SEVENTH PROTOCOL OF RECTIFICATIONS AND MODIFICATIONS

Items submitted by the United States Government

The Government of the United States has submitted the attached lists of items for inclusion in the Seventh Protocol of Rectifications and Modifications which is to be drawn up at the Twelfth Session. The notes appearing hereunder are designed to facilitate checking by the contracting parties.

EXPLANATORY NOTES

1. References to Internal Revenue Code

A number of tariff concessions granted by the United States at Geneva in 1947 and at Torquay were concessions as to the import taxes provided for in the Internal Revenue Code of 1953, as amended, and in the note to item 54 (first) in Part I of Schedule XX (Geneva - 1947) there is a reference to processing taxes imposed by the Internal Revenue Code. The Internal Revenue Code was re-enacted in 1954 (67A Stat.), with numerous changes in the section numbers of the provisions relating to these import and processing taxes. The foregoing changes in Schedule XX (Geneva - 1947), Part I, items 54, 1803(1), and 2491 (a) to 3451, in Part II of the same Schedule, items 2491(a) and 3424, and change No. (1) in the final item, and in Schedule XX (Torquay - 1951), items 2491(a) to 3424(a) are rectifications to substitute the relevant current section numbers of the provisions of the Internal Revenue Code. Some re-arrangement will be necessary to put the items in numerical order after their re-numbering.

2. Paragraph reference to Article I of the General Agreement

In Schedule XX (Geneva - 1947), Part II, final item, reference is made to the rules relating to margins of preference provided for in what was originally paragraph 3 of Article I of the General Agreement. Since these rules are now in paragraph 4 of that article, change No. (2) relating to this item rectifies it to reflect this change in paragraph numbering.

3. Reference to United States Tariff Act

General Note 5 to Schedule XX (Geneva - 1947) refers to a particular method of valuation as defined in section 402 (g) of the Tariff Act of 1930. Following enactment of the Customs Simplification Act of 1956 (84th Congress, 2nd Session, Public Law 927, sec.2), the relevant definition is now in section 402(e) of the Tariff Act of 1930, as amended, and the change in General Note 5 would reflect this legislative change in the Tariff Act.
4. **Order of items with same number**

The Sixth Protocol of Rectifications and Modifications added a new item 372 and a new item 713 to Part I of Schedule XX (Geneva - 1947). In each case there were already two or more items with this number, but the Sixth Protocol added the new items at that place in the series of existing items where they seemed to fit by relationship of subject matter rather than at the end of the series of existing items with the same item number. The insertion of these new items other than at the end changes the number in the series of previously existing items which followed it, with a likelihood of confusion in the identification of such later items. Consequently, change number (1) in items 372 and the change in item 713 of Schedule XX (Geneva - 1947) provide that the items inserted by the Sixth Protocol shall be inserted at the end of the previous items with the same number.

5. **Canadian Article XXVIII Negotiations regarding potatoes**

In the course of the Article XXVIII re-negotiations initiated by Canada relating to potatoes, the United States, in agreement with Canada pursuant to paragraph 1 of Article XXVIII, modified its concessions on potatoes by reducing the size of its tariff quotas (SECRET 76/Add.1). The changes in items 771 in Part I of Schedule XX (Geneva - 1947) embody these modifications. Item 771 (second) had previously been the subject of a rectification clarifying a typographical obscurity, in the Protocol of Rectification of March 24, 1948. The proclamation by the United States giving effect to these modifications also contains a further modification of the most-favoured-nation rate relating to potatoes which is not a negotiated tariff concession but results from the application of the rules relating to margins of preference in Article I paragraph 4 of the General Agreement. The proclamation also contains a modification with respect to the preferential treatment of Cuban potatoes under certain circumstances, which is not a concession under the General Agreement but results from the exclusive trade agreement with Cuba of October 30, 1947 supplementary to the General Agreement (61 Stat. (pt.4) 3699).

