

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

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EUROPEAN COMMUNITY - SUBSIDIES FOR PRODUCERS AND PROCESSORS OF OILSEEDS

Request for Consultations under Article XXIII:1 by Canada

The following communication, dated 17 August 1989, from the Permanent Mission of Canada to the Permanent Delegation of the European Communities, is circulated in accordance with paragraph C.3 of the CONTRACTING PARTIES' 1989 Decision on Improvements to the GATT Dispute Settlement Rules and Procedures (L/6489).

I am writing to request consultations under the provisions of Article XXIII:1 of the General Agreement with respect to the Community's program of assistance for oilseeds.

Canada considers that certain aspects of the oilseeds program, in particular the rapeseed crushing subsidy, are inconsistent with the European Community's GATT obligations including those of Article III. Further, Canada considers that the level of the subsidy granted to the oilseeds sector nullifies or impairs benefits accruing to Canada under the General Agreement. Canada holds an Initial Negotiating Right with respect to the European Community's rapeseed tariff and imports of rapeseed from Canada into the European Community have been reduced significantly over the past decade. Moreover, European Community subsidies to rapeseed production and crushing are responsible for the European Community taking a growing share of the world export market for rapeseed oil.

A similar complaint with respect to the Community oilseeds regime is currently being examined by a GATT panel established at the request of the United States. Canada has interests and GATT rights in the products under consideration and wishes to have consultations with the European Community under the GATT Dispute Settlement system at this time in order to protect these rights.

We request that consultations be held preferably in Brussels in the latter part of the week of September 11, 1989.