

Minister of Industry,  
Science and Technology and  
Minister for International Trade



Ministre de l'Industrie, des  
Sciences et de la Technologie et  
ministre du Commerce extérieur

## News Release

## Communiqué

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### MINISTER SAYS U.S. BEER THREATS ARE INAPPROPRIATE

The Honourable Michael H. Wilson, Minister of Industry, Science and Technology and Minister for International Trade, today dismissed as premature and inappropriate a notice issued yesterday by the United States spelling out actions the U.S. might take against Canada in support of a General Agreement on Tariffs and Trade (GATT) panel critical of provincial beer-marketing practices in Canada.

"Canada has already advised the U.S. government that it intends to agree to the adoption of the panel report at the GATT Council Meeting next February," said Mr. Wilson. "The U.S. announcement is inappropriate because it threatens action on a GATT panel report before that report has even been considered by the GATT Council. Any action by the U.S. without the authorization of the GATT would violate U.S. obligations under both the GATT and the Canada-U.S. Free Trade Agreement."

Mr. Wilson, who met last week in Moncton, New Brunswick, with his provincial counterparts, pointed out further that the federal government is working with the provinces and industry on implementation of the GATT panel's recommendations.

"While the GATT panel has found certain provincial practices inconsistent with international trading rules, it has recommended that Canada report back to the GATT on actions taken with respect to certain of those practices by March 1992 and with respect to others by the end of July next year," the Minister said. "We intend to meet those deadlines. The Government of Canada would take appropriate measures if in the interim retaliatory action were taken by the U.S."

The Minister also noted Canada has brought a complaint before the GATT against U.S. federal and state measures affecting the sale of Canadian beer, wine and cider. This panel is expected to give its ruling in the new year.

A *Federal Register* notice published Wednesday by the U.S. government said that in the absence of a "mutually satisfactory solution" between Canada and the United States, the U.S. Trade Representative proposes to take action under Section 301 of the U.S. trade law by December 29 this year. Increased duties on Canadian beer and other alcoholic beverages are among the actions identified for consideration.

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For further information, media representatives may contact:

Media Relations Office  
External Affairs and International Trade Canada  
(613) 995-1874