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# news release

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Date **April 11, 1991**

**No. 87**

For release

## U.S. COMPLIES WITH BINATIONAL PANEL RULING IN PORK CASE

International Trade Minister John C. Crosbie and Agriculture Minister Don Mazankowski today said they were pleased that the U.S. Department of Commerce (DOC) will comply with the March 9, 1991 findings of a binational panel in the pork subsidy case under Chapter 19 of the Canada-U.S. Free Trade Agreement.

The binational panel had questioned whether there was sufficient evidence that Quebec's Farm Income Stabilization Program (FISI) conferred countervailable benefits and ordered the DOC to review its findings. With its decision today, the DOC concluded it had no such evidence. The panel also ordered a re-examination of the subsidy calculations for Alberta's Crow Benefit Offset Program. The DOC has now modified its original calculations on this issue.

"The DOC reversal of its earlier subsidy rulings was in compliance with the panel's instructions," said Mr. Crosbie. "The government is satisfied that the letter and intent of the binational dispute settlement system has been met with respect to the DOC subsidy findings." Mr. Mazankowski added, "As a result of this decision, the countervailing duty rate has been reduced from 8 cents per kilogram to 3 cents."

The Ministers noted that the U.S. has requested an Extraordinary Challenge procedure regarding a finding by a separate panel on the question of injury to U.S. pork producers. If that panel's findings are affirmed, the countervailing duty will end and approximately \$17 million in duties will be refunded to Canadian exporters.

To establish and maintain a countervailing duty order, a country must show not only that an imported product has been subsidized but also that its industry has been injured or threatened with injury.

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