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ACCORD GENERAL SUR LES TARIFS DOUANIERS ET LE COMMERCE

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CONTRACTING PARTIES

Third Session

SUMMARY RECORD OF THE TWENTY-FIRST MEETING

Held at Hotel Verdun, Annecy,

on Tuesday 7 June 1949, at 2.30 p.m.

Chairman: Hon. Dana WILGRESS (Canada)

Subject discussed: Revised Report of Working Party 1 on Accession. (GATT/CP.3/37 and Corr.1)

At the invitation of the CHAIRMAN, Mr. SHACKLE (United Kingdom) as Chairman of Working Party 1, introduced the revised report and outlined briefly the important changes which the Working Party had made therein taking account of the discussions at the 15th and 16th meetings of the CONTRACTING PARTIES when the original report (GATT/CP.3/26) was considered. The representatives of certain contracting parties had indicated that their governments would need time after the conclusion of the session to appraise the results of the negotiations. Others had suggested that separate decisions should be taken in respect of the accession of each acceding government in the light of the results of the negotiations. It had also been pointed out the legislative procedures in some countries might require a period of time for the sanction of the results before these could be put into force. In response to these points raised at previous meetings, the Working Party had devised the scheme set forth in the Report.

In order to provide time for the present contracting parties to evaluate the concessions ensuing from the negotiations, it was recommended that the Protocol of Accession would be open for signature until the end of October 1949. The arrangement enabling a separate decision to be taken in respect of each acceding government was set forth in section 2(a) of the Report.

To meet the third point mentioned above, a two-stage procedure was recommended for decisions under Article XXXIII to be taken by the present contracting parties without delay so as to enable the immediate extension to individual acceding governments of the existing Geneva concessions and for notifications to be given at any time up to the end of April 1950 for the bringing into force of the Annecy concessions, which might require legislative proceedings.

Mr. SHACKLE then drew attention to, and summarised, the salient points on pages 2 to 5 and 11 of the Report, including important consideration of the existing and indirect benefits, the manner in which the separate decisions were to be taken and incorporated, the definition of the two-thirds majority for taking a decision, the date of decision, the interpretative reference regarding the phrase "enter into negotiations" and the understanding behind the choice of April 30, 1950 as the last date for signature of the Protocol of Accession; other changes in the Protocol being mostly of a consequential nature.

There being no general comments on the Report or on the Protocol as a whole, the Protocol was read paragraph by paragraph.

The title and preamble of the Protocol were approved without discussion.

With reference to paragraph 1 (a) (ii) of the Protocol, Mr. GARCIA OLDINI (Chile) contended that there were no solid grounds for inferring, as was done in the Report on pages 5-6, that the expression "existing legislation" in paragraph 1(b) of the Protocol

of Provisional Application, meant necessarily legislation existing at the date of that Protocol. Such an interpretation was untenable, especially in view of the specific phrasing elsewhere in the Agreement in which everytime such was the intention, some such words as "on the date of this Agreement" were used. The absence of such words in this instance could therefore not but be regarded as implying a date other than the date of the Protocol, or in other words, the date on which a government assumed obligations under the Protocol. It was on this legal understanding that the Chilean Government had accepted that Protocol and the Chilean Parliament had approved it. In his view, the same formula should be applied to the Protocol under consideration. His delegation would have to register a formal reservation if the present report was to provide an unacceptable interpretation of the Protocol of Provisional Application.

Mr. RODRIGUES (Brazil) thought that the question of interpretation concerning the Protocol of Provisional Application should be raised elsewhere in connection with the specific case of Chile, when the divergent views of many delegations might be revealed and considered; at present, attention should be confined to paragraph 1 (a) (ii) of the Protocol of Accession under consideration. In his opinion, although there seemed to be little doubt that the intended meaning was in agreement with the interpretation given by the Working Party, yet in the absence of an explicit indication, the principles of law would not permit any conjectural inference of legislative intentions or enlargement of a legal text without substantive proof. In his view, therefore, no decision could be taken at this point on the Chilean case, and the meeting should go on with its proper task of examining the Annecy Protocol.

