



news release

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GOVERNMENT EXPRESSES DISAPPOINTMENT OVER GATT RULING

ON ICE CREAM AND YOGHURT

Ottawa, Sept. 15, 1989 -- Minister for International Trade John C. Crosbie and Agriculture Minister Don Mazankowski today expressed their dismay and serious concern that a GATT Panel found against Canadian import quotas on ice cream and yoghurt. The Ministers said they will consult closely with the industry to consider all options.

The Panel, examining a complaint brought by the USA, has found that restrictions limiting the quantity of ice cream and yoghurt allowed into Canada are not in conformity with Canada's GATT obligations.

Mr. Mazankowski noted "The United States has had an exemption from the GATT for its import quotas since 1955. That is most unfair and must be addressed in the current round of GATT negotiations."

"The report was received only recently and the government will need time to review the Panel's decision," Mr. Crosbie explained. "The government considers it essential to have the views of the industry and other interested groups before coming to a decision on an appropriate course of action."

"This report could have implications for Canada and other countries who use GATT Article XI as an important trade instrument," said the Trade Minister. "This case illustrates just how important it is for us to work with our trading partners in the MTN to clarify the definition and use of GATT Article XI which is fundamental to the support of our supply management programmes."

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"The government remains committed to supply management, which has benefitted many agricultural sectors," said the Agriculture Minister. "The dairy sector is an important segment of Canadian agriculture. The previous actions of the government have underlined its policy to ensure the continued viability and prosperity of the agricultural industry."

Canada added ice cream and yoghurt to the Import Control List on January 28, 1988 in support of the national supply management programme for industrial milk. The United States requested formation of a GATT Panel in December 1988 to examine the GATT consistency of Canada's action.

The Panel report has yet to be circulated to other GATT members. Under GATT procedures, Panel reports are considered by the GATT Council. The first opportunity the Council would have to consider the report will be at its meeting of October 11.

For more information, media may contact:

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

Glenn Hansen
International Trade Policy
Agriculture Canada
(613) 995-7586