

Byrd Amendment: Government of Canada Seeks Comments on Possible Trade Retaliation Against United States
(Government of Canada)

The Government of Canada today announced that it is launching consultations with Canadians on possible trade retaliation against the United States in light of U.S. failure to comply with the World Trade Organization (WTO) ruling on the Byrd Amendment. The Byrd Amendment, which allows U.S. companies to receive anti-dumping and countervailing duties collected from foreign competitors, was found to be illegal under the WTO.

“Clearly, retaliation is not Canada’s preferred option, but the U.S. has failed to live up to its international trade obligations and repeal the Byrd Amendment,” said International Trade Minister Jim Peterson. “These consultations will help us assess what actions Canadians want us to take.”

“We want to hear from Canadian businesses themselves on the next steps that should be taken in challenging this U.S. measure,” said Minister of Finance Ralph Goodale. “The Government of Canada conducts public consultations every time retaliatory trade action is considered, and this dialogue will ensure that our upcoming response will be in Canada’s best interests.”

On August 31, 2004, the WTO ruled that Canada, Brazil, Chile, the European Union, India, Japan, Mexico and South Korea could retaliate by up to 72 per cent of the annual anti-dumping and countervailing duties on exports from these countries disbursed to U.S. companies in a given year.

On November 10, 2004, Canada joined other co-complainants in submitting to the WTO the final retaliation authorization request reflecting the WTO Arbitrator’s decision on retaliation; this step is required by the WTO before any retaliatory measures can be applied. The request will be considered at a meeting of the WTO on November 24 and will be automatically authorized unless it is unanimously rejected by WTO members.

Public consultations will assist the Government of Canada in assessing future actions. A Canada Gazette Notice has been published today. Interested parties are asked to comment by December 20, 2004, through the International Trade Canada Web site at <http://www.byrd-consultations.gc.ca>

The Canada Gazette Notice provides background information on the dispute and seeks input from Canadians on two possible retaliatory measures: tariff measures on certain imports from the U.S. and the suspension of the injury test in Canadian anti-dumping and countervail investigations on imports from the U.S. The Notice also contains a list of U.S. products upon which retaliatory surtaxes could be imposed. Canadian imports of these products are valued at approximately \$5 billion. [The Canada Gazette notice and the List of Products Proposed for Possible Retaliation Measures are available at: <http://canadagazette.gc.ca/part1/2004/20041123-x/html/extra-e.html>]

Those with additional questions on the public consultations or the Canada Gazette Notice can contact the Government of Canada at 1 800 769-0674.

The Government of Canada will consider all comments received and will then determine the appropriate action to be taken.

Media Relations Office
Foreign Affairs Canada and International Trade Canada
(613) 995-1874
<http://www.international.gc.ca>

[“Although we don’t support trade retaliation measures of any kind, we understand that Canada needs to carry a big stick to persuade the United States to repeal the Byrd Amendment,” says Bob Armstrong, president and CEO, I.E.Canada.]