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Forest land in Canada is owned primarily by the provinces, whose governments have full authority over the management and utilization of Canada's forest resources. The actual proportion of private land ownership by province reflects the period in Canada's history when each area was first settled. The Atlantic provinces, having been settled first, have higher proportions of private ownership than do the western provinces and northern regions of Central Canada, where a deliberate decision was made by provincial governments to retain ownership of forest land. As a result, in all but New Brunswick, Nova Scotia and P.E.I., 90 per cent of all forest lands are owned and administered by the provincial governments.

Provincial governments allocate cutting rights to companies through a variety of arrangements, both long- and short-term. In some cases, the "Lessee" assumes responsibility for all aspects of forest management, including access, harvesting and silviculture. In other cases, the province retains all obligations for forest management, with the exception of harvesting.

For the past 20 years, Canada has been moving steadily towards intensive forest management as the principal tool for raising productivity and achieving increased yields. Actions being taken now will ensure the higher yields needed in the early part of the next century when international demand for forest products will be substantially greater than it is today.

Investment in Canada's forest resource has accelerated markedly in the past few years. Industry and public expenditures have increased fourfold over those of the last decade. In the area of silviculture, the growth has been tremendous. Seedlings produced for planting in 1960 totalled only 10 million, but the number rose to 200 million by 1976 and 630 million in 1985.

Forest protection programs, long recognized as inadequate due in large part to inaccessibility of much of Canada's mature forests, have improved immeasurably as a result of technological advances in equipment and techniques. Early detection of fire, insects and disease now permit early treatment and ultimately will result in markedly reduced annual losses of valuable timber.

Until recently, the forest industry relied mainly on virgin forests and a few commercial species. But the transition to second growth stands and increased use of species such as poplar is accelerating. This will require increased attention to new product development and extracting more value-added from remaining timber reserves which, in turn, will depend on enhancing Canada's market access abroad.

Through better resource utilization and more intensive forest management, harvests can be increased significantly to meet the forecasted growth in North American and world demand for forest products.

### **Industry Structure**

Virtually all timber harvested in Canada is further processed by domestic wood and paper industries. Exports of unprocessed wood, including logs, pulpwood and pulp chips, amount to less than six per cent of the total timber harvest and are controlled by federal export permits under authority of the Export and Import Permits Act in co-operation with Provinces.