news release

MINISTERS REJECT U.S. ITC'S FINDINGS ON WHEAT

The Honourable Roy MacLaren, Minister for International Trade, and the Honourable Ralph Goodale, Minister of Agriculture and Agri-Food, today rejected the U.S. International Trade Commission (ITC) decision that imports of Canadian wheat materially interfere with the U.S. support programs. The ministers noted that three commissioners qualified their findings by commenting on the limited extent of any interference.

"Canada categorically rejects the notion that imports of Canadian wheat impact negatively on the U.S. wheat price support programs," stated Mr. MacLaren. "The remedies proposed by two of the commissioners are unacceptable and inconsistent with market demand."

"Canada's success in exporting wheat to the United States is a result of basic market factors," stated Mr. Goodale. "Unusual weather conditions last year created a greater-than-average demand in the United States for high-quality milling wheat and feed wheat, a demand that Canada was able to meet. Furthermore, the U.S. Export Enhancement Program worsened the domestic shortage."

On January 18, 1994, the U.S. President directed the ITC to determine whether imports of wheat, wheat flour and semolina materially interfered with the U.S. wheat price support programs. The ITC is the U.S. agency responsible for carrying out investigations under Section 22 of the U.S. Agricultural Adjustment Act. The ITC report will be forwarded to the President for his consideration. The President is not bound by the recommendations of the ITC. The United States' GATT waiver for actions taken under Section 22 expires on implementation of the Uruguay Round results in 1995. Moreover, before taking any action, the United States must also meet certain GATT and NAFTA obligations.

"We are continuing to pursue discussions with the United States on a range of agricultural issues, including wheat," said Mr. MacLaren. "Should the United States proceed with unilateral