

Supply—Forestry

you can make some forward progress. However, the pulp and paper industry has developed traditions in its marketing which do not always jibe with the good of Canada.

I am referring to the fact that many of our pulp and paper mills have their production tied up to some newspaper either in Canada or outside of Canada, mostly outside of Canada. They are not free agents, and therefore, cannot take advantage of the opportunities available to their products in other countries. This tradition is continuing. We see a situation where foreign companies are coming into Canada to get timber rights, and establish a mill in order to satisfy their own demands. There is an integrated set-up in the pulp and paper industry, and in other industries as well, which imposes particular problems on the minister. He has to think his way through the situation to see how he can manage to lead private enterprise to conduct its own business, and yet put in front of them the financial rewards that will be greater than those they are receiving now if they adopt new approaches. He can direct their attention to the new types of trade patterns that I see in the future.

The previous government was studying this problem. One of the things we did, and which I bring to the attention of the minister, was to amend the Combines Investigation Act to give these companies the right to combine.

Mr. Nicholson: Perhaps the hon. member for Qu'Appelle will recall that I presented the brief for the forestry industry which brought about that amendment.

Mr. Hamilton: I well remember. I hope the minister sees the possibilities that lie in that amendment. You cannot force these companies, under the free enterprise system, to do what you think is right. However, if you lead them the right way, as you know, you may be able to get that type of action which I think will be a good thing. I do not want to go into detail on this for very obvious reasons. I think the minister should be allowed the maximum freedom of movement in trying to lead these industries into fields where there are greater opportunities for themselves and for Canada.

I am going to be critical, if I may, not in any personal sense, and not of the minister or the department, but of the fact that I sense, if I read the situation correctly, there is a tendency towards apathy in connection with some of these difficulties we face. I wonder, for instance, just what has been done to see that the trade and commerce officials are doing the same thing for the forestry industry that they are doing for other industries. I refer to the trade promotional drives. I sense, in looking at the reports and in reading what

[Mr. Hamilton.]

is available, that there is apathy. I do hope I am wrong and that they are working just as hard for the forest industry as they are for some of the other industries.

Then, the next problem I mention is the question of co-operation with the provinces. I think it is lagging. I know there has been one meeting, and I watch for all the references I can as to what is happening. I would suggest, to put my criticism in a positive way, that there is a need for a strong initiative on the part of the federal government to bring the provinces together in so far as those departments interested in forestry are concerned. We have had a tradition, in the field of agriculture, of regular meetings with the minister. This pattern applies to other segments of the resources side of government activity. Will there be an annual meeting of forestry ministers? Will there be a frank discussion, preferably behind closed doors, about these touchy problems of taxation, for example? Here you have an industry caught in the centre, and the minister knows this better than I do, of a tax war between the provincial treasurers and the federal Minister of National Revenue. There is also a question as to the type of taxes to be imposed by provincial governments.

The problem has been presented many times and this is one of the reasons I think a minister working full time for this department, could profit from a meeting with his colleagues in the provinces and a frank discussion of these things. This leads me to the big suggestion which I hope is in the mind of the minister, namely that the forestry industry in Canada, provincial, federal and private, is under legitimate attack today because it has not developed what I would call a genuine national forest policy. I cannot put the responsibility on any one group because they all know the problem has to be met and they await leadership. The provinces own these resources and maintain them. They are jealous of any interference. Private industries usually operate through the provinces, and they do not want interference from government. Can the minister be sufficiently diplomatic to make all these three divergent groups work together and co-operate in the type of program that is of advantage to all, and yet still retain the jurisdictional rights of each while giving each the maximum freedom.

I am suggesting that there is a precedent to this type of approach. I refer to co-operative federalism. I do not want to go through the list of things that have been accomplished by using this approach. However, there was the working out of the roads to resources program, the planning of the resources for tomorrow conference, establishing the Canadian committee of resource ministers, the ARDA