

Exports

An increase in overseas competition and the rising values of both the U.S. and Canadian dollars have made the industries in both countries more dependent on the North American market.

In 1984 United States offshore lumber exports dropped by 345 billion board feet, Canada's by 461 million board feet, compared to 1980.



Council of Forest Industries of British Columbia

Transportation

"Waterborne shipments of lumber from the U.S. West Coast to the U.S. Atlantic Coast are nonexistent." **ITC Report.**

In general rail rates in Canada are cheaper than in the United States. This is true even when the shipments are from the West to markets in the eastern United States.

One reason Canadian rates are lower is that Canadian lumber shippers may also ship by water, and though some 90 per cent of shipments to the U.S. are by rail or truck this option tends to keep rail freight charges down. Canadian shippers may use ships of any flag, and they search for the ones with the lowest rates.

In the United States long-range water transport of lumber has virtually ceased because of the provision of the Merchant Marine Act of 1920 (known as the Jones Act) which requires the use of U.S.-flag ships between American ports. Virtually the only shipments of lumber from coast to coast are from British Columbia to U.S. Atlantic ports. Recent changes in U.S. rail freight rates have made the U.S. carriers more competitive but Canadian shippers still have lower in-country rates.



CIP Inc.

A Diminished Export Market for Paper

The contention that the sale of Canadian forest products has increased rapidly in the United States does not reflect reality. The Canadian share of the U.S. construction lumber market has increased slightly, but the share for pulp and paper has been greatly diminished.

Canada once supplied almost 75 per cent of U.S. newsprint. It now supplies about 58 per cent.

The Gibbons Bill

"There are two reasons to oppose (Gibbons') remedy. First unemployment in Canada already exceeds America's But the more important objection . . . is that a tariff would make hash of widely accepted ideas of what constitutes an unfair trade subsidy and only invite retaliation from the United States' largest customer

"To argue that Canada's stumpage fees are 'unfair' is no more valid than to argue that lower land prices in Burlington would give Vermont wines an 'unfair' advantage over Bordeaux."

The New York Times,
July 15, 1985.

"The (Gibbons) proposal is a bad one, all the worse because it is a form of protectionism that relies on changing the rules in the middle of the game It is almost certain to impose price increases on consumers of at least 10 to 15 per cent

"Last year, despite the growth of imports, American (lumber) companies showed a marked increase in sales, almost equal to their 1978 record Canadian competition has benefitted U.S. consumers. The partnership has contributed to prosperity on both sides of the frontier."

Los Angeles Times,
Aug. 9, 1985.

Spruce-Pine-Fir