

1948
NEW ZEALAND

PROTOCOLS AND DECLARATION
TO THE GENERAL AGREEMENT
ON TARIFFS AND TRADE

SIGNED AT HAVANA
ON 24 MARCH, 1948

Presented to both Houses of the General Assembly by Leave

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PROTOCOL OF RECTIFICATIONS TO THE GENERAL AGREEMENT ON TARIFF AND TRADE

THE GOVERNMENTS of the Commonwealth of Australia, the Kingdom of Belgium, Canada, the Republic of Cuba, the French Republic, the Grand-Duchy of Luxemburg, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, acting in their capacity of contracting parties to the General Agreement on Tariffs and Trade, and

THE GOVERNMENTS of the United States of Brazil, Burma, Ceylon, the Republic of Chile, the Republic of China, the Czechoslovak Republic, India, Lebanon, New Zealand, the Kingdom of Norway, Pakistan, Southern Rhodesia, Syria, and the Union of South Africa, acting in their capacity of signatories of the Final Act adopted at the conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment which authenticated the text of the General Agreement on Tariffs and Trade,

HAVING noted that certain rectifications should be made in the authentic texts of the General Agreement on Tariffs and Trade and of the Annexes and Schedules forming part of the said Agreement,

HEREBY AGREE as follows :

1. The following rectification shall be made in the General Agreement on Tariffs and Trade :

In the French text of Article XX, last paragraph, the date shall read in full : “ le 1er janvier 1951 au plus tard.”

2. The following rectifications shall be made in the Annexes and Schedules forming part of the General Agreement on Tariffs and Trade :

ANNEX B

List of Territories of the French Union referred to in Paragraph 2 (b)
of Article I

The footnote in Annex B shall read :

“ * For imports into Metropolitan France and Territories of the French Union.”

SCHEDULE I.—COMMONWEALTH OF AUSTRALIA

(Rectifications in this Schedule are authentic only in the English language)

Part I.—Most-favoured-nation Tariff

Item 231 (E)

The description shall read :

“ Carbon Black produced from natural gas.”

SCHEDULE II.—BELGIUM, LUXEMBURG, NETHERLANDS

SECTION A.—METROPOLITAN TERRITORIES

(Rectifications in Section A are authentic only in the French language)

Part I.—Most-favoured-nation Tariff

Item 120

The last line of the description shall read :

“ 3. other (x).”

Item 121

The item numbered “ ex 121 ” shall read : “ 121.”

Item 139

The sub-description numbered “ ex 1.” shall read :

“ Asparagus and green peas, packaged (x).”

Item 319

The description in the subsection headed “ ex *b* ” shall read :

“ (*b*) without alcohol . . . ”

SECTION C.—NETHERLANDS INDIES

(Rectifications in Section C are authentic only in the English language)

Part I.—Most-favoured-nation Tariff

Item 477

The description shall read as follows :

“ Porcelain, even combined with other wares, n.s.m. :

- I. White, not combined with wares subject to a duty of 20% ad valorem, not ornamented, *e.g.*, not having decorations in relief or ornaments of the same kind (except racks and pegs for racks (for clothes, &c.) and articles such as soap dishes, intended to be fixed by plastering into or against walls of bathrooms, lavatories, &c.)

II. Other.”

Item 640

(i) The last line of subsection IA of the description shall read :

“ of 20 p.c. ad valorem . . . ”

(ii) The last line of subsection IIA of the description shall read :

“ 20 p.c. ad valorem . . . ”

Item 714

The last line of the preamble in subsection III shall read :

“ parts thereof :”

Item 757

The last nine words of the description shall read :

“ also paper cutting machines weighing 5 kilograms or less.”

Item ex 831

The first seven words of the description shall read :

“ Railway locomotives and parts thereof, to be.”

SCHEDULE II (*contd.*).—BELGIUM, LUXEMBURG, NETHERLANDS

SECTION E.—SURINAM

(Rectifications in Section E are authentic only in the English language)

Part I.—Most-favoured-nation Tariff

There shall be inserted immediately below the words “End of Section E” the words :

“End of Part I.”

SCHEDULE III.—UNITED STATES OF BRAZIL

(Rectifications in this Schedule are authentic only in the English and French languages)

Part I.—Most-favoured-nation Tariff

Item 230/5

(i) The principal description immediately preceding sub-item /5 shall read :

“Peaches, pears, apricots, apples, cherries, plums, prunes, berries, except strawberries, and mixed fruits for salad made up chiefly of the foregoing :”

(ii) The rate of duty for this item shall be :

“4.20.”

SCHEDULE V.—CANADA

(Rectifications in this Schedule are authentic only in the English and French languages)

Part I.—Most-favoured-nation Tariff

Item ex 156 (v)

The Rate of Duty applicable to subsection (v), “Liqueurs . . . ,” shall read :

“\$4.50.”

Item ex 162

The first eleven words of the description shall read :

“Vermouth, aperitif and cordial wines, containing thirty-two per cent. or less.”

Item ex 172 (second)

The description shall read :

“Prayer books, missals, psalters, religious pictures and mottoes, not to include frames.”

Item 187B

The description shall read :

“Sensitized negative film, one and one-eighth inches in width or over, for exposure in motion picture cameras.”

Item 438E (3)

In subparagraph (3) the description shall read :

“Parts, n.o.p., electro-plated or not, whether finished or not.”

SCHEDULE V (*contd.*).—CANADA

Item 549 (ii)

The description of subsection (ii) shall read :

“Wool, not further advanced than scoured, not including wool of the sheep of the type commonly known as karakul, when imported by carpet manufacturers for use exclusively in the manufacture of carpets, in their own factories.”

SCHEDULE VI.—CEYLON

(Rectifications in this Schedule are authentic only in the English language)

The introduction on page 1, reading as follows, shall be deleted :

“GENERAL AGREEMENT ON TARIFFS AND TRADE

“*Schedule VI.—Ceylon*

“The offers contained in this schedule represent the concessions which Ceylon is prepared to grant as part of a mutually advantageous agreement. The Government of Ceylon reserves the right to modify or withdraw any or all the concessions offered, in the light of the results of future negotiations, or of any circumstances affecting its attitude to the General Agreement on Tariffs and Trade.”

SCHEDULE VII.—REPUBLIC OF CHILE

(Rectifications in this Schedule are authentic only in the French language)

Part I.—Most-favoured-nation Tariff

Item 300

The last line of the description shall read :

“8 threads or less K.G.”

Item ex 1072

The description shall read :

“Mineral oil for machines, even with an admixture of other oils or substances, in containers with a net content of over one Kg.”

Item 1193

(i) The number of the item following the fourth item Ex-1189 shall read :

“1193.”

(ii) The first three words of the description shall read :

“Iron or steel.”

Item 1194

The first three words of the description shall read :

“Iron or steel.”

