

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

RESTRICTED
LIMITED C
GATT/CP.4/7
25 January 1950
ORIGINAL: ENGLISH

CONTRACTING PARTIES
Fourth Session

Revalidation of the Geneva and Ancey Schedules
to the General Agreement

Letters from the Government of the United Kingdom

Letter of 7 December 1949:*

"I am directed to inform you that the United Kingdom Government have had under consideration the question whether, in the course of the third set of multilateral tariff negotiations which it has been decided to hold in September 1950 under the auspices of the Contracting Parties to the General Agreement on Tariffs and Trade, it would be desirable that the concessions negotiated at Geneva and Ancey, and embodied in the existing Schedules to the General Agreement, should be generally prolonged so as to remain fully valid, coterminously with any fresh concessions negotiated in the third round, for a further period beyond the 1st January, 1951.

"As the result of their consideration, the United Kingdom Government have formed the view that such prolongation would be desirable. They have set forth this view, and the reasons which have led them to it, in the enclosed note.

"Since it appears possible that some of the contracting parties may, by reason of their legislative procedure, need to be seized of requests for such prolongation by the date specified for the submission of provisional request lists, i.e. by the 15th January, I am to request you to be so good as to circulate this note in confidence to the Governments of the other Contracting Parties as soon as possible.

"The United Kingdom Government would be interested to be informed of any comments which the Governments of the other Contracting Parties may offer in the matter after they have studied the note."

* This letter was sent to all Contracting Parties and Ancey Acceding Governments on 9 December 1949 as ICITO/ANR/15.

" Third Round of Tariff Negotiations

Re-validation of Geneva and Annecy schedules
to the General Agreement on Tariffs and Trade

"The Government of the United Kingdom suggest that very urgent consideration be given to the treatment at the Third Round of Tariff Negotiations, beginning in September 1950, of the schedules to the General Agreement concluded at Geneva and Annecy. The Government of the United Kingdom consider that these should, as part of the Third Round negotiations, be re-validated for whatever further period is fixed for new concessions to be negotiated at the Third Round, instead of becoming subject to modification under Article XXVIII on or after 1st January, 1951.

"2. The Government of the United Kingdom considers that this step is necessary if the Third Round is to be a success and if serious administrative complications are to be avoided for the following reasons:-

(a) As the experience of the Annecy negotiations clearly shows, countries which will be negotiating for the first time in September 1950 may be unwilling to accept firm obligations in regard to their tariffs for any longer period than existing contracting parties accept similar obligations. If existing contracting parties are free from 1st January, 1951 to withdraw or modify their Geneva and Annecy schedules, the newcomers, if they agree to take account of the benefits accruing to them from the Geneva and Annecy negotiations, may request similar freedom to withdraw or modify from January 1951 a great part of the concessions they grant.

(b) Existing contracting parties may be in a less favourable position to secure from the newcomers adequate concessions as compensation for the benefits accruing to the newcomers from the Geneva and Annecy negotiations.

(c) It is assumed that new concessions negotiated at the Third Round will be bound for some fixed term, probably three years. Unless the Geneva and Annecy concessions are similarly re-bound, the anomalous position will arise that some concessions will be firm for a period of years while others will become fluid, possibly before the conclusion of the Third Round.

"3. It seems clear that prolongation of the Geneva and Annecy concessions should be carried out by all existing contracting parties. If only a few parties agreed to prolong, a further serious anomaly would arise. If country A agreed to prolongation in discussion with country B (which would presumably have to agree to reciprocate) but failed to reach agreement with country C, those parts of country A's schedules which were originally negotiated with country B would be firm, whereas the parts originally negotiated with country C would be subject to modification, although country B might have a substantial interest in them as an important secondary supplier.

"4. The Government of the United Kingdom, for their part, are prepared to re-bind their existing schedules in respect of items negotiated with all other contracting parties who agree to do the same. There may be a few modifications of relatively small importance, but the United Kingdom would be prepared to discuss them in the normal way during the Third Round negotiations.

"5. The Government of the United Kingdom suggest that the attention of all contracting parties (including those who are acceding as a result of the Annecy negotiations) should at once be drawn to this problem and that they should be urged to include in their provisional request lists to all other parties, to be submitted by the 15th January, 1950, the request "to re-bind schedule No. ". The matter is of great urgency because the legislation of certain contracting parties requires that requests of this sort should be submitted by the 15th January, 1950, failing which they cannot be considered."

.

