

become directly involved in particular strategic areas. Reference was made earlier in the session to grants, to the extent of \$140 million made by both the Ontario government and the federal government, to major integrated companies in the pulp and paper sector in the province of Ontario. According to the stories the DREE grants issued by both the federal government and the Ontario provincial government would eliminate 600 to 800 jobs.

A couple of weeks ago I asked some questions in committee of the Minister of the Environment (Mr. Roberts) who is responsible for forestry. I asked whether he did not feel the \$40 million to \$50 million expended by the federal government on those DREE grants to integrated companies, which are perhaps in the healthiest state of any corporations in the whole forestry sector in Canada today, would more properly have been expended in order to expand the role of the Canadian forest service and begin to do what all parties have been advocating for at least the last two years—a major program of reforestation and extensive silviculture in this country's forest industry, which is one of the major national dollar earners.

I asked the minister whether it would not have been better in accord with our national priorities if that investment were made in restocking our forest lands rather than have the federal treasury hand out between \$40 million and \$50 million, not to mention the \$100 million from the government of Ontario, to those companies when they ought to have been helping themselves over the last several decades in any case. The amount concerned was almost exactly the same total amount as was allocated in the current budget for the entire Canadian forest service. Everyone admits that this service has been falling further behind in its ability to deal with the legitimate demands of that industry, in which the basic stock at least has belonged to the people of Canada for the last several years. As a matter of fact, almost since the election of the first Trudeau government the amount going into research in that industry has been declining annually. We have had brave words recently but little else.

The minister replied in that committee meeting, which was about two or three weeks ago, that did I not think it was a public responsibility and did I not think that it was the government's responsibility to ensure that our pulp and paper industry remained productive? I suppose that is all right, but is it not also part of that industry's responsibility? What is the record of that industry in looking after its own situation and keeping its own house in order? If we look at the remarks which were made by an official of the Ontario government as they are reported in *The Globe and Mail* of April 21, 1980, with regard to the attitude of these companies which were given \$140 million in public funds, about \$50 million in federal funds and the balance in provincial funds from the province of Ontario, we find he said:

When things are good, we'll go like a son of a bitch and make good profits, and when they are bad we'll tough it out.

That is the kind of foresight shown by the private sector and we have rewarded them by giving them some \$140 million.

Economic Development

The Minister of Industry, Trade and Commerce said with regard to FIRA that he would like to see some guarantees of performance. That is a laudable objective. However, here we are rewarding this kind of performance in the forest industry, and surely that is incentive for initiative in reverse. We have the whole thing backwards. We are providing incentives to companies which have done an absolutely miserable job in looking after their own interests and our national interests. At what point do we say that enough is enough and look for another way? If the carrot does not work, then we must find another way, whether it be by direct intervention, returnable grants, demanding performance before the money is expended or whatever. Possibly, and God forbid, we could consider the alternative of doing it ourselves. Another alternative would be a mix with some equity from the guardians of the public trust to ensure that we get the performance to which our dollars are entitled.

This whole situation is almost unfathomable to me but, of course, I am only somebody who used to work in the industry. Maybe I do not understand the weird and wonderful world of finance, but it seems to me that, considering we have had governments over a long period of time with whatever education and background they have had, we would be hard pressed to see this country fall more and more into the hands of people and corporations outside our own control than we have allowed to happen over the past several years.

Certainly our basic plant facilities in the pulp and paper sector in eastern Canada are very bad. We have allowed the stock in our forest industry right across the country simply to go to heck. It is just not there. We require tremendous amounts of investment, from both the public sector and the private sector, to ensure that we will have enough of what should be a renewable resource remaining so that we can at least maintain the level of employment found in that industry today. But so far all we have had are words.

With the couple of minutes that I have remaining, I would like to comment on one other area which I know is dear to the heart of the Minister of Industry, Trade and Commerce, namely FIRA. That institution, combined with the Department of Regional Economic Expansion, contraction or whatever, has committed such unholy blunders, and I am only referring to the ones of which I am aware have occurred in my own constituency. I refer particularly to relatively small companies. I am thinking of a small company which does not make big headlines, a company which was once called F. R. Rotter Lumber Co. Ltd., which then became Salmo Forest Products Limited, then Idaho Forest Industries, and now is Louisiana-Pacific Canada Limited, which is part of the Georgia Pacific Corporation. And the story goes on and on. We found that hundreds and hundreds of thousands of dollars were being put into that operation in the form of DREE grants. The business was then sold to Idaho Forest Industries. FIRA approved the application, and instead of now having a planer mill operating on two shifts and a sawmill operating on two shifts, it is down to a sawmill operating on one shift.