



News Release

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CANADA TO APPEAL U.S. INJURY DECISION IN SOFTWOOD LUMBER CASE

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, said today that there is simply no basis for the injury determination by the United States International Trade Commission (ITC) in the countervailing duty investigation of certain softwood lumber products from Canada.

Minister Wilson announced that Canada, the provinces and the industry are appealing the final determination of injury to a binding binational review panel under the Canada-U.S. Free Trade Agreement. The panel will report its finding in May 1993, within the 315-day time frame established for such panels.

The Commission voted four to two in favour of injury. This is the last of four decisions by the United States in its countervailing duty investigation of certain softwood lumber products from Canada.

"The decision ignores precedent in finding that the U.S. industry is injured," said Mr. Wilson. "Canada's share of the U.S. market and the volume of Canadian shipments to the United States are both declining. In addition, the price of lumber has increased significantly since this investigation was initiated. Canadian product commands a higher price than U.S. product. It's hard to see that there is any injury."

As a result of the ITC decision, importers of lumber from Canada will be liable for countervailing duties after the U.S. Department of Commerce publishes its permanent countervailing duty order, expected sometime in early July.

This will be the second U.S. decision in the softwood lumber case referred to binding dispute settlement under the Canada-U.S. Free Trade Agreement. On May 28, the Government of Canada, the Provinces of Alberta, British Columbia, Manitoba, Ontario, Quebec and Saskatchewan, the Yukon and Northwest Territories, the

Canadian Forest Industries Council and affiliated companies formally requested panel review of the Commerce department's final determination of subsidy. This first panel will report its findings in April 1993, within the time frame established for such panels under the Free Trade Agreement.

In addition, a General Agreement on Tariffs and Trade Subsidies Code Panel has been established to examine Canada's complaint that the United States had no basis on which to initiate this case. The panel will report its findings later this summer.

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