



communiqué

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U.S. COMMERCE DEPARTMENT PRELIMINARY FINDING
ON SUBSIDIES TO CANADIAN LIVE SWINE AND
FRESH, CHILLED AND FROZEN PORK

The Minister for International Trade, the Honourable James Kelleher, expressed concern over the U.S. Commerce Department's preliminary determination which could result in the imposition of countervailing duties on Canadian imports of live swine and pork.

On March 27 the Commerce Department announced that federal and provincial stabilization payments, as well as certain other government programs, provide subsidies in the amount of 5.3¢ per lb. (Cdn.) to Canadian exports of live swine and fresh, chilled and frozen pork products. As a result, Canadian live swine and pork will be subject to a bonding requirement by U.S. Customs to cover this preliminary countervail liability. The specific rate of 5.3¢ per lb. converts to approximately 7-8% ad valorem for live swine and 4-5% for major pork cuts.

Minister Kelleher commented that, "I am very disappointed that the U.S. Commerce Department has made such a finding in respect of our price stabilization programs. The intent of the programs is to provide a degree of income security for farmers without distorting the marketplace. We will have to study carefully the Commerce finding to see on what basis it has reached this subsidy determination.

The decision that stabilization payments also confer a subsidy on producers of fresh, chilled and frozen pork has important implications for trade in agricultural products and we will be reviewing this decision closely in the light of U.S. obligations under the GATT".

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