

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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UNITED STATES - REQUEST FOR THE ESTABLISHMENT OF A WORKING PARTY

The following communication, dated 10 September 1975, has been received from the Permanent Mission of the United States, setting out the points at issue, as mentioned in document L/4222.

On 4 July the Canadian Government announced the imposition of global import quotas on eggs and egg products (L/4207 dated 23 July 1975). For calendar year 1976 the quotas will limit shell egg imports to 54,000 cases, (1,620,000 dozen) powdered eggs to 843,600 pounds (shell egg equivalent 2,530,800 dozen) and frozen egg products to 2,168,280 pounds (shell egg equivalent 1,711,800 dozen). Imports of these products will be subject to individual import licence allocation within the quotas and import licences will be apportioned to importers based on historical performance, with a provision to accommodate new entrants.

Since the imposition of the quotas on 5 July, the United States and Canadian Governments have held bilateral consultations on the impact of these quotas on United States trade interests. While these consultations have been useful and are continuing, there is a difference of opinion between the two Governments on whether the Canadian system, including the import quotas presently in force, complies with the requirements of GATT Article XI.

The United States Government believes it would be useful in resolving this problem if the GATT issues were clarified by the CONTRACTING PARTIES. Therefore, the United States Government requests the CONTRACTING PARTIES to examine and provide an advisory ruling on the following points at issue:

1. Does the Canadian supply management system on eggs conform to the requirements of GATT Article XI?
2. Is the basis for determining the import quotas in accord with the requirements of the last paragraph of Article XI?

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3. Irrespective of findings under 1 and 2 above, does the imposition of the Canadian quota under Article XI constitute nullification and impairment of a prior binding?

In view of the importance of an advisory ruling on these issues to both the United States and Canadian Governments and our desire to resolve this issue at the earliest possible date, the United States Government believes a timely advisory ruling by the CONTRACTING PARTIES would be most useful. The United States Government requests, therefore, that the Council meet at the earliest possible date to establish a working party with instructions to report its findings to the Council no later than 1 December 1975.