

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED  
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Limited Distribution

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## SCHEDULE V - CANADA

### Action under Article XIX increasing Duties on Strawberries

The Government of Canada has addressed to the Executive Secretary the following communication, dated 24 June 1957:

"I have been instructed by my Government to request you to inform the CONTRACTING PARTIES that Canada invoked Article XIX of the General Agreement on Tariffs and Trade on 14 June 1957, to modify concessions contained in Schedule V of the Consolidated Schedules of Tariff Concessions for a period not to exceed six months.

"2. The specific items concerned, their bound rates of duty and the temporary rates of duty are:-

<u>Tariff Item Number</u>	<u>Description of Product</u>	<u>Bound Rate of Duty</u>	<u>Temporary Rate of Duty</u>
92	(g) Strawberries.....per pound Provided that, when the strawberries specified in sub-item (g) of Item 92 are imported under the Most-Favoured-Nation Tariff the specific duty of one and three-fifths cents per pound shall not be maintained in force in any twelve months ending March 31 for a period in excess of 6 weeks, and whenever the specific duty of one and three-fifths cents per pound is not levied the ad valorem duty of 10 per centum shall apply.	1-3/5 cts. or 10 p.c.	13.5 cts.
105i	Fruits, frozen.....per pound	2 cts.	in containers weighing 1.5 lbs. or more - 19.5 cts.  in containers weighing less than 1.5 lbs. - 23.5 cts.

In connection with tariff item 105i, it should be noted that the modification in the duty applies to frozen strawberries only and not to other frozen fruits covered by the item.

"3. Imports of fresh and frozen strawberries during the past two years were as follows:-

	<u>1955</u> \$	<u>1956</u> \$
<u>Fresh:</u>		
United States	1,848,690	3,125,626
All Countries	1,848,690	3,125,626
<u>Frozen:</u>		
United States	485,348	1,596,768
All Countries	754,536	1,761,222

"4. On the basis of these statistics Canada considers that the United States is the only contracting party with a substantial interest as exporters of fresh and frozen strawberries. Accordingly, Canada immediately informed the United States of its emergency action. Canada intends to discuss the modifications with the United States at an early date. Canada is, of course, prepared to discuss the matter with any other contracting party which feels that it has an interest.

"5. Further information on the Canadian Government's action is contained in a statement dated 13 June 1957. This statement reads as follows:-

'The Government today confirmed an announcement made two weeks ago that for the current season pending appropriate tariff readjustments it would consider on their merits cases in which it appeared that fruits or vegetables were moving into Canada at abnormally low prices and causing serious injury to growers here. If such cases arose the Government was prepared to take action to prevent such injury. Specifically if it proved necessary the Government would avail itself of existing authority to fix valuations for imports under the customs act and would invoke the emergency escape clause in the General Agreement on Tariffs and Trade. A decision has now been reached that this special action is justified in the case of strawberries. Prices prevailing in the United States for fresh strawberries for processing are at exceptionally low levels as a result of very rapid expansion of production in that country especially in California. Imported berries have recently been offered to Canadian processors at prices far below the prices paid by these processors to Canadian growers in recent years. There can be no doubt that this unusual market situation in the USA has been threatening and indeed causing serious injury to Canadian growers.

'Accordingly under section 38 of the Customs Act the Minister of National Revenue is immediately applying a minimum fixed valuation of 13½ cents per pound to imports of fresh strawberries. Appropriately higher valuations are being applied to frozen berries. These valuations apply for the purpose of ordinary and special (dumping) duties. It is expected that fixed values at these levels will make possible a return to Canadian growers close to the average price which prevailed in recent years for strawberries used for processing.

'This emergency action by means of special valuation is taken for six months only in relation to the very special conditions now prevailing in the market for strawberries in the USA.

'The Government further announced that in line with its accepted policy of referring to the tariff board sections of the tariffs which are in need of review, a reference to the Board is being made relating to fruits and vegetables. Representations have been received from many groups of producers of fruits and vegetables to the effect that there have been radical changes in techniques of production and methods of distribution as well as in prices during the ten years since 1947 when present tariff arrangements were agreed with the USA under the General Agreement on Tariffs and Trade.'

"6. My Government regrets that it could not give the CONTRACTING PARTIES advance notice of these modifications. As indicated above, imports were causing serious injury to Canadian growers. Furthermore strawberries are a highly perishable product which must be harvested and marketed immediately after they ripen. In these circumstances any delay in giving effect to the modifications would have caused serious damage that would have been difficult to repair."