

European Community PRESS RELEASE

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COMMON MARKET ENDS COMPENSATORY DUTIES ON THREE US EXPORTS

WASHINGTON, D.C. -- January 3 -- The European Community ended on January 1, 1973, the compensatory tariffs that it had applied to certain US exports after the "carpet and window glass war" of 1962, it was announced today in Brussels. The Community received approval from the General Agreement on Tariffs and Trade (GATT) to impose compensatory tariffs following the unilateral US move to increase tariff protection for rugs and glass.

The US exports in question and the effects of the tariff reductions are as follows:

<u>Brussels Nomenclature Tariff Position</u>	<u>Product</u>	<u>Compensatory Duty Rate</u>	<u>Reinstated Duty Rate</u>
39.02C 1A	Polyethylene	32%	16%
51.04A	Woven fabrics of synthetic textile fibers	35%	13%
51.04B	Woven fabrics of regenerated textile fibers	30%	15%

The United States allowed its safeguard measures on carpets to expire after the domestic industry did not apply for an extension.

The US safeguards on glass originally applied to all weights of sheet glass, but in January 1967 the escape clause duty increases were removed on lightweight and heavy sheet glass. The first reduction of tariffs on medium weight sheet glass, or window glass, was made on May 1, 1972. The remaining cuts will be made on January 31, 1973, and on January 31, 1974.

As the Community was no longer entitled to compensation under GATT rules of the General Agreement on Tariffs and Trade, it decided to cut duties on the three above-mentioned US exports.

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