REPORT OF LEGAL DRAFTING GROUP

1. At its meeting on 9 March 1967, the Trade Negotiations Committee decided to establish a Legal Drafting Group to draw up the Final Act of the 1964-67 Trade Conference and the instruments giving effect to the results of the negotiations and also to consider any legal questions remitted to it by the Chairman on behalf of the Committee. Delegations were invited to make legal experts available. The Group thus established held numerous meetings, beginning on 1 June 1967.

2. The Group has prepared, and herewith submits to the Trade Negotiations Committee for its approval, the text of a Final Act authenticating the results of the Conference, to which the following instruments are to be annexed:

(a) the Geneva (1967) Protocol (attached hereto),
(b) Agreement relating principally to Chemicals, supplementary to the Geneva (1967) Protocol (TN.64/102),
(c) Memorandum of Agreement on Basic Elements for the Negotiation of a World Grains Arrangement (TN.64/105),
(d) Agreement on Implementation of Article VI (Annex to TN.64/96),
(e) Protocol for the Accession of Argentina (Annex L/2805),
(f) Protocol for the Accession of Iceland (Annex to L/2797),
(g) Protocol for the Accession of Ireland (Annex to L/2798), and
(h) Protocol for the Accession of Poland (L/2806).

3. The Final Act and the Geneva (1967) Protocol were drawn up by the Group. Items (b), (c) and (d) were submitted to the Group by the negotiating parties with a request that the preambular paragraphs and the provisions relating to acceptance and entry into force be examined. Items (e) to (h) were drawn up by the working parties established by the Council to examine applications for accession; the texts of the protocols recommended by the working parties have been submitted to the Council of Representatives for approval.

4. The Group wishes to make the following comments on the instruments referred to above.
The Final Act

5. The text of the Final Act, authenticating the results of the Conference as embodied in the various instruments annexed to it, corresponds closely to that of the Final Acts of previous GATT conferences, except for an addition in paragraph 4 which is designed to meet the requirements of the United States Trade Expansion Act of 1962. It was noted that, as in the case of signature of the Final Act of the 1960-61 Tariff Conference, the representatives of the members of the Trade Negotiations Committee will not be required to present full powers in order to sign this Final Act.


6. It is proposed that the Protocol should be open for acceptance until 30 June 1968 (paragraph 5(a)). An exception to this provision (paragraph 5(b)) leaves the possibility for a participant which finds that it is unable to accept the Protocol by that date to request the Council of Representatives to extend the period during which it may accept. Except in the case of Japan, which is dealt with in paragraph 10 below, a decision by the Council to grant a participant an extension of the time-limit - which, however, is not to be later than 31 December 1968 - is to contain rules and conditions for the implementation of the participant's schedule. Acceptance of this Protocol will be subject to the procedures set out in a Note by the Director-General on acceptance of GATT legal instruments (L/2735), and the plenipotentiaries will require full powers according to one of the procedures set out in the above-mentioned document.

7. The Protocol will enter into force on 1 January 1968 for those participants which have accepted it before 1 December 1967, subject, however, to a consultation, to be held not later than 1 December 1967, among the participants which have accepted or are then prepared to accept the Protocol to ascertain whether they constitute a sufficient number of participants to justify the beginning of rate reductions (paragraph 6). For participants accepting after 1 December 1967 the Protocol will enter into force on the dates of acceptance.

8. A participant's schedule will become a Schedule to the General Agreement on the date of entry into force of the Protocol for that participant (paragraph 1).

9. The rules for the implementation of Schedules are set out in paragraph 2. Sub-paragraph (a) determines minimum rate reductions for participants beginning on 1 January 1968, while sub-paragraph (b) determines minimum rate reductions for those participants which begin after 1 January 1968 but not later than 1 July 1968. The provision at the end of the introductory part of paragraph 2 is designed to cover particular cases of negotiated reductions which depart from the rules laid down in (a) and (b).
10. A special problem was raised by the Japanese representative who informed the Group that, while his Government would make every effort to obtain Parliamentary approval of the Protocol by 30 June 1968, there might be a short but unavoidable delay and in that event Japan would not be able to begin rate reductions on 1 July. He requested that provision be made to cover that situation, should it arise. The Group recommends that this contingency should be covered by the inclusion of the following note in the Japanese Schedule:

"The Government of Japan reserves the right, subject only to the provisions of the first sentence of paragraph 5(a) of the Protocol to which this Schedule is attached and in exceptional circumstances, to begin the implementation of its Schedule on a date after 1 July 1968, but not later than 1 September 1968: Provided that it shall make effective two fifths of the total reduction to the final rate on that date, one fifth of the total reduction on a date which precedes 1 January 1970 by twice the number of days by which the two fifths reduction was delayed after 1 July 1968, and two fifths of the total reduction in two equal instalments on 1 January of 1971 and 1972."

