

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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UNITED STATES - INCREASE IN THE RATES OF DUTY ON CERTAIN
PRODUCTS OF THE EUROPEAN ECONOMIC COMMUNITY
(PRESIDENTIAL PROCLAMATION NO. 5759 OF 24 DECEMBER 1987)

Communication from the European Communities

The following communication, dated 22 November 1988, has been received from the Commission of the European Communities with the request that it be circulated to contracting parties and that the matter be inscribed on the agenda of the Council meeting to be held in Montreal, Canada, following the closing session of the ministerial-level meeting of the Trade Negotiations Committee (GATT/AIR/2727).

Notification to the GATT Council

Subject: United States/Hormones

By Proclamation 5759 of 24 December 1987, President Reagan announced that rates of duty on a list of selected products (see Annex) would be increased by 100 per cent for imports coming from the European Community. This increase was to be applied on 1 January 1988 or at any later date on which the European Community applied its proposed prohibition on the sale or import of hormone-treated meat.

The Community Hormone Directive will be applied in full as from 1 January 1989 and it is expected that the measures provided for by the United States will be implemented as from that date.

The European Community considers that the decisions taken in this respect by the United States authorities are contrary to the provisions of Article II, as the duties on the products concerned are bound in the United States GATT Schedule, and that furthermore they are contrary to Article I as they would be applied in a discriminatory manner to imports coming from certain supplying countries alone. As in earlier cases which have caused concern in GATT (penalties applied to Japanese electronic products and announced for certain Brazilian goods), the United States has neither requested nor received GATT authorization for these measures.

The European Community considers that unilateral action taken by a contracting party - because it believes that the rights accruing to it under a trade agreement have been denied or its rights under the GATT have been impaired - is not compatible with GATT rules and procedures, and in particular Articles XXII and XXIII. It therefore requests the Council to

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examine this matter and, pursuant to the procedures provided for in Article XXIII, to make a ruling on the legal issues and recommend appropriate action.

TABLE 1

Retaliatory Measures Announced in the Presidential Proclamation
of 24 December 1987

Increase in Rates of Duty of up to 100 per cent Ad Valorem

Distribution as Follows:

Former TSUS heading No. (US customs tariff)	Product
106.1060	Beef, without bone
107.3020	Pork hams and shoulders
141.6540 141.6600	Tomatoes (preserved)
160.2000	Soluble or instant coffee extracts, etc.
165.5500	Fruit juices (not elsewhere specified)
167.5050	Fermented alcoholic beverages containing less than 7% of alcohol by volume
184.7020	Pet food
190.5840	Intestines for artificial sausage casings