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27. In negotiations under the proposed paragraph 1 the contracting party wishing to modify or withdraw concessions is required to negotiate with contracting parties determined by the CONTRACTING PARTIES to /which/ have a principal supplying interest in addition to the contracting parties with which they were initially negotiated. In determining the contracting parties with a "principal supplying interest" the CONTRACTING PARTIES would be guided by the principles set out in Regulations 1 - 4. Regulation 1 provides that the CONTRACTING PARTIES shall determine a contracting party to have a principal supplying interest if it has a larger share in the trade affected than a contracting party with which the concession was originally negotiated, or would in the judgment of the CONTRACTING PARTIES have had such a share in the absence of discriminatory quantitative restrictions maintained by the applicant. /On this point there was a division of opinion in the Working Party./

In the Working Party discussions which led to the recommendations described in the preceding paragraph some /the/ delegations argued /which favoured this amendment considered/ that changes in the pattern /the changing channels/ of trade should be taken into account and that, therefore, a contracting party which had become a major /principal/ supplier since the initial negotiations should be given the right to participate; further they felt that a country whose trade had been hampered by discriminatory quantitative restrictions, and which in the opinion of the CONTRACTING PARTIES would have been a major supplier /had a principal supplying interest/ if it had not been for the existence of the restrictions should be enabled to participate as a negotiator /in the renegotiation of items subject to such restrictions/.

Other /the/ delegations /which opposed the amendment/ were of the opinion that the right to participate in negotiations should be limited to the contracting parties which had initially negotiated the item and which had paid directly for the concessions in their own Schedules. they maintained that contracting parties which were major suppliers but not initial negotiators /with a principal supply-  
ing interest, other than the initial negotiators/ having made no direct payment for the concessions, should enjoy only the right of being consulted as provided in the existing Article XXVIII /present text/.

As a compromise between the two divergent points of view the Working Party agreed on the text in paragraph 1 subject to the provisions of Regulations 1 - 4 in the Annex. The representative of /Austria, Canada and/ the Dominican Republic reserved his position because he felt that the limitation contained in the proposal went contrary to the principles of multilateralism which is the basis of the General Agreement. The Austrian representative also reserved his position concerning the participating of a contracting party which would have been the principal supplier in the absence of discriminatory quantitative restrictions.