Item 1194A

The first three words of the description shall read :

“Iron or steel.”

Item 1194B

The first three words of the description shall read :

“Iron or steel.”

SCHEDULE VII (*contd.*).—REPUBLIC OF CHILE

Item 1194c

The first three words of the description shall read :
“ Iron or steel.”

Item 1349

The words between the fourth and fifth semi-colons in the description shall read :
“ hydraulic presses, with or without wine-presses and bronze trays.”

Item 1408

The Rate of Duty shall read :
“ 0.18.”

SCHEDULE IX.—REPUBLIC OF CUBA

(Rectifications in this Schedule are authentic only in the English language)

Part I.—Most-favoured-nation Tariff

Item 56A

The Rate of Duty shall read :
“ 5.75 per 100 Kgs.”

Item 56B

The Rate of Duty shall read :
“ 11.50 per 100 Kgs.”

Item 113A

The following item shall be inserted after Item 113 :
“ 113A. In skeins, spindles or in other forms for
mechanical manufacture of fabrics of all kinds,
cord or braid, T. 15% ... 3.15 per 100 Kgs.”

Item 115H

The Rate of Duty shall read :
“ 1.06 per Kg.”

Item 128A

The Rate of Duty shall read :
“ 0.094 per Kg.”

Item 129F

The Rate of Duty shall read :
“ 0.46 per Kg.”

Item 129G

The Rate of Duty shall read :
“ 13.5% ad valorem.”

Item 129H

The Rate of Duty shall read :
“ 0.32 per Kg.”

Item 129I

The Rate of Duty shall read :
“ 0.29 per Kg.”

SCHEDULE IX (*contd.*):- REPUBLIC OF CUBA

Item 129j

(i) The Rate of Duty shall read :

“0.37 per Kg.”

(ii) The description shall read :

“Fabrics of braided cordage for pneumatic tires, wholly or principally made of synthetic fibres, not containing silk or wool, covered by a rubber or synthetic rubber composition, when imported by the manufacturers themselves for the manufacture of tires. N.W.”

Item 152f

The first eight words of the description shall read :

“Manufactured on a base of bisulphite or soda.”

Item 314B

The Rate of Duty shall read :

“0.47 per Kg.”

Item 314C

The Rate of Duty shall read :

“0.455 per Kg.”

Part II.—Preferential Tariff

Item 98H

The Rate of Duty shall read :

“0.018 per Kg.”

Item 156G

The first seven words of the description shall read :

“Capsules and bands for bottles, and tubes,”

SCHEDULE X.—CZECHOSLOVAKIA

(Rectifications in this Schedule are authentic only in the English and French languages)

Part I.—Most-favoured-nation Tariff

Item ex 17

The first sub-description shall read :

“coconuts and similar exotic edible nuts including groundnuts and pecans.”

SCHEDULE XI.—FRANCE

(Rectifications in this Schedule are authentic only in the French language)

SECTION I.—MADAGASCAR AND DEPENDENCIES

Part I.—Most-favoured-nation Tariff

Item ex 68

The Rate of Duty shall read :

“10%.”

SECTION K.—NEW CALEDONIA AND DEPENDENCIES

Part I.—Most-favoured-nation Tariff

Item 210

The Rate of Duty shall read :

“5%.”

SCHEDULE XII.—INDIA

(Rectifications in this Schedule are authentic only in the English language)

Part I.—Most-favoured-nation Tariff

Item ex 22 (5)

The word “Strength” in proviso (b) shall be spelled with a small “s.”

SCHEDULE XV.—PAKISTAN

(Rectifications in this Schedule are authentic only in the English language)

Part I.—Most-favoured-nation Tariff

Item ex 22 (5)

The word “Strength” in proviso (b) shall be spelled with a small “s.”

SCHEDULE XVIII.—UNION OF SOUTH AFRICA

(Rectifications in this Schedule are authentic only in the English language)

Part I.—Most-favoured-nation Tariff

Item 108 (e)

The last five words of the description shall read :

“and barrels therefor, single per barrel.”

Item 108 (f)

The last seven words of the description shall read :

“including barrels therefor, double and others ... per barrel.”

SCHEDULE XIX.—UNITED KINGDOM

(Rectifications in this Schedule are authentic only in the English language)

SECTION A.—METROPOLITAN TERRITORY

Part I.—Most-favoured-nation Tariff

Item ex 3 x (1)

The second sub-description on page 25 shall read :

“Conversion front end attachments for excavators or cranes.”

Item 3 XI (8)

(i) The first paragraph of the description shall read as follows :

“Wood and timber of coniferous species (other than box-boards, railway sleepers and sleeper blocks), in the round or hewn or square sawn, but not further prepared or manufactured :—”

(ii) The corresponding text of the first proviso shall read as follows :

“Wood and timber of coniferous species (other than box-boards, railway sleepers and sleeper blocks), in the round or hewn or square sawn, but not further prepared or manufactured :—”

Item 6, Footnote

The footnote on page 39 shall read :

“†Paragraph 1 at the head of this Schedule shall not apply to this item.”

SCHEDULE XIX (*contd.*).—UNITED KINGDOM

Item 6

(i) The last eighteen words in the Rate of Duty applicable to subparagraph (*a*) on page 41 shall read :

“on the area of the tissue or $22\frac{1}{2}\%$ of the value of the tissue whichever is the greater.”

(ii) The last eighteen words in the Rate of Duty applicable to subparagraph (*b*) on page 41 shall read :

“on the area of the tissue or $22\frac{1}{2}\%$ of the value of the tissue whichever is the greater.”

(iii) The last eight words in the Rate of Duty shown against “Other Tissues” on page 41 shall read :

“plus $22\frac{1}{2}\%$ of the value of the tissue.”

Item 3 G.A.V.

(i) The description “Cotton oil” on page 53 shall read :

“Cotton oil (cotton seed oil).”

(ii) The Rate of Duty applicable to the sub-description “Clove” on page 53 shall read :

“10%.”

SECTION C.—DEPENDENT TERRITORIES OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Part I.—Most-favoured-nation Tariff

The following note shall be inserted at the end of Part I of this Section :

“NOTE.—The provisions of this Section shall be inoperative pending re-negotiation.”

SCHEDULE XX.—UNITED STATES OF AMERICA

(Rectifications in this Schedule are authentic only in the English language)

Part I.—Most-favoured-nation Tariff

Item 50 (second)

The number of the item following the first item 50 shall read :

“50.”

Item 211

In item 211 the first diameter specified in the description shall read :

“ $6\frac{5}{8}$ inches.”

Item 212 (first)

In the principal description of the first item 212, the words “clock cases withoor without” shall read :

“clock cases with or without.”

Item 212 (second)

In the second item 212 :

(i) In the description for saucers, the words between “\$3” and the first semi-colon thereafter shall read :

“per dozen.”

