meetings and has dealt with a number of matters which required urgent attention. At meetings held shortly before the twenty third session the Council reviewed the items listed in the provisional session agenda (L/2558/Add.1-5) with a view to carrying out as much preparatory work as possible in order to facilitate the task of the CONTRACTING PARTIES.

Section A is a report on matters on which final action has been taken and which therefore do not appear on the provisional agenda for the twenty-third session.

Section B deals with items on the provisional agenda for the twenty-third session which have been considered by the Council and taken to a stage where it is felt that the CONTRACTING PARTIES can, by the adoption of this section of this report, consider action upon them complete.

Section C records the preparatory work undertaken by the Council on many other items on the provisional agenda. Where it was in a position to do so, the Council has put forward recommendations for consideration by the CONTRACTING PARTIES under the relevant items of the agenda.

Section D contains notes on the remaining agenda items, which have not been discussed by the Council.

As this report contains notes on all the items listed in the provisional agenda for the twenty-third session no separate annotated agenda will be issued.

SECTION A

Action by the Council on Matters which do not Appear  
on the Provisional Agenda for the Twenty-Third Session

1. Extension of date of acceptance of Protocol  
introducing Part IV (C/M/29 and C/M/32)

At its meeting on 14/15 December, the Council noted that the Protocol introducing Part IV of the General Agreement had not been accepted by the requisite two thirds of the contracting parties to bring the new Chapter into force. Accordingly, it approved the text of a draft decision extending the time-limit for acceptance until the twenty-fourth session which was adopted by postal ballot on 17 January 1966 (L/2548). Thirty-eight contracting parties have accepted the Protocol. The contracting parties which have not yet accepted the Protocol are listed in L/2575.

The Council also drew up a new Declaration providing for the de facto implementation of the amendments until the Protocol enters into force or until the twenty-fourth session. Thirty-eight governments have subscribed to the new Declaration. (L/2574 and addenda.)

2. Provisional accession of Iceland, Tunisia and Yugoslavia (C/M/32)

The arrangements for the provisional accession of Iceland, Tunisia and Yugoslavia were due to expire at the end of 1965. The Governments of Iceland and Tunisia requested an extension of two years and the Working Party on the Accession of Yugoslavia recommended that Yugoslavia's provisional accession should be extended by six months. The Council agreed that the provisional accession of the three countries should be prolonged and approved draft Procès-Verbaux to this end. The Procès-Verbaux in respect of Iceland and Yugoslavia came into force on 28 December 1965 and that for Tunisia on 6 January 1966. Many contracting parties which are parties to the Declarations have not yet accepted the extensions (see L/2584).

At the same time, the Council approved the text of Decisions extending the invitations to Iceland, Tunisia and Yugoslavia to participate in the work of the **CONTRACTING PARTIES**. The three Decisions were adopted by postal ballot on 17 January 1966. (L/2544, L/2545 and L/2546.)

3. Indian regulatory duty (C/M/27 and C/M/32)

At its July meeting, the Council considered a communication from the Indian Government on the imposition of an import levy and requested the Committee on Balance-of-Payments Import Restrictions to examine the balance-of-payments aspect of the matter. The report of the Committee on its examination (L/2501) was adopted by the Council at its December meeting. The Council requested the Committee on Balance-of-Payments Import Restrictions to include, so long as the regulatory duty was maintained, a review of the operation of the duty in future consultations with the Government of India under Article XVIII:B.

4. Canada/United States Agreement on Automotive Products - Waiver (C/M/29 and C/M/31 and Corr.1 and 2)

When the CONTRACTING PARTIES examined the Canada/United States Agreement at their twenty-second session, it was agreed that, if the Government of the United States should consider it necessary to seek action by the CONTRACTING PARTIES in order to reconcile its participation in the Agreement with its obligations under the GATT, the matter would be referred to the Council for consideration. At its October meeting, the Council considered a request from the United States Government for a waiver from paragraph 1 of Article I. During discussion of the United States request in the Council, a number of delegations alluded to the important question of principle involved in an indefinite departure from the most-favoured-nation rule. The Council established a Working Party whose report (L/2509 and Corr.1) it considered in November. When the report was discussed in the Council, the representative of the United States, referring to points that had caused concern to other delegations, confirmed that the granting of preferences to Canada on automotive products would not affect the United States offer in the Kennedy Round and that the United States would later be willing to consider further reduction or elimination of duties on these products. The United States representative also confirmed that the granting of a waiver would in no way prejudice the rights of contracting parties under the General Agreement including those under Article XXIII. Further, the United States was willing to enter into consultation with contracting parties if their trade should be adversely affected by the measures covered by the waiver. The Council approved the text of a Decision providing for a waiver from Article I which was adopted by postal ballot on 20 December 1965 (L/2528).

