

had been provided to a specific industry. On September 17, the Department of Commerce reaffirmed its original ruling that provincial stumpage programs and the B.C.'s log export measures confer a countervailable subsidy. The FTA panel will review this redetermination by the Department of Commerce and will issue a second ruling in mid-December. A separate panel, which issued its decision on July 26, 1993, ruled that there was not substantial evidence to support the determination of the U.S. International Trade Commission that U.S. industry was being injured by subsidized Canadian softwood lumber exports. The ITC will respond to this ruling in late October.

The determination by the U.S. Department of Commerce that countervailable benefits had been provided to Canadian magnesium exporters was the subject of a panel decision in Pure and Alloy Magnesium from Canada (August 16, 1993). The panel remanded part of the determination to the Department of Commerce, to reconsider the methodology it used in determining whether a subsidy existed. The determination on remand by Commerce was affirmed by the panel in its final decision of October 6, 1993. In a decision of August 27, 1993, a panel remanded to the U.S. International Trade Commission its determination on injury, requiring the ITC to explain its determinations with respect to whether separate U.S. industries producing pure and alloy magnesium were materially injured by dumped and subsidized Canadian imports.

Chapter 18 decisions

Two Chapter 18 panels released their final reports during the past year.

A panel was established in May 1992 at the request of the U.S. to resolve a dispute regarding the export of Canadian durum wheat to the United States. The dispute arose over the interpretation of Article 701.3 of the FTA, which provides that neither Party shall sell agricultural goods for export to the other Party at a price below the acquisition price plus storage, handling and other costs. In The Interpretation of and Canada's Compliance with Article 701.3 with Respect to Durum Wheat Sales (February 8, 1993), the panel provided a detailed interpretation of Article 701(3). Among the key interpretations made by the panel were that the acquisition price of goods referred to in Article 701.3 includes only the Canadian Wheat Board's initial payment, or in the event of an upward adjustment, the acquisition price for goods sold after the adjustment is the initial payment plus such adjustment. The panel also held that Western Grain Transportation Act payments for shipments through Thunder Bay are to be