

B/CGATT/58/4

April 7, 1958

To: Members of the Committee on Liaison with the CONTRACTING PARTIES to the GATT

From: Frank A. Southard, Jr., Chairman

Subject: Procedure for Handling Routine GATT Matters

The staff has suggested that consideration be given to simplifying the procedure under which the Fund considers relatively routine matters arising in connection with its relations with the CONTRACTING PARTIES to the GATT. I have discussed the matter with the staff, and it appears that it would be possible to reduce the number of routine papers presented to the Committee on Liaison and the Board and thus to shorten the time required for Fund action. Present arrangements for Committee consideration of substantive policy matters would remain in force.

The present situation can be illustrated by considering the action required under the procedure normally followed when the Fund receives an invitation to be represented at a GATT meeting. The incoming letter, containing the invitation, is circulated to the Executive Board. In a separate document, the staff recommends action with respect to the invitation, and this document is circulated to the Committee on Liaison. After consideration of the recommendation by the members of the Committee, usually without a meeting being held, the Chairman of the Committee issues a third document containing the Committee's recommendation to the Executive Board, normally a recommendation that the staff's recommendation be approved. If Fund representation at a meeting is involved, a fourth document containing the Management's proposal as to who should represent the Fund may be issued simultaneously with the Committee's report. Thus, four documents are circulated to cover what is normally a routine acceptance of an invitation.

It would seem preferable that matters of the sort described in the preceding paragraph be handled through the issuance of one document directly to the Executive Board. Such a document could contain the incoming letter and the text or substance of the proposed reply accepting or declining the invitation and, in the case of acceptance, providing the names of the Fund representatives. The document would be presented to the Board on a lapse-of-time basis or, if circumstances warranted, would be put on the agenda. Four documents would be replaced by one, and the time required for Fund action would be shortened. Prior to the issuance of such a document to the Board, however, the Management would clear with the Chairman of the Committee the appropriateness of the procedure in the particular case involved. If the Chairman felt that there was likely to be substantive Committee interest in the matter, he would suggest that it be referred to the Committee.

Other matters which might be handled in one document issued directly to the Executive Board are (a) invitations to consult with the CONTRACTING PARTIES in connection with their consideration of restrictions maintained for balance of payments reasons, etc., invitations which are invariably accepted; and (b) the transmittal of supplementary background papers and background papers on nonmembers to the CONTRACTING PARTIES, i.e., cases where transmittal is not covered by the arrangements contained in EBD/56/102. The derestriction of GATT documents has traditionally been handled through papers issued directly to the Board.

I suggest that at its next meeting the Committee might consider the possibility of this suggested change in the procedure for handling routine GATT matters. If it is in agreement with such a proposal, the Committee might make a recommendation to the Board along the lines in the attached draft.

Att: (1)

Other Distribution:
Members of the Executive Board
Department Heads
Division Chiefs

DRAFT RECOMMENDATION

The Committee on Liaison with the CONTRACTING PARTIES to the GATT recommends the following change in the procedure under which the Fund considers matters relating to the CONTRACTING PARTIES to the GATT which are involved in the Fund's relationship with that organization:

When the Fund is called upon to deal with (1) invitations to GATT meetings, (2) invitations to consult with the CONTRACTING PARTIES extended pursuant to Article XV:2 of the General Agreement, (3) the transmittal of background papers to the CONTRACTING PARTIES in those cases not covered by the arrangements contained in EBD/56/102, and (4) the derestriction of GATT documents, a document containing the incoming letter, if any, and the Management and staff recommendations would normally be issued directly to the Executive Board. In all cases, recommendations would be discussed by the Management with the Chairman of the Committee on Liaison, and the matter would be sent directly to the Executive Board unless the Chairman requested that it be first considered by the Committee. The opportunity for Board discussion would be provided either by the circulation of the document on a lapse-of-time basis or by scheduling its consideration for a Board meeting. Furthermore, any member of the Committee on Liaison with the CONTRACTING PARTIES to the GATT could request a Committee meeting on any matter. No change would be made in the existing procedure for the disposition of matters arising in the Fund's relations with the CONTRACTING PARTIES to the GATT other than those enumerated above.