

other sectors of the economy which spent much more on research and development.

When we look at research further, we find that in the private sector large companies carry out research that is mainly geared to design and marketing. This is quite natural because it enhances or maximizes their profits. The 8,000 small companies in the forestry sector hardly spend any money on research and development as they are small family affairs and cannot afford to. Therefore it is left to the government to fill the void. It is the government labs that work at the conceptual stage, bringing an idea along to the point where the private sector can take it over at the marketing and productivity stage.

For example, it has been government work that has led us to further development of non-toxic treatment of wood chips and a safer method of toxic effluent disposal. They have done tremendous work, for example, in a lab in my constituency on control of the spruce budworm. In other words, the role of government labs is crucial to the future well-being of our forestry industry.

What I regret is that this Liberal government, listening to Conservative cries for government restraint, has further arbitrarily cut back on procedures, undermining the forest industry. Its approach is irrational and arbitrary. We have seen, for example, the Petawawa forest station, that has been working for over 60 years doing world renowned research, being made the subject of cutback. The minister first announced it was going to be closed, but because of public outcry and public uproar from the scientific community the government reversed its decision. In the process of reversing its decision and keeping the Petawawa base open, the government caused a catastrophe in two other areas, the fire research centre and the forest management centre in Ottawa. One hundred employees were told out of the blue that in order to keep Petawawa open half of them would lose their jobs, the budget would be cut in half and that the other 50 would be transferred to Petawawa. All this was in light of study after study which showed the necessity for keeping those two institutes here in Ottawa close by the other agencies which they deal with, such as the National Research Council.

● (2232)

The government's approach makes no sense. There is no scientific rational basis for their flip-flop in policy, this arbitrary cutback and this ridiculous privatization which will not do the industry any good in the long run, for reasons which I have described.

I appeal to the parliamentary secretary and to the minister that if they are concerned about the state of research and development in the forestry industry in Canada, they should

#### *Adjournment Debate*

keep Petawawa open with a full complement and reverse their decision to close the two labs in Ottawa and transfer them to Petawawa. Surely, if the minister believes in the importance of research and development, he will reverse this irrational, arbitrary and unproductive decision.

**Mr. Jack Pearsall (Parliamentary Secretary to Minister of Fisheries and the Environment):** Mr. Speaker, of all the members in this House I can say to the hon. member for Sault Ste. Marie (Mr. Symes) that I totally agree with his remarks, being one who has been associated with one of the largest pulp and paper companies in the world, MacMillan Bloedel, for the past 35 years. I agree that the forestry industry is a vital part of the Canadian economy and that a vigorous research program is essential to assure its future.

The minister regrets that any reduction in the budget of the Canadian Forestry Service has to be made. However, the Department of Environment was required to reduce its budget by \$40 million plus, as the hon. member has mentioned. A reduction of that magnitude means that no one element of the department could remain untouched. Every effort was made to make the cuts in such a way that the high levels of service and essential research can be maintained.

It should be noted that part of the government's intention in cutting the departmental budget was to provide funds for more immediate economic stimulation measures. Some \$15 to \$20 million of these funds annually will be channelled into joint projects with the provinces to improve forest management. These joint projects will be conducted under agreements between the Department of Regional Economic Expansion and provincial agencies. Environment Canada, through the Canadian Forestry Service, will provide technical and scientific input and advice.

As for the matter of privatization of the forest products laboratories, this has been under consideration for quite some time. In fact, the Canadian Forestry Advisory Council recommended in its 1973 report to the minister of the environment at that time that these laboratories be taken over by private industry. As the minister has stated before in this House, the total budget for these two laboratories was \$7.3 million. If privatization were to become a reality, the continuing federal contribution of \$4 million per year to the support of these laboratories would ensure the maintenance of a long-term research and development program.

**Mr. Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until two o'clock p.m. tomorrow.

Motion agreed to and the House adjourned at 10.36 p.m., without question put, pursuant to Standing Order.