



news release

Date **October 30, 1992**

No. 211

For release

MINISTERS 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, today welcomed the decision of a binational dispute settlement panel on live swine under the Canada-U.S. Free Trade Agreement (FTA).

The panel ruled that for the period of April 1, 1988, to March 31, 1989, Canada's National Tripartite Program did not confer countervailable benefits to Canadian producers of live swine. The panel therefore ordered the U.S. Department of Commerce (DOC) to recalculate its countervailing duty rate on imports of live swine from Canada in accordance with the panel's decision.

The panel's decision is final and binding. As a result, Canadian exporters will receive refunds of duties already paid. The total financial benefit to the Canadian industry is expected to amount to close to \$10 million.

"Throughout the proceedings in the case of live swine, we have argued that the National Tripartite Program is not countervailable. The panel's decision confirms the Canadian position. It also demonstrates the importance to Canada of the FTA and in particular of the dispute settlement provisions," said Mr. Wilson.

"This is good news for Canadian live swine producers," added Mr. McKnight. "The Canadian Pork Council and the provinces are to be congratulated for the strong case presented to the panel."

The panel's decision is in response to a Canadian challenge of the DOC's fourth administrative review, which calculated a countervailing duty rate for live swine of 4.49 cents/pound (9.9 cents/kilogram) for the 1988-89 period. This is the first time Canada has appealed the findings of a DOC administrative review on live swine to a binational dispute settlement panel.

Canadian live swine exports to the United States average \$112 million annually.

Administrative reviews are conducted annually by the DOC and follow the imposition of countervailing duties by the U.S. government in 1985 on imports of live swine from Canada. Since the 1985 imposition of duties predates the FTA, Canada has been able to take only the findings from each review period to a dispute settlement panel, and not the initial decision.

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