

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Working Party I on Article XXVIII

## ARTICLE XXVIII - APPLICATION OF THE SCHEDULES

### Note by the Chairman of the Working Party

The Chairman has given careful consideration to the special difficulties described by several delegations which appear to make it difficult for their governments to agree to the prolongation of the assured life of their schedules beyond 31 December 1953 and has also discussed these difficulties privately with the delegations concerned. As a result of these discussions the Chairman has come to the conclusion that procedures which have already been established by the CONTRACTING PARTIES should be adequate for dealing with these difficulties in the event that the governments concerned would agree to participate in the proposed arrangements for the continued application of schedules.

Although there are no <sup>express</sup> provisions in the General Agreement for the renegotiation of tariff rates which are bound in the schedules, the CONTRACTING PARTIES have, in fact, authorised the renegotiation of several items when a contracting party, in exceptional circumstances, has asked for such facilities. All such requests have been examined with sympathy and understanding and the CONTRACTING PARTIES have waived obligations to the extent necessary to enable renegotiations to take place. For example, in 1949 the Governments of Pakistan and Brazil requested authority to enter into negotiations to modify the concessions they had granted on certain items in their schedules; the governments with which these concessions had been initially negotiated were willing to enter into a renegotiation and the CONTRACTING PARTIES agreed that this should take place. The negotiations were carried out with mutually satisfactory results. Also, there can be mentioned the request of the United Kingdom Government at the present Session for authority to renegotiate an item with the Government of France.

There is no reason to expect that contracting parties will be less ready in the future than they have been in the past to consider requests of this kind and to join in granting authority for the necessary negotiations. It appears that there is sufficient flexibility, apart from recourse to Articles XVIII and XIX, in the practices of the CONTRACTING PARTIES to deal with this sort of problem. Therefore the Chairman considers that there is no need for contracting parties to attach reservations to their acceptance of the declaration which, as mentioned during discussion in the Working Party, would have the disadvantage that other contracting parties could withhold from them the benefits of the rebinding of

the items initially negotiated with them. If, nevertheless, these governments feel that this is not altogether satisfactory in view of the delays which are likely to occur in obtaining authority for renegotiations, the Chairman sees no reason why the CONTRACTING PARTIES should not make suitable arrangements to deal promptly with requests, possibly by modifying the intersessional procedures.

In view of these considerations, the Chairman hopes that, if these ideas are elaborated in the report of the Working Party, it will be possible for all contracting parties to accept the declaration.