1. Interim Report No. 2 of Working Party No. 1 on Accession (pwr GATT/CP.15/15) deals with the question of the period of the schedules embodying the results of the Annecy negotiations. This Report was discussed by the Contracting Parties on the afternoon of Tuesday, April 26th. At the conclusion of the Contracting Parties' discussion I was requested to prepare a report summarising the results of the discussion for communication to the Tariff Negotiations Committee at the same time that Interim Report No. 2 of the Working Party is submitted to them. The following is a summary of the Contracting Parties' discussion.

2. The discussion showed that the great majority of those delegations who expressed views favoured a single date on which both the Geneva schedules and the Annecy schedules would become open to modification in accordance with the procedure of Article XXVIII. Of eleven delegates who spoke (out of twenty-one delegations of Contracting Parties now present in Annecy), nine expressed themselves in this sense, generally for the reasons suggested by the Working Party, namely that a uniform date 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.

3. Seven of these delegates definitely favoured the 1st January 1951 (i.e. the date specified in Article XXVIII as that on which the Geneva schedules become open to modification). Among the considerations adduced in support of this view, the following should be mentioned. First, it was argued that, having regard to the much larger proportion of international trade covered by the Geneva schedules than could be covered by the Annecy schedules, the former must be regarded as the determining factor of the latter. Accordingly it would be necessary for the Annecy schedules to become open for revision simultaneously with the Geneva schedules. Secondly, certain delegates stated that their Governments had obtained the approval of their Parliaments for the Geneva concessions on the explicit understanding that these would be subject to review after three years. In the view of these delegates, any rebinding of the Geneva schedules for a further specific period would (at least if it were for more than a few months) constitute in effect a new agreement.
4. Three of the delegates who favoured a single date stated that they would be prepared, if necessary, to seek authority for the extension of the concessions granted by their Governments at Geneva to a later date, e.g. in 1952, so as to correspond with the date on which the Annecy schedules would become open to revision, if they were to have an initial period of validity of three years.

5. On the other hand, the United States delegate considered that there was much to be said in favour of the solution involving two different dates for the Geneva and the Annecy schedules respectively. The date of 1st January 1951 should not, in his view, be looked on as marking the throwing-open of the Geneva schedules to wholesale revision. It was to be hoped that these schedules would, in fact, be left to continue in operation virtually unaltered. Moreover, the two sets of schedules should be considered as forming parts of a single whole, and not as two concurrent separate agreements. There was therefore, in his view, no insuperable difficulty in allowing the two sets of schedules to run for different periods.

Another relevant practical consideration from the point of view of the United States and of the other participant countries was, he suggested, that the acceding countries might feel that the concessions they had obtained from the United States were of relatively small value if their assured life was no longer than some five months; whereas in fact the United States Government had taken all necessary steps to enable them to guarantee the concessions which it gives at Annecy for as long a period as the concessions which it gave at Geneva.

6. The same delegate drew attention to an important qualification of the advantage claimed in paragraph 1 of the Working Party's report for the choice of a uniform date, viz, that it would enable any revisions requested to be dealt with in a single operation. This delegate observed that there is nothing in Article XXVIII which would necessitate that revisions should be carried out by means of multilateral negotiations: under this Article, any Contracting Party could revise any concession which it had given on any item at any date after the expiry of the original period of validity of its schedule.

7. Another Delegate, while favouring retention of the date of 1st January 1951 in the case of the existing Contracting Parties considered that the choice of a corresponding date in the case of the newly acceding countries was a matter which should be left to those countries.

8. In conclusion, the Contracting Parties recognised that there was no question of their being called on then to make a final choice between the alternatives presented in the Working Party's report and they agreed that the matter should next be discussed with the delegations of the acceding countries in the Tariff Negotiations Committee.

Annecy 28th April, 1949