

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

L/6694

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CANADA - IMPORT RESTRICTIONS ON ICE CREAM AND YOGHURT

Recourse to Article XXIII:2 by the United States

Communication from the United States

The following communication, dated 27 June 1990, has been received from the United States Trade Representative, with the request that it be placed on the Agenda of the Council meeting to be held on 11 July 1990.

On 4 December 1989, the CONTRACTING PARTIES adopted the report of the Panel on Canadian Import Restrictions on Ice Cream and Yoghurt (L/6568), including the recommendation of the Panel that Canada either terminate these restrictions or bring them into conformity with Canada's obligations under the General Agreement.

To date, Canada has taken no steps to comply with its obligations. Indeed, it has indicated that it will wait for the outcome of the Uruguay Round before even "deciding on implementation". Furthermore, instead of declaring that it will bring its import restrictions into conformity with the General Agreement, Canada is seeking to change the General Agreement to bring it into conformity with Canada's import restrictions. This position undermines the credibility of the GATT dispute settlement system and is contrary to Canada's commitment at Punta del Este that all trade restrictive measures inconsistent with the General Agreement shall be phased out or brought into conformity within the agreed time frame not later than by the date of the formal completion of the Uruguay Round negotiations.

The United States, pursuant to Article XXIII:2 of the General Agreement, therefore requests that the CONTRACTING PARTIES consider that the circumstances of Canada's refusal to commit to implement the recommendations of the Panel in this case are serious enough to justify the United States to suspend the application of appropriate concessions or other obligations under the General Agreement.

The United States continues to seek agreement with Canada on a time frame during which Canada will comply with its obligations under the General Agreement. If no mutually satisfactory solution can be reached, the United States will submit a detailed request for authorization to suspend concessions, for a decision at the next meeting of the Council.