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How Canada Is Expanding Its Softwood Lumber Markets

James Carr, The Toronto Star

Fri., April 28, 2017

(James Carr is the Minister of Natural Resources Canada and MP for Winnipeg South Centre.)

The softwood lumber dispute between Canada and the United States is back with a vengeance. Canadians who work in this industry, or who live in communities that rely on it, are worried. Many are fed up, and rightly so.

But let's remember that we've seen this movie before, more than once.

It starts with the powerful U.S. Lumber Coalition pressing for punitive duties on Canadian softwood imports as a way to raise its own prices and increase its profits.

Typically, the story ends with a negotiated softwood lumber agreement between our two countries that keeps the U.S. lumber industry's protectionism at bay until the deal expires, when the whole cycle begins anew.

We now have the 2017 sequel. The U.S. Commerce Department recently announced preliminary countervailing duties that will average 19.88 per cent for most Canadian softwood lumber producers — a move that jeopardize jobs on both sides of the border and drive up new home prices for Americans and their families.

Here's where the Government of Canada stands on this issue: We will vigorously defend our softwood lumber industry and those whose livelihoods depend on it, including through litigation.

We also expect to win — as we always have in the past. U.S. claims have always been found to be without basis.

But it's time to change this movie script.

That's why our government has been working closely with the provinces, industry leaders and local communities to strengthen our forest sector through new products and expanded markets.



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The latest result is a \$6-million package to support additional measures to promote Canada's innovative, low-carbon wood products in promising markets abroad, including Europe and Asia, and particularly China.

These efforts are bearing fruit. Since 2002, measures to diversify our markets have helped boost Canadian wood product exports to China more than 25 times over, to \$1.6 billion.

But we're not stopping there.

This week, federal cabinet ministers continue to fan out internationally to support our intensifying efforts. This includes International Trade Minister Francois-Philippe Champagne, who was in China with a delegation of Canadian lumber representatives, and the minister's parliamentary secretary, Pamela Goldsmith-Jones, who travelled to Vietnam, Singapore and Brunei Darussalam to explore further opportunities for Canadian wood exporters in the Asia-Pacific region.

Building on minister Champagne's trip, I plan to lead my own delegation of Canadian forestry leaders to China in early June to promote Canadian wood in the Chinese home construction industry.

We know that market diversification for our wood products will create Canadian jobs and benefit the communities that rely upon the forest industry.

At the same time, we are continuing to invest in research and development through FP Innovations, Canada's leading technology incubator for forest products.

Today, wood fibre is being used in ways that would have been unimaginable just a few decades ago: strengthening composite car parts, making vehicles lighter, reducing emissions, replacing plastics and chemicals made from fossil fuels.

Several months ago, we also struck a Federal-Provincial Task Force on Softwood Lumber with a mandate to share information and analysis to understand potential impacts of the duties and assess the needs of affected workers and their communities. My provincial colleagues and I spoke again this week to discuss next steps.

We are prepared and well-positioned to do whatever governments can reasonably do to help the industry and its workers get through this tough time, and emerge stronger on the other side.

By working together — government and industry, workers and communities — we can take on the challenges ahead, set the stage for further opportunity, and foster good, well-paying middle-class jobs for generations to come.

That is our goal. We're not budging from it, one iota.

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