

*The Budget—Mr. Kristiansen*

other industries. We are running out of time. Even if the Government addresses the emergency now and begins to grapple with the problem, many communities will still go under because they will have to pay the price of our neglect in the past.

I urge all Members of Parliament to consider places that have done a better job and not just pass the buck. The buck stops here.

**Mr. Ferguson:** The Hon. Member suggested that a Ministry of Forestry be established at the Canadian Government level. Recognizing the fact that the forest industry is a provincial jurisdiction, does he feel that the provinces would hand over this jurisdiction to the Government of Canada in view of the fact that they have not done a very good job of handling the forests themselves?

● (1700)

**Mr. Kristiansen:** Mr. Speaker, I am not suggesting the federal Government ought to take over total jurisdiction from the provinces. If the Hon. Member recollects, during the constitutional debate in which we were engaged, my own Party was instrumental in strengthening that section which dealt with the prerogatives and jurisdiction of the provinces, especially with regard to renewable resources. Forestry was one of those areas most on our minds.

The problem is that this crisis will be dropped in our lap unless we begin to take some initiatives. I do not think many of the provinces will object to most. In the proposals I mentioned, however, there is one area that may cause some difficulty. It is to tie corporate tax incentives to performance in forest renewal, research and development and resource processing. I can see some provincial objections to that. But as the federal Department of the Environment's own report said, unless we act now we will have to bail out the entire Province of British Columbia a few years down the road. It becomes a matter of choice.

I know that the Minister of the Environment in his negotiations on the renewal of the forestry subsidiary agreement with British Columbia took the position, and I understand it, that federal spending would only be incremental to provincial spending. But, we simply do not have the time to wait. We are falling further and further behind. We must spend additional moneys now. We must use some leverage, use some push, use bait, or even threaten in such a way that provincial Governments may take us to court for interfering with their jurisdiction. This will at least make it a higher profile political issue. Maybe we will gain more allies and smarten up some of those provincial Governments into doing their share. If that is not done, we will get stuck with the bill in time anyway. This is the Hon. Member's own Government's report that says what will happen to us just a few years down the road.

I know the difficulties, Mr. Speaker. I appreciate the questions which the Hon. Member posed. I think the emergency is just too great to waste any more time.

**Mr. Jim Peterson (Willowdale):** Mr. Speaker, I am pleased to rise and participate in this debate on the Budget. I am pleased because, having had the opportunity to listen to what has come from the other side, one can only be more convinced that this Budget is adopting the right course and the right perspective. What have we heard from the other side? We have heard the most irresponsible mixture of criticisms and commentaries that it has been my privilege in the four years I have been in this House to hear. What do we hear? First, that the Government has not dealt with the deficit.

**Mr. Clarke:** Right.

**Mr. Blenkarn:** Right.

**Mr. Peterson:** Right, as Hon. Members opposite say. But in the next breath we hear them say that we have not dealt with unemployment.

**Mr. Blenkarn:** Right, again.

**Mr. Peterson:** But you are not going to deal compatibly with those two issues at the same time, Mr. Speaker.

**Mr. Blenkarn:** Why not?

**Mr. Peterson:** Pick your priority, I say to Hon. Members over there. There is no way that we can go about in the Reaganist way which the Tories suggest—

**Mr. Blenkarn:** It is not bad. Americans have growth and more employment.

**Mr. Peterson:** —of reducing our deficit and increasing our military expenditures while at the same time creating more jobs for Canadians. Canadians are not so stupid that they will buy that type of Mickey Mouse economics.

**Mr. Blenkarn:** They won't buy you much longer. Let us go to the country and find out.

**Mr. Peterson:** Unemployment is a critical issue facing all of us. What are the Tories' solutions for dealing with it? It is to cut the deficit.

I am concerned about the size of our deficit, I must confess. If the Opposition had wanted to argue credibly that perhaps in the halcyon days of the 1970s, when we had real growth in the order of 4 per cent, 5 per cent, 6 per cent to 7 per cent, we should have been setting aside some of our surplus funds and creating some budget surpluses, putting them away for a rainy day, then I might find some credibility in what they are saying today.

**Mr. Blenkarn:** You were in power then.

**Mr. Peterson:** When we are in the midst of the worst recession since the Dirty Thirties, and when unemployment is at excessive levels, intolerable levels, to try to cut back on that deficit is absolutely irresponsible.

Let us look at our record in job creation. In spite of these totally unacceptable levels of unemployment, we have not done