AD HOC COMMITTEE ON AGENDA AND INTERSESSIONAL BUSINESS

Explanatory Notes on the Advance Agenda

I. AGENDA FOR THE SEVENTH SESSION

To assist the Committee in considering what matters are likely to arise at the Seventh Session, there has been circulated an Advance Agenda (G/14) which lists the items which, according to information available to the secretariat, should be included in the Provisional Agenda for the Seventh Session. The following notes provide additional information on these Agenda items. References are to documents which have already been circulated.

ADOPTION OF AGENDA

Rule 3 of the Rules of Procedure stipulates that "the first item of business at each session shall be the consideration and approval of an agenda".

ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

The present Chairman, Mr. J. Melander (Norway), and the Vice-Chairman, Mr. J. A. Tonkin (Australia), were elected at the Special Session in Torquay on 29 March 1951 (GATT/CPS/SR.1). According to Rule 10 of the Rules of Procedure, their terms of office expired on 28 March 1952, that is, after a period of one year, but they were to hold office for the interval until the next meeting of the Contracting Parties. It will be necessary, therefore, for the Contracting Parties, at the beginning of the Seventh Session to elect a Chairman and a Vice-Chairman.

ACCESSION OF JAPAN

Documents: GATT/CP.6/34
GATT/AIR/22

Tariff Negotiations Procedures
Notification to Contracting Parties of Japan's Application

The Government of Japan on 18 July 1952 notified its desire to negotiate for accession to the General Agreement under the procedures approved at the Sixth Session. As a number of contracting parties have

1 This item should be added onto the Advance Agenda in G/14.
indicated that, owing to the importance of Japan in international trade, they consider that the question is one which should be examined at a session of the Contracting Parties. The matter will be included in the Provisional Agenda of the Seventh Session, in accordance with Rule 2 of the Tariff Negotiations Procedures.

The Japanese Government notified the secretariat on 5 August 1952 of its desire to be represented by observers at the Seventh Session. The Contracting Parties agreed to a similar request from the Japanese Government at the Sixth Session, and, having regard to the fact that the question of its application to enter into negotiations for accession will be on the Agenda, the Committee will no doubt wish to recommend to the Contracting Parties to agree to the present request.

**BALANCE-OF-PAYMENTS: IMPORT RESTRICTIONS**

(a) **Consultations under Article XIV:1 (g) on discriminatory application of restrictions**

As noted in document L/6, ten contracting parties have initiated consultations under this provision or have advised that they are prepared to consult. It is customary for any consultations with individual governments to be entrusted to a working party which would be required to report on the results of the consultations. The Contracting Parties will, therefore, probably appoint a working party to conduct these ten consultations. A note by the Executive Secretary providing information relevant to the consultations will be circulated.

(b) **Third Annual Report on Discrimination**

A draft report is being prepared by the secretariat on the basis of information supplied by governments. It is suggested that for convenience the preparation of the report be undertaken by the same working party conducting the consultations referred to in (a) above.

(c) **Procedures for report and consultations in 1953 under Article XIV:1 (g)**

The existing procedures for report and consultations under Article XIV:1 (g), as set forth in GATT/CP.6/52, address themselves to the report and the consultations in 1952. Since such consultations, as well as the reporting, will hereafter become an annual feature, the Contracting Parties may wish to devise permanent procedures applicable on all occasions. It is suggested that the working party be instructed by the Contracting Parties to review the adequacy of the existing procedures and to recommend modifications in the light of the reporting and consultations taking place in 1952.

(d) **Consultations under Article XII:4 (b) on intensification of restrictions**

As noted in GATT/IC/SR.3, France and the United Kingdom have been invited on behalf of the Contracting Parties to consult with them under Article XII:4(b)
at the Seventh Session. The Governments of Australia and Southern Rhodesia may also be invited to consult under the same provisions, the decision to be taken by the Contracting Parties at that Session. The Committee may, however, wish to recommend invitations to be extended to other contracting parties which have intensified their import restrictions since the Committee's last meeting. These consultations may for convenience be entrusted to the same working party instituted for the purposes mentioned above.

INTERNATIONAL CHAMBER OF COMMERCE RESOLUTIONS

(a) Draft Convention on Samples and Advertising Materials and Recommendations on Documentary Requirements and Consular Formalities

Documents: GATT/CP.6/36 Report of Working Party L/ll and Add... Comments by Contracting Parties

The report of the working party which studied the resolutions submitted by the International Chamber of Commerce on the Customs Treatment of Samples and Advertising Material, on Documentary Requirements in International Trade and on Consular Formalities, contains the following texts:

Draft International Convention for the Purpose of Facilitating the Importation of Commercial Samples and Advertising Material;

Draft Recommendations on Documentary Requirements for the Importation of Goods;

Draft Recommendations on Consular Formalities.

