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FOREST MANAGEMENT IN CANADA

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ISSUE DEFINITION

Canada is at the crossroads in forest management. Our country's forests have suffered from lack of adequate reforestation and failure to implement appropriate silvicultural practices, and now they can scarcely meet the growing needs of their users. Viewed from a primarily economic standpoint for many years, forest management now aims at identifying objectives and strategies through a concerted effort by all forest users. As the concept of sustainable development suggests, we must now, more than ever, work to ensure the sustainable utilization of species and ecosystems, if humanity intends to provide for the well-being of present and future generations. This document describes changes and developments in forest management on a national scale.

BACKGROUND AND ANALYSIS

A. Overview

From earliest times, the forest has been associated with mankind's progress. A special place for leisure and relaxation, the forest also provides fuel for our fires, timber for our buildings, food for our tables and, of course, spectacular beauty. Canada has the third largest expanse of forest of any country in the world: it is the classic example of a nation whose development was largely brought about by its rich forest resources. But in recent years, growing public awareness about the environment has revived and expanded debate on problems linked to changes and deterioration in our forests.

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* The original version of this Current Issue Review was published in January 1987; the paper has been regularly updated since that time.

Viewed not long ago as an inexhaustible resource, Canadian forests, in addition to being threatened to varying degrees by air-borne pollutants, are today being intensively harvested. They have faced repeated assaults by natural scourges such as fire, insects and disease. **The latest data available show that between 1992 and 1996, the forest industry harvested a total of 4.7 million hectares. During the same period, forest fires destroyed 3.9 million hectares of productive wooded areas. Over the 15-year period from 1981 to 1995, fires, insects and disease affected an area of commercial forest that was greater than the area harvested. Natural disturbances destroyed an average of 1.3 million hectares per year, while 927,333 hectares were cut each year. In terms of volume of timber, the opposite is true: 170 million cubic metres were harvested annually, while 149 million cubic metres were lost due to natural phenomena. Also during this period, 5.8 million hectares were planted or seeded, but the total area of forest lands still devoid of commercial species more than 10 years after being harvested reached 1.3 million hectares.**

Faced with this situation, forest industries and forestry experts emphasize their disquiet by pointing primarily to the economic importance of Canada's commercial forests. **In 1997, these forests provided some 830,000 direct and indirect jobs, injected more than $60 billion into the Canadian economy and ensured the survival of some 350 municipalities in Canada.** This perspective, focused on the forest as industry, must not allow us to neglect the intrinsic ecological value of forest ecosystems. To reduce the value of a forest to no more than its lumber content is to simplify absurdly its invaluable role as an environment for life: quite apart from the importance of the flora and fauna they shelter, forests contribute directly to the purification of the air we breathe and the water we drink; they protect river basins from erosion, regulate the flow of water courses and reduce the risk of floods. Canada's forests also help to control the excess carbon dioxide in the world's atmosphere; it is estimated that they absorb more CO_2 from the atmosphere than is emitted by natural phenomena and industrial activity. Nowadays the classic principle of the single-use forest has been replaced by the idea of multiple use, an idea that is being expressed with increasing persuasiveness. Apart from wood shortages, such phenomena as loss of soil fertility, reduced ecosystem diversity and the destruction of productive habitats are all evidence of the fragility of this great natural resource.

The days when we carelessly expected our forests to give us something for nothing are long gone; the industry, governments and many other stakeholders are combining their efforts to ensure that the principle of sustainable utilization of forest resources is given top priority, both nationally and internationally.

B. Description of the Resource

Canada has 4.18 million square kilometres of forest, nearly 140,000 square metres of forest for each of its 30 million inhabitants. More than twice as big as the area of the European Economic Community, and nearly double the surface area of Mexico, Canada's forested territory accounts for 10% of the planet's woodlands. However, our forests are far from being all profitable and available for exploitation: only 2.3 million square kilometres are considered to be productive and non-reserved. British Columbia, Ontario and Quebec contain about 59% of Canada's inventoried productive forest land. The prairie provinces have 23%, and the four Atlantic provinces 9%. Most (80%) of this territory is Crown land in right of the provinces, except in Nova Scotia and Prince Edward Island, where most forest land is privately held. Federal Crown land, located mainly in the Yukon and the Northwest Territories, accounts for 39% of the country's total area but for only 9% of its total productive non-reserved forest land.

