

COUNCIL
4 May 1988

Original: Spanish

UNITED STATES - QUALITY STANDARDS FOR GRAPES

Recourse to Article XXIII:1 by Chile

Communication from Chile

The Director-General has received a copy of the following communication from the Permanent Representative of Chile, dated 14 April 1988, addressed to the Deputy United States Trade Representative, with the request that it be circulated to contracting parties and that this matter be placed on the agenda of the Council meeting scheduled for 4 May 1988.

As Your Excellency knows, since 1987 the main varieties of Chilean grapes for export to the United States are subject to general quality-control standards under the Marketing Order applying special standards as from 20 April of each year.

The Joint Committee for Agriculture of the House of Representatives and Senate of the United States of America has decided to include in the trade bill authorization for the Secretary of Agriculture to require compliance with these standards up to thirty-five days prior to 20 April of each year as from 1989 and for a period of three years. Obviously this authorization has still to be formally approved by the House of Representatives and the Senate and ultimately the President of the United States himself before it passes into law.

The Government of Chile considers that while the Marketing Order applies to the marketing of domestic and foreign products, in its application it discriminates against Chile, since in the case of grapes coming from Chile the quality inspection is carried out on entry into the United States, while in the case of Mexico and the United States itself it is carried out at the point of origin.

This discrimination is important, because it is well known that the qualities of grapes are different at point of origin and point of destination, given the period spent in transport.

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Consequently, in the view of my Government, the application of this regulation by the United States is a clear breach of the principle of National Treatment set forth in Article III of the General Agreement, and of the Most-Favoured-Nation Clause set forth in Article I of the General Agreement.

In view of the foregoing, and pursuant to instructions from my authorities, I hereby notify Your Excellency, and through you the Government of the United States, of our request for consultations under Article XXIII:1 of the General Agreement in order to consider the matters referred to in this Note.

A copy of this Note will be sent to the Director-General of GATT for circulation to GATT contracting parties.