(ii) The sub-description starting “Other (except hotel . . .)” shall read in full :

“Other (except tableware, kitchen-ware, and table and kitchen utensils) :”

SCHEDULE XX (*contd.*).—UNITED STATES OF AMERICA

Item 213

In item 213 the Rate of Duty applicable to the sub-description “Crystal-line flake” shall be :

“15% ad val., but not less than 0.4125c. per lb. nor more than 0.825c. per lb.”

Item 218 (c)

The number of the item following the third item 218 (*b*) shall read :
“218 (*c*).”

Item 218 (f)

In item 218 (*f*) the Rate of Duty applicable to the sub-description “Other” shall be :

“50c. on each article or utensil, but not less than 30% nor more than 50% ad val.”

Item 224

In the description in item 224 the word following the word “beveled” shall read : “etched.”

Item 226

In the principal description in item 226 the word between the words “polished” and “or” shall read “plano.”

Item 317

In item 317 the Rate of Duty shall be : “ $\frac{1}{4}$ c. per lb.”

Item 355

In item 355 the Rate of Duty applicable to the sub-description “If four inches in length or over, exclusive of handle (except hay forks and 4-tined manure forks)”, the first time that sub-description is used, shall be :

“4c. each and 25% ad val.”

Item 358 (first)

In the first item 358 the Rate of Duty shall be : “12 $\frac{1}{2}$ % ad val., but not less than 2 $\frac{1}{2}$ c. and 7 $\frac{1}{2}$ % ad val.”

Item 365 (sixth)

In the sixth item 365 the Rate of Duty shall be :

“\$3 each and 15% ad val.”

Item 365 (seventh)

The number of the item following the sixth item 365 shall read : “365.”

Item 372 (twelfth)

In the twelfth item 372 the first word in the description shall read :
“Braiding.”

SCHEDULE XX (*contd.*).—UNITED STATES OF AMERICA

Item 372 (thirteenth)

In the thirteenth item 372 :

(i) The immediate sub-description to which the Rate of Duty of “10% ad val.” applies shall read :

“For manufacturing or processing vegetable fibres (except winding, beaming, warping and slashing machinery, and combinations thereof).”

(ii) The last two words, and accompanying punctuation, in the immediate sub-description to which the Rate of Duty of “40% ad val.” applies shall read :

“‘Bradford’ combs.”

Item 372 (nineteenth)

In the nineteenth item 372, in the sub-description to which the Rate of Duty of “15% ad val.” applies, the five words and intervening punctuation preceding the third semi-colon shall read :

“tension, compression, torsion, or shear.”

Item 502 (second)

In the second item 502 the Rate of Duty shall be :

“0.03c. per lb. of total sugars.”

Item 719 (1), (2), (3), (4), and (5)

In item 719 (1), (2), (3), (4), and (5) the fifth Rate of Duty shall be :

“½c. per lb. net wt.”

Item 720 (a) (1), (2), (3), (4), (5), and (6)

In item 720 (a) (1), (2), (3), (4), (5), and (6) the immediate sub-description to which the rate of “1¼c. per lb.” applies shall read :

“Eviscerated, split, skinned, boned (if smoked), or divided into portions.”

Item 745

In item 745 the Rate of Duty applicable to the sub-description “Prepared or preserved, and not specially provided for” shall be :

“20% ad val.”

Item 764

In item 764 the Rates of Duty applicable to the descriptions “Carrot,” “Parsnip,” “Tree and shrub,” and “Flower” shall each be :

“3c. per lb.”

Item 771 (second)

In the second item 771 the weight of the bushel referred to in the second proviso shall read :

“60 pounds.”

Item 775 (second)

The number of the item following the first item 775 shall read :

“775.”

SCHEDULE XX (*contd.*).—UNITED STATES OF AMERICA

Item 806 (b)

In item 806 (*b*) the immediate sub-description to which the Rate of Duty of “20c. per gal. on the quantity of unconcentrated natural fruit juice contained therein as shown by chemical analysis” applies shall read:

“Lime juice.”

Item 902 (second)

The number of the item following the first item 902 shall read:

“902.”

Item 905

In item 905 the second paragraph referred to in the description shall read:

“904.”

Item 909 (third)

In the third item 909 the Rate of Duty applicable to the sub-description “Terry-woven” shall be:

“22½c. per lb., but not less than 20% nor more than 35% ad val.”

Item 913 (a)

In item 913 (*a*) the Rate of Duty applicable to the sub-description “Wholly or in chief value of cotton or other vegetable fibre and india rubber, and valued at 40 cents or more per pound” shall be:

“20% ad val.”

Item 919 (second)

In the second item 919 the Rate of Duty shall be:

“15c. per doz. pieces and 5% ad val.”

Item 924

In item 924 the Rate of Duty shall be:

“5c. per lb., but not less than $1\frac{3}{4}$ times the most-favoured-nation rate of ordinary customs duty applicable when such articles are entered, or withdrawn from warehouse, for consumption to cotton having a staple of $1\frac{1}{8}$ inches or more in length.”

Item 1011

In item 1011 the word following the second comma shall read:

“wholly.”

Item 1102 (b) (first)

In the Note at the end of the first item 1102 (*b*) the number following “1115 (*a*) and” shall read:

“1119.”

Item 1107

In item 1107 the Rate of Duty applicable to the sub-description “Wholly or in chief value of Angora rabbit hair” shall be:

“40c. per lb. and 15% ad val.”

Item 1109 (a)

The number of the item immediately following item 1108 shall read:

“1109 (*a*).”

SCHEDULE XX (*contd.*).—UNITED STATES OF AMERICA

Item 1110

In item 1110 the Rate of Duty shall be :
“35c. per lb. and 25% ad val.”

Item 1114 (a)

In item 1114 (*a*) the Rate of Duty applicable to the first sub-description shall be :

“25c. per lb. and 20% ad val.”

Item 1115 (b)

The number of the item immediately following item 1115 (*a*) shall read :

“1115 (*b*).”

Item 1305

In item 1305 the Rate of Duty shall be :

“25% ad val., but not less than 27½c. per lb.”

Item 1409 (second)

In the second item 1409 the specified minimum thickness shall read :

“0.008 inch.”

Item 1413 (seventh)

In the seventh item 1413 the Rate of Duty shall be :

“27½% ad val.”

Item 1502 (first)

In the first item 1502, in the sub-descriptions to which the Rate of Duty of “10% ad val.” applies, the two words and punctuation before the words “hockey sticks” shall read :

“rubber, field.”

Item 1527 (a) (1) and (2)

In item 1527 (*a*) (1) and (2) the Rate of Duty to which is applicable the sub-description “All other, of whatever material composed, valued above 20 cents per dozen pieces” shall be :

“55% ad val., but not less than 50% of the amount payable on the basis of the duty ‘existing’ (within the meaning of section 350, Tariff Act of 1930, as amended by the Act of July 5, 1945) on January 1, 1945 if the article were not dutiable under paragraph 1527, Tariff Act of 1930.”

