



News Release

Communiqué

No. 100

May 15, 1992

MINISTER WILSON ANNOUNCES FTA APPEAL OF U.S. SOFTWOOD LUMBER DECISION

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, expressed disappointment at today's subsidy decision by the United States Department of Commerce in the softwood lumber case.

The U.S. Commerce Department announced the final determination of subsidy of 6.51 per cent in its countervailing duty investigation of certain softwood lumber products from Canada, down from the rate of 14.48 per cent in the preliminary determination of March 6, 1992.

Minister Wilson announced that Canada is appealing the final determination of subsidy to a binding binational review panel under the Canada-U.S. Free Trade Agreement. "The panel will be constituted as soon as possible and will report its findings within the time frame established for such panels," Mr. Wilson said. "Only Canada has access to a binding, binational dispute settlement mechanism vis-à-vis the United States. Without it, any attempt to overturn this type of decision could be made only through the U.S. system rather than a binational system involving Canadians as well as Americans."

Mr. Wilson objected strongly to the Commerce Department's finding that log export controls confer a countervailable subsidy. "The inclusion of log export controls in this finding is particularly unjustified," Mr. Wilson said. "There is certainly no basis in international law for export controls to be considered as countervailable subsidies. The United States itself has similar controls."

"Although the rate of alleged subsidy has been reduced to 6.51 per cent, there is still no basis for the ruling that provincial stumpage programs confer a countervailable subsidy," Mr. Wilson stated.