Mr. SHACKLE (United Kingdom) said that the wording in the draft Protocol was chosen with a view to clear the kind of doubt which

had been made possible by the unqualified wording of the Geneva Protocol. It had to be the date of the Protocol because it was against the ascertainable background of national legislation existing at a certain fixed date that the schedules and the instruments had been finalized. To permit any later legislation to be regarded as "existing" for the purposes of the paragraph in question would give occasion to legislation being purposefully introduced or changed in order to benefit from this provision to the detriment of the balance reached at the conclusion of the negotiations and would not be equitable or justifiable.

The CHAIRMAN thought that there should be little doubt that the date of the instrument itself was implied in the case of the Protocol of Provisional Application, the reason having been clearly expounded by the representative of the United Kingdom. There being no need to examine that instrument here, it could be studied later if the Chilean delegation raised the question as a separate case, especially in relation to the Protocol for the Accession of Signatories of the Final Act which had enabled Chile to accede to the Agreement after June 30, 1948.

Mr. USMANI (Pakistan) felt that the Chilean case was a pertinent one in view of its bearing on the obligations of the present contracting parties. The present report implied an interpretation of the Protocol of Provisional Application, which was contrary also to the understanding of his delegation. Even though it might be desirable to adopt the recommendation of the Working Party in the present case of the Annecy Protocol, his delegation would understand that paragraph 1 (b) of the Protocol of Provisional Application referred to legislation existing at the date of signing of that Protocol by an individual country. There was no evidence that that was not even the intended meaning of the drafters of that instrument.

The CHAIRMAN pointed out that the last paragraph of that Protocol clearly read "Done at Geneva ..... this thirtieth day of October, one thousand nine hundred and forty-seven".

Mr. KING (China) stated that the Chinese delegation were of the same opinion as the representatives of Chile and Pakistan. As for the date mentioned at the end of that Protocol, this should have the effect of requiring the legislation referred to in paragraph 1 (b) thereof to be existing on that date, but only as far as the countries enumerated in paragraph 1 of that Protocol were concerned; it would be too onerous an obligation on any country which signed the protocol subsequently if it were required that their legislation, to be governed by paragraph 1 (b), should also have existed at that date. Moreover, the Working Party's recommendation and interpretation, if adopted, would also beg the question of equity in regard to the position of the present contracting parties viz-à-viz acceding governments. For, the inflexible interval between the fixed dates of the two Protocols would mean a divergence between the obligations assumed by the present contracting parties and those to be assumed by the acceding governments.

Mr. HOLLIS (United States) recalled the history of the drafting of the documents; the Agreement was formulated over a lengthy period but the Protocol of Provisional Application was given birth at the last stage of the Geneva negotiations to meet the difficulties of certain governments. The circumstances being so different, one could not conclude that different meanings were intended because there was a divergence in the texts of the two documents. The signing of that Protocol by six governments at the outset was an irrevocable act to apply the provisions of the Agreement with the qualification regarding Part II, and the definite obligations assumed by these governments made it inconceivable that they should have intended that later adherents could

change their legislation inconsistently with the provisions of the Agreement. Furthermore, this would also give rise to the impossible situation in which those who had signed the Protocol at any time would have given each of those which were yet to sign the Protocol a "blank Cheque" or complete latitude to alter their legislations at any time prior to their signature.

Mr. VARGAS GOMEZ (Cuba) supported the views of the representatives of Chile, Pakistan and China, adding that the support was given on principle and not out of any consideration of interests to Cuba.

The CHAIRMAN drew attention to the fact that only the Annecy Protocol of Accession was under discussion.

