the small scale of these operations resulted in a pattern of production that was inefficient and wasteful.

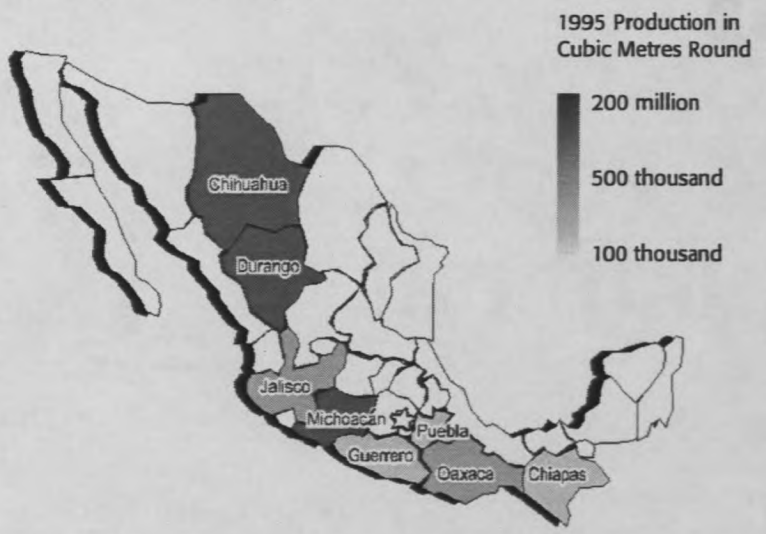
This legal environment was short-lived. The community-control regulations did not come into full force until 1988. Four years later, a constitutional amendment and a new forestry law brought sweeping changes that some critics fear are the beginning of the end for community-controlled forestry. But the government's intention was actually to strengthen forestry communities by giving the *ejidatarios* stronger tenure over their land. The objective was to give them access to capital and to foster the development of forestry plantations. For the first time, *ejidatarios* can gain clear title to their property, sell it, or enter into joint ventures with investors.

Constitutional limits on property size were liberalized so that a widely held corporation can now own up to 20,000 hectares. And complementary changes to the forestry law provide for long-term stewardship of forest resources as well as technical assistance for developing forest management plans. The new laws have already resulted in a number of joint ventures between Canadian and American forest companies and unions of *ejidos*. These joint ventures, known as *agroasociaciones*, may include partners who provide technology, capital and marketing expertise, but the land contribution must be in the form of special shares that return the land to the original owners on dissolution of the corporation.

Many barriers stand in the way of the full implementation of the new laws. The law itself is ambiguous. There is no system for valuation of land holdings. The borders between *ejidos* are in doubt in many cases, and violence has erupted as the government has attempted to implement its land titling program. Some of the *ejidos* are in national parks or other protected areas. At least three and up to five government bureaucracies are involved in the land titling process.

In spite of these obstacles, most observers believe that the reforms will eventually proceed. As the sector becomes mechanized and adopts more sophisticated technologies, important new markets for Canadian forestry equipment will emerge, along with excellent opportunities for joint ventures.

PRINCIPAL FORESTRY STATES



Source: From data supplied by the *Secretaría de Agricultura y Recursos Hidráulicos (SARH)*, the former secretariat of agriculture, 1995.

MEXICO'S FOREST RESOURCES

Mexico's national territory is estimated at between 191 and 198 million hectares. Data published by the *Secretaría de Agricultura y Recursos Hidráulicos (SARH)*, the former secretariat of agriculture, in 1994 put the total at 197.8 million hectares, of which 56.8 million hectares consists of forests and jungles. According to estimates by the *Cámara Nacional de la Industria Forestal (CNIF)*, National Forest Industry Chamber, just under 50 million hectares are regarded as forest resources. Less than half of these resources are presently regarded as commercially available. The total standing inventory of commercial forests was estimated at 2 billion cubic metres in 1993.

PRINCIPAL FORESTRY STATES

Temperate and cold forests are the main source of trees for the forest industry. According to estimates by the World Forest Institute, they account for about 90 percent of Mexico's production. They are mostly made up of the genus *Pinus*, including 72 different species, varieties and forms. Other important wood producers include *Abies*, *Juniperus* and *Cuppressus*. There are very few single-species stands. These forests are located mostly in the mountains, in the states of Chihuahua, Durango, Jalisco, Michoacán, Guerrero, Oaxaca and Chiapas. About 85 percent of the timber harvested is pine, 7 percent is oak and the rest consists mostly of tropical hardwoods.