

Sugar

The United States maintains a sugar import tariff rate quota (TRQ) whereby imports above a specified level (1,383,344 metric tons in 1991/92) are subject to a prohibitive duty. In connection with the TRQ, the U.S. operates an import for re-export program under which U.S. sugar refiners may import sugar exempt from the prohibitive duty if an equivalent amount of sugar is re-exported. Since the original import for re-export program was introduced, U.S. exports of refined sugar have increased from 6,562 metric tons in 1982 to 71,738 metric tons in 1991. The FTA requires the elimination of such duty drawback programs for bilateral trade after January 1, 1994.

Canadian Actions

On many occasions, Canada has expressed its concerns to the U.S. government about the price-depressing and market-distorting effects of U.S. subsidy programs. Trade-distorting subsidy programs are one of the major issues under discussion in the Uruguay Round, and Canada is seeking significant reductions in these programs.

II. TRADE REMEDY LEGISLATION

U.S. trade laws allow for the imposition of anti-dumping or countervailing duties on imports of dumped or subsidized goods that cause or threaten injury to the domestic industry. U.S. industries seeking protection from import competition increasingly rely on trade remedy legislation. The U.S. system of law and practice also contains features that allow the harassment of exporters to the U.S. market. Defending exporters interests before the United States government is both expensive and cumbersome.

The GATT Codes on Anti-Dumping Practices, and Subsidies and Countervail Measures stipulate that an investigation may be initiated only if a written request is filed by a major proportion of the domestic industry. The Codes envisage a verification by the investigating authorities that the complaining party does indeed represent either the whole industry or a major proportion of that industry. The U.S. authorities do not, however, conduct such a verification of a petitioner's standing before initiating an investigation. They reject a petition only if a major proportion