

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED  
LIMITED C  
GATT/CP/115/Add.2  
10 September 1951  
ORIGINAL: FRENCH  
ENGLISH

## CONTRACTING PARTIES

### Schedule XX - United States.

#### Withdrawal of Concessions negotiated with China

#### ADDENDUM

Application under Article XXIII by the Government of Haiti in connection with the withdrawal of Items 1021 (1) and 1021 (3) from Schedule XX (Geneva)

The following memorandum was submitted by the Government of Haiti with their letter, dated September 3, 1951, requesting inclusion of their application in the Agenda for the Sixth Session:

"1. On 6 March 1950, the Government of the Republic of China, at that time a contracting party to the General Agreement on Tariffs and Trade, notified the Secretary-General of the United Nations that it had decided to withdraw from the Agreement in accordance with paragraph 5 of the Protocol of Provisional Application of the General Agreement and that it would therefore cease to be a contracting party.

"2. Following that decision, the President of the United States, in a proclamation dated 12 October 1950, announced the withdrawal of the tariff concessions granted by the United States to the Republic of China, to take effect from 11 December 1950. That step was in accordance with Article XXVII of the General Agreement, which reads as follows:

'Any contracting party shall at any time be free to withhold or to withdraw in whole or in part any concession, provided for in the appropriate Schedule annexed to this Agreement, in respect of which such contracting party determines that it was initially negotiated with a government which has not become, or has ceased to be, a contracting party. The contracting party taking such action shall give notice to all other contracting parties and, upon request, consult with the contracting parties which have a substantial interest in the product concerned'.

"3. In this connection, Press Release 1053 of the State Department, dated 13 October 1950, said:

(Retranslated from French)

'Not all the concessions initially negotiated with China at Geneva are due to expire on that date (11 December 1950). In certain cases, concessions initially negotiated with China will not be abrogated, the reason being that contracting parties to the General Agreement other than China have a substantial interest in the concessions in question. Under the General Agreement, parties which

have, or claim to have, a substantial interest in products initially negotiated with China may request consultation with the United States before the concessions are abrogated. A number of countries have requested such consultation in respect of certain products. No action will be taken with regard to the products on which consultation has been requested until the consultations have been concluded.'

"4. On 16 November, the delegation of Haiti at the Torquay Conference drew the United States delegation's attention to the fact that the Haitian exporters of straw and sisal matting felt that the withdrawal of the following items in Part I of Schedule XX was prejudicial to their interests:

| <u>Paragraph</u> | <u>Sub-paragraph</u> | <u>Rate of Duty</u>  |
|------------------|----------------------|--|
| 1021             | 1                    | 1½ cts. per square foot  |
| 1021             | 3                    | 20 per cent <u>ad valorem</u><br>(identified merely as floor coverings of grass or rice straw, under the heading 'other'). |

"Attached is a copy of the letter of 16 November 1950, with annex, in which the delegation of Haiti suggested the inclusion of the question in the tariff negotiations then in progress between Haiti and the United States.

"5. While furnishing the delegation of Haiti sympathetically and promptly with the statistics on imports into the United States of carpets coming under paragraph 1021 of the customs tariff, STAT. Nos. 3963.200 and 3963.600, the American delegation made no secret of the fact that it regarded the representations made by Haiti as unduly delayed. The Haitian delegation replied that the General Agreement laid down no time limit for consultation, and that the Haitian Republic's delay in quoting Article XVII (in fine) seemed justified and reasonable.

"6. The tariff talks which began at Torquay on the United States claim for compensation from the Republic of Haiti for the loss of certain indirect concessions, were pursued through diplomatic channels. The concessions in question were originally negotiated between Haiti and France, their withdrawal being regarded by decision of the Contracting Parties (see document GATT/CP.5/45 of 12 December 1950, paragraph 3-2) as constituting a change in the Schedule, and thus subject to the procedure laid down in Article XVIII. In memorandum No. 1021 of 16 April 1951, the United States Embassy in Port-au-Prince notified the Secretary of State for Foreign Affairs of the Republic of Haiti that the compensation offered by Haiti was acceptable, and could thus be incorporated in the Consolidated Text - Schedule No. XXVI (Haiti) in accordance with Article XXVIII. But in regard to American duties on imported straw matting, what appeared to be the United States Government's last word on the subject was expressed as follows in memorandum No. 987, dated 3 March 1951, of the American Embassy in Port-au-Prince:

(retranslated from French)

'Furthermore, straw matting does not constitute an item for negotiation at Torquay by reason of the withdrawal of the Chinese concessions by the President of the United States, since they did not appear in the public (official) schedule for Torquay. Prior to this withdrawal, Haiti had been given an opportunity to intimate its interest in the matter, but no such intimation was given'.

"7. The Government of the Republic of Haiti accordingly considers that it is thereby placed in the situation referred to in Article XXIII:1 (c) of the General Agreement. The relevant section of the Article reads as follows:

'If any contracting party should consider that any benefit accruing to it directly or indirectly under this Agreement is being nullified or impaired or that the attainment of any objective of the Agreement is being impeded as the result of (a) the failure of another contracting party to carry out its obligations under this Agreement, or (b) the application by another contracting party of any measure, whether or not it conflicts with the provisions of this Agreement, or (c) the existence of any other situation, the contracting party may, with a view to the satisfactory adjustment of the matter, make written representations or proposals to the other contracting party or parties which it considers to be concerned. Any contracting party thus approached shall give sympathetic consideration to the representations or proposals made to it.'

"8. The Government of the Republic of Haiti therefore requests the contracting parties to place this matter on the agenda adopted for their Sixth Session, in accordance with paragraph 2 of the above-mentioned Article XXIII, which reads as follows:

'If no satisfactory adjustment is effected between the contracting parties concerned within a reasonable time, or if the difficulty is of the type described in paragraph 1(c) of this Article, the matter may be referred to the CONTRACTING PARTIES. The CONTRACTING PARTIES shall promptly investigate any matter so referred to them and shall make appropriate recommendations to the contracting parties which they consider to be concerned, or give a ruling on the matter, as appropriate. The CONTRACTING PARTIES may consult with contracting parties, with the Economic and Social Council of the United Nations and with any appropriate inter-governmental organization in cases where they consider such consultation necessary. If the CONTRACTING PARTIES consider that the circumstances are serious enough to justify such action, they may authorize a contracting party or parties to suspend the application to any other contracting party or parties of such obligations or concessions under this Agreement as they determine to be appropriate in the circumstances. If the application to any contracting party of any obligation or concession is in fact suspended, that contracting party

shall then be free, not later than sixty days after such action is taken, to advise the Secretary-General of the United Nations in writing of its intention to withdraw from this Agreement and such withdrawal shall take effect upon the expiration of sixty days from the day on which written notice of such withdrawal is received by him.'

"The Government of the Republic of Haiti remains at the disposal of the Contracting Parties for any further information they may desire in connection with its request. It is suggested that this request is of general concern, the more so in view of further applications for the withdrawal of concessions on special grounds likely to be put before the Contracting Parties for their opinion, and possibly even more complex in their implications than in the case of China."

