



communiqué

N^o: 153
No.:

October 15, 1985.

U.S. COMMERCE DEPARTMENT PRELIMINARY FINDING ON SUBSIDIES TO CERTAIN RED RASPBERRIES FROM CANADA

The Minister for International Trade, James Kelleher, expressed concern over the U.S. Commerce Department's recent preliminary determination of subsidy regarding imports from Canada of certain red raspberries. The finding, which was announced October 11, could result in the imposition of countervailing duties, affecting primarily imports from British Columbia.

The U.S. Commerce Department has been investigating whether federal and provincial programs provide subsidies to Canadian producers or exporters of fresh and frozen red raspberries packed in bulk containers and suitable for further processing. In its preliminary determination, the Commerce Department identified the British Columbia Raspberry Producers Farm Income Plan as having conferred a subsidy and has estimated the net subsidy to be 0.99 percent. As a result, Canadian exports will immediately be subject to a bonding requirement by U.S. Customs to cover this preliminary countervail liability.

Minister Kelleher said, "I am very disappointed by the U.S. Commerce Department's ruling. We will be studying its finding closely to see on what basis it has reached this subsidy determination".

The Minister pointed out that this preliminary determination of subsidy could be modified or reduced when it is finalized. If significant subsidies are found in the final determination due by December 26, the U.S. International Trade Commission

.../2

will decide by February 9 whether Canadian imports have caused material injury to the U.S. industry and, if no injury is found, the case would be terminated. However, until finalized, Canadian exporters of the red raspberries will be required to post bonds to cover the provisional duty liability.

Virtually all Canadian production and export of the red raspberries in question are from British Columbia. In 1984, Canadian exports of fresh raspberries to the United States were valued at \$9.1 million, almost entirely from British Columbia.

Minister Kelleher indicated that federal officials have been working closely with B.C. Government and industry officials on the matter. He stated, "We will continue our combined efforts to turn back this serious threat to Canadian exports".

Contact:

Denis Comeau
Deputy Spokesman
(International Trade)
(613) 995-1874