Mr. OLDINI (Chile) replied that although there was a specific case for Chile which could be discussed separately, nevertheless, in view of the prejudicial effect of the note in the report (pp. 5-6) drawing an analogy between the two Protocols, the question also called for consideration at this point. Whatever had been the intentions of their drafters, the divergence in wording between the Geneva Protocol and the Agreement could not be overlooked. If Chile had taken advantage of the so-called blank cheque during the interval to change its laws, it was because economic, financial and social conditions had dictated the need for so doing. Moreover, the Chilean case was not an isolated one, and even some major countries had to modify their tariffs subsequently to their becoming contracting parties.

The CHAIRMAN proposed that to settle the question regarding the Report in hand a note should be entered in the record of the present meeting to the effect that certain delegations reserved their position on the interpretation of the word "existing" in the Protocol

of Provisional Application. Certain representatives having expressed their desire to avoid registering a formal reservation, and having suggested various solutions, it was agreed to record that:

> "The delegations of Ceylon, Chile, China, Cuba, India, Lebanon, Pakistan and Syria, whilst accepting the wording of paragraph 1 (a) (ii) of the Annecy Protocol of Terms of Accession, did so without prejudice to the interpretation of the expression "existing legislation" in the Protocol of Provisional Application, and to the validity or otherwise of the interpretation given in pp.5 and 6 of the Report of Working Party 1 on Accession (GATT/CP.3/37)".

Paragraph 1 was approved.

Paragraph 2 was approved without discussion.

With reference to paragraph 3 of the Protocol, Mr. VARGAS GOMEZ (Cuba) made a declaration concerning the modification of the Schedules incorporating the results of the negotiations, which at the request of Mr. OLDINI (Chile) was annexed to the summary record.

Mr. JOHNSEN (New Zealand) questioned the appropriateness of the use of certain words in paragraph 3. First, the expression "any acceding government" in the 9th line of that paragraph would seem to need qualification to restrict the reference to those acceding governments with respect to which the Protocol had entered into force and not to any other acceding governments. Secondly, the word "application" in the 5th line of the paragraph should have been "intention of application" or "intended application"; this was borne out by the next sentence in which it was said that such concessions would enter into force thereafter. Thirdly, the words "these concessions" in the 14th line should have been "such concessions" as the latter was used throughout the paragraph. Finally, since Article II referred to only one appropriate schedule for each Contracting Party, it would be inconsistent with the provisions of that Article if a new schedule were added in respect of a contracting party. The question

was of special interest to New Zealand as a new Schedule would, according to the laws of that country, involve new legislation for its enforcement whereas the administrative authorities would be competent to enforce an addition to a schedule which had been established through legislative procedures.

The CHAIRMAN suggested adjourning discussion on the questions raised by Mr. JOHNSEN until the next meeting, when the Chairman of Working Party 1 would be requested to reply.

The meeting arose at 5.45 p.m.

ANNEX

STATEMENT BY THE REPRESENTATIVE OF CUBA CONCERNING THE TERMS OF ACCESSION.

The Delegation of Cuba earnestly wishes to co-operate with the other Contracting Parties in the endeavour of establishing an expeditious procedure that will facilitate the accession of the eleven new countries to the General Agreement. It is unquestionable that as the number of member countries to the GATT increases, the purposes of this Organization will become more feasible and the objective of commercial expansion will be nearer. At the same time, the Delegation of Cuba feels compelled to defend a sound interpretation of the Agreement because those very purposes of encouraging the development of trade would be frustrated if the international structure which has been created for its achievement does not operate on minimum bases of equilibrium and stability.

For these reasons the Delegation considers it timely that the possible modifications of the Agreement resulting from the application of the terms of accession should be examined fully.

The background of the question

The first discrepancies which manifested themselves in the Working Party with respect to the problem of the terms of accession and their implications arose from the different points of view expressed with respect to the interpretation of Articles XXX and XXXIII of the Agreement. Some members of the Working Party were of the view that the terms of accession to which reference is made under Article XXXIII, even if they implied modifications of Part I of the

Agreement would only require approval by a two-thirds majority of the Contracting Parties in order to become effective, and not the unanimity which is demanded under Article XXX to modify that part of the Agreement.

