The following communication has been received from the United States delegation.

On 21 August 1971, President Nixon signed a proclamation establishing a tariff-rate quota on stainless steel flatware valued under 25 cents per piece. A copy of this document is enclosed for the information of the contracting parties.

The President's action implements and is consistent with our notification of 17 August 1970 (GATT document SECRET/195/Add.1) requesting the renegotiation of concessions relating to certain stainless steel flatware.
1. WHEREAS, pursuant to the authority vested in him by the Constitution and the statutes, including section 350(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1351; hereinafter referred to as "the Tariff Act"), on 30 October 1947 the President entered into, and by Proclamation No. 2761A of 16 December 1947 (61 Stat. 1103) proclaimed, a trade agreement with certain foreign countries designated as the General Agreement on Tariffs and Trade (61 Stat. (pt. 5) All; hereinafter referred to, as supplemented from time to time, as "the General Agreement");

2. WHEREAS the President has supplemented and modified the General Agreement and Proclamation No. 2761A by many subsequent agreements and proclamations, including;

   (a) the Torquay Protocol of 21 April 1951 to the General Agreement (3 UST (pt. 1) 615; hereinafter referred to as "the Torquay Protocol") proclaimed by Proclamation No. 2929 of 2 June 1951 (65 Stat. C12);

   (b) the Protocol of 10 March 1955 Amending the Preamble and Parts II and III of the General Agreement (8 UST (pt. 2) 1768; hereinafter referred to as "the 1955 Protocol") proclaimed by Proclamation No. 3513 of 28 December 1962 (77 Stat. 970, 979);

   (c) the Sixth Protocol of Supplementary Concessions of 23 May 1956 to the General Agreement (7 UST (pt. 2) 1086; hereinafter referred to as "the Sixth Protocol") proclaimed by Proclamation No. 3140 of 13 June 1956 (70 Stat. 033);


3. WHEREAS the General Agreement as originally concluded and several of the agreements supplementary thereto contained a schedule of United States concessions designated as Schedule XX;
4. WHEREAS item 355 in part I of Schedule XX to the Torquay Protocol provided for, and Proclamation No. 2929 proclaimed, concessions on certain knives and forks with stainless steel handles; and item 339 in part I of Schedule XX to the Sixth Protocol provided for, and Proclamation No. 3140 proclaimed, concessions on certain spoons with stainless steel handles;

5. WHEREAS Proclamation No. 3548 of 21 August 1963 (77 Stat. 1017) gave effect to the Tariff Schedules of the United States (hereinafter referred to as "the TSUS") and proclaimed, with modifications, the concession rates of duty for knives, forks and spoons with stainless steel handles in column numbered 1 of items 650.09, 650.11, 650.39, 650.41 and 650.55 of the TSUS;

6. WHEREAS part I of Schedule XX to the Geneva (1967) Protocol (19 UST (pt. 2) 1227, 1626-1628) recognized the continuation, in items 650.06, 650.10, 650.38, 650.40 and 650.54, of such prior concessions, with the modifications made by Proclamation No. 3548, in the case of knives, forks and spoons with stainless steel handles valued under 25 cents each and not over 10.2 inches in overall length (hereinafter referred to as "stainless steel flatware") and Proclamation No. 3822, without modifying the rates of duty applicable thereto, proclaimed the modification of the classification of stainless steel flatware in the TSUS to correspond with its classification in such Protocol;

7. WHEREAS Article XXVIII of the General Agreement, as amended by the 1955 Protocol and proclaimed by Proclamation No. 3513, provides that a contracting party may, on compliance with specified procedures, modify or withdraw concessions in its schedules to the General Agreement;

8. WHEREAS, pursuant to the procedures of Article XXVIII, the stainless steel flatware concessions under the General Agreement have been modified by the insertion of a note after note 5 in unit E of chapter 3 of section 6 of part I of Schedule XX to the Geneva (1967) Protocol, so as to permit the establishment of the tariff-rate quota hereinafter proclaimed;

9. WHEREAS, in accordance with such note, the average imports from sources of supply during calendar years 1968 and 1969 are to be used for the sole purpose of providing a basis for the allocation of the tariff-rate quota hereinafter proclaimed among such sources and I determine that the allocation of such tariff-rate quota on such basis shall be as hereinafter proclaimed;

10. WHEREAS, subject to certain limitations, section 350(a)(1)(B) of the Tariff Act and section 201(a)(2) of the Trade Expansion Act of 1962 authorize the President to proclaim such modifications of duties as are required or appropriate to carry out trade agreements entered into under sections 350(a) and 201(a) of such Acts, respectively, and I determine that the modifications of duties hereinafter proclaimed are appropriate to carry out Article XXVIII of the General Agreement;

11. WHEREAS section 350(a)(6) of the Tariff Act and section 255(b) of the Trade Expansion Act of 1962 authorize the President at any time to terminate, in whole or in part, any proclamations made under sections 350(a) and 201(a) of such
Acts, respectively, and I determine it is appropriate to terminate in part certain of such proclamations with respect to certain articles for such time as the tariff-rate quota hereinafter proclaimed remains in effect;

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes, including section 350(a)(1)(E) of the Tariff Act of 1930, as amended, and section 201(a)(2) of the Trade Expansion Act of 1962 and, as separate and additional authority, section 350(a)(6) and section 255(b) of such Acts, respectively, and in accordance with Article XXVIII of the General Agreement, do proclaim as follows:

1. I hereby establish a tariff-rate quota with respect to stainless steel flatware so that the rates of duty provided in column numbered 1 of the TSUS shall be the same as the rates of duty now provided in column numbered 2 thereof with respect to any such flatware entered in excess of such quota. To that end the new sub-part D set out in the annex to this proclamation shall be inserted after sub-part C of part 2 of the Appendix to the TSUS.

