

September 17, 1997, to CF Investment Company to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: October 6, 1997.

**Don A. Christensen,**

*Associate Administrator for Investment.*

[FR Doc. 97-27383 Filed 10-15-97; 8:45 am]

BILLING CODE 8025-01-P

## SMALL BUSINESS ADMINISTRATION

### [Declaration of Economic Injury Disaster #9598]

#### State of North Carolina

Buncombe and Haywood Counties and the contiguous Counties of Henderson, Jackson, Madison, McDowell, Rutherford, Swain, Transylvania, and Yancey in the State of North Carolina constitute an economic injury disaster loan area as a result of a rockslide that occurred on July 1, 1997 closing Interstate 40 to all east and west traffic. Eligible small businesses and small agricultural cooperatives without credit available elsewhere may file applications for economic injury assistance for this disaster until the close of business on May 29, 1998 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

The interest rate for eligible small businesses and small agricultural cooperatives is 4 percent.

The Tennessee counties contiguous to Haywood County have been previously declared for the same occurrence.

(Federal Domestic Assistance Program No. 59002)

Date: August 29, 1997

**John T. Spotila,**

*Acting Administrator.*

[FR Doc. 97-27455 Filed 10-15-97; 8:45 am]

BILLING CODE 8025-01-P

## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket No. 301-113]

### Initiation of Section 302 Investigation and Request for Public Comment: Canadian Export Subsidies and Market Access for Dairy Products

AGENCY: Office of the United States Trade Representative.

**ACTION:** Notice of initiation of investigation; request for written comment.

**SUMMARY:** The United States Trade Representative (USTR) has initiated an investigation under section 302(a) of the Trade Act of 1974, as amended (the Trade Act), with respect to certain acts, policies and practices of the Government of Canada with respect to export subsidies on dairy products, and with respect to the operation of Canada's tariff rate quota (TRQ) for fluid milk. USTR invites written comments from the public on the matters being investigated and the determinations to be made under section 304 of the Trade Act.

**DATES:** This investigation was initiated on October 8, 1997. Written comments from the public are due on or before noon on Tuesday, November 11, 1997.

**ADDRESSES:** Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC 20508.

**FOR FURTHER INFORMATION CONTACT:** Suzanne Early, Senior Advisor, Office of Agricultural Affairs, (202) 395-6127, Elizabeth Hyman, Office of the General Counsel, (202) 395-3150, or Daniel Brinza, Senior Advisor and Special Counsel for Natural Resources, (202) 395-7305.

**SUPPLEMENTARY INFORMATION:** On September 5, 1997, the National Milk Producers Federation, the U.S. Dairy Export Council, and the International Dairy Foods Association filed a petition to section 302(a) of the Trade Act (19 U.S.C. 2412(a)) alleging that certain export subsidies of the Government of Canada and Canada's failure to implement a TRQ for fluid milk constitute acts, policies and practices that violate, or are inconsistent with and otherwise deny benefits to the United States under the Uruguay Round Agreement on Agriculture and the General Agreement on Tariffs and Trade 1994 ("GATT 1994").

In particular, the petition alleges that the Government of Canada maintains a two-tier pricing scheme under which it maintains high domestic prices and exports manufactured dairy products to world markets at lower, subsidized prices. Under this system, the milk producer receives a pooled price controlled by government agencies. Milk is sold to processors at a high price for domestic consumption and, with a government permit, as Class 5 industrial milk at the world price when used as an input in the production of milk products for export. Subsidized dairy product exports by Canada thus systematically exceed the ceiling on

subsidized exports of such products which Canada agreed to in the Uruguay Round. The petition alleges that subsidized Canadian exports are undercutting U.S. prices to major U.S. export markets, and have led at least one exporting dairy processor to move its manufacturing operations to Canada in order to benefit from Canadian dairy export subsidies.

The petition also alleges that the Government of Canada agreed in the Uruguay Round to provide a TRQ of 64,500 metric tons (product weight basis) for commercial shipments of fluid milk. Canada nevertheless does not open the quota on the first day of the quota year nor does it announce the closure of the quota when it is filled. Instead, Canada excludes commercial milk imports on the basis of the claim that tourists and returning Canadian citizens carry pints, quarts and half gallon containers of fluid milk in such quantity as to fill the TRQ. The petition alleges that if Canada implemented its TRQ for fluid milk, U.S. dairy exports to Canada would increase by at least twenty million dollars annually.

### Investigation and Consultations

On October 11, 1997, the USTR determined that an investigation should be initiated to determine whether certain acts, policies or practices of the Government of Canada regarding export subsidies and the failure to open the tariff-rate quota for fluid milk are actionable under section 301.

As required in section 3903(a) of the Trade Act, the USTR has requested consultations with the Government of Canada regarding the issues under investigation. The request was made pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article XXII of the GATT 1994, Article 19 of the Agreement on Agriculture to the extent it incorporates Article XXII of the GATT 1994, and Article 30 of the Agreement on Subsidies and Countervailing Measures to the extent it incorporates Article XXII of the GATT 1994. If the consultations do not result in a satisfactory resolution of the matter, the USTR will request the establishment of a panel pursuant to Article 6 of the DSU. USTR will seek information and advice from the petitioner and appropriate representatives provided for under section 135 of the Trade Act in preparing the U.S. presentations for such consultations.

Under section 304 of the Trade Act, the USTR must determine within 18 months after the date on which this investigation was initiated, or within 30