The following communication dated 29 October 1956, has been received from the Government of the United States for transmission to the CONTRACTING PARTIES:

"The United States Tariff Commission made a report to the President on 24 October regarding its 'escape clause' investigation of velveteens. The Tariff Commission unanimously found injury but divided 5 to 1 on its recommendation. The present duty on plain-back velveteens is 25 per cent ad valorem. On twill-back velveteens the duty is $25 per square yard but not less than $22\frac{1}{2}$ per cent nor more than 30 per cent ad valorem. The majority recommended an increase in the duty on plain-back velveteens to 47 7/8 per cent ad valorem and on twill-back velveteens to 56\frac{1}{2} per cent ad valorem. One Commissioner recommended an increase on both types of velveteen to 44 per cent ad valorem.

"In 1955 imports from principal suppliers were:

Japan $5,260,000
Italy $2,106,000

"The Department of State is discussing this problem with the Embassies of Japan and Italy, informing them that these discussions are considered notification and institution of consultations according to GATT Article XIX. The United States is of course ready to discuss this matter with any other contracting parties who may feel that they have an interest under GATT Article XIX.

"The President's decision in this case is required within sixty days after 24 October, the date on which the Commission forwarded its report to the President."

Any contracting party wishing to enter into consultations with the United States under the terms of Article XIX:2 should promptly contact the United States Government and notify the Executive Secretary.