

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
LIMITED B
GATT/CP/L40/Add.1
7 February 1952
ENGLISH
ORIGINAL: FRENCH

CONTRACTING PARTIES

SCHEDULE XX - UNITED STATES

Modification of Item 1520 under the procedures
of Article XIX

The Executive Secretary has received the following communication, dated 29 January 1952, from the Belgian Government:

"1. By a telegram which the Secretariat circulated to all contracting parties (secret document dated 29 November 1951), the Government of the United States of America notified its intention to consult in accordance with paragraph 2 of Article XIX of the General Agreement before withdrawing the concession granted on item 1520 of Schedule XX to the Agreement (hatters' furs, or furs not on the skin, prepared for hatters' use, including fur skins caroted). At the same time, the United States Government informed the Belgian Government directly on 30 November 1951 that they were prepared to consult with them on that basis.

"2. As a result of consultations which took place between the two governments, the Belgian Government informed the United States Government, on 22 December 1951, that it could not agree with the reasons invoked by the Government of the United States in withdrawing the concession on hatters' furs. After a close examination of the matter, the Belgian Government is of the opinion that the United States Government was not justified in invoking Article XIX of the General Agreement due to the fact that some of the requirements laid down in the Article have not been met in the case of the goods included in item 1520. The Belgian Government insisted that should the United States Government not change its views of the matter, any modification should at least be made within the limitations laid down in Article XIX that is, "to the extent and for such time as may be necessary to prevent or remedy the injury". Furthermore the Belgian Government has reserved the right to take action under paragraph 3 of Article XIX.

"3. On 5 January 1952, the President of the United States signed a proclamation modifying the concession, as recommended by the United States Tariff Commission. At the same time, the President called the attention of the Chairman of the Tariff Commission to the need to

establish a procedure for the periodic review of cases where tariff concessions were modified pursuant to the escape clause, in order to ensure that trade agreement concessions are not modified for a period longer than required to prevent or remedy the injury to the domestic industry.

"4. On 14 January 1952, the Belgian Government informed the United States Government that they were still of the opinion that the action taken was not justified under the provisions of Article XIX of the General Agreement. The Belgian Government, while reserving its rights under Article XIX, also reserved the possibility of bringing the matter before the Contracting Parties at a later stage under the provisions of Article XXIII of the Agreement.

"5. The Belgian Government, however, has noted with satisfaction the measures taken by the United States Government to ensuring a periodic review of its decision. They hope that the establishment of a regular procedure of review, as suggested by the President of the United States, will give the United States Government the opportunity to reconsider the situation of the hatters' fur industry taking particular account of the considerations which the Belgian Government has deemed it necessary to put forward in this connection."