

AIRGRAM

TELEGRAMME PAR AVION

GATT/AIR/84

5 JANUARY 1956

SUBJECT: SCHEDULE XX - UNITED STATES
CONSULTATION UNDER ARTICLE XIX CONCERNING ITEM 302(Q)

THE FOLLOWING COMMUNICATION HAS BEEN RECEIVED FROM THE UNITED STATES GOVERNMENT:

"THE TARIFF COMMISSION HAS FOUND INJURY IN THE LIGHTER FLINT ESCAPE CLAUSE CASE AND, ALL COMMISSIONERS CONCURRING, HAS RECOMMENDED THAT THE CONCESSION BE WITHDRAWN AND THE 1930 RATES BE RESTORED INDEFINITELY. THE RECOMMENDATION WOULD DOUBLE THE DUTY FROM THE PRESENT AGREEMENT RATE OF \$1 PER POUND PLUS 12½ PER CENT AD VALOREM ON IMPORTS COVERED BY PARAGRAPH 302(Q) OF THE TARIFF ACT TO \$2 PER POUND PLUS 25 PER CENT AD VALOREM.

"THE COMMISSIONERS CITE INCREASED IMPORTS SINCE 1951, THE SHARP DECLINE IN DOMESTIC PRODUCTION, THE INCREASED RATIO OF IMPORTS TO DOMESTIC PRODUCTION - TWO FIRMS HAVE DISCONTINUED PRODUCTION SINCE THE END OF THE WAR - AND THE DECLINE IN PRICES, PROFITS AND EMPLOYMENT IN THE DOMESTIC INDUSTRY. STATISTICAL DATA REGARDING THE DOMESTIC INDUSTRY ARE NOT PROVIDED IN THE REPORT BECAUSE THERE ARE ONLY TWO COMPANIES AND SUCH DATA WOULD DISCLOSE CONFIDENTIAL INFORMATION. THESE DATA HAVE BEEN SUBMITTED TO THE PRESIDENT. 1954 IMPORTS: TOTAL, \$21,571; FROM WESTERN GERMANY, \$20,412; FROM AUSTRIA, \$1,159. IMPORTS FOR THE FIRST NINE MONTHS OF 1955 INDICATE A TOTAL RATE OF ABOUT THE SAME AS 1954. PRACTICALLY THE ONLY POSTWAR IMPORTS FROM THE UNITED KINGDOM WERE IN 1952 (VALUED AT \$8,300). PRACTICALLY THE ONLY POSTWAR IMPORTS FROM CANADA WERE IN 1953 (VALUED AT \$1,900) AND IN 1948 (VALUED AT \$1,600).

SENT BY: Executive Secretary, GATT, Tel. address: ICITO GENEVA

ENVOYE PAR: Secrétaire Exécutif, GATT, Adresse télégraphique: ICITO GENEVE

"THE COMMISSION'S REPORT IS MADE PUBLIC IN ACCORDANCE WITH THE AMENDMENT TO THE TRADE AGREEMENTS ACT. THE STATE DEPARTMENT IS DISCUSSING THE FINDINGS WITH THE BRITISH, CANADIAN, GERMAN AND AUSTRIAN EMBASSIES AND INFORMING THEM THAT THE DISCUSSION IS TO BE CONSIDERED AS THE NOTIFICATION AND INSTITUTION OF CONSULTATIONS IN ACCORDANCE WITH ARTICLE XIX OF THE GENERAL AGREEMENT."

ITEM 302(Q), NEGOTIATED AT GENEVA WITH CANADA AND THE UNITED KINGDOM READS: 302(Q) FERROCERIUM AND ALL OTHER CERIUM ALLOYS
\$1 PER POUND AND
12½ PER CENT AD VALOREM.

UNDER THE PROVISIONS OF ARTICLE XIX:2 THE UNITED STATES SHALL AFFORD "THOSE CONTRACTING PARTIES HAVING A SUBSTANTIAL INTEREST AS EXPORTERS OF THE PRODUCT CONCERNED AN OPPORTUNITY TO CONSULT WITH IT IN RESPECT OF THE PROPOSED ACTION". ACCORDINGLY, ANY CONTRACTING PARTY, BEYOND THOSE MENTIONED IN THE ABOVE COMMUNICATION AS HAVING BEEN NOTIFIED DIRECTLY BY THE UNITED STATES GOVERNMENT, WHICH CONSIDERS IT HAS A SUBSTANTIAL INTEREST IN THE PRODUCT MAY APPROACH THE UNITED STATES GOVERNMENT AND REQUEST CONSULTATIONS.

E. WYNDHAM WHITE