Canada's forested areas are classified by type of cover, which is determined by the proportion of conifers (in terms of surface area or volume). The softwood (coniferous) forests, concentrated mainly in the north and predominant in British Columbia, are the largest in terms of both surface area (64%) and volume (77%). Mixed-wood forests, which extend through the Maritimes, Central Quebec, Ontario and the Prairies, rank second in area (21%) and in volume (18%). Hardwood forests (mainly birch and maple) grow in a band across southern Ontario and Quebec; the band thins in southern Manitoba and Saskatchewan and widens again in Alberta, mostly in the form of aspen and poplar. Classification of timber stands according to their development potential remains a challenge both urgent and important.

C. Subjects for Inquiry and Debate

The debate on the management, use, protection and increased productivity of forest lands. These included problems in the supply of wood, as well as in the processing and marketing of forest products. In the same way, we find provincial governments, private companies and

professional forestry associations echoing the concerns of native groups and owners of private forests about the seriousness of a large number of problems and the urgent need to safeguard our forests through intensive protection and management. Pests and fires, air pollution and deforestation, are all factors that suggest the future may not be a bright one.

An unusual die-back in maple-sugar bushes throughout Quebec is one disturbing example. Fewer, paler leaves, together with their premature loss, gradual decrease in foliage, the slower scarring of incisions, decreased growth and increased die-off may be linked to stress caused by air-borne pollutants (acid build-up, photochemical oxidizers, etc.) and to severe climatic variation (for example, the deep-level freezing in winters with minimal snow falls, and periods of low rainfall observed in the early 1980s). In addition to sugar maples, which are very vulnerable to pollution, white ash, beech, linden, yellow birch and red maple also suffer from die-back. Coniferous species can no longer be said to be unaffected: early signs of the blight have been found in fir, white spruce and hemlock. While the situation has stabilized and the role of air pollution is hotly debated, a number of observers stress that the impact of air-borne pollutants can no longer be ignored. Certainly research must continue, so that we can identify and implement all possible measures to improve the health of the forest heritage, but we must also act.

International and domestic demand for wood and wood products increases as population increases. In Canada, the annual allowable cut (AAC), i.e., the volume of wood that can be harvested without endangering the sustainability of the forest resource, had dropped from 276 million cubic metres in 1977 to 207 million in 1983. In 1995, the AAC was 233 million cubic metres, or 174 million cubic metres of softwood and 59 million cubic metres of hardwood. In 1995, the roundwood harvest totalled 188 million cubic metres, including 158 million cubic metres of softwood and 30 million cubic metres of hardwood. Almost 40 million cubic metres of wood were harvested on private land. It is estimated that Canada harvested 90% of its AAC in softwood and 51% of its AAC in hardwood. While hardwood supplies do not appear to be in any way threatened, the Canadian Forestry Service considers that at the current cutting rate, the softwood harvest is reaching the upper limit for sustainable development.

Already, local shortages of softwood used primarily for the production of lumber have been noted, primarily in Newfoundland and New Brunswick, but these shortages will probably be short-lived. It remains extremely difficult to estimate what Canada's wood supply will be over the long term, because it depends to a very great extent on a range of factors such as the effort put into renewing our forests and technological advances that may make possible a more efficient use of

wood resources and open up currently inaccessible forests. Nevertheless, it is possible to envision a variety of options that would make it possible to increase the wood supply, including: access to remote forest areas, more intensive management and silviculture of forests and plantations, increased protection of forests against natural loss, more efficient use of wood and wood waste in processing, particularly in the case of hardwoods, and greater use of paper recycling. Each option, of course, has its own economic and environmental advantages and disadvantages. In light of the changing pressures on the forests and the commitment made by the various stakeholders to manage them sustainably, any new direction must ensure that forest ecosystems and their related values are maintained, while at the same time taking into consideration the social context, employment, local communities and native rights. The result might be that some provinces lower the AAC, primarily for softwood, even though over the past 15 years there has been a marked increase of 940 million cubic metres in the volume of commercial standing timber, an annual increase of 63 million cubic metres. There can be no dispute about the fact that hardwoods are under-utilized, however, with their combined harvest of just over one-half of the AAC.