6. **Compensation for Linen Toweling Escape Clause Action**

Changes numbers (2) and (3) in items 372 of Part I of Schedule XX (Geneva - 1947) and in items 907, 921, 1009(c), and 1410 of the same part of that schedule set forth the compensatory concessions granted by the United States as a result in negotiations with United Kingdom and the Benelux countries under paragraph 2 of Article XIX (L/573 Add.1) as compensation for the action taken by the United States in 1956 withdrawing the concession on linen toweling pursuant to paragraph 1(a) of that article. In each instance, the new concessions, which become effective in stages pursuant to the trade agreements legislation of the United States, are subject to two notes. The first relates to the entry into force of the stages, and is adapted from General Note 2 to Schedule XX (Geneva - 1956). The second note to these items provides for consultation and possible unilateral withdrawal.
of these additional concessions if the concession on linen toweling should subsequently be restored (with a qualification that the rate would not be higher than the prior rate under Schedule XX (Geneva - 1947)). Item 372 (thirteenth) in Part I of Schedule XX (Geneva - 1947) has previously been rectified by the Protocol of Rectifications of March 24, 1948, both through the clarifications of a typographical obscurity and through the insertion, in the subdescription which is now being further changed, of the words "(except winding, beaming, warping and slashing machinery, and combinations thereof)". Retention of the exception in this item in Schedule XX (Geneva - 1947) in no way affects the concession on the excepted machinery contained in item 372 (eighth) in Part I of Schedule XX (Geneva - 1956).
In the note to item 54(first) "section 2470" shall read: "sections 4511 and 4513".

Items 372

(1) The position of the item 372 which was inserted as a new item 372 (sixth) by the Sixth Protocol of Rectifications and Modifications shall be modified by placing that item at the end of the items 372 as item 372 (twenty-first).

(2) In the first sub-description of item 372(thirteenth) (following the above rectification of items 372), the further sub-description to which the rate of "10% ad val." is applicable shall read:

"For manufacturing or processing cotton or jute fibers (except winding, beaming, warping and slashing machinery, and combinations thereof)."

(3) The following new item shall be inserted at the end of the items 372, after the above rectifications of those items, as item 372(twenty-second):

"372 Textile machinery, finished or unfinished, not specially provided for:
Machinery for manufacturing or processing A B vegetable fibers other than cotton or jute prior to the making of fabrics or crocheted, knit, woven, or felt articles not made from fabrics (except beaming, slashing, warping, or winding machinery or combinations thereof, and except bleaching, printing, dyeing, or finishing machinery) . . . . . . . . . . . . . . . 9-1/2% 9% ad val. ad val."

"NOTE 1. Subject to the provisions of the Agreements Supplementary to the General Agreement concluded by the United States on June 27, 1957, with the United Kingdom of Belgium (on behalf of the Belgo-Luxembourg Economic Union) and the Kingdom of the Netherlands, and with the United Kingdom of Great Britain and Northern Ireland, to the pertinent provisions of the General Agreement, and to the provisions of
section 350(a)(3)(C) of the United States Tariff Act of 1930, the rates specified in this item and in items 907(first), 907(third) inserted by the Seventh Protocol of Rectifications and Modifications, 921 (second) as inserted by that Protocol, 1009(o), and 1410(sixth) as inserted by that Protocol will become effective as follows:

(a) Rates below the letter A will become initially effective on June 29, 1957, and rates below the letter B will become initially effective in each case upon the expiration of a full period of one year after the related rate below the letter A became initially effective.

(b) For the purposes of subparagraph (a) above, the phrase "full period of one year" means a period or periods aggregating one year exclusive of the time, after a rate becomes initially effective, when, by reason of legislation of the United States or action thereunder, a higher rate of duty is being applied.

"NOTE 2. In the event that the action taken by the President of the United States, by Proclamation No. 3143 of June 25, 1956, is modified or terminated so as to result in lower rates of duty for any of the products described in item 1010 in this Part with respect to which the said action of June 25, 1956 was taken, the Government of the United States will consult promptly with the Governments of the Kingdom of Belgium (on behalf of the Belgo-Luxembourg Economic Union), of the Kingdom of Netherlands, and of the United Kingdom of Great Britain and Northern Ireland regarding any appropriate measures to be taken with respect to the concessions in the items listed in the preceding note. If agreement is not reached, the Government of the United States, on 90 days' written notice to the CONTRACTING PARTIES may increase rates provided for in such items to such an extent as may be appropriate in the circumstances but in no case to a rate higher than the rate provided for the product involved in this Part on June 27, 1957. The maximum rate referred to in the preceding sentence shall, in the case of the present item, be 10% ad valorem."
GENEVA (1947) SCHEDULES

SCHEDULE XX - UNITED STATES

PART I (continued)

Items 713

The position of the item 713 which was inserted as a new item 713 (second) by the Sixth Protocol of Rectifications and Modifications shall be modified by placing that item at the end of the items 713 as item 713 (fourth).

