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# GENERAL AGREEMENT ON TARIFFS AND TRADE

COUNCIL  
8 November 1974

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## CANADA - ARTICLE XXIV:6 RENEGOTIATIONS WITH THE EUROPEAN COMMUNITIES

### Statement by the Representative of Canada at the Council Meeting of 8 November 1974

You and members of the Council will recall that at the meeting of 19 July 1974, my delegation indicated it had not been possible for Canada to reach agreement with the European Communities in the Article XXIV:6 renegotiations and that Canada expected to continue negotiations with a view to achieving satisfactory results.

Since that time, we have had a number of extensive and detailed discussions on this matter with the European Communities. We regret that, notwithstanding considerable efforts on both sides, agreement has not been achieved. We have, therefore, requested the inclusion of this item on the Council's agenda and circulated the paper L/4107.

In the view of the Canadian Government the concessions provided by the European Communities do not maintain the general level of mutually advantageous concessions. We also believe that there is substantial imbalance between the current concessions and those provided for in the GATT prior to enlargement. Under the provisions of Article XXVIII:3 Canada could withdraw substantial equivalent concessions to restore the balance.

There are, however, three important and related reasons for attempting to settle these negotiations in a way which would maintain the mutually advantageous concessions at their pre-enlargement level.

- First: Canada and many other contracting parties believe the withdrawal of concessions is a measure of last resort and only to be taken after all possibilities of reaching a settlement have been exhausted.
- Second: The withdrawal of concessions at the same time that we are entering the substantive phase of the Tokyo Round would be especially unfortunate.
- Third: In view of the structure of Canadian imports, the withdrawal of concessions would inevitably affect adversely the trade interests of a number of other contracting parties.

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In these circumstances, we have decided that the most appropriate course to follow is to invoke the conciliation procedures of the General Agreement and to extend the time limits under Article XXVIII:3 in order to allow the conciliation process to be carried out. These procedures have shown themselves effective in the past in resolving complicated and difficult issues.

My government therefore wishes to refer the matter to the CONTRACTING PARTIES, pursuant to paragraph 1(c) and 2 of Article XXIII, so that they may give a ruling on the matter, or make recommendations, as appropriate. Canada requests that the CONTRACTING PARTIES establish an independent panel of experts to investigate whether the entry into force of Schedules LXXII and LXXII bis maintains the general level of reciprocal and mutually advantageous concessions between Canada and the European Communities, not less favourable to trade than that provided for in Schedules XL, XL bis, XIX, XXII and LXI; the investigation would not be limited to statistical or quantitative tests but would take account of the broader economic elements as is customary in Article XXVIII negotiations.

Canada also requests the Council to agree, as it has on other occasions, to extend the time limits laid down in Article XXVIII:3 so that they do not expire until six months after the date upon which the CONTRACTING PARTIES make recommendations or give a ruling.