

GENERAL AGREEMENT ON

RESTRICTED

Spec(88)14/Rev.4/Add.2
12 February 1990

TARIFFS AND TRADE

UNITED STATES IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS

Draft Report of the Working Party

Addendum

Proposed Conclusions and Recommendations

The following proposal has been received from the European Community:

Conclusions and recommendations

37. The Working Party noted that the United States had not complied with the procedure agreed by the CONTRACTING PARTIES in 1955, in that it had submitted two reports together covering the period 1985 and 1986 whereas the procedure provided for the submission of an annual report. The Working Party also noted that its work had been considerably delayed by the United States, which had been dilatory in answering the questions addressed to it by members of the Working Party. The Working Party therefore suggested that the CONTRACTING PARTIES recommend that in the submission of reports the United States, should henceforth respect the procedure agreed in 1955 and display a more co-operative spirit and greater diligence during the examination of the reports.

38. 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 (see document L/6194, 2 July 1987) were still relevant. That is, the continued application by the United States authorities of the

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Waiver granted by the 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. The Working Party noted that the twenty-ninth and thirtieth annual reports of the United States contained nothing which would weaken the force of the foregoing observation.

39. The Working Party noted 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. The Waiver was granted in consideration of assurances by the United States that it intended to seek a solution of the problem of surpluses of agricultural commodities. As the Waiver is now protecting and maintaining the production of agricultural surpluses, the legitimate expectations of the contracting parties at the time of the granting of the Waiver have not been fulfilled.

40. In view of the above conclusions and the repeated assurances of the United States that it was prepared in the context of the Uruguay Round negotiations on agriculture to make fundamental changes to policies related to the Waiver, the 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.

41. 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.