REPRESENTATIONS AND CONSULTATIONS CONCERNING RESTRICTIONS APPLIED BY

THE UNITED STATES

Information Supplied by Uruguay

1. In preparation for the Panel's work, the Chairman of the Panel, in March 1962, sent a note to the Uruguayan delegation requesting certain specific information (Spec(62)103). In response to this request the Uruguayan delegation has submitted (a) a general note setting out its position in regard to all the cases to be considered by the Panel (see Spec(62)150) to supplement the general statements, etc. already made available by the Uruguayan authorities to the CONTRACTING PARTIES at the nineteenth session and to the Council in February 1962; and (b) certain material concerning its representations to and consultations with individual contracting parties. The present paper summarizes and reproduces such material relating to the United States.

2. According to the material supplied by Uruguay, the Uruguayan delegation wrote on 19 October 1961 to the delegation of the United States requesting a consultation in terms of paragraph 1 of Article XXIII. The United States delegation agreed to comply with this request but pointed out that two meetings might be necessary to complete a consultation, the first to provide the American delegation with details of the Uruguayan proposals and the second to enable the United States delegation to provide details of its Government's reaction.

3. The first meeting of the consultation was held on 2 November 1961 and Annex I reproduces the text of a letter from the Uruguayan delegation to the United States delegation of the same day which sets out the representations of Uruguay in respect of those items of immediate interest to Uruguay on the importation of which the United States imposes restrictions.


5. On 13 December 1961 the Uruguayan delegation wrote to the United States delegation reiterating its Government's request that the United States Government should give consideration to the elimination of restrictions and to expand Uruguay's access to that market. The exact terms of this further representation are reproduced in Annex III to this paper.
ANNEX I

Text of a Letter from the Uruguayan Delegation to the United States Delegation dated 2 November 1961

With reference to my note DELEGATT/TN-472/60/61-II.13 dated 19 October last and to the initial consultative meeting held this morning by our two delegations, I would like to confirm that the Uruguayan Government's basic approach to its present significant trade problems is set out in document L/1572. As you are no doubt aware, we are carrying out a number of Article XXIII consultations, and we have included certain items on the agenda of the nineteenth session of the CONTRACTING PARTIES. We have also sent you note DELEGATT/TN-437/60/61-II.13 of 3 October, for the purpose of checking the information contained in document Spec(61)294, in the same manner as we have addressed ourselves to the delegations of the other countries shown on this chart.

In regard to the consultation which we have now begun with you, I would like to confirm that my Government is naturally desirous of seeing all obstacles to our trade, as shown in the United States column on document Spec(61)294, removed; this would constitute a fair balance in respect of the treatment presently being granted in Uruguay to foreign goods, which are admitted without limitation as to quantity, value or origin, on a strictly non-discriminatory basis.

We are naturally aware that on important matters such as your foot-and-mouth disease restriction on meat and on the treatment given to wheat and flour, legislation is required and cannot be obtained at short notice. We recognize this fact, while reiterating our interest in securing worthwhile access to your market for these products, which are significant within our list of exports.

On a more short-term basis, we are desirous of securing an improvement on the following matters:

1. Salted beef (See my note DELEGATT/TN-420/60/61-II.13 of 28 September last).

Confirming the representations already made to your Government, we request that the extension to this product of your foot-and-mouth disease import restriction, be annulled. As you know, the restriction on salted beef is a recent development, coming very many years after the adoption of the sanitary regulations now in force in the United States, and some ten years after we negotiated this item with you at the Annecy Conference. Uruguayan technical experts have been unable to find any acceptable basis for the measure and this fact was communicated to your Government quite some time ago.

2. Rice

According to our information, there are restrictions on the importation of rice, and you grant discriminatory favourable treatment to Mexico. We would like to see these two impediments removed.
3. It appears that imports of edible oils are subject to additional taxes. We are interested in having such surcharges removed - insofar as they may exist - on sunflower and peanut oil. We understand that these taxes are no longer applied to linseed oil.

We shall look forward to hearing further from you in connexion with these matters.

May I state that our delegation highly appreciates the promptness and goodwill with which you have acceded to our request for an Article XXIII consultation. We feel that action of this nature is destined to strengthen the General Agreement and to facilitate the full attainment of its aims.
I refer to your letter of 2 November 1961 in which you confirmed the position you had taken in our meeting of that same day concerning the United States import regulations which appeared to you to constitute the most important short-term difficulties for Uruguayan trade.

After reporting the substance of our meeting and your letter to my Government, I have now received a partial reply. Your position in regard to United States sanitary restrictions on wet salted beef is still under consideration.

As regards rough rice, it is correct that a plant quarantine order has prohibited, since 1923, importation of rough rice from all countries except Mexico. Mexican rough rice is believed not to contain any viruses not already present in United States rice, and it can therefore be imported without risk of introducing new plant diseases. In fact, however, rough rice is of no commercial significance and there is no regular trade at all. The few pounds imported have been for experimental purposes. In fact, the United States is a major rice exporter.

