

SECRET

AIRGRAM

TÉLÉGRAMME PAR AVION

No. 65

GATT/AIR/50 (SECRET)

26 July 1954

SUBJECT: SCHEDULE XX - UNITED STATES
REQUEST FOR AUTHORITY TO RENEGOTIATE ITEM NO. 1530(e)
IN SCHEDULE XX, PART I

THE FOLLOWING REQUEST FOR AUTHORITY TO RENEGOTIATE THE ABOVE ITEM, DATED 22 JULY 1954, HAS BEEN SUBMITTED BY THE UNITED STATES GOVERNMENT.

"OWING TO THE EXCEPTIONAL CIRCUMSTANCES WHICH ARE OUTLINED BELOW, THE UNITED STATES REQUESTS FROM THE CONTRACTING PARTIES AUTHORITY TO ENTER INTO NEGOTIATIONS FOR THE PURPOSE OF MODIFYING ITS RATE OF DUTY ON THE FOLLOWING ITEM WHICH APPEARS IN SCHEDULE XX, GENEVA: TARIFF PARAGRAPH 1530 (e). DESCRIPTION OF PRODUCT: FOOTWEAR (INCLUDING ATHLETIC OR SPORTING BOOTS AND SHOES), THE UPPERS OF WHICH ARE WHOLLY OR IN CHIEF VALUE OF ANIMAL HAIR, COTTON, FIBER, RAMIE, RAYON OR OTHER SYNTHETIC TEXTILE, SILK, WOOL, OR SUBSTITUTES FOR ANY OF THE FOREGOING, WHETHER OR NOT THE SOLES ARE OF LEATHER, WOOD, OR OTHER MATERIAL: WITH SOLES WHOLLY OR IN CHIEF VALUE OF LEATHER. RATE OF DUTY TWENTY PER CENT.

"THE PURPOSE OF SEEKING MODIFICATION OF THIS CONCESSION IS TO MAKE ALL SHOES WITH FABRIC UPPERS AND RUBBER SOLES DUTIABLE AT A SINGLE RATE, EVEN THOUGH LEATHER OR SOME OTHER MATERIAL MAY BE THE COMPONENT OF THE SOLE WHICH IS OF CHIEF VALUE IN SOME OF THE RUBBER-SOLED SHOES. FABRIC SHOES WITH RUBBER SOLES HAVE RECENTLY BEEN IMPORTED INTO THE UNITED STATES WITH A NON-FUNCTIONAL LEATHER STRIP MOLDED INTO THE CENTER OF THE SOLE. SINCE THE SOLES ARE TECHNICALLY 'IN CHIEF VALUE OF LEATHER' THESE SHOES HAVE BENEFITED BY THE CONCESSION RATE CITED ABOVE, WHICH IS LOWER THAN THAT APPLICABLE TO SHOES WITH SOLES IN CHIEF VALUE OF RUBBER. IT IS TO MAKE ALL SUCH SHOES DUTIABLE AT THE SAME RATE THAT AUTHORITY TO NEGOTIATE A MODIFICATION OF THIS CONCESSION IS REQUESTED.

"LEGISLATION HAS BEEN ADOPTED BY THE UNITED STATES RECLASSIFYING THESE SHOES EFFECTIVE NOT LATER THAN 180 DAYS AFTER JULY 8, 1954. THE UNITED STATES IS HOPEFUL OF RENEGOTIATING THIS ITEM WITH ANY SUBSTANTIALLY INTERESTED COUNTRIES BEFORE THAT TIME."

UNDER THE PROCEDURES ADOPTED BY THE CONTRACTING PARTIES AT THE EIGHTH SESSION, THE INTERSESSIONAL COMMITTEE IS REQUIRED TO GIVE ITS DECISION TO THE UNITED STATES GOVERNMENT NOT LATER THAN 25 AUGUST 1954. ACCORDINGLY, THIS REQUEST IS BEING REFERRED TO THE COMMITTEE AT THE MEETING COMMENCING ON 26 JULY AND ANY CONTRACTING PARTY WHICH IS NOT A MEMBER OF THE COMMITTEE BUT WISHES TO PARTICIPATE IN THE DISCUSSION SHOULD SO INFORM ME IMMEDIATELY.

E. WYNDHAM WHITE