

GATT/AIR/133

SUBJECT: UNITED STATES REQUEST FOR AUTHORITY TO RENEGOTIATE
CONCESSIONS IN SCHEDULE XX

12 JUL 1958

1. WITH REFERENCE TO THE REQUEST THAT THE UNITED STATES GOVERNMENT BE AUTHORIZED UNDER ARTICLE XXVIII(4) TO RENEGOTIATE AN ITEM IN SCHEDULE XX, AND TO GATT/AIR/132 CALLING A MEETING OF THE INTERSESSIONAL COMMITTEE AT 10 A.M. ON 9 JULY TO CONSIDER THE PROBLEM, THE UNITED STATES GOVERNMENT HAS SENT ME THE FOLLOWING COMMUNICATION:

"I AM NOW INSTRUCTED TO CALL YOUR ATTENTION TO THE FACT THAT IT IS UNLIKELY THAT THE UNITED STATES WILL BE ABLE TO COMPLETE THE NECESSARY PREPARATIONS AND RENEGOTIATIONS PRIOR TO 1 SEPTEMBER 1958. PUBLIC LAW 85-454 (H.R. 9291), AS YOU KNOW, PROVIDES THAT THE CHANGE IN TARIFF TREATMENT ON THE RUBBER-SOLED FOOTWEAR IN QUESTION SHALL ENTER INTO FORCE AS SOON AS PRACTICABLE FOLLOWING SUCH NEGOTIATIONS AS MAY BE NECESSARY TO EFFECT A MODIFICATION OR TERMINATION OF ANY INTERNATIONAL OBLIGATIONS OF THE UNITED STATES WITH WHICH THE CHANGE IN TARIFF TREATMENT MIGHT CONFLICT, BUT IN NO EVENT LATER THAN 1 SEPTEMBER 1958. BECAUSE OF THE NATURE OF THE NEGOTIATIONS, HOWEVER, IT DOES NOT SEEM POSSIBLE FOR THE UNITED STATES TO COMPLETE THEM BY SAID DATE, IF COMPENSATION SHOULD BE SHOWN TO BE JUSTIFIED. MOREOVER, AN ADDITIONAL COMPLICATION DERIVES FROM THE FACT THAT THE TRADE WHICH WOULD BE AFFECTED BY THE PROVISIONS OF THIS LEGISLATION IS A COMPLEX AND APPARENTLY INDETERMINATE FACTOR AT THE PRESENT TIME, AND ITS CLARIFICATION MAY REQUIRE SOME FURTHER DELAY. THE AFFECTED SHOES ARE BELIEVED TO BE ENTERING UNDER SEVERAL TARIFF CLASSIFICATIONS BUT IT IS NOT POSSIBLE TO DETERMINE THE AMOUNTS FROM THE STATISTICS NOW AVAILABLE. ACCORDING TO OFFICIALS OF THE BUREAU OF CUSTOMS, SOME SHIPMENTS OF THE AFFECTED SHOES HAVE PRESENTED DIFFICULT CUSTOMS CLASSIFICATION PROBLEMS AND, AS A CONSEQUENCE, SOME ENTRIES MADE MANY MONTHS AGO HAVE NOT YET BEEN LIQUIDATED. AS SOON AS THESE ENTRIES ARE LIQUIDATED, IT WILL BE POSSIBLE TO HAVE AN ADEQUATE STATISTICAL PICTURE OF THE SITUATION, WHICH HOWEVER MAY SHOW SIGNIFICANT CHANGES IN THE AVAILABLE STATISTICS.

"FOR THESE REASONS, A WAIVER WILL BE NEEDED IN ORDER THAT THE UNITED STATES NOT BE IN VIOLATION OF ITS OBLIGATIONS UNDER THE AGREEMENT AFTER 31 AUGUST 1958. THE END OF THE FORTHCOMING THIRTEENTH SESSION OF THE CONTRACTING PARTIES TO THE GATT WOULD SEEM TO BE A REASONABLE TERMINATION DATE FOR SUCH A WAIVER."

"IN VIEW OF THE CIRCUMSTANCES, I AM INSTRUCTED TO REQUEST THAT THE INTERSESSIONAL COMMITTEE, IN ADDITION TO FINDING THE EXCEPTIONAL CIRCUMSTANCES MENTIONED IN MY COMMUNICATION OF 12 JUNE, RECOMMEND THAT THE CONTRACTING PARTIES GRANT A WAIVER UNDER ARTICLE XXV(5) FOR THE PERIOD ENDING AT THE CLOSE OF THE THIRTEENTH SESSION, TO PERMIT THE UNITED STATES GOVERNMENT TO INCREASE THE IMPORT DUTIES ON THE ITEMS IN QUESTION IN ACCORDANCE WITH PL 85-454 AND BEFORE THE ANTICIPATED COMPLETION OF THE NEGOTIATIONS WITH THE INTERESTED CONTRACTING PARTIES. IT IS SUGGESTED THAT THE WAIVER COULD BE SECURED BY POSTAL BALLOT, TO BE COMPLETED PRIOR TO 1 SEPTEMBER 1958."

E. WYNDHAM WHITE