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# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, March 10, 2009**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Tuesday, March 10, 2009

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

• (1000)

[*English*]

### PETITIONS

#### ANIMAL CRUELTY

**Hon. Bryon Wilfert (Richmond Hill, Lib.):** Mr. Speaker, I have the pleasure to present a petition on behalf of my constituents and constituents throughout the country dealing with the Universal Declaration on Animal Welfare. The petitioners call upon the government to look at the issue of scientific consensus and public acknowledgement that animals can feel pain and suffer. All efforts should be made to prevent animal cruelty.

About a billion people around the world rely on animals for their livelihood and they acknowledge that. There are animals that are significantly affected by natural disasters, et cetera. They are asking that the government undertake to sign the Universal Declaration of Animal Welfare, support it and put it into effect as soon as possible for the sake of animals both here and around the world.

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### QUESTIONS ON THE ORDER PAPER

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, I ask that all questions be allowed to stand.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

• (1005)

[*Translation*]

### BUSINESS OF SUPPLY

#### OPPOSITION MOTION—FORESTRY INDUSTRY

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ)** moved:

That, in the opinion of the House, by providing only \$170 million in funding over two years in the latest budget to assist the forestry industry, the government is showing once again its lack of concern for the Quebec economy, which has been hard hit by the forestry crisis, since this amount falls well short of what this industry needs to see it through the current crisis, especially since this funding will serve to extend programs that are ill-suited to the needs of the industry in crisis; the government should therefore establish a real plan as soon as possible to help the forestry industry, a plan including a series of specific, sustainable development measures, including loans and loan guarantees, refundable tax credits for research and development, a policy to encourage the use of lumber in the construction and renovation of federal public buildings and measures to support energy and ethanol production from forestry waste.

He said: Mr. Speaker, as you know, I come from a region, the Saguenay—Lac-Saint-Jean region, which, in recent years, has been hard hit by the forestry crisis. Quite a few of my colleagues from Quebec and Canada are experiencing similar situations. In our respective regions, whenever the sawmill shuts down, the entire local economy is affected.

When I was elected as the member of Parliament for Chicoutimi—Le Fjord in 2004, the forestry industry was going through tough times. In 2004, Abitibi-Consolidated shut down its Port-Alfred plant in La Baie. This resulted in 640 workers being laid off, and the impact could be felt throughout the Saguenay—Lac-Saint-Jean region. Since then, almost 4,000 direct jobs have been lost in the region. That is right, 4,000 jobs. It is as if 15,000 jobs had been lost in the city of Ottawa over the past five years.

The Bloc Québécois has chosen to have an opposition day on the forestry crisis and possible solutions to it because the government has completely failed to support the forestry sector, which is in dire need of support.

The fact is that the forestry industry has been struggling for several years. First, there was the softwood lumber dispute that started in May 2002 and ended in the fall of 2006. During that time, Ottawa systematically refused to support the industry and provide the loan guarantees it needed to stay afloat. As a result, 10,000 jobs were lost in the forestry industry in Quebec between May 2002 and April 2005.

Since April 2005, a further 21,000 jobs have been lost in the forestry industry in Quebec alone. What is worse, the situation is deteriorating each week. AbitibiBowater has just announced temporary closures of its mills in Amos, Dolbeau-Mistassini and Baie-Comeau. That is not including the pulp mill in Saint-Félicien, the lumber mills in Girardville and Saint-Fulgence, Arbec forest products, Coopérative Forestière de Petit Paris and many others that closed for a few weeks or have drastically cut their production.

*Business of Supply*

We are in the midst of a terrible crisis and we have a government that prefers to ignore the plight of the thousands of workers and families.

This is such a serious matter that two weeks ago the president of the Quebec Forest Industry Council testified before the members of the Standing Committee on Finance here in Ottawa to ask for urgent assistance since the industry is at the end of its rope. He came to ask the federal government to establish a refinancing program and a support program in order to be ready for recovery.

According to the president, a number of companies need to do major repairs but they cannot currently access credit. A number of them would like to take advantage of the crisis by innovating but simply cannot invest because they have no money.

The president of the Quebec Forest Industry Council is not the only one raising the alarm: the message is coming from all sides. Last week, Michel Routhier, president of the FTQ Conseil régional du Haut du Lac-Chibougamau-Chapais, said that the budget is not helping the industry and that there is less help now than when there was no crisis.

The crisis being as serious as it is, equipment providers are also calling on the government. Robert Dionne, president of the Association des propriétaires de machinerie forestière du Québec, which represents 250 forestry entrepreneurs, said that his members are worried. They are scrambling to stay afloat. Last week Mr. Dionne said that more than 50 entrepreneurs went out of business in Quebec in 2008 and that the outlook for 2009 is not much brighter.

●(1010)

Lastly, Alain Michaud of Saint-Ludger-de-Milot, whose business is located in the riding of the Minister of State (Economic Development Agency of Canada for the Regions of Quebec) and member for Roberval—Lac-Saint-Jean, stated that we need to go back to the time when there were tax credits for equipment purchases.

The message in the community is unanimous: the federal government must adopt programs to support forestry entrepreneurs.

