

GENERAL AGREEMENT ON

RESTRICTED

Spec(88)14/Rev.4/Add.1
23 October 1989

TARIFFS AND TRADE

UNITED STATES IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS

Draft Report of the Working Party

Addendum

Proposed Conclusions and Recommendations

1. Following the agreement reached at the meeting of the Working Party on 26 June 1989, the following proposals for conclusions and recommendations to be included in the Working Party's report to the Council have been received from members.

Draft submitted by Australia

2. It was the consensus of the Working Party that given the fact that the circumstances under which the Waiver had been granted had changed, it was no longer appropriate for the United States to continue to claim coverage of the Waiver. It had been intended by the CONTRACTING PARTIES that the Waiver would enable the United States to seek a solution to the problem of surpluses through the adjustment of demand and supply. This had not been done and instead the Waiver was now protecting and maintaining the production of exportable surpluses.

3. In view of the above conclusions and the repeated assurances of the United States that it is prepared in the context of the Uruguay Round negotiations on agriculture to make fundamental changes to policies related to the Waiver, this Working Party recommends that the United States might undertake the review, foreshadowed in its statement to the CONTRACTING PARTIES in 1955, of the circumstances which led to the granting of the Waiver. Such a review should lead to the setting of a realistic time-frame for the termination of the Waiver.

4. The Working Party further recommends that the report be submitted to the CONTRACTING PARTIES with a view to obtaining recommendations to the United States Government as to actions which might be appropriate and which would obviate continued indefinite application of the Waiver.

Draft submitted by Canada

5. The Working Party noted that the concluding comments in the report of the Working Party which examined the twenty-eighth annual report of the United States (ref. document L/6194, 2 July 1987) were still relevant. That is, that the continued application by the United States authorities of the Waiver granted by CONTRACTING PARTIES in 1955 had done little to facilitate long-term adjustment of affected United States industries to international competition. On the contrary, it had allowed the maintenance of agricultural programmes which had led to recurring serious imbalances in supply and demand; created pressure for periodic subsidized exports and retarded the development of operationally effective GATT rules and disciplines in the field of agriculture.

6. It was noted that the twenty-ninth and thirtieth annual reports of the United States contained nothing which would weaken the force of the foregoing observations, and members of the Working Party therefore welcomed the assurances of the United States representative that all programmes and policies of the United States, including the Section 22 Waiver, are on the table in the Uruguay Round of trade negotiations, and that the United States is prepared to work, with other participants in the Round, to end the need for the Waiver.