On the edible oils about which you inquired, there are at present no additional taxes or surcharges. The so-called "IRC tax" on sunflower oil, amounting to 2 1/4¢ per pound, is for all practical purposes a tariff, negotiable like other United States tariffs. In addition, a processing tax on sunflower oil was imposed between 1934 and 1936, but this tax has been removed. On peanut oil, a fee in addition to the duty was applicable to imports in excess of 80 million pounds annually from 1953 until 5 April 1961, but this too is no longer in existence.

I shall be in touch with you again when a reply has been received concerning wet salted beef.
Text of a Letter from the United States Delegation to the Uruguayan Ambassador in Bonn dated 7 May 1962

I refer to your letter of 19 October 1961, which began our correspondence about a number of cases in which the Uruguayan Government has expressed a desire to consult with the United States, and to our subsequent correspondence and conversations on this subject. If our records are correct, we have now disposed of all of the possible complaints which you indicated were of immediate interest to Uruguay except that concerning wet salted beef. I have now received further information on this problem.

The interdepartmental trade-agreements organization in Washington has carried out a thorough examination of the record, from the Decision on 15 May 1959 to prohibit entry of wet salted beef to the present time. The embargo was imposed when research carried out at the Plum Island animal disease laboratory indicated that such beef is a potential foot-and-mouth disease carrier; considering the tremendous costs which would be involved in an outbreak of that disease, there was no alternative but to cut off the trade, once such a determination was made.

At the same time, no effort has been spared to try to develop alternative measures which would safeguard the United States cattle industry without interference with international trade. Following the visit to the United States of a special Argentine Mission in July 1961, it was agreed that there would be intensive study by the United States of its procedures applicable to meat imports and for exchange between the United States and the affected South American countries of information and technical advice on animal disease control measures, inspection of food products and related matters. The United States also expressed a willingness to support Pan American Health Organization programmes for control and eventual eradication of foot-and-mouth disease in South America, if Congress would agree to appropriate additional funds for this purpose.

Later, in December 1961, a group of independent scientists was sent to Argentina and Uruguay by the President of the United States to examine the possibility of processing meat so as to eliminate the danger of disease transmission. This group (the Harrar Group) issued a report suggesting a long-range programme to eradicate the disease and also a short-range programme for experimentation in search of ways of processing cured beef and cooked beef to render it safe.

In March of this year, a meeting of the National Academy of Science was then held to discuss how best to proceed, with a view to designing if possible an AID contract for scientific studies of means of controlling the disease and of overcoming danger of its spread through trade in processed meats. A comprehensive programme was drawn up comprising several phases:
a short-term experiment to study under controlled conditions the persistence of live virus in cured meat, and

a long-term research programme designed to find (1) new food technology techniques which would eliminate the virus during the curing process, and (2) means of eradicating the disease generally.

It was contemplated that this programme, if adopted, would cost some $20 millions to launch and would cost about $2 millions a year thereafter, a part of which cost would be borne by AID. It is not yet known whether the programme devised will be acceptable to Argentina, whose representation of the conference consisted largely of non-governmental experts, or whether means will be found to finance it. But any new facts or techniques developed by the programme, if carried out, would presumably be of value to Uruguay as well. The fact that such a programme has been evolved constitutes, in the view of the United States Government, a substantial indication of the seriousness and concern with which the matter is viewed.

Adoption of the programme could not, of course, guarantee lifting of the embargo, even in the longer run, but it is certain that until the problem is solved, there is no hope for a resumption of the trade. Until the disease is eradicated or acceptable processing methods are found, the embargo must continue as a measure necessary to protect animal health; as such, it is entirely consistent with Article XX(b) of the General Agreement.

It is the hope of my Government that the Government of Uruguay will recognize that the only purpose of the embargo is the protection of American cattle against disease. It represents no more than insurance against what could be a disastrous epidemic until such time as producing countries may be able, with our help, to overcome the obstacles which the disease places in the way of a resumption and development of their trade.
A text of a Letter from the Uruguayan Delegation to the United States Delegation dated 13 December 1961

I have the honour to refer to the consultation held between our respective delegations on 2 November and to the notes we have exchanged subsequently on the same subject, as well as to the statements made by the Uruguayan delegation and contained in documents L/1572, L/1647 and L/1679 and the chart which appears in document L/1662 above mentioned. These exchanges have confirmed the existence of certain measures in your country which have the effect of restricting the sale of some Uruguayan export products.

I am hereby reiterating the representations already made to the effect that your Government should be so good as to give its consideration to the convenience of doing away with these measures, which are deemed to have the effect of limiting Uruguay’s trade possibilities in your market. In this connexion, we shall be delighted to engage in any further consultations or conversations that you may consider to be of use in attaining the ends which are indicated above.

Although the Uruguayan Government’s position has been set out at length in the statements mentioned in paragraph 1 of this note, it may be of use to convey to you the continuing concern felt by the Government - from which new instructions were received today by this delegation - in regard to the widespread restrictions applied by many contracting parties to goods which are of fundamental importance within our export sphere. As you are aware, we are presently admitting goods from all countries, to any volume or value, without any discrimination. It is the Government’s desire to move in the direction of equivalent treatment for Uruguayan goods and your Government’s co-operation in promoting the effective access of our products to your market will be highly appreciated.