Governments were asked to send any comments on the above documents to the secretariat two months before the opening of the Seventh Session, in order that final drafting might be facilitated at that Session. Comments have been received from the Governments of Belgium-Luxemburg, Denmark, Finland, Germany, Greece, Haiti, Norway, Philippines, Southern Rhodesia, United Kingdom, United States, and have been circulated in documents L/ll and Add... An analysis of the comments received will be circulated.

(b) Resolution on Valuation, Nationality of Manufactured Goods and Formalities connected with Quantitative Restrictions

Document: GATT/CP.6/7 and Add.1

At the last Session these three resolutions of the IGC were not considered, but were referred for the consideration of the Contracting Parties at the Seventh Session. The secretariat has prepared a paper which is to be circulated analysing the substance of these resolutions with reference to the relevant provisions of the General Agreement. The Committee may wish
to make recommendations to the Contracting Parties as to the placing of these proposals on the Agenda for the Seventh Session and the arrangements for their consideration.

The ICC has further submitted a resolution on the "Sanctity of Contracts" (G/11). The Committee may wish to recommend that this resolution be considered in connection with the resolutions mentioned above regarding the Code of Standard Practices.

(c) Representation of the ICC at the Seventh Session

It will have been noted that a number of proposals have been submitted by the ICC to the Contracting Parties for consideration. This raises again the question of the facilities to be accorded the ICC to explain their proposals and to participate and to be represented at the discussion of them by the Contracting Parties.

At the Sixth Session the Contracting Parties authorized the working party concerned to hear representatives of the ICC who were invited to make a statement at one meeting but did not otherwise participate in the discussion.

The International Chamber of Commerce has commented on this in a report (L/11) addressed to the Contracting Parties as follows:

"Whilst deeply appreciating the courtesies extended to its representatives at the Sixth Session, the ICC would be glad if arrangements could be made at the Seventh Session for fuller and more regular participation in the discussions of the Working Party when its own proposals are under discussion."

In view of this request, the Committee may wish to recommend to the Contracting Parties more satisfactory arrangements for the participation of the ICC in the discussion of its proposals.

REDUCTION OF TARIFF LEVELS

The Sub-Group of the Working Party on the Reduction of Tariff Levels (cf. GATT/CP.6/53, paragraph 9) has had three meetings since the close of the Sixth Session, and its report to the Working Party was completed on 25 July 1952 (IW.2/16). In order that the Working Party itself may be in a position to report to the Contracting Parties in time for the latter to examine the question of the reduction of tariff levels without unduly prolonging the Seventh Session, the Committee may wish to consider the desirability of instructing the Executive Secretary to convene the Working Party shortly before the opening of the Session.

The Committee of Ministers of the Council of Europe has requested that the Working Party on Reduction of Tariff Levels examine the Consultative Assembly's recommendation on "a common policy for lowering tariff barriers"
in Europe" (GATT/IW.2/9). Moreover, the Secretary-General of the Council has requested to be represented and to send an observer to meetings at which the Assembly's recommendation is examined.

**EUROPEAN COAL AND STEEL COMMUNITY**

The treaty setting up the Coal and Steel Community has entered into force only recently, and the High Authority held its first meeting on 10 August 1952. In these circumstances it did not prove possible to convene the Working Party before the meeting of the Intercessional Committee. The High Authority has indicated its intention to set up a common market for coal by 10 February 1953 and for steel by 10 April 1953. Accordingly it would appear highly desirable for the Contracting Parties to clear this matter during the course of the Seventh Session, and the Committee may wish to consider the best procedure for achieving this end.

**BELGIAN IMPORT RESTRICTIONS ON DOLLAR GOODS**

The Committee agreed at its meeting on 26 February 1952 that the Working Party, which was appointed at that meeting to consider the matter, should be convened only when the International Monetary Fund could make available information on its consultations with Belgium (GATT/IC/SR.3). At the time of the preparation of these notes the IMF report was still not available and it is, therefore, for consideration whether the matter should not be held over until the Seventh Session or whether the Working Party should be convened prior to the Session and if so when.

**SPECIAL EXCHANGE AGREEMENTS**

(a) *Report by the Chairman on the operation of the agreements*

A report by the Chairman will be circulated before the opening of the Session on the administrative actions which he has taken during the intersessional period. It is, however, expected that no questions of substance will arise from this report.