Important subjects like the recycling of newsprint and the cutting methods used in forestry are arousing a great deal of interest among both managers and users of our forests. Already, 15 American states have passed regulations requiring a minimum recycled-fibre content in newspapers or magazines. A further 16 have set goals for recycled-fibre content, varying from 16 to 50% by the year 2000, without imposing these by regulation. Twenty-seven of these states account for nearly 80% of total American consumption of newsprint. Since the United States constitutes the largest market for Canadian pulp and paper producers, this irreversible trend toward recycling demanded rapid adaptation by the Canadian pulp and paper industry and the fledgling recycling industry. According to Forestry Canada, between 1988 and 1993, the number of de-inking plants has risen from 1 to 16, and 40% of all newsprint in Canada is produced using recycled fibres, compared with 3% in 1988. An increased use of recycled fibres has therefore already had serious repercussions for the forest industry itself, and for the resource as a raw material.

PARLIAMENTARY ACTION

In 1906, Sir Wilfrid Laurier, then Prime Minister, was demanding an end to the destruction of our forests, which were already suffering because they were not being replanted.

Deforestation and lack of forest management have at least received increasing attention in recent years. In 1981, with the publication of the *Forest Sector Strategy*, the federal government launched a campaign to intensify forest management. The Strategy was formulated around four major themes: wood supply, marketing, research and development, and manpower. The area it was hoped would be reforested was to grow from 200,000 to 500,000 hectares a year, and the areas for clearing the undergrowth, thinning and fertilization were to expand from 100,000 to 400,000 hectares a year.

It very soon became plain that such a strategy could only be implemented in collaboration with the provinces, industry and private woodlot owners. As a result, agreements with a value in excess of $1.5 billion have been reached between the federal government and the ten provinces. The purpose of these agreements was to ensure a secure wood supply by increasing reforestation of "not satisfactorily restocked" (NSR) forest lands and by encouraging the application of intensive forest management techniques. By the end of the first agreements, in 1989 and 1990, about 1.5 billion trees had been planted on more than 800,000 hectares. In addition, 500,000 hectares had been thinned, fertilized and cleared of undesirable flora. The first series of agreements produced significant economic and social benefits, such as the creation of more than 100,000 direct and indirect jobs, primarily in rural areas.

The agreements also provided funding to Research and Development programs which had as their objective to the development of new products, the improvement of species through genetic research, the evolution of new silvicultural techniques, and, in general, an increase in our knowledge of forest management. The Canadian Forestry Service continued to be involved in the problems of fire, insects, diseases and the effect of toxic substances on forest vegetation and soil. In addition, it carried out basic research on forest renewal, forest ecology, and remote sensing. The provinces concentrated primarily on reforestation, classification of forest sites, and training for forest managers.

Early in the 1990s, the federal government signed a second series of agreements with each of the provinces and, for the first time, with the two territories. These forest resource development agreements totalled nearly $725 million, which does not include amounts allocated under subsidiary agreements. Unlike the initial agreements, the new federal-provincial/territorial agreements removed the emphasis from reforestation (which is considered primarily the responsibility of the provinces and industry) and placed it instead on the enhancement and development of already established stands.

In the April 1993 budget, the federal government stated that these agreements would not be renewed when they expired, and at the end of 1995-1996 it withdrew from the direct funding of the development of Canada's forests. This situation was of particular concern to small woodlot owners who, especially in the east, had received very valuable assistance under these agreements, enabling them to set up conditions favourable to the sustainable development of private forests. For instance, when the federal government withdrew, woodlot owners in Quebec were deprived of $19 million for forest management, and the provincial government was forced to consider new approaches to funding for private forests. The Government of Quebec will now defray 60% of the total cost of private forest development work - an annual expenditure in the order of $24 million. The industry agreed to pay 20%, or $8 million, while private producers will continue to pay 15% of the cost, as they did in the past. Finally, the Fédération des Producteurs de Bois du Québec and the Regroupement des Sociétés d'aménagement du Québec (RESAM) have agreed to find the remaining 5%, which amounts to about $2 million annually.