5. Article XV:6 - Waiver for Indonesia (C/M/33)

Indonesia requested a waiver from the provisions of Article XV:6 requiring a contracting party which withdraws from the International Monetary Fund to accept a special exchange agreement with the CONTRACTING PARTIES. The Council approved the text of a Decision to this end which was adopted by postal ballot on 28 February 1966 (L/2571).

6. Uruguayan import surcharges - Extension of waiver  
(C/M/32 and Corr.1)

At their twenty-second session, the CONTRACTING PARTIES extended, until the end of 1965, the waiver granted to Uruguay to authorize: (a) the maintenance of certain surcharges imposed on imports of items bound in the Uruguayan Schedule; and (b) the maintenance of an increased rate of surcharge which had been introduced in November 1964. At the request of the CONTRACTING PARTIES, the Committee on Balance-of-Payments Import Restrictions examined the balance-of-payments aspects of the surcharge and its report was circulated in L/2504. The Council adopted this report and, acting under the authority conferred on it by the CONTRACTING PARTIES in their Decision of 23 March 1965, adopted a Decision authorizing Uruguay to maintain, until the end of the first regular session of the CONTRACTING PARTIES in 1967, its import surcharges, as modified by the decree of 24 November 1964, subject to the relevant terms and conditions of the original waiver of 8 May 1961.

7. United States tariff classification - Extension of waiver  
(C/M/26, C/M/28 and C/M/29)

In July 1963, the CONTRACTING PARTIES granted a waiver to the Government of the United States suspending the application of Article II to the extent necessary to enable the introduction of the tariff schedules established under the Tariff Classification Act prior to the completion of the applicable procedures under Article XXVIII. This waiver was subsequently renewed by the Decision of 26 June 1964. The Government of the United States requested a further extension, until 30 June 1966, and a Decision incorporating this request was approved by the Council and was adopted by postal ballot on 30 June 1965 (L/2453).

At its meeting on 19 October, the Council, at the request of the United States, approved the text of a Decision amending the waiver to refer to the introduction of certain changes in the 1963 United States tariff, (the subject of the original waiver decision of July 1963). The Decision was adopted by postal ballot on 1 December 1965 (L/2522).

8. Reports under waivers (C/M/32)

- (a) Turkish stamp duty
- (b) France and Germany/Saar

The Council noted the reports of the Turkish Government on the operation of the Turkish Stamp Duty (L/2472) and by the Governments of France and the Federal Republic of Germany on trade with the Saar (L/2523).

9. Article XXVIII

- (a) General (C/M/32)

The Council, at the request of a number of contracting parties, agreed, at its December meeting, to the further extension of the time-limit, until the end of the twenty-third session, for negotiations notified in 1963 for the modification or withdrawal of concessions under the provisions of paragraph 1 of Article XXVIII.

(b) Australian request (C/M/33 and C/M/34/Rev.1)

In January 1966, the Australian Government requested authority under Article XXVIII:4 to enter into negotiations for the withdrawal of certain concessions. The Council granted the authority to renegotiate.

10. Membership of the Advisory Committee to the UNCTAD Board and to the Committee on Commodities (C/M/27 and Corr.1 and C/M/35)

The Council agreed, at its July meeting:

- (a) that the Director-General be authorized to enter into discussion with the Secretary-General of the UNCTAD and the Director-General of the FAO with a view to establishing a list of members of the Committee;
- (b) that as soon as practicable the contracting parties should be informed of the list so established; and
- (c) that this procedure would not necessarily set a precedent for the future selection of members of the Advisory Committee after the first three-year term of office.

