

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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UNITED STATES TARIFF SIMPLIFICATION

Request for a Finding of Special
Circumstances under Paragraph 4 of Article XXVIII

(Statement Submitted by the Representative of the
United States)

On 24 May President Kennedy signed a bill passed by the Congress which provides for the introduction by the United States of a simplified and modern tariff structure. These new tariff schedules, when made effective, will replace the schedules in the Tariff Act of 1930 as amended by legislation and by the many tariff concessions granted by the United States under the GATT and in bilateral trade agreements. As indicated in an earlier communication to the secretariat on this subject, which was distributed in document L/1701 of 5 January 1962, the purpose of the legislation was to develop new schedules of tariff classification which would be logical in arrangement and adapted to the changes in trading practices which have occurred since 1930. Copies of the new schedules were made available to Washington embassies of the contracting parties in November 1960. A copy is also available in the secretariat. These new schedules would eliminate anomalies and simplify the determination and application of tariff classifications.

Insofar as the obligations in the United States schedules to the GATT are concerned, the new tariff schedule aims at minimizing the deviations from United States tariff concessions but some modifications are, of course, unavoidable in a major tariff reform. Changes in rates of duty, though numerous, have been limited to those incidental to the process of simplification. Both importers and domestic producers in the United States have acknowledged the success of the United States Tariff Commission in achieving a simplified tariff schedule without affecting the general level of rates.

The United States has received urgent requests from businesses in the United States and abroad and from contracting parties for information about the effective date of the new schedules. It has had to consider these requests in the light of its obligations under the General Agreement and the procedures involved in Article XXVIII; and it has also had to consider the dangers of delay, especially the complication such a delay would create for a future round

of tariff negotiations. The United States has weighed all of these considerations and believes the best course of action for all concerned is to place the new schedule in effect as soon as possible.

In order to comply with its obligations under the GATT, the United States requests the Council to make a finding of special circumstances under paragraph of Article XXIV to permit commencement of consultations and negotiation where necessary. Upon receipt of this authorization the United States intends to proceed as promptly as possible with these negotiations and hopes, perhaps in about two months, to furnish further documentation to the contracting parties which will enable them to compare the new rates with rates in the existing GATT schedules, together with trade statistics.

The United States Government is now engaged in an effort to complete its domestic procedures so as to put the new schedules into effect on 1 January 1963. At the same time, it will make every effort to complete the renegotiations before the beginning of the twentieth session. However, on the basis of past experience it appears unlikely that all negotiations can be concluded by the time the new rates must be proclaimed. It is therefore the intention of the United States to ask the CONTRACTING PARTIES at the twentieth session for a waiver which will enable it to place the new and simplified tariff in effect by the beginning of 1963.