

GENERAL AGREEMENT ON TARIFFS AND TRADE

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TREATMENT OF IMPORTS OF NORWEGIAN SARDINES BY GERMANY

Note by the Government of Norway

The Federal Republic of Germany is discriminating in three different ways against Norwegian sardines. These discriminatory measures are, in the opinion of the Norwegian Government, inconsistent with the provisions of the General Agreement on Tariffs and Trade.

In the first place, the discrimination relates to the customs duties. As to this point the situation is as follows:

The Norwegian export to Germany of sardines manufactured from *Clupea sprattus* and *Clupea harengus* started in 1880. Up to 1951, the Norwegian sardines were subject to the same customs duty as that applied to sardines manufactured in other countries from *Clupea pilchardus*. Prior to the second world war, the customs duty amounted to 30 Mk. per 100 kgs.

When the new German ad valorem tariff entered into force on 1 October 1951, sardines manufactured from *Clupea pilchardus* on the one side and sardines manufactured from *Clupea sprattus* and *Clupea harengus* on the other side, were treated differently. One of the countries exporting sardines manufactured from *Clupea pilchardus* (Portugal) still enjoyed the more favourable specific duty which is mentioned above. Norwegian sardines, however, were subject to the higher duties of the new German tariff, namely 20-25 per cent ad valorem. This discrimination between sardines manufactured from *Clupea pilchardus* on the one side and sardines manufactured from *Clupea sprattus* and *Clupea harengus* on the other side, persisted also after the conclusion of a new trade agreement between Germany and Portugal on 26 September 1951 which established an ad valorem duty for Portugese sardines of 14 per cent.

This discrimination is in the opinion of the Norwegian Government inconsistent with Article I of the General Agreement.

In the second place, the discrimination relates to the internal tax in Germany, called "Umsatzausgleichsteuer", which was introduced by a law dated 1 September 1951. For Norwegian sardines manufactured from *Clupea sprattus* and *Clupea harengus* the tax rate has been fixed at 6 per cent ad valorem by the Government of the Federal Republic, whereas the tax for sardines manufactured from *Clupea pilchardus* amounts to only 4 per cent ad valorem. This procedure is in the opinion of the Norwegian Government inconsistent with Article I of the General Agreement.

In the third place, the discrimination relates to the liberalisation of German imports. Sardines manufactured from *Clupea pilchardus* have been placed on the German free list as from 1 April 1952, whereas sardines manufactured from *Clupea sprattus* and *Clupea harengus* are not included in the free list.

In the opinion of the Norwegian Government this discrimination between sardines imported from various countries is inconsistent with Article XIII, paragraph 1 of the General Agreement.

The Norwegian Government have asked the Government of the Federal Republic through diplomatic channels to bring these discriminatory measures to an end and have also endeavoured to bring about a solution through bilateral negotiations. As these attempts have been fruitless, the Norwegian Government request, in accordance with Article XXIII, paragraph 2 of the General Agreement that the matter should be placed on the Agenda for consideration by the Contracting Parties at their Seventh Session.