

B) To the United States?

United States: Demand Changes

A displacement effect in the American market may be created by the United States forestry industry concentrating on exports to Mexico. This effect would be fully realized if the American producers have long term difficulty in management and production of forestry resources, particularly in softwood lumber. The magnitude of such a shift, however, is projected to be limited.

The newsprint producers seeking export opportunities in the United States will likely be disadvantaged. Recently introduced legislation governing newsprint production requires a percentage of the recycled fibres be of domestic origin, for the production of most newsprint.

RESPONSE:

- UNDER A NAFTA, SOME EXPORT OPPORTUNITIES WILL DEVELOP FOR THE CANADIAN PRODUCERS IN THE UNITED STATES. THE MAGNITUDE OF THE GAINS, HOWEVER, WILL DEPEND UPON THE INTERNAL DYNAMICS OF AMERICAN MARKETS AND THE MANAGEMENT OF ANNUAL ALLOWABLE CUTS OF SOFTWOOD LUMBER.