Item 1527 (c) (1) and (2)

In item 1527 (*c*) (1) and (2) a final parenthesis shall be inserted at the end of the sub-description to which the Rate of Duty of “65% ad val.” applies.

Item 1528 (second)

In the second item 1528 the sub-description to which the Rate of Duty of “10% ad val.” applies shall read :

“Diamonds.”

Item 1528 (third)

In the third item 1528 the Rate of Duty shall be :

“10% ad val.”

SCHEDULE XX (*contd.*).—UNITED STATES OF AMERICA

Item 1529 (a) (first)

In the first item 1529 (*a*) the sub-descriptions indented under the sub-description “Made full gauge on a machine of 12 point or finer:”, and the Rates of Duty applicable to said sub-descriptions, shall read as follows :

“Wholly or in chief value of cotton and made with			
independent beams	40% ad val.
“Wholly or in chief value of silk	40% ad val.
“Other	45% ad val.”

Item 1530 (b) (1), (2), (3), (4), (5), (6), and (7)

The number of the item following item 1530 (*a*) shall read :

“1530 (*b*) (1), (2), (3), (4), (5), (6), and (7).”

Item 1537 (b) (first)

In the first item 1537 (*b*) the words between the word “them” and the word “material” in the principal description shall read :

“is the component.”

Item 1545

In item 1545 the immediate sub-description to which the Rate of Duty of “4% ad val.” applies shall read :

“Hardhead or reef.”

Item 1547 (b)

(i) The number of the item following item 1547 (*a*) (1) and (3) shall read :

“1547 (*b*).”

(ii) In item 1547 (*b*) the Rate of Duty shall be :

“10% ad val.”

Item 1604

The number of the item following item 1602 shall read :

“1604.”

Item 1609

In item 1609 the word “unprepared” shall be followed by a semi-colon.

Item 1786

In item 1786 the words preceding the first comma shall read :

“Tin in bars.”

Item 1803 (2)

The number of the item following item 1803 (1) shall read :

“1803 (2).”

Part II.—Preferential Tariff

Item 743 (first)

In the first item 743 the description shall read :

“Limes, in their natural state, or in brine.”

Item 751

In item 751 the principal description shall read :

“Jellies, jams, marmalades, and fruit butters.”

3. The provisions of this Protocol shall on and after this day constitute an integral part of the General Agreement on Tariffs and Trade, dated October 30, 1947, and the rectifications included herein shall be applied as if they had formed a part of said Agreement on that date.

4. The original of this Protocol shall be deposited with the Secretary-General of the United Nations, who is authorized to effect registration thereof.

IN WITNESS WHEREOF the respective representatives, duly authorized, have signed the present Protocol.

DONE at Havana, in a single copy, in the English and French languages, both texts authentic except where otherwise stated, this twenty-fourth day of March, 1948.

For the Commonwealth of Australia :

H. C. COOMBS.

For the Kingdom of Belgium :

M. SUETENS.

For the United States of Brazil :

A. DE VILHENA FERREIRA BRAGA.

For Burma :

M. MYAT TUN.

For Canada :

L. D. WILGRESS.

For Ceylon :

B. MAHADEVA.

For the Republic of Chile :

W. MÜLLER.

For the Republic of China :

WUNSZ KING.

For the Republic of Cuba :

GUSTAVO GUTÉRRIZ.

For the Czechoslovak Republic :

Z. AUGENTHALER.

For the French Republic :

JEAN ROYER.

For India :

HARDIT SINGH MALIK.

For Lebanon :

GEORGES HAKIM.

For the Grand-Duchy of Luxemburg :

J. WOULBROUN.

For the Kingdom of the Netherlands :

A. B. SPEEKENBRINK.

For New Zealand :

W. NASH.

For the Kingdom of Norway :

ARNE SKAUG.

For Pakistan :

M. A. H. ISPAHANI.

For Southern Rhodesia :

S. ROWE.

For Syria :

HUSNI A. SAWWAF.

For the Union of South Africa :

H. T. ANDREWS.

For the United Kingdom of Great Britain and Northern Ireland :

STEPHEN L. HOLMES.

For the United States of America :

JOHN W. EVANS.

DECLARATION

THE GOVERNMENTS of the Kingdom of Belgium, the United States of Brazil, Burma, Canada, Ceylon, the Republic of Chile, the Republic of Cuba, the French Republic, India, Lebanon, the Grand-Duchy of Luxemburg, the Kingdom of the Netherlands, New Zealand, the Kingdom of Norway, Pakistan, Syria, the United Kingdom of Great Britain and Northern Ireland, and the United States of America,

TAKING NOTE of the provisions of subparagraph 2 (a) of Article XXIX of the General Agreement on Tariffs and Trade, whereby within sixty days of the closing of the United Nations Conference on Trade and Employment any contracting party may lodge with the other contracting parties an objection to any provision or provisions of Article I or of Part II of the General Agreement on Tariffs and Trade being suspended and superseded by the corresponding provisions of the Havana Charter on the day on which the Charter comes into force,

HEREBY DECLARE that they will not lodge any such objection to the suspension and supersession of paragraphs 1 and 2 of Article I and Part II of the General Agreement on Tariffs and Trade.

The original of this Declaration shall be deposited with the Secretary-General of the United Nations, who is authorized to effect registration thereof.

IN WITNESS WHEREOF the respective representatives, duly authorized, have signed the present Declaration.

DONE at Havana, in a single copy, in the English and French languages, both texts authentic, this twenty-fourth day of March, 1948.

For the Kingdom of Belgium :

M. SUETENS.

For the United States of Brazil :

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For Burma :

M. MYAT TUN.

For Canada :

L. D. WILGRESS.

For Ceylon :

B. MAHADEVA.

For the Republic of Chile :

W. MÜLLER.

For the Republic of Cuba :

GUSTAVO GUTIÉRREZ.

For the French Republic :

JEAN ROYER.

For India :

HARDIT SINGH MALIK.

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A. B. SPEEKENBRINK.

For New Zealand :

W. NASH.

For the Kingdom of Norway :

ARNE SKAUG.

For Pakistan :

M. A. H. ISPAHANI.

For Syria :

HUSNI A. SAWWAF.

For the United Kingdom of Great Britain and Northern Ireland :

STEPHEN L. HOLMES.

For the United States of America :

JOHN W. EVANS.

