

The Canadian government is challenging the standing of the Magnesium Corporation of America to file the request for an investigation, since the company accounts for less than one-quarter of all magnesium produced in the United States. Under the GATT Subsidies Code, domestic industry refers to producers who together account for a major proportion of total domestic production.

On September 25, 1991, the U.S. Department of Commerce initiated anti-dumping and countervailing duty investigations of Canadian magnesium imports. The preliminary ruling on dumping is expected February 12, 1992. Canadian magnesium exports to the United States were valued at \$70 million last year.

Mr. Wilson said that today's ruling is preliminary and that no duties will be collected at the border. Canadian exporters will, however, be required to post bonds to cover the provisional countervailing duty rate.

The final determination on subsidy is scheduled for April 27, 1992, and the U.S. International Trade Commission will make a final determination on injury on June 11, 1992. A countervailing duty can be applied only if both subsidy and injury, or the threat of injury, can be proven.

Although this investigation has a long way to run, Mr. Wilson noted that "the parties involved in the case can call for a review by a binational panel under Chapter 19 of the Canada-U.S. Free Trade Agreement (FTA) of any final determination of subsidy or injury made by U.S. administering authorities."

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