

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

L/573

1 November 1956

Limited Distribution

SCHEDULE XX - UNITED STATES

Action under Article XIX to increase Duties on Towelling,
dutiable under Tariff Paragraph 1010

As notified to contracting parties in Airgram GATT/AIR/92 of 2 July 1956, the United States took action under the provisions of Article XIX to raise the rate of duty on linen towelling, dutiable under tariff paragraph 1010, in Part I of Schedule XX. The duty was increased, with effect from 26 July 1956, from 10 per cent to 40 per cent ad valorem and applies to:

"Towelling, i.e., fabrics generally used for making towels of flax, hemp or ramie, or of which these substances or any of them is the component material of chief value."

Before taking this action the United States approached certain contracting parties and offered to consult with them in accordance with the provisions of Article XIX:2. At the September meeting of the Intersessional Committee some delegations indicated their wish to pursue consultations with the United States but desired also to reserve their right, if agreement were not reached, to avail themselves of the provisions of paragraph 3(a) of Article XIX which would enable them to suspend the application to the trade of the United States of obligations or concessions substantially equivalent to those suspended by the United States.

A decision was drafted and submitted to the members of the Intersessional Committee and to the observers attending the meeting, with the result of twenty-four votes in favour and none against. The required two-thirds majority having therefore been obtained on that day, the Decision bears the date of 14 September. In order to afford to contracting parties which were not present an opportunity to record their vote the text of the Decision was sent to them by post. Three further votes in favour and none against were received; the Decision was therefore adopted by twenty-seven votes in favour and none against. The text of the Decision follows:



DECISION OF 14 SEPTEMBER 1956 EXTENDING THE TIME LIMIT
IN ARTICLE XIX:3(a) FOR NOTIFICATION BY CONTRACTING PARTIES
OF ANY SUSPENSION OF OBLIGATIONS OR CONCESSIONS
IN CONNECTION WITH THE INCREASE IN THE
UNITED STATES DUTIES ON LINEN TOWELLING
UNDER ARTICLE XIX

CONSIDERING that on 26 July 1956 the Government of the United States took action under Article XIX to raise the rates of duty on linen towelling bound under item No 1C1C in Schedule XX,

CONSIDERING that the United States Government is consulting with other contracting parties in respect of this action with a view to reaching agreement on compensation, and

CONSIDERING that the said consultations may not have been completed in time for a government to avail itself, in the event of failure of the consultation, of its right to suspend equivalent obligations or concessions pursuant to paragraph 3(a) of Article XIX,

The CONTRACTING PARTIES

DECIDE that the ninety-day period prescribed in Article XIX:3(a) shall begin to run as from the date of the completion of any such consultation.

