

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## UNITED STATES AGRICULTURAL ADJUSTMENT ACT

### Notification of Fees on Sugar

The following communication, dated 30 January 1979, has been submitted by the United States mission in Geneva.

In a communication dated 25 November 1977 (circulated as document L/4612) the United States notified the Contracting Parties that the President of the United States had determined that provisional action was required under Section 22 of the Agricultural Adjustment Act, as amended, to prevent imports from materially interfering with the United States price support programmes for sugar cane and sugar beets administered by the United States Department of Agriculture and had issued a proclamation imposing Section 22 fees on imports of certain sugars, syrups and molasses, derived from sugar cane or sugar beets classified under Items 155.20 and 155.30 of the Tariff Schedules of the United States (TSUS), pending the completion of an investigation of the matter by the United States International Trade Commission. In addition, the communication also expressed the readiness of the United States, in accordance with the provisions of the Decision of 5 March 1955, to consult with any contracting party which considers that its interests have been prejudiced by the United States action under Section 22 or would be prejudiced by its possible extension following the submission of the recommendations of the International Trade Commission.

Following consideration of the report of the Commission (USITC publication 887, April 1978), the President determined that imports of sugar were materially interfering with the United States price support programmes for cane sugar and sugar beets and that adjustment of the existing Section 22 fees was necessary to mitigate the effect of imports. On 28 December, the President issued a proclamation replacing the existing system of fixed fees with one providing for quarterly fee adjustments to offset fluctuations in world sugar prices. The new system of flexible fees is oriented toward maintaining a United States market price of fifteen cents per pound.

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The attached proclamation<sup>1</sup> furnishes the details of the action taken by the President under Section 22. A separate proclamation<sup>1</sup> that imposes a limitation on imports of sugar from countries which are not members of the International Sugar Agreement is also attached for the information of the Contracting Parties. The latter proclamation modifies the global quota which became effective 1 January 1975. Background information regarding the global quota is presented in a United States communication dated 8 October 1976, circulated as document L/4414.

The United States Government reaffirms its readiness to consult with any Contracting Party which considers that its interests have been prejudiced by the United States action under Section 22.

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<sup>1</sup>Will be submitted later.

