

*Employment Tax Credit Act*

try. They held 9 per cent of the world market 20 years ago. They have now increased to 12 per cent.

The reason for all this is that we have paid no attention whatever in this country to the renewal of our forests. We have allowed our loggers to cut, from coast to coast and every year, the equivalent of a one-mile ribbon, without anybody spending any time, providing any ideas or money to ensure that new trees are planted and that the sustained yield is ensured for future generations to continue to harvest this incredible resource which is known sometimes as the green gold. We have spent no time whatever on research and development; we have spent no time and effort on training a manpower force and training professionals to help our industry to be productive and improve our techniques in forest culture, to upgrade our techniques in improving the species on which we rely to satisfy our foreign markets.

There is an incredible job out there of thinning overpopulated forests in every province of our country. There are thousands of acres of forests that are totally unproductive because they are overpopulated. What is required is a manpower force, some machines to go in there and take out four out of every five trees, thus giving the fifth tree a chance to become a convertible item in economic terms. There is an incredible job out there to replenish and restock 60 million acres of unproductive forest land which has accumulated over the last ten years, and yet here we are talking about an unemployment crisis, talking about the wood industry laying off 6,000 people in the province of British Columbia alone.

It is for that reason that I asked, under Standing Order 43, that the minister sit down with his counterpart and talk about a partnership with the companies and the provinces and work out a deal whereby people who are now suffering, because the machines and the mills have to be shut down for a while because of being overstocked with inventory, there being nobody out there to buy it, are given an opportunity to get out into the forests to plant trees, to do some fertilizing and thin out some of our forests. This is what we should do instead of plugging the dike with this investment tax credit, and instead of paying out unemployment insurance to the tune of \$130 to \$150 a week.

You should tell the company that this money is available; they should keep their people working and let them do something that will be noticeable and that will be an investment in the future. But, as you know, that is too practical an idea and really does not fit into the context. After all, these people are entitled to unemployment insurance, so why should we worry about it? After all they have paid into it, we have paid into it, and the companies have paid into it, so there is nothing to worry about. In the meantime, our forests will continue to decay, they will continue to grow in abundance without us having any use from them. All this really does not make sense.

If you wanted to compare again what we are spending in our country to foster and maintain this incredible resource for future generations, let me point out that in British Columbia, a province which has probably the most advanced forest management techniques, roughly \$45 are spent on an acre in our

most productive forest land. Sweden, on the other hand, spends \$300 an acre to do the same thing. That is why we are facing a crisis in the forest industry today. That is the crisis about which my hon. friend, who claims to know something about the forest industry, should say something. The companies no longer have the money to work with. The interest rates they are paying, and from which they are suffering because no one builds houses, affect them in other ways as well.

It is precisely at this time of the year that most companies in the country have mountains of raw materials in their yards because many of them can only log in the wintertime. Even a small company will have \$2.5 million to \$3 million worth of lumber sitting in the yard. Our banks have been very reluctant to lend, as you know. If a small forest company in British Columbia tried to borrow money in a chartered bank, that would have to be a trick and a half. Most of them borrow in the United States, and have to do so. I know something about that because I have been in the business for some time. Money comes from the United States, the interest rate is high, and companies have to pay interest on inventory that will not be bought for a year, so they are in dire straits; they are done for.

If it were not for the integration of these companies which have pulp, paper and other refined products, as well as plywood to some extent, to keep their logging and mill operations going, we would have very serious problems, problems so serious, in fact, that we would be debating here tonight, and probably some other nights, whether we should be bailing out the lumber industry as we are attempting to bail out the car manufacturers at present.

I cannot help but make a few comments on what has been said by my NDP friends who have a solution for all the problems. Half of them are economists, and their average age must be under 30. I think it was George Bernard Shaw who said that if you have not been a socialist by the time you are 30, you have not got a heart, but if you are a socialist after you are 30, you have not got a head.

**Some hon. Members:** Hear, hear!

**Mr. Oberle:** I could not help but think about that the other night when I saw the Leader of the NDP (Mr. Broadbent) on television. He said he is not concerned about the deficit because he relates that to a percentage of the gross national product. So the \$14 billion, \$16 billion, \$17 billion that the government needs to borrow every year does not concern him at all. He did not mention the percentage, but it is "a very small percentage of the GNP". Let me talk a little about this deficit. How does a government raise money, and when it has finished raising money and is still short, when the cheques begin to bounce at the end of the month, the unemployment insurance cheque, the welfare cheque, the pension cheque, what does the government do? Of course it can raise taxes, but you can wear out your welcome quite quickly. Good God, Canadians know all about that. Then you can go and borrow from the citizens of the country. That is done by Canada Savings Bonds. Also you can borrow from pension funds into which the citizens of the country have paid. You can use all