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HOCKIN WELCOMES FTA INJURY PANEL DECISION ON SOFTWOOD LUMBER

The Honourable Tom Hockin, Minister for International Trade, said he was very pleased with today's decision in Canada's favour by a Canada-U.S. Free Trade Agreement (FTA) binational panel reviewing the U.S. final injury determination in the softwood lumber dispute.

The FTA panel did not uphold the U.S. International Trade Commission's (ITC) final injury determination. The panel concluded that "the Commission's determination of material injury by reason of subsidized Canadian imports is not supported by substantial evidence on the record." The ITC has until October 25, 1993 to respond to the panel.

"This is a very positive ruling for the Canadian softwood lumber industry," Mr. Hockin stated. "The binational panel has concluded that there simply was insufficient evidence available to the ITC to conclude that imports of lumber from Canada injured the U.S. domestic industry, an argument Canadian industry has made for some time."

The U.S. government self-initiated the countervailing duty investigation in October 1991. The U.S. Department of Commerce (DOC) made a final subsidy determination in May 1992, finding that provincial stumpage programs and British Columbia's log export restrictions provided a countervailable subsidy of 6.51 percent.

The subsidy determination was also appealed to binding binational panel review under the FTA. On May 6, 1993, an FTA panel reviewing the Department of Commerce subsidy determination unanimously instructed the DOC to re-examine its determinations on the key issues in the case, reflecting in large part the arguments made by the Canadian government, provincial governments and industry.