

with the provinces and beer industry to achieve a satisfactory resolution. All of the provinces have confirmed that they intend to implement any changes to their respective systems required by the Memorandum of Understanding (MOU).

As a result of this agreement, the United States has agreed to lift last year's retaliatory action against Ontario beer exports. Likewise, Canada will remove its matching duty that was placed on some imports of U.S. beer into Ontario. Both these measures will take effect immediately.

In addition, imported beer will have greater access to the Canadian market. In particular, U.S. beer will soon appear in the Brewers Retail Inc. (BRI) network of stores in Ontario. Access to BRI stores had been limited to Canadian beer. At the same time the MOU requires no change to Ontario's environmental levy and allows the provinces to maintain GATT-consistent import monopolies and minimum prices.

"This opening of the border will result in new trading opportunities for U.S. beer and wider choice for Canadian consumers," noted Mr. Hockin. "Now that the threat of retaliatory action has been removed, we also expect Canadian companies to take advantage of new trading opportunities in the U.S. and build on the nearly \$200 million in beer exports to that market in 1992."

The Minister noted, however, that Canada will continue to press the United States to implement the GATT panel involving U.S. federal and state measures affecting Canadian beer and wine exports. "We have raised the issue regularly in the GATT Council and have had a number of discussions with the U.S. on this matter. If the United States is serious about market access and competitiveness for U.S. beer exporters, then they too must provide the same access for Canadian beer companies and remove all discriminatory measures."

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