2. I hereby modify the duties proclaimed by the proclamations referred to in recitals 4 and 5 above to the extent necessary to give effect to the tariff-rate quota established hereby, for such time as such quota remains in effect; and I hereby terminate in part such proclamations to such extent and for such time.

3. The tariff-rate quota established hereby shall be effective as to articles entered, or withdrawn from warehouse, for consumption on and after the first day of October 1971.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-first day of August, in the year of our Lord one thousand nine hundred and seventy-one, and of the Independence of the United States of America the one hundred and ninety-sixth.

(signed)  
Richard Nixon

The White House,  
Washington, D.C.
ANNEX

Sub-Part D.–Other Temporary Modifications

Sub-part D headnotes:

1. This sub-part contains temporary modifications of the provisions of the tariff schedules (other than modifications for balance-of-payments purposes) proclaimed by the President pursuant to his authority to modify duties as required or appropriate to carry out trade agreements (section 350(a)(1)(B) of the Tariff Act of 1930, as amended, and section 201(a)(2) of the Trade Expansion Act of 1962) and/or pursuant to his authority to terminate proclamations in part (section 350(a)(6) and section 255(b) of such acts, respectively). The rates of duty provided for in this sub-part apply only with respect to articles entered during the period specified in the last column.

2. Stainless steel flatware tariff-rate quota

(a) The tariff-rate quota with respect to knives, forks and spoons with stainless steel handles, valued under 25 cents each and not over 10.2 inches in overall length, provided for in items 949.00 through 949.08, was established by the President pursuant to section 350(a)(1)(B) and (a)(6) of the Tariff Act of 1930, as amended, and sections 201(a)(2) and 255(b) of the Trade Expansion Act of 1962.

(b) The tariff-rate quota:

(i) shall be allocated among sources of supply and administered on a calendar quarter basis;

(ii) may be increased for each calendar quarter in any calendar year commencing with the calendar year 1972, by an increase in the quarterly allocations over the allocations for the last quarter of the immediately preceding calendar year by the percentage (not in excess of 6 per cent) which the President determines is the percentage increase in United States consumption of knives, forks and spoons with stainless steel handles during such preceding calendar year over the next preceding calendar year, unless economic conditions in the United States industry producing such articles indicate that a smaller growth rate or no growth rate is warranted; notice of any such increase shall be given by the President to the Secretary of the Treasury and published in the Federal Register; any such increase shall take effect on the first day of the calendar quarter next succeeding the date of such publication and shall remain in effect until further increased under this sub-paragraph;

(iii) shall be administered so that if any quantity of a product of a particular source of supply which is permitted to be entered within the tariff-rate quota during any calendar quarter is not entered, the difference between the allocation to such source for such quarter and
the quantity which was entered and charged against the quota from such source, or 10 per cent of such allocation, whichever is the lesser, may be entered during the immediately following calendar quarter; provided that any increased quantity permitted under this sub-paragraph shall not be considered part of such source's allocation for any quarter;

(iv) shall be administered so that if it becomes effective, or is increased, after the beginning of a calendar quarter, the quantity entitled to enter, or the amount of the increase which may be entered, during the unexpired portion of such quarter as originating from each source of supply shall be the quantity as so effective, or the amount of the increase, for such calendar quarter, less 1/90 thereof for each day that has expired in such quarter;

(v) shall be administered so that each single unit entered in a set shall be counted in determining the number of units entered during any calendar quarter.

(c) As promptly as practicable in each calendar year (beginning with 1972), the Tariff Commission shall determine the apparent United States consumption of knives, forks and spoons with stainless steel handles during the preceding calendar year and shall report such determination to the President. In its first report, the Commission shall also determine the apparent United States consumption of such articles during the calendar year 1970.

<table>
<thead>
<tr>
<th>Rates of duty</th>
<th>Effective period</th>
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<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

Knives, forks and spoons; all the foregoing valued under 25 cents each, not over 10.2 inches in overall length, and with stainless steel handles (provided for in items 650.08, 650.10, 650.38, 650.40, 650.54 and, if included in sets, 651.75 of part 3E of schedule 6)

For the following aggregate quantities of single units, which are the product of the specified sources of supply and are subject to the rates set forth in rates of duty column numbered 1, entered in any calendar quarter in any calendar year (see headnote 2 of this sub-part with respect to possible increases in these quantities)
<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Quantity</th>
<th>Rates of duty</th>
<th>Effective period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>33,000,000</td>
<td>1 cent each + 12.5% ad val.</td>
<td>No change</td>
</tr>
<tr>
<td>Republic of China</td>
<td>6,300,000</td>
<td>1 cent each + 17.5% ad val.</td>
<td>No change</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>4,800,000</td>
<td>17.5% ad val.</td>
<td>No change</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1,500,000</td>
<td>2 cents each + 45% ad val.</td>
<td>No change</td>
</tr>
<tr>
<td>European Economic Community</td>
<td>1,500,000</td>
<td>40% ad val.</td>
<td>No change</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>600,000</td>
<td>1 cent each + 12.5% ad val.</td>
<td>No change</td>
</tr>
<tr>
<td>Other</td>
<td>900,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

949.00 Knives and forks:
- With handles not containing nickel and not containing over 10 per cent by weight of manganese (items 650.08 and 650.38)
- With handles containing nickel or containing over 10 per cent by weight of manganese (items 650.10 and 650.40)
- Spoons (item 650.54)

Other:
- Knives and forks (item 650.08, 650.10, 650.38 and 650.40)
- Spoons (item 650.54)