The situation is not much different in New Brunswick, where the Federation of Woodlot Owners has estimated that the government contributions required to continue development programs in private forests is around $27 million over five years. In August 1996, the federal and New Brunswick governments agreed on a new forestry management program under which they invest $12 million in equal shares over the next three years. This program is solely for the benefit of private woodlot owners, whose contribution to the funding could reach $3 million over the course of the agreement. The program focuses on reforestation, precommercial thinning and cleaning, and other types of forest management operations. The federal government's contribution comes from the $300-million Transition Fund announced as part of the reform of employment insurance.

For over 15 years, Canadian softwood lumber exports to the United States have given rise to major trade disputes between the two countries. Canada's chief economic partner essentially accused Canadian provinces of subsidizing the softwood lumber industry by selling lumber from Crown land -- the main source of supply -- at an excessively low cost. The United States maintained that this harmed the American softwood lumber industry.

To avoid American reprisals and to compensate for the low stumpage fees charged the industry by the provinces, towards the end of 1986 Canada and the United States signed a memorandum of understanding whereby Canada imposed a 15% tax on softwood lumber exports to the United States. Implementation of various countervailing measures, such as

increasing stumpage fees or transferring forest management responsibilities to the industry, has made it possible to eliminate the softwood lumber tax in British Columbia and the Maritimes and to reduce the Quebec tax to first 6.2% and then 3.1%. The Canada-U.S. agreement had the advantage of keeping revenues in the country that would otherwise have been collected in the United States. The federal government was able to transfer the money to the provinces so that they could increase reforestation efforts and develop silvicultural programs. After some five years of this system the Canadian government estimated that the provinces had sufficiently readjusted their stumpage fees and unilaterally decided to terminate the memorandum of understanding. It stopped collecting the surtax as of 4 October 1991, as the bilateral agreement allowed.

Following Canada's decision, the United States decided to collect countervailing duties in an amount equivalent to the tax formerly collected in Canada. Between December 1991 and June 1992, the United States International Trade Commission and the U.S. Department of Commerce made a series of findings that there were indirect subsidies to the Canadian softwood lumber industry, a situation considered detrimental to American producers. Countervailing duty of 14.48% (subsequently reduced to 6.51%) was imposed on Canadian softwood lumber, regardless of its province of origin.

In May 1993, a GATT Panel ruled that the United States had been wrong to impose fines on Canadian softwood lumber exporters and that, accordingly, it should refund the $15 to 20 million collected between October 1991 and March 1992. On 17 December 1993, a joint tribunal established under Chapter 19 of the Canada-U.S. Free Trade Agreement rejected the reasons given by the U.S. Department of Commerce for imposing a 6.5% countervailing duty on wood imported from Canada. The Department agreed to eliminate such duty on 6 January 1994. The United States then requested the formation of an Extraordinary Challenge Committee to review the judgment of the joint tribunal. In a decision handed down on 3 August 1994, the Committee affirmed the earlier finding that Canada did not subsidize softwood lumber exports. Approximately $800 million in countervailing duties was refunded to Canadian softwood lumber producers.

On 15 December 1994, the governments of Canada and the United States established a bilateral consultation process on forestry matters and on the North-American softwood lumber trade. This process led, in April 1996, to a new Canada-U.S. agreement on softwood lumber under which the United States undertook not to institute trade proceedings

against Canadian softwood lumber exports over the next five years. In return, Canada agreed to set a threshold of 14.7 billion bd ft for deliveries from British Columbia, Quebec, Ontario and Alberta. **Above this threshold, it collects US$52 per thousand bd ft at the border on the first 650 million bd ft and $104 for additional quantities. The money collected by the Canadian government is returned to the provinces in a proportion equal to their deliveries of softwood lumber to the United States.**

Canada's Minister for International Trade set the allocation of export quotas for each of the four provinces on the basis of recent export figures, as provided under the Accord. In 1998, British Columbia softwood lumber producers obtained 56.1% of the initial quotas; Quebec producers 25.7%; Ontario producers 10.5% and Alberta producers 7.5%. Canadian exports to the United States represent about $8 billion annually.

