

*The Budget—Mr. Marchand*

and other vegetation. The environmental effects of forest management and exploitation practice must also be examined.

In working with the provinces it must be recognized that some of the research needed for federal purposes is also required by the provinces for the discharge of their management responsibilities.

In such cases provinces should assist in funding research needed to meet their needs. The CFS will negotiate this point with the provinces on the basis of research support, especially at the regional forest research centers.

A similar approach is required where forestry research and data collection in any way benefits industry. Like the provinces, industry should assist in the funding of such work. Federal contributions to forest products, forest engineering and pulp and paper research should cover research needs for policy input to federal agencies, support research needed where there is a large number of small companies unable to support their own research needs individually and ensure that nationally and internationally accepted codes and standards apply to Canadian forest products.

In short, to meet the needs of the next decade, the Canadian Forestry Service will, first, increase studies of economic and institutional aspects of forestry in Canada. Second, it will establish mechanisms at headquarters and in the regions to combine these studies with information in the natural forest science to improve federal actions and policy making affecting forestry and the forest industry. Third, the CFS will negotiate with the provinces a more realistic sharing of costs of research and data collection done in part, or largely, to meet provincial needs.

Fourth, the CFS will develop co-operative arrangements with industry to ensure direct financial contribution and management by industry of forest products and related research, while retaining federal financial and other involvement required for policy making to support small, scattered industrial enterprises and to establish and maintain suitable codes and standards for forest products.

When such changes are implemented, the Canadian Forestry Service will be able to play an enhanced role in forestry in Canada. Over the next decade and through the authority of its information base the service will assume increasing leadership of federal forestry activities.

Given the importance of forestry in Canada's economy, the enormous potential for growth and diversification of the forest based industry and the central place of forests in Canada's environment, the revitalization of the Canadian Forestry Service is one of the most compelling priority projects of the Department of the Environment.

The many different forms of life contained in our forests somehow manage to co-exist and to thrive. A natural system of management prevails which, though not completely understood by man, provides a benchmark by which all of our organizational efforts should be measured. We must try to integrate ourselves with this system if we are to prosper not only in our forests but also in our entire physical environment.

[Mr. Marchand.]

To this end every major federal project involving use of federal lands or federal funds is subject to the federal environmental assessment and review process. Agreed to by cabinet in 1973, the process was revised and given new strength in 1977.

Any projects likely to have significant environmental effects are subject to a study by an environmental assessment panel on the basis of an environmental impact statement submitted by the proponent. Panel reports have already been submitted to me with respect to matters as varied as the proposed construction of a uranium refinery near Port Hope, a highway in the far north of Canada and proposed drilling in the South Davis Strait.

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Other panels are looking at proposed port expansion at Roberts Bank, a proposed port near Quebec city, three alternative sites for a uranium refinery, and the environmental terms and conditions which should apply to the Alaska gas pipeline. In all, there are over 20 major federal projects of this sort which are being subjected to environmental scrutiny by a variety of experts, an essential part of whose work is to hold public hearings so that we may hear what the affected public thinks of them. These panels, which report directly to me, are a major means of ensuring that the federal government in its activities acts in an environmentally responsible fashion.

I do not have enough time, Mr. Speaker, to detail all the work my department is doing and will continue to do in its regulatory activities for the protection of the Canadian environment. In this regard, it acts under the authority of important pieces of federal legislation—the Fisheries Act, the Clean Air Act, the Environmental Contaminants Act, and the Ocean Dumping Control Act.

In this important part of its activities my department is fully aware of the economic implications of our regulatory work, as well as the need to work as closely as possible with the provinces, in a way which recognizes the need to take into account the often conflicting uses of the physical environment. Our regulations and our guidelines will increasingly be developed in collaboration with our provincial counterparts and with those knowledgeable about the precise impact in both physical and financial terms of the regulations on the industry which will be affected.

In these days of growing concern about the total impact of the regulatory activities of governments on the economy, my department is working actively to implement the policy of this government which requires that each new major regulation in the field of safety, health and fairness be accompanied by a justification. The justification must take into account not only the costs, but the benefits to be derived from it. We must be willing and able to demonstrate that the costs we are placing on the Canadian economy are justifiable ones. Not only the immediate short-term impact on the affected industry must be considered, but any long run implications to the physical environment as well.

It is this balance of all our attempts to live as well as possible within our environment and our attempt to let our