(b) *Reports and Consultations under Article XI of the agreements*

At the Sixth Session the International Monetary Fund agreed to assist the Contracting Parties in the drafting of their 1952 report on the exchange restrictions still in force under Article XI of the special exchange agreements. The report is to be adopted by the Contracting Parties at the Seventh Session.

One of the signatories of special exchange agreements has consulted the Contracting Parties under Article XI:3 as to the further retention of exchange restrictions after 1 March 1952 and has taken advantage of Article XIII:5 (b) to initiate direct consultation with the Fund. The relevant documents will be circulated when received from the Fund. The consultation under Article XI will have to be concluded by the Contracting Parties at the Seventh Session.
(c) **Implementation of Article XV:6**

It may be necessary for the Contracting Parties at the Session to give further consideration to the question of Liberia's obligations under Article XV:6 of the General Agreement. The Fund has been asked to advise on this matter and its advice will be circulated when received (cf. GATT/CP.6/SR.17, page 8).

**PROTOCOLS AND SCHEDULES**

(a) **Review of status**

A note reviewing the present status of protocols and schedules will be circulated.

(b) **Requests for extension of time to sign the Torquay Protocol**

Document: L/12

The Contracting Parties approved by postal ballot on 15 July 1952 a further extension to 15 October 1952 of the time limit for signature of the Torquay Protocol. This extension applies to Brazil, Chile, Nicaragua, Korea and the Philippines. No action has been taken regarding Uruguay, and no information is available as to its intentions.

**ITALIAN SPECIAL TREATMENT FOR LIBYAN PRODUCTS**

Documents: GATT/CP/35  
GATT/CP.6/SR.20, 27  
GATT/CP.6/54 and Corr.1  
GATT/IC/SR.3  
Basic Instruments II, p. 10

The Contracting Parties decided at the Sixth Session to allow Italy to grant up to 30 September 1952 special customs treatment to certain Libyan products. On the recommendation of the Intersessional Committee, the above date was extended by postal ballot to the end of the Seventh Session or to the day on which the Contracting Parties should reach a final decision, whichever might be the earlier. The Italian Government has indicated that it will request authorization to continue the special customs treatment and has announced that it will shortly submit a memorandum in support of its request, including a list of products affected. It is hoped that this document will be available for circulation in time for the meeting of the Committee.

**NOMINATION OF A PERSON TO SERVE AS CHAIRMAN OF ICCICA**

A note by the Executive Secretary has been circulated on this subject (G/17).
LIBERIAN NEGOTIATIONS AND CONSULTATIONS WITH BENELUX, FRANCE AND THE UNITED STATES

Documents:  GATT/CP.6/47
            GATT/CP.6/SR.25

This item refers to the possible re-negotiation of certain items in the Liberian Schedule, between Liberia on the one hand and Benelux, France and the United States on the other, should discussion between these countries have resulted in the conclusion that the application of the Liberian luxury tax to these items would be incompatible with Liberia's obligation under Article III. No information is available to the Secretariat, but the countries concerned may be in a position to advise the Committee of progress in this matter.

UNITED KINGDOM PURCHASE TAX

At the Sixth Session the United Kingdom delegation assured the Contracting Parties of its firm intention to abolish as early as possible the discrimination against imports arising from the existing system of purchase taxes. The Contracting Parties took note of the statements by that delegation and agreed to place the item on the Agenda for the Seventh Session (GATT/CP.6/SR.7). A report from the United Kingdom Government on the action taken since the Sixth Session is expected to be available for the meeting of the Committee.

BRAZILIAN INTERNAL TAXES

The Brazilian representative stated at the Sixth Session that the Brazilian Congress was still considering the draft law, which was submitted to the Contracting Parties at the Fifth Session, and that this was expected to be approved shortly. It was agreed to retain this item on the Agenda until final information was received from Brazil (GATT/CP.6/SR.8). No communication has yet been received from that Government.

BELGIAN "ALLOCATIONS Familiales"

At the Sixth Session, the Belgian representative stated that the matter would be further investigated with a view to arriving at a prompt settlement. It was decided to retain the question on the Agenda for the Seventh Session (GATT/CP.6/SR.21). No communication has yet been received from that Government.