In 1987, the Canadian Council of Forest Ministers (CCFM) developed a *National Forest Sector Strategy for Canada*, which recommended the creation of a federal department, to have exclusive responsibility for forests and the forest industry. The federal government implemented this recommendation in 1989 by passing the *Department of Forestry Act*, the first piece of federal legislation to introduce and define the concept of sustainable development, which is to guide the orientation and activities of Forestry Canada. Forestry Canada became an independent department in 1990; however, its independence was short-lived: under the new government structure implemented in June 1993, it was integrated into the new Department of Natural Resources and returned to its former name - the Canadian Forest Service.

The new Department of Natural Resources basically maintained the same major objectives as were set out by Forestry Canada in its 1990 strategic plan. By providing national leadership and forging solid partnerships, Natural Resources Canada is relying on its economic, scientific and technical expertise to: establish the principles, practices and knowledge required to develop resources according to the concept of sustainable development; enhance the international competitivity of the resources sector and its environmental performance; and contribute to the improved health and safety of Canadians.

In light of the interest raised by the concept of sustainable development, the increased importance of environmental issues and the changing public attitude toward natural resources management, and after consulting many organizations and individuals ultimately involved in the management of Canada's forests, the CCFM presented the new National Forest Strategy, entitled *Sustainable Forests: A Canadian Commitment*, in March 1992. The goal of this strategy

was “to maintain and enhance the long-term health of our forest ecosystems, for the benefit of all living things both nationally and globally, while providing environmental, economic, social and cultural opportunities for the benefit of present and future generations.” **The five-year evaluation and review of the strategy led to the adoption of a new version in July 1998.** The strategy has nine elements, which address all aspects of the production, use and management of Canada’s forests. These elements, which are intended to be a framework for realizing the forest vision expressed by all stakeholders at the public consultations, are as follows:

One — Forest Ecosystems: Multiple Values
Two — Forest Management: Practicing Stewardship
Three — Public Participation: Many Voices
Four — The Forest Industry: A Global Competitor
Five — Forest Sector Science and Technology Management: A Team Approach
Six — Communities and the Workforce: Living with Change
Seven — Aboriginal People: Issues Relationship
Eight — Private Woodlots: A Growing Opportunity
Nine — The Global View: Canada on Stage

In order to reinforce the impact of the strategy, the federal, provincial and territorial members of the CCFM, as well as representatives of industry, labour, private owners, aboriginal people, the universities, professionals and environmental groups, signed a second *Canada Forest Accord*. By signing the agreement, the parties not only endorse the National Forest Strategy and its fundamental objective of commitment toward forest sustainability, but also commit themselves to taking a series of measures to ensure its implementation.

Canada’s Minister of Natural Resources is legally required to report annually to the House of Commons on the state of forestry in Canada. Since 1991, eight annual reports on *The State of Forestry in Canada* have been tabled in the House and have provided a very specific picture of forestry resources and the industry, at the provincial, national and international levels. These six reports provide specific and valuable information on a variety of themes related to forests and the forest industry, including biodiversity, wood supply, paper recycling, relations between trade and the environment, scientific and technological developments, private woodlots, government initiatives such as the model forests network and the community-based tree planting program, the opinions of professionals and Canadians in general on various aspects of forest management, and international considerations affecting forestry.

Forestry Canada's second report to the Parliament of Canada, tabled in June 1992, was very innovative in introducing a new descriptive terminology of Canada's forests as well as a series of environmental, economic and social indicators. The purpose of these indicators, like that of better-known indicators such as the Consumer Price Index and the Gross National Product, is to provide a quantitative index for monitoring the progress of measures and actions taken to ensure that the environmental, economic and social values associated with Canada's forests are upheld. Canadian efforts with respect to the indicators of sustainable development finally yielded results in 1995, when the Canadian Council of Forest Ministers approved a new national framework of criteria and indicators based on earlier experience.

