

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SCHEDULE XLV - SPAIN

Article XIX - Duty Increase on Synthetic Rubber

Temporary Compensatory Concessions

The following joint communication has been received from the delegations of Spain and the United States.

The delegations of Spain and the United States have concluded their consultations under Article XIX regarding the modification in Schedule XLV - Spain of the concession on tariff item 40.02-B.1 (synthetic rubber based on polybutadiene or polybutadienestyrene) (L/2820). As a result of these consultations the two Governments have agreed to the following compensatory concessions by Spain to be effective not later than 21 March 1969:

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|----------|--|
| 29.22A.2 | Ethylamines - bind free |
| 29.34A | Tetraethyl lead - bind 1 per cent |
| 34.06D-1 | Parts for aircraft engines - bind free |
| 34.08a | Reaction jets (turbo jets, ram jets, rockets, etc.)
and parts - bind free |
| 35.35C | Radio-navigation aids, radar, etc. - bind 20 per cent. |

In the event that Spain restores the duty-free binding on item 40.02-B.1, the United States recognizes the right of Spain to withdraw these temporary concessions.

However as the value of the restored concession may be quite different in the future, it is further agreed by the Governments of Spain and the United States that in the event that the action on item 40.02-B.1 is terminated and/or the duty reductions on the above compensatory concessions are modified or terminated, the two Governments at the request of either Government will enter into negotiations with the intent of reaching a mutually satisfactory adjustment of the balance of concessions. In the event the two countries fail to negotiate a mutually satisfactory arrangement, the United States would seek a satisfactory adjustment under the provisions of Article XVIII or other appropriate provisions of GATT.

The delegations request that copies of this letter be circulated to the contracting parties.

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