

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED  
LIMITED C  
GATT/CP.4/A/3  
24 March 1950  
ORIGINAL: ENGLISH

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CONTRACTING PARTIES  
Fourth Session



DRAFT REPORT OF WORKING PARTY A  
ON MODIFICATIONS AND RECTIFICATIONS

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1. The Working Party examined and approved rectifications to the authentic texts of the Geneva schedules of Belgium-Luxemburg-Netherlands, Canada, Czechoslovakia, Pakistan and the Republic of the United States of Indonesia, and the Annex schedules of Belgium-Luxemburg-Netherlands, Brazil, Canada, Czechoslovakia, United Kingdom, Denmark, Dominican Republic, Finland, Greece, Italy, Nicaragua and Sweden. The rectifications were incorporated in a draft protocol, which also includes an amendment 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).\* The Protocol will 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 acceptance or signature by all of the contracting parties, had not yet entered into force because of failure to sign or accept on the part of certain contracting parties. The delay in entry into force of these Protocols led the Working Party to consider whether some other procedure could not be adopted for giving effect to rectifications and

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\* Annex A is circulated separately.

agreed modifications of the Schedules other than by Protocols requiring unanimous signature. It came to the conclusion, however, that, having regard to the provisions of Article XXX, no alternative procedure could be recommended to the CONTRACTING PARTIES. The Working Party, however, considered that the continuance of the present state of affairs, where rectification protocols do not enter into force except after extended delays, was a serious impediment to the effective operation of the General Agreement. It felt that there was, therefore, an obligation upon individual contracting parties to take action promptly on such protocols; it did not feel that this obligation 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 to the Fifth Session on the status of protocols of rectifications

and modifications, including any proposals for expediting the entry into force of any such protocols which are still not yet 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 Protocol had not entered into effect before the beginning of the 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 XXVIII (Italy) and XXII (Denmark) (see documents GATT/CP/26 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 thirty days the modification would become effective at the close of the thirty day period, was satisfactory. The Working Party considered it unnecessary to incorporate modifications so agreed upon in a formal Protocol, particularly since the difficulty of obtaining acceptance by all the contracting parties might result in such a protocol's not entering into effect and thus cast doubt on modifications which had already been agreed to. 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.3/12). 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 provided no objections were received before April 2, the release would become effective on that date, that it would be unnecessary to incorporate these changes in a Protocol.

6. The Working Party decided 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. 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.

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\* Annex B is circulated separately.

A N N E X C

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 through sponsorship by the Government of the Netherlands under 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) in Annex B 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 Schedules II have in effect become separate schedules relating to Indonesia, as set forth under the headings Schedules XXI, in the Fourth Protocol of Rectifications to the General Agreement and Related Protocols,

CONSIDERING that the concessions set forth in both said Sections C of Schedules II also 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 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.