

RESTRICTED

22 February 1955

Working Party on United States Waiver

Drafting Group

PROPOSED WAIVER TO THE UNITED STATES
IN CONNECTION WITH IMPORT RESTRICTIONS IMPOSED UNDER SECTION 22
OF THE UNITED STATES AGRICULTURAL ADJUSTMENT ACT (OF 1933),
AS AMENDED

Part I revised as of 22 February 1955

HAVING RECEIVED the request of the United States Government for a waiver of the provisions of Article II and Article XI of the General Agreement with respect to certain actions by the United States Government required by the provisions of Section 22 of the United States Agricultural Adjustment Act (of 1933, as amended, hereinafter referred to as Section 22) which are not authorized by the Agreement.

HAVING ALSO RECEIVED the statement of the United States:

- (a) that there exist in the United States governmental agricultural programmes (including programmes or operations which provide price assistance for certain domestic agricultural products and which operate to limit the production or market supply, or to regulate or control the quality or prices of domestic agricultural products) which from time to time result in domestic prices being maintained at a level in excess of the prices at which imports of the like products can be made available for consumption in the United States and that under such conditions imports may be attracted into the United States in abnormally large quantities or in such manner as to have adverse effects on such programmes or operations unless the inflow of such imports is regulated in some manner;
- (b) that the Congress of the United States therefore enacted Section 22 which requires that restrictions in the form either of fees or of quantitative limitations must be imposed on imports whenever the President of the United States finds, after investigation, that such products are being or are practically certain to be imported in such quantities and under such conditions as to render ineffective or materially interfere with any programme or operation undertaken by the United States Department of Agriculture or any agency under its direction with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof, with respect to which such a programme is being undertaken, and has required the President not to accept any international obligation which would be inconsistent with the requirements of the Section;

- (c) that import restrictions can be imposed under Section 22 only when the President finds that imports are having or are practically certain to have the effects for which Section 22 action is required, and then, except as provided by law in emergency situations, only after investigation by the United States Tariff Commission, after due notice and opportunity for hearing have been given to interested parties; that while import restrictions may be imposed in emergency situations before an investigation by the Tariff Commission, the continuance of such restrictions is subject to the decision of the President as soon as the Commission has completed an immediate investigation; and that fees imposed under Section 22 cannot exceed 50 per cent ad valorem and any quantitative limitation of imports under that Section cannot be such as to reduce the quantity of imports of the product below 50 per cent of the quantity entered during a representative period as determined by the President; and that except in the case of those products where it is impracticable to limit production or marketings or the United States Government is without legislative authority to do so, the products on which Section 22 controls now in effect are subject to limitation upon domestic marketings which in turn affect production;

NOTING:

- (a) that, to help solve the problem of surpluses of products for which Section 22 import quotas now are in effect, the United States Government has taken positive steps aimed at reducing 1955 crop supplies by lowering support price levels or by imposing marketing quotas at minimum levels permitted by legislation; and that it is the intention of the United States Government to continue to seek a solution of the problem of surpluses of agricultural commodities;
- (b) the assurance of the United States Government that it will discuss proposals under Section 22 with all countries having a substantial interest prior to taking action;
- (c) that it is the intention of the United States Government promptly to terminate any restrictions imposed when it finds that circumstances requiring the action no longer exist, and to modify restrictions whenever changed circumstances warrant such modification;

THE CONTRACTING PARTIES, pursuant to paragraph 5(a) of Article XXV of the General Agreement, and in consideration of the assurances recorded above,

DECIDE, that subject to the conditions and procedures set out in Part II of this waiver, the provisions of Articles II and XI of the Agreement shall be waived to the extent necessary to prevent a conflict with such Agreement in the case of action required to be taken by the Government of the United States under Section 22 as annexed to this waiver;

DECLARE that this decision shall not preclude the right of affected contracting parties to have recourse to the appropriate provisions of Article XXIII; and

DECLARE that, in deciding as aforesaid, they regret the circumstances making it necessary for the United States Government to continue to apply import restrictions which are impeding the attainment of the objectives of the General Agreement, and which in certain cases have adversely affected the trade of a number of contracting parties and impaired concessions granted by the United States Government.