

The U.S. International Trade Commission (ITC) decision that imports of Canadian pork were threatening to injure the U.S. pork producers is being appealed by the Canadian Pork and Meat Councils and Alberta and Quebec under a separate FTA Chapter 19 panel. A decision is due by August 24, 1990.

There are three separate cases on paving parts; two related to administrative review and one on the scope of the decision. A decision is expected by mid-January, 1990. With regard to salted codfish, the U.S. anti-dumping order has been rescinded and panel proceedings were terminated December 15.

The only existing U.S. challenge relates to a Canadian anti-dumping decision regarding induction motors.

To ensure fairness and integrity in the panel process, a procedure has been developed to deal with any serious breaches which might affect panel decisions and the integrity of the process. In such cases, either government can invoke an extraordinary challenge procedure involving a panel of three former judges who will determine the validity of the allegations and whether a new panel will be required to review the issues. To date, this extraordinary challenge procedure has not been used.

No other international trade agreement incorporates a judicial review of the activities of domestic agencies, with dispute-settlement panels empowered to issue legally binding decisions to such agencies. As illustrated above, Canadian exporters are actively exercising their rights through the panel process.

B. Canada - United States Trade Commission

The Agreement established the Canada - United States Trade Commission which assumes overall operational responsibility for the Agreement. The Commission is headed by the Cabinet-level officials having responsibility for international trade - the Minister for International Trade in Canada (The Honourable John C. Crosbie) and the United States Trade Representative (Ambassador Carla Hills). The Commission held two meetings in 1989; on March 13 and November 30.

C. Chapter 19 Working Group (Subsidies and Trade Remedies)

FTA articles 1906 and 1907 provide for a five-to-seven-year period to negotiate more effective rules and disciplines concerning the use of government subsidies and a substitute system of rules for dealing with unfair pricing and government subsidization. Since its establishment by the Canada - U.S. Trade Commission on March 13, 1989, the Working Group has met first at a technical level on May 4 and in plenary session on November 15. At the November meeting in Washington, both sides agreed that a two-phase approach