UNITED STATES - TAX ON IMPORTED CRUDE OIL AND PETROLEUM PRODUCTS

Recourse by Canada to Article XXII:1

The following communication, dated 7 November 1986, has been received from the Permanent Mission of Canada.

As part of the Congressional Appropriations and Deficits Bill signed into law on 17 October 1986, the United States Government will impose as of January 1987 a tax of 8.2 cents per barrel on crude oil produced in the United States while a tax of 11.7 cents per barrel will be imposed on imported crude oil and petroleum products. Canadian authorities consider the imposition of a higher tax on imported crude oil and petroleum products than that applied to domestic production constitutes discriminatory treatment and is inconsistent with the provisions of the GATT, in particular Article III. Accordingly the Canadian delegation hereby requests to enter into consultations with the United States under Article XXII:1 of the General Agreement. It is requested that these consultations be initiated within the next two weeks. The Canadian delegation would welcome the participation of other delegations wishing to do so to join in these consultations.