B. Establishment of a date for the termination of the transitional period in paragraph 3(a) of the Protocol of Accession of Poland

This section should read as follows:

37. The representative of Poland recalled that his Government had, at the time of its accession to GATT in 1967, accepted that Poland would not immediately be entitled to full most-favoured-nation treatment with regard to quantitative restrictions but at the same time hoped that this problem would be definitively settled in a reasonably short period. It felt, however, that after three years the time had come to fix a date, as foreseen in paragraph 3(c) of the Accession Protocol, for the termination of the transitional period during which contracting parties might maintain discriminatory restrictions on imports from Poland. In the view of the Polish Government 31 December 1974 would be a reasonable date which would give the contracting parties concerned sufficient time - four further years - to remove remaining discriminatory restrictions. Several members strongly supported this proposal.

38. The representatives of several countries maintaining such restrictions made it clear that they could not undertake an unconditional obligation to remove all restrictions by 31 December 1974. They would be prepared to eliminate substantially all their discriminatory restrictions by 31 December 1974 but they stressed that any formula containing a fixed date must include a safeguard clause permitting contracting parties to maintain exceptionally beyond that date a limited number of restrictions. Such hard core cases could, however, be subject to an examination with a view of seeking the possibilities of their elimination, e.g. in connexion with the annual consultations provided for in paragraph 5 of the Protocol for the Accession of Poland.
39. Other members of the Working Party who had supported the proposal in paragraph 37 pointed out that paragraph 3(a) of the Protocol stipulated that at the end of the transitional period any inconsistency with the provisions of Article XIII of the General Agreement should be eliminated. It would therefore not be in conformity with the Protocol to establish a terminal date but at the same time permit contracting parties to maintain certain restrictions beyond that date. Such a decision would in fact mean that the transitional period would be extended indefinitely. They considered that the concerns expressed at the possibility of market disruption caused by imports from Poland would be met by the safeguard clause in paragraph 4 of the Polish Accession Protocol, particularly in light of the length of the transitional period that was envisaged. However, in view of the statements of several of the countries maintaining discriminatory restrictions that they expected some of these to remain after 1974, these countries were prepared to accept a text acknowledging this situation provided that any such remaining restrictions would be dealt with under the relevant provisions of the GATT, notably Article XXV.

40. Several members of the Working Party thought that the establishment of the final date should be unconditional. The representative of Poland stated that such a solution would satisfy completely the Polish Government's desire but taking into consideration the existing circumstances and the views expressed by other members of the Working Party, Poland was open for a compromise solution.

41. After discussion of various alternative formulae, the representative of Poland and the members of the Working Party whose views are set out in paragraph 38 above, submitted the following text:

"Contracting parties still maintaining quantitative restrictions not consistent with Article XIII of the General Agreement may, notwithstanding the provisions of that Article, continue to apply such restrictions, provided that they shall not increase the discriminatory element in these restrictions, undertake to relax them progressively and shall have as their objective to eliminate them before the end of 1974, that is before the end of the transitional period."
"Exceptionally, if at the end of such period, certain of those quantitative restrictions were still maintained for particular reasons of certain countries, they would be the subject of an examination by the Working Party with a view of seeking the possibilities of their elimination."

42. One member of the Working Party proposed that the text reproduced in paragraph 41 should be amended by the deletion of the words "that is before the end of the transitional period" in the first sentence. In the second sentence the words "if at the end of such period" should read "if after that date".

43. Another member of the Working Party supported this proposal and stressed that the transitional period could in his opinion not be considered as terminated until all discriminatory restrictions had been removed. Against that background he wished it to be made clear that in submitting the proposal set out in paragraph 42 the Working Party agreed that in the annual consultations until the end of 1974, the question of fixing a date in accordance with paragraph 3(c) of the Protocol would be regarded as having been dealt with until that date. This proposal received some support in the Working Party.

43.bis. In view of the divergencies of opinion with regard to the establishment of the date for the termination of the transitional period, the Working Party was not in a position to agree on a recommendation to the Council. The hope was, however, expressed that the problems would be resolved by the time the Council would consider the report.