1. The Annecy arrangements for consultation on urgent inter-sessional cases arising under Articles XII-XIV divided such cases into three types, and provided procedures for these, on lines which can be summarized as follows.

**Type 1.** This type of case, viz., that in which a contracting party desires or is required by the Agreement to consult on its own initiative with the CONTRACTING PARTIES, is typified by Article XII (4)(a) (introduction of restrictions), and cases under Article XII (4)(c) (optional prior approval for restrictions), Article XIV (2) (temporary discrimination with prior approval) and the proviso in para. 3 of Annex J (optional prior approval for discrimination) were also placed in this category.

The Annecy procedure left it to the Chairman to decide whether consultations in this type of case should be held at the next regular session, or a special session, or should be initiated (but not concluded) by an ad hoc committee appointed by the Chairman.

It is suggested that the powers thus entrusted to the Chairman should now be exercised by the Chairman on the advice of the Ad Hoc Committee on Agenda and Inter-sessional Business (hereafter referred to as "the Inter-sessional Committee") which Working Party 3 have recommended should be set up.

**Type 2.** The main case in this category is that of Article XII (4)(b), where the CONTRACTING PARTIES are called upon to decide whether a country should be required (either on the ground that it has substantially intensified its restrictions, or for some other reason) to enter into consultations with them. Cases under Article XIII (4) (consultations with the Contracting Parties about allocation of shares in import quotas) are also included in this category. In this type of case, two decisions are or may be necessary, viz-. a decision on whether consultations are necessary, and a decision as to whether such consultations should be held at the next regular session, or at a special session, or should be initiated by an ad hoc committee (to be appointed, according to the Annecy procedures, by the Chairman). The Annecy procedures provided for both decisions to be taken by a postal or telegraphic canvas of the contracting parties.

It is suggested:--

(i) that the power of taking these decisions should be given to the Inter-sessional Committee, subject to the proviso that any contracting party which considers that its interests are substantially affected shall be entitled to call for the decisions to be taken by the Contracting Parties as a whole by postal or telegraphic ballot.
(ii) in cases where it is decided that consultation should be initiated by an inter-sessional working party, the task of establishing this working party should be carried out by the Inter-sessional Committee.

**Type 3.** This category comprises those cases — viz., cases under Article XII (4)(d), Article XIV (1) (h), and paragraph 3 of Annex J (excluding the proviso) — where the action of a contracting party applying restrictions is challenged. The Annecy procedures here were the same as in cases of Type 2, except that it was provided that, if inter-sessional action to initiate consultations or discussions were decided upon, the matter should be handled by a Select Committee (which in fact was appointed at the end of the Third Session, and re-appointed at the end of the Fourth and Fifth Sessions) established in advance by the Contracting Parties.

It is suggested that, if the Contracting Parties approve the proposal of Working Party 3 and establish an Inter-sessional Committee, there is no particular advantage in retaining the Select Committee procedure, and that cases in this category might in future be handled as necessary by working parties established by the Inter-sessional Committee.

2. It is further suggested that, in respect of cases of all three types:—

(a) for convenience of nomenclature, any bodies established by the Inter-sessional Committee to handle balance of payments matters requiring inter-sessional treatment under these procedures should be called "Working Parties" rather than "Committees".

(b) the composition of any such working party established by the Inter-sessional Committee should be determined in the same way as that of any working party established by the Committee to handle matters arising inter-sessionally under other Articles of the Agreement (see CP.6/W/17, paragraph 5), provided that, in any case where the need for secrecy makes it desirable to limit the numbers of the working party concerned, the Inter-sessional Committee should be entitled to do this.

3. The Annecy procedural arrangements as laid down in GATT/CP.3/30/Rev. 1 and 50/Rev. 1 might otherwise continue unchanged. It is suggested that the Working Party might prepare a report, for approval by the Contracting Parties at this session, setting out the suggested revisions of procedure and to be read in conjunction with the Annecy documents referred to above.