

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG7/W/35
16 November 1987

Special Distribution

Group of Negotiations on Goods (GATT)

Original: English

Negotiating Group on GATT Articles

COMMUNICATION FROM THE UNITED STATES

The following communication, dated 16 November 1987, has been received from the delegation of the United States with the request that it be circulated to members of the Group.

ARTICLE XXXV

Article XXXV provides that any contracting party, as well as any acceding country, has the right to withhold all GATT benefits, or alternatively the application of its Schedule of Concessions, from another contracting party, if the right is invoked at the time of accession, and if the two have not entered into tariff negotiations with each other.

The United States believes that this restriction on the invocation of Article XXXV may be too narrow, denying the contracting parties negotiating the terms of accession with the applicant country the right to consider the full results of the negotiations before deciding whether application of the General Agreement is appropriate.

In the context of negotiations in the Negotiating Group on GATT Articles, the United States proposes that Article XXXV be revised or otherwise noted or expanded with a view to allowing the contracting parties and the applicant country to enter into tariff negotiations without impairing their right to invoke the Article and decline to apply the General Agreement to each other.