GENERAL AGREEMENT ON TARIFFS AND TRADE

UNITED STATES AGRICULTURAL ADJUSTMENT ACT

Notification of Fees on Sugar

The following communication, dated 25 November 1977, has been submitted by the United States mission in Geneva.

In accordance with the provisions of the "Waiver Granted to the United States in Connection with Import Restrictions Imposed Under Section 22 of the United States Agricultural Adjustment Act, as Amended" 3 BISD 32 (1955), the United States hereby notifies the Contracting Parties that fees are required under Section 22 to be imposed on imports of certain sugars, syrups, and molasses, derived from sugar cane or sugar beets, classified under Items 155.20 and 155.30 of the Tariff Schedules of the United States (TSUS) and Schedule XX to the General Agreement on Tariffs and Trade. These fees are imposed in addition to the duties applied under headnote 2 of Sub-Part A of Part 10 of Schedule I of the TSUS which were recently increased in conformity with the provisions of Note 2 to Unit A, Chapter 10, Schedule XX.

These fees are necessary to ensure the effectiveness of the domestic price support programme required by law to maintain the domestic price of sugar at or above 13.5 cents per pound raw sugar equivalent. (Section 902, Food and Agriculture Act of 1977, Public Law 95-113, 29 September 1977.)

The attached Proclamation provides the particulars of the action taken under Section 22 (Annex I). A separate proclamation that increased the duty rates on sugar also is attached for the information of the Contracting Parties (Annex II).

In accordance with the provisions of its waiver, the United States stands ready to consult with any Contracting Party which considers that its interests have been prejudiced by the United States action under Section 22 or would be prejudiced by its possible extension following submission of the recommendations of the International Trade Commission to the President.
ANNEX I

IMPORT FEES ON SUGAR, SYRUPS, AND MOLASSES

By the President of the United States of America

A Proclamation

1. The Secretary of Agriculture has advised me that he has reason to believe that certain sugars, syrups, and molasses, derived from sugar cane or sugar beets, classified under items 155.20 and 155.30, of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202), are being, or are practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or to materially interfere with, the price support operations now being conducted by the Department of Agriculture for sugar cane and sugar beets, or to reduce substantially the amount of any product being processed in the United States from domestic sugar beets and sugar cane.

2. I agree that there is reason for such belief by the Secretary of Agriculture. Therefore, I am requesting the United States International Trade Commission to make an immediate investigation with respect to this matter pursuant to Section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), and to report its findings and recommendations to me as soon as possible.

3. The Secretary of Agriculture has also determined and reported to me, with regard to such sugars, syrups, and molasses, that a condition exists which requires emergency treatment, and that the import fees hereinafter proclaimed should be imposed without awaiting the report and recommendations of the United States International Trade Commission.

4. I find and declare that the imposition of import fees hereinafter proclaimed, without awaiting the recommendations of the United States International Trade Commission with respect to such action, is necessary in order that the entry, or withdrawal from warehouse, for consumption of certain sugars, syrups, and molasses, described below by value, use and physical description, and classified under TSUS items 155.20 and 155.30, will not render or tend to render ineffective, or materially interfere with, the price support operations now being conducted by the Department of Agriculture for sugar cane or sugar beets, or reduce substantially the amount of any product processed in the United States from domestic sugar beets or sugar cane.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and Statutes of the United States of America, including Section 22 of the Agricultural Adjustment Act, as amended, do hereby proclaim that Part 3 of the Appendix to the TSUS is amended as follows:
(a) A new headnote is added which reads as follows:

4. Sugar, syrups, and molasses

Licences may be issued by the Secretary of Agriculture or his designee authorizing the entry of articles exempt from the fees provided for in items 956.10, 956.20, 957.10 and 957.20 of this part on the condition that such articles will be used only for the production (other than by distillation) of polyhydric alcohols, except polyhydric alcohols for use as a substitute for sugar in human food consumption. Such licences shall be issued under regulations of the Secretary of Agriculture which he determines are necessary to ensure the use of such articles only for such purposes.

(b) The following new items, in numerical sequence, are added following items 955.06:

<table>
<thead>
<tr>
<th>Item</th>
<th>Articles</th>
<th>Import Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>956.10</td>
<td>Valued at not more than 6.67 cents per pound</td>
<td>50% ad. val.</td>
</tr>
<tr>
<td>956.20</td>
<td>Valued at more than 6.67 cents per pound but not more than 10.0 cents per pound</td>
<td>3.32 cents per lb. less the amount per lb. by which the value exceeds 6.67 cents per lb.</td>
</tr>
</tbody>
</table>

Not principally of crystalline structure and not in dry amorphous form, containing soluble non-sugar solids (excluding any foreign substance that may have been added or developed in the product) equal to 6 per cent or less by weight of the total soluble solids, provided for in item 155.30, Part 10A, Schedule 1:
<table>
<thead>
<tr>
<th>Item</th>
<th>Articles</th>
<th>Import Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>957.10</td>
<td>Valued at not more than 6.67 cents per pound of total sugars</td>
<td>50% ad. val.</td>
</tr>
<tr>
<td>957.20</td>
<td>Valued at more than 6.67 cents per pound of total sugars but not more than 10.0 cents per pound of total sugars</td>
<td>3.32 cents per pound of total sugars less the amount per lb. of total sugars by which the value exceeds 6.67 cents per lb. of total sugars</td>
</tr>
</tbody>
</table>

The fees established by items 956.10, 956.20, 957.10 and 957.20 shall apply to articles entered, or withdrawn from warehouse, for consumption on or after the date of this Proclamation, and shall continue to apply to such articles pending the report and recommendations of the United States International Trade Commission and action that I may take on them. However, such fees shall not apply to articles (a) exported to the United States before 12.01 a.m. (United States Eastern Standard Time) on the date of this Proclamation or (b) imported to fulfill forward contracts entered into before 12.01 a.m. (United States Eastern Standard Time) on the date of this Proclamation, Provided, that articles referred to in (a) and (b) are entered, or withdrawn from warehouse, for consumption on or before 1 January 1978.

