

# GENERAL AGREEMENT ON

RESTRICTED

C/W/608

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## TARIFFS AND TRADE

Limited Distribution

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### UNITED STATES - TAXES ON PETROLEUM AND CERTAIN IMPORTED SUBSTANCES

#### Follow-up on the Panel report (L/6175)

#### Communication from Canada

The following communication, dated 28 September 1989, has been received from the Permanent Mission of Canada with the request that it be circulated to contracting parties.

#### Request by Canada for Authorization to suspend the Application of Concessions in Accordance with the Provisions of Article XXIII:2

In accordance with the provisions of Article XXIII:2, Canada requests the authority of the CONTRACTING PARTIES to suspend the application to the United States of concessions substantially equivalent to the economic injury caused to Canada due to the failure of the United States to comply with the conclusions of the panel report adopted by the Council in June 1987.

#### Injury

During the period 1986-88, the United States imported from Canada an average of 264 million barrels per year of the products covered by the Superfund tax which came into effect January 1987.

The tax applied to imported petroleum products is 11.7 cents per barrel, while that applied to domestic petroleum products is 8.2 cents per barrel, giving rise to a discriminatory differential in the tax applied of 3.5 cents per barrel. This leads to an annual injury to Canada of US\$9.2 million (approximately CDN\$10.8 million).

#### Suspension of Concessions with regard to the United States

On 31 July 1989, Canada circulated to contracting parties a list of items on which Canada is requesting authorization to apply a 2.5 percentage point surcharge above the current rates applicable on goods of United States origin (see L/6559).

Canada estimates the application of an additional 2.5 percentage points on imports of these products originating in the United States would recover CDN\$8.76 million (CDN\$350.2 million x 0.025). This represents an amount well below the level of the injury suffered by Canada.

Imports from the USA, for selected  
tariff lines, 1988

Tariff item*	Description	Imports from USA** CDN\$'000
2204.10.00	Sparkling grape wine	668
2204.21.XX	Other grape wines of varying alcoholic strengths and certain grape must, all in containers holding 2 litres or less	12057
2204.29.XX	Other grape wines of varying alcoholic strengths and certain grape must, all in containers over 2 litres	6140
3915.90.XX	Waste and scrap plastics other than polyethylene, polystyrene or polyvinyl chloride	3700
3917.21.00	Tubes, pipes and hoses of polyethylene -- rigid	4811
3917.23.00	Tubes, pipes and hoses, of polyvinyl chloride - rigid	9639
3917.29.00	Tubes, pipes and hoses of other plastics -- rigid -- other than polyethylene, polypropylene or polyvinyl chloride	9146
3917.31.00	Tubes, pipes and hoses - flexible, plastic - minimum burst pressure 27.6 MPa	2621
3917.32.00	Tubes, pipes and hoses, plastic - other	5625
3917.40.00	Pipe, tube or hose fittings - plastic	16061
3918.10.XX	Certain floor, wall and ceiling coverings of polymers of vinyl chloride	76469
3918.90.XX	Certain floor, wall and ceiling coverings of other plastics	3454
3921.11.00	Film and sheet etc., cellular, of polymers of styrene	7110
3923.29.00	Sacks and bags, of plastics other than polyethylene	12048

Tariff item*	Description	Imports from USA** CDN\$'000
3925.20.00	Plastic doors, windows and frames and thresholds for doors	4224
3926.20.XX	Plastic apparel, clothing accessories	6721
4409.20.XX	Non-coniferous wood continuously shaped along any of its edges or faces, whether or not planed, sanded or finger-jointed	24978
4415.10.XX	Cases, boxes, crates, drums and similar packings, of wood; cable drums of wood	3548
4418.10.10	Windows, french-windows and their frames, of wood	823
4418.20.00	Doors and their frames and thresholds, of wood	9924
4418.30.00	Parquet panels, including wood tiles	838
4813.20.00	Cigarette paper, in rolls of a width not exceeding 5 cm	17116
4814.20.00	Wallpaper coated with plastics	11223
4819.30.00	Sacks and bags of paper, paperboard, cellulose wadding or webs of cellulose, having a base of a width of 40 cm or more	4128
4819.40.XX	Sacks and bags of paper, paperboard, cellulose wadding or webs of cellulose of a width less than 40 cm (excluding vacuum cleaner bags of 4819.40.10)	11743
4819.50.00	Packing containers, including record sleeves, of paper, paperboard, cellulose wadding or webs of cellulose	7510
4823.60.00	Trays, dishes, plates, cups and the like	28669
4911.99.90 EX	Lottery tickets	2500
7108.13.10 EX	Certain semi-manufactured forms of gold	2281
7610.10.00	Aluminum doors, windows and their frames and thresholds for doors	10955

Tariff item*	Description	Imports from USA** CDN\$'000
7610.90.00	Aluminum structures and parts of structures (for example bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, balustrades, pillars and columns); aluminum plates, rods, profile tubes and the like, prepared for use in structures (excluding aluminum extrusions for use in the manufacture of retractable roof systems)	20084
8544.30.00 EX	Ignition wiring sets	10901
8708.29.99 EX	Vinyl car mask	2500
TOTAL		350215 *****

\*The "XX" designates a tariff heading consisting of a number of tariff items, all of which are included on the list. The "EX" refers to the partial coverage of the tariff item.

\*\*For any particular tariff item listed, amounts provided do not necessarily represent the total amount of imports from the USA, but only that portion that would be subject to the proposed surcharge.