GENERAL AGREEMENT ON TARIFF AND TRADE
Fourth Session of the Contracting Parties

REDUCTION AGREED FOR U.S. POTATO TARIFF BASE

The Contracting Parties today agreed to grant for one year a United States request for a reduction from 350 million bushels to 335 million bushels of the figure on which tariffs on potato imports into the United States are based.

In Part I of the United States Schedule (Schedule XX) the import duty on white or Irish potatoes, other than certified seed potatoes, is bound at the reduced rate of $0.375 per hundred pounds for quantities imported during any twelve-month period beginning September 15 and not in excess of a stated tariff quota. The tariff quota is one million bushels (of 60 pounds each) plus a quantity equal to the amount by which the production in a calendar year of white or Irish potatoes (including seed potatoes) in the United States is less than 350 million bushels according to the September 1 crop estimate of the United States Department of Agriculture. The tariff rate for such potatoes imported in excess of the tariff quota is bound at $0.75.

At the time this concession was negotiated in Geneva in 1947 it was generally assumed that the United States demand for potatoes normally would not be less than 350 million bushels and that imports would be needed to supplement U.S. production of potatoes in order to meet the domestic requirements. This calculation, Mr. John Evans, United States, said, had turned out to be at least temporarily over optimistic, and domestic demand in the United States was now substantially below that figure. Under these circumstances, the United States Department of Agriculture had found it necessary to reduce domestic production goals for the current year only to an amount not in excess of 335 million bushels.

Mr. Evans pointed out that the United States Government had already discussed this situation with the Government of Canada, with whom this concession was negotiated at Geneva and had obtained their agreement. He now requested that the Contracting Parties take action under Paragraph 5 of Article XXV of the Agreement to waive the requirements of the U.S. Schedule to the extent necessary to permit the United States to change the amount referred to in the Schedule from 350 to 335 million bushels for the twelve-month period beginning on September 15, 1950.

A recent government statement in Washington indicated that under Government support, potato prices have been high enough to enable neighbouring Canada, after paying shipping costs and the 75 cent tariff, to undersell U.S. producers by from 10 to 50 cents per 100 pounds.

After the unanimous decision of the Contracting Parties had been taken, Mr. Evans thanked the representatives of the Contracting Parties - in particular the delegation of Canada - for their sympathetic consideration of this problem.