

# News Release

Minister for  
International  
Trade



# Communiqué

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## CANADA TO SEEK AUTHORITY TO TAKE ACTION AGAINST USA

### FOR FAILURE TO ABIDE BY GATT PANEL RULING

International Trade Minister John C. Crosbie today announced that Canada is taking action to secure authority from the GATT to withdraw concessions from the United States because of its failure to implement the ruling of the GATT "Superfund" Panel.

A GATT Panel, formed at Canada's request, ruled that the USA's discriminatory tax on imported oil, which was imposed under the October 1986 Superfund legislation, is inconsistent with GATT rules.

In the period since the Panel report was adopted in June 1987, Canada has pressed the USA both in the GATT and bilaterally to take the necessary action to remove the discrimination in this tax. No such action has been forthcoming from the United States.

Canada subsequently proposed that the USA provide compensation pending the removal of the inconsistent measure. The USA has not responded to this suggestion.

"Canada has exhausted all other options to protect our rights under the GATT," commented Minister Crosbie. "Our preference is that the United States remove this discriminatory tax. We are not interested in retaliatory action for its own sake, nor will we act unilaterally. Instead, Canada will proceed in accordance with its GATT obligations which require us to seek authorization from the GATT in order to withdraw equivalent concessions."

"We will of course be consulting domestically on any potential areas where we would be looking at retaliation," Mr. Crosbie added.

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