

Minister for  
International  
Trade



Ministre du  
Commerce  
extérieur

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## U.S. COMMERCE DEPARTMENT MAKES PRELIMINARY AFFIRMATIVE SUBSIDY DETERMINATION AGAINST STEEL RAILS FROM CANADA

International Trade Minister John C. Crosbie confirmed today that the U.S. Department of Commerce has made a preliminary affirmative subsidy determination with respect to imports of steel rails from Sydney Steel Corporation (Sysco) of Sydney, Nova Scotia. The preliminary rate of subsidy found was 103.55 percent. Exports from the other Canadian producer shipping rails to the U.S. - Algoma Steel Corporation of Sault Ste Marie, Ontario - was found to be not subsidized.

Total Canadian exports of steel rails to the U.S. were valued at about \$10 million in 1988.

The U.S. Commerce Department now must verify its findings and make a final subsidy determination by May 9. If the final subsidy determination upholds the preliminary determination, the U.S. International Trade Commission must make a final injury determination by June 23. If the final injury determination is negative, the case would be terminated. If positive, a countervailing duty order would be published around July 1.

The preliminary determination of subsidy will result in bonds or deposits, in the amount of the preliminary subsidy rate, being collected on any U.S. imports from Sysco. Exports from Algoma will not be affected in any way. No actual countervailing duties will be collected until the case has run its course and final subsidy and injury determinations are made next summer.

Both final determinations will be eligible for review under Chapter 19 of the Canada/U.S. Free Trade Agreement.