

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.9/179
7 February 1955

Special Distribution

CONTRACTING PARTIES
Ninth Session

Original: English

Review Working Party IV on
Organizational and Functional Questions

CONTINUING ADMINISTRATION OF THE GENERAL AGREEMENT

Note by the Canadian Delegation

1. From the discussion which took place in Plenary on 31 January, it appears that there is general support among the contracting parties for reviewing and strengthening the present arrangements for the continuing administration of the General Agreement. This note is intended to amplify the proposals made by the Canadian delegation in that discussion and to facilitate their consideration by Review Working Party IV.
2. The Canadian proposals recognize and indeed would enhance the proved value of the regular sessions of the CONTRACTING PARTIES and the need to assure a high level of representation at these sessions. Furthermore, the proposals would scrupulously respect the prerogatives of the CONTRACTING PARTIES as the final authority in all policy matters.
3. The proposals recognize, however, that specific provisions of the General Agreement assign to the CONTRACTING PARTIES certain functions which may require joint action at any time. These provisions of the Agreement imply that the CONTRACTING PARTIES should be prepared either to meet frequently and at short notice, or to provide suitable machinery for the discharge of some of their functions intersessionally. Since the first alternative is impracticable, it is clear that the second must be pursued. Moreover, the CONTRACTING PARTIES have a number of functions the discharge of which would be facilitated by having some intersessional committee to which specific tasks (particularly those of a preparatory nature) could be assigned as required.
4. The need to build up under the General Agreement a forum for effective co-operation and consultation on matters within the scope of the General Agreement has become increasingly apparent in the current review session. This is required both in preparation for the coming into being of the new GATT Organization (a full-fledged Organization and secretariat is not created from one day to the next) and as a means of dealing with urgent questions under the existing provisions of the Agreement. It is clear that countries will be submitting applications to the CONTRACTING PARTIES under the present rules regarding matters

on which consultations will have to be initiated promptly and, in certain cases, decisions taken - for example, under Articles XVIII and XXVIII. In such cases contracting parties will not be content to have the consideration of their applications delayed, as inevitably such consideration would be delayed, unless action is taken at this session to improve the intersessional machinery.

5. The present intersessional procedures were adopted in 1951 in partial implementation only of proposals contained in a Working Party report which was adopted by the CONTRACTING PARTIES in 1950 /see Basic Instruments and Selected Documents, Vol. II, pp. 197-205/. At that time certain contracting parties were not in a position to agree to the establishment of a standing committee equipped with the terms of reference that had been proposed and, consequently, the present Ad Hoc Committee on Agenda and Intersessional Business was established on a temporary basis.

6. We are now planning the establishment of a new Organization. This Organization, and its staff, will have greater responsibilities to discharge than have so far been undertaken under the GATT. In anticipation of this increased work-load we should, in the Canadian view, attempt to consolidate and strengthen the present GATT secretariat. Increases in staff should be modest and gradual.

7. These are some of the reasons why the Canadian delegation is of the opinion that steps should be taken now, in anticipation of the establishment of the new Organization, to provide for the more efficient administration of the General Agreement.

8. We would suggest that in order to attain this objective it is desirable:

- (a) to establish a committee with functions substantially as recommended in the 1950 Report. (Annexed are proposed terms of reference as a basis of discussion), and
- (b) to consolidate and strengthen the secretariat.

A N N E X

Proposed Terms of Reference

- (i) In so far as Articles XII to XV may require action by the CONTRACTING PARTIES when not in session, and subject to rules established by the CONTRACTING PARTIES, to initiate and engage in consultations under those articles and to report or make appropriate recommendations to the CONTRACTING PARTIES.
- (ii) To examine applications under Article XVIII requiring action by the CONTRACTING PARTIES when not in session and to report or make appropriate recommendations to the CONTRACTING PARTIES.
- (iii) On the request of one or more contracting parties, to initiate and engage in consultations on, and facilitate the settlement of, differences between individual contracting parties arising under the provisions of the General Agreement and to report or make appropriate recommendations to the CONTRACTING PARTIES. If, however, the parties directly concerned and other interested parties agree to accept the findings of the Committee without reference to the CONTRACTING PARTIES, the recommendations, as recommendations of the Committee, may be addressed directly to the interested parties and concurrently reported to the CONTRACTING PARTIES.
- (iv) To initiate and carry out preparatory work on questions referred to the CONTRACTING PARTIES by individual contracting parties under Article XXV: 5(a).
- (v) To examine matters arising between sessions which require urgent decisions by the CONTRACTING PARTIES under Articles II: 6(a), XIX and XXV: 5(a) and to make recommendations thereon.
- (vi) To carry out any specific action and to exercise any specific function expressly assigned to the Committee by the CONTRACTING PARTIES at any session.
- (vii) To instruct the secretariat as necessary to provide or obtain from contracting parties information required by the CONTRACTING PARTIES in the consideration of items on the agenda of their sessions or necessary for the carrying out of the functions of the standing committee.
- (viii) To examine the provisional agenda for each session of the CONTRACTING PARTIES and to propose an order of business.
- (ix) In accordance with rules approved by the CONTRACTING PARTIES, to take telegraphic or postal ballots of the contracting parties on matters which require urgent decisions.

- (x) To recommend to the CONTRACTING PARTIES the convening of a special session to deal with matters which require urgent decisions.
- (xi) In general, to do preparatory work and where necessary to make recommendations to the CONTRACTING PARTIES on any matters with which the CONTRACTING PARTIES may be required to deal at a session, in order to expedite the work of the CONTRACTING PARTIES.
- *(xii) Nothing in these terms of reference shall be construed as delegating to the Committee powers to take any final decision pursuant to the General Agreement except in so far as such power may be specifically delegated by the CONTRACTING PARTIES.

* This is designed to enable the CONTRACTING PARTIES to continue the present authority given to the ad hoc Committee for Agenda and Intersessional Business to make decisions under the "sympathetic consideration" procedures (Article XXVIII), and possibly to delegate the power to make decisions on applications under Article XVIII.