



news release

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MINISTERS CROSBIE AND MAZANKOWSKI COMMENT ON PORK SUBSIDY RULING

International Trade Minister John C. Crosbie and Agriculture Minister Don Mazankowski today commented on the findings of a binational dispute settlement panel established under the Canada-U.S. Free Trade Agreement (FTA) to review the subsidy aspect of the U.S. countervailing duty on Canadian exports of fresh, chilled and frozen pork.

The Ministers expressed satisfaction that the panel upheld Canadian arguments with respect to two of the three Canadian support programs under review. The panel ruled that the U.S. Department of Commerce (DOC) had not provided evidence that Quebec's Farm Income Stabilization Program was countervailable under U.S. law, and that the rate of subsidy the DOC calculated for Alberta's Crow Benefit Offset Program should be re-evaluated. The panel referred the matter back to DOC for review; the response must be filed by March 28.

The Ministers expressed disappointment that the panel accepted the DOC ruling that the National Tripartite Stabilization Program was countervailable because it provided benefits to a specific group of industries.

Both Ministers emphasized, however, that in any case the countervailing duty action against fresh, chilled and frozen pork from Canada would be terminated and duties refunded as a result of the February 12 decision of the U.S. International Trade Commission (ITC) to reverse its earlier decision that imports of pork from Canada threatened to injure the American industry. The ITC reversal was in compliance with a January 22, 1991, decision by a separate binational dispute settlement panel established under the Canada-U.S. Free Trade Agreement.

To sustain a countervailing duty, a country must prove that its industry has been injured or threatened by injury and that the imported product had been subsidized.