

TARIFFS AND TRADE

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COUNCIL

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CANADA - QUANTITATIVE RESTRICTIONS ON IMPORTS OF ICE CREAM AND YOGHURT

Recourse to Article XXIII:2 by the United States

Communication from the United States

The following communication, dated 8 December 1988, has been received from the Office of the US Trade Representative with the request that it be circulated to contracting parties and that the matter be inscribed on the agenda of the Council meeting to be held on 20 December 1988.

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The United States wishes to refer to the CONTRACTING PARTIES, pursuant to Article XXIII:2 of the General Agreement, quantitative restrictions maintained by Canada on the importation of ice cream and yoghurt.

Canada introduced restrictions on these products this year under Canada's Export and Import Permits Act. Canada requires an import permit as a condition for the importation of these products. To the best of our knowledge, Canada has not announced a permissible level of importation of these products. However, in practice, Canada is only granting permits to importers based on past performance. As a result, US exports are being curtailed, with some US exporters unable to export further quantities at all.

The United States considers that the restrictions in question are inconsistent with the provisions of Article XI of the General Agreement. First, and most importantly, we believe that no Canadian restrictions at any level on these products are justifiable under Article XI. Second, it is apparent that the restrictions are not being implemented consistently with the requirements of notice and transparency.

These restrictions have been the subject of both informal discussions and formal consultations between representatives of our two governments, including Article XXII consultations in October. These consultations did not result in a satisfactory resolution of the matter.

Therefore, the United States requests the Council of Representatives at its meeting of 20 December 1988 to establish a panel to review this matter under Article XXIII:2 of the General Agreement.