Review Working Party IV on
Organizational and Functional Questions

Sub-Group A - Organizational Questions.

CERTAIN CONSIDERATIONS RELATING TO PART 4
OF THE DRAFT ORGANIZATIONAL AGREEMENT

Statement by the Delegation of the United States

Final Article

For reasons which have already been discussed consideration is being
given to the transfer to the Organizational Agreement, as Part 4, of the
provisions of the General Agreement relating to general waivers and to joint
action in cases of nullification and impairment. However, the effect of this
transfer could in fact be frustrated through use of the amendment article
of the General Agreement to add to that agreement new, and different provisions
dealing with these important matters. It seems inappropriate, after the
transfer, that there should be any such manner in which it could be
frustrated. The problem will be of particular importance in the United States
after Congress has approved these provisions in the Organizational Agreement,
but the General Agreement remains one participated in by the executive without
any such express Congressional approval.

To prevent any such frustration of the transfer, and to assure that any
modification of the rules applicable to these two important matters would be
by an amendment to the Organizational Agreement, which in the United States
would be submitted to Congress for formal approval, it is proposed that the
following final article be added to the end of Part 4:

"Article 28A - Continued Application of Provisions of this Part

"The Members shall not, acting as contracting parties to the General
Agreement, amend that Agreement so as to provide therein for procedures,
other than consultation, negotiation or recommendation, applicable to the
general situations to which Articles 26 and 28 relate."

Bases for Activities respecting GATT

With Part 4 in the Organizational Agreement, the activities of the
Organization with respect to the General Agreement will not all be giving
effect to "provisions of the General Agreement". Some will be giving effect
to Part 4.

Spec/24/55
In view of this fact, it is proposed that the first sentence of Article 3, relating to functions, be modified, more along the lines of the United States draft, to provide:

"The Organization shall administer the General Agreement and generally facilitate the operation of that Agreement."

If, as may be the case, it is considered desirable that the concept of giving effect to the provisions of the General Agreement, now in Article XXV:1 thereof, be included in the Organizational Agreement, the general initial article in Part 4, Article 25, would seem to be the place for it. The purpose of this article is merely to summarize the activities of the Organization under the General Agreement, in addition to the specific activities under other Articles of Part 4 relating to the General Agreement.

Moreover, there may be some question as to the desirability of referring in the heading to Part 4 and in Article 25 to "functions", since those should be definitively covered by Article 3.

With these two points in mind it is proposed that the heading and first article of Part 4 be modified to read:


"Article 25 - Administration in General"

"The Organization shall give effect to those provisions of the General Agreement which involve joint action. This shall include the making of decisions, the sponsorship of negotiations and consultations, the conduct of studies, the circulation of proposals, and the receipt of reports, in any case in which such action is required or appropriate to carry out the purposes of that Agreement."