As contracting parties are aware, the United States Government took action, (L/573) on 26 July 1956, under the provisions of Article XIX, to raise the rate of duty on linen towelling (tariff-paragraph 1010) bound in Part I of Schedule XX - United States.

Before taking this action, the United States offered (GATT/AIR/92) to consult with certain contracting parties in accordance with the provisions of Article XIX:2. At the meeting of the Intersessional Committee in September 1956, a Decision was drawn up, and approved by the majority of the contracting parties, enabling interested parties to pursue their consultations with the United States without losing their right, if agreement were not reached, to avail themselves of the provisions of para. 3(a) of Article XIX, which would enable them to suspend the application to the trade of the United States of obligations or concessions substantially equivalent to those suspended by the United States (L/573).

The consultations, held with the Benelux countries and the United Kingdom, have since been completed and agreement has been reached. Copies of these agreements, contained in the following documents, have been sent to the secretariat and are reproduced in the Annexes hereto:

1. Copy of agreement between the United States and the United Kingdom Supplementary to the General Agreement.

2. Copy of agreement between the United States, Belgium and the Netherlands Supplementary to the General Agreement.

3. Copies of Supplementary Exchange of Notes with the Embassy of Belgium.

4. Copies of Supplementary Exchange of Notes with the Embassy of the Netherlands.

The United States Government has also indicated that the Japanese Government expressed an interest in obtaining compensation for the United States' action on linen towelling, but did not participate in the consultations. Subsequently, the Japanese Government informed the United States Government that it was satisfied with the indirect benefits of the Agreements mentioned above.
It will be noted that the agreement signed with the United Kingdom con­tains a reference (paragraph (3)) to the United Kingdom negotiations of an item under the provisions of Article XXVIII (see document SECRET/61). This matter has been reported to the contracting parties, in accordance with established procedures governing negotiations under Article XXVIII, by the Government of the United Kingdom. A document (SECRET/61/Add.1) will be distributed in the next few days.

ANNEX I

AGREEMENT SUPPLEMENTARY TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE
(United States and United Kingdom)

The United States of America and the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the United Kingdom);

Considering the reciprocal concessions and advantages for the promotion of trade provided for in their respective Schedules annexed to the General Agreement on Tariffs and Trade (hereinafter referred to as the General Agreement);

Taking cognizance of Proclamation No. 3143, issued by the President of the United States of America on June 25, 1956, under Article XIX of the General Agreement, with respect to certain products described in item 1010 in Part I of Schedule XX to the said General Agreement (hereinafter referred to as "Schedule XX (Geneva-1947)"); and

Recognizing the desirability of maintaining the general level of reciprocal and mutually advantageous concessions in the General Agreement;

Agree as follows:

As complete compensatory adjustment for such action of June 25, 1956, the United States of America:

(a) On and after June 29, 1957, shall apply to the products described in the attached Schedule treatment no less favourable than the treatment indicated therein, as though such treatment were provided for in the corresponding items in Part I of Schedule XX (Geneva-1947) and subject to the provisions of the Schedule attached hereto and of the General Agreement, with the understanding that as soon as practicable such treatment will be specifically included in Schedule XX (Geneva-1947), and

(b) Shall interpose no objection to the proposed action by the United Kingdom, under Article XXVIII of the General Agreement, to modify the concession on "pork, salted or pickled, other than bacon and ham, not preserved in airtight containers," provided for in the last item on page 12 of Part I of Section A of Schedule XIX to the General Agreement (Geneva-1947), from "Free" to "10 per cent" ad valorem.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this agreement.

DONE at Washington, in duplicate, this 27th day of June 1957.

For the United States of America: (signed)