PROTOCOL MODIFYING CERTAIN PROVISIONS OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

THE GOVERNMENTS of the Commonwealth of Australia, the Kingdom of Belgium, Canada, the Republic of Cuba, the French Republic, the Grand-Duchy of Luxemburg, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, acting in their capacity of contracting parties to the General Agreement on Tariffs and Trade, and

The Governments of the United States of Brazil, Burma, Ceylon, the Republic of Chile, the Republic of China, the Czechoslovak Republic, India, Lebanon, New Zealand, the Kingdom of Norway, Pakistan, Southern Rhodesia, Syria, and the Union of South Africa, acting in their capacity of signatories to the Final Act adopted at the conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment which authenticated the text of the General Agreement on Tariffs and Trade,

BEING DESIROUS of modifying the text of certain provisions of the General Agreement on Tariffs and Trade, in the light of the text of the Havana Charter for an International Trade Organization, which was authenticated by the Final Act of the United Nations Conference on Trade and Employment,

HEREBY AGREE as follows :

I. Paragraph 5 of Article XXV of the General Agreement on Tariffs and Trade shall read as follows :

“ 5. (a) In exceptional circumstances not elsewhere provided for in this Agreement, the CONTRACTING PARTIES may waive an obligation imposed upon a contracting party by this Agreement ; Provided that any such decision shall be approved by a two-thirds majority of the votes cast and that such majority shall comprise more than half of the contracting parties. The CONTRACTING PARTIES may also by such a vote

“ (i) Define certain categories of exceptional circumstances to which other voting requirements shall apply for the waiver of obligations ; and

“ (ii) Prescribe such criteria as may be necessary for the application of this subparagraph.

“ (b) If any contracting party has failed without sufficient justification to carry out with another contracting party negotiations of the kind described in paragraph 1 of Article 17 of the

Havana Charter, the CONTRACTING PARTIES may, upon complaint and after investigation, authorize the complaining contracting party to withhold from the other the concessions incorporated in the relevant Schedule to this Agreement. In any judgment as to whether a contracting party has so failed, the CONTRACTING PARTIES shall have regard to all relevant circumstances, including the developmental, reconstruction and other needs and the general fiscal structures of the contracting parties concerned and to the provisions of the Havana Charter as a whole. If in fact the concessions referred to are withheld, so as to result in the application to the trade of the other contracting party of tariffs higher than would otherwise have been applicable, such other contracting party shall then be free, within sixty days after such action becomes effective, to give written notice of withdrawal from the Agreement. The withdrawal shall take effect upon the expiration of sixty days from the day on which such notice is received by the CONTRACTING PARTIES.

“(c) The provisions of subparagraph (b) shall not apply as between any two contracting parties the Schedules of which contain concessions initially negotiated between such contracting parties.

“(d) The provisions of subparagraphs (b) and (c) shall not apply until January 1, 1949.”

II. Paragraph 1 of Article XXXII of the General Agreement on Tariffs and Trade shall read as follows :

“The contracting parties to this Agreement shall be understood to mean those Governments which are applying the provisions of this Agreement under Articles XXVI or XXXIII or pursuant to the Protocol of Provisional Application.”

III. Article XXXIII of the General Agreement on Tariffs and Trade shall read as follows :

“A Government not party to this Agreement, or a Government acting on behalf of a separate Customs territory possessing full autonomy in the conduct of its external commercial relations and of the other matters provided for in this Agreement, may accede to this Agreement, on its own behalf or on behalf of that territory, on terms to be agreed between such Government and the CONTRACTING PARTIES. Decisions of the CONTRACTING PARTIES under this paragraph shall be taken by a two-thirds majority.”

IV. The following Article shall be inserted in the General Agreement on Tariffs and Trade after Article XXXIV :

“ARTICLE XXXV

“1. Without prejudice to the provisions of paragraph 5 (b) of Article XXV or to the obligations of a contracting party pursuant to paragraph 1 of Article XXIX, this Agreement, or alternatively Article II of this Agreement, shall not apply as between any contracting party and any other contracting party if :

“(a) The two contracting parties have not entered into tariff negotiations with each other, and

“(b) Either of the contracting parties, at the time either becomes a contracting party, does not consent to such application.

“2. The CONTRACTING PARTIES may, at any time before the Havana Charter enters into force, review the operation of this Article in particular cases at the request of any contracting party and make appropriate recommendations.”

V. Notwithstanding the provisions of Article XXX of the General Agreement on Tariffs and Trade, the modifications provided for in Sections I to IV, inclusive, of this Protocol shall become an integral part of the General Agreement on Tariffs and Trade, on April 15, 1948.

Signature of this Protocol by any Government which is not at the time of signature a contracting party to the General Agreement on Tariffs and Trade shall serve to authenticate the texts of the modifications of the General Agreement on Tariffs and Trade provided for in this Protocol. This Protocol shall remain open for signature by any such Government, named in the second paragraph of the preamble to this Protocol, until May 1, 1948.

The original of this Protocol shall be deposited with the Secretary-General of the United Nations, who is authorized to effect registration thereof.

IN WITNESS WHEREOF the respective representatives, duly authorized, have signed the present Protocol.

DONE at Havana, in a single copy, in the English and French languages, both texts authentic, this twenty-fourth day of March, 1948.

For the Commonwealth of Australia :

H. C. COOMBS.

For the Kingdom of Belgium :

M. SUETENS.

For the United States of Brazil :
A. DE VILHENA FERREIRA BRAGA.

For Burma :
M. MYAT TUN.

For Canada :
L. D. WILGRESS.

For Ceylon :
B. MAHADEVA.

For the Republic of Chile :
W. MÜLLER.

For the Republic of China :

For the Republic of Cuba :
GUSTAVO GUTIÉRREZ.

For the Czechoslovak Republic :
Z. AUGENTHALER.

For the French Republic :
JEAN ROYER.

For India :
HARDIT SINGH MALIK.

For Lebanon :
GEORGES HAKIM.

For the Grand-Duchy of Luxemburg :
J. WOULBROUN.

For the Kingdom of the Netherlands :
A. B. SPEEKENBRINK.

For New Zealand :
W. NASH.

For the Kingdom of Norway :
ARNE SKAUG.

For Pakistan :
M. A. H. ISPAHANI.

For Southern Rhodesia :

For Syria :
HUSNI A. SAWWAF.

For the Union of South Africa :

For the United Kingdom of Great Britain and Northern Ireland :
STEPHEN L. HOLMES.

For the United States of America :
JOHN W. EVANS.

