

Chronology

SOFTWOOD LUMBER

1982-83

The United States conducts the first countervailing duty (CVD) investigation of softwood lumber from Canada. The U.S. Department of Commerce (DOC) concludes that Canadian programs do not confer subsidies to Canadian lumber producers.

1986

The United States conducts the second CVD investigation of softwood lumber from Canada. The DOC reverses itself and concludes that provincial stumpage programs confer subsidies of 15 per cent to Canadian lumber producers.

December 30

Canada and the United States resolve the bitter and highly political trade dispute by entering into the Softwood Lumber Memorandum of Understanding (MOU). Canada agrees to impose an export charge of 15 per cent on softwood lumber exports to the United States, in return for the U.S. industry withdrawing its CVD petition and the U.S. government terminating the investigation.

1987-91

The MOU is amended on several occasions to exempt the Atlantic provinces from the Canadian export charge and to reduce the export charge for British Columbia and Quebec as a result of replacement measures implemented by the provinces.

1991

September 3

The Government of Canada serves a Diplomatic Note on the Government of the United States, advising of Canada's intent to terminate the 1986 Softwood Lumber MOU, effective October 4, 1991.

October 4

Canada terminates the Softwood Lumber MOU.

The United States announces its intention to self-initiate the third CVD investigation, and to impose an interim bonding requirement on imports of Canadian softwood lumber.

October 31

The DOC self-initiates the third CVD investigation.

December 16

The U.S. International Trade Commission (ITC) makes affirmative preliminary determination of injury.

At Canada's request, the GATT Subsidies Code Committee establishes a panel to examine whether the U.S. imposition of interim bonding measures and the self-initiation of the CVD investigation violated U.S. trade obligations.