GENERAL AGREEMENT ON TARIFFS AND TRADE

Sixteenth Session of the CONTRACTING PARTIES

DECISION TO ESTABLISH A GATT COUNCIL

1. At the fifteenth session of the CONTRACTING PARTIES a special Group of Officers undertook an enquiry into the working methods and organizational structure of the CONTRACTING PARTIES. The Group reviewed the current and probable future responsibilities of the CONTRACTING PARTIES and the broadening role of the GATT in world trade. It appeared to be generally recognized that the present-day problems of international trade required more careful and continuing attention than the CONTRACTING PARTIES had been able to give to them during their ordinary sessions. The Group recognized that the tendency to form larger markets on a regional basis increased the importance of the organization which has the responsibility to foster multilateral trade. Further, many structural problems had been revealed by the relaxation of import restrictions, hitherto justified on balance-of-payments grounds, and by the studies of agricultural protectionism and of the trade of the less-developed countries which form part of the GATT programme for Trade Expansion.

The Group considered that these recent developments provided convincing evidence that the CONTRACTING PARTIES should be better equipped to shoulder their increasing responsibilities and that action was required in establishing adequate and effective machinery so that urgent matters would receive the immediate attention which their importance warranted.

The Group therefore came to the unanimous conclusion to recommend to the CONTRACTING PARTIES that arrangements should be made for setting up a Council capable of giving a continuous and effective attention to the work of the GATT and that such a Council should be set up at the present (sixteenth) session.

2. The CONTRACTING PARTIES have approved the proposal for the establishment of a Council.

Under the terms of a Decision, adopted in plenary session, a Council of the Representatives of the CONTRACTING PARTIES to the General Agreement has been established. It is composed of representatives of all contracting parties willing to accept the responsibilities of membership in the Council.

The functions of the Council, under the terms of the Decision, will 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.
To supervise the work of committees, working parties, and other subsidiary bodies of the CONTRACTING PARTIES operating inter-sessionally, providing guidance for them when necessary, examining the reports of such bodies, and making recommendations thereon to the CONTRACTING PARTIES.

To undertake preparation for sessions of the CONTRACTING PARTIES.

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 the Council by the CONTRACTING PARTIES.

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.

3. Regarding the composition of the Council, groups of contracting parties would be free to propose one or more members to participate in the Council.

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

4. In addition to the general functions of the Council, as set out above, the CONTRACTING PARTIES have conferred upon the Council the specific functions previously delegated by them to the Intersessional Committee and the Committee on Balance-of-Payments Restrictions. The Intersessional Committee will not be continued.

5. Regarding procedural matters, the Council will select its own officers. It will be permitted to establish such subsidiary bodies as it considers appropriate to carry out its functions. Pending further consideration by the CONTRACTING PARTIES on the question of voting the Council will follow the voting requirements as laid down under the relevant provisions of the GATT and of the rules of procedure for sessions of the CONTRACTING PARTIES.

In the course of the discussion in plenary session a number of delegates gave wholehearted support to the proposal to establish the Council. It was pointed out that this extension of the organization of the GATT would enable work to proceed continuously and would undoubtedly result in a more efficient handling of the business of the CONTRACTING PARTIES. In his concluding remarks, at the close of the session, the Chairman of the CONTRACTING PARTIES said:

"We have taken long overdue decisions for strengthening our Organization to meet the multifarious tasks confronting it. The decision to appoint a Council will not only improve the effectiveness of the work of the CONTRACTING PARTIES, but will be a clear sign to the world that the CONTRACTING PARTIES are determined to face up to the new responsibilities which fall upon them as a consequence of the development of international trade."