For the United Kingdom of Great Britain and Northern Ireland: (signed)
<table>
<thead>
<tr>
<th>Tariff Act of 1930, paragraph</th>
<th>Descriptions of Products</th>
<th>Rates of Duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>372</td>
<td>Textile machinery, finished or unfinished, not specially provided for: Machinery for manufacturing or processing vegetable fibres other than cotton or jute prior to the making of fabrics or crocheted, knit, woven, or felt articles not made from fabrics (except beaming, slashing, warping, or winding machinery or combinations thereof, and except bleaching, printing, dyeing, or finishing machinery).</td>
<td>9½% ad val. 9% ad val.</td>
</tr>
<tr>
<td>907</td>
<td>Tracing cloth</td>
<td>19% ad val. 18% ad val.</td>
</tr>
<tr>
<td>907</td>
<td>Waterproof cloth, wholly or in chief value of cotton or other vegetable fibre, but not in part of india rubber</td>
<td>12% ad val. 11% ad val.</td>
</tr>
<tr>
<td>921</td>
<td>All other floor coverings, including carpets, carpeting, mats, and rugs, wholly or in chief value of cotton: Imitation oriental rugs</td>
<td>9½% ad val. 9% ad val.</td>
</tr>
<tr>
<td>1009(c)</td>
<td>Woven fabrics, in the piece or otherwise, wholly or in chief value of vegetable fibre, except cotton, filled, coated, or otherwise prepared for use as artists' canvas</td>
<td>14% ad val. 13½% ad val.</td>
</tr>
<tr>
<td>1410</td>
<td>Unbound books of all kinds, bound books of all kinds except those bound wholly or in part in leather, sheets or printed pages of books bound wholly or in part in leather, all the foregoing not specially provided for, if other than of bona fide foreign authorship (not including diaries, music in books, pamphlets, prayer books, sheets or printed pages of prayer books bound wholly or in part in leather, or tourist literature containing geographic, historical, hotel, time-table, travel, or similar information, chiefly with respect to places or travel facilities outside the continental United States)</td>
<td>9½% ad val. 9% ad val.</td>
</tr>
</tbody>
</table>
General Notes

1. In the event that the action taken by the President of the United States of America, by Proclamation No. 3143 of June 25, 1956, is modified or terminated so as to result in lower rates of duty for any of the products described in item 1010 in Part I of Schedule XX (Geneva-1947) with respect to which the said action of June 25, 1956 was taken, the Government of the United States of America will consult promptly with the Government of the United Kingdom regarding any appropriate measures to be taken with respect to the concessions in this Schedule. If agreement is not reached, the Government of the United States of America, on ninety days' written notice to the CONTRACTING PARTIES to the General Agreement, may increase rates provided for in this Schedule to such extent as may be appropriate in the circumstances but in no case to a rate higher than the rate provided for the product involved in Schedule XX (Geneva-1947) on the date of the signature of this agreement.

2. Subject to the provisions of this agreement, to the pertinent provisions of the said General Agreement, and to the provisions of Section 350(a)(3)(C) of the Tariff Act of 1930, as now amended, the rates specified in the rate-columns in this Schedule will become effective as follows:

(a) Rates in Column A will become initially effective on June 29, 1957, and rates in Column B will become initially effective in each case upon the expiration of a full period of one year after the related rate in Column A became initially effective.

(b) For the purposes of subparagraph (a) above, the phrase "full period of one year" means a period or periods aggregating one year exclusive of the time, after a rate becomes initially effective, when, by reason of legislation of the United States or action thereunder, a higher rate of duty is applied.
AGREEMENT SUPPLEMENTARY TO THE
GENERAL AGREEMENT ON TARIFFS AND TRADE
(Benelux and United States of America)

The Kingdom of Belgium, acting for the Belgo-Luxemburg Economic Union, and the Kingdom of the Netherlands, on the one part, and the United States of America, on the other part;

Considering the reciprocal concessions and advantages for the promotion of trade provided for in their respective Schedules annexed to the General Agreement on Tariffs and Trade (hereinafter referred to as the General Agreement);

Taking cognizance of Proclamation No. 3143, issued by the President of the United States of America on June 25, 1956, under Article XIX of the General Agreement, with respect to certain products described in item 1010 in Part I of Schedule XX to the said General Agreement (hereinafter referred to as "Schedule XX (Geneva-1947)"); and

Recognizing the desirability of maintaining the general level of reciprocal and mutually advantageous concessions in the General Agreement;

Agree as follows:

On and after June 29, 1957 the United States of America shall apply to the products described in the attached Schedule treatment no less favourable than the treatment indicated therein, as though such treatment were provided for in the corresponding items in Part I of Schedule XX (Geneva-1947) and subject to the provisions of the Schedule attached hereto and of the General Agreement, with the understanding that as soon as practicable such treatment will be specifically included in Schedule XX (Geneva-1947).

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this agreement.

DONE at Washington, in triplicate, in the English and French languages, both texts authentic except as otherwise specified in the Schedule annexed hereto, this 27th day of June 1957.

