

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4107

4 November 1974

Limited Distribution

Original: English

CANADA - ARTICLE XXIV:6 RENEGOTIATIONS WITH THE EUROPEAN COMMUNITIES

The representative of Canada has requested the inclusion of the item indicated above on the agenda of Council for its meeting of 8 November. Following is the text of a communication received from the delegation of Canada in this regard.

At the Council meeting of 19 July 1974 (C/M/99) the representative of the European Communities stated that the Communities considered the renegotiations under Article XXIV:6 to be terminated. The representative of Canada stated that it had not been possible for Canada to reach agreement with the European Communities and that Canada expected to continue negotiations with a view to reaching satisfactory results.

Since that time, there have been further contacts between Canada and the European Communities which have not, however, resulted in achievement of a mutually satisfactory solution. In Canada's view, the concessions provided by the European Communities in schedules LXXII and LXXII bis do not maintain a general level of reciprocal and mutually advantageous concessions not less favourable to trade than provided for in schedules XL, XL bis, XIX, XXII and LXI.

In this situation, Canada could exercise its right under Article XXVIII:3 (the procedure which applies for Article XXIV:6 renegotiations) to withdraw substantially equivalent concessions so as to restore the balance of rights and obligations between Canada and the European Communities. Such action by Canada would reduce the overall level of trade concessions negotiated under the GATT; and this at a time when the contracting parties are embarking on negotiations aimed at further trade liberalization.

Therefore, in the interests of contracting parties generally, Canada wishes to seek a solution to its outstanding differences with the European Communities, through the conciliation procedures of the General Agreement, by referring the matter to the CONTRACTING PARTIES.

./.

Accordingly, Canada requests the CONTRACTING PARTIES to investigate whether or not 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 the General Agreement prior to the Article XXIV:6 negotiations and to make recommendations or give a ruling on this matter.

Canada also requests the Council to agree that the six month period laid down in Article XXVIII:3 should not be considered as expiring until six months after the date upon which the CONTRACTING PARTIES make recommendations or give a ruling.