

They got none of their demands.

The settlement signed on December 30 -- the date on which the Department of Commerce was to hand down its final determination -- was on our terms.

It brought about the withdrawal of the petition by the U.S. lumber industry.

It wiped out the preliminary determination, and a final determination -- which could have opened a pandora's box of trade problems -- was avoided.

The U.S. government will refund the bonds and cash deposits paid after the preliminary ruling, a benefit of approximately \$82 million.

We met our objectives.

The additional revenues remain in Canada.

The provinces retain the right to manage their own resources and to make changes when they see fit.

A damaging legal precedent has been avoided. The pandora's box stays shut.

The only matter subject to agreement between the U.S. and Canadian governments is the "calculation of the value of any replacement measures in relation to the export charge."

Our choice was clear. We could keep the revenues in Canada or see them flow to the U.S. Treasury.

Given the circumstances I have outlined, we chose the best alternative for Canada. The revenues collected will go to the provinces. They can be used for silvaculture, reforestation, worker training or other activities within their jurisdiction.

The Federal Government is not directing the provinces in using these funds, but we are encouraging them to invest in the future of their forest industries. The one restriction is that these funds cannot be used to offset the export charge or any of the other measures that may replace it.

Any agreement with such wide-ranging effects on a major Canadian industry will have its critics.

It has been suggested that it will bear unfairly on provinces which currently collect relatively higher stumpage fees.