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CANADA - MEASURES AFFECTING DAIRY EXPORTS

Request for Consultations by New Zealand

The following communication, dated 29 December 1997, from the Permanent Mission of New Zealand to the Permanent Mission of Canada and to the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with Canada pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article 19 of the Agreement on Agriculture and Article XXII:1 of the General Agreement on Tariffs and Trade 1994 (GATT 1994) with regard to the Canadian dairy export subsidy scheme commonly referred to as the "special milk classes" scheme. The Canadian Dairy Commission Act and the Comprehensive Agreement on Special Class Pooling which was signed by the Canadian Dairy Commission and the participating provinces are some of the relevant references for the scheme in question.

New Zealand considers that the Canadian "special milk classes" scheme is inconsistent with Canada's obligations as set out under Articles 3, 8, 9 and 10 of the Agreement on Agriculture.

New Zealand reserves the right to raise additional factual matters and legal claims during the course of consultations.

We look forward to receiving your reply to the present request and to setting a mutually convenient date for the consultations. We would suggest that such consultations could be held sometime during the week beginning 26 January 1998.