

Supply

If we want to maintain our position as the world leading exporter of forest products, we have to spend \$1 billion a year on forestry. The Association of British Columbia Professional Foresters presented a very significant brief to the Macdonald Commission on the Economy. It pointed out that the number of person-years available to the Canadian Forest Service had declined by more than 50 per cent since 1968. Before the Tories cry too much over this, they should be reminded that these cuts were the result of their favourite program of privatization.

In conclusion I say that we would like to see the federal Government take real initiatives on this. It should give a higher priority to the signing of these federal-provincial agreements. We want to see a higher priority on programs to develop non-chemical control of disease or insects and pests. There has been much more research conducted in this area. Canadians are afraid of the sprays which are still being used. Those fears are justified. New Brunswick is now hooked on the whole business of spraying. When I asked the Minister about this matter this morning, he was not able to provide any specifics. He had many statistics on other programs but was unable to give any on this particular program. That suggested to me that the whole business of non-chemical ways of controlling insects and pests is really incidental and peripheral to his other concerns. As Minister of the Environment and as Minister responsible for the forest industry, this is one area in which the two concerns should come together. I would like to see it receive a higher priority in the Ministry.

Finally, I would like to see some federal Government help in the area of community co-operative initiatives for forestry. If the people of Honeymoon Bay or Mesachie Lake had controlled their forest areas, would they have allowed them to become depleted in a matter of 30 years or 40 years so that they are now ghost towns? I believe the people in the community can plan for a wise and rational use of forestry resources in their area. Would the people of Chemainus have allowed their mill to become run down so that they could invest money in Alabama as MacMillan Bloedel did, or would they maintain a modern, up to date mill which would still be running today if they were involved in the management of it?

I would like to see some federal Government money being put into community co-operatives in the whole business of forestry. Finally, we want some kind of industrial strategy which will provide the maximum number of jobs per tree. We should be manufacturing forestry equipment in Canada. There should be no export of raw logs. In conclusion, we want to see a higher priority on Canada's number one industry.

The Acting Speaker (Mr. Blaker): Questions, comments, answers? Debate.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I am very pleased to be able to participate in a debate on our resources. For the usual reasons, when we get on to this subject, there is in all Parties a tendency to speak constructively; we instinctively realize that we are a developing nation when we are a resource nation. Also we realize that some day

we will move into a more sophisticated match between our resources and our industrial value-added industries.

My remarks today will be on matters which I do not think have been covered by other speakers. I will refer mainly to perhaps one of the most hard-pressed industries in the Canadian resource field. Of course, I am referring to mining. We have had good mining tax laws in the country for most of our mining history. This is why Canadians set an example for the whole world on how to develop mines at minimum cost and maximum productivity. Of course, we have lost this for several reasons.

● (1740)

Let me go back. Until 1971, through the federal Government three-year tax holiday on capital intensified mines, which included all of them, our mining industry was the most efficient and best in the world. Under the regime of the 50-year period, our mining industry prospered. Along came the Carter Commission. It recommended that all risks should be treated equally and that the tax incentives that had been given to the mining industry be removed.

Before the federal Government moved, the provincial Governments took advantage of the rising prices of mining products in the world markets. They doubled, tripled and in some cases quadrupled their tax levels. The federal Government grew very angry with this and under the Turner budget of 1974 made all provincial taxes and royalties non-deductible. This meant that in effect there was double taxation on the mines of Canada. It hit all mines desperately hard, but none so hard as the low-grade mines of British Columbia. This unfortunate doubling and tripling of the tax rate at the provincial level and the making of the provincial taxes non-deductible has brought our mining industry, in so far as the base metal industries and low quality minerals are concerned, to a dead halt.

Since that time, two Provinces, British Columbia and Alberta, have reduced their taxes somewhat. However, the whole discussion of getting this back to normal broke down with the introduction of the national energy policy, which interfered from 1974 on under the Petroleum Administration Act and later the national energy policy, in the right of the Provinces to own these resources and to have full advantage of them for provincial purposes.

All this is history. When this matter was raised in the House in 1973 and 1974, the Minister of the new Department of Energy, Mines and Resources, the Hon. Donald Macdonald, and the then Minister of Finance, the Hon. John Turner, agreed with the quantitative analysis that I presented to the House. As a result of that, they set up a committee, supported by all the Provinces, centred at Queen's University. That report came down two years ago. I have never heard a single Member on the Government side mention that report. They know about it and I know the Minister knew about it.

It struck me as passing strange for two responsible Ministers on the Government side to admit that there was no future for the mining industry and then set up a committee to look into