GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONTRACTING PARTIES

SCHEDULE XIX - UNITED KINGDOM

Request for Authority to renegotiate certain Items

The following memorandum has been submitted by the Government of the United Kingdom in support of the application, notified in GATT/AIR/88, which will be considered by the Intersessional Committee on 4 May 1956.

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Discussions between the United Kingdom delegation and the Executive Secretary have revealed problems of a legal nature arising in connexion with certain concessions which have been made by, or offered by, the United Kingdom in the current tariff negotiations.

The concessions made by the United Kingdom in their bilateral agreements with the United States and Germany include, in each case, one concession involving an incidental modification in an existing Schedule XIX concession on the same product. These two new concessions relate to artificial silk dresses (United States) and women's handbags of leather and of material resembling leather (Germany), which were both the subject of requests by the countries concerned. Details of the existing and new concessions are given in Annexes I and II.

The existing concession on artificial silk dresses was originally negotiated with France and the United States. The new concession has been negotiated with the United States in replacement of the existing concession. Discussions are still taking place with the French delegation.

The existing concession on handbags was originally negotiated with Brazil, Czechoslovakia, France and the United States. Germany is now a substantial supplier and the concession negotiated with Germany represents a straightforward reduction in the alternative ad valorem duty provided for in the existing Schedule over the whole range of the existing Schedule heading with the exception of one small element on which the ad valorem duty would be raised from the existing level of 17½ per cent to 20 per cent through the transference of this element, for reasons of administrative simplification, to a related heading in the Schedules on which the duty is being reduced, also under the agreement with Germany, from 22½ per cent to 20 per cent. The effect of this incidental adjustment, which is believed to be of small practical significance, is under
discussion by the United Kingdom delegation with the delegations of Czechoslovakia, France and the United States and with representatives of the Brazilian Government.

The United Kingdom delegation are also in touch with the delegations of other contracting parties participating in the current tariff negotiations which might appear to have an interest in the incidental modifications of the existing concessions in the cases of both dresses and handbags.

In addition, the offers made by the United Kingdom to Sweden include offers on two items, also both the subject of requests by Sweden, of concessions in replacement of concessions originally negotiated with Sweden, where again some incidental modification of the existing concessions is involved. These items are certain pipes and tubes and certain bars and rods of iron and steel, and the offers made by the United Kingdom on these have been provisionally accepted by the Swedish delegation for inclusion in the agreement which both parties hope to be able to conclude in the next few days. Details of the existing and proposed concessions are given in Annexes III and IV. Sweden is the only country with which these concessions were originally negotiated. The United Kingdom have, however, been in touch with certain other delegations, and with the representative of the European Coal and Steel Community, regarding the incidental modifications of the existing Schedule which would be involved.

The United Kingdom delegation have discussed with the Executive Secretary the legal problems which these cases raise in relation to the Schedules and it appears that, in the absence of any alternative means of providing effectively, from a legal standpoint, for the replacement of the existing concessions by the new concessions, it is necessary to arrange for the withdrawal or modification, as appropriate, of the concessions recorded in the existing Schedules as from the date on which the new concessions become binding on the United Kingdom in accordance with the provisions of the Protocol to be opened for signature on 23 May. The only procedure available under the Agreement for effecting this is by way of negotiation under Article XXVIII. The need to seek authority to negotiate under the "special circumstances" provisions of the Article XXVIII procedures arises from the need to provide for the effective supersession of the existing concessions by the new concessions as from the date on which the latter may be expected to become binding on the United Kingdom in accordance with the terms of the Protocol embodying the results of the current tariff negotiations.

As Brazil has not signed the Declaration on the Continued Application of Schedules to the General Agreement, the authority of the CONTRACTING PARTIES is not required for the necessary negotiations with Brazil in respect of handbags.
ANNEX I

Artificial Silk Dresses

1. In 1947 the United Kingdom bound in negotiations with France and the United States, as part of a wider heading; the following rates of duty on artificial silk dresses:

   (a) Containing no silk: 30 per cent or 6/9d. per lb., whichever is the greater.

   (b) Containing silk: 33 1/3 per cent or 15/-d. per lb., whichever is the greater.

2. During the current negotiations, the United Kingdom has offered to the United States, and the United States has accepted, a concession on artificial silk dresses, as follows:

   (a) Containing no silk: 27½ per cent of 9/-d. per lb., whichever is the greater.

   (b) Containing silk: 30 per cent of 19/-d. per lb., whichever is the greater.

3. Discussions are still taking place with the French delegation.

ANNEX II

Women's Handbags

1. In 1947 and 1951 the United Kingdom agreed the following GATT concessions:

   (a) Trunks, bags, wallets, pouches and other receptacles made wholly or partly of leather or material resembling leather whether fitted or not, the following:

      (i) Women's handbags and pochettes, without keylocks of which neither the length nor the width exclusive of the handle exceeds 12" ....... 17½ per cent or 1/6d. each, whichever is the greater.

