

- In response to these petitions, the U.S. initiated GATT dispute settlement proceedings and requested GATT Article XXIII:1 consultations with Canada, which took place on July 20, 1990.
- On December 12, 1990, the U.S. requested the GATT Contracting Parties in Geneva to establish a GATT Panel to examine the listing, pricing and distribution practices of provincial liquor boards with respect to beer. The GATT dispute settlement rules and regulations require a contracting party to agree to a request for the formation of a panel no later than the second time that it comes before Council.
- Canadian alcoholic beverage producers have expressed to the Government serious concerns regarding the U.S. federal excise measures and state government practices affecting Canadian exports of alcoholic beverages to the U.S. market. A number of provinces have expressed related concerns. These practices include the recent introduction of U.S. excise tax measures under the *Omnibus Budget Reconciliation Act 1990*, which provides for reduced tax treatment for small U.S. producers of beer, wine and cider.
- In an effort to resolve the difficulties arising from the discriminatory nature of U.S. practices affecting the export of Canadian alcoholic beverages to that market, Canada has requested consultations with the U.S. under GATT Article XXIII:1. On February 6, 1991, Canada advised the GATT Council in Geneva of its request to the U.S. for consultations.