



communiqué

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TEXT OF THE CANADIAN GOVERNMENT AIDE-MEMOIRE
ON SOFTWOOD LUMBER DELIVERED BY AMBASSADOR GOTLIEB
TO U.S. SECRETARY OF COMMERCE BALDRIGE
IN WASHINGTON, D.C., WEDNESDAY, JUNE 4, 1986

This refers to the petition filed by the U.S. lumber coalition that calls for a countervailing duty investigation on softwood lumber imports from Canada.

Softwood lumber is one of the most important single items of trade between Canada and the USA. For over half a century Canada has been an important and dependable supplier of the U.S.'s needs for softwood lumber. In 1985 Canadian lumber exports to the U.S. were in excess of Canadian \$3.5 billion. Over 60,000 Canadian jobs are directly dependent on those exports.

Canadian authorities request that careful consideration be given to the following points in the determination of whether to initiate the petition:

1. It will be recalled that, with the exception of minor new industry assistance programmes, the same basic issues were addressed in an exhaustive fashion by the Department of Commerce in the 1982-83 countervailing duty action against imports of softwood lumber from Canada. With respect to the primary issue at stake, namely provincial stumpage, the International Trade Administration rejected the allegation that it conferred either an export or a domestic subsidy to Canadian lumber producers. All countervailable Canadian programmes were found to be de minimis. The USA lumber industry did not exercise its rights to appeal the Department of Commerce's decision to the Courts.