

Canadian-made Michelin tires hit by additional U.S. duty

Industry, Trade and Commerce Minister Alastair Gillespie announced on January 5 that the United States would, as of February 10, levy an additional 6.6 percent duty on imports of Michelin tires from Canada.

Mr. Gillespie stated that the U.S. Rubber Manufacturers Association had claimed that certain forms of government assistance extended to the Michelin Tire Manufacturing Company of Canada constituted a direct or indirect bounty or grant on the manufacture, production or exportation of these tires and that shipments to the United States should, therefore, be liable to countervailing duties under Section 303 of the U.S. Tariff Act of 1930.

"As I understand it," the Minister stated, "the Treasury announcement contemplates an additional special 6.6 per cent *ad valorem* duty during 1973 to offset what the Treasury Department has calculated to be the effect of Canadian subsidization pro-rated over the expected production. The level of the countervailing duty will be reviewed at the end of the year and will presumably be decreased as Michelin's production increases."

His statement continues: "We are not certain at this time what types of governmental assistance have been taken into account by the United States Treasury, although broadly speaking, they appear to have included the grant and loan assistance provided by both the Federal Government and the Province of Nova Scotia as well as certain abatements of municipal taxes in the towns where the plants are located.

"We have not yet of course had an opportunity to assess fully the terms or, even more important, the implications of the U.S. finding. Nor do we know what impact it may have on the Michelin Company's present production and marketing plans. These are matters we will wish to discuss with the Company. The countervailing duty is, however, considerably lower than the amounts sought by the complainant, which were in the order of 5 or 6 times the level decided upon for 1973.

"I should perhaps point out that in our early discussions with the Company, it was agreed that certain customs duties on imports of tires might be remitted during a transitional period to enable the Company to achieve maximum product specialization and economies of scale in Nova Scotia. Similar discussions were also held with other Canadian tire producers with a view to encouraging them to achieve a greater degree of rationalization in their Canadian operation. No remissions have been granted, and they did not, therefore, constitute an element in the U.S. finding.

"Finally, I should say that it is, of course, open to the Michelin Company to appeal the U.S. Treasury finding in the U.S. courts. This is normally a lengthy process and it remains to be seen whether the Company will choose to exercise its privilege. Meantime, it is the intention of the Government to make further detailed representations to the United States with respect to the basis upon which the U.S. decision was taken, the elements that entered into the determination of the amount of countervailing duties to be levied and the calculation of the duties to be applied in the current calendar year."

Consulate General in Atlanta

The Secretary of State for External Affairs, Mr. Mitchell Sharp, announced on January 11 the opening of a Consulate General in Atlanta, Georgia, to cover the territory of Florida, Georgia, North and South Carolina and Tennessee.

Emphasis on trade

Mr. Sharp, and Mr. Alastair Gillespie, Minister of Industry, Trade and Commerce, said that in view of the high level of industrial and commercial activities in the area the new post would be primarily oriented toward export-trade promotion and industrial promotion. The Atlanta office will also perform normal information functions. The Department of Industry, Trade and Commerce now has trade promotion offices in 75 Canadian posts in 54 countries.

The Consulate General in Atlanta was officially opened by the Mayor of Atlanta and the Canadian Ambassador in Washington, Mr. Marcel Cadieux.

Arthur W. Evans, former Consul and Trade Commissioner of the New Orleans office, will be the acting Consul General and Trade Commissioner in Atlanta.

World fisheries conference to be held in Vancouver

A major international fisheries conference sponsored by the Food and Agriculture Organization (FAO) of the United Nations – the first meeting of its kind in almost 20 years – will take place in Vancouver, British Columbia next month. More than 300 fishery experts from 60 countries are expected to attend the Technical Conference on Fishery Management and Development from February 13 to 23.

Canada's Minister of Fisheries, Jack Davis, will open the meeting; another Canadian, a former Deputy Fisheries Minister, Dr. A.W.H. Needler, will be the general chairman of the conference; the keynote speaker for the opening session will be Frederick E. Popper, Assistant Director-General (Fisheries), FAO.

The meeting will provide a forum for technical experts to exchange views on the condition of the world's marine and freshwater fishery resources and the principles and techniques of fishery-resource management.

While the various aspects of world fisheries have been examined at previous FAO-sponsored technical conferences, the Vancouver meeting will be the first of its scope since the Living Resources of the Sea Conference in Rome in 1955. The world's fish catch has more than doubled – from less than 30 million metric tons in that year to almost 70 million metric tons by 1970. Fishery resources during the same period have been threatened in some areas by over-exploitation and environmental pollution.

Preparations for the Vancouver conference were initiated, at the invitation of the Government of Canada, by FAO's Department of Fisheries, and were unanimously endorsed by the FAO Council in November.