1. The Working Party considered the requests for rectifications submitted by contracting parties and, there being no objections to the lists submitted by Benelux (Schedule II), India (Schedule XII), Southern Rhodesia (Schedule XVI), Denmark (Schedule XXII), Sweden (Schedule XXX), and Germany (Schedule XXXII), it agreed to their incorporation in a Third Protocol of Rectifications and Modifications to be open for signature at the end of the present Session.

2. It was also agreed that the modification in the Note to Item 253B in Schedule IX (Cuba) should be incorporated in that Protocol. This modification resulted from a negotiation under Article XXVIII which had not been concluded in Torquay, but which the CONTRACTING PARTIES had, by a Resolution of 3 April 1951, authorized the Government of Cuba to continue to completion.

3. Passing to point 3 of its terms of reference, the Working Party addressed itself to the request of the Government of Czechoslovakia for the adjustment of the rates of duty in Schedule X.

In his comments to document L/100 of 27 July 1953, the Executive Secretary had drawn the attention of the contracting parties to the provisions of paragraph 3 of Article II, which require that no contracting party shall alter its methods of converting currencies so as to impair the value of the concessions provided for in its Schedule to the Agreement. The Working Party considered the question of the adjustments of the Czechoslovak specific duties from the angle of the provisions of paragraph 3 of Article II; it noted that no contracting party offered any objection on the basis of those provisions to the alterations made by the Czechoslovak Government.

In view of the fact that these changes do not modify the legal position which is defined in the first sentence of Article II:6(a), the Working Party felt that it would be sufficient for practical purposes for the CONTRACTING PARTIES to take note of the adjustments made in those duties by adopting the following text:

The CONTRACTING PARTIES

TAKE NOTE that the Czechoslovak Government, on 1 June 1953, has altered the gold equivalent of the Czechoslovak crown from 0.017773 grams of fine gold to 0.123426 grams of fine gold and has adjusted the specific duties laid down in Schedule X to the General Agreement to take account of that change, as indicated in the annexed list.
4. The Working Party addressed itself, in accordance with the fourth point of its terms of reference, to the Greek request for the readjustment of the specific rates of duty in Schedule XXV.

5. The Working Party examined in detail the problems arising out of the fact that the Note at the end of Schedule XXV, which was intended to allow for automatic changes in the incidence of Greek specific duties in conformity with variations in the value of the gold sovereign, had proved after the Greek devaluation of 9 April 1953 incapable of providing a satisfactory adjustment. It was therefore felt by the Working Party that in making any further readjustment of specific duties beyond that allowed by the Note, the principles of Article II:6(a) should be applied. The Working Party ascertained that the devaluation of the drachma by 50 per cent on the above date was made with the concurrence of the International Monetary Fund. The Working Party accordingly drafted the Decision attached hereto, which is submitted to the CONTRACTING PARTIES for their adoption. This Decision would cover the adjustment already notified to the CONTRACTING PARTIES and would also provide for the other increases on items which have been notified by the Greek Government in document L/113/Add.2 on 20 October 1953 - insofar as such increases would not result in duties more than 100 per cent in excess of the duty payable before the devaluation.

6. In view of the changes in the circumstances which prevailed at the time of the Annecy negotiations, the Working Party recommends that the first four paragraphs of the Note to Schedule XXV be deleted and be replaced by the following text:

1. The specific duties on products included in this Schedule are in terms of metallic drachmae. Such duties shall be paid in paper drachmae and shall not exceed the sum of:

(a) the product of multiplication of:

(i) the metallic drachma rate specified in the column immediately to the right of that describing the item,

(ii) the corresponding enumerated coefficient of currency conversion, and

(iii) an additional coefficient which shall not exceed 300, and

(b) the existing 75 per cent surtax calculated on total basic duty determined under (a) above.

