

Premier Gordon Campbell
Province's Support for the Softwood Lumber Agreement
August 16, 2006

Check Against Delivery

Since April 27, the government of Canada and the government of the United States have been working to finalize a softwood lumber agreement that would bring some stability and certainty to the multibillion-dollar softwood trade between Canada and the U.S. As you know, as a province we have always been in favour of free and unfettered trade of softwood to the United States. This is reflected in a series of government reforms that have taken place over the last few years, culminating in a new market pricing system which has been implemented in British Columbia.

We do not subsidize our manufacturers in any way, and they do not dump their products in the U.S. Everyone knows that there is a continental price for lumber. The problem here is that with a strong political group in the United States which has carried out punitive protectionist measures against Canada and B.C.'s lumber industry since 1982. Our government and our industry have resisted these attacks from the U.S. lumber lobby, and we will continue to do so.

Since the terms sheet was agreed to on April 27, we have been working with our industry, the federal government and other provinces to address outstanding concerns that we felt were necessary to finalize the softwood lumber agreement. Today I want to thank the leaders of our industry in British Columbia for their tenacity and their commitment to the province. They will all have important and tough decisions to make in the next few days.

I thought the province should be clear with the public and the industry where we stand on the softwood lumber agreement after securing some support and assurances on outstanding issues.

It is not a perfect agreement; no agreement ever is or ever will be. We accepted the terms sheet on April 27. I immediately, however, informed the Prime Minister that our market pricing system and anti-circumvention language that was acceptable to B.C. were imperative for our support. Industry and government worked hand in glove to provide comments and to clarify language and terms for a final agreement. The federal government has negotiated very good language on the market pricing system and anti-circumvention.

At the end of June, after reviewing the initial draft, we said four things needed to be done. We needed modified termination, a 12-month standstill on any U.S. termination and a further 12-month standstill on expiry of the agreement. We asked for exemption of lumber produced from private land logs on the coast in British Columbia, for changed signing rules and for grandfathering for remainders.

We did, however, have clear priorities. We pushed hard and got a 12-month standstill on U.S. termination. The minister continued to work with the ambassador and the Minister of Trade to secure a 12-month standstill on expiry of the agreement.

I've had a number of conversations with the Prime Minister, and I'm pleased to say that we have now heard from the United States that a 12-month standstill on expiry is acceptable, and further, after members of our industry advocated for a six-month notice provision on the termination by the U.S., the federal government has secured that agreement as well.

We now have secured our market pricing system, anti-circumvention language, 12-month standstill on expiry, six-month notice of termination and a 12-month standstill on U.S. termination and a further commitment from the U.S. to review lumber from private land logs and running rules.

I know everyone did not get everything they wanted from this agreement. But realistically this is a negotiation that has resulted in some significant improvements from the initial terms of the agreement that were outlined in April. The federal government, the Prime Minister, the Minister of Trade and the ambassador have worked hard on behalf of our industry and our province.

Looking at this in the context of our key objectives, let me repeat: we said we needed our market pricing system and acceptable anti-circumvention language; the federal government got it. We said in July we needed a standstill if the U.S. terminates, and we got it. This allows for a year before any round of litigation or U.S. trade actions commence. We were emphatic that upon expiry of the agreement in seven or nine years, we needed a standstill agreement, again, to allow for 12 months' free trade prior to any legal actions being launched by the Americans; we got that too. Just yesterday we got a commitment to the six-month notice of termination, which some in the industry said was very important.

From a B.C. government perspective, this agreement deserves our support. The agreement creates more stability and more certainty. The protection of our management system, the certainty and the early return of deposits bodes well for British Columbia.

I want to close today by thanking the Prime Minister and the Minister of Trade for their work. I want to recognize the time and the effort that Minister Coleman has put into bringing this agreement into place and to a place that we can support it. And I want to thank the members of our industry for their constructive approach to these difficult negotiations. I think we have all benefited from this direct dialogue.

Each company will now need to make their decisions. We believe this agreement is in British Columbia's and the industry's best interests, and I urge their support.