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Limited Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

UNITED STATES TARIFF CLASSIFICATION

Decision of 20 July 1963[1]

Considering that the United States proposes to give effect, pursuant to the Tariff Classification Act of 1962, to a revision and consolidation of its customs laws with a view to the establishment of a more logical arrangement and terminology better adapted to present-day trade, to the elimination of classification anomalies, and to simplification of the determination and application of tariff classifications;

Considering that such revision, consolidation and simplification, embodied in the Tariff Schedules of the United States, as reported by the Tariff Commission on 15 November 1960 and as modified in supplemental reports, all of which are submitted to other contracting parties (hereinafter referred to as "the Tariff Schedules of the United States"), will result in some incidental increases and decreases in rates of duty provided for in the United States schedules of tariff concessions negotiated under the General Agreement;

Considering that the United States has obtained authorization under Article XXVIII:4 of the General Agreement to renegotiate the deviations from the United States tariff concessions introduced by the tariff reclassification, including any incidental rate increases above the rates now provided for in the United States schedules negotiated under the General Agreement, has circulated to other contracting parties and Switzerland material, in the language of the Tariff Schedules of the United States, indicating the substance of a proposed consolidated Schedule XX and of a proposed United States Schedule to the Declaration on the Provisional Accession of Switzerland to the General Agreement, of 22 November 1958, is already engaged in the appropriate procedures including negotiations and consultations envisaged by Article XXVIII with contracting parties, and has reaffirmed its intention to continue such procedures with a view to reaching agreement as expeditiously as is practicable; and

Considering that, with a view to making the benefits of the Tariff Schedules of the United States available to traders as promptly as practicable and to expediting preparations for a new substantial round of trade negotiations on the basis of such Tariff Schedules, the United States desires to be able to make the Tariff Schedules of the United States effective before the appropriate procedures referred to above have been completed:

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[1] This Decision was adopted by the CONTRACTING PARTIES by postal ballot by thirty-seven votes in favour and none against (Ref. C/M/16). Two countries recorded abstentions. Since the concessions granted by the United States to Switzerland and annexed to the Declaration of 22 November 1958 will be affected by this decision, the Swiss Government, although not entitled to participate in the vote, has informed the Executive Secretary that it supports the waiver request of the United States Government.

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The CONTRACTING PARTIES, acting pursuant to the provisions of Article XXV:5 of the General Agreement, and in accordance with the procedures adopted by them on 1 November 1956;

Decide.

1. 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 the Tariff Schedules of the United States prior to the completion of the appropriate procedures under the General Agreement; provided that during the period from the effective date of the said Tariff Schedules to the completion of the applicable procedures under Article XXVIII the United States does not, except pursuant to the provisions of the General Agreement, increase any column 1 rate in the said Tariff Schedules above the level provided therefor under the Tariff Classification Act, unless such classification includes no products now provided for in a Schedule XX to the General Agreement.

2. During the period from the effective date of the Tariff Schedules of the United States to the completion of the applicable procedures under Article XXVIII, to permit any other contracting party to suspend concessions initially negotiated with the United States to the extent it considers that adequate compensation is not at the time being offered by the United States. Any contracting party taking action under the previous sentence shall have full regard to the effect of such action on the interests of other contracting parties. The rights of such other contracting parties under the General Agreement in relation to any such suspension are in no way impaired by this Decision.

3. This waiver shall not extend beyond 30 June 1964.

4. For the purpose of this Decision, a United States Schedule to the Declaration of 22 November 1958 shall be treated as a Schedule XX to the General Agreement, and Switzerland shall be treated as a contracting party to the General Agreement.