11. Paragraph 3 contains the traditional provisions for the withholding or withdrawal of concessions in the event that a participant does not accept the Protocol. It was the understanding of the Group that, in view of the compensation provisions incorporated in paragraph 2(b), no participant beginning rate reductions on 1 January 1968 would invoke the provisions of paragraph 3 in respect of another participant not beginning rate reductions until 1 July 1968. Further, it was the understanding of the Group that, in view of the Note to be included in the Japanese Schedule, participants would not invoke paragraph 3 in respect of Japan should it begin rate reductions between 1 July and 1 September 1968.

12. Agreement relating principally to chemicals supplementary to the Geneva (1967) Protocol

This Agreement, which involves commitments for the Governments of Belgium, France, Italy, Switzerland, the United Kingdom, and the United States, and the European Economic Community, will be open for acceptance from 30 June to 31 December 1967 by those parties only.

---

1 The Nordic delegation has reserved its position on paragraph 3.
13. Memorandum of Agreement on Basic Elements for the Negotiation of a World Grains Arrangement

The text of this Memorandum was submitted by the Cereals Group of the Trade Negotiations Committee. Only the first paragraph, the final provisions regarding registration, and a depositary clause were added. This Agreement will be open for acceptance by the negotiating parties, namely, the Governments of Argentina, Australia, Canada, Denmark, Finland, Japan, Norway, Sweden, Switzerland, the United Kingdom and the United States, and by the European Economic Community, and also by all other contracting parties.

14. Agreement on Implementation of Article VI

The text of this Agreement which is submitted to the Trade Negotiations Committee annexed to the Report of the Group on Anti-Dumping Policies (TN.64/95) has not been altered in any way by the Legal Drafting Group. It will be opened for acceptance on 30 June 1967 by all contracting parties and by the European Economic Community.

The Protocols of Accession

15. The Protocols for the accession of Argentina, Iceland, Ireland and Poland will bear the date of 30 June 1967, but they will not be open for acceptance until the voting procedures under Article XXXIII have been completed.

The English and French texts

16. The necessary steps have been taken to ensure that the English and French texts of these instruments are in conformity.
FINAL ACT

authenticating the Results of the 1964-67 Trade Conference
held under the auspices of the CONTRACTING PARTIES
to the General Agreement on Tariffs and Trade

1. The CONTRACTING PARTIES to the General Agreement on Tariffs and Trade (hereinafter referred to as "the General Agreement") decided on 21 May 1963 to arrange for a trade conference to convene on 4 May 1964.

2. The negotiations at that conference, which opened at Geneva on that date and were concluded on 30 June 1967, included:

(a) negotiations, pursuant to Article XXVIII bis and other relevant provisions of the General Agreement, between contracting parties and the European Economic Community, on tariffs and on non-tariff barriers with respect to both industrial and agricultural products,

(b) negotiations, pursuant to paragraph 6 of Article XXIV of the General Agreement between the governments of the member States of the European Coal and Steel Community and other contracting parties,

(c) negotiations, pursuant to Article XXXIII, directed towards the accession of governments to the General Agreement.

3. As a result of these negotiations the following instruments have been prepared:

(a) Geneva (1967) Protocol to the General Agreement on Tariffs and Trade,

(b) Agreement relating principally to Chemicals, supplementary to the Geneva (1967) Protocol to the General Agreement on Tariffs and Trade,

(c) Memorandum of Agreement on Basic Elements for the Negotiation of a World Grains Arrangement,

(d) Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade,

(e) Protocol for the Accession of Argentina to the General Agreement on Tariffs and Trade,
(f) Protocol for the Accession of Iceland to the General Agreement on Tariffs and Trade,

(g) Protocol for the Accession of Ireland to the General Agreement on Tariffs and Trade, and

(h) Protocol for the Accession of Poland to the General Agreement on Tariffs and Trade.

4. The texts of these instruments are annexed hereto and are hereby authenticated. The signature of this Final Act evidences the intention of each signatory to take, subject to its constitutional procedures, such steps as are considered appropriate to give effect to those instruments in the negotiation of which it has participated.

DONE at Geneva, this thirtieth day of June, one thousand nine hundred and sixty-seven, in a single copy in the English and French languages, both texts being authentic.