Items 771

(1) Item 771 (first) shall read:

"771 White or Irish seed potatoes, certified by a responsible officer or agency of a foreign government in accordance with the official rules and regulations of that government to have been grown and approved especially for use as seed, in containers marked with the foreign government's official certified seed potato tags .......................... 37-1/2¢ per 100 lb.

"Provided, That not more than 1,900,000 bushels of 60 pounds each of such potatoes entered during any 12-month period beginning on September 15 in any year shall be dutiable at 37-1/2 cents per 100 pounds; and any such potatoes entered during any such 12-month period in excess of 2,500,000 bushels of 60 pounds each shall be dutiable at ....................... 75 ¢ per 100 lb."

(2) Item 771 (second) shall read:

"771 White or Irish potatoes, other than certified seed potatoes as defined in the preceding item ......................... 37-1/2¢ per 100 lb.

"Provided, That not more than 600,000 bushels of 60 pounds each of such potatoes entered during any 12-month period beginning on September 15 in any year shall be dutiable at 37-1/2 cents per 100 pounds; and any such
GENEVA (1947) SCHEDULES

SCHEDULE XX - UNITED STATES

Part I (continued)

potatoes entered during any such 12-month period in excess of 1,000,000 bushels of 60 pounds each shall be dutiable at ......................... 75¢ per 100 lb.

"Provided further, That if for any calendar year the production of white or Irish potatoes, including seed potatoes, in the United States, according to the estimate made as of September 1 by the United States Department of Agriculture, is less than 350,000,000 bushels of 60 pounds each, an additional quantity of such potatoes, other than certified seed potatoes, equal to the amount by which such estimated production is less than 350,000,000 bushels shall be added to each of the quantities specified in the preceding proviso in this item for the purpose of determining the application of the rates provided for in this item during the 12-month period beginning on September 15 of that calendar year; and

"Provided further, That in computing the quantity of imports specified in the foregoing provisos to this item white or Irish potatoes produced in the Republic of Cuba shall not be included."

Items 907

(1) The rate in item 907(first) shall read:

"A
19% ad val.

B
18% ad val."
(2) The following note shall be inserted at the end of item 907(first):

"NOTE. See the notes to item 372 (twenty-second) in this Part, inserted by the Seventh Protocol of Rectifications and Modifications. The maximum rate referred to in the second sentence of the second such note shall, in the case of this item, be 20% ad valorem."

(3) In the description in item 907(second), the words "whether or not in part of India rubber" shall read: "in part of India rubber".

(4) The following new item shall be inserted at the end of the items 907 as item 907(Third):

"907 Waterproof cloth, wholly or in chief value of cotton or other vegetable fiber, but not in part of India rubber ......................... 12% ad val. 11% ad val.

"NOTE. See the notes to item 372(twenty-second) in this Part, inserted by the Seventh Protocol of Rectifications and Modifications. The maximum rate referred to in the second sentence of the second such note shall, in the case of this item, be 12-1/2% ad valorem."

Items 921

(1) The second subdescription in item 921 and the rate applicable thereto shall be deleted.

(2) The following new item shall be inserted immediately following item 721, as item 921(second)

"921 All other floor coverings, including carpets, carpeting, mats, and rugs, wholly or in chief value of cotton:

Imitation oriental rugs ......................... 9-1/2% 9% ad val.

"NOTE. See the notes to item 372(twenty-second) in this Part, inserted by the Seventh Protocol of Rectifications and Modifications. The maximum rate referred to in the second sentence of the second such note shall, in the case of this item, be 10% ad valorem."
GEENEVA (1947) SCHEDULES

SCHEDULE XX - UNITED STATES

Part I (continued)

Item 1009(c)

(1) The rate shall read: "A 14% ad val.  B 13-1/2% ad vaL."

(2) The following note shall be inserted at the end of the item:

"NOTE. See the notes to item 372(twenty-second) in this Part, inserted by the Seventh Protocol of Rectifications and Modifications. The maximum rate referred to in the second sentence of the second such note shall, in the case of this item, be 15% ad valorem."

