

# GENERAL AGREEMENT ON

RESTRICTED

DS17/2

6 December 1990

## TARIFFS AND TRADE

Limited Distribution

CONTRACTING PARTIES  
Forty-Sixth Session

Original: English

### CANADA - IMPORT, DISTRIBUTION AND SALE OF CERTAIN ALCOHOLIC DRINKS BY PROVINCIAL MARKETING AGENCIES

#### Recourse to Article XXIII:2 by the United States

##### Communication from the United States

The following communication, dated 3 December 1990, has been received from the United States Trade Representative, with the request that it be considered by the CONTRACTING PARTIES at their Forty-Sixth Session.

Pursuant to the request of the United States, consultations under Article XXIII:1 of the General Agreement were held in July 1990 between the United States and Canada regarding restrictions maintained by Canadian provincial marketing agencies on the import, distribution and sale of beer. These consultations did not result in a satisfactory adjustment of the matter. The United States has sought at the last two Council meetings to have the Council affirm the right of the United States under Article XXIII:2 of the General Agreement to have the Government of Canada comply with its obligation to implement the recommendations and rulings of the CONTRACTING PARTIES as reflected in the panel report on "Import, Distribution and Sale of Alcoholic Drinks by Canadian Provincial Marketing Agencies" (Liquor Boards), adopted by the Council on March 22, 1988 (BISD 35S, 37), and in the absence of prompt compliance, to authorize the United States to exercise its rights under Article XXIII:2. Canada has objected on both occasions to the United States request.

Therefore, the United States requests that, pursuant to Article XXIII:2 of the General Agreement, the CONTRACTING PARTIES establish a dispute settlement panel to determine whether benefits accruing to the United States under the General Agreement are nullified or impaired as a result of practices maintained by Canadian marketing agencies with respect to the import, distribution and sale of beer, including, but not limited to, those practices (relating to pricing, listing and points of sale) identified in the 1988 Liquor Boards panel report. In light of the fact that the 1988 Liquor Boards panel report has identified many of the practices at issue and the CONTRACTING PARTIES have found them to be inconsistent with Canada's obligations under the General Agreement, the United States requests that, to the extent possible, the members of the 1988 Liquor Boards panel be asked to serve on the new panel, and that the work of the panel be completed on an expedited basis (i.e., within 60 days of the date the panel is established).