

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES  
Ninth Session

PROPOSED WAIVER TO THE UNITED STATES IN CONNECTION  
WITH IMPORT RESTRICTIONS IMPOSED UNDER SECTION 22 OF THE  
UNITED STATES AGRICULTURAL ADJUSTMENT ACT (OF 1933), AS AMENDED

Part I - Statement of Considerations

HAVING RECEIVED the request of the United States Government for a waiver of the provisions of the General Agreement with respect to certain actions by the United States Government required by the provisions of Section 22 of the United States Agricultural Adjustment Act (of 1933), as amended, (hereinafter referred to as Section 22) but which are not authorized by the Agreement;

NOTING that there exists in the United States governmental agricultural programmes (including programmes or operations which provide price assistance for certain domestic agricultural products and which operate to limit the production or market supply, or to regulate or control the quality or prices of domestic agricultural products), that these programmes or operations from time to time result in domestic prices being maintained at a level in excess of the prices at which imports of the like products can be made available for consumption in the United States and that under such conditions imports are attracted into the United States in abnormally large quantities with adverse effects on such programmes or operations unless the inflow of such imports are regulated in some manner;

RECOGNIZING that in order to prevent imports from having such effects, the Congress of the United States enacted Section 22 which requires that restrictions must be imposed on imports whenever the President of the United States finds, after investigation, that such products are being or are practically certain to be imported in such quantities and under such conditions as to render ineffective or materially interfere with any programme or operation undertaken by the United States Department of Agriculture or any agency under its direction with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof, with respect to which such a programme is being undertaken.

CONSIDERING, however, the explanations of the Government of the United States that import restrictions are imposed under Section 22 only when the President finds that imports are having or are practically certain to have the effects for which Section 22 action is required, and then, except in emergencies provided by law, only after investigation by the United States Tariff Commission, after due notice and opportunity for hearing have been given to interested parties, and that except in the case of those products where it is impracticable to limit production or marketings or the United States Government is without legislative authority to do so, the products on which Section 22 controls now are in effect are subject to limitation upon domestic marketings which in turn affect production;

TAKING NOTE moreover that, to help solve the problem of surpluses of products for which Section 22 import quotas now are in effect, the United States Government has taken positive steps aimed at reducing 1955 crop supplies by reducing support levels or by imposing marketing quotas to minimum levels permitted by legislation;

NOTING, furthermore, the assurance of the United States Government that it will be its consistent practice to discuss proposals under Section 22 with all countries having a substantial interest prior to taking action;

NOTING also that it is the intention of the United States Government promptly to terminate any restrictions imposed when it finds that circumstances requiring the action no longer exist, and to modify restrictions whenever changed circumstances warrant such modification;

THE CONTRACTING PARTIES, pursuant to paragraph 5(a) of Article XXV of the General Agreement, and in consideration of the assurances recorded above,

DECIDE, that subject to the conditions and procedures set out in Part II of this waiver, the Agreement shall be waived to the extent necessary to prevent a conflict with such Agreement in the case of action required to be taken by the Government of the United States under Section 22; and

DECLARE that this decision shall not preclude the right of affected contracting parties to have recourse to the appropriate provisions of Article XXIII.

Part II - Conditions and Procedures of the Waiver

Section A - With respect to existing import restrictions

1. Pending the carrying out of the procedures set out hereunder and without prejudice to the review provided for in Section C and to the right of affected contracting parties to have recourse to the appropriate provisions of Article XXIII, the provisions of the Agreement are waived to the extent necessary to allow the United

States Government to continue to maintain restrictions in effect under Section 22 at the time this waiver is granted and which may not be authorized by the Agreement.

2. Upon request of any contracting party, received within thirty days after approval of this waiver, which considers that its interests are seriously prejudiced by reason of any import restriction (regardless of whether covered by this waiver) the United States Government will promptly undertake a review to determine whether there has been a change in circumstances that requires such restrictions to be modified or terminated. In the event the review shows such a change, the United States will reopen such investigation as required by Section 22 for the purpose of determining whether (i) a greater volume of imports than is at present permitted under import restrictions will not have the effects required to be corrected by Section 22, and (ii) the portion of the total import quota allotted to such contracting party should be modified to provide a more equitable distribution of the quota.
3. The result of any such review will be advised by the United States to the CONTRACTING PARTIES not later than \_\_\_\_\_. At the time of such notification the waiver provisionally granted in accordance with paragraph 1 is extended for all existing restrictions to the extent necessary to permit such restrictions to be applied under the Agreement, subject to the review provided for in Section C and without prejudice to the right of affected contracting parties to have recourse to the appropriate provisions of Article XXIII.

Section B - With respect to import restrictions on additional products or an intensification of existing restrictions

1. Should the President of the United States acting in pursuance of Section 22 cause an investigation to be made to determine whether restrictions should be imposed on the import of any additional product or whether any existing import restriction should be intensified, the United States will notify the CONTRACTING PARTIES and, in accordance with Article XXII of the General Agreement, accord to any contracting party which considers that its interests would be prejudiced the fullest opportunity, consistent with the legislative requirements of the United States, for representations and consultation.
2. The Government of the United States will give due weight to any representations submitted to it.

3. A contracting party making representation, so far as practicable, will furnish such information as the United States Government may request concerning supplies available for export, export prices, any programmes in effect to assist domestic producers or encourage exports, and such other information as may be pertinent in connection with the Section 22 investigation.
4. As soon as the President has made his decision the United States will notify the CONTRACTING PARTIES and those contracting parties which have made representations or entered into consultations; if the decision imposes restrictions on additional products or intensifies existing restrictions the notification by the United States will include particulars of such restrictions and the reasons for them (regardless of whether the restriction is consistent with the Agreement). At the time of such notification the provisions of the Agreement are waived to the extent necessary to permit such restrictions to be applied under the Agreement, subject to the review provided for in Section C and without prejudice to the right of the affected contracting parties to have recourse to the appropriate provisions of Article XXIII.

Section C - With respect to both existing restrictions and any additional restrictions

1. The United States Government will relax or remove restrictions permitted under this waiver as soon as it is found under the provisions of Section 22 that circumstances have changed so as to no longer require their imposition in their existing form.
2. While this waiver is in effect, the United States Government, upon request of any interested contracting party will make a review of any Section 22 import restriction in effect and furnish a report of such review to the CONTRACTING PARTIES showing the controls in effect and the reasons why such restrictions (regardless of whether taken under this waiver) continue to be imposed under Section 22.