
News Release

September 12, 1995

No. 162

CANADA WELCOMES TERMINATION OF U.S. RESTRICTIONS ON CANADIAN WHEAT

Minister for International Trade Roy MacLaren and Minister of Agriculture and Agri-Food Ralph Goodale today welcomed the expiry of U.S. tariff-rate quotas which, for the past year, have applied to the export of Canadian wheat to the U.S. market. These tariff-rate quotas were part of a Canada-U.S. memorandum of understanding (MOU) negotiated last summer for a one-year period ending September 11, 1995.

"When we negotiated last year's agreement, we were determined to ensure that it would be for one year only," said Mr. Goodale.

"We have held firm in rejecting any extension of the tariff-rate quotas in any form."

In response to U.S. indications that the U.S. intends to monitor Canadian imports, Minister Goodale noted: "The U.S. is, of course, free to monitor any imports and can request consultations if they have any concerns. However, Canada does not intend to participate in any process aimed at limiting our exports."

The ministers noted last year's agreement had been negotiated to avert a more restrictive U.S. action under Section 22 of the U.S. Agricultural Adjustment Act. Under the World Trade Organization, the United States has now lost its previous GATT waiver for Section 22 measures.

"The U.S. no longer has any international legal basis to take restrictive action against non-injurious Canadian wheat imports," said Mr. MacLaren. "We expect the United States to continue to live up to its international obligations."

"Canada's wheat exports are not harming U.S. farmers," said Mr. Goodale. "Our success in the U.S. market has reflected the high quality of our products and U.S. demand for Canadian wheat." He added that the world wheat market is particularly strong this year and that both Canadian and U.S. farmers should benefit from near-record price levels.



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The ministers also indicated that they anticipate receiving the final report of the Canada-U.S. Joint Commission on Grains (JCG) later this month. Also as a part of the Canada-U.S. MOU, the JCG was established in September 1994 with a one-year mandate to examine Canadian and U.S. grain marketing and support systems and to make non-binding recommendations to the two governments. The ministers noted their intention to consult again with Canadian stakeholders prior to discussing the recommendations of the JCG with the United States.

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