The acceptance of this procedure was ad referendum but no request for reconsideration of the matter was received within the ten days stipulated.

At its March meeting the Council noted a report by the Director-General (L/2589) in which he advised that the UNCTAD Board had approved the nomination by the CONTRACTING PARTIES of Mr. S.A. Hasnie (Pakistan) to the Advisory Committee.

11. Administrative and financial questions (C/M/27, C/M/30 and C/M/32)

At its July meeting, the Council approved a proposal concerning an increase in General Service Category salary scales (L/2451) and the reclassification of Geneva for purposes of post adjustment (L/2452). At its meeting in December, the Council approved recommendations in L/2515 authorizing the Director-General to apply scales adopted by the General Assembly of the United Nations to GATT professional staff as from 1 January 1966. At the same meeting the Council approved recommendations in L/2502 concerning the assessment of contributions to the 1965 budget of Burundi and Gambia and the advances to the Working Capital Fund of these countries.

The Council agreed, at its meeting on 9 November, to recommend to the CONTRACTING PARTIES the adoption of the report of the Committee on Budget, Finance and Administration, including the scale of contributions and the Resolution on expenditure in 1966. The report was adopted by postal ballot on 10 December 1965.

SECTION E

Items which appear on the Provisional Agenda for the Twenty-Third Session which the Council recommends be dealt with by the Adoption of this Section of the Report

(The items are numbered as in the provisional agenda for the session)

Item 3: Fellowship programme and technical assistance (C/M/35)

The Director-General, in presenting his report (L/2573) to the Council, said that the interest of governments of developing countries in the GATT training courses, both in Geneva and in Africa (held in conjunction with the Economic Commission for Africa) was manifested by the growing number of officials sent to the courses. The most recent Geneva course, which began in February, comprised a record twenty-one officials, an increase which had been made possible by the extension of accommodation resulting from the completion of the new Annex. Participants in the present course would spend part of the course working in the Divisions of the secretariat, on matters currently featuring in the work of the contracting parties. On the question of technical assistance, the Director-General observed that the International Trade Centre and the country study programme were providing concrete international assistance to developing countries in fields in which the CONTRACTING PARTIES had particular competence.

The Council noted the Director-General's report.

Item 5: Balance-of-payments import restrictions (C/M/32)

During 1965, the Committee on Balance-of-Payments Import Restrictions consulted with ten countries. The Committee's reports on the consultations appear in the following documents:

|                       |                               |
|-----------------------|-------------------------------|
| Finland (L/2510)      | Tunisia (L/2503 and Add.1)    |
| Iceland (L/2436)      | Turkey (L/2457)               |
| Israel (L/2492)       | United Arab Republic (L/2498) |
| New Zealand (L/2490)  | Uruguay (L/2505 and Add.1)    |
| South Africa (L/2435) | Yugoslavia (L/2494)           |

The Council recommends that these reports be adopted by the CONTRACTING PARTIES.

The Council approved proposals concerning arrangements for consultations by the Committee on Balance-of-Payments Import Restrictions in 1966 (L/2519).

Item 11: United Kingdom/Turkey - Consultation under Article XXII:2 (C/M/55)

At their twenty-second session the CONTRACTING PARTIES established a working party to carry out a consultation under Article XXII concerning the application by Turkey of paragraphs 5(a) and 6 of Article XXIV when implementing the Agreement of Association with the European Economic Community. The report of the Working Party (L/2465) was noted by the Council at its meeting in March.

Item 15: Provisional accession of Switzerland (C/M/55)

Under the Declaration providing for its provisional accession, the Government of Switzerland submits an annual report on the measures affecting trade in agricultural products maintained consistently with the reservation set out in paragraph 1(b) of the Declaration. The representative of Switzerland, introducing his Government's latest report (L/2585), pointed out that his country remained a substantial importer of agricultural products and that imports of these products had risen in 1965. The Council noted the report.

Item 16: Relations with Poland (C/M/55)

The report of the Working Party which carried out the Fourth Annual Review under the Declaration of 9 November 1959 on relations between contracting parties and Poland (L/2592) was presented to the Council at its meeting in March. The report of the Working Party indicated that trade between Poland and contracting parties continued to increase and mutual relations to develop satisfactorily. The Council recommends the adoption of this report by the CONTRACTING PARTIES.

