



news release

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CANADA-U.S. DISPUTES ON ICE CREAM AND YOGHURT

International Trade Minister John C. Crosbie announced today that two Canada-U.S. trade disputes dealing with ice cream and yoghurt will be pursued at the December 20 meeting of the GATT Council in Geneva.

At that meeting, the U.S. intends to present a request for a GATT panel to examine its complaint against Canadian import controls on ice cream and yoghurt. The U.S. considers these controls to be inconsistent with Canada's GATT obligations.

Canada considers its import controls on ice cream and yoghurt to be fully consistent with the GATT. Extensive consultations with the U.S. have already been held to try to resolve this issue, but have been unsuccessful.

The meeting will also consider Canada's complaint against the U.S. import prohibition on imports of ice cream from Canada. Canada views this prohibition as a violation of the Americans' GATT obligations.

The Government will request formal GATT consultations on this issue with a view to removing the prohibition. Canada is trying to regain access for our ice cream producers to the American market.

With respect to the U.S. complaint, Mr. Crosbie said, "The Government remains firmly committed to maintaining our supply management programs. The Government will defend the import controls vigorously before the panel in this dispute."

The Minister noted that the Canada-U.S. Free Trade Agreement does not affect Canada's dairy supply management program in any way. The Agreement incorporates without change the GATT rules dealing with import controls in support of supply management.