

planned megaprojects, and the richness of resources that we have, particularly hydrocarbons and lumber. In fact, many Canadians from right across Canada, in particular Newfoundlanders and Quebecers, have moved to my area to find work, to start raising families and building their lives. Most of them are young Canadians. They have brought with them many school-aged children and many who have just left school who have had to join the unemployment rolls recently.

Some of these people are now worse off than they were before. In northeastern British Columbia and in areas that are heavily industrialized, we have above-average unemployment rates. In Prince George, there is an 11.5 per cent unemployment rate, which is almost 3 per cent above the national average. Living costs are, of course, much higher than in most other parts of the country. That is why I say that people who have come from Newfoundland or Quebec are worse off now living in British Columbia than they were in Newfoundland or Quebec because the cost of living is higher but the unemployment insurance cheque is the same right across the country.

The reason for the slump in the economy in that area is partially the National Energy Program. It has literally closed down the energy sector. For instance, in the northern part of my constituency, in the Peace River country and up to the Yukon border, there were last year 120 oil rigs and exploration drilling activities going on. Right now there are 18 such rigs in operation. The service industry is, of course, affected and has also shut down.

Some cities are practically bankrupt. Large and small businesses and hotels which are only two and three years old are in receivership in some parts. The minister does not believe these statistics. He says that he is doing the best he can for Canada to help us regain energy self-sufficiency. If that is the way to do it, I would like to know what other ways there are to gain energy self-sufficiency.

What is being done is having a devastating effect on the economy in my area. In the main, the economy of central B.C. is based on the harvest of our forests. The lumber and forest industry is finding itself in dire straits. The lumber and forest industry used to be known as the goose that laid the golden egg. One out of every ten Canadians found work in the forest industry and earned a living from the harvest of trees. Our wood converting industries generate more export dollars than agriculture, fisheries, mining and hydrocarbons—oil and gas combined. Mainly because of the rich endowment of our natural virgin forests and the excellent qualities of our products, the industry has always been self-sufficient. Very seldom has it come to government for any kind of help. In fact, the government has always been a parasite on the industry. This industry is probably the oldest one in our country. Even though warning signals were sounded years ago, this government felt it had no responsibility to reinvest in the resource, to reinvest in the industry to help it maintain its vibrancy and its efficiency, even though on an annual basis the federal government collects \$8 billion in taxes and royalties from the wood-converting industry. Business leaders and professionals alerted us to the fact that our resource base was depleting at a much

Employment

fast rate than it was being renewed. But this government started to tear down what was once a proud agency of this government, the national forestry service.

About 15 years ago, we had twice as many people working as professionals and servants in the Canadian Forest Service. The government was told but it ignored the warnings that our markets were limited, that we should diversify and go into other areas, to Europe, to the Pacific Rim countries to sell our products. The industry needed to retain more of its profits to do research into new products and develop products that would be required in the more diversified markets. The industry needed to retain more profits to modernize plants and to improve productivity as well as to replenish the resource base, although resources have always been looked at as provincial responsibilities because provincial governments are the owners of the resources. Warning signals were sounded. Governments were told that there had to be more intensive forest management. There needed to be a greater protection of the resource base which was being ravaged by fire, by insects and by other natural elements.

Ken Grave, president of the Ontario Forest Industry Association, said that spending on forest management in Ontario must increase at least fivefold to ensure that the country's existing forest resource can play its proper role in Canada's economic future.

What have we done instead? Instead we have allowed the federal manpower strength to be decreased by 50 per cent over the last ten years. This strength comprised the scientists who could have helped us with the task. All of these things have been neglected and that is why we are in such difficulty. We did not help the industry develop new products. The efforts that were made were usually too little and too late. Now we are reaping the harvest of this deliberate policy of neglect. The industry is particularly hard hit, and it is hard hit because of a very serious international economic situation. There are very uncongenial market conditions, particularly in the United States. Because we did not develop any new markets, most of our products are still sold in the United States. As we all know, not many houses are being built in the United States right now, and because we failed to move into other markets, Canada is now almost wholly dependent on economic conditions in the United States to restore the health of this industry.

Our plants in eastern Canada are antiquated. Some efforts to help modernize the industry have occurred, but again too little too late. The cost of raw materials, such as logs, has dramatically increased because we have neglected the prime growth areas close to our sawmills. We have left it to nature alone to regenerate these areas. As we all know, nature takes time and time is running out.

The effects of this neglect are now painfully apparent and reflect themselves in massive unemployment, temporary layoffs and other distorted labour conditions.

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Various industrial associations throughout the country have reported that of the 300,000 Canadians who are directly