

BUT WE DO NEED AN IMPARTIAL AND BINDING METHOD OF DETERMINING WHETHER THE APPLICATION OF TRADE REMEDY LAWS ARE FAIR AND JUST.

LET ME GIVE YOU A CONCRETE EXAMPLE OF WHAT I AM TALKING ABOUT.

IN 1983, AMERICAN SOFTWOOD LUMBER PRODUCERS LAUNCHED A COUNTERVAILING ACTION AGAINST OUR INDUSTRY. THEY CHARGED THAT OUR PROVINCIAL SYSTEM OF COLLECTING STUMPAGE FEES FOR TREES CUT ON PUBLICLY-OWNED LAND WAS AN UNFAIR SUBSIDY. THIS COMPLAINT WAS REJECTED BY THE U.S. INTERNATIONAL TRADE COMMISSION.

TWO YEARS LATER, WITH NO CHANGE IN AMERICAN LAW AND NO CHANGE IN CANADIAN PRACTICE, THE COMMISSION REVERSED THIS DECISION. ONLY ONE THING HAD CHANGED IN THOSE TWO YEARS -- POLITICAL PRESSURE.

NO LESS THAN SIX BILLS WERE INTRODUCED IN CONGRESS. THE AMERICAN INDUSTRY LAUNCHED AN INTENSIVE LOBBY CAMPAIGN. AND THE ITC REVERSED ITS DECISION, COSTING OUR INDUSTRY 600-MILLION DOLLARS A YEAR.

I MIGHT SAY, AS IN MOST PROTECTIONIST ACTIONS, THE REAL LOSERS WERE THE CONSUMERS, IN THIS CASE AMERICAN CONSUMERS. A RECENT HARVARD UNIVERSITY STUDY OF THAT ISSUE CONCLUDES THAT THE U.S. ECONOMY SUFFERED A NET LOSS OF 140-MILLION DOLLARS A YEAR SINCE A 410-MILLION DOLLAR GAIN FOR THE AMERICAN LUMBER INDUSTRY IS MORE THAN OFFSET BY A 550-MILLION DOLLAR ANNUAL BURDEN ON LUMBER CONSUMERS -- MOSTLY HOME BUYERS.

ON THE CANADIAN SIDE, BECAUSE WE NEGOTIATED WITH THE U.S. TO IMPOSE AN EXPORT TAX RATHER THAN PAY THE COUNTER-VAILING DUTIES, THE STUDY REPORTED A NET GAIN OF 120-MILLION DOLLARS ANNUALLY.

THAT KIND OF POLITICALLY INSPIRED PROTECTIONISM AND MISUSE OF TRADE REMEDY LAWS MUST BE ENDED. IN THIS AGREEMENT WE HAVE FOUND A WAY TO DO THAT WITH A UNIQUE DISPUTE SETTLEMENT SYSTEM. IT IS EXTREMELY IMPORTANT AND GREATLY MISUNDERSTOOD SO I WOULD LIKE TO TAKE SOME TIME TO EXPLAIN THESE SYSTEMS.