

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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CANADA - RESTRICTIONS ON EXPORT
OF UNPROCESSED URANIUM

Recourse by the United States to Article XXIII:1

In a communication, dated 1 December 1986, the Office of the United States Trade Representative in Geneva has requested that the following communication, addressed to the Permanent Mission of Canada, be circulated to contracting parties for their information.

On instructions from my authorities I wish to convey to you the request of the United States for consultations with Canada, under Article XXIII:1 of the General Agreement on Tariffs and Trade, concerning restrictions on the exportation of unprocessed uranium from Canada.

Official Canadian policy requires that all uranium concentrates be upgraded into uranium hexafluoride prior to export, unless a specific exception is granted. No exports are permitted unless the sole Canadian processing firm does not have sufficient processing capacity, or exports are under a long-term supply contract signed prior to 1981. This policy is enforced through an export review board. The United States Government has raised this issue with your Government on many occasions in recent years. Repeated bilateral consultations have not produced a satisfactory resolution of this issue.

The United States believes that benefits accruing to the United States under the GATT are being nullified or impaired, within the meaning of GATT Article XXIII:1, by Canadian restrictions on the export of unprocessed uranium, which we believe are inconsistent with Article XI of the GATT.

We ask that the requested consultations be held at the earliest possible mutually convenient date.