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WILSON RESPONDS TO U.S. DECISION ON BEER

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, confirmed today that negotiations are continuing with the United States on Canada's plan to implement the findings of the General Agreement on Tariffs and Trade (GATT) panel on provincial beer marketing practices.

"We consider Canada's implementation plan a reasonable one and fully consistent with the GATT," Mr. Wilson said. "We would prefer an agreed resolution of this matter. However, it is essential that the Canadian industry have a period of transition to adjust to the increased competition from imports in the Canadian market," the Minister reiterated.

"Industry adjustment is in response to a GATT decision of 1992," said Mr. Wilson. He noted that subsequent to the GATT decision on the complaint on alcoholic beverages, brought by the European Community in 1987, Canada and the United States had agreed under the Free Trade Agreement that changes were not required to existing practices affecting the distribution and sale of beer.

Mr. Wilson, who discussed this issue with his provincial counterparts yesterday, also said that Canada's implementation plan involves major changes to the existing provincial systems. "We have told the U.S. that it is neither reasonable nor realistic to expect that these systems can be substantially revised by this summer," Mr. Wilson added.

"At the same time, Canada considers unwarranted a U.S. decision to suspend finalization of customs clearance of Canadian beer imports pending a conclusion of negotiations," said Mr. Wilson. "We fully expect them to observe their GATT obligations."

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. The GATT Council will consider this panel report at its April 30 meeting.

"The U.S. has many of its own measures that discriminate against Canadian beer and wines," the Minister noted.

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