

C. Canada's Share of the U.S. Market Is Dropping

1. While Canada's share of the U.S. market grew in the early 1980s and peaked at 32.8% in 1985, it has dramatically declined since then, falling to 26.8% during 1990 and to 26.1% for the first quarter of 1991. There is no sign that this trend will change in the near future.
2. Canada's share of the U.S. market has reached its lowest level in 13 years.
3. Since the MOU was signed, Canadian exports to the United States declined by over 2.5 billion board feet.
4. The increase in the value of the Canadian dollar, combined with increased log costs to the Canadian industry, have significantly enhanced the competitiveness of U.S. lumber producers, compared to Canadian producers.