

*Supply*

been completed in the last few months. That undertaking required that a massive capital expenditure be made by the company but it was stimulated and assisted by an incentive program of the federal and provincial Governments.

This modernization will result in a much more efficient plant that will be turning out some 30 per cent to 40 per cent more pulp and paper a year. At the same time portions of wood fibre produced by our forests that are more suitable for use as lumber and other wood products are being used effectively in that way. We can see that a relatively modest stimulation grant of \$7.5 million which was made by the federal Government a few years ago has resulted in a massive capital expenditure of over \$200 million and will give an old mill that once produced some 600 tonnes of pulp and paper per day the capacity to turn out something like 1,000 tonnes of pulp and paper per day.

I went through that plant three or four months ago, Mr. Speaker, and I was impressed when I saw that in one pulp and paper facility which had cost some \$20 million, the total work force in that mill was only some four people per shift. We often speak about robotics and modernization. That industry has really modernized to meet the competition abroad. I believe it has done so despite the difficult recession which began in the latter part of 1981 and continued into 1982. The plant was still able to continue to operate, and of course it will be that much more efficient and that much more beneficial in the years to come when the economics of the industry will improve and the demand for products will increase.

In the years to come, the size of that sawmill operation will be increased to an ultimate capacity of something like 130 million board feet of lumber a year. Historically, that is a massive kind of operation. In the past there existed in the Blind River area a very large white pine industry operated by McFadden Lumber. In its best years back in the 1930s and 1940s, that company produced only something like 30 million board feet per year. I understand that when this mill is completed, its capacity will approach 130 million board feet of lumber per year. We can now catch a glimpse of the magnitude of its future operations.

In the next few months, however, I believe it is urgent that the federal Government and the provincial Government of Ontario reach a consensus on a new forest renewal agreement. I understand that negotiations in that regard are now taking place and that the federal Government and the Province of Ontario are looking at a five-year agreement under which they will spend some \$250 million to \$300 million. Some of that money will be spent building roads into resource areas in the forest, but a great deal of it will be spent on forest renewal. I think it is impossible to underestimate the importance of forest renewal.

Some would argue that the actual care, management, licensing and so on of forest resources is a provincial Government responsibility. Constitutionally there may be some validity to that argument. However, the entire industry is too important to wait for the Provinces to act. I believe it is clear that the federal Government should renew that agreement, which runs

out next March, and put in place a new agreement for the forestry resources which will have a great deal of emphasis on forest renewal. As well, there is need for a research component to an agreement between the federal Government and the Province. However, the agreement must stress forest renewal to encourage replanting, silviculture and intensive reforestation.

I was pleased to note that in the announcement made after the budget came out last spring regarding the Special Recovery Capital Projects, a number of research station projects were approved. In the federal forestry domain alone some \$13 million has been allocated for the Great Lakes Forest Research Laboratory in Sault Ste. Marie which is in the riding of Algoma. That money has been allocated to increase extensively the size of that facility. As well, the budgets of other forest research stations in western Canada, Quebec and the Maritimes have been augmented. It is to the credit of the federal Government that it has made such a massive commitment. Without the necessary research we will not be able to meet the demands that are being put on the industry.

While mentioning the Special Recovery Capital Projects, I would also like to compliment the Government on the commitment made in the budget for funding under the Special Recovery Capital Projects for the water bomber fleet. That fleet will make a substantial contribution not only to Ontario but to many of the other Provinces as well by providing a mobile airborne firefighting service to assist the industry in the year ahead.

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I would like to mention that energy, agriculture, fisheries, forestry and mining are all key sectors in Canada's economic development, sectors which the federal Government has given particular interest to over the past few years. The technological revolution will have a profound effect upon the future development of our resource industries and it is paramount that we take advantage of the opportunities which will be presented to us in these important areas.

One of the chief characteristics of research and development in the resource sector of Canada is the major contribution which the federal Government makes in undertaking the research for this industry. Because of the structure of the resource industry, the relatively small and scattered units of production, the federal Government has traditionally undertaken the role of the research arm for the industry. In agriculture, for example, the Department of Agriculture has had a major research program in place to support the industry ever since Confederation.

In 1983-84, the federal Government will be spending over \$3.2 billion on science and technology in Canada. This is an increase of more than 10 per cent over the expenditures of \$2.9 billion in 1982-83, and in a time of the six and five restraint program that shows the kind of commitment which the federal Government is placing on science and technological research. Much of this will be in support of the resource sectors such as forestry, mining and agriculture.