

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
LIMITED C

GATT/CP.4/ 34
29 March 1950

ORIGINAL: ENGLISH

CONTRACTING PARTIES
Fourth Session

REPORT OF WORKING PARTY A
ON MODIFICATIONS AND RECTIFICATIONS

1. The Working Party examined and approved rectifications to the authentic texts of the Geneva schedule of Belgium-Luxemburg-Netherlands, Canada, Czechoslovakia and the Republic of the United States of Indonesia, and the Annex schedules of Belgium-Luxemburg-Netherlands, Brazil, Canada, Czechoslovakia, Pakistan, United Kingdom, United States of Indonesia, Denmark, Dominican Republic, Finland, Greece, Italy, Nicaragua, Sweden and Uruguay. The rectifications were incorporated in a draft protocol, which also includes a rectification to Annex C of the General Agreement on Tariffs and Trade, and a rectification to the First Protocol of Modifications. This was circulated as Annex A to the Draft Report of the Working Party (GATT/CP.4/A/3/Annex A). It is proposed that the Protocol be prepared for signature at the close of the session.

2. The Working Party deplored the fact that Protocols 8 and 9, replacing Schedules I and VI, and the Third Protocol of Rectifications and the First Protocol of Modifications, all requiring signature by all of the contracting parties, had not yet entered into force because of failure to sign on the part of certain contracting parties. The Working Party considered that the continuance of the present state of affairs, where rectification or modification protocols of this nature do not enter into force except after extended delays, was a serious impediment to the effective operation of the General Agreement. It felt therefore that it was necessary for the orderly functioning of the General Agreement that individual contracting parties should take action promptly on such protocols; it did not feel that compliance with this necessity should prove unduly onerous in that the procedure for securing agreement on rectifications and modifications gave an opportunity to all interested contracting parties to express their views before the rectifications and modifications were agreed upon and included in a Protocol. The action thereafter required from contracting parties was accordingly of only a formal nature and for which no extended period of delay should be necessary.

The Working Party therefore recommends that the CONTRACTING PARTIES urge (a) contracting parties which have not signed the various protocols of rectifications and modifications which have not yet entered into force to make arrangements to do so without further delay, and (b) all contracting parties to sign the Fourth Protocol of Rectifications at the close of this session at Geneva if possible and, if not, at the Headquarters of the United Nations as soon as possible thereafter.

The Working Party further recommends that the Executive Secretary be instructed to present a special report before the opening of the Fifth Session on the status of protocols of rectifications and modifications, including proposals for expediting the entry into force of any such protocols which might still not be in force at that date, and meanwhile to take such action as he may deem appropriate to this objective.

3. With regard to new Schedules XXI of the Republic of the United States of Indonesia, the Working Party recommends, in order to avoid any difficulties that might arise if the present Protocol had not entered into effect before the beginning of the Torquay tariff negotiations, that the Contracting Parties adopt a Declaration concerning these Schedules. A draft Declaration is attached.

4. At the request of the Contracting Parties, the Working Party also examined the modifications to Schedules XXVII (Italy) and XXII (Denmark) (see documents GATT/CP/46 and CP/51). The Working Party considered that the method hitherto employed, of circulating a notification of the proposed modification with the advice that provided no objections were lodged within a specified period, usually thirty days, the modification would become effective at the close of the period, was satisfactory. The Working Party considered it unnecessary to incorporate modifications so agreed upon in a formal Protocol in order to bring them into effect, although it would be desirable from the practical standpoint subsequently to include them in a formal document; particularly so since the difficulty of obtaining signature by all the contracting parties might result in such a protocol's not entering into effect. Consequently, these modifications have not been incorporated in a Protocol. The Working Party suggests that Contracting Parties take note that no objections were lodged to the modifications mentioned above and consequently the modifications to both Schedules will become effective on the day those Schedules enter into effect.

5. The Working Party also examined the question of what procedure would be required to incorporate into Schedule VI (Ceylon) the modifications to that Schedule consequent upon the renegotiations between Ceylon and certain other governments under paragraph 5 of Article XVIII (document GATT/CP.4/12). The Working Party decided, in view of the decision of the Contracting Parties of 13 August 1949, that the release be granted "in accordance with the terms of any agreement reached between Ceylon and the materially affected contracting parties, subject to any limitations which may have been agreed upon between them", and the fact that no objections having been received before April 2, the release became effective on that date, that it would be unnecessary to incorporate these changes in a Protocol. However, the actual modifications in rates affected by the release might not enter into force until a later date.

6. The Working Party considered how best to take account of the changes, which can take place annually, in the numbering of the tariff items in Schedule XIV (Norway), whenever a new item was added. The Norwegian delegate agreed to transmit for distribution to governments a list of the item numbers as altered by each new addition cross referenced to the numbers in the Geneva Schedule and it was agreed that a note to this effect should be added at the end of Schedule XIV.

7. The Working Party recommended that the Protocol should contain only rectifications to the authentic texts of the Schedules and that those to the non-authentic texts could be covered by a simple Corrigendum. This was circulated as Annex B of the Draft Report of the Working Party (Document GATT/CP.4/A/3/Annex B). For convenience of reference this corrigendum will be distributed to all governments together with copies of the Protocol of Rectifications as it is finally approved and signed.

A N N E X

DECLARATION CONCERNING THE SCHEDULES RELATING TO
INDONESIA

The CONTRACTING PARTIES,

RECALLING that the Government of the Republic of the United States of Indonesia (hereinafter referred to as Indonesia) has become a contracting party under the provision contained in paragraph 4 of Article XXVI of the General Agreement on Tariffs and Trade (hereinafter referred to as the General Agreement),

CONSIDERING that the concessions relating to Indonesia are those contained in Section C in Parts I and II (nil) of Schedule II annexed to the General Agreement and in Section C in Parts I and II (nil) of Schedule II in Annex A of the Annex Protocol of Terms of Accession to the General Agreement,

CONSIDERING that, by virtue of Indonesia becoming a contracting party, both said Sections C of Schedule II have in effect become separate schedules relating to Indonesia as set forth, under the headings Schedule XXI, in the Fourth Protocol of Rectifications to the General Agreement,

CONSIDERING further that the concessions set forth in both said Sections C of Schedules II remain applicable to New Guinea as sections of Schedules II,

DECLARE that, pending the entry into force of said Fourth Protocol of Rectifications:

(1) The two Schedules XXI as set forth in said Fourth Protocol of Rectifications shall be treated for all practical purposes, including the preparation for and conduct of the tariff negotiations at Torquay, as schedules relating to Indonesia, and

(2) The said Sections C shall, as provided in said Fourth Protocol of Rectifications, remain sections of the two Schedules II applicable to New Guinea.

