

GENERAL AGREEMENT ON TARIFFS AND TRADE
FIRST SESSION OF THE CONTRACTING PARTIES
PROTOCOL OF TYPOGRAPHICAL CORRECTIONS

Second Supplement to the List of GATT, Schedule XX Rectifications
Submitted by the United States

1. Insert after Item 50 /second/:
Item 54 /first/

The note following the first item 54 shall be "NOTE: In any case in which an internal-revenue tax is provided for in Section 2470, Internal Revenue Code, as amended, in respect of any product described in this schedule or in respect of any article derived from any product described in this Schedule, the United States reserves the right to modify the rate of duty applicable to such product to compensate for any reduction or termination of such internal tax, but in no case shall the duty and any internal tax in the aggregate, in respect of any such product, exceed an amount equal to any duty provided for such product in this Schedule plus the internal tax provided for in said Section 2470 on October 30, 1947. In making the computations referred to in this Note an internal tax in respect of any product shall be understood to include the compensatory equivalent of any internal tax on a derivative of the product".

Explanatory Note

The note to Item 54 in Schedule XX is designed to permit the United States to change internal taxes imposed under Section 2470 of the Internal Revenue Code to tariff duties. Of particular importance is the coconut oil processing tax, with respect to which the Commonwealth of the Philippines now enjoys a preference, and which the United States may wish to change into a duty with a like preference for that country. In connection with such a change a duty would necessarily be imposed on non-Philippine copra. The revised wording

/given above

given above is intended to bring out more clearly that a compensatory duty could be applied to non-Philippine copra equivalent to the duty which would be imposed on coconut oil. The new language is designed, furthermore, to make it clear that the aggregate of the new duty and tax may not exceed the total of the existing duty and tax.

2. Change Item 372 /twentieth/ to read:

Item 372 /nineteenth/

In the sub-description for the rate of "15 per cent ad val." in the /nineteenth/ Item 372, the five words and intervening punctuation preceding the third semi-colon shall be "tension, compression, torsion, or shear".