11 November 1977
MODIFICATION OF TARIFFS ON CERTAIN SUGARS, SYRUPS, AND MOLASSES

By the President of the United States of America
A Proclamation

1. By Proclamation 4334, of 16 November 1974, the President modified Sub-Part A, Part 10, Schedule 1 of the Tariff Schedules of the United States (19 U.S.C. 1202, hereinafter referred to as the "TSUS") to establish, effective 1 January 1975, following expiration of the Sugar Act of 1948, a rate of duty and quota applicable to sugars, syrups and molasses described in items 155.20 and 155.30 of the TSUS. By Proclamation 4463 of 21 September 1976, as amended by Proclamation 4466, of 4 October 1976, the President modified the rate of duty applicable to such sugars, syrups and molasses.

2. The President took these actions pursuant to authority vested in him by the Constitution and Statutes of the United States, including section 201(a)(2) of the Trade Expansion Act of 1962 (19 U.S.C. 1821(a)(2)), and in conformity with headnote 2 of Sub-Part A of Part 10 of Schedule 1 of the TSUS, hereinafter referred to as the "Headnote". The headnote was part of a trade agreement that embodied the results of the "Kennedy Round" of international trade negotiations. That agreement is known formally as the 1967 Geneva Protocol to the General Agreement on Tariffs and Trade, and the agreement includes, as an Annex, "Schedule XX", a schedule of United States trade concessions made during those negotiations. This agreement was concluded pursuant to section 201(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1821(a)), and was implemented by Proclamation No. 3822, of 16 December 1967, (82 Stat. 1455) which, inter alia, added the headnote to the TSUS.

3. The headnote provides, in relevant part, as follows:

"(i) ... if the President finds that a particular rate not lower than such 1 January 1968, rate, limited by a particular quota, may be established for any articles provided for in item 155.20 or 155.30, which will give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, he shall proclaim such particular rate and such quota limitation, ..."

"(ii) ... any rate and quota limitation so established shall be modified if the President finds and proclaims that such modification is required or appropriate to give effect to the above considerations; ..."
4. Section 201(a)(2) of the Trade Expansion Act authorizes the President to proclaim the modification or continuance of any existing duty or other import restrictions, or such additional import restrictions as he determines to be required or appropriate to carry out any trade agreement entered into under the authority of that Act, except that pursuant to section 201(b)(2) of the Act, the President may not by proclamation increase a rate of duty to a rate more than 50 per cent above the rate existing on 1 July 1934. The currently applicable tariff rates in rate column numbered 2 for sugars, syrups, and molasses, described in items 155.20 and 155.30, are treated as the rates "existing on 1 July 1934", for the purposes of the President's proclaiming authority.

5. General headnote 4(b) of the TSUS provides that a rate of duty proclaimed pursuant to a concession granted in a trade agreement shall be reflected in the column numbered 1 of the TSUS and, if higher than the then existing rate in column numbered 2, shall also be reflected in the latter column.

6. I find that the modifications hereinafter proclaimed of the rates of duty applicable to items 155.20 and 155.30 of the TSUS are appropriate to carry out that portion of the Kennedy Round trade agreement set forth in the headnote, and as provided for therein, give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and Statutes, including section 201 of the Trade Expansion Act of 1962, and pursuant to General headnote 4(b), and headnote 2, Sub-Part A of Part 10 of Schedule 1, of the TSUS, do hereby proclaim until otherwise superseded by law:

A. The rates of duty in rate columns numbered 1 and 2 for items 155.20 and 155.30 of Sub-Part A, Part 10, Schedule 1 of the TSUS, are modified, and the following rates are established:

155.20 ............ 2.98125 cents per lb. less 0.0421875 cents per lb. for each degree under 100 degrees (and fractions of a degree in proportion) but not less than 1.9265625 cents per lb.

155.30 ............ dutiable on total sugars at the rate per lb. applicable under item 155.20 to sugar testing 100 degrees.

B. Those parts of Proclamation 4334 of 16 November 1974, Proclamation 4463 of 21 September 1976, and Proclamation 4466 of 4 October 1976, which are inconsistent with the provisions of paragraph (A) above are hereby terminated.
C. The provisions of this Proclamation shall apply to articles entered, or withdrawn from warehouse, for consumption on and after the date of this Proclamation. However, the provisions of this Proclamation shall not apply to articles (a) exported to the United States before 12.01 a.m. (United States Eastern Standard Time), on the date of this Proclamation, or (b) imported to fulfill forward contracts entered into before 12.01 a.m. (United States Eastern Standard Time), on the date of this Proclamation, Provided, that articles referred to in (a) and (b) above are entered, or withdrawn from warehouse, for consumption on or before 1 January 1978.

11 November 1977