

*Supply—Forestry*

provides for the departmental administration and the proposed \$1.06 million represents an increase of \$4,000 only over last year in spite of increases in salaries. Certain intra-vote increases have partially offset the decreases, but the net result is that there is an over-all increase of only \$4,000. The professional and special services vote is up by some \$10,500, and this is accounted for by the fact that \$20,000 is needed for an economic survey of North American timber requirements. Some time ago Canada, as part of the FAO program, undertook a joint study of the timber resources of North America, and \$20,000 is required for that purpose.

Grants in aid of forestry research show roughly a \$19,000 increase, but this again is merely a paper increase. It reflects a consolidation of certain grants, more than one, into one vote. Telephone and telegraph expenditures are a very good example; they have been transferred into another slot and as a result there has not been a substantial increase.

It might be opportune at this stage to refer to the economics division of the Department of Forestry. That division is financed through vote No. 1, the administration vote. I sincerely believe that it is definitely in the national interest that we have a greater development in the field of forestry economics. It is a specialized field and this is one field which presents real difficulty in recruiting. We have a limited number—I know this from sad experience, having tried to recruit them when I was in industry—of forest economists in Canada, and it should be the job of this federal department to encourage more of this particular type of specialist. A live, active economics division in the Department of Forestry was contemplated when the department was set up. Such a division could make an invaluable contribution to the Canadian economy. For example, a current study is being made with regard to private timber management, and this study is being done in conjunction with the Department of Finance and the Department of National Revenue. This type of work is not only invaluable to legislators; it is invaluable to economics organizations, and it is certainly valuable to most departments of government.

Another area which required vigorous exploration, in my opinion, is market research, and I apply that not only to market research in home markets but also abroad. The federal Department of Forestry I believe can provide a much needed service in this field without coming in conflict with the Department of Trade and Commerce or the new Department of Industry or any other department. I say that because market research in forest products and forest products fields necessitates a

[Mr. Nicholson.]

thorough knowledge of forestry and forestry practices, woods species and the products which can be made therefrom. It also necessitates, to do an intelligent market research job, a knowledge of consumer demand, of possibilities of use for new products, and the use of certain tree species to produce new products. So that one of the shortages that I see, which I hope will be corrected before too long, is in this field of market research; and forest economists. If we can recruit them, with the right training they can make a great contribution to the Canadian economy.

Finally, our economists must work to provide meaningful information for long term planning in the field of research. It is no good conducting research unless you know it is going to produce some beneficial results, and you are not going to get very far with research unless you can persuade the executives that they are going to get, in the long run, sound financial returns from the investments they are making in this research.

I would close my general observations on the administration vote with a reference to the information division. Here again I think this is a field in which the federal Department of Forestry can make a great contribution. In order to get full value for money spent on research you have to disseminate it and see that it reaches the right people. Therefore, it is necessary to communicate our findings—that is, the findings of the research branch of our department—to a scientific community, and in this respect I believe we are being fairly successful. At least, from visits I have made to different parts of the country, from Newfoundland to British Columbia, I would say the dissemination of this technical information by my department has been quite successful. We must also use our information services to distribute the information to the forest-based industries in different parts of the country. Finally, more than ever we need to bring home to the people of Canada, the general public, the degree to which Canada depends on her forest resources, and the personal stake that all Canadians have in the forest resource in terms of employment, standards of living, recreation, and so on.

We have all been thrilled during recent weeks by the announcement of the wheat deals with Russia, China and other countries. The news was a great relief, I know, not only to the prairie farmers but to transportation companies, dockworkers and others—the news that a billion dollar deal had been negotiated with Russia, some \$600 million of which was in wheat. But how many people in Canada realize that, unheralded and unsung, we export \$2 billion worth of forest products every year? These are our largest earners of foreign exchange, yet I doubt if