

GENERAL AGREEMENT
ON TARIFFS AND
TRADE

ACCORD GENERAL SUR
LES TARIFS DOUANIERS
ET LE COMMERCE

RESTRICTED

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Interim Report No.2 on the period of duration
of schedules embodying the results of the Annecy negotiations

The Working Party recognized that there would be advantages in having a uniform date for the duration of all the schedules. This would facilitate the integration of the new concessions with the old schedules and also would enable any revisions requested to be dealt with as a single operation. If a single date was to be adopted then the choice lay between applying the date of January 1st, 1951 to the Annecy schedules or deciding that these should run for three years until say September 1952 and extending the Geneva schedules also to this date. This extension would be in effect a substantial concession representing an important modification to the GATT. It would also present serious technical difficulties, particularly to the United States who could not complete the necessary domestic procedures in time to enable such an extension to be agreed at the present session. The objection to a uniform date of January 1st, 1951, was that this would mean a very brief period of assured effectiveness for the new schedules. If, for example, the Protocol of Accession were to remain open for signature until June 30th, 1950, possibly some of the schedules would be subject to modification after a period of only 5 months. This might result in the opening of the entire schedule to renegotiation. If this did not occur, the running out of the period would not have the effect of vitiating the schedules but merely of enabling revisions to be made in accordance

with the provisions of Article XXVIII and it might be found in practice that there would not be any wholesale demands for revision.

The alternative of having a different date for the new schedules, i.e., to make them run until, say, September, 1952, and maintaining the January 1st, 1951 date for the Geneva Schedules was also examined by the Working Party. It was, however, considered doubtful whether such an arrangement would at first sight commend itself to acceding governments. It was suggested, however, in the course of the discussion that an acceding government would not in fact be prejudiced by agreeing to a three year period for the Annex Schedules, provided it were recognized that such a government would have the right to seek compensation, for example, under Article XXVIII, if it was determined to have a substantial interest in respect of any item in a Geneva schedule for which revision was sought.

It was also pointed out that in cases where one of the Acceding countries has a substantial interest in a product which has been made the subject of a concession by a contracting party in the existing schedules, it would be possible in the negotiations now being undertaken for a rebinding to be negotiated between the acceding country and the contracting party concerned. Where the contracting party found this impossible it might still be possible for it to give to the acceding government an acknowledgement that the Geneva concession was a consideration in the negotiation thus forming a basis for compensation, for example under Article XXVIII.

The Working Party present these alternatives for consideration by the Contracting Parties who may wish to consider seeking the views of the acceding governments before reaching a conclusion.