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Documents:  GATT/CP.6/26  Memorandum submitted by the Government of the Netherlands
            GATT/CP.6/28  Memorandum submitted by the Government of Denmark
            GATT/CP.6/28  Memorandum submitted by the Government of the United States
            and Add.1
            GATT/CP.6/SR.10, 27 Discussion
            Basic Instruments, Resolution II, p. 16
Following discussions at the Sixth Session, the matter was further considered by the Intersessional Committee which set up a Working Party to receive any notifications which might be made to it by the contracting parties concerned.

Section 104 of the Defense Production Act was retained on the renewal of the Act by the United States Congress in July 1952, but was amended in such a way as to enable the United States Government to reduce the scope and severity of the restrictions.

No request has yet been formulated for the convening of the Working Party, and the Intersessional Committee will no doubt wish to consider what further action is required before the opening of the Session.

ARTICLE XXVIII NEGOTIATIONS BETWEEN CUBA AND THE UNITED STATES

Documents: GATT/TN.2/43 GATT/CP/24/SR.5 Basic Instruments II, p. 31 GATT/CP.6/14/Add.1 GATT/CP.6/SR.3 and 8 Add.1

Uncompleted Article XXVIII Negotiations Discussion Decision of 3 April 1951 Statement by the Delegations of Cuba and the United States Discussion

At the Sixth Session the United States and Cuba obtained an extension of time to complete the negotiation. No information is available to this date on their completion.

SOUTH AFRICA—SOUTHERN RHODESIA CUSTOMS UNION

Documents:


When the Declaration of 18 May 1949 concerning the South Africa/Southern Rhodesia Customs Union was approved by the Contracting Parties the two Governments agreed to furnish to the Contracting Parties copies of the Annual Reports of the Customs Union Council and, not later than 1 July 1952, a Progress Report.

The Third Annual Report of the Council is being circulated. The Progress Report of the two Governments has appeared as G/13. An analysis of the first three years' progress will be circulated.

NICARAGUA - EL SALVADOR FREE-TRADE AREA

Documents:
- GATT/CP/104 and Corr.1: Agreement on free-trade area
- GATT/CP.6/24 and Add.1 & Corr. 1-2: Note by Executive Secretary
- GATT/CP.6/SR.11, 23, 24: Discussion
- Basic Instruments II, p. 30: Decision on free-trade area

At the Sixth Session the Contracting Parties decided on 25 October 1951 that the Government of Nicaragua was entitled to claim the benefits of the provisions of Article XXIV of the General Agreement relating to free-trade areas. It was decided to review the above decision at any time after study of the reports furnished by the Government of Nicaragua and of other relevant data if the Contracting Parties found that the operation of the free-trade treaty did not result in the maintenance of a free-trade area in the sense of Article XXIV of the General Agreement.

The first Annual Report has been received and will be circulated in time for the Committee's meeting. A note by the Executive Secretary on the Report will be circulated later.

RELATIONS WITH THE UNITED NATIONS

This question was considered at the Sixth Session (Basic Instruments and Selected Documents II, p. 209) and has since been discussed by the Executive Secretary with representatives of the Secretary-General of the United Nations. The results of these conversations are described in a note by the Executive Secretary (G/16).

PUBLICATION OF AN ANNUAL REPORT

A proposal of the Executive Secretary will be distributed.

RECTIFICATION OF SCHEDULES

No comment.
FINANCIAL STATEMENT FOR 1952 AND BUDGET ESTIMATES FOR 1953

Budget estimates for 1953 will be circulated to members of the Committee and a financial statement for 1952 (including the audited accounts for 1951) will be circulated prior to the Seventh Session.

REVIEW OF INTERSESSIONAL PROCEDURES

The Executive Secretary feels that it would be desirable to submit to the Seventh Session a report on the operation of the intersessional procedures approved at the Sixth Session and on the arrangements which have been made for a closer liaison between the secretariat and the contracting parties. A report will be submitted to the Contracting Parties.

ADDITIONAL ITEMS PROPOSED BY CONTRACTING PARTIES

Under Rule 2 of the Rules of Procedure it is open to any contracting party to propose additional items for inclusion in the provisional agenda up to one month from the opening date of the Session, i.e. up to 2 September. To date no proposal has been received. Any proposals together with supporting documentation received by the secretariat will be submitted to the Committee at the opening of its meeting on 4 September.

II. ARRANGEMENTS FOR THE SEVENTH SESSION

In addition to reviewing the provisional agenda and examining the adequacy of the documentation available, the Committee may wish to recommend other arrangements for the conduct of the business of the Seventh Session. The Committee’s final recommendations on the order in which the various items should be taken will no doubt be made at its next meeting, immediately prior to the opening of the Session. The Committee may however find it useful to give some consideration to this matter at the present meeting.