

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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UNITED STATES TARIFF CLASSIFICATION AS CORRECTED BY  
ENACTMENT OF THE TARIFF SCHEDULES TECHNICAL  
AMENDMENTS ACT OF 1965

Request for a Finding of Special Circumstances under  
Paragraph 4 of Article XXVIII

and

Amendment of the Decision of 20 July 1963 as Extended

(Statement Submitted by the Representative of the United States)

On 7 October 1965 President Johnson signed the Tariff Schedules Technical Amendments Act of 1965 which provides for changes in the Tariff Schedules of the United States "to correct certain errors" brought about in the adoption of these schedules.

In June 1962 the GATT Council made a finding of special circumstances under paragraph 4 of Article XXVIII to permit commencement of consultations and negotiations by the United States which would be necessitated by adoption of the revised Tariff Schedules of the United States. The CONTRACTING PARTIES decided on 20 July 1963, in view of the exceptional circumstances, to suspend the application of Article II of the General Agreement and of paragraph 1 of the Declaration of 22 November 1958 to the extent necessary to enable the United States to put into effect these new tariff schedules prior to the completion of procedures under Article XXVIII of the General Agreement. The new tariff schedules were put into effect 31 August 1963. The Decision of 20 July 1963 has been extended by the CONTRACTING PARTIES, currently until 30 June 1966.

Pursuant to these actions, the United States has undertaken thirty negotiations with contracting parties looking toward the establishment of a new, consolidated Schedule XX. Interim agreements have been signed with twenty-four contracting parties, and negotiations are well advanced with the others.

Subsequent to the effective date of the new schedules, several instances were brought to the attention of the Congress wherein it appeared that through oversight, inadvertence or lack of information, certain errors had been made in the new schedules, or that with respect to certain of the items therein clarifying language might be necessary. The Congress undertook, beginning 13 December 1963,

a study of prospective technical corrections in the tariff schedules in such instances. Committees of the Congress considered over 250 written presentations, including many submitted on behalf of various contracting parties to the GATT. The result of these deliberations, which lasted nearly two years, was the Tariff Schedules Technical Amendments Act of 1965.

The Tariff Schedules Technical Amendments Act contains eighty-six substantive provisions. The Act is designed to restore rate levels in effect prior to 31 August 1963 with the effect of re-establishing rates at levels bound in the old GATT Schedule XX. However, this involves both increases and reductions with respect to rates in effect since 1963.

The provisions resulting in duty increases will not apply with respect to articles entered, or withdrawn from warehouse, for consumption prior to the sixtieth day after the date of enactment. The provisions resulting in duty reductions, however, in almost all cases will apply retroactively to the effective date of the tariff schedules. Thus in the case of imports covered by reduction, entries or withdrawals made on or after 31 August 1963 and before 7 December 1965 may be liquidated or reliquidated as though they had been made after the effective date of the Act.

Copies of the Act have been provided to the secretariat for the information of the CONTRACTING PARTIES.

Enactment of the Technical Amendments Act will benefit all contracting parties by resolving issues with respect to the United States tariff schedules which have impeded trade since the inception of the revised schedules. Detailed analyses of all provisions are under way in Washington looking toward the resumption and conclusion of the remaining Article XXVIII negotiations. In some instances negotiations already conducted under the 20 July 1963 waiver have taken into account most or all of the changes made by the Tariff Schedules Technical Amendments Act.

Recognizing that this error-correction legislation is in effect a part of the whole process of establishing the new tariff schedules, the United States requests the Council to make a finding of special circumstances under paragraph 4 of Article XXVIII to permit the requisite consultations and negotiations in relation to any rate increases above the present Schedule XX rates resulting from such legislation to be considered as part of the consultations and negotiations authorized by the Council in June 1962.

Upon receipt of this authorization, the United States intends to proceed promptly with these consultations and negotiations. It appears unlikely, however, that all negotiations can be concluded before the effective date of the rate increases, 6 December 1965. Accordingly, the United States requests that the Council recommend that the CONTRACTING PARTIES by postal ballot amend the Decision of 20 July 1963 to permit the United States to place these amendments to the tariff schedules resulting from the Tariff Schedules Technical Amendments Act into effect

prior to completion of procedures under the General Agreement and to revise the condition to the waiver in order to recognize that the amendments made by that legislation form an integral part of such schedules.

The United States reiterates its strong desire to settle outstanding claims as soon as possible and to complete the renegotiations under the June 1962 authorization and that now requested.