The Canadian approach identifies six principal sustainable forest management criteria: conserving biodiversity; the state and productivity of forest ecosystems; conserving soil and water; contributing to global ecological cycles; providing multiple benefits to society; and accepting society's responsibility for sustainable development. Each criterion is subdivided into a number of elements to highlight a particular aspect, which can then be measured according to one of 84 specific indicators, some of which are discussed in the fifth and sixth reports to Parliament. The national framework is particularly important as a similar approach is being developed at the international level. Already, Canada and nine other countries, which together manage 90% of the world's boreal and temperate forests, have completed the development of a complete set of criteria and indicators. Ultimately, this method of measuring each country's progress toward sustainable forest development will probably be the focal point of national and international certification programs currently under development for forestry practices and products.

The certification of forest practices and products intended for consumers also attracts much interest. It generally consists of an audit conducted by an independent agency to verify that a product or process is complying with highly specific criteria and requirements. Various aspects of a product, its "life cycle or production cycle," can be evaluated before it receives approval. Certifications are supposed to protect the environment by making consumers aware of the repercussions of forest activities. Since the approval process is primarily market-oriented and voluntary in nature, it is viewed as compatible with free trade in that it does not create discrimination between suppliers or establish a prohibition. In Canada, there are two distinct paths leading to the certification of forest products. In 1993, the Canadian forest industry launched the development of a certification process for the forest sector. The task was entrusted to the Canadian Standards Association (CSA), an independent agency that develops

standards for manufactured products. The Association established a Technical Committee on sustainable forest management consisting of representatives of all parties with an interest in forest matters. It is responsible for determining the elements that are to be incorporated and complied with in the audit and approval process.

The CSA standards reflect a set of guidelines, criteria and indicators for sustainable development agreed upon by the Canadian Council of Forest Ministers (CCFM). Thus, the certification process should be credible, practical, applicable, verifiable, accessible, and also lead to the continuing improvement of forests and forest management. The standards proposed by the CSA call for compliance with the six major ecological and social and economic criteria for sustainable forest management approved by the CCFM in 1995. These standards were submitted to public consultation across Canada in the spring of 1996 and have been tested in the context of control-audits. They were adopted and published in October 1996, thus making Canada the first country to have practical standards, developed by the stakeholders, for sustainable forest management. The standards are compatible with the environmental standards developed by the International Standards Organization (ISO), in particular ISO 14000 on environmental management.

In parallel with the CSA process, the Forest Stewardship Council (FSC-Canada) undertook, in January 1996, to adapt to the Canadian context a certification process it was developing on an international scale. This process is based on a set of principles and criteria for sustainable forest management that is to serve as a frame of reference for the development of national and regional standards. The approach taken by environmental NGOs is aimed more at labelling forest products intended for the consumer than at issuing a certificate of compliance that the producer can show to the retailers. It is based more on the performance of the entire production chain than on the system of forest management implemented by the producer, the latter being considered less rigorous. Some stakeholders, however, believe that the approaches taken by the CSA and the FSC are complementary and that Canada could benefit by integrating them into a single system — to the extent that forest product companies and environmental NGOs find some common ground for agreement. Certification of Canada's forest practices and products thus continues to be of crucial importance both in ensuring the quality of the environment and in maintaining and developing the country's export markets.

The current state of Canada's forests and their importance for the community on the economic, social and environmental levels dictate that intensive action must be taken by all to

ensure that sustainable development practices with respect to this renewable resource are implemented as we head into the 21st century. Despite all the efforts made and the progress achieved over the past few years in forest management in Canada, certain challenges remain - the primary one being to ensure a balance between maintaining a natural forest and the ambition to make the forest as productive as possible by managing it very intensively, as the Scandinavian and European countries have done, frequently to the detriment of nature and its incomparable diversity. Although they have been profoundly changed by human intervention over the past 175 years, Canada's forests are still in relatively natural condition. They are so extensive that Canada will probably be able to keep them this way for the benefit of their users and the environment.