Item 17: Application of Article XXXV to Japan (C/M/55)

The representative of Japan informed the Council, at its March meeting, that since the twenty-second session, no contracting party invoking Article XXXV had taken disinvocation action and a large number of countries, particularly developing countries, continued to apply the Article to Japan. The representative of Japan pointed out that his Government was contributing towards the extension of trade opportunities for developing countries in the context of the Kennedy Round and had accepted the new Chapter of the GATT. Japan would, however, have considerable difficulty in extending to countries, continuing to invoke Article XXXV, benefits accruing under the Kennedy Round or from Part IV of the General Agreement. The Council noted the statement of the representative of Japan.

Item 21: Reports under waivers (C/M/35)

On four of the sub-items listed under item 21, reports were presented to the Council at its meeting in March by the representatives of the countries concerned. The Council noted these reports:

- (a) Australia/Papua, New Guinea waiver (L/2572)
- (c) Italy/Libya waiver (L/2508)
- (d) United Kingdom/Article I waiver (L/2569)
- (e) United Kingdom/Overseas Territories waiver (L/2570)

SECTION C

Items which Appear on the Provisional Agenda for the  
Twenty-Third Session on which Preparatory Work has  
been Carried out by the Council

(The items are numbered as in the provisional agenda for the session.)

Item 8: The impact of commodity problems upon international trade (C/M/35)

The Council noted that, in their Resolution of 17 November 1956, the CONTRACTING PARTIES had provided for annual reviews of the trends and developments in international commodity trade to be carried out on the basis of a report by the Chairman of the Interim Co-ordinating Committee for International Commodity Agreements in his capacity as nominee of the CONTRACTING PARTIES. ICCICA, however, had been replaced by the Advisory Committee to the Trade and Development Board of UNCTAD and to its Committee on Commodities. As a result, the basis for the review as provided for in the Resolution of 1956 no longer existed. In discussion in the Council, a number of representatives underlined the importance their governments attached to commodity problems and it was noted that work in this field was being carried out by the Committee on Trade and Development in relation to those commodity problems which affect the trade of developing countries (see COM.TD/C/2).

The Council agreed that the item should be retained on the agenda for the twenty-third session and that the secretariat should prepare a report on activities in other international bodies in connexion with commodity problems in order to help assess the scope of additional work open to the GATT in this important sector of world trade. The report will be distributed in document L/2608. On the basis of this report and the discussion it evokes in the session, the CONTRACTING PARTIES will be in a position to decide whether this item should be retained on the agenda for future sessions and, if so, whether to amend the Resolution of November 1956.

Relevant background documents include (a copy of the first three documents will be distributed to delegations):

|  |                        |
|--|------------------------|
| Commodity Survey, 1964 (United Nations)  | - TD/B/C.1/3 and Add.1 |
| Report of the Committee on Commodities to the second session of the Trade and Development Board (UNCTAD) | - TD/B/21              |
| Commodity Review, 1965 (FAO)   | - CCF.65/6             |
| International Trade, 1964  | - GATT/1965-3          |

Item 10: Customs unions and free-trade areas

(b) Arab Common Market (C/M/27)

The Council appointed a working party to examine the relevant instruments establishing the Arab Common Market and to report to the CONTRACTING PARTIES at their twenty-third session. The Working Party met in November 1965 and its report has been distributed in L/2513.

(c) New Zealand/Australia Free Trade Agreement (C/M/30)

The Governments of New Zealand and Australia advised that they had signed an Agreement, the text of which was transmitted in document L/2485/Add.1, providing for the establishment of a free-trade area. The Council appointed a working party to examine the Agreement and to report to the CONTRACTING PARTIES at their twenty-third session.

(d) United Kingdom/Ireland Free Trade Area Agreement (C/M/33)

The Government of the United Kingdom submitted the text of an Agreement concluded with the Government of Ireland for the establishment of a free-trade area (L/2552/Add.1). The Council appointed a working party to examine the Agreement and to report to the CONTRACTING PARTIES.

