

Government Orders

[English]

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Madam Speaker, beside the Rideau Canal there are some information panels from the National Archives. One panel shows the beautiful Parliament Buildings when they were first completed in 1866.

The text explains that when they were built, Centre Block, East Block and West Block were supposed to house not only this place and the other place but also the entire federal public service.

• (1615)

Clearly, successive governments have vastly inflated the federal role compared to its image at the time of Confederation. If a percentage of that increase of federal size was due to things like population growth, I would guess that same percentage of expansion of the federal government could readily be offset today by a full and thorough application of new technology. Personally, I am strongly opposed to having so much federal government with too many employees processing far too many forms and thinking up even more rules and regulations to tie up the private sector in red tape rather than producing real wealth.

How do we stop this expansion? One way would be to support the motion of the Bloc Québécois to hoist Bill C-76 for six months, presumably leaving the federal government with no way to pay its bills. However, I regard that suggestion as very irresponsible and I urge my colleagues to vote against the amendment. A much better way to downsize the federal government is to eliminate federal interference in areas which the Constitution clearly says fall under provincial jurisdiction.

As forestry critic for the Reform Party, I want to focus on the ending of federal moneys going to industry on a 50/50 cost shared basis with the provinces under the forestry resource development agreements, or FRDA. They expired in most provinces last week but have one more year in British Columbia and Quebec.

FRDA II in British Columbia had a five year budget originally set at \$200 million, half from B.C. and half from the federal government. One way to judge the probable impact of FRDA II is to compare its budget to other spending on forest management activities in the province responsible for roughly half of Canada's forestry production.

This is according to the Compendium of Canadian Forestry Statistics for 1993, the national forestry database as published by the Canadian Council of Forest Ministers. On page 138 it shows a B.C. total of public funding spent on forest management including silviculture, protection, resource access and other management expenditures for the years 1990, 1991 and 1992 of \$1,518,956,000. Net expenditures by industry in B.C. for those

same purposes across the same years was an additional \$1,837,027,000.

In other words the \$181 million which FRDA management committee correspondence indicates will be its total expenditure across five years must be compared to the \$3,355,983,000 of total public and industrial spending for just three years. Clearly, the budget of FRDA II was only a tiny fraction of overall spending on management of B.C. forest lands.

According to the midterm evaluation of FRDA round two in B.C. by Deloitte & Touche: "The major impacts, which can be quantified during the agreement period, should come from the incremental silviculture investment projects. Approximately \$100 million worth of these activities are planned over the five year agreement period".

Regarding overall program evaluation, Deloitte & Touche wrote on page 18 of the midterm evaluation: "The total net extra returns over costs and social return on investment or economic gain expected from these silviculture operations to June 30, 1993 is in the order of \$46 million".

In other words, the major activities undertaken under FRDA II have produced an economic net gain rather than a cost to the public purse. Therefore, it should be no economic hardship for the provinces to take over these activities themselves. At the same time it frees the provinces from federal interference and frees private industry from federal-provincial overlap in this area which the Constitution clearly says comes under provincial jurisdiction.

Section 92A of the Constitution Act, 1982 specifies the power of the provinces in the areas of "development, conservation and management of non-renewable natural resources and forestry resources" including "the rate of primary production therefrom". Nevertheless, because forestry is the number one industry in Canada and produces a significant part of the entire federal government revenue, the federal government has shoved its way into aspects which really should be provincial.

When I say forestry produces a significant part of the federal government revenue, I base that on a Price Waterhouse study published in May 1991 entitled: "The Forest Industry in British Columbia 1990".

• (1620)

Based on cubic metres of B.C. coast 1990 log harvest, the total of all taxes and payments per cubic metre was \$69.19 including \$1.44 for municipal government, \$29.47 for the provincial government and \$38.28 for the federal government for direct taxes, employee taxes and payments like UI and CPP. Although more than one-half of all government revenues per cubic metre went to the federal government, it is the province which bears the major costs of administering regulations for day to day forestry practices.