Letter of 21 January 1950 and Draft Protocol:

"I am directed to refer further to my letter of the 7th December, regarding the question of prolongation beyond the 1st January, 1951, of the Schedules of tariff concessions to the General Agreement on Tariffs and Trade which were negotiated at Geneva and Annecy, and to say that the United Kingdom Government have given further consideration after discussion with the United States authorities, to the method by which such prolongation would be brought about.

"It appears to them that requests for the renewal of such existing concessions in detail, by specific items, would be an unnecessarily cumbersome and time-consuming procedure, and they would propose instead that a Protocol should be prepared, in pursuance of Article XXX paragraph 1, amending the date in paragraph 1 of Article XXVIII from "1st January, 1951" to read "1st January, 1954". This Protocol (of which I enclose a draft) could be referred to the Governments concerned for consideration at the Fourth Ordinary Session of the Contracting Parties, to open in Geneva on the 23rd February next, with a view to its approval by the Contracting Parties before the conclusion of the Third Round of tariff negotiations. Such approval might be given at a Fifth Ordinary Session of the Contracting Parties held before the Third Round of tariff negotiations were completed.

"In proposing the alteration of the date in Article XXVIII, I am to say that it is recognised that some Governments may wish to introduce modifications in their existing schedules. If the date is altered from 1st January, 1951 to 1st January, 1954, any items in the Schedules on which modifications may be agreed in the course of the Third Round of negotiations will of course remain in force subject to such agreed modifications until the later date."

"I am to add that, in putting forward this proposal, the United Kingdom Government should not be understood as withdrawing the suggestion contained in the last paragraph of the note annexed to my letter of the 7th December, namely that Contracting Parties should include in their request lists to all other parties, the request "to re-bind Schedule No. ". It appears that such action would still be advisable in order to meet the situation in the event of the proposal for a Protocol amending Article XXVIII not receiving the approval of the Contracting Parties.

A N N E X

Draft Protocol
Modifying Article XXVIII of the General Agreement
on Tariffs and Trade

"The Governments of, acting in their capacity of CONTRACTING PARTIES to the General Agreement on Tariffs and Trade (hereinafter referred to as the General Agreement)

"Desiring to continue the application of the Schedules to the General Agreement until the first January, 1954; and

"Desiring for that purpose, to effect an amendment to Article XXVIII of the General Agreement, pursuant to the provisions of Article XXX thereof,

"Hereby agree as follows:

- "1. The text of paragraph 1 of Article XXVIII of the General Agreement shall be amended by the deletion of 'on, or after January 1st, 1951' and the substitution therefor of 'on, or after January 1st, 1954'.
- "2. This Protocol shall, following its signature at the close of the Session of the CONTRACTING PARTIES, be deposited with the Secretary-General of the United Nations.
- "3. The deposit of this Protocol will, as from the date of deposit, constitute the deposit of the instrument of acceptance of the amendment set out in paragraph 1 of this Protocol by any contracting party the representative of which has signed this Protocol without any reservation.
- "4. The instruments of acceptance of those contracting parties which have not signed this Protocol, or which have signed it with a reservation as to acceptance, will be deposited with the Secretary-General of the United Nations.
- "5. (a) Each contracting party accepting this Protocol does so in respect of its metropolitan territory and of the other territories for whose international relations it is responsible, except such separate customs territories as it shall notify to the Secretary-General of the United Nations at or before the time of its acceptance pursuant to paragraph 3 or 4 of this Protocol.

" (b) Any contracting party, which has so notified the Secretary-General, may at any time give notice to the Secretary-General that its acceptance shall be effective in respect of any separate customs territory or territories so excepted and such notice shall take effect on the thirtieth day following the date on which it is received by the Secretary-General.
- "6. The amendment set out in paragraph 1 of this Protocol shall, upon deposit of instruments of acceptance pursuant to paragraphs 3 and 4 of this Protocol by two-thirds of the governments which are at that time contracting parties, become effective in accordance with the provisions of Article XXX of the General Agreement.

"7. The Secretary-General of the United Nations will inform each member of the United Nations and each other government which participated in the United Nations Conference on Trade and Employment of each acceptance of the amendment set out in paragraph 1 of this Protocol and of the date upon which such amendment becomes effective in accordance with paragraph 6 of this Protocol.

"8. The Secretary-General is authorized to register this Protocol in accordance with Article 102 of the Charter of the United Nations.

IN WITNESS WHEREOF ETC.