Item 14: Accession of Yugoslavia (C/M/35)

Under the procedures agreed by the CONTRACTING PARTIES at their last session, a working party was established to consider the request of Yugoslavia for accession to the General Agreement under Article XXXIII. The Council considered the Working Party's report at its March meeting and recommends the adoption of the report and the approval of the texts of the draft decision and draft protocol for accession, which are annexed to the report. The Government of Yugoslavia is engaged in tariff negotiations with a number of contracting parties and when these are completed a schedule of concessions to be granted by Yugoslavia will be annexed to the protocol. Thereafter contracting parties will be invited to vote on the decision and, if the decision is adopted in accordance with the requirements of Article XXXIII, the protocol will be opened for acceptance. (L/5)

Item 18: United Kingdom temporary import charges (C/M/27)

The Council took note of a report by the Working Party on the United Kingdom Import Charges following the meeting held in June 1965 (L/2446) and agreed that the Working Party should continue its consultations with the United Kingdom. The Working Party subsequently met in October 1965 and a note on this meeting has been distributed in L/2540. The Working Party will be reconvened to resume the consultation at a time to be fixed by the Chairman in consultation with delegations.

Item 19: Australian request for a waiver to grant preferences to less-developed countries (C/M/26, C/M/32, C/M/33 and C/M/35)

The Government of Australia presented a formal application to the CONTRACTING PARTIES for a waiver under Article XXV:5 to cover the introduction by Australia of preferential rates of duty on imports of manufactured and semi-manufactured products produced in less-developed countries. The Council appointed a working party to consider the request and to submit recommendations. The report of the Working Party, which has been circulated in L/2527, has attached the text of a draft waiver that would be acceptable to the Australian delegation. It also records the basis on which some delegations participated in the formulation of the draft waiver, i.e. without prejudice to their position on the Australian application generally, and the observations of certain delegations on the draft waiver.

The report of the Working Party came before the Council at its meeting in January 1966. On that occasion the Australian representative informed the Council that his Government was holding bilateral discussions with interested delegations with a view to meeting, as far as possible, the difficulties which the text attached to the Working Party report presented for those delegations. He, therefore, suggested that Council defer its consideration of the Working Party's report and indicated that the Australian Government could accept deferment of a decision on its application for a waiver until the twenty-third session of the CONTRACTING PARTIES.

Subsequently, at the meeting in March, the Australian representative informed the Council of certain amendments to the draft waiver which had been formulated following the bilateral consultations and which would be acceptable to his Government. Members of the Council, representing countries whose views are recorded in paragraphs 34, 47 and 48 of the Working Party report, welcomed Australia's efforts to meet those points of view and, without necessarily committing themselves as to the attitude which their governments might adopt towards the Australian proposal generally, agreed that the amendments went a considerable way towards meeting the more important of their difficulties with the draft waiver.

The Council agreed to submit to the CONTRACTING PARTIES at their twenty-third session, for consideration and decision, the report of the Working Party and the text of a draft waiver incorporating the amendments referred to in the preceding paragraph. The text of the draft waiver, as amended, will be distributed in document W.23/1.

Item 20: Review of waivers

(a) Luxemburg agricultural import restrictions (C/M/32 and C/M/35)

The waiver from the provisions of Article XI, granted to Luxemburg in 1955, was reviewed in 1960 and was due for a further review by the end of 1965. At the request of the Government of Luxemburg, the Council, in December 1965, agreed to defer the review until the twenty-third session. At its March 1966 meeting, the Council appointed a working party to review the waiver Decision of 3 December 1955 and to report to the CONTRACTING PARTIES at their twenty-third session.

(b) Italian special customs treatment for imports of Somalian products (C/M/32 and C/M/35)

The waiver granted to the Government of Italy on 19 December 1960, which was due to expire on 31 December 1965, provided that it should be reviewed by the CONTRACTING PARTIES before expiry. At the request of the Government of Italy, the Council approved the text of a decision extending the waiver until the end of the twenty-third session of the CONTRACTING PARTIES. The Decision was adopted by postal ballot on 17 January 1966 (L/2547).

At its meeting in March, the Council considered a request by Italy for an amended waiver (L/2537) and established a working party to examine this request and to report to the CONTRACTING PARTIES at their twenty-third session.