Signature pages
listing
participating contracting parties,
the European Economic Community,
the High Authority of the European Coal and Steel Community,
acceding governments
and
the Director-General
The contracting parties to the General Agreement on Tariffs and Trade and the European Economic Community which participated in the 1964-67 Trade Conference (hereinafter referred to as "participants"),

HAVING carried out negotiations pursuant to paragraph 6 of Article XXIV, Article XXVIII bis, Article XXXIII and other relevant provisions of the General Agreement on Tariffs and Trade (hereinafter referred to as "the General Agreement"),

HAVE, through their representatives, agreed as follows:

I - Provisions Relating to Schedules

1. The schedule annexed to this Protocol relating to a participant shall become a Schedule to the General Agreement relating to that participant on the day on which this Protocol enters into force for it pursuant to paragraph 6.

2. Each participant shall ensure that, in so far as any rate specified in the column of its schedule setting out the concession rate (hereinafter referred to as the "final rate") does not become effective on 1 January 1968, each final rate shall become effective not later than 1 January 1972. Within the period of 1 January 1968 to 1 January 1972 a participant shall make rate reductions in amounts not less than and on dates not later than those laid down in one of the following sub-paragraphs, except as may be otherwise clearly provided for in its schedule:

   (a) A participant which begins rate reductions on 1 January 1968 shall make effective one fifth of the total reduction to the final rate on that date and four fifths of the total reduction in four equal instalments on 1 January of 1969, 1970, 1971 and 1972.

   (b) A participant which begins rate reductions on 1 July 1968, or on a date between 1 January and 1 July 1968, shall make effective two fifths of the total reduction to the final rate on that date and three fifths of the total reduction in three equal instalments on 1 January of 1970, 1971 and 1972.
3. Any participant, after the schedule relating to it annexed to this Protocol has become a Schedule to the General Agreement pursuant to the provisions of paragraph 1 of this Protocol, shall be free at any time to withhold or to withdraw in whole or in part the concession in such schedule with respect to any product in which a participant or a government having negotiated for accession during the 1964-67 Trade Conference (hereinafter referred to as an "acceding government"), but the schedule of which annexed to this Protocol or to the protocol for the accession of the acceding government has not yet become a Schedule to the General Agreement, has a principal supplying interest; provided that:

(a) Written notice of any such withholding of a concession shall be given to the CONTRACTING PARTIES within thirty days after the date of such withholding.

(b) Written notice of intention to make any such withdrawal of a concession shall be given to the CONTRACTING PARTIES at least thirty days before the date of such intended withdrawal.

(c) Consultations shall be held upon request, with any participant or any acceding government, the relevant schedule relating to which has become a Schedule to the General Agreement and which has a substantial interest in the product involved.

(d) Any concession so withheld or withdrawn shall be applied on and after the day on which the schedule of the participant or the acceding government which has the principal supplying interest becomes a Schedule to the General Agreement.

4. (a) In each case in which paragraph 1(b) and (c) of Article II of the General Agreement refers to the date of that Agreement, the applicable date in respect of each product which is the subject of a concession provided for in a schedule annexed to this Protocol shall be the date of this Protocol, but without prejudice to any obligations in effect on that date.

(b) For the purpose of the reference in paragraph 6(a) of Article II of the General Agreement to the date of that Agreement, the applicable date in respect of a schedule annexed to this Protocol shall be the date of this Protocol.

II - Final Provisions

5. (a) This Protocol shall be open for acceptance by participants, by signature or otherwise, until 30 June 1968.

(b) The period during which this Protocol may be accepted by a participant may be extended, but not beyond 31 December 1968, by a decision of the Council of Representatives. Such decision shall lay down the rules and conditions for the implementation of the schedule annexed to this Protocol relating to that participant.
6. This Protocol shall enter into force on 1 January 1968 for those participants which have accepted it before 1 December 1967, and for participants accepting after that date it shall enter into force on the dates of acceptance; provided that not later than 1 December 1967 the participants which have accepted or are then prepared to accept this Protocol shall consider whether they constitute a sufficient number of participants to justify the beginning of rate reductions according to paragraph 2, and if they consider that they do not constitute a sufficient number they shall so notify the Director-General who shall request all participants to review the situation with a view to securing the greatest possible number of acceptances at the earliest practicable date.

7. This Protocol shall be deposited with the Director-General to the CONTRACTING PARTIES who shall promptly furnish a certified copy thereof and a notification of each acceptance thereof, pursuant to paragraph 5 above, to each contracting party to the General Agreement and to the European Economic Community.

8. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

DONE at Geneva this thirtieth day of June one thousand nine hundred and sixty-seven, in a single copy, in the English and French languages, except as otherwise specified with respect to the schedules annexed hereto, both texts being authentic.

---

ANNEX

Schedules of contracting parties and the European Economic Community

---

Signature pages listing contracting parties and the European Economic Community.