

not supported by the evidence on record. As a result, the U.S. Department of Commerce decided to drop the anti-dumping duties for the two Canadian companies and to refund those duties already paid. In the steel rail cases, brought by Sydney Steel Company and Algoma Steel, the U.S. determinations were ultimately confirmed, as was the case in the three panels on paving equipment. With respect to salted codfish, the U.S. anti-dumping order has been rescinded and panel proceedings were terminated December 15, 1989.

There was considerable activity in 1990 on the two panels on pork brought by the Canadian Pork and Meat Councils to review the U.S. International Trade Administration (ITA) decision on subsidy and the U.S. International Trade Commission (ITC) decision that imports of Canadian pork were threatening to injure the U.S. pork producers. The Canadian Government is a party to the action on subsidy. The Panel reviewing threat of injury in a unanimous decision remanded the issue to the ITC for determination because of the ITC's reliance on questionable statistics. On October 23, 1990, the U.S. ITC upheld its initial threat of injury finding bringing forward some new information on Canadian consumption and production of pork. The Panel on subsidy also decided on a remand to the Department of Commerce, in part based on the use of "automatic pass through" methodology which Canada had successfully challenged in the GATT. A decision on December 7, 1990 by the Department of Commerce reduced the subsidy finding from 8 cents per kilogram to 6.6 cents. These U.S. remand determinations are being reviewed by the respective panels whose decisions will be forthcoming in early 1991.

With respect to the U.S. initiated case, two U.S. companies have requested a Panel review of the October 20, 1990 decision by the Canadian International Trade Tribunal to continue to impose dumping duties on electrical induction motors imported from the USA. The FTA Panel decision is due by September 11, 1991.

The operation of the Chapter 19 dispute settlement mechanism, unique in international trade law because of its power to issue legally-binding decisions with respect to the review of the activities of domestic agencies, has had a positive effect on the Canada-U.S. trade environment. While the panels are circumscribed as to the grounds on which they can decide a case (essentially the fair and reasonable application of domestic laws based on the record), the mechanism has provided for objective and more timely review of decisions that can impact negatively on individual exporters as well as the broader trade relationship.

C. Canada - United States Trade Commission

The FTA established the Canada-United States Trade Commission which has overall responsibility for the administration of the Agreement. The Commission is headed by the Cabinet-level