

The application of various government acts designed to protect natural resources, which focus on land and water use when combined with terms and conditions assigned to government lease arrangements often result in lengthy project approval processes. This is only compounded where provincial acts also overlap with federal legislation, particularly with respect to Fisheries, Indian and Northern Affairs and Canadian Oil and Gas Lands Administration (COGLA). A province's right to protect natural resources for use and derivative accrual of benefits by its citizenry frequently results in limiting foreign access to the resource. This has been a source of foreign trade irritation. Like other industrial assistance programs certain resource practices may also be construed as conferring a subsidy on semi-fabricated goods entering foreign markets. Presently, this is the situation with B.C. softwood lumber and in the past mineral resources have also been targeted for countervail. As is the case in all the barriers to interprovincial trade identified in this report, competing provincial resource practices lead to fragmentation of the industrial structure. This is particularly acute in the minerals sector which requires large volumes of production to effect cost savings. Hence, the ability of some sectors and regions to take advantage of expanded export opportunities could be limited by resource policies followed to date.