



news release

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MINISTERS PLEASED WITH PORK RULING

International Trade Minister John C. Crosbie and Agriculture Minister Don Mazankowski announced today they were pleased with the ruling by the Canada-U.S. Free Trade Agreement (FTA) dispute settlement panel on the U.S. subsidy determination on imports of fresh, chilled or frozen Canadian pork.

The panel remanded to the U.S. Department of Commerce (DOC) three of the four issues that were being challenged by the Canadian Government.

The panel remanded the DOC ruling on the countervailability of Canada's National Tripartite Stabilization Program, the conversion factor used by the DOC to allocate subsidies to pork packers, and claims by the DOC that the Western Diversification Office conferred countervailable subsidies to pork processors.

The panel upheld DOC arguments that the automatic subsidy passthrough provision of U.S. law, which deems that subsidies given to hog producers are passed on to pork processors, was correctly applied.

However, in August this year, a General Agreement on Tariffs and Trade (GATT) dispute panel ruled that the application of the automatic subsidy passthrough provision was inconsistent with the GATT and recommended the U.S. refund excess duties paid by Canadian pork exporters.

The DOC has until November 27, 1990, to return to the panel with a reconsideration of its final subsidy determination. Other parties have 15 days to comment on the new submission and a final decision should follow soon after.

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