



news release

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MINISTERS DISAPPOINTED BY U.S. DECISION TO REQUEST EXTRAORDINARY CHALLENGE ON LIVE SWINE

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, and the Honourable Charles Mayer, Minister of Agriculture, today said they were very disappointed by the United States' decision to request an Extraordinary Challenge Committee to review the October 30, 1992 ruling by a panel established under the Canada-U.S. Free Trade Agreement (FTA), dealing with the dispute over live swine.

"We are very disappointed at this action," said Mr. Wilson. "Article 1904 of the FTA allows for an extraordinary challenge under strictly prescribed circumstances. In Canada's view, there are no grounds for an extraordinary challenge in this case. Together with the Canadian Pork Council and the provinces, we presented a strong case to the panel, and we are confident that Canada's position will be upheld."

By a vote of four to one, the FTA panel last October ruled that Canada's National Tripartite Stabilization Program did not confer countervailable benefits to Canadian producers of live swine during the period from April 1, 1988 to March 31, 1989. In a dissenting opinion, however, the panel chairman argued that the majority decision distorted and misapplied U.S. law.

As a result of the ruling, the U.S. Department of Commerce (DOC) was ordered to recalculate its countervailing duty rate on imports of live swine from Canada. Canadian producers were entitled to receive refunds of duties already paid. The total financial benefit to the Canadian industry is expected to amount to close to \$8 million.

"This process works," said Mr. Mayer. "I am hopeful we will be just as successful in this proceeding as we were in the previous extraordinary challenge launched by the United States in connection with imports of Canadian pork."