The Delegation of Cuba formulated its absolute opposition to this criterion, on the following basis:

Article XXXIII contemplates solely the terms of accession that must be approved by the Contracting Parties and the acceding governments in order that the incorporation of the latter to the Agreement should be effected, it being impossible to accept that this provision should also refer to modifications of the Agreement.

It is true that among the terms of accession that must be agreed to between the Contracting Parties and the acceding governments, there may be included provisions which imply modifications to the text of the Agreement, or which determine certain changes in the schedules of concessions negotiated at Geneva in 1947. But, in those cases, before those provisions can become effective and before they are incorporated in the Protocol that must be signed by the Contracting Parties and by the acceding governments, it is necessary to effect such modifications under the rules for amendments established under Article XXX of the Agreement.

Any other interpretation of Article XXXIII would lead to the absurd conclusion that the present schedules of concessions which are an integral part of Part I of the General Agreement could be modified by a two-thirds majority, a situation which is altogether incompatible with the unanimity required under Article XXX to amend that part of the Agreement.

The rule of unanimity incorporated into Article XXX was included in the text of the Agreement as an indispensable requisite to guarantee the stability of the concessions which were negotiated

at Geneva in 1947. And the consent of all the Contracting Parties was demanded in order to introduce modifications in the schedules and not a simple authorization of the Contracting Parties which have negotiated the concessions directly because in a multilateral treaty such as the General Agreement in which the concessions as a whole are taken into consideration in order to balance the benefits received by each country, the slightest modification introduced in the schedules may affect the position of a given Contracting Party.

For this reason the Delegation of Cuba is of the opinion that the interpretation that other delegations wish to attribute to Article XXXIII of the Agreement not only creates theoretical difficulties, but also weakens one of the fundamental principles of the Agreement, one of the requirements which definitely must be kept if it is desired to guarantee existing concessions and the equilibrium of each country with respect to the total value of the benefits received at Geneva.

No one is in a position to predict what the final results will be of the tariff negotiations which are now under way at Annecy between the Contracting Parties and the acceding governments. It is however possible to assert that in the course of these negotiations offers may be exchanged tending to nullify the benefits previously acquired by a given Contracting Party. And if such a supposition should actually occur and such modifications of the schedules be approved by a majority of two-thirds, it is unquestionable that the letter and the spirit of Article XXX insofar as amendment to Part I of the Agreement is concerned would be violated and the necessary stability and equilibrium of the concessions negotiated at Geneva frustrated.

On the other hand, a rigid interpretation of Article XXX would not affect the accession of new governments at all. From this point

of view the rule of unanimity incorporated into this Article could not be employed to reject the incorporation of a given country into GATT, but only to make impossible the negotiations of concessions negotiated at Annecy affecting the benefits obtained by a Contracting Party in the Geneva negotiations. In this manner, the unanimity rule would only have the effect of avoiding any additions to the schedules or the entry into force of concessions which in any concrete manner impair the rights of a Contracting Party.

It is evident, therefore, that if confronted with a situation such as the one that has just been described, a Contracting Party makes use of the powers which are implicit in Article XXX, it cannot be said that it is exercising them in order to obstruct the accession of a new government, but rather to prevent the illegitimate elimination of concessions previously granted to it, the suppression of which cannot be considered as a condition "sine qua non" for the incorporation of a new government into the Agreement.

<u>The system of double schedules and the attacks on the stability of the Agreement</u>

The Working Party did not adopt the criterion that when modifications of Part I of the Agreement are included in the terms of accession they may be approved by a two-thirds majority required under Article XXXIII, on the other hand it introduced a provision in the draft Protocol presented for the consideration of the CONTRACTING PARTIES which establishes a much more dangerous precedent.