Item 25: Status of Protocols (C/M/35)

The Council considered the report by the Director-General on the Status of Protocols and Other Instruments contained in document L/2575. It noted, in particular, that the Protocol Amending Part I and Articles XXIX and XXX, drawn up in 1955, has not been accepted by Uruguay and that this, together with certain other protocols, is open for acceptance only until the end of the twenty-third session. The Council recommends to the CONTRACTING PARTIES an extension of the date for acceptance of these protocols. The Director-General will submit a text of a draft decision.

The Council noted, at its March meeting, that seven more acceptances are required to bring into force the Protocol Introducing a Part IV on Trade and Development.

Item 25: Derestriction of documents (C/M/55)

The Director-General circulated a proposal that consideration be given to the derestriction of a wider range of GATT documents. The Council made certain amendments to the proposal and recommends its adoption by the CONTRACTING PARTIES (see L/2564/Rev.1).

Item 27: Turkish Schedule - Renegotiation (C/M/55)

By Decision of 22 August 1964, the CONTRACTING PARTIES suspended the provisions of Article II of the General Agreement to enable Turkey to renegotiate concessions contained in Schedule XXVII. In terms of this Decision, the negotiations should have been terminated by 31 October 1965, but, at the request of the Government of Turkey, the Council approved the text of a decision extending the waiver until the end of the twenty-third session of the CONTRACTING PARTIES. The Decision was adopted by postal ballot on 1 November 1965 (L/2491).

At its March meeting, the Council considered a request by the Government of Turkey (L/2576) for a further extension of the waiver. The Council recommends an extension of the waiver until the end of September 1966. A draft decision will be submitted to the CONTRACTING PARTIES.

Item 29: Peru Schedule - Renegotiation (C/M/55)

At its March meeting, the Council considered a request by the Government of Peru for an extension of the Decision of 25 March 1965, authorizing the maintenance of increased rates of duty on items bound in the Peruvian Schedule pending the completion of the renegotiations under Article XXVIII. The Council recommends the extension of the waiver until 31 December 1966 and expresses the hope that everything possible will be done to expedite the renegotiations. A draft decision will be submitted to the CONTRACTING PARTIES.

Item 30: Definitive application of the General Agreement (C/M/55)

At its March meeting, the Council noted a statement by the Director-General indicating that it was possible that the pre-conditions for proceeding with the question of the definitive application of the General Agreement now existed. Accordingly, the Council recommends to the CONTRACTING PARTIES that the matter be placed on the agenda for the twenty-third session, but not maintained thereon if it should appear that discussion at this session was unlikely to lead to a positive result.

Item 31: Accession of Switzerland (C/M/55)

In view of the fact that the negotiations in the Kennedy Round were taking longer than had originally been hoped and expected, and considering, therefore, that it would be appropriate to consider the question of the full accession of Switzerland before the completion of the trade negotiations, the Council recommends to the CONTRACTING PARTIES that this item be placed on the agenda for the twenty-third session. The Director-General is circulating a draft decision and protocol for the accession of Switzerland (L/2606) so that the CONTRACTING PARTIES will be able to give full consideration to the matter.

Item 32: Report by the Council on its activities since the twenty-second session

This report will be submitted to the CONTRACTING PARTIES early in the session with a recommendation that Sections A and B be adopted and that Sections C and D be noted for reference when the items dealt with in these sections are considered.

SECTION D

Items Which Appear on the Provisional Agenda for the  
Twenty-Third Session not Dealt with by the Council

(The items are numbered as in the provisional agenda for the session)

Item 1: Adoption of agenda

The provisional agenda will be submitted for adoption. Proposals for the order of business will be put forward.

Item 2: Trade of less-developed countries

The Committee on Trade and Development met prior to the session to review the implementation of Part IV and to receive reports from its various Sub-Groups and Expert Groups. The Committee's report to the CONTRACTING PARTIES on its work will be circulated.

Item 4: Trade negotiations (Kennedy Round)

The Chairman of the Trade Negotiations Committee will report to the CONTRACTING PARTIES on the negotiations.

