

B. There Is No Subsidy to Canadian Lumber Producers

1. Provincial forestry revenues exceed provincial forestry costs in Canada. There is no subsidy.
2. The U.S. Forest Service and the General Accounting Office have implemented the Timber Sales Program Information Reporting System (TSPIRS) in response to criticism that the U.S. Forest Service was subsidizing the sale of timber from federal lands.
3. The TSPIRS accounting system has been reviewed and sanctioned by the House Committee on Appropriations of the U.S. Congress.
4. Canada applied this U.S. methodology to the forestry accounts of the four major producing Canadian provinces -- British Columbia, Alberta, Ontario and Quebec. Two key conclusions emerged:
 - (a) The revenues from timber sales programs in the four major producing provinces in fiscal year 1988-89 exceeded direct expenses, resulting in a net gain or surplus of \$687 million.
 - (b) Individually, each of the four major producing provinces is collecting revenues in excess of its timber program expenses.