

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1076

2 December 1959

Limited Distribution

SCHEDULE XX - UNITED STATES

Increase in Duties on Items 339 and 355 - Stainless Steel Table Flatware under the terms of Article XIX

The Government of the United States informed the Executive Secretary on 22 October 1959 that, effective 1 November, United States import duties on stainless steel table flatware not over 10.2 inches in overall length and valued under \$3 per dozen will be increased at levels 50 per cent above the levels that prevailed in 1934 on imports of such flatware in excess of 5.75 million dozen pieces (69 million single pieces). This action was announced by the President on 21 October 1959.

The communication of the United States Government indicates further that this action is taken in accordance with Article XIX of the General Agreement. Interested countries have been informed through their embassies in Washington and have likewise been informed that this constitutes a continuation of consultations begun in January 1958. The United States is prepared to consider requests for compensation.

It will be remembered that early in 1957 the United States Tariff Commission instituted an investigation, upon application by the domestic producing industry, to determine whether imports of stainless steel flatware into the United States were causing or threatening to cause serious injury. The Commission reported unanimously in January 1958 that serious injury was being caused, though they differed as to the remedy required, three finding that the entire concession should be withdrawn, while three others considered that it would be sufficient to withdraw the concession on flatware valued at less than \$3 per dozen pieces.

In March 1958 the President of the United States announced that action on this recommendation was inadvisable at that time and that he had decided that a full evaluation of Japan's voluntary export limitation system was necessary because of the promise it held of relieving the situation. He asked the Tariff Commission to keep the matter under review, to report again after the end of 1958. In July 1959 after a supplemental investigation another report was submitted. It is on the basis of this entire investigation and history that the action of 21 October 1959 is taken.

Imports of the tableware in question in excess of 5.75 million dozen pieces will be subject to various increased duties depending on the article. Spoons will be dutiable at 60 per cent ad valorem as compared with 17 per cent for imports within the "tariff quota". Imports of knives and forks in excess of the "tariff quota" will be dutiable at 3 cents each plus $67\frac{1}{2}$ per cent ad valorem if less than 4 inches long exclusive of handle, or at 12 cents each plus $67\frac{1}{2}$ per cent ad valorem if 4 inches or more exclusive of handle. The present rates, which continue on "within-quota" imports, are, respectively, 1 cent each plus $12\frac{1}{2}$ or $17\frac{1}{2}$ per cent ad valorem and 4 cents each plus $17\frac{1}{2}$ per cent ad valorem.