

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CANADA - MEASURES AFFECTING THE SALE OF GOLD COINS RECOURSE BY SOUTH AFRICA TO ARTICLE XXIII:2

The secretariat has received from the Permanent Representative of South Africa the following communication, dated 24 October 1984.

The Government of South Africa notified the CONTRACTING PARTIES (L/5662 of 3 July 1984) that it had requested consultations with Canada pursuant to Article XXIII:1 of the General Agreement concerning the discriminatory application of the retail sales tax by the Provincial authorities of Ontario. Consultations between delegations of Canada and South Africa were conducted on 24 September 1984 but without reaching agreement on the rectification of the discriminatory measure.

The South African authorities maintain that the discriminatory elimination of Ontario's sales tax on the maple leaf gold coin is a violation of GATT Article II (non-observance of a tariff binding) and Article III (equal treatment of national and imported products in respect of internal taxes).

The South African Government is not satisfied that the Federal Government of Canada has, under Article XXIV:12, taken such reasonable measures as may be available to it to ensure observance of the GATT provisions referred to above by the particular Provincial authority within its territory.

Having regard to the time that has elapsed since this measure was introduced on 11 May 1983, the South African Government has no alternative but to request the CONTRACTING PARTIES to urgently establish a panel pursuant to the provisions of Article XXIII:2 with a view to investigating the matter and to giving an appropriate ruling.