

well, 24% of Quebec lumber exports, which are produced from logs of U.S. origin, are exempt from payment of the export charge. Otherwise, lumber produced in Quebec is subject to an export charge of 6.2%. The export charge rate will be reduced to 3.1% on November 1, 1991.

- (c) Alberta, which accounted for 2.9% of softwood lumber exports to the United States in 1990 and is subject to the full export charge, has toughened forestry regulations and increased costs to the industry. The rate of export charge applied to Alberta-origin lumber exported to the United States remains at 15%, despite the increased costs to Alberta industry.
4. As well, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, which together accounted for 2.3% of softwood lumber exports to the United States in 1990, have been exempt from the export charge since 1988.
 5. As a result, export charge collections for Canada are roughly \$40 million annually today, compared to export charge collections of \$400 million in 1987.
 6. The Canadian public has become increasingly concerned with forest stewardship and renewal. As a result, governments have enacted policies which have increased resource costs to industry in Canada significantly since 1986. If anything, this trend is likely to continue, given the fact that the public pressure for better forest management is expected to intensify.