

GENERAL AGREEMENT ON TARIFFS AND TRADE

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HAWAIIAN REGULATIONS AFFECTING THE SALE OF IMPORTED EGGS

The following communication has been received from the Government of Australia with a request that this item be included in the Tenth Session Agenda:

"The legislature of the United States Territory of Hawaii on 24 May 1955 enacted Bill Number 167 requiring that retail establishments should display a sign reading 'we sell foreign eggs' if they are retail eggs imported from abroad.

"Restaurants serving imported eggs are likewise required to exhibit a sign reading 'we serve foreign eggs'.

"The Australian Government is of the opinion that this enactment is contrary to paragraph 4 of Article III of the General Agreement which states: 'the product of the territory of any contracting party imported into the territory of any other contracting party shall be accorded treatment no less favourable than that accorded to like products of national origin in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, transportation, distribution or use'.

"In the opinion of the Australian Government, the enactment cannot be justified under Article IX of the General Agreement dealing with marks of origin. In fact, in regard to retail establishments, it is clear that the affixing of marks of origin would offer all the necessary safeguards to identification of the domestic produce.

"Although the Hawaii market takes only a small proportion of Australia's exports of eggs, exports have increased in recent years and Australian egg exporters place considerable value on it. A very large proportion of the eggs imported into Hawaii comes from the United States. These are not regarded as coming from a foreign source and are therefore not affected by the legislation.

"Australia considers that the display of notices such as 'we sell foreign food' has in the past been detrimental to the marketing of Australian produce and that the compulsory use of words such as 'foreign' on a public notice is intended to, and does convey, an idea of prejudice in the eyes of the public which proprietors of establishments, in general, are unwilling to face. The same prejudice would not be attached to a note on a menu that Australian produce was served at the establishments.

"Inasmuch as the Hawaiian enactment is intended to reduce the sale of Australian eggs, it appears to operate as an impairment of the tariff concession on eggs given by the United States to Canada, the indirect benefit of which is enjoyed by Australia.

"The Australian Government made written representations to the United States on 31 May 1955, but there has been no satisfactory adjustment of the matter.

"Australia therefore requests the CONTRACTING PARTIES to investigate this matter, and if they are in accord with the Australian view, to recommend to the United States Government that it use its best endeavours to secure the removal of the requirement that a notice shall be displayed in establishments in Hawaii selling or serving imported eggs."