

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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UNITED STATES - MEASURES AFFECTING
ALCOHOLIC AND MALT BEVERAGES

Request for Consultations
under Article XXIII:1 by Canada

The following communication, dated 6 February 1991, sent by the Permanent Representative to GATT of Canada to the United States Trade Representative in Geneva, is circulated in accordance with paragraph C.3 of the CONTRACTING PARTIES' 1989 Decision on Improvements to the GATT Dispute Settlement Rules and Procedures (BISD, 36S/62).

On instructions from my authorities, I wish to convey to you the request of Canada for consultations under Article XXIII:1 of the General Agreement on Tariffs and Trade concerning United States measures affecting the treatment of imported alcoholic and malt beverages. These measures include the recently enacted federal legislation - Part I, Section 11201 of the Omnibus Budget Reconciliation Act of 1990 - which provides exclusive excise tax advantages to small USA producers of beer, wine, and cider. Canada considers these provisions to be discriminatory and inconsistent with United States' obligations under the General Agreement.

In addition, there are a number of practices at the state level affecting the treatment of imported alcoholic and malt beverages; including those concerning taxation, availability for sale, labelling, and distribution, which discriminate against Canadian products and which Canada considers to be inconsistent with the United States' obligations under the General Agreement.

In accordance with the April 12, 1989, decision on "Improvements to the GATT Dispute Settlement Rules" (L/6489), we therefore request that consultations on this matter be held pursuant to Article XXIII:1 of the General Agreement. We are open to your suggestions as to an appropriate date and venue for the consultations.