Item 6: Import restrictions applied contrary to GATT and not covered by waivers

Procedures for dealing with import restrictions which contracting parties apply contrary to the provisions of the GATT and without having obtained the authorization of the CONTRACTING PARTIES were adopted at the seventeenth session (9S/19). The secretariat has provided information on the restrictions concerned (L/2568 and Addenda and L/2577 and Addenda). The Director-General has issued a note on the subject (L/2568).

The Committee on Trade and Development has examined those restrictions which are of special interest to less-developed countries with a view to calling the attention of the CONTRACTING PARTIES to the continuing existence of this problem.

In the light of the information available the CONTRACTING PARTIES should consider what action should be taken to deal with this matter.

Item 7: Trade in cotton textiles

As required by Article 8(c) of the Long-Term Arrangement Regarding International Trade in Cotton Textiles, the Cotton Textiles Committee carried out, in December 1961 the major review of the Arrangement in the light of its operation in the preceding years. The Committee's report has been circulated in L/2585.



Item 9: Disposal of commodity surpluses

Experience under the Resolution of 4 March 1955 (3S/50-51) on the disposal of surpluses and the liquidation of strategic stocks has been reviewed at recent sessions of the CONTRACTING PARTIES. Reports by contracting parties on disposal or liquidation arrangements in which they have engaged during the past year will be issued in document L/2605. The Director-General has distributed a report on action in this field by other intergovernmental agencies (L/2561).

Item 10: Customs unions and free-trade areas

Reports by working parties

- (a) Association between the European Economic Community and associated African and Malagasy States and the association of overseas territories (L/2441)

Information to be furnished by member States

- (e) European Economic Community - Rome Treaty and agreements of association with Greece and Turkey
- (f) European Free-Trade Area - Stockholm Convention and the association agreement with Finland (Will be circulated in L/2605)
- (g) Latin American Free Trade Area
- (h) Central American Common Market (L/2591)
- (i) Central African Economic and Customs Union

Item 12: Article XVIII - Annual review under paragraph 6

Paragraph 6 of Article XVIII requires the CONTRACTING PARTIES to review annually the measures applied under Sections C and D of the Article. The annual reviews at recent sessions were carried out in plenary meetings.

A background document on the measures applied by Ceylon under Section C will be distributed. No measures are at present being applied under Section D.

Item 13: Consular formalities

At the twentieth session the CONTRACTING PARTIES adopted the report and approved the recommendations of a panel of experts (11S/59) 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 (1S/25 and 6S/25). Contracting parties still regularly requiring consular formalities have been invited to submit reports on their reasons for maintaining these requirements and on their future policy. Reports so far received have been circulated in L/2563 and L/2600. At the meeting of the Council in March (C/M/35) the representatives of Argentina, Peru and Portugal indicated that their Governments would also be submitting reports to the session.

Item 21: Reports under waivers

- (b) Ceylon duty increases
- (f) United States import restrictions

The report by the Government of the United States will be circulated in document L/2604, and that by the Government of Ceylon when it has been received.

Item 22: Newly-independent States

The Recommendation of 18 November 1960, providing for the reciprocal de facto application of the GATT vis-à-vis territories which have acquired full autonomy in the conduct of their external commercial relations, is at present applicable to Algeria, Congo (Leopoldville), Mali, Singapore and Zambia. The status of these territories should be reviewed and to this end a note by the Director-General has been distributed (L/2580).

Item 24: Financial and administrative questions

These questions include two sub-items:

- (a) the report by the Director-General on the final 1965 budget position (L/2590);
- (b) the supplementary estimates for 1966 for the work of the International Trade Centre. These estimates have been examined by the Committee on Budget, Finance and Administration, whose recommendations have been submitted to the CONTRACTING PARTIES in L/2582.

Item 26: Election of officers

At the twenty-second session, the Chairman and three Vice-Chairmen of the CONTRACTING PARTIES, the Chairman of the Council and the Chairman of the Committee on Trade and Development were elected for one year. The election of officers for the ensuing year will be considered in the first instance at a meeting of heads of delegations early in the session.

Item 28: Rwanda schedule

The Government of Rwanda has advised that its representative at the twenty-third session will inform the CONTRACTING PARTIES of Rwanda's wish to negotiate a new list of tariff concessions.

