

Canada was also a complainant in two other cases.

- On January 26, 2004, Canada and seven other complainants requested authorization to retaliate against the United States for its failure to implement the recommendations and rulings of the DSB regarding the Byrd Amendment. The United States requested arbitration of the level of suspension of concessions requested. The arbitrator's award was issued on August 31, 2004. Details can be found on the WTO dispute settlement Web site (www.wto.org/english/tratop_e/dispu_e/dispu_e.htm), under the symbol WT/DS234/ARB/CAN.
- On August 29, 2003, a panel was established to hear a complaint by Canada, the United States and Argentina against the European Community's moratorium on the approval and marketing of biotech products. The complainants consider that these measures are inconsistent with the European Community's obligations under the Agreement on the Application of Sanitary and Phytosanitary Measures, the Agreement on Technical Barriers to Trade and the GATT 1994. The panel was composed on March 4, 2004, and is expected to issue its report in the spring of 2005.

Canada was also a defendant in one case.

- On September 27, 2004, the Panel and Appellate Body reports were adopted in a U.S. complaint that certain actions of the Government of Canada and the Canadian Wheat Board, as well as some Canadian grain transportation policies, were WTO-inconsistent. The Canadian Wheat Board's export regime was found to be WTO-consistent. However, certain Canadian grain transportation policies and parts of the Canada Grain Act and Canada Grain Regulations relating to grain segregation and entry authorization for foreign grain were found to be WTO-inconsistent. Details can be found on the WTO dispute settlement Web site (www.wto.org/english/tratop_e/dispu_e/dispu_e.htm), under the symbols WT/DS276/R and WT/DS276/AB/R. Canada and the United States have agreed that Canada will have until August 1, 2005, to implement the recommendations and rulings of the DSB.

Turning to the issue of improving the DSU, it should be noted that the WTO's dispute settlement mechanism is arguably one of the most effective system in existence for resolving disputes between sovereign states. The DSU has worked quite well overall, but significant benefits could be realized by improving and clarifying a number of rules and procedures. At the fourth Ministerial Conference in Doha, Qatar, WTO members agreed to negotiate improvements and clarifications to the DSU by May 2003. That deadline was subsequently extended to May 2004; however, because members were unable to reach agreement by that date, the WTO General Council agreed in July to continue the DSU negotiations without imposing a deadline. Members also agreed to have the talks continue on the basis of the work already done, including a draft text produced by the chair and proposals by members. Canada supported this decision.

To advance the negotiations, Canada would like to see members set clear priorities that would form the basis for substantive negotiations on new text. Work that Canada is undertaking with other members, as well as some of the proposals by individual members, will help to bring the necessary focus to the negotiations.

Canada has circulated proposals to better protect confidential information, streamline the panel selection process and enhance the transparency of dispute settlement proceedings. In addition, Canada has brought together a group of developed and developing country members to refine and develop text on other key issues. In May 2004, this group made well-received proposals to the broader membership to address the sequencing of compliance and retaliation proceedings, to provide for the possibility of remanding issues from the Appellate Body to the original panel, and to establish rules to govern the lifting of retaliatory measures previously authorized by the DSB. Canada also supports clarifications and improvements to the DSU to enhance the rights of third parties to disputes and to govern participation by non-members as "amicus curiae." Canada continues to engage with other members to try to achieve consensus on these issues.