CHRONOLOGY

1899 -	The Canadian Forestry Service (CFS) was set up.
1900 -	The Canadian Forestry Association was set up; it later became a national federation of independent forestry associations across Canada.
December 1979 -	The *Federal Policy on the Canadian Forestry Sector* was published.
1980 -	Responsibility for administering the Canadian Forestry Service was entrusted to an Assistant Deputy Minister at Environment Canada.
September 1984 -	The portfolio of Minister of State (Forests) was created, and the CFS was transferred to Agriculture Canada.
June 1986 -	The House of Commons Standing Committee on the Environment and Forestry tabled its first report, entitled *Forest Resources and Industries in Eastern Canada*. The report included 27 recommendations, including one urging the government to envisage the creation of a federal Department of Forestry in the near future.
December 1986 -	An agreement negotiated by representatives of the Canadian and American governments entails the imposition by the Canadian government of a tax of 15% on the softwood lumber exported to the United States.
July 1987 -	A new National Forest Sector Strategy for Canada reflecting the views of a great many individuals and organizations connected with forestry, was published under the auspices of the Canadian Council of Forest Ministers.

May 1988 - The Standing Committee on Environment and Forestry devoted an entire day to public hearings on the question of wildlife objectives in forest management.

1 November 1989 - Bill C-29, creating a Department of Forestry, was passed by the House of Commons.

23 February 1990 - The new *Department of Forestry Act* came into force.

August 1990 - The 21st International Union of Forestry Research Organizations World Conference, which regrouped almost 2,000 forestry research delegates and scientists, was held in Montreal.

November 1990 - The Standing Committee of the House of Commons on Forestry and Fisheries tabled a report prepared by the Sub-Committee on Forestry entitled *Forests of Canada: The Federal Role*. The report contains 24 recommendations aimed at defining and structuring the mission, mandates and initiatives of the new Forestry Department.

April 1991 - Forestry Canada tabled in Parliament its first annual report on the State of Forestry in Canada. As required by the *Department of Forestry Act*, this and subsequent annual reports will inform Canadians about the health of their forests and provide them with insight into the concerns and policies of the federal government.

September 1991 - The federal government announced that it was unilaterally withdrawing from the memorandum of understanding on softwood lumber exports to the United States signed on 30 December 1986. It would therefore be ceasing to collect the 15% surtax on softwood lumber exports to that country.

March 1992 - At the National Forestry Congress in Ottawa, the CCFM adopted a new National Forestry Strategy entitled *Sustainable Forests: A Canadian Commitment*; members of the CCFM and a number of forest sector representatives signed the *Canada Forest Accord*.

June 1992 - After investigations and analyses, the United States Department of Commerce levied a 6.51% countervailing duty on softwood lumber from Canada.

June 1993 - Under the new government structure announced by Prime Minister Kim Campbell, Forestry Canada and Energy, Mines and Resources were combined to make a new Department of Natural Resources.

December 1993 - The binational panel set up under the Canada-U.S. Free Trade Agreement rejected the reasons given by the U.S. Department of Commerce for imposing countervailing duties of 6.5% on softwood imports from Canada. The duty was removed on 6 January 1994.

June 1994 - The House of Commons Standing Committee on Natural Resources tabled a report entitled *Canada: A Model Forest Nation in the Making*.

24 November 1994 - Bill C-48, An Act to establish the Department of Natural Resources and to amend related Acts was passed by the House of Commons.

December 1994 - The governments of Canada and the United States set up a bilateral consultative process to discuss forest issues and the North American lumber trade.

April 1996 - The governments of Canada and the United States signed a new Canada-United States Softwood Lumber Agreement. The United States made a commitment not to initiate trade proceedings against Canadian softwood lumber exports for the next five years. In return, Canada agreed that, when softwood lumber deliveries from British Columbia, Quebec, Ontario and Alberta exceed the 14.7 billion-board-foot annual threshold, the first 650 million board feet exceeding that threshold will be subject to a levy at the border of U.S.$50 per thousand board feet, and additional quantities subject to a levy of U.S.$100.

October 1996 - Publication by the Canadian Standards Association (CSA) of the first set of practical standards, developed by the stakeholders, for sustainable forest management (*National Standard of Canada, CAN/CSA-Z808-96, Sustainable Forest Management: A Guide Document*). The Canadian standards are consistent with the environmental standards developed by the International Standards Organization (ISO), in particular ISO 14000 on environmental management.

July 1998 - The revised version of the National Forest Strategy was adopted and a second *Canada Forest Accord* was signed.

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