

News Release

Minister for
International
Trade



Communiqué

Ministre du
Commerce
extérieur

No. 177

July 27, 1989.

U.S. DECISION ON CANADIAN STEEL RAIL EXPORTS

International Trade Minister John C. Crosbie expressed disappointment with the U.S. Department of Commerce decision issued earlier today.

The U.S. Department of Commerce decided to increase the rate of subsidy found against exports of steel rails by the Sydney Steel Corporation (Sysco), of Sydney, Nova Scotia. While confirming that the Algoma Steel Corporation of Sault Ste. Marie, Ontario (Algoma), is not subsidized, the U.S. Department of Commerce also decided to increase significantly the dumping margin found against Algoma's steel rail exports to the U.S. The total value of Canadian exports of steel rails to the U.S. reached about \$10 million in 1988.

Mr. Crosbie said that anti-dumping and countervailing duties can only be applied if the U.S. International Trade Commission finds that Canadian steel rail exports hurt the U.S. industry. That decision is expected to be made in early September and, if no injury is found, the case would be terminated and no duties would be imposed.

The U.S. Department of Commerce found that steel rails produced by Sysco received countervailable subsidies of 113.56 per cent, up from 103.55 per cent in the preliminary determination in February. Steel rails produced by Algoma, the largest exporter of steel rails to the U.S., were found not to be subsidized. The U.S. Department of Commerce increased the dumping margin against Algoma's steel rail exports from 2.72 to 38.79 per cent. Minister Crosbie expressed surprise and dismay over this sudden increase in the dumping margin.

The Minister indicated that his officials would be examining most carefully the rationale for both decisions and be in close touch with the companies concerned.

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Minister Crosbie stressed that final determinations in countervailing and anti-dumping duty investigations are eligible for review under Chapter 19 of the Canada-United States Free Trade Agreement.

Contact: André LeBlanc
Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874