Intersessional Committee

United States Request - Article XXVIII

Draft text for incorporation in the Summary Record

The Committee considered the request by the United States Government for authority, under the provisions of Article XXVIII:4, to renegotiate in part the concessions in Schedule XX on items 1530(B) and 1537(B). In support of this request the United States representative adduced the following circumstances. Footwear was being exported to the United States so prepared as to avoid classification under the tariff item - bound under the General Agreement - within which, because of its nature and end use, it was intended by United States tariff legislation that it should fall. Thus it had been found that the existing tariff descriptions provided a loophole for the entry of this type of footwear at a lower rate of duty than that intended and the United States Government had concluded that a closing of this loophole would have to be achieved. This intention having become known, it seemed desirable that action should be taken without delay; if the proposed action were delayed until the end of the present period of firm validity of the Schedules, the trade in this type of footwear would be encouraged and the tariff action taken at that time would be more disruptive of trade than if it were taken at present. In view of this situation the Committee concluded that there were special circumstances within the meaning of paragraph 4 of Article XXVIII and agreed to grant the authority requested.

The Committee also considered the request of the United States Government for a waiver to allow effect to be given to the modification of the concessions on 1 September 1958, even though the negotiations under Article XXVIII:4 would probably not have been concluded by that time. Rather than grant a waiver at the present time, the Committee thought it would be preferable for the negotiations to be commenced and for the question of the timing of the United States action to be discussed by the negotiating parties. There appeared to be nothing in Article XXVIII which would prevent the parties to the negotiations agreeing in the course of the negotiations to the United States giving effect to the modifications on or before 1 September even though the negotiations for compensation had not been concluded, it being understood that compensation would become effective as soon as agreement was reached. On the other hand, if it were not found possible in the early stages of the negotiations to reach agreement to this effect, a request for a waiver could be submitted to the CONTRACTING PARTIES by postal ballot prior to 1 September 1958.

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