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## CANADIAN REACTION TO THE UNITED STATES COMMERCE DEPARTMENT'S FINAL DETERMINATION IN THE COUNTERVAIL INVESTIGATION OF CANADIAN SOFTWOOD LUMBER

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The Honourable Gerald Regan, Minister of State (International Trade) announced that he was very satisfied with today's final determinations by the United States Commerce Department in the softwood lumber countervail investigation. The Commerce Department's final determinations sustained their preliminary findings of March 8 that those programmes which were found to provide subsidies to Canadian producers of softwood lumber, shingles and shakes, and fencing, were insignificant in their impact. As a result, the investigations which were commenced by the Commerce Department on October 27, 1982 have been terminated. Minister Regan stated "I am particularly pleased that the United States Commerce Department, after full consideration and verification of the factual information provided by Canadian authorities at both the Federal and Provincial levels as well as the private sector, has ruled unequivocally that provincial stumpage policies as such are not subsidies".

On May 24 the Commerce Department announced that, although certain Federal and Provincial programs including industrial assistance programs, such as the Regional Development Incentives Programme and other loan and grant programs are, in their view, subsidies, the value of this assistance when factored over the value of Canadian production is insignificant. The level of subsidization assessed amounted to 0.349 percent for lumber, 0.260 percent for shingles and shakes, and 0.304 percent for fencing. In view of this final "de minimis" finding the investigations are terminated.

Minister Regan said "I am sure that the Provinces and the Canadian industry are as gratified as I am that these countervailing investigations have ended. It has been a long haul for all of us since the Petition was first filed last October and our success in turning back this threat to a vital Canadian industry is testimony to the full and close cooperation which has been maintained throughout between the Federal and Provincial Governments and the Canadian industry".