



news release

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MACLAREN WELCOMES U.S. DECISION ON SOFTWOOD LUMBER

The Honourable Roy MacLaren, Minister for International Trade, welcomed today's decision by the U.S. Department of Commerce (DOC) to accept the December 17, 1993, ruling by the Canada-U.S. Free Trade Agreement subsidy panel. The panel had ruled that the DOC, under U.S. trade law, should not have found a countervailable subsidy on either provincial stumpage programs or British Columbia's log export restrictions.

"This is an important step toward a final resolution of this long-standing dispute," Mr. MacLaren stated. "It is clear now that DOC should implement the panel ruling and remove the countervailing duty at the earliest possible opportunity."

While the duty will remain at the current rate of 6.51 percent for the time being, the Government is confident that today's decision will lead to the eventual refund of more than \$500 million in duties paid to date by the Canadian lumber producers. In the absence of any further legal proceedings, duties collected could be refunded with interest as early as late March 1994.

The Minister noted that he sees no basis for further legal proceedings related to this panel. "This has been a long and costly process, which should not have been initiated in the first place. The panel findings have made it clear that the countervailing duty should now be removed."

Canadian lumber exports to the United States exceeded \$4 billion in 1992, accounting for roughly 54 percent of Canada's total lumber production. The value of Canadian lumber shipments to the United States is expected to reach roughly \$6 billion in 1993.

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