

RESTRICTED

RBC/10

16 December 1987

Special Distribution

The Uruguay Round
Surveillance Body

ROLLBACK

Communication

The following communication is circulated in accordance with paragraph 4 of the agreed procedures for the surveillance mechanism (MTN.TNC/2, Annex).

1. Communication from: CANADA to: EUROPEAN COMMUNITY

2. Participant maintaining the measure: EUROPEAN COMMUNITY

3. Description of the measure (including date of entry into force and relevant legislation or other document):

On December 31, 1985, the Council of the European Communities prohibited the administration to farm animals of any substance having a hormonal action from 1 January 1988 onward (Council Directive 85/649/EEC). The placing on the market and slaughter of farm animals to which substances had been so administered was likewise prohibited, as was also the placing on the market and slaughter of the meat of such animals. The processing of that meat and the placing on the market of the resulting meat products. There was a complimentary import-prohibition. The only exception was for certain therapeutic purposes listed in Article 4 of Council Directive 81/602/EEC of 31 July 1981. This prohibition will be duly applied to domestic production on 1 January 1988; a transition period of one year is allowed (by Council Decision 87/561/EEC of 18 November 1987) for imports and for meat or animals legally treated before the effective date of the ban. During the transition period national measures concerning the prohibited substances remain in force; they may cover guarantees of hormone-free status for the animals, the meat and the meat products. Canadian exports of the affected products came to \$26 million in 1986.

4. Products covered, including tariff headings (CCCN where applicable, otherwise national tariff lines):

The measure is chiefly, but not exclusively, directed at products covered by the following headings:

- 01.02 Live animals of the bovine species
- 01.03 Live swine
- 02.01 Meat and edible offals of the animals falling within heading no. 01.01, 01.02, 01.03, or 01.04, fresh, chilled or frozen
- 02.06 Meat and edible meat offals (except poultry livers), salted, in brine, dried or smoked
- 16.01 Sausages and the like, of meat, meat offal or animal blood
- 16.02 Other prepared or preserved meat or meat offal

5. Country or countries to which the measure applies:

All.

6. Grounds for belief that the measure should be subject to the rollback commitment:

The Government of Canada considers that the unilateral introduction of a prohibition on the non-therapeutic use of substances having a hormonal action on farm animals is inconsistent with GATT provisions and MTN codes inter alia Article XX of the Code on Technical Barriers to Trade. In implementing the prohibition the EC is ignoring scientific evidence to the effect that these substances, where correctly administered, do not pose a threat to human health. The Government of Canada accordingly considers that this measure should be subject to the Punta del Este rollback commitment.