

subsidies. These include the federal Income Tax Act's Deductible Inventory Allowance and Capital Cost Allowance, federal employment programs, enterprise development programs, rail freight rates, and loans and loan guarantees provided by DREE at above average interest rates. Again, most of these programs passed the specificity test because they were not targeted in their enabling legislation, regulations, or administration to specific regions or industries.

In the 1985 Swine and Pork case, as with the earlier Softwood Products case, the ITA found that some federal and provincial agricultural assistance programs conferred subsidies while others did not. The ITC subsequently split the case into two parts and held that the U.S. pork industry was not being injured by Canadian imports but that imports of Canadian hogs were injuring the U.S. hog-producing industry.²³

Countervailing duties thus will be levied on imports of Canadian hogs but not on imports of Canadian pork products, valued at U.S.\$248 million.

The distinction the ITA made between those programs determined to confer subsidies and those deemed widely available was based on a broad interpretation of the specificity test.²⁴ If a program, in its enabling legislation, regulations, executive or administrative directives, or actual implementation, appeared to select or favor one or more industries within the general rubric of agriculture or one or more regions of a province, then it was found to confer a subsidy. If, on the other hand, benefits under a program were legally and actually available on the same terms to all farmers or enterprises engaged in agriculture throughout a province, in the case of a provincial program, or the country, for a federal program, then it was determined not to confer a subsidy.

Comparisons can get quite technical. Take the federal Agriculture Stabilization Act, for example. Payments made under the act were found to be