

GSM-103 sales distort trade due to the subsidized interest rates and the concessional nature of the loan terms, which exceed the normal commercial limit of 3 years in duration.

### **Sunflowerseed and Cottonseed Oil Assistance Programs**

The Sunflowerseed Oil Assistance Program (SOAP) and the Cottonseed Oil Assistance Program (COAP) were authorized by Congress in 1988 and 1989, respectively. Under the 1990 Farm Bill, combined program expenditures are authorized at \$50 million for each fiscal year from 1991 to 1995.

The programs were designed to help U.S. exporters meet prevailing world prices for sunflowerseed oil and cottonseed oil in targeted markets. Under the programs, the USDA issues cash or commodity bonuses to U.S. exporters in the form of certificates. These certificates are valued at the difference between the higher U.S. cost of acquiring the oil and the lower world price at which it is sold. The SOAP has had a price-depressing effect that is of particular concern to the Canadian canola industry in the Mexican vegetable oil market.

### **Sugar**

The United States operates a sugar price support program as well as import restrictions on sugar and certain sugar-containing products, which ensure that U.S. domestic prices remain at levels significantly above world market prices. In addition, the United States maintains re-export programs that allow U.S. exporters to import world price sugar for re-export as refined sugar and sugar-containing products. Without these re-export programs, U.S. exporters would be less competitive in world markets, due to the higher U.S. domestic price for sugar.

## **II. TRADE REMEDY LEGISLATION**

U.S. trade remedy laws allow for the imposition of anti-dumping or countervailing duties on imports of dumped or subsidized goods respectively 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.