

Council of Forest Industries of British Columbia. The industry focus was generally concentrated on the importance and the value of *the working forest*, and about the major strides and advances which have been made in silviculture, reforestation and other intensive management disciplines. Canada's forest industry voices a clear commitment to the concept of sustainable forestry development, and significant investments have been made in pursuit of that concept. In some cases, however, industry vision seems to remain limited to the interpretation of *sustained yield*. There is great frustration among industry leaders who feel that the economic contribution of our forests is not adequately appreciated, and there are fears that environmental priorities will prevail in unrealistic, impractical and unsustainable ways.

Again, by way of background, the forest industry in Ontario provides 76,000 people with employment, and those people earn about \$2.2 billion a year. In a good year our industry pays over \$250 million in corporate income tax, and also in a good year like 1988 it invests about \$1.5 billion in new plant and equipment modernization and pollution abatement measures. The annual value of production is about \$10 billion of which about \$3.7 billion is exported, mainly to the U.S.

This raw material comes from a growing stock of 3.5 billion cubic metres, and our current annual harvest level of 30 million cubic metres is slightly under 1% of the growing stock. That comes from a land base of 81 million hectares, 85% publicly owned, and about half of that is productive forest.

— I.D. Bird, President, Ontario Forest Industries Association
(Issue 23:6).

A further comment from this witness conveys the frustration which the forest industry feels in Canada, with the exception of the Atlantic Provinces, about arrangements that were made to settle the softwood lumber dispute with the United States three years ago. A Memorandum of Understanding (MOU) provided for a 15% export charge on certain softwood lumber products exported to the United States. The British Columbia government fully replaced the export charge in 1988 as a result of increased stumpage charges and additional forest management obligations. As well, Québec has partially replaced the charge, reducing the rate from 15% to 8% in April, 1988. The Atlantic Region was exempted from the conditions of the MOU in December, 1987.

This export charge has had seriously adverse effects on profitability of the sawmilling industry in many parts of Canada, particularly in areas like Northern Ontario where lumber production is heavily based on export markets in the U.S.A. The industry along with both federal and provincial governments are continuing to consider courses of action concerning the future of the MOU. Atlantic producers are very concerned that such actions to change