



No. 169

September 3, 1993

HOCKIN RESPONDS TO EUROPEAN COMMUNITY BAN ON LUMBER IMPORTS

The Honourable Tom Hockin, Minister for International Trade, in a letter sent today to Nova Scotia Premier John Savage, stated that the Government of Canada will continue to press for changes in the European Community's import restrictions on Canadian green softwood lumber. In particular, Canada has outlined an action plan to address the EC position on the pinewood nematode issue.

The federal government is committed to continued consultations with the provinces and industry on this and other trade issues, working actively toward the lowering of international trade barriers that restrict Canada's potential as a trading nation and adversely affect the Canadian economy.

"I am very aware of the economic impact of the European Community's action on Nova Scotia," said Mr. Hockin. "We will continue to work with the industry and provinces to maintain and secure access for our lumber producers in European markets."

- 30 -

For further information, media representatives may contact:

Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874

Minister for International Trade



Ministre du Commerce extérieur

The Honourable L'honorable

Tom Hockin P.C. M.P.

September 3, 1993

The Honourable John Savage
Premier of Nova Scotia
7th Floor, One Government Place
P.O. Box 726
Halifax, Nova Scotia
B3J 2T3

Dear Premier Savage:

I am pleased to respond to your recent letter to the Prime Minister on the issue of European Community restrictions on green softwood lumber imports from Canada. I would like to take this opportunity to summarize recent developments and to outline the activities that we have undertaken.

The management of this issue has been marked by close cooperation among the federal and provincial governments and industry. I am well aware of Nova Scotia's particular interests and welcome the useful contribution made by Minister Downe in discussions with my colleague, the Honourable Barbara Sparrow, in July. I also note the significant contribution of the Honourable Peter McCreath, who has actively represented the perspective of Nova Scotia on this issue.

The European Community, acting on advice from its plant health experts, has taken measures to ensure that the pinewood nematode is not transmitted to European forests via shipments of green softwood lumber from Canada, the USA and certain other countries where the pest is known to occur. These measures require the heat-treating or kiln-drying of such lumber. Canada believes that this is an excessive demand for non-pine lumber, and we have had some success in mitigating the effect of the EC's action.

.../2

In September 1992, Canada submitted to the EC "A Proposal to Safeguard the Forests of the Community against the Introduction of the Pinewood Nematode and its Vectors". The proposal was based on risk management related to species differentiation. Canadian data showed that not all coniferous lumber posed the same level of risk of transmission of PWN.

Based on a Canadian submission, the European Community has exempted all cedar shipments from its heat-treatment or kiln-drying requirement. Our technical data leads us to hope that we can obtain similar exemptions for other species such as hemlock.

The incidence of pinewood nematode is extremely low in Canada and there is no evidence of tree mortality resulting from it. However, Canada recognizes that lumber made from pine and species groupings including pines present the highest possibility of transmission of the pest. Industry has responded to mandatory requirements as set by the European Community and has agreed to heat-treat or kiln-dry all such shipments to the EC effective June 1, 1993. We had obtained a further, four-month derogation (June-October) from the treatment requirement for non-pine and non-cedar lumber, but this was revoked when UK inspectors found evidence of infestations of the insect vector in two shipments of Canadian lumber.

Following the EC's decision to revoke the derogation, discussions were held with industry and provincial representatives. The following action plan was agreed to and is being implemented:

1. The Prime Minister, the Honourable Perrin Beatty and myself raised the issue in separate discussions with our European counterparts on the margins of the G-7 Summit in Tokyo. Our common message was one of strong concern with the EC's decision, stressing the impact that it has on Canadian interests, and our belief that less restrictive means can be found to manage the problem. There were no commitments to immediate action, but EC ministers and officials at all levels have reiterated their continued willingness to examine further scientific evidence and adjust the system as necessary.

2. As a result of a Canadian initiative, a meeting of international scientific experts is scheduled for September 13-17 in Brussels. The meeting will assess all aspects of the pinewood nematode and the real risks of transmission.
3. It was agreed that more effort should be dedicated to developing alternative markets and continuing to upgrade the capacity of industry to kiln-dry lumber. The Atlantic Canada Opportunities Agency has helped fund 20 new kilns in the Atlantic provinces in recent years.
4. In consultation with industry, the Department of Natural Resources and Agriculture Canada have completed a heat-treatment specification manual and published a list of certified third party accreditation testing organizations. The Department of Natural Resources is providing technical expertise for the implementation of the heat treatment program.
5. There was discussion on a political mission to Europe to press the Canadian case. It was agreed that there could be merit, but only when there is something new to put on the table i.e. the results of the scientific panel of experts.
6. The federal government is providing regular summaries of developments on the issue to the industry and provinces.

I am very aware of the economic impact of the European Community's action on Nova Scotia. I have met with Diana Blenkhorn of the Maritime Lumber Bureau who stressed the important trade implications of this issue for Canada. We will continue to work closely with the industry and provinces to maintain and secure access for our lumber producers in European markets.

Yours sincerely,

Tom Hockin