

The Minister for International Trade went to Washington November 6, together with provincial forestry Ministers from the provinces named in the U.S. petition and took our arguments directly to Secretary Baldrige. Following that meeting, Secretary Baldrige was provided with additional arguments substantiating our position that the preliminary determination was wrong. These arguments were repeatedly reinforced by federal Cabinet Ministers with their U.S. counterparts.

We explored all avenues consistent with international trade rules to achieve a satisfactory resolution of this rancorous dispute which threatened the economic security of those Canadians who depend on our forests for their livelihood. We spared no effort in seeking to maintain the best possible access to vital U.S. markets for Canada's softwood lumber exports.

Today, our efforts have finally paid off. This agreement removes many of the offensive elements that Canadians would have faced had this issue proceeded to an adverse final determination and imposition of a countervail duty.

The proposal that led to this outcome was made without prejudice to our position that stumpage programs and practices are not countervailable subsidies. We continue to maintain that position. However, it was the responsibility of the Minister for International Trade to explore all possible avenues to resolve this matter.

The decision to enter discussions was made against the possibility that even tougher measures would have emerged from the U.S. Congress even in the far from certain event of Canada winning the countervail case. The position of nine provinces and of this government was that we had to seek a way to protect both Canada's sovereignty and the jobs of our lumber workers and to keep the increased revenues in Canada.

The softwood lumber issue illustrates some of the trade problems that Canada and the U.S. face, but it also demonstrates why it is essential that our two sovereign governments come up with new rules to settle such disagreements. A trade agreement can provide us both with better methods of dealing with problems when they do arise.

We would be pleased to take your questions.