

dispute settlement system that Canada expresses its great disappointment with the report of the Appellate Body, and with certain aspects of the Appellate Body's deliberations. Canada's observations may be reflected in the future discussions that Members may have in the context of the review of the DSU.

3. Canada has a vested interest in an open, respected and stable system for international trade. However, as international trade leads to an increasingly globalized and homogeneous world, it will be culture that will preserve the distinctiveness of WTO Members and ensure their ongoing sovereignty. The Government of Canada is therefore committed to maintaining effective policies and policy instruments in support of cultural development.

4. Print-based media are still a primary means of communication in Canada and around the world. Of all the different types of print-based media, periodicals in particular are timely and topical publications. Periodicals that are created for and in response to the needs of the Canadian market are not like periodicals that are created for and reflect the needs, interests and perceptions of the markets of other countries. It is not realistic for Canada, or for any Member of the WTO for that matter, to rely upon, nor even expect, media products from other countries to attempt to reflect its own reality. For it is in this reality that our sovereign distinctiveness as a country is determined. It is therefore critically important that a way be found, within the rules-based trading system, for WTO Members to be able to develop and maintain policies that promote their own unique culture and identity.

**b) Expeditiousness and fairness**

5. The dispute settlement provisions in the WTO Agreement ensure greater expeditiousness and fairness in the application of trade rules. Canada was at the forefront of the reform of the dispute settlement process during the Uruguay Round negotiations and continues to support these goals.

6. Expeditiousness is a constant preoccupation of the DSU working procedures that provide strict time-frames for DSB decisions. Ensuring an expeditious dispute settlement system must not result, however, in neglect of the fundamental principles of fairness.

7. Canada expresses disappointment with the handling of basic fairness requirements by the Appellate Body. Basic fairness requires an opportunity to argue and be heard. The determination of substitutability, competitiveness and protectionism under Article III:2, second sentence, of the GATT 1994 is a point of critical importance to the interpretation of the GATT 1994 and to the outcome of this case. Argument was neither submitted to nor solicited by the Appellate Body on these points. Had an opportunity been provided to submit a full written and oral argument, there would be no basis for a claim of lack of