

# AIRGRAM

# TÉLÉGRAMME PAR AVION

No. \_\_\_\_\_

GATT/AIR/46 (SECRET)

18 MAY 1954

SUBJECT: SCHEDULE XX - UNITED STATES  
CONSULTATION UNDER ARTICLE XLX CONCERNING ITEM 717(b)

THE FOLLOWING COMMUNICATION WAS RECEIVED FROM THE UNITED STATES GOVERNMENT ON 18 MAY 1954 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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"IN AN ESCAPE CLAUSE REPORT SUBMITTED TO THE PRESIDENT ON 7 MAY, THE TARIFF COMMISSION FOUND THAT AS A RESULT IN PART OF CUSTOMS TREATMENT REFLECTING THE CONCESSION GRANTED UNDER THE GATT WITH RESPECT TO GROUND FISH FILLETS PROVIDED FOR IN PARAGRAPH 717(b) OF THE TARIFF ACT OF 1930 AND DESCRIBED AS ITEM 717(b) IN PART I OF GATT SCHEDULE XX, THESE PRODUCTS ARE BEING IMPORTED IN SUCH QUANTITIES AS TO CAUSE SERIOUS INJURY TO THE DOMESTIC INDUSTRY.

"IN ORDER TO REMEDY SUCH INJURY, THE COMMISSION RECOMMENDS (a) THAT THE PRESENT GATT RATE OF 1 AND 7/8THS CENTS PER POUND APPLYING TO IMPORTS WITHIN THE EXISTING TARIFF QUOTA BE INCREASED TO 2 AND 1/2 CENTS; (b) THAT THE TOTAL IMPORTS BE LIMITED EACH CALENDAR YEAR TO A QUANTITY REPRESENTING THE EQUIVALENT OF 37% OF THE AVERAGE AGGREGATE ANNUAL CONSUMPTION DURING THE FIVE PRECEDING CALENDAR YEARS; AND (c) THAT THE QUOTA BE ALLOCATED AMONG THE SUPPLYING FOREIGN COUNTRIES ON THE BASIS OF THE AVERAGE QUANTITIES SUPPLIED BY SUCH COUNTRIES DURING THE BASE YEARS 1949-53 INCLUSIVE. ON THIS BASIS, CANADA WOULD BE GRANTED 66.5% OF THE QUOTA, ICELAND 25.5%, NORWAY 4.9% AND ALL OTHERS COLLECTIVELY 3.1%. IF THE MODIFICATION OF THE CONCESSION BECOMES EFFECTIVE AFTER THE BEGINNING OF THE CALENDAR YEAR, THE QUOTA WOULD BE REDUCED BY 1/12 FOR EACH FULL MONTH THAT HAS EXPIRED.

"THE TOTAL IMPORTS OF GROUND FISH FILLETS FROM ALL COUNTRIES (IN MILLIONS OF POUNDS) FOR THE YEARS 1949-53 INCLUSIVE WERE AS FOLLOWS: 47, 65, 88, 107 AND 90. DOMESTIC CONSUMPTION DURING THE SAME PERIOD WAS 194, 194, 238, 224, 216. IN 1939 CONSUMPTION WAS 106 MILLION POUNDS AND IMPORTS WERE 9 MILLION POUNDS.