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FEDERAL GOVERNMENT CHALLENGES U.S. DECISION ON CANADIAN PORK

International Trade Minister John C. Crosbie today announced the federal government has requested a review of the Dec. 7, 1990, decision by the U.S. Department of Commerce (DOC) regarding alleged subsidies on Canadian pork exports.

Following consultations with the Canadian pork industry and provincial governments, the request was made to the dispute settlement panel established under Chapter 19 of the Canada-U.S. Free Trade Agreement to review the U.S. government's imposition of countervailing duties on Canadian fresh, chilled and frozen pork. The panel, on Sept. 27, ordered the DOC to re-evaluate its subsidy determination, and the DOC responded on Dec. 7.

"We believe there are strong grounds to challenge the DOC's decision, which only slightly modified its original decision," Mr. Crosbie said. "The DOC failed to follow the instructions of the panel to properly determine whether subsidies existed. It then relied on impermissible presumptions rather than the evidence on the record to support its decision. We hope the panel will ensure that Commerce acts in conformity with the original Chapter 19 panel decision."