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HOCKIN CRITICIZES U.S. FINDING ON SOFTWOOD LUMBER

The Honourable Tom Hockin, Minister for International Trade, today criticized the U.S. Commerce Department's response to the Canada-United States Free Trade Agreement (FTA) panel currently reviewing the Department's earlier subsidy finding on softwood lumber.

"We consider that Commerce has failed to revise its earlier determination with due regard for the FTA panel's instructions," Mr. Hockin said.

The FTA binational panel will now review, for a second time, the opinion of the Department of Commerce (DOC). The panel has 90 days, or until Dec. 16, 1993, to make its second ruling.

On May 6, 1993, the FTA binational panel reviewing the DOC's original subsidy determination unanimously instructed the Department to re-examine its determination on the major issues in the case. Today, the DOC reaffirmed its original view that provincial stumpage programs and British Columbia's log export measures do confer a countervailable subsidy.

Despite today's response by the DOC, which seeks to increase the subsidy rate, the present cash deposit rate of 6.51 percent remains in effect for softwood lumber shipments to the United States until such time as this issue has been finally resolved through the FTA dispute settlement process. Final results of panel reviews are binding.

In a parallel process, another FTA binational panel is reviewing the injury determination made by the U.S. International Trade Commission (ITC). On July 26, 1993, this second panel ruled that the United States did not possess sufficient evidence to conclude that imports of lumber from Canada injured the U.S. industry. The ITC has until October 25, 1993 to respond.