The Canadian and Quebec forestry industry is in no less difficulty than the auto industry. It represents 300,000 direct jobs in Canada, and another 450,000 indirect ones, while the figures for the auto industry are 158,000 direct and 335,000 indirect. Nevertheless, the Conservative government's aid to that sector is far higher than that announced for the forestry industry: \$2.7 billion for the auto sector but only \$170 million for the forestry industry in all of Canada, over two years. Yes, that is disgraceful. Do you see the disproportion in assistance?

As members of Parliament, we are duty bound to find solutions to help thousands of families. Our fellow citizens have asked us to represent them here in Ottawa to defend their interests. Unfortunately, certain members have chosen to promote their party's position rather than to come to the aid of their fellow citizens and relay their message here to Ottawa, to this House.

Among the biggest offenders in this are the members for Roberval—Lac-Saint-Jean and Jonquière—Alma. The Minister of State (Economic Development Agency of Canada for the Regions of

Quebec) has been stating at every possible opportunity that he cannot, under the softwood lumber agreement, provide any loan guarantees. Yet he is incapable of stating exactly which section of it prevents him from doing so. Even yesterday in question period he was unable to clearly specify which part of the agreement it was, because there is no section that bans such a service of providing loan guarantees to businesses. Unfortunately, the member is obliged to defend the indefensible to back up his party, the Conservative government, since that government is refusing to provide loan guarantees to the forestry sector for purely ideological reasons.

Even the president of the Fédération québécoise des municipalités, Bernard Généreux, has commented on the member for Roberval—Lac-Saint-Jean, the Minister of State (Economic Development Agency of Canada for the Regions of Quebec), "It is a matter of bad faith or lack of imagination. It is unthinkable that, with the billions of dollars of support handed out in the last federal budget, to the auto industry among others, they could not have found some money lying around somewhere to invest in the forestry crisis." Those were the words of Bernard Généreux, a resident of Lac-Saint-Jean, in the riding of the minister responsible for the Economic Development Agency of Canada for the Regions of Quebec.

The position of the hon. member for Jonquière—Alma is also very disappointing. Seeing that his own government will not help the forestry sector, he is now calling for an emergency summit on the forestry crisis. I cannot help but wonder where the minister has been for the past couple of years. This feels a little like putting smoke detectors in your house after it is already on fire. It appears that the members want to buy some time. The forestry industry does not need time; what it needs is tools to get through this crisis.

I see today as an emergency debate on the issue, to communicate the message and call attention to the reality facing entrepreneurs and workers in the forestry industry.

●(1015)

In our motion, we are proposing four concrete solutions based on a sustainable approach for the forestry sector. We are proposing these four solutions because the funds announced in the federal government's last budget are far from sufficient and do not meet the needs of the forestry industry.

The motion calls on the government to:

...establish a real plan as soon as possible to help the forestry industry, a plan including a series of specific, sustainable development measures, including loans and loan guarantees, refundable tax credits for research and development, a policy to encourage the use of lumber in the construction and renovation of federal public buildings and measures to support energy and ethanol production from forestry waste.

I am going to focus on a policy to encourage the use of lumber in the federal government's construction projects. Such a policy would increase the demand for lumber on the domestic markets of Quebec and Canada, and it could make us less dependent on the United States as regards this resource. When the United States stops building houses or lowers its production, lumber sales in that country go down. We are dependent on that market. When residential construction picks up, the Quebec and Canadian lumber is once again in demand. We must reduce our dependency on the U.S. market and increase lumber demand on the domestic markets of Quebec and Canada.

*Business of Supply*

It is easy to talk about problems, but we should also propose solutions. One solution that would be both useful and symbolic would be to have the federal government encourage the use of lumber in the construction and renovation of its own buildings. Let us not forget that the federal government owns a huge real property inventory. We are talking about 13,782 buildings, including 198 that were built in 2008.

This means that, each year, the government spends a significant amount of money on the construction and maintenance of its own buildings. In 2007-08, the Canadian government's maintenance expenditures for Defence, Public Works, Correctional Service Canada and the RCMP alone totalled \$827 million.

A number of governments have come to realize that using more lumber in their buildings was not only a concrete way of reducing greenhouse gas emissions, but that it also provided direct support to the industry. The list of governments that have their own policy on the use of lumber is already quite long and includes Quebec, France, Sweden, Norway, Austria and Finland.

Why does the Canadian government not have its own policy to promote the use of lumber in renovation and construction projects, instead of steel or concrete? It could set an example for private owners of buildings by forcing itself to review in a fair fashion the solution provided by lumber for structural and cosmetic purposes, through its bids and those of its corporations and organizations. If lumber is a relevant option, and if it is beneficial to a project as a whole or to some of its elements, the government's policies should give priority to its use.

By using more lumber, the government itself could reduce the amount of greenhouse gases released by its buildings. For each cubic metre of lumber used instead of concrete or steel, we produce one tonne less of greenhouse gases. For example, during the life cycle of a typical four story building, we could avoid producing 154 tonnes of CO<sub>2</sub> by using a structure made of lumber, instead of concrete.

•(1020)

That is the equivalent of driving a car for 36 years.

Forestry resources can be a lever for development, provided we find alternative uses, focus more on processing and use forestry as a tool to foster the development of new market niches. Forestry resