The principal purpose of the meeting of the Intersessional Committee commencing on 19 September is to examine the items included in the Provisional Agenda for the Twelfth Session with a view to clarifying and defining the issues involved and to undertake such preliminary work as would facilitate and expedite the discussions at the Session. In this document the agenda items are accompanied by explanatory notes intended to assist the Committee in its task.

1. ADOPTION OF AGENDA AND ORDER OF BUSINESS

The order of business at the Session will be considered by the Committee at its statutory meeting to be held just prior to the Session.

2. MEETING OF MINISTERS

This item is dealt with separately in the Committee's agenda (IC/W/63/Rev.1).

3. ELECTION OF OFFICERS

Under Rule 10 of the Rules of Procedure, as amended at the Eleventh Session, a Chairman and two Vice-Chairmen are to be elected not later than seven days following the opening of the Session. The Executive Secretary proposes that there be a meeting of Heads of Delegations to consider this question on Friday, 18 October.

4. EUROPEAN CUSTOMS UNION

(a) Treaty establishing a European Economic Community

This item is dealt with separately in the Committee's agenda (IC/W/63/Rev.1).

(b) Treaty establishing a European Atomic Energy Community

The Chairman of the Interim Committee for the Common Market and Euratom has advised that the provisions of the Euratom Treaty are intended only to ensure an accelerated application of the customs union rules of the EEC Treaty to the products covered by the common nuclear market.
5. EUROPEAN FREE-TRADE AREA PROPOSALS

It is expected that a progress report will be made at the Session by a representative of the OEEC.

6. PLANS FOR TARIFF REDUCTION

It was agreed at the Eleventh Session that this item should appear on the agenda.

7. FRANCO-GERMAN TREATY ON THE SAAR

This Treaty, which entered into force on 1 January 1957, contains certain provisions with respect to trade between the territories which are not in conformity with Article I of the General Agreement and the Governments of France and the Federal Republic of Germany have requested waivers from the provisions of that Article (L/638).

8. COMMODITY TRADE

(a) Trends and developments in international commodity trade.

The Chairman of ICCICA has been requested to report annually to the CONTRACTING PARTIES. This report together with other relevant documents is to form the basis for a review of these questions. (See Resolution of 17 November 1956, 5th S. p.26).

(b) Disposal of commodity surpluses

At the Tenth and Eleventh Sessions the CONTRACTING PARTIES discussed their experiences under the Resolution of 4 March 1955 on the liquidation of agricultural surpluses and agreed to retain the item on their agenda.

(c) Nomination of Chairman of ICCICA

At the Eleventh Session the CONTRACTING PARTIES nominated Sir Edwin McCarthy as Chairman of ICCICA for one year. ICCICA has suggested to the Secretary-General of the United Nations that the duration of a Chairman’s tenure of office should be extended to three years. Accordingly, the Secretary-General has asked the CONTRACTING PARTIES to consider this proposal (L/655).

9. BRAZILIAN TARIFF AND SCHEDULE

This item is dealt with separately in the Committee’s agenda (IC/W/63/Rev.1).
10. CUBAN TARIFF REFORM

At the Ninth Session contracting parties were advised that the Government of Cuba had initiated a tariff reform with the dual purpose of adjusting the Customs Tariff to modern nomenclatures and of fostering economic development. It is now proposed that a new tariff will be applied as from 1 January 1958 (L/650). The Cuban Government has proposed this item for the agenda.

11. ACCESSION OF SWITZERLAND.

The Swiss representative reported to the Committee in April that his Government would hesitate to enter into negotiations until the position in respect of the proposed creation of a European free-trade area is clarified.

12. RESTRICTIVE BUSINESS PRACTICES

This item is dealt with separately in the Committee's agenda (IC/W/63/Rev.1).

13. BALANCE-OF-PAYMENT IMPORT RESTRICTIONS

(a) Consultations under Article XII:4(b)

The Consultations Committee, appointed at the Eleventh Session, has carried out consultations with Denmark, Norway, Sweden, Italy, Greece, the Netherlands, Austria and the Federal Republic of Germany, (L/644). Consultations with Finland, Brazil, Turkey, the United Kingdom, Rhodesia and Nyasaland, France, India, Pakistan, Ceylon, New Zealand, Australia, South Africa and Japan will be held either shortly before or during the Session. (The timetable for these consultations is to be examined under a separate item in the Committee's agenda.) At its meetings in April, June and August the Committee initiated consultations on the intensification of restrictions by Finland, France and India.

(b) Consultations under Article XIV:1(g)

Australia, New Zealand, Rhodesia and Nyasaland and the United Kingdom have initiated consultations on deviations from the provisions of Article XIII in the application of import restrictions under Article XII.

(c) Seventh annual report under Article XIV:1(g)

Pursuant to the procedures agreed upon at the Eleventh Session, contracting parties applying restrictions under Articles XIII and XIV have been requested to supply revised replies to the questionnaire reproduced in the 4th S, pp. 65-68 for the purposes of the preparation of the annual report insofar as such information has not already been made available to the secretariat in connexion with the preparation for consultations under Article XII:4(b). The secretariat will distribute a draft of the report.
14. REPORTS AND CONSULTATIONS UNDER WAIVERS

(a) European Coal and Steel Community (1st S. p.17)

The Fifth Annual Report by the Member States is to be submitted before the opening of the Session. A Note along the same lines as last year is being prepared by the secretariat.

(b) Italy/Libya (1st S. p.14 and 4th S. p.16)

The Fifth Annual Reports by Italy and Libya have been received.

(c) Australia/Papua-New Guinea (2nd S. p.18 and 5th S. p.34)

The Fourth Annual Report by Australia is to be submitted before the opening of the Session.

(d) United Kingdom/Article I (2nd S. p.20 and 3rd S. p.25)

The Fourth Annual Report by the United Kingdom has been received.

(e) United Kingdom/Dependent Overseas Territories (3rd S. p.21)

The Third Annual Report by the United Kingdom has been received.

(f) United States/Agricultural Adjustment Act (3rd S. p.32)

The Third Annual Report by the United States (under paragraph 6 of the conditions and procedures annexed to the Decision of 5 March 1955) is to be submitted before the opening of the Session.

(g) Belgium/Import Restrictions (3rd S. p.38 and 4th S. p.22)

Pursuant to the terms of the Decision of 3 December 1955, Belgium has submitted a statement on measures to be developed for the elimination of the restrictions (L/640). The Second Annual Report, under paragraph 4 of the Decision, has been distributed (L/672).

(h) New Zealand/Article XV:6 (3rd S. p.42)

Third Annual Report by New Zealand.

(i) Czechoslovakia/Article XV:6 (3rd S. p.43)

Third Annual Report by Czechoslovakia.

This item has been proposed by Austria.

16. TRADE AND CUSTOMS REGULATIONS

(a) Consular formalities

By the Decision of 17 November 1956 (5th S. p. 33) the CONTRACTING PARTIES maintained their Recommendation of 7 November 1952 (1st S. p. 25) concerning the abolition of consular formalities. The contracting parties whose consular requirements are described in the 5th S. pp. 110-114 have been requested to report on steps taken towards their abolition (L/633). A Resolution adopted by the International Chamber of Commerce was distributed in L/631.

(b) Marks of origin

The report of the Working Party at the Eleventh Session (5th S. p. 103) is to be further considered at the Twelfth Session.

(c) Nationality of imported goods

At the Eleventh Session it was agreed that this item should appear on the agenda.

17. ANTI-DUMPING AND COUNTERVAILING DUTIES

At the Eleventh Session the CONTRACTING PARTIES instructed the secretariat to prepare an analysis of laws and regulations providing for the levy of anti-dumping and countervailing duties. This will be distributed early in October.

18. TRADE RESTRICTIONS ON ORTHOPAEDIC APPLIANCES

At the Eleventh Session the Committee of Ministers of the Council of Europe referred to the CONTRACTING PARTIES a recommendation that Member States should grant exemption from custom duties and import restrictions for artificial limbs and orthopaedic appliances and that customs formalities should be reduced to a minimum (L/496). Examination of the question was deferred until the Twelfth Session and contracting parties were asked to furnish details of import duties and restrictions on these products (L/616 and Addenda).

19. REQUEST BY CEYLON FOR RELEASES UNDER ARTICLE XVIII

The Government of Ceylon has notified contracting parties of its intention to apply for releases under Article XVIII (L/652). The Ceylonese authorities have indicated that supporting statements will soon be forwarded.
20. COMPLAINTS

(a) Brazilian internal taxes

At the Eleventh Session the Brazilian delegation indicated that a new excise law was expected to eliminate the discriminatory aspects of the tax legislation.

(b) French special temporary compensation tax on imports

This item is dealt with separately in the Committee’s agenda (IC/W/63/Rev.1).

(c) French stamp tax

At the Eleventh Session the French Government announced its intention to reduce the rate of the tax and undertook to inform the CONTRACTING PARTIES when the measure came into force.

(d) Greek increase of bound duty

This item is dealt with separately in the Committee’s agenda (IC/W/63/Rev.1).

(e) Greek discrimination in credit facilities for imported goods

Item proposed by the Federal Republic of Germany.

(f) Italian discrimination against imported agricultural machinery

Item proposed by the United Kingdom (L/649).

21. NICARAGUA-EL SALVADOR FREE-TRADE AREA

The Sixth Annual Report by Nicaragua under the Decision of 25 October 1951 (Vol. II, p.30) has been received.

22. CENTRAL AMERICAN FREE-TRADE AREA

The First Annual Report by Nicaragua under the Decision of 13 November 1956 (5th S., p.29) was to be submitted by 1 September.

23. FRANCO-TUNISIA CUSTOMS UNION

The Convention of 3 June 1955 with the Protocol of Application (L/475) and a memorandum by the Government of France (L/559/Rev.1) have been distributed. This question was referred to the Committee which considered (at its meeting in April - IC/SR.31) that it should be dealt with at the Twelfth Session.
24. FREEDOM OF CONTRACT IN TRANSPORT INSURANCE

A working party of the Tenth Session submitted a draft recommendation on the elimination of restrictions in the field of transport insurance (L/462). Consideration of this report was deferred to the Eleventh Session. After several contracting parties had indicated that they would welcome an opportunity to pursue discussions with other governments before the question was taken up again by the CONTRACTING PARTIES it was agreed to defer consideration of this item to the Twelfth Session.

25. APPLICATION OF ARTICLE XXXV TO JAPAN

At the Eleventh Session it was agreed that the Japanese Government would continue its discussions with the fourteen contracting parties which had invoked Article XXXV, and the Committee was requested to keep this matter under review. On 6 July 1957 Australia concluded a trade agreement with Japan providing for the exchange of most-favoured-nation rights on tariff matters and reciprocal assurances of non-discriminatory treatment in import and exchange control matters. Australia also undertook to discuss with Japan within the next three years the possibility of applying the General Agreement. Selected extracts of the Treaty will be distributed. In a communication dated 22 August 1957 the Executive Secretary was informed that Brazil has withdrawn its reservation under Article XXXV.

26. ADMISSION OF GHANA AS A CONTRACTING PARTY PURSUANT TO ARTICLE XXVI:4(c)

The Government of the United Kingdom has informed the Executive Secretary that it has been requested by the Government of Ghana to sponsor the latter's accession to the General Agreement in accordance with the provisions of Article XXVI:4(c).

27. PROCEDURES FOR APPLICATION OF ARTICLE XXVI:4(c)

The Executive Secretary has put forward a proposal that the CONTRACTING PARTIES fix a time-limit for the exercise of right of sponsorship provided for in sub-paragraph 4(c) of Article XXVI (L/618).

28. STATUS OF AGREEMENT AND PROTOCOLS

The status of the following instruments on 16 September 1957 is set out in L/682.

- Protocols of Amendment
- Agreement on the Organization for Trade Cooperation
- Protocols of Rectifications and Modifications
- Protocol of Terms of Accession of Japan
- Protocols of Supplementary Concessions
- Samples Convention
At the Eleventh Session the CONTRACTING PARTIES extended the closing date for signature of the Protocols amending the text of the General Agreement and the Protocol of Organizational Amendments to 31 October 1957. At the same time they decided to review the situation concerning the latter Protocol together with the Agreement on the COT at the Twelfth Session, if by that time they had not entered into force.

29. CONTINUED APPLICATION OF THE SCHEDULES

(a) Arrangements for renegotiations under Article XXVIII

In April it was decided to provide an opportunity for contracting parties wishing to withdraw or modify concessions in their GATT Schedules on 1 January 1958 to enter into tariff negotiations, under the procedures of Article XXVIII, in the second half of 1957. The Executive Secretary has made arrangements for the negotiations to commence in Geneva on 1 October (L/669).

Eleven contracting parties have notified items for renegotiation: Austria, Belgium and the Netherlands, Canada, Ceylon, Finland, Germany, Greece, Norway, South Africa and the United States.

(b) Expiry of Declaration of 10 March 1955

The Declaration on the Continued Application of Schedules will expire on 31 December. The Committee in April recommended that a new declaration be drawn up at the Twelfth Session.

30. SCHEDULES

(a) Rectifications and Modifications

A draft seventh protocol will be prepared in advance of the Session. Contracting parties were asked to submit requests by 15 August. Requests have been received from Australia, the Benelux, Canada, Denmark, Greece, India, Japan, South Africa, Sweden and the United States.

(b) Consolidation of Schedules

It was agreed at the Tenth Session to proceed with a second consolidation of the GATT Schedules. Thus far sixteen contracting parties have distributed drafts of the second edition. The arrangements for the preparation and approval of consolidated schedules are to be reviewed at the Twelfth Session.
31. FINANCIAL STATEMENT AND BUDGET

(a) Audited accounts for 1956 and report by auditors
(b) Financing of 1957 budget
(c) Budget estimates for 1958
(d) Affiliation to United Nations Pension Fund

Agreement was reached with the Secretary-General of the United Nations and the ICITO staff was admitted to the United Nations Joint Staff Pension Fund on 1 June 1957.

32. TRAINEE PROGRAMME

A report will be submitted by the Executive Secretary. At the Eleventh Session it was agreed to take up the question of extending the programme to include trainees from non-contracting parties.

33. INTERSESSIONAL ADMINISTRATION OF THE AGREEMENT

(a) Report by the Committee on action between the Eleventh and Twelfth Sessions

A draft report will be submitted for approval at the next meeting of the Committee.

(b) Renewal of arrangements

(c) Election of Committee

34. DATE OF THIRTEENTH SESSION