

AIRGRAM

TÉLÉGRAMME PAR AVION

GATT/AIR/35 (SECRET)

20 APRIL 1953

SUBJECT: SCHEDULE XX - UNITED STATES
CONSULTATION UNDER ARTICLE XIX CONCERNING ITEM 1210

THE FOLLOWING COMMUNICATION WAS RECEIVED FROM THE UNITED STATES GOVERNMENT ON 20 APRIL 1953 FOR TRANSMISSION TO THE CONTRACTING PARTIES.

ATTENTION IS DRAWN TO THE REQUEST THAT THIS COMMUNICATION BE TREATED AS STRICTLY CONFIDENTIAL.

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COMMUNICATION OF THE UNITED STATES GOVERNMENT

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1. THE TARIFF COMMISSION SUBMITTED TO THE PRESIDENT ON 13 APRIL, A UNANIMOUS REPORT RECOMMENDING, PURSUANT TO AN ESCAPE-CLAUSE INVESTIGATION, AN INCREASE TO 65 PER CENT AD VALOREM IN DUTY ON SCREEN-PRINTED SCARVES, MANUFACTURED WHOLLY OR IN PART, WHOLLY OR IN CHIEF VALUE OF SILK, TARIFF PARAGRAPH 1210, NOW DUTIABLE AT 32½ PER CENT AD VALOREM. SCREEN-PRINTED SILK SCARVES ARE NOT SEPARATELY CLASSIFIED IN IMPORT STATISTICS BUT ARE INCLUDED ALONG WITH OTHER CLOTHING AND ARTICLES OF WEARING APPAREL, MANUFACTURED WHOLLY OR IN PART, WHOLLY OR IN CHIEF VALUE OF SILK, AND NOT SPECIALLY PROVIDED FOR, WHICH WOULD REMAIN DUTIABLE AT 32½ PER CENT. IMPORTS OF THESE PRODUCTS (STATISTICAL CLASS 3740.400) FROM ITALY INCLUDED SCARVES TO A CONSIDERABLE EXTENT, THOSE FROM FRANCE AND THE UNITED KINGDOM TO A LARGE EXTENT; A SUBSTANTIAL PART OF THESE SCARF IMPORTS WERE SCREEN-PRINTED SILK. PRACTICALLY ALL THE IMPORTS OF THIS CLASS FROM JAPAN WERE SILK SCARVES AND THE BULK WERE SCREEN-PRINTED. SUPPLIERS OF ALL MANUFACTURED WEARING APPAREL OF SILK NSPF, INCLUDING SCARVES, AND IMPORTS (IN THOUSAND DOLLARS) FOR 1952 (PRELIMINARY) ARE: JAPAN, 8382; ITALY, 520; FRANCE, 213; UK, 117; ALL OTHER, 66.

2. NO DECISION HAS YET BEEN REACHED AS TO WHETHER THE PRESIDENT WILL TAKE THE ACTION RECOMMENDED ON SCREEN-PRINTED SILK SCARVES.

3. IN ACCORDANCE WITH PARA. 2, ARTICLE XIX, THE UNITED STATE'S GOVERNMENT IS PREPARED TO CONSULT WITH THE CONTRACTING PARTIES JOINTLY AND WITH INDIVIDUAL CONTRACTING PARTIES HAVING A SUBSTANTIAL INTEREST IN EXPORTING SUCH SCARVES TO THE UNITED STATES. THE EXECUTIVE MAY OR MAY NOT TAKE

ADVANTAGE OF THE FULL 60-DAY PERIOD ALLOWED UNDER THE TRADE AGREEMENTS EXTENSION ACT. IN ANY CASE, THE UNITED STATES IS PREPARED TO COMPLETE ANY CONSULTATION EVEN IF THE ACTION IS TAKEN IN THE MEANTIME.

4. THE FOREGOING INFORMATION IS STRICTLY CONFIDENTIAL. ANY PUBLIC DISCLOSURE MAY NECESSITATE THE IMPLEMENTATION OF THE RECOMMENDATION IN PARAGRAPH 1 ABOVE.

5. THE FOLLOWING CONTRACTING PARTIES ARE SHOWN AS NEGLIGIBLE SUPPLIERS IN 1949-1951 OF THE COMMODITIES UNDER THE ABOVE TARIFF PARAGRAPH AMONG WHICH SCREEN-PRINTED SILK SCARVES MAY BE INCLUDED: CANADA, SWEDEN, BELGIUM, NETHERLANDS, GERMANY, AUSTRIA, INDIA.

6. THE CONCESSION PROPOSED TO BE MODIFIED WAS ORIGINALLY NEGOTIATED AT GENEVA TO 35 PER CENT AND LATER AT TORQUAY TO 32½ PER CENT, BOTH INITIALLY WITH FRANCE. THE 1930 TARIFF RATE WAS 65 PER CENT.

7. JAPAN HAS BEEN THE PRINCIPAL SUPPLIER SINCE 1950. AFTER THE WAR IMPORTS FROM JAPAN ROSE FROM BELOW \$500 IN 1947 TO \$3.4 MILLION 1950; \$5.9 MILLION 1951; AND \$8.4 MILLION (PRELIMINARY) 1952. THE COMBINED IMPORTS FROM ITALY, FRANCE, AND THE UNITED KINGDOM ARE LESS THAN 10 PER CENT OF THE TOTAL IMPORTS BY VALUE IN 1952.

8. THE SALES OF 15 COMPANIES OF DOMESTICALLY - PRODUCED SCREEN-PRINTED SILK SCARVES WERE (IN MILLION DOLLARS): 9.2 IN 1949; 5.9 IN 1950; 3.5 IN 1951; AND 1.4 (PRELIMINARY) IN 1952.

9. OF THE TOTAL SUPPLY OF SCREEN-PRINTED SILK SCARVES SOLD BY THESE 15 COMPANIES, THE IMPORTED PRODUCT ACCOUNTED FOR 16 PER CENT IN 1949, 56 PER CENT IN 1950, 75 PER CENT IN 1951, AND 88 PER CENT (PRELIMINARY) IN 1952.

10. EMPLOYMENT IN 20 COMPANIES IN SCREEN-PRINTED SILK SCARF MANUFACTURE DECREASED FROM 652 IN 1949 TO 586 IN 1950, 334 IN 1951, 220 IN 1952.

E. WYNDHAM WHITE.