VIEWS ON THE PROPOSED WAIVER

Note by Canadian Delegation

The Canadian delegation has on several occasions stated its opposition to the request by the United States for a waiver of its obligations under the provisions of Articles II and XI "to the extent necessary to prevent a conflict in the case of action required to be taken by the United States Government under the terms of Section 22". Such a waiver would in effect write a piece of United States agricultural legislation, unqualified and virtually unsupervised, into GATT.

While we agreed that, in cases where particular United States price-support programmes attracted substantial quantities of additional imports from abroad, it was unreasonable to insist that the United States taxpayer should foot the bill for those imports or that foreign suppliers should obtain more than a fair share of the United States market, we could not agree to permit the United States to exclude imports to any extent considered necessary to protect any programme of the United States Department of Agriculture whatever its nature and purpose.

Consequently, the Canadian delegation stated that it would always be prepared to consider, on its merits, now or in the future, an application from the United States for an individual waiver with respect to specific and existing restrictions under Section 22, which are in conflict with the GATT, subject to appropriate conditions and safeguards.

In response to the invitation of the Chairman of the Working Party to submit proposals in writing; the Canadian delegation proposes that if a waiver is to be granted to the United States with respect to import restrictions under Section 22 which are in conflict with the GATT:

1. The waiver should relate to a specific restriction or specific restrictions then in effect.

2. The CONTRACTING PARTIES should be satisfied that the restriction will be eliminated in a reasonably short period of time.

3. The United States should undertake to apply appropriate measures to remove the underlying causes which led to the imposition of the restriction and to remove the restriction as soon as possible.
4. The United States should undertake not to apply any restriction or limitation in such a way as to interfere with normal imports from any contracting party; this requirement to be defined in terms of the relevant provisions of Article XI.

5. The waiver should be subject to review at least once a year by the CONTRACTING PARTIES based on reports made by the United States and by contracting parties affected by the restriction.

6. The CONTRACTING PARTIES may at any time make recommendations relating to any restriction applied under the waiver. They may also at any time by a decision modify or withdraw the waiver.

7. The grant of a waiver under the foregoing conditions would be without prejudice to the right of contracting parties to have resort to Article XXIII; nor should it affect the nature of the recommendation which the CONTRACTING PARTIES have to make or the authorization they may grant under paragraph 2 of Article XXIII, in all cases where nullification or impairment of benefits in fact results from the restriction.