

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.16/15
2 June 1960

Limited Distribution

CONTRACTING PARTIES
Sixteenth Session

ORGANIZATION OF THE CONTRACTING PARTIES

The Proposed Establishment of a Council

(Note by the Chairman)

At a meeting of Heads of delegations on 31 May, the proposals put forward by the Special Group of Officers of the CONTRACTING PARTIES (documents L/1200 and L/1216) for the establishment of a Council of the CONTRACTING PARTIES were approved in principle and the Executive Secretary was requested to prepare a draft decision incorporating terms of reference for the Council.

Composition of the Council

Pursuant to the recommendations of the Special Group on GATT organization that contracting parties which are willing and able to accept responsibilities of membership on the Council and to make arrangements for effective participation should consult with the Chairman of the CONTRACTING PARTIES concerning the duties and responsibilities involved, it is proposed that representatives of those contracting parties which by then consider they are in a position to undertake such responsibilities (i) so notify the Chairman by noon on 3 June, in order that such contracting parties may be appointed to the Council by the CONTRACTING PARTIES at this session, and, (ii) consult with the Chairman as soon as practicable pursuant to the recommendations of the Special Group, preferably before the end of June 1960. It is suggested that any contracting parties which subsequently consider they are prepared to undertake the responsibilities of membership in the Council should consult with the Chairman as soon as practicable, with a view to becoming provisional members of the Council pending their appointment at the next session of the CONTRACTING PARTIES. As was also pointed out by the Special Group on GATT organization, groups of contracting parties would be free to propose one or more of their members to participate in the Council.

Any contracting party not a member of the Council, which claims an interest in a matter under consideration by the Council and desires to be represented during the consideration of that matter, shall be co-opted as a full member for this purpose.

Specific Functions

It is recommended that, in addition to the general functions of the Council under paragraph 2 of the Decision establishing it, the CONTRACTING PARTIES agree to confer upon the Council, as soon as it has been set up, the specific functions

previously delegated by them to the Intersessional Committee, to the Committee on Balance-of-Payments Restrictions (other than the conduct of consultations and the preparation of reports), and to the Chairman under the intersessional procedures of the CONTRACTING PARTIES. It is proposed that the Intersessional Committee should not be continued.

Procedural Matters

It is recommended that the CONTRACTING PARTIES agree that the Council shall select its own officers from among its members.

It is considered that the Council should be permitted to establish such subsidiary bodies as it considers appropriate to carry out its functions in relation to the examination of questions placed before it, the consultation with contracting parties and others, and the drafting of reports to the CONTRACTING PARTIES, and that it may also instruct intersessional bodies of the CONTRACTING PARTIES to conduct such activities for it.

Pending further consideration by the CONTRACTING PARTIES of the question of voting, no action by the Council, other than action relating to its own procedures, shall be taken by an affirmative vote of less than the absolute number of affirmative votes by which such action could have been taken by the CONTRACTING PARTIES under the relevant provisions of the General Agreement and the rules of procedure for sessions of the CONTRACTING PARTIES.

Pending the adoption by the CONTRACTING PARTIES of permanent rules of procedure for the Council and subject to the three immediately preceding paragraphs, the Council may determine its own provisional rules of procedure.

Draft Decision for Establishing a Council of Representatives of the Contracting Parties

"The CONTRACTING PARTIES, acting pursuant to paragraph 1 of Article XXV with a view to giving effect more adequately to those provisions of the General Agreement on Tariffs and Trade which involve joint action and, generally, with a view to facilitating the operation and furthering the objectives of that Agreement,

"DECIDE as follows:

"1. There is hereby established a Council of the Representatives of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade (hereinafter referred to as 'the Council') composed of representatives of all contracting parties willing and able to accept the responsibilities of membership therein.

"2. The functions of the Council shall be:

- (a) To consider matters arising between sessions of the CONTRACTING PARTIES which require urgent attention, and to report thereon to the CONTRACTING PARTIES with recommendations as to any action which might appropriately be taken by them at the next regular session, at a special session which may be called by the Council, or by a postal ballot.

- (b) To supervise the work of committees, working parties, and other subsidiary bodies of the CONTRACTING PARTIES operating intersessionally, providing guidance for them when necessary, examining the reports of such bodies, and making recommendations thereon to the CONTRACTING PARTIES.
- (c) To undertake preparation for sessions of the CONTRACTING PARTIES,
- (d) To deal with such other matters with which the CONTRACTING PARTIES may deal at their sessions, and to exercise such additional functions with regard to matters referred to above, as may be expressly delegated to it by the CONTRACTING PARTIES, including action on behalf of the CONTRACTING PARTIES in performing functions under the provisions of the General Agreement, other than action under paragraph 5 of Article XXV, and under decisions and other formal actions taken by the CONTRACTING PARTIES.

"3. If a contracting party considers it is adversely affected by the exercise by the Council of any of its above functions which involve recommendations to individual contracting parties or the making of determinations or taking of decisions, it may suspend the operation of such action by the Council through the submission of a written appeal therefrom to the CONTRACTING PARTIES. The CONTRACTING PARTIES may, either generally or in particular cases or types of cases, provide that such recommendations, determinations, or decisions of the Council shall become final if no appeal has been lodged against them within a specified reasonable period. In particular cases individual contracting parties may, either before or after action has been taken by the Council, waive their right of appeal and agree to accept the action as final."