In substance, paragraph 3 of the draft Protocol tends to establish two series of schedules for the present Contracting Parties: the existing schedules, resulting from the Geneva negotiations of 1947, and the new schedules that will be drawn up as a result of the new negotiations with the acceding governments. With this formula the

Working Party has tried to avoid the difficulties of interpretation presented by Article XXX and to offer a possibility of making effective the negotiations being carried on at Annecy without modifying in a formal way the schedules of concessions which are in force at present among the Contracting Parties.

The Delegation of Cuba considers that in practice this procedure settles no problems whatsoever, for if in the new schedules concessions are included which affect those which are already set forth in the existing schedules, the legal question may be raised that while formally the latter are not being modified they are in fact and for all legal and practical effects being modified substantially and the rule of unanimity set forth in Article XXX is also being violated.

Furthermore, aside from the danger that through this twin schedule system for each Contracting Party modifications may be effected in Part I of the Agreement and benefits enjoyed by any Contracting Party impaired, the Delegation of Cuba considers that this procedure will complicate the mechanism and the operation of the General Agreement in an unnecessary manner.

But this measure alone proposed by the Working Party is not the sole source of preoccupation for the Delegation of Cuba; the Delegation of Cuba is also preoccupied by the criteria which have been expressed with respect to the concept of the modifications of the Agreement requiring unanimity.

The provision of the Protocol which has been quoted as well as the transcendence and the far-reaching consequence of the criteria expressed by the Working Group with respect to the modification that may be introduced in Part I of the Agreement without the requirement of unanimity under Article XXX deeply preoccupied the Delegation

and the Government of Cuba, for both these matters tend to destroy the stability of the schedules of concessions attached to the Agreement. When we speak of the stability of the schedules of concession, we are not stating a mere phrase. That principle of stability of the benefits exchanged by the Contracting Parties during the Geneva negotiations is the corner-stone on which the Trade Organization created under the General Agreement rests. The understanding of what we might properly call the essence of the Agreement is so important that without that concept of stability it would have been impossible to agree on a multilateral trade treaty such as our Agreement.

Guarantee of stability in the text of the General Agreement

The Geneva Agreement was conceived from the beginning as a trade structure which was to remain frozen, stabilized during at least three years. The immobilization of a new trade structure created through the negotiations of 1947 is moulded in the text of the Agreement through Articles XXVII and XXX.

The firmness of the assertions made by us concerning the freezing or immobilization of the Schedules of concessions is immediately understood by the simple reading of these provisions. The General Agreement on Tariffs and Trade, which technically was to become effective January 1, 1948, would remain stabilized, in so far as the tariff treatment is concerned, provided in the Schedules, until January 1, 1951, i.e., during a period of three years. And only after the expiration of this term would the Contracting Parties be entitled to modify or discontinue the application of the treatment which in the proper Schedules had been granted.

The exception to this freezing rule of the Schedules formulated under Article XXVIII, is foreseen in Article XXX, and is established

under the following conditions:

"Article XXX. 1) Except in the cases foreseen in other provisions to introduce modifications in the present Agreement, amendments to the provisions of Part I of the present Agreement or to those of Article XXIX or to those of the present Article shall become effective after being accepted by all the contracting parties".

Inasmuch as pursuant to the provisions of paragraph 7, Article II, the Schedules of Concessions accompanying the Agreement are considered incorporated in Part I thereof, it is clear that no modification or alteration is possible in their structure without the unanimous consent of all the Contracting Parties. That is to say, that the refusal of only one country to grant approval to any modifications intended to be made to the "Schedules" is sufficient to prevent that such modifcations be carried into effect. The foregoing statement shows clearly the sternness of the conception concerning the freezing of the Schedules containing the tariff commitments, since in order to allow any change in them it is necessary to count on the unanimous consent of all the parties to the same.

Concept of the modifications of Part I of the Agreement

We have already seen how the rules of Article XXVIII of the Agreement stabilize the concessions negotiated at Geneva in 1947 during a period of three years; and also how it is necessary to have the consent of all the Contracting Parties each time that a modification of the schedulesis intended, in the light of the requisite of unanimity established under Article XXX.

