



# NEWS

## AMERICANS FOR TAX REFORM

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## Canadian Wheat Imports Keep American Prices Down

*Trade commission says American farmers hurt, recommends tariff that will raise prices, but policies as such hurt consumers and taxpayers*

WASHINGTON – The U.S. International Trade Commission (ITC) ruled Friday that imports of Canadian-subsidized wheat are harming American farmers, opening the way to implementing a tariff on it.

The ruling was prompted by a complaint from the North Dakota Wheat Commission and other U.S. farmers alleging that Canada is dumping wheat into the U.S. market by selling it below cost because of Canadian subsidies. The hoped-for solution is a U.S. tariff, a measure that the Commerce Department recommended in August in a preliminary report. **Yet, such policies will only make wheat products more expensive for hundreds of millions of American consumers – a de facto tax hike.**

**“American farmers may be hurt by the anti-competitive Canadian subsidies, but that doesn’t justify imposing a tariff to force American consumers to pay more for bread made with American wheat,”** said taxpayer advocate Grover Norquist, President of Americans for Tax Reform (ATR) in Washington. **“The solution is not an anti-competitive U.S. tariff, but rather, diplomacy to pressure and persuade the Canadian government to be an honest broker and dispense with their anti-competitive subsidies.”**

U.S. wheat growers are very satisfied with the ITC’s ruling and welcome the Commerce Department’s recommendation of a 14% tariff. The Commerce suggested a 14% tariff on imported Canadian wheat, but will not implement a tariff until a final decision is made as to the proper rate. The Canadian wheat board, however, said that it will appeal the ITC’s ruling that U.S. farmers are hurt and, thus, that tariffs should be imposed.

**“This is a policy that mugs Joe Consumer to pay off Joe Farmer,”** continued Norquist. **“Canadian farmers are helped, but only at the expense of the rest of the Canadian population, as the government must tax its citizens more in order to subsidize farmers. Costs are not eliminated, only transferred. It makes no sense for the Bush administration to respond to Canada’s mistaken policy by implementing a mistaken policy of our own. American farmers should instead push for free, competitive trade with Canadian farmers that will benefit all parties on both sides of the border.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Jonathan Collegio at (202) 785-0266 or at [jcollegio@atr.org](mailto:jcollegio@atr.org).