

WORLD TRADE ORGANIZATION

RESTRICTED

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CANADA - CERTAIN MEASURES CONCERNING PERIODICALS

Request for the Establishment of a Panel by the United States

The following communication, dated 24 May 1996, from the Permanent Mission of the United States to the Chairman of the Dispute Settlement Body, is circulated at the request of the United States.

The Government of Canada maintains several measures concerning periodicals, including, but not limited to: (1) Tariff Code 9958, which prohibits the importation into Canada of certain periodicals; (2) Part V.1 of the Excise Tax Act, as enacted by Bill C-103 of 15 December 1995, which imposed an excise tax on certain so-called “split-run” periodicals; and (3) the application of favourable postal rates to certain Canadian periodicals, including through actions of the Canada Post Corporation and the Department of Canadian Heritage (formerly the Department of Communications).

These measures appear to prohibit or restrict imports of periodicals from the United States and other Members of the World Trade Organization in contravention of the Government of Canada’s obligations under Article XI of the General Agreement on Tariffs and Trade 1994, and also appear to be inconsistent with the national treatment obligations of the Government of Canada under Article III of the General Agreement on Tariffs and Trade 1994.

These measures also appear to nullify or impair the benefits accruing to the United States directly or indirectly under the General Agreement on Tariffs and Trade 1994.

On 11 March 1996, the Government of the United States requested consultations with the Government of Canada regarding these measures pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (“DSU”), and Article XXIII of the General Agreement on Tariffs and Trade 1994.

Consultations were held on 10 April 1996, but have failed to settle the dispute. Accordingly, the United States respectfully requests the establishment of a panel with standard terms of reference as set out in Article 7 of the DSU.

The United States further asks that this request for the establishment of a panel be inscribed on the agenda of a special meeting of the Dispute Settlement Body, and that the meeting be held on 6 June 1996.