Nevertheless, we consider it convenient to study in a more profound manner the nature of the modifications which could be introduced in the schedules in order to understand more clearly the

fundamental reason which makes it necessary to have a rigid conception with respect to these modifications.

In all multilateral treaties such as the GATT any modification in the list of concessions, in the sense of increasing or reducing them, would determine, undoubtedly, the unbalancing of the equilibrium of the negotiations which took place at Geneva and would create also situations by which those negotiations would cease to be mutually advantageous.

With respect to the possibility of increasing the duties which were included in the schedules of the different countries, modifying concessions previously negotiated, there cannot be any doubt regarding the fact that such action would throw out of balance the equilibrium of the negotiations in which those duties were negotiated.

The point more difficult to understand, and which was the subject of many discussions in the Working Party, is whether or not a reduction in the duties included in the schedules of any contracting party constitutes a modification which could evolve the possibility of throwing out of balance existing concessions and consequently would be prohibited under the provisions of the Agreement, unless that reduction is made effective by the procedure established in Article XXX of the Agreement which, as is well known, requires the unanimity vote for these cases.

The arguments formulated by the Delegation of Cuba during the discussions in the Working Party are sufficiently clear to illustrate the matter; it is possible to consider two similar products described in the most-favoured-nation tariff of any schedule annexed to the Agreement, and to establish the assumption that one of those products receives the benefit of a reduction in its duties, without the other product receiving at the same time

a proportional reduction. It is easy to understand that the competitive position of the latter will suffer from prejudicial treatment in the market of the country to which the schedule belongs.

It is possible to quote many cases in which similar products are produced in different countries and for these reasons the duties imposed on them are negotiated by different contracting parties. We may mention some alcohol products, such as rum and whisky, certain textile products, manufactured with rayon and cotton fibres; and some food products such as butter and oleomargarine.

When those antecedents are studied, it is necessary to conclude that within the framework of a multilateral agreement such as the GATT it is not possible to permit those arbitrary and unilateral reductions of duties, because they may destroy the minimum basis of stability which was infiltrated in the structure of the General Agreement.

When the Contracting Parties were incorporated to the Agreement in 1947, they took into consideration not only the concessions that they received through direct negotiations with other Contracting Parties, but also the total benefits which corresponded to them through the application of the principle of the unconditional most-favoured-nation clause. Besides, due to the multilateral nature of the Agreement, it is right to affirm that the Contracting Parties at the close of their negotiations evaluated, as a fundamental question, not only the tariff benefits that they obtained directly or indirectly, for their products, but also the proportional level existing between the duties that they obtained for their products, and the duties enjoyed by other Contracting Parties for similar products that were in a position to compete with them.

For that reason, if after the negotiations at Geneva, and at any

time before January 1, 1951, any Contracting Party suffered a disproportional reduction in the duties of the most-favoured-nation tariff in such a way as to place any of its products in an inferior competitive position in a determined market, it is unquestionable that the value of the direct concessions that that Contracting Party obtained during the negotiations are frustrated.

From the text on page 7, paragraph 1, document GATT/CP.3/37, we have come to the conclusion that the Working Party is not in accord with our interpretation regarding modifications of Part I of the Agreement, based on the assumption that, according with provisions of Article II, Contracting Parties have only committed themselves not to increase their tariffs.

The isolated consideration of the contents of a legal text is a method entirely disqualified in legal interpretations. To affirm that in the General Agreement only exist the compromise of not increasing the tariffs, because this is what is stipulated in Article II, is to mystify the mechanism of the Agreement, and to disintegrate the unity of the different provisions of this instrument. Article II cannot be understood fully if it is not related with Article XXX. It is true that the first of these articles contemplates only the supposed increase of the duties but, the second article restricts in general, with an ample text, all the modifications of the schedules, thus guaranteeing a complete stability for all concessions, even against the possibility of reducing duties without previous consultation. If this was not the correct interpretation, Article XXX would have never been drafted expressing such ample aims. Instead of discussing, as is the case, modifications which are not limited by any additional concept, a distinct reference to the increase in the duties would have been made.

