

Minister of Industry,
Science and Technology and
Minister for International Trade



Ministre de l'Industrie, des
Sciences et de la Technologie et
ministre du Commerce extérieur

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WILSON CRITICIZES U.S. SOFTWOOD SUBSIDY RULING

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, today objected strongly to the U.S. Department of Commerce's (DOC) preliminary subsidy determination on Canadian exports of softwood lumber. The DOC made a preliminary determination that Canadian stumpage programs and log export measures confer a subsidy of 14.48 per cent on exports of softwood lumber to the United States.

"This ruling is totally unfounded and unjustified. Canadian softwood lumber exports to the U.S. do not benefit from subsidies, let alone countervailable subsidies," said Mr. Wilson. "This case was initiated for political reasons. There is simply no basis for the countervailing duty investigation or for the application of preliminary countervailing duties."

"We have argued strenuously that Canadian 'stumpage' practices and log export restrictions do not constitute subsidies. We will continue making that argument to the DOC and, if necessary, to an impartial binational panel provided for under the Free Trade Agreement (FTA)," said Mr. Wilson. He added that the U.S. maintains its own log export restrictions. By attacking Canada's log export restraints, the U.S. is inviting closer scrutiny by its trading partners of its own log export restrictions, and their consistency with international trade rules.

"We are concerned about the heavy-handed manner in which the Commerce Department is conducting this investigation," said Mr. Wilson. The DOC has put excessive demands on the federal and provincial governments by requesting responses to four massive questionnaires with short filing deadlines, and has granted only minimal extensions.