

*Government Organization*

• (12:50 p.m.)

There are particular cases where pollution from forest industries, for example, pulp mills, is a problem. I am keeping a close eye on a possible new pulp mill in the vicinity of Ashcroft on the Fraser River in British Columbia, and I am working closely with the hon. Ray Williston in this connection. I am hopeful we will be able to work out a program which in no way will be harmful to the salmon industry and yet will allow a new forest industry to go ahead in B.C.

We have a similar problem in New Brunswick. However, there is another element of federal participation in the sense that federal funds are, or will soon be, made available for the construction of additional pulp mill capacity on the Saint John River. In this case I think the federal government must insist that the necessary clean-up facilities be installed in the mills, and indeed the performance of those facilities to a very high standard be guaranteed, before federal money is paid out for the construction of these plants.

We must rehabilitate the Saint John River in New Brunswick for the salmon. We have already spent a great deal of money there on a fish hatchery. It must not be wasted by wilful exploitation of the forest resources upstream, and I am working with the minister of resources for New Brunswick to ensure that we will have the best of both worlds, the best in respect of the fishery as well as the best in respect of forestry.

The hon. member for Kootenay West referred to the problem of exports of logs in the round from western Canada to Japan. I have had a quick look at this problem. My understanding is that less than 2 per cent of the total timber cut in British Columbia is exported to Japan on the average. However, we have had a problem with winter snows this year, and there is now a shortage of available logs for the sawmills in what is a rising market, a very demanding market.

With the prospect of some unemployment in the mills we have, jointly with the minister of lands, forests and water resources in British Columbia, been in touch with the companies responsible for log exports. These exports have now been terminated or will shortly be terminated. This suspension will continue until the log supply problem is resolved, or until September of this year.

I am also taking a look at our longer term policy with regard to log exports, and have some reservations in this connection. Members should know, however, that most of the

[Mr. Davis.]

logs we export to Japan are not acceptable to our mills in any case. Because the Japanese value wood, any wood, more than we do and because they cut more selectively, the Japanese are able to use what we call culls to make useful products, and so a trade of this nature has some desirable features.

The hon. member for St. John's East raised three important issues. One was the question of whether the fishermen will benefit from the policies we have announced with regard to frozen groundfish and whether they will benefit as a result of the policies we have yet to announce with regard to salt fish. I would like to reassure him to this extent, that the main purpose of these policies is to maximize the income of the fisherman. The hon. member knows as well as I do that the fisherman in the Atlantic region gets on the average three to four cents for his fish in the round. He also knows that the delivered price of frozen groundfish in, say, Boston has been of the order of 21 cents.

That looks like a big spread, but the hon. member also knows those figures are not comparable. The price that the fishermen get, say three to four cents, must be multiplied by a factor of three to allow for the two-thirds of the fish which disappears in the processing phase. It follows that the comparable price to the fisherman is of the order of 9 to 12 cents out of the 21 cents. Roughly speaking, this is true of the fishery all over the country. The fisherman gets about half of the wholesale price of the finished product.

Having said that, I again want to underline the fact that the intention of our policies is to maximize the price to the fisherman. I am sure we will be able to do this in large measure by stabilizing the wholesale price for export. We will endeavour to stabilize this price at as high a level as possible so that the return to the fisherman is also as high as possible.

The hon. member for St. John's East also touched on the difficult problem of what is called centralization. This is really a program for helping people to move where the great majority of them want to move to another centre. As I understand it, the centralizing program, which is a joint federal-provincial program, helps people to move by giving them financial aid if 80 per cent of the people indicate that they want to move.

This program, which runs for another 12 months, is under very active review. Undoubtedly another program will take its place, but whether this new program is to be