

The Budget—Mr. Marchand

of these reductions, we did not resign ourselves to the idea of a poorer operation. On the contrary, we were guided by one principle, that of getting more for less from our department. Because of this commitment, we have produced a leaner and more efficient operation. We have, in short, produced a richer though less expensive Department of the Environment. We remain as strongly committed as ever to preserving and, indeed, to enhancing the quality of the Canadian environment, not just for those of us who want to enjoy it now but for future generations. The environmental decisions we make today will determine to a large extent the quality of the environment we pass on to future generations, and it is by the quality and wisdom of these critical decisions that we shall be judged.

I have said we are determined to maintain the most important work of this department even in times of needed budgetary restraint. Perhaps by way of illustration I should give the House a few examples of what the department actually delivers. Two days ago my colleague, the Secretary of State for External Affairs (Mr. Jamieson) signed with the United States Secretary of State a new Great Lakes water quality agreement to replace and extend the one originally signed in 1972. That first agreement undertook to reduce levels of pollution in the largest body of fresh water in the world. In successfully doing so, we set an example of international co-operation which has been remarked upon throughout the world. Great progress has been made in overcoming the sources of pollution of the Great Lakes, and with the signing of this new agreement we have committed ourselves to completing the revitalization of the lakes. Strict deadlines have been set for both municipal and industrial pollution control programs. Measures will be taken to largely eliminate the discharge of toxic substances into the lakes. New water quality objectives have been set and renewed attention will be given to the reduction of pollution from land use activities and from airborne pollutants. This major project, which brings together the governments of Canada, Ontario and the United States, continues as a high priority for my department because we can already see tangible results.

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Another example: I mentioned the Petawawa Forest Experiment Station earlier. The preservation of that station in the face of our heavy budget reductions was one of the toughest chores the Department of the Environment faced. The goal of achieving more for less will, in this case, be accomplished by consolidating the work of the Forest Fires Research Institute and the Forest Management Institute with that of the Petawawa station. Because of this consolidation, which preserves and integrates the most vital elements of the station and the two institutes, we will have one of the most valuable forestry research resources in the world.

Forestry remains of primary importance to me and to the federal government. Even with the cutbacks, federal funding of forest management programs will actually increase through the use of DREE and Canada Public Works dollars with the provinces.

There is a growing recognition of the overwhelming importance of a strong forestry sector to Canada's economy, especially to our balance of payments and employment picture. In addition, it is increasingly understood that Canada's economy could be dealt a severe blow without measures to keep the cost of timber low, to keep the Canadian industry technically competitive and to stimulate the use of forests for new products, such as energy, chemicals and foods.

These facts are well known by members of the forestry fraternity, but only lately have they been gaining wide enough acceptance to be discussed by first ministers and to result in new federal programs in the coming year which will channel an estimated \$49 million in federal funds to the provinces for reforestation, timber salvage and intensive forest management. The recognition of the importance of forests in meeting energy needs is reflected in two recently announced federal programs. These are the \$143 million program known as FIRE to help the forest industry use wood wastes rather than oil and gas as a fuel source, and the \$35 million ENFOR program for research and development on the use of biomass as a source of energy. In both these cases, the Canadian forestry service of my department has played a key role in providing technical input to the programs.

All of this indicates that a national forestry service remains vital to Canada. However, important shifts in program emphasis and new arrangements with the industry and the provinces are needed.

The Canadian Forestry Service will move toward a direct role with the research to support it, specifically in four areas. First, CFS will continue to play the leading role in federal forestry matters. This leadership will be based on the sound scientific knowledge which comes from a research program directed toward economic, physical and biological problems of federal interest. Second, CFS will bring a knowledge of the forest and vegetative environment to departmental decisions and policies on environmental management and protection. Third, CFS will work with the provinces to provide knowledge needed in direct forest management and protection. Fourth, CFS will work with industry to ensure provision of knowledge required for new product development and maintenance of the vitality of the forest industry.

For the first of these, federal policies and actions in taxation, transportation, trade, international relations and other fields can profoundly affect forests and the forest industry. International movement of damaging forest insects and diseases must be better controlled. Research and information programs in a number of areas, including national forest management and energy from forest biomass, are all of high priority if we are to provide the expertise needed to ensure that federal programs and actions are scientifically sound. To be effective, the Canadian Forestry Service will have stronger supporting mechanisms to ensure that all federal departments and all provincial governments are able to take full advantage of the available economic and biological knowledge.

As for the second responsibility, the CFS must conduct research and collect data on the impact of pollution on trees