The question of compensation

In the course of the discussions which have taken place in the Working Party, it has been expressed that although the dangers pointed out by the Cuban Delegation were well founded, Contracting Parties affected by a reduction of the duties could make use of the provisions of other articles of the Agreement to which they are entitled, such as Article XXIII, through which adequate compensation could be obtained to counteract the loss sustained. The necessity to maintain the principle of stability of the concessions within the structure of the Agreement, and of preserving the equilibrium of the interests between the different Contracting Parties, in order that the Agreement may always operate on a mutually advantageous basis for all concerned, is more clearly understood if we were to study the situation confronted by countries not highly industrialized. When a Contracting Party only has available a limited number of products for export, for which it has made efforts to obtain certain concessions, it would not be fair to apply to that country the criterion that if any of the concessions obtained is lost it should look for compensation in other provisions of the Agreement. To these countries, of limited economical development, the possibilities of obtaining adequate compensation is out of the question.

A highly industrialized country that loses concessions on certain of its products, may immediately obtain adequate compensation on a great number of other products which the country in question exports to that same market. But, when the affected country only has at its disposal a limited number of exportable products the situation is entirely the opposite and, therefore, will find itself in a very difficult position inasmuch as it will be practically impossible to find benefits which in reality are compensatory. Taking into

account the aforementioned facts, when we consider the situation of these countries, we have come to the conclusion that their main interest is that the permanency and stability of the concessions which they are enjoying are fully guaranteed, being fundamental that their right to enjoy the benefits obtained are not violated during the terms of the negotiations.

If it is true that the General Agreement is an instrument whose aim is to find the necessary equilibrium between the economies and the interests of all Contracting Parties, if it is also true that the GATT is a trade structure which is governed by principles of real co-operation in the economic sense, it is essential that the stability of the concessions which small countries are enjoying is fully respected, at least during the terms of said concessions.

In Conclusion

The Cuban Delegation has made a great effort in order to explain to the CONTRACTING PARTIES the questions of substance which are involved in the interpretation of Article XXX. Other delegations have asked us, in spite of the explanations which we have made, if there existed more concrete questions which would reveal more clearly that the points of view maintained by the Cuban Delegation were not merely of a legal nature. The Cuban Delegation is of the opinion that the examples we have set forth are sufficiently clear in order to prove that in the bottom of this discussion there are substantial points of great importance which cannot be overlooked by the CONTRACTING PARTIES. Furthermore our Delegation considers that it would be illogical to assume "a priori" the innumerable cases involving modifications which could arise, different to the cases that we have mentioned covering increases or reductions, and which could also bring about grave disadvantages to the CONTRACTING PARTIES due to the

maladjustment of the schedules. The possibilities of modifications which could create the situation referred to are so extensive as to make it impossible to foresee them, inasmuch as a guess of this sort would mean to tell what is going to happen in the future. Undoubtedly the considerations made by us eloquently reveal that the only way to guarantee the stability of the concessions is by means of a rigid interpretation of Article XXX and of the rules of unanimity, with respect to the modifications which may be introduced in Part I of the Agreement. In our opinion this is a question so evident that we do not think it necessary to insist with further arguments in order to make our interpretation more understandable. And if this conclusion is accepted, it is easily understood also that any device which would facilitate the throwing out of balance of the principle of stability must be rejected in the Protocol of Provisional Application which contains the terms of Accession. As we have already stated, the principle just mentioned is one of the basic points of the Agreement. For this reason the Cuban Delegation has already stated its disagreement to the wording of paragraph 3 of the Protocol, for the simple reason that the two schedule systems which would be introduced, with respect to actual CONTRACTING PARTIES, could create very difficult situations, which would facilitate throwing out of balance tariff concessions which are being enjoyed since the last negotiations at Geneva in 1947.