

The Budget—Mr. Kristiansen

Here is an editorial from *The Vancouver Sun* dated February 16, entitled, "The Free Log Scandal". It reads:

Is it true that the government has allowed Crown timber to be delivered to B.C. Forest Products or other large forest companies free of charge? If so, how did it happen? Was there incompetence? Was there criminal activity?

There is one front page headline after another, from Toronto to Vancouver. The same scandalous situations exist in Atlantic Canada. While the stories may not be as nauseating as some of those from British Columbia, equally serious charges have been levied about ignoring the welfare of our forest industry in Atlantic Canada. Finally, an editorial headline from the *Globe and Mail* of February 21, 1984, reads, "Running out of Trees". That is exactly what we are faced with.

The federal Government's own report entitled, "The need for forest renewal and management in British Columbia", recently issued by the Pacific Forest Research Centre of the federal Department of the Environment, outlines a scenario that ought to alarm every Canadian whether or not he lives in one of the 300 communities dependent upon the forest industry. This report says that British Columbia faces massive unemployment in nearly every major city and town unless a strong push is made to reforest large tracts of land logged during the past few decades. It states that more than 30,000 jobs will disappear in the forest products industry alone and another 30,000 will vanish in related servicing industries. The federal Government's own report added that the impact would be so severe that the provincial Government would be unable to handle the resultant financial crisis and the federal Government will have to intervene.

I ask the federal Government why it must wait until it needs to embark on a massive emergency bailout of one of the so-called have provinces of Canada? The federal Government is now cutting back, and it should not do so.

The Leader of my Party, the Member for Oshawa (Mr. Broadbent), asked the Minister of the Environment (Mr. Caccia) responsible for the Canadian Forestry Service on February 13, 1984, as reported at page 1315 of *Hansard*:

Before the weekend his Department released a report which predicted that we will lose 30,000 jobs. . . Would he confirm to the House if these alarming figures are accurate and, if so, what does his Government plan to do about this fundamentally important part of the Canadian economy?

The Minister of the Environment went on with some irrelevancy about a commitment to FORINTEK, and then said:

We have renewed this commitment, and the Hon. Member knows very well that we are very concerned with maintaining the viability of this sector of our economy.

He then went on to say:

In 1983-84 we have done everything possible to maintain jobs in this particular sector, particularly through unemployment insurance funding of jobs, despite lack of co-operation from one province.

There has been a little more than lack of co-operation from one province. However, the Minister was suggesting how much the Government has done to save the industry through employment creation programs. This year alone, the forecasted expenditures of 1983-84 compared to the Estimates for 1984-85

show that for 1983-84 they were \$115 million and for 1984-85 they were \$45 million. That is a 61 per cent cut in forestry expenditures under the Department of the Environment. Employment programs went down from \$21.5 million to less than \$60,000. That is a 99.998 per cent cut in forestry-based employment programs. Is that their measure of concern? It is absolute, asinine stupidity by a Government which says that it is looking after employment programs in the forest industry. It is using band-aids instead of major surgery, and even that commitment is collapsing.

We know that the Government of British Columbia and some other provinces are destroying our forest industry through neglect, but the federal Government should not get even by joining them in that destruction. It does not help, and eventually someone will have to pay.

We are talking about an emergency arising from a scandal on a scale which this country has never seen. At some point the federal Government must take hold of this problem and give serious attention to the needs for a solution.

Finally, let me make some proposals. We must deal with the problems of reforestation, research and development, new market developments, product diversification and new technology before it is too late.

I and my Party, the NDP, make the following suggestions: One, to create a separate federal Ministry of forests. Under the current Government, forestry is primarily handled by the Canadian Forestry Service which operates under the Department of the Environment. But there are some 19 separate branches and departments responsible for forestry. Thus, there is no co-ordination or strong voice that is able to speak in Cabinet. While there is now a Minister responsible, he has a multitude of other responsibilities, some of which are in conflict. Surely an industry which contributes more to the Canadian economy in terms of balance of payments than fishing, mining, energy and a number of other areas put together deserves more responsibility.

Two, to establish a committee to coordinate job training programs as technology changes the nature of employment in the industry.

Three, to increase expenditures on research and development to a level comparable to that in the United States and Scandinavia. If one wants a comparison, the track record of the Government of Sweden is one that simply cries out for some emulation. I plead with the Minister of the Environment and other Members who may be interested in the future of their constituents who depend on this industry to compare that country with Canada. Sweden has insignificant forest resources compared with Canada but is actually increasing its acreage every year as well as its capacity to produce every year. The Swedish industry is also much more modernized than Canada's because it paid attention to the future. That is the kind of action our industry requires.

Four, to tie corporate tax incentives to performance and forest renewal, research and development and resource processing. To establish a fund to help one-industry towns find