

News Release

Communiqué

Minister for
International
Trade



Ministre du
Commerce
extérieur

No. 098

May 2, 1989.

INTERNATIONAL TRADE MINISTER
OBJECTS TO U.S. PORK SUBSIDY RULING

International Trade Minister John C. Crosbie today objected to the U.S. Commerce Department's preliminary subsidy determination on Canadian exports of fresh, chilled and frozen pork. As a result of this determination, Canadian exporters will be required to pay a provisional countervailing duty of 3.5 cents per pound.

"The methodology used to make this ruling is inconsistent with U.S. obligations under the General Agreement on Tariffs and Trade, (GATT)," Mr. Crosbie said. He has instructed his officials to meet with their U.S. counterparts at the earliest opportunity, with a view to resolving the issue.

Mr. Crosbie pointed out that under the GATT Subsidies Code, a party must demonstrate the existence and amount of a subsidy on a product before a countervailing duty may be applied. "Instead of acting in accordance with this code, the Department of Commerce has apparently decided that subsidies alleged to be paid to farmers on live hogs are automatically and fully passed on to the processors of fresh, chilled and frozen pork products," Mr. Crosbie said.

The Minister added that today's Commerce Department ruling is preliminary. The final determination of subsidy is scheduled to be made by July 17. If the preliminary determination is confirmed, the U.S. International Trade Commission would make a final injury determination by August 31.

-- 30 --

For more information, contact:
Abbie Dann, Media Relations Office,
Department of External Affairs,
(613) 995-1874