

NOTICE OF INTENTION TO INCREASE TARIFFS IN RESPONSE TO THE UNWILLINGNESS OF THE U.S. GOVERNMENT TO RESTORE ACCESS FOR CANADIAN SUGAR/DEXTROSE BLENDS, AND TO INVITE PUBLIC COMMENT

In converting the U.S. Tariff to the Harmonized Tariff System, effective January 1, 1989 U.S. Customs classified sugar/dextrose blends under a tariff item subject to a more restrictive import quota than previously applied. Sugar/dextrose blends had been subject to a U.S. global quota for sugar-containing products of 76,203 metric tonnes. Sugar/dextrose blends are now subject to a U.S. country quota for sugar, Canada's share of which is only 11,583 metric tonnes in 1989. The trade impairment as a result of the U.S. action is estimated to be \$25 million annually.

Under GATT Article XXVIII, Canada has the right to take action to compensate for the loss of Canadian trade resulting from the U.S. action. Accordingly, Canada formally notified the GATT on May 31, 1989 of its intention to withdraw tariff concessions.

It is the Government's intention to select from the list published in this notice products on which it would be prepared to withdraw tariff concessions. Tariff concessions would be withdrawn pursuant to Section 59(2) of the Customs Tariff. Options being considered include increased tariffs and tariff rate quotas, applied on imports from all sources. A tariff rate quota would allow a certain volume of imports to enter at the current tariff rate and imports in excess of that volume would be subject to a higher tariff rate.

Interested parties are invited to submit comments on the items by June 24, 1989. Comments should be submitted in writing to:

Director
Tariffs Division
Department of Finance
Ottawa, Ontario
K1A 0G5
Facsimile Number: (613) 995-3843

These comments will be taken into consideration in determining the appropriate action to be adopted.

For further information concerning the U.S. action in question, contact Mr. G. Adams, Free Trade Policy Division, Department of External Affairs, Ottawa, Ontario, K1A 1J1, telephone (613) 992-1133, extension 518. For further information concerning the products included on the list, contact Mr. Richard Lalonde, Tariffs Division, Department of Finance, Ottawa, Ontario, K1A 0G5, telephone (613) 996-5887.