



news release

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WILSON AND McKNIGHT WELCOME FTA PANEL RULING ON SWINE

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, and the Honourable Bill McKnight, Minister of Agriculture, stated today that they were pleased with the decision of the Canada-U.S. Free Trade Agreement (FTA) binational panel on the U.S. fifth administrative review of imports of live swine from Canada covering the period of April 1, 1989 to March 31, 1990.

The panel ordered a remand to the U.S. Department of Commerce (DOC) on parts of its determinations concerning the ruling of countervailability of Canada's National Tripartite Stabilization Program and other programs.

The DOC has 60 calendar days to comply with this remand and return to the panel with a reconsideration of its ruling. Subsequently, other parties have 15 days to comment on the new ruling before a final decision is issued.

The panel's decision is in response to the Canadian challenge of the countervailing duty of 9.32 cents per pound for the fifth administrative review period conducted by the DOC. These reviews are conducted annually and follow the imposition of countervailing duties by the U.S. government in 1985 on imports of live swine from Canada. The reviews examine the changes in benefits received by Canadian swine producers, and establish a new countervailing duty rate.

"This is the second time that a panel in the case of live swine has found that a DOC ruling on the countervailability of the Tripartite Program is not supported by substantial evidence on the record in several important respects," said Mr. Wilson.

"This panel's decision stands as a concrete example of the benefits afforded to Canadian exporters by the dispute settlement mechanism of the FTA," added Mr. McKnight. "Furthermore, the Government remains committed to defending the interests of Canadian exporters of live swine to the U.S."

On May 20, another binational panel requested by Canada to review the outcome of the DOC's fourth administrative review, covering the period from April 1, 1988 to March 31, 1989, issued its

decision. It instructed the DOC to review its ruling on the countervailability of Canada's National Tripartite Stabilization Program and various other programs. The DOC responded on July 20, and the Canadian government and other interested parties have since filed submissions arguing that the DOC response did not satisfy the panel's instructions. This panel is expected to render its final decision on October 19.

As the 1985 U.S. imposition of duties on live swine predates the FTA, Canada has been able to take only the findings from each review period to a Chapter 19 Panel, and not the initial decision. Thus, only final determinations in administrative reviews by the DOC issued after January 1, 1989, may be reviewed by binational FTA panels.

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