

Although the Uruguay Round negotiations did not end successfully in December 1990, discussions are ongoing with a number of interesting international legal issues at play, such as the role of the principle of exhaustion of domestic remedies in the trade area and the extent of cross retaliation among agreements. A number of refinements to the GATT dispute settlement procedures are under discussion.

The past year has seen a large number of trade disputes involving Canada directly or as a third party. For example, in October 1990 a single arbitrator sitting pursuant to the 1989 GATT Dispute Settlement Rules found in Canada's favour on the question of whether the 1962 Canada/EC Quality Wheat Agreement maintained Canada's GATT rights arising from the creation of the EC. The arbitrator found, however, that the rights under a similar parallel bilateral agreement on ordinary wheat had lapsed. The decision is contained in Volume 37 of the BISD. In December 1990, the United States requested a GATT panel on a number of measures applying to the sale of beer in Canada. Oral hearings were held in April, May and July 1991, with the panel decision expected shortly. Canada in turn requested a GATT panel on U.S. federal excise tax measures affecting beer and wine, as well as a large number of U.S. state measures that deny national treatment to Canadian beer. Oral hearings begin in October 1991. A U.S. challenge under the Subsidies Code of the 1987 injury finding by the Canadian Import Tribunal in 1987, which resulted in the imposition of countervailing duties on imports of subsidized U.S. grain corn Subsidies Code, is currently underway.