

The Minister added that Canada will call for the immediate establishment of a GATT panel to confirm the Canadian view that timber pricing practices (stumpage) do not constitute a countervailable subsidy to Canadian lumber producers.

With regard to the bonding requirement, the Minister said, "The Administration has obviously yielded to pressures from U.S. industry and Congress. This measure violates U.S. obligations under international trade rules. We are examining the responses available to us."

The countervailing duty investigation is expected to result in a preliminary determination by late December and a final determination by mid-March.

Minister Wilson said the government is confident that Canada's position will be upheld under the rules of the FTA and the GATT. "With the termination of the MOU, these rules will now apply."

-30-

For further information, media representatives may contact:

Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874