



COALITION FOR FAIR LUMBER IMPORTS

FOR IMMEDIATE RELEASE

Coalition for Fair Lumber Imports Blasts Canada's \$1 Billion Dollar Subsidy Announcement

November 22, 2005 – The Coalition for Fair Lumber Imports today sharply criticized Canada's announcement of a new subsidy program worth over \$1 billion dollars to benefit Canada's already heavily subsidized lumber industry. Steve Swanson, Chairman of the Coalition for Fair Lumber Imports, called the announcement "beyond outrageous," and warned that Canada was making a "mockery out of the NAFTA and the principles of free and competitive-based trade."

Mr. Swanson explained that "there remains very little that the Canadian taxpayers are not underwriting for their lumber industry." "First Canadian lumber producers benefit from a multi-billion dollar annual taxpayer-funded forest subsidy, then Canadian taxpayers reimburse Canada's lumber companies for having to comply with the U.S. trade laws, and lastly Canadian taxpayers pay for the Canadian lumber industry's legal and public relations campaign costs," Mr. Swanson stated. Now the Canadian taxpayer will provide an additional \$1 billion dollars worth of subsidies for their industry to "ride-out" the trade dispute.

Barry Cullen, Executive Director of the Coalition, added that having made every attempt to render our trade laws ineffective, "Canada now feels no need to hide the fact that its lumber industry is massively subsidized," further explaining that "U.S. lumber companies and their workers are not competing against a market-based Canadian lumber industry. Not in the least. Instead, the Canadian lumber sector is a government controlled, anti-free market, industry that depends on massive subsidies to compete."

Mr. Cullen concluded by stating that "you can call this package whatever you want, but at the end of the day it simply is a \$1 billion dollar subsidy on top of billions of dollars of other annual taxpayer-funded subsidies." These enormous subsidies are a particularly destructive step given the need to work together to resolve this trade dispute through negotiations.

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