

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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UNITED STATES AGRICULTURAL ADJUSTMENT ACT

Tariff Commission Investigation on Imports of Cotton Products

Addendum

By a communication from the United States mission in Geneva, dated 24 November 1961, the contracting parties were informed that the President of the United States had requested the United States Tariff Commission to institute an investigation under Section 22 of the Agricultural Adjustment Act to determine whether an import fee on cotton products was necessary to prevent imported cotton products from interfering with the Department of Agriculture's programmes for cotton and cotton products or from reducing substantially the amount of cotton products processed in the United States.

The United States mission has now transmitted to the secretariat for the information of the contracting parties the text of the following statement by the President of the United States, dated 6 September 1962:

"On 2 May 1961, I announced a seven-point programme designed to meet a wide range of problems facing the textile and apparel industry and its more than 2 million employees. The fourth of these seven measures directed the Department of Agriculture to explore and make recommendations to eliminate or offset the adverse differential in raw cotton costs between domestic and foreign textile producers.

"Pursuant to a recommendation of the Secretary of Agriculture, I requested the Tariff Commission to make an immediate investigation under Section 22 of the Agricultural Adjustment Act. The Commission has now made its report.

"The Commission rejected the Department's recommendation for an import fee of $8\frac{1}{2}$ cents a pound on the cotton content of textile imports to offset the difference between the cost of raw cotton to foreign mills and that which our mills are required by law to pay.

"Thus, the inequity of the two-price system of cotton costs remains as a unique burden upon the American textile industry, for which a solution must be found in the near future.

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"I am therefore requesting the Department of Agriculture to give immediate attention to the formulation of a domestic programme that would eliminate this inequity. I am also instructing all other departments and offices of the Executive Branch to co-operate fully to this end. Such a programme will undoubtedly require enabling legislation.

"Accordingly, between now and the next session of Congress, representatives of this Administration will confer with appropriate Congressional leaders and with spokesmen for all interested segments of the cotton industry, including various producer organizations and the textile mills. Based upon the results of these conferences and the recommendations of the Department of Agriculture, early in the next session of Congress I shall recommend legislation designed to remove the inequity created by the present two-price cotton system."