

industry for the purpose of the decision. Yet, U.S. authorities have previously held that production of fresh and frozen orange juice constitute two different industries.

As for the level of the so-called subsidy, the list showed by Commerce officials ignored prior practice and was internally inconsistent.

The decision shocked us and should concern all U.S. trading partners. We view it as an unacceptable attempt to impose U.S. views on how other governments should manage their natural resources. What is the result of this successful petition by a narrow U.S. interest? The new duty, if allowed to stand will raise the cost of every American home by at least \$1,000; not only that, a study conducted by your own Wharton Econometrics estimates that four American jobs will be lost for every job gained directly in your lumber industry. Wharton went on to point out that by 1990 a 15 per cent tariff increase on softwood lumber would result in a net loss of 13,000 jobs. In the case of Massachusetts, by 1993 the tariff would create 19 jobs at the expense of 637 according to the Wharton study.

In fact, to underline this point, Senator Chafee of Rhode Island pointed out that this lumber decision would result in only four states being winners and 46 states becoming losers. These are clear costs of protectionist actions.

This countervailing duty injures more than the U.S. consumer. Canadian jobs are potentially threatened. Investment and business decisions for forest companies and smaller businesses who depend on that sector are threatened.

And finally, the decision raises questions in the minds of Canadians about the feasibility of seeking better relations with the United States. Many Canadians will perceive -- wrongly in my view -- that this action of one U.S. industry is an indication of the general view of Americans towards their northern neighbour. Protectionist action poisons the atmosphere surrounding a trade negotiation which is intended to free trade between us.

If our two countries allow the interests of a minority to override the interests of the majority, Canadians will suffer, Americans will suffer, and Canada-U.S. relations will deteriorate.

Both our countries support the principles of freer trade. It is time to practice what we both have been preaching.

Prime Minister Mulroney and President Reagan realized that it is in the national interest of both our countries to conclude a trade agreement. I think that if the majority of people on both sides of the border stop to consider the benefits of a better trading relationship, they will agree.