

GENERAL AGREEMENT ON TARIFFS AND TRADE

WORKING PARTY 10

FUTURE TARIFF NEGOTIATIONS

Report of the Working Party

1. The Working Party, appointed at the close of the Third Session at Annecy (GATT/CP3/SR44), held several meetings in Geneva during the latter part of August and convened again in London in the last week of September.
2. In accordance with its terms of reference, the Working Party studied the possibility of arranging for a third set of tariff negotiations and completed the drafting of a Memorandum on the conduct of such negotiations; the Memorandum recommended by the Working Party is attached hereto. This Memorandum proposes that negotiations among the contracting parties, and between contracting parties and governments wishing to accede to the Agreement, should commence on 28th September, 1950, at a place to be determined by the CONTRACTING PARTIES at the Fourth Session to be held in Geneva in February next. Preliminary liminary enquiries concerning participation in these negotiations have already been addressed to 28 governments which have not yet entered into negotiations for accession to the Agreement and to the Government of Colombia.
3. Contracting parties are requested to advise the Executive Secretary of the Interim Commission for the International Trade Organisation whether they are in favour of arrangements being made for the conduct of negotiations on the basis of the attached Memorandum. Replies to this enquiry should be received not later than 30th October, 1949.
4. After discussion at the London meeting, the Working Party came to the conclusion that the Governments of the Federal Republic of Germany and the Republic of Korea were eligible to accede to the General Agreement and could receive the enquiry as to whether they would be interested in accession. The representative of Czechoslovakia expressed the opposition of his Government to the enquiry being addressed to these two Governments and asked that the following statement be recorded in the Working Party's report to the Contracting Parties.

"WESTERN GERMANY The Czechoslovak delegation expressed its opinion that:

- (a) In accordance with point 14 of the Potsdam Agreement, Germany - during the period of occupation - is to be treated as a single economic unit especially with regard to imports, exports and customs.
- (b) Not even the Occupation Statute for Western Germany gives to the West German Government an autonomy in the conduct of its foreign relations which would give it the necessary capacity to become eligible for accession to the G.A.T.T.

"KOREA The Czechoslovak Government does not recognise the Government of Southern Korea because in its opinion it is a government which came into the world as a result of forced elections. Czechoslovakia recognises, as the only legitimate and competent government, the Democratic People's Republic of Korea, especially as over 77% of the electorate of South Korea participated in the elections to the Korean Supreme People's Assembly. The action of the Contracting Parties in inviting Southern Korea would only widen the gulf between southern and northern Korea and would act in this way against the future unity of Korea."

5. At the London meeting the Working Party also discussed the desirability of extending the enquiry to the Government of Japan. The majority were opposed. The United States representative expressed disappointment that the Working Party was not able to recommend at this time that Japan be invited to participate in the third round of negotiations; he noted with satisfaction, however, that a large majority of the delegates agreed in principle that Japan should eventually be brought into the community of trading nations, and he reaffirmed the belief of his Government that this is necessary for a peaceful and prosperous world.