For the Kingdom of Belgium, on behalf of the Belgo-Luxemburg Economic Union:

(Signed)

For the Kingdom of the Netherlands:

(Signed)

For the United States of America:

(Signed)

SCHEDULE

To this Agreement is appended a Schedule identical to that appended to the Agreement between the United Kingdom and the United States, see pages 3-4.7
ANNEX II

COPIES OF SUPPLEMENTARY EXCHANGE OF NOTES,
DATED 27 JUNE 1957, WITH THE EMBASSY OF BELGIUM

BELGIAN EMBASSY
27 June 1957

Sir,

I have the honor to refer to the agreement signed today between the Kingdom of Belgium, acting on behalf of the Belgo-Luxembourg Economic Union, and the Kingdom of the Netherlands, on the one hand, and the United States of America, on the other hand, whereby the United States has agreed to include in Schedule XX of the General Agreement on Tariffs and Trade specified concessions as compensation for the increase in the United States duty on linen toweling.

The Government of Belgium understands that if it should appear to either party that the above-mentioned agreement is not achieving satisfactorily a compensatory adjustment for the action taken by the United States as regards such linen toweling, it is agreed that on the proposal of either party further consultation, under Article XXII of the General Agreement, would be appropriate.

If the above is in accord with the understanding of your Government, I should appreciate receiving your confirmation of this fact.

Accept, Sir, the renewed assurances of my highest consideration.

For the Ambassador:
(Signed)

His Excellency,
Mr. John Foster Dulles,
Secretary of State,
Department of State,
Washington, D.C.
Excellency:

I have the honor to refer to the agreement signed today on behalf of the United States of America, on the one hand, and the Kingdom of Belgium, acting for the Belgo-Luxembourg Economic Union, and the Kingdom of the Netherlands, on the other hand, whereby the United States has agreed to include in Schedule XX of the General Agreement on Tariffs and Trade specified tariff concessions as compensation for the increase in the United States duty on certain linen toweling, and to your note of today's date setting forth as follows your Government's understanding in connection with that agreement:

"The Government of Belgium understands that if it should appear to either party that the above-mentioned agreement is not achieving satisfactorily a compensatory adjustment for the action taken by the United States as regards such linen toweling, it is agreed that on the proposal of either party further consultation, under Article XXII of the General Agreement, would be appropriate."

The understanding of your Government as set forth above is in accord with the understanding of my Government.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

(Signed)

His Excellency,
Baron Silvercruys,
Ambassador of Belgium.
ANNEX III

COPIES OF SUPPLEMENTARY EXCHANGE OF NOTES,
DATED 27 JUNE 1957, WITH THE EMBASSY OF THE NETHERLANDS

NETHERLANDS EMBASSY
WASHINGTON, D.C.

27 June 1957

Sir:

I have the honor to refer to the agreement signed today on behalf of the Kingdom of the Netherlands, and the Kingdom of Belgium, acting for the Belgian Luxembourg Economic Union, on the one hand, and the United States of America, on the other hand, whereby the United States has agreed to include in Schedule XX of the General Agreement on Tariffs and Trade specified concessions as compensation for the increase in the United States duty on certain linen toweling.

The Government of the Netherlands understands that if it should appear to either party that the above mentioned agreement is not achieving satisfactorily a compensatory adjustment for the action taken by the United States as regard such linen toweling, it is agreed that on the proposal of either party further consultation, under Article XXII of the General Agreement, would be appropriate.

If the above is in accord with the understanding of your Government I should appreciate receiving your confirmation of this fact.

Accept, Sir, the renewed assurances of my highest consideration.

(Signed)

The Honorable,
the Secretary of State,
Department of State,
Washington, D.C.
Excellency:

I have the honor to refer to the agreement signed today on behalf of the United States of America, on the one hand, and the Kingdom of the Netherlands and the Kingdom of Belgium, acting for the Belgo-Luxembourg Economic Union, on the other hand, whereby the United States has agreed to include in Schedule XX of the General Agreement on Tariffs and Trade specified tariff concessions as compensation for the increase in the United States duty on certain linen toweling, and to your note of today's date setting forth as follows your Government's understanding in connection with that agreement:

"The Government of the Netherlands understands that if it should appear to either party that the above-mentioned agreement is not achieving satisfactorily a compensatory adjustment for the action taken by the United States as regards such linen toweling, it is agreed that on the proposal of either party further consultation, under Article XXII of the General Agreement, would be appropriate."

The understanding of your Government as set forth above is in accord with the understanding of my Government.

"Accept, Excellency, the renewed assurances of my highest consideration."

For the Secretary of State:

(Signed)

His Excellency,
Dr. J.H. van Roijen,
Ambassador of the Netherlands.