



## COALITION FOR FAIR LUMBER IMPORTS

**FOR IMMEDIATE RELEASE**

**CONTACT:**

Zoltan van Heyningen 202-862-3686

### **Coalition for Fair Lumber Imports Criticizes New Canadian Subsidy Announcements**

**Washington, DC, October 22, 2007** – The Coalition for Fair Lumber Imports today sharply criticized recent Canadian announcements of yet more taxpayer subsidies for its lumber industry. These announcements fly in the face of the U.S.-Canada Softwood Lumber Agreement, which expressly forbids these types of new subsidies. The most recent announcements stem from Nova Scotia which, if implemented as reported, would add that province to the list of provinces failing to honor the terms of the agreement.

Steve Swanson, Chairman of the Coalition for Fair Lumber Imports, stated that “its Softwood Lumber Agreement commitments notwithstanding, Canada continues to demonstrate that it will stop at nothing to prop up its lumber industry.” Mr. Swanson elaborated, “the market outcome that the Agreement was intended to achieve is prevented. Instead, the subsidies exacerbate and prolong current depressed lumber market conditions by sustaining large segments of uneconomical Canadian lumber production.”

Canada is showing a blatant disregard for its international obligations under the Softwood Lumber Agreement, as it continues to add to its already long list of Agreement violations. Since the agreement went into effect in October 2006, the list of subsidies that Canadian provincial governments have announced and/or started disbursing includes, among others:

- Quebec and Ontario implementing plans to provide hundreds of millions of dollars in grants, subsidized loans and other subsidies for, among other purposes, “business modernization.”
- British Columbia inducing Canada’s largest lumber producer to refrain from shutting one of its “super-mills” by promising to reduce the prices that it pays for government timber.
- Alberta announcing arbitrary changes in its administered timber-pricing formula that will reduce its already-low timber-price rates even farther from market value.
- Saskatchewan committing to provide tens of millions of dollars to keep sawmills open, and even assuming a dominant ownership position in these mills.

- Nova Scotia committing to provide new lumber subsidies expressly intended to offset the falling U.S. dollar and sustain its industry despite falling demand in the United States.

“The Coalition supports the decision taken by the United States to initiate arbitration proceedings under the Agreement about Canada’s new subsidies,” stated Coalition for Fair Lumber Imports Executive Director Zoltan van Heyningen. “Canada should immediately halt the new unfair handouts to its industry and start honoring the mutually agreed-upon terms of the Agreement,” continued Mr. van Heyningen. “It is only on that basis that the Softwood Lumber Agreement can serve as a lasting alternative to trade litigation,” concluded Mr. van Heyningen.

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### **About the Coalition for Fair Lumber Imports**

The U.S. Coalition for Fair Lumber Imports is an alliance of large and small lumber producers from around the country. The Coalition is united in opposition to Canada's unfair lumber-trade practices, including its gross under-pricing of timber. For more information, please visit the Coalition’s website at [www.fairlumbercoalition.org](http://www.fairlumbercoalition.org).