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INTERNATIONAL TRADE MINISTER CROSBIE DISAPPOINTED BY U.S. TRADE ACTION ON BEER

International Trade Minister John C. Crosbie today said he was disappointed by the U.S. government's decision to proceed with an investigation of Canadian beer marketing practices, under Section 301 of the U.S. Trade Act.

"In meetings with U.S. Trade Representative Carla Hills, and in meetings between Canadian and U.S. officials, we have attempted to explain the misconceptions and factual errors contained in the petition filed by the G. Heileman Brewing Company, alleging that Canadian beer regulations hampered the company's access to the Canadian beer market," Mr. Crosbie said. "Unfortunately, the U.S. government has decided to proceed with the investigation."

"Canada is committed to complying with the 1987 GATT (General Agreement on Tariffs and Trade) Panel on provincial liquor board marketing practices, and steps have been taken towards achieving the necessary changes to those practices," Mr. Crosbie said. "There was, therefore, no need for the U.S. to take GATT action on the Heileman complaint."

The Minister said that Canada would, nonetheless, meet with U.S. officials under the auspices of the GATT to try to resolve the dispute since they had formally requested such consultations.

He pointed out that U.S. beer imports have increased dramatically in the past three years. Since 1987, U.S. beer imports to Canada have increased from 25,000,000 litres to 67,000,000 litres, and by value from \$11.6 million to \$40.5 million.

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