2. If the rate of exchange of the drachma, as recognized by the International Monetary Fund is reduced by more than 20 per cent, consistently with the Articles of Agreement of the International Monetary Fund, the additional coefficient, or the metallic drachma rates referred to above, may be adjusted to reflect that reduction, subject to the conditions laid down in the proviso of Article II:6(a).
This text will be incorporated in the Third Protocol of Rectifications and Modifications.

7. The Working Party also concerned itself with the proposal of the Greek Government to introduce a minimum ad valorem rate for certain specific rates and came to the conclusion that such changes could not be considered rectifications to be dealt with by the Working Party. It decided therefore to refer the question to the CONTRACTING PARTIES so that such changes could form the object of negotiations with the parties having an interest in those items. After the conclusion of the negotiations, the changes agreed upon could be embodied in a protocol of rectifications and modifications.

8. **Publication of Corrigenda to the Consolidated Schedules**

   It was decided that the publication of new pages to bring the Consolidated Schedules up to date would be undertaken by the secretariat as soon as possible.

   The Working Party recommends that all contracting parties send at the earliest opportunity lists of all the changes which have occurred in the Consolidated Schedules since their publication. It would also be useful if those countries which have previously sent lists of modifications to the Consolidated Schedules would confirm that their communications contain all the changes up to date.

9. The Working Party also agreed that it would be useful if the list of temporary withdrawals and withholdings of items which appear in the Schedules, and which has been prepared by the secretariat, could be published as soon as possible.
ANNEXURE

PROPOSED DRAFT DECISION ON THE ADJUSTMENT
OF SPECIFIC DUTIES IN SCHEDULE XXV

CONSIDERING that the Government of Greece, with the concurrence of the
International Monetary Fund, on 9 April 1953 devalued the drachma by 50 per cent;

CONSIDERING that the Government of Greece has, pursuant to paragraph 2 of
the Note to Schedule XXV in Annex B to the Annecy Protocol of Terms of Accession,
increased the additional coefficient provided for therein to 300, which was the
maximum adjustment provided for by such Note by reason of the above devaluation;

CONSIDERING that, in order to give effect more fully to the principles of
paragraph 6(a) of Article II, the Government of Greece is desirous of being in a
position to adjust further the duty payable in paper drachmae, in the case of any
product for which a specific duty is specified in Schedule XXV, by increasing
such specific duty by an amount which will not result in a duty payable in paper
drachmae more than 100 per cent in excess of the duty so payable pursuant to such
schedule immediately preceding the devaluation;

THE CONTRACTING PARTIES, citing their authority under Articles II and XXV:

1. CONCUR that the increases in specific duties included in Schedule XXV
specified in the list annexed to this Decision do not impair the value of the
concessions provided for in those Schedules;

2. DECIDE that the Government of Greece may give effect to such increases,
and to such similar increase in any of the specific duties specified in Schedule
XXV as has been notified by the Government of Greece on 20 October 1953, insofar
as such increase will not result in a duty payable in paper drachmae in respect of
any product more than 100 per cent in excess of the duty so payable, pursuant to
such Schedule, immediately preceding the devaluation; provided that, within thirty
days after the notification referred to above, no contracting party has claimed
that any such increase would impair the value of the concession provided for in the
appropriate Schedule. If any such claim is maintained the question whether a
proposed increase would impair the value of a concession shall be decided by the
CONTRACTING PARTIES as though they were acting pursuant to paragraph 6(a) of
Article II.
ANNEX

List of items contained in Schedule XXV - Greece for which the specific rates of duty have been adjusted by the Greek Government

NOTE

1. The specific duties on products included in this Schedule are in terms of metallic drachmae. Such duties shall be paid in paper drachmae and shall not exceed the sum of:

(a) the product of multiplication of:

(i) the metallic drachma rate specified in the column immediately to the right of that describing the item,

(ii) the corresponding enumerated coefficient of currency conversion, and

(iii) an additional coefficient which shall not exceed 300, and

(b) the existing 75 per cent surtax calculated on total basic duty determined under (a) above.