Items 1410

(1) In the second subdescription in item 1410(first), the further subdescription to which the rate of "10% ad val." is applicable shall read:

"Pamphlets and music in books or sheets".

(2) The following new item shall be inserted at the end of the items 1410, as item 1410(sixth):

"1410 Unbound books of all kinds, bound books of all kinds except those bound wholly or in part in leather, sheets or printed pages of books bound wholly or in part in leather, all the foregoing not specially provided for, if other than of bona fide foreign authorship (not including diaries, music in books, pamphlets, prayer books, sheets or printed pages of prayer books bound wholly or in part in leather, or tourist literature containing geographic, historical, hotel, time-table, travel, or similar information, chiefly with respect to places or travel facilities outside the continental United States). .......... .......... .......... .......... A 9-1/2% B 9% ad val. ad val."

"NOTE. See the notes to item 372(twenty-second) in this Part, inserted by the Seventh Protocol of Rectifications and Modifications. The maximum rate referred to in the second sentence of the second such note shall, in the case of this item, be 10% ad valorem."
Item 1803 (1)

In the note, the number "3424" shall read "4551(1)".

Items 2491(a) through 3451

(1) The numbers of these items shall be as follows, and the sequence of the items shall be modified to the extent necessary to place them in appropriate numerical order following such rectification of the numbers:

<table>
<thead>
<tr>
<th>Present numbers</th>
<th>Rectified numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items 2491 (a)</td>
<td>&quot;4561 and 4562&quot;</td>
</tr>
<tr>
<td>Items 2491 (b)</td>
<td>&quot;4571(1)&quot;</td>
</tr>
<tr>
<td>Item 2491(d)(first)</td>
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</tr>
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<td>Item 2491(d)(second)</td>
<td>&quot;4571(3)&quot;</td>
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<td>Item 2491(d)(third)</td>
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<td>Item 2491(d)(fourth)</td>
<td>&quot;4571(5)&quot;</td>
</tr>
<tr>
<td>Items 3422(first) and (second)</td>
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</tr>
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</tr>
<tr>
<td>Item 3425(first)</td>
<td>&quot;4541(1)&quot;</td>
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<td>&quot;4541(3)&quot;</td>
</tr>
<tr>
<td>Item 3451</td>
<td>&quot;4222&quot;</td>
</tr>
</tbody>
</table>

(2) In item 4322(first) (prior to the above rectification of its number), (1) the phrase "in any item 3422" at the end of the description shall read "in the following item 4521(1) or in item 4521(2), 4521(3), or 4521(4)"; and (ii) the number "3422" in the proviso shall read "4521(1)".

(3) In item 3424 (prior to the above rectification of its number), the number "3424", in the second proviso, shall read "4551(1)".

(4) In the rate column in item 3451 (prior to the above rectification of its number), (1) the phrase "sections 3420 and 3422" shall read "section 4521", and (ii) the number "3451" shall read "4222".
Item 2491(a)

The number of this item shall be "4561 and 4562".

Item 3424

The number of this item shall be "4551(1)", and the item shall be placed immediately before the present item 2491(a) after the above rectification of its number.

Item Tariff Act of 1930, Title I. and Internal Revenue Code, Sections 2490 and 3420

(1) In the title of this item, the phrase "sections 2490 and 3420" shall read "Chapter 38".

(2) In the rate column, the number "3" shall read "4".

General Notes

General Note 5

The number "402(g)" shall read "402(e)".
TORQUAY SCHEDULES

SCHEDULE XX - UNITED STATES

Part I - Most-Favoured-Nation Tariff

Items 2491(a) to 3424(a)

(1) The numbers of these items shall be as follows, and the sequence of the items shall be modified to the extent necessary to place them in appropriate numerical order following such rectification of the numbers:

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<td>&quot;4571(4)&quot;</td>
</tr>
<tr>
<td>Item 3424(a)</td>
<td>&quot;4551(1)&quot;</td>
</tr>
</tbody>
</table>

(2) In item 2491(a)(fourth)(prior to the above rectification of its number), the phrase "section 2491(a)" in the description shall read "sections 4561 and 4562".

(3) In item 2491(b)(second)(prior to the above rectification of its number), the number "2491(b)" in the description shall read "4571(1)".