

Softwood Déjà vu

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Déjà vu is the nagging feeling that you've already experienced the present situation before. With the recent news surrounding softwood lumber, I seem to be coming down with a serious case of it.

Softwood lumber is a multi-billion dollar industry that generates approx. 300,000 jobs in every region of Canada. It is a crucial part of our economy but the deal the Conservative Government hurriedly signed with the Americans last year to ensure its continued prosperity has proved to be worthless. This was not the solution that industry was seeking. The goals of the deal were to promote a stable bilateral trade environment, facilitate the return of softwood duties, and maximize the benefits to the Canadian industry, its workers and communities. The reality has been rather different.

At the outset, the Prime Minister promised to return all illegal duties to our softwood industry. Instead he left \$500 million on the table to be used against us in litigation and \$500 million in the hands of the U.S. government. The deal also bound our producers to a restrictive quota that hinders an already embattled industry. Most importantly, this deal sets a poor precedent that undermines our rules-based trade with the United States.

The Harper government rushed this agreement through with negotiations based on artificial timelines set for the sole purpose of maximizing the political value of the agreement. All these sacrifices were made despite Canada's previous legal victories before international trade tribunals and courts in both countries. In the end, the Conservative's electoral agenda trumped the best interests of our softwood industry.

The hurried, politically motivated approach to negotiations is reflected in the results. On March 30, 2007 U.S. Trade Representative Susan Schwab formally requested consultations to discuss how the Softwood Lumber Agreement (SLA) was being implemented and alleged Canadian violations of the deal.

These consultations were launched because the U.S. still claims that Canada's federal and provincial governments provide subsidies to their forestry industries, and that the federal government has not properly administered the anti-surge mechanism. They also accuse our government of not applying the Export Charges and Volume Restraints as set out in the Agreement.

On August 7, 2007 the U.S. formally declared that the consultations proved to be fruitless and that they were proceeding to arbitration. The American government launched arbitration proceedings under a provision of the Agreement.

This is where my déjà vu becomes acute. After signing an agreement that the Trade Minister declared would "put an end to lawyers and litigation", we are...wait for it...back in litigation. I don't believe I'm alone in feeling like we've been here before. Canadians,

particularly softwood lumber producers and suppliers are suffering from déjà vu. The Conservatives did not deliver a stable bilateral trade environment and seven months into a seven-year deal, we're entering into arbitration.

The Agreement has certainly raised many questions not only in the House of Commons, but with our industry stakeholders as well. In my role as International Trade Critic, I have spoken to and met with industry associations from Quebec, Ontario, Alberta and B.C. What I have heard from them is that this deal did not bring the peace to their industry that the Minister promised. I was told that their producers and suppliers were under great financial pressure to ratify the deal.

Trade Minister David Emerson has said that "different points of view may arise from time to time in administering such a complex agreement," even though the forestry industry has indicated that they are in full compliance with the Agreement. Minister Emerson has taken the "let's agree to disagree" approach.

Nowhere did Minister Emerson declare that he would defend Canadian policies and protect our lumber industries. A Conservative Minister not standing up for Canada? I think I've seen that before too.