      (ii) Other women's handbags or pochettes ................. 22½ per cent or 2/3d. each, whichever is the greater.

      (iii) Other sorts ............... 22½ per cent.
(b) Women's handbags and pochettes wholly or mainly of composition leather, synthetic plastic material or paper board:—

(i) Without keylocks and of which neither the length nor the width exclusive of the handle exceeds 12" each or 15 per cent, whichever is the greater.

(ii) Other kinds each or 20 per cent, whichever is the greater.

2. Of these concessions, that under (a)(i) and (ii) was negotiated with Brazil, Czechoslovakia, France and the United States, that under (a)(iii) with Brazil, Czechoslovakia, France and Germany and that under (b)(i) and (ii) with Germany alone.

3. During the current negotiations the United Kingdom has offered to Germany, and Germany has accepted, concessions in the following terms:—

(a) Trunks, bags, wallets, pouches, and other receptacles made wholly or partly of leather or material resembling leather whether fitted or not, except women's handbags and pochettes wholly or mainly of leather, imitation leather, composition leather, synthetic plastic material or paperboard .... 20 per cent.

(b) Women's handbags and pochettes made wholly or mainly of leather or material resembling leather other than composition leather, synthetic plastic material or paperboard:—

(i) Without keylocks and not exceeding 12" in length or width exclusive of handles ... 15 per cent or 1/6d. each, whichever is the greater.

(ii) Other ....... 20 per cent or 2/3d. each, whichever is the greater.

4. It will be observed that the concessions being currently offered are in respect of handbags "wholly or mainly" of leather etc., whereas the previous bindings were in terms of "wholly or partly". This change is being made because the previous wording is one liable to lead to difficulties of administration. The effect of the change should be minimal as the only handbags which were covered by the previous bindings at (a)(i) and (ii) of paragraph 2 and which are not covered by the current concessions under (b) of paragraph 3 are those which are made partly but not mainly of leather or material resembling leather. Under the previous bindings any such handbags there may be would be charged at 17½ per cent or 1/6d. each if they had no keylocks and fell within the dimension limits; if they fell outside the dimension limits or had keylocks they would be charged at 22½ per cent or 2/3d. each, whichever is the greater. Under the concessions currently offered to Germany, these handbags would be liable at 20 per cent, falling within the (a) heading of paragraph 3.
Insofar as there may be handbags which are partly but not mainly of leather or material resembling leather, the small increase in duty on those bags which have no keylock and fall within the dimension limits would be amply counter-balanced by the reductions under the other headings which cover virtually all the trade.

ANNEX III

Iron and Steel Tubes and Pipes

1. At the Annecy Conference in 1949 the United Kingdom agreed with Sweden to bind at "£10 per ton or 25 per cent whichever is the greater" the duty on hot-finished seamless tubes and pipes (including hollows) of plain carbon steel. It was further agreed that, within a duty quota of 5,000 tons per annum for all sources, tubes so described would be admitted at 15 per cent.

2. During the current negotiations the United Kingdom has agreed with Sweden to supersede the Annecy concession by a simple and unqualified binding at 20 per cent of the duty on all iron and steel pipes and tubes (other than accessories and parts of motor vehicles and other than cast tubes and pipes). This latter concession covers a much wider range of trade.

3. Judging by 1954 statistics the only country apart from Sweden with a substantial interest in the trade in iron and steel tubes and pipes is Germany. Imports from Germany have been analyzed and enquiries by the United Kingdom delegation appear to show that none were of a kind falling within the description of "hot-finished seamless tubes and pipes (including hollows) of plain carbon steel". The German delegation is still studying the matter.

4. Insofar as there may be a residual interest on the part of countries other than Sweden the wider scope of the concession in the present agreement would appear to compensate amply for the withdrawal of the limited rights which were permitted under the previous duty quota scheme.
ANNEX IV

Iron and Steel Bars and Rods

1. In 1949 the United Kingdom negotiated with Sweden a binding at 20 per cent of the duty on iron and steel bars and rods of a value exceeding £35 per ton but not exceeding £70 per ton. During the 1951 Torquay negotiations with Sweden the 20 per cent binding was extended to bars and rods of a value exceeding £70 per ton.

2. During the current negotiations, the United Kingdom has offered and Sweden has provisionally accepted a binding at 15 per cent on bars and rods of a value exceeding £55 per ton, this offer being understood to be in replacement of the previous bindings on bars and rods of a value exceeding £35 per ton.

3. The effect of replacing previous bindings would be to remove from the GATT schedules any commitment in respect of bars and rods costing between £35 and £55 per ton.