SPECIAL PROTOCOL MODIFYING ARTICLE XIV OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

THE GOVERNMENTS of the Commonwealth of Australia, the Kingdom of Belgium, Canada, the Republic of Cuba, the French Republic, the Grand-Duchy of Luxemburg, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, acting in their capacity of contracting parties to the General Agreement on Tariffs and Trade,

The Governments of the United States of Brazil, Burma, Ceylon, the Republic of Chile, the Republic of China, the Czechoslovak Republic, India, Lebanon, New Zealand, the Kingdom of Norway, Pakistan, Southern Rhodesia, Syria, and the Union of South Africa, acting in their capacity of signatories to the Final Act adopted at the conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment which authenticated the text of the General Agreement on Tariffs and Trade,

BEING DESIROUS of modifying the text of Article XIV of the General Agreement on Tariffs and Trade, in the light of the text of the Havana Charter for an International Trade Organization which was authenticated by the Final Act of the United Nations Conference on Trade and Employment,

HEREBY AGREE as follows :

I. On and after January 1, 1949, Article XIV of the General Agreement on Tariffs and Trade shall read as follows :

“ ARTICLE XIV

“ Exceptions to the Rule of Non-discrimination

“ 1. (a) The contracting parties recognize that the aftermath of the war has brought difficult problems of economic adjustment which do not permit the immediate full achievement of non-discriminatory administration of quantitative restrictions and therefore require the exceptional transitional period arrangements set forth in this paragraph.

“ (b) A contracting party which applies restrictions under Article XII may, in the use of such restrictions, deviate from the provisions of Article XIII in a manner having equivalent effect to restrictions on payments and transfers for current international transactions which that contracting party may at that time apply under Article XIV of the Articles of Agreement of the International

Monetary Fund, or under an analogous provision of a special exchange agreement entered into pursuant to paragraph 6 of Article XV.

“(c) A contracting party which is applying restrictions under Article XII and which on March 1, 1948, was applying import restrictions to safeguard its balance of payments in a manner which deviated from the rules of non-discrimination set forth in Article XIII may, to the extent that such deviation would not have been authorized on that date by subparagraph (b), continue so to deviate, and may adapt such deviation to changing circumstances.

“(d) Any contracting party which before July 1, 1948, has signed the Protocol of Provisional Application agreed upon at Geneva on October 30, 1947, and which by such signature has provisionally accepted the principles of paragraph 1 of Article 23 of the Draft Charter submitted to the United Nations Conference on Trade and Employment by the Preparatory Committee, may elect, by written notice to the CONTRACTING PARTIES before January 1, 1949, to be governed by the provisions of Annex J of this Agreement, which embodies such principles, in lieu of the provisions of subparagraphs (b) and (c) of this paragraph. The provisions of subparagraphs (b) and (c) shall not be applicable to contracting parties which have so elected to be governed by the provisions of Annex J; and conversely, the provisions of Annex J shall not be applicable to contracting parties which have not so elected.

“(e) The policies applied in the use of import restrictions under subparagraphs (b) and (c) or under Annex J in the post-war transitional period shall be designed to promote the maximum development of multilateral trade possible during that period and to expedite the attainment of a balance-of-payments position which will no longer require resort to the provisions of Article XII or to transitional exchange arrangements.

“(f) A contracting party may deviate from the provisions of Article XIII, pursuant to subparagraphs (b) or (c) of this paragraph or pursuant to Annex J, only so long as it is availing itself of the post-war transitional period arrangements under Article XIV of the Articles of Agreement of the International Monetary Fund, or of an analogous provision of a special exchange agreement entered into under paragraph 6 of Article XV.

“(g) Not later than March 1, 1950 (three years after the date on which the International Monetary Fund began operations), and in each year thereafter, the CONTRACTING PARTIES shall report on any action still being taken by contracting parties under subparagraphs (b) and (c) of this paragraph or under Annex J.

In March, 1952, and in each year thereafter, any contracting party still entitled to take action under the provisions of subparagraph (c) or of Annex J shall consult the CONTRACTING PARTIES as to any deviations from Article XIII still in force pursuant to such provisions and as to its continued resort to such provisions. After March 1, 1952, any action under Annex J going beyond the maintenance in force of deviations on which such consultation has taken place and which the CONTRACTING PARTIES have not found unjustifiable, or their adaptation to changing circumstances, shall be subject to any limitations of a general character which the CONTRACTING PARTIES may prescribe in the light of the contracting party's circumstances.

“(b) The CONTRACTING PARTIES may, if they deem such action necessary in exceptional circumstances, make representations to any contracting party entitled to take action under the provisions of subparagraph (c) that conditions are favourable for the termination of any particular deviation from the provisions of Article XIII, or for the general abandonment of deviations, under the provisions of that subparagraph. After March 1, 1952, the CONTRACTING PARTIES may make such representations, in exceptional circumstances, to any contracting party entitled to take action under Annex J. The contracting party shall be given a suitable time to reply to such representations. If the CONTRACTING PARTIES find that the contracting party persists in unjustifiable deviation from the provisions of Article XIII, the contracting party shall, within sixty days, limit or terminate such deviations as the CONTRACTING PARTIES may specify.

“2. Whether or not its transitional period arrangements have terminated pursuant to paragraph 1 (f), a contracting party which is applying import restrictions under Article XII may, with the consent of the CONTRACTING PARTIES, temporarily deviate from the provisions of Article XIII in respect of a small part of its external trade where the benefits to the contracting party or contracting parties concerned substantially outweigh any injury which may result to the trade of other contracting parties.

“3. The provisions of Article XIII shall not preclude restrictions in accordance with the provisions of Article XII which either

“(a) Are applied against imports from other countries, but not as among themselves, by a group of territories having a common quota in the International Monetary Fund, on condition that such restrictions are in all other respects consistent with the provisions of Article XIII, or

“(b) Assist, in the period until December 31, 1951, by measures not involving substantial departure from the provisions of Article XIII, another country whose economy has been disrupted by war.

“4. A contracting party applying import restrictions under Article XII shall not be precluded by Articles XI to XV, inclusive, of this Agreement from applying measures to direct its exports in such a manner as to increase its earnings of currencies which it can use without deviation from the provisions of Article XIII.

“5. A contracting party shall not be precluded by Articles XI to XV, inclusive, of this Agreement from applying quantitative restrictions

“(a) Having equivalent effect to exchange restrictions authorized under Section 3 (b) of Article VII of the Articles of Agreement of the International Monetary Fund; or

“(b) Under the preferential arrangements provided for in Annex A of this Agreement, pending the outcome of the negotiations referred to therein.”

II. On and after January 1, 1949, the Interpretative Notes to Article XIV in Annex I of the General Agreement on Tariffs and Trade shall read as follows :

“AD ARTICLE XIV

“Paragraph 1 (g)

“The provisions of paragraph 1 (g) shall not authorize the CONTRACTING PARTIES to require that the procedure of consultation be followed for individual transactions unless the transaction is of so large a scope as to constitute an act of general policy. In that event, the CONTRACTING PARTIES shall, if the contracting party so requests, consider the transaction, not individually, but in relation to the contracting party's policy regarding imports of the product in question taken as a whole.

“Paragraph 2

“One of the situations contemplated in paragraph 2 is that of a contracting party holding balances acquired as a result of current transactions which it finds itself unable to use without a measure of discrimination.”

III. On and after January 1, 1949, the following Annex shall be added to the General Agreement on Tariffs and Trade :

“ ANNEX J

“ Exceptions to the Rule of Non-discrimination

“ (Applicable to contracting parties who so elect, in accordance with paragraph 1 (d) of Article XIV, in lieu of paragraphs 1 (b) and 1 (c) of Article XIV.)

“ 1. (a) A contracting party applying import restrictions under Article XII may relax such restrictions in a manner which departs from the provisions of Article XIII to the extent necessary to obtain additional imports above the maximum total of imports which it could afford in the light of the requirements of paragraphs 3 (a) and 3 (b) of Article XII if its restrictions were fully consistent with the provisions of Article XIII: Provided that

“ (i) Levels of delivered prices for products so imported are not established substantially higher than those ruling for comparable goods regularly available from other contracting parties, and that any excess of such price levels for products so imported is progressively reduced over a reasonable period ;

“ (ii) The contracting party taking such action does not do so as part of any arrangement by which the gold or convertible currency which the contracting party currently receives directly or indirectly from its exports to other contracting parties not party to the arrangement is appreciably reduced below the level it could otherwise have been reasonably expected to attain ;

“ (iii) Such action does not cause unnecessary damage to the commercial or economic interests of any other contracting party ;

“ (b) Any contracting party taking action under this paragraph shall observe the principles of subparagraph (a). A contracting party shall desist from transactions which prove to be inconsistent with that subparagraph but the contracting party shall not be required to satisfy itself, when it is not practicable to do so, that the requirements of that subparagraph are fulfilled in respect of individual transactions.

“ 2. Any contracting party taking action under paragraph 1 of this Annex shall keep the CONTRACTING PARTIES regularly informed regarding such action and shall provide such available relevant information as the CONTRACTING PARTIES may request.

“ 3. If at any time the CONTRACTING PARTIES find that import restrictions are being applied by a contracting party in a discriminatory manner inconsistent with the exceptions provided

for under paragraph 1 of this Annex, the contracting party shall, within sixty days, remove the discrimination or modify it as specified by the CONTRACTING PARTIES: Provided that any action under paragraph 1 of this Annex, to the extent that it has been approved by the CONTRACTING PARTIES at the request of a contracting party under a procedure analogous to that of paragraph 4 (c) of Article XII, shall not be open to challenge under this paragraph or under paragraph 4 (d) of Article XII on the ground that it is inconsistent with the provisions of Article XIII.

“INTERPRETATIVE NOTE TO ANNEX J

“It is understood that the fact that a contracting party is operating under the provisions of Part II (a) of Article XX does not preclude that contracting party from operation under this Annex, but that the provisions of Article XIV (including this Annex) do not in any way limit the rights of contracting parties under Part II (a) of Article XX.”

IV. This Protocol shall remain open for signature at the Headquarters of the United Nations until June 1, 1948, on behalf of any Government named in the preamble of this Protocol which has not signed it on this day.

V. Notwithstanding the provisions of Article XXX of the General Agreement on Tariffs and Trade, this Protocol shall enter into force on the day on which it has been signed by all the Governments which are that time contracting parties of the General Agreement on Tariffs and Trade.

Signature of this Protocol by any Government which is not at the time of signature a contracting party to the General Agreement on Tariffs and Trade shall serve to authenticate the texts of the modifications of the General Agreement on Tariffs and Trade provided for in this Protocol.

The original of this Protocol shall be deposited with the Secretary-General of the United Nations, who is authorized to effect registration thereof.

IN WITNESS WHEREOF the respective representatives, duly authorized, have signed the present Protocol.

DONE at Havana, in a single copy, in the English and French languages, both texts authentic, this twenty-fourth day of March, 1948.

For the Commonwealth of Australia:

H. C. COOMBS.

For the Kingdom of Belgium:

M. SUTENS.

- For the United States of Brazil :
A. DE VILHENA FERREIRA BRAGA.
- For Burma :
M. MYAT TUN.
- For Canada :
L. D. WILGRESS.
- For Ceylon :
B. MAHADEVA.
- For the Republic of Chile :
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- For the Republic of China :
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GUSTAVO GUTÉRREZ.
- For the Czechoslovak Republic :
Z. AUGENTHALER.
- For the French Republic :
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- For India :
HARDIT SINGH MALIK.
- For Lebanon :
GEORGES HAKIM.
- For the Grand-Duchy of Luxemburg :
J. WOULBROUN.
- For the Kingdom of the Netherlands :
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- For New Zealand :
W. NASH.
- For the Kingdom of Norway :
ARNE SKAUG.
- For Pakistan :
M. A. H. ISPAHANI.
- For Southern Rhodesia :
- For Syria :
HUSNI A. SAWWAF.
- For the Union of South Africa :
- For the United Kingdom of Great Britain and Northern Ireland :
- For the United States of America :
JOHN W. EVANS.

SPECIAL PROTOCOL RELATING TO ARTICLE XXIV OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

[New Zealand is not a signatory to this Protocol]

THE GOVERNMENTS of the Kingdom of Belgium, Canada, the Republic of Cuba, the French Republic, the Grand-Duchy of Luxemburg, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, which are provisionally applying the General Agreement on Tariffs and Trade pursuant to the Protocol of Provisional Application,

HAVING APPROVED the amendment to Article XXIV of the General Agreement on Tariffs and Trade which was drawn up at the First Session of the CONTRACTING PARTIES to that Agreement and which reads as follows :

“ I. Article XXIV of the General Agreement on Tariffs and Trade shall read as follows :

“ ARTICLE XXIV

“ Territorial Application—Frontier Traffic—Customs Unions and Free-trade Areas

“ 1. The provisions of this Agreement shall apply to the metropolitan Customs territories of the contracting parties and to any other Customs territories in respect of which this Agreement has been accepted under Article XXVI or is being applied under Article XXXIII or pursuant to the Protocol of Provisional Application. Each such Customs territory shall, exclusively for the purposes of the territorial application of this Agreement, be treated as though it were a contracting party: Provided that the provisions of this paragraph shall not be construed to create any rights or obligations as between two or more Customs territories in respect of which this Agreement has been accepted under Article XXVI or is being applied under Article XXXIII or pursuant to the Protocol of Provisional Application by a single contracting party.

“ 2. For the purposes of this Agreement a Customs territory shall be understood to mean any territory with respect to which separate tariffs or other regulations of commerce are maintained for a substantial part of the trade of such territory with other territories.

“ 3. The provisions of this Agreement shall not be construed to prevent :

“(a) Advantages accorded by any contracting party to adjacent countries in order to facilitate frontier traffic ;

“(b) Advantages accorded to the trade with the Free Territory of Trieste by countries contiguous to that territory, provided that such advantages are not in conflict with the treaties of peace arising out of the Second World War.

“ 4. The contracting parties recognize the desirability of increasing freedom of trade by the development, through voluntary agreements, of closer integration between the economies of the countries parties to such agreements. They also recognize that the purpose of a Customs union or of a free-trade area should be to facilitate trade between the parties and not to raise barriers to the trade of other contracting parties with such parties.

“ 5. Accordingly, the provisions of this Agreement shall not prevent, as between the territories of contracting parties, the formation of a Customs union or of a free-trade area or the adoption of an interim agreement necessary for the formation of a Customs union or of a free-trade area : Provided that :

“(a) With respect to a Customs union, or an interim agreement leading to the formation of a Customs union, the duties and other regulations of commerce imposed at the institution of any such union or interim agreement in respect of trade with contracting parties not parties to such union or agreement shall not on the whole be higher or more restrictive than the general incidence of the duties and regulations of commerce applicable in the constituent territories prior to the formation of such union or the adoption of such interim agreement, as the case may be ;

“(b) With respect to a free-trade area, or an interim agreement leading to the formation of a free-trade area, the duties and other regulations of commerce maintained in each of the constituent territories and applicable at the formation of such free-trade area or the adoption of such interim agreement to the trade of contracting parties not included in such area or not parties to such agreement shall not be higher or more restrictive

than the corresponding duties and other regulations of commerce existing in the same constituent territories prior to the formation of the free-trade area, or interim agreement, as the case may be; and

“(c) Any interim agreement referred to in subparagraphs (a) and (b) shall include a plan and schedule for the formation of such a Customs union or of such a free-trade area within a reasonable length of time.

“6. If in fulfilling the requirements of subparagraph 5 (a) a contracting party proposes to increase any rate of duty inconsistently with the provisions of Article II, the procedure set forth in Article XXVIII shall apply. In providing for compensatory adjustment, due account shall be taken of the compensation already afforded by the reductions brought about in the corresponding duty of the other constituents of the union.

“7. (a) Any contracting party deciding to enter into a Customs union or free-trade area, or an interim agreement leading to the formation of such a union or area, shall promptly notify the CONTRACTING PARTIES and shall make available to them such information regarding the proposed union or area as will enable them to make such reports and recommendations to contracting parties as they may deem appropriate.

“(b) If, after having studied the plan and schedule provided for in an interim agreement referred to in paragraph 5 in consultation with the parties to that agreement and taking due account of the information made available in accordance with the provisions of subparagraph (a), the CONTRACTING PARTIES find that such agreement is not likely to result in the formation of a Customs union or of a free-trade area within the period contemplated by the parties to the agreement or that such period is not a reasonable one, the CONTRACTING PARTIES shall make recommendations to the parties to the agreement. The parties shall not maintain or put into force, as the case may be, such agreement if they are not prepared to modify it in accordance with these recommendations.

“(c) Any substantial change in the plan or schedule referred to in paragraph 5 (c) shall be communicated to the CONTRACTING PARTIES, which may request the contracting parties concerned to consult with them if the change seems likely to jeopardize or delay unduly the formation of the Customs union or of the free-trade area.

“ 8. For the purposes of this Agreement :

“(a) A Customs union shall be understood to mean the substitution of a single Customs territory for two or more Customs territories, so that

“(i) Duties and other restrictive regulations of commerce (except, where necessary, those permitted under Articles XI, XII, XIII, XIV, XV, and XX) are eliminated with respect to substantially all the trade between the constituent territories of the union or at least with respect to substantially all the trade in products originating in such territories, and,

“(ii) Subject to the provisions of paragraph 9, substantially the same duties and other regulations of commerce are applied by each of the members of the union to the trade of territories not included in the union ;

“(b) A free-trade area shall be understood to mean a group of two or more Customs territories in which the duties and other restrictive regulations of commerce (except, where necessary, those permitted under Articles XI, XII, XIII, XIV, XV, and XX) are eliminated on substantially all the trade between the constituent territories in products originating in such territories.

“ 9. The preferences referred to in paragraph 2 of Article I shall not be affected by the formation of a Customs union or of a free-trade area, but may be eliminated or adjusted by means of negotiations with contracting parties affected. This procedure of negotiations with affected contracting parties shall, in particular, apply to the elimination of preferences required to conform with the provisions of paragraph 8 (a) (i) and paragraph 8 (b).

“ 10. The CONTRACTING PARTIES may by a two-thirds majority approve proposals which do not fully comply with the requirements of paragraphs 5 to 9 inclusive, provided that such proposals lead to the formation of a Customs union or a free-trade area in the sense of this Article.

“ 11. Taking into account the exceptional circumstances arising out of the establishment of India and Pakistan as independent States and recognizing the fact that they have long constituted an economic unit, the contracting parties agree that the provisions

of this Agreement shall not prevent the two countries from entering into special arrangements with respect to the trade between them, pending the establishment of their mutual trade relations on a definitive basis.

“12. Each contracting party shall take such reasonable measures as may be available to it to ensure observance of the provisions of this Agreement by the regional and local Governments and authorities within its territory.”

“II. The Interpretative Notes to Article XXIV in Annex I of the General Agreement on Tariffs and Trade shall read as follows :

“AD ARTICLE XXIV

“Paragraph 5

“It is understood that the provisions of Article I would require that, when a product which has been imported into the territory of a member of a Customs union or free-trade area at a preferential rate of duty is re-exported to the territory of another member of such union or area, the latter member should collect a duty equal to the difference between the duty already paid and the most-favoured-nation rate.

“Paragraph 11

“Measures adopted by India and Pakistan in order to carry out definitive trade arrangements between them, once they have been agreed upon, might depart from particular provisions of this Agreement, but these measures would in general be consistent with the objectives of the Agreement.”

CONSIDERING that, in accordance with Article XXX of the General Agreement on Tariffs and Trade, the aforesaid amendment will become effective, in respect of those contracting parties which accept it, upon acceptance by two-thirds of the contracting parties,

AGREE to deposit before June 1, 1948, their instruments of acceptance of the aforesaid amendment with the Secretary-General of the United Nations.

The original of this Protocol shall be deposited with the Secretary-General of the United Nations, who is authorized to effect registration thereof.

IN WITNESS WHEREOF the respective representatives, duly authorized, have signed the present Protocol.

DONE at Havana, in a single copy, in the English and French languages, both texts authentic, this twenty-fourth day of March, 1948.

For the Kingdom of Belgium :

M. SUTENS.

For Canada :

L. D. WILGESS.

For the Republic of Cuba :

GUSTAVO GUTIÉRREZ.

For the French Republic :

JEAN ROYER.

For the Grand-Duchy of Luxemburg :

J. WOULBROUN.

For the Kingdom of the Netherlands :

A. B. SPEEKENBRINK.

For the United Kingdom of Great Britain and Northern Ireland :

STEPHEN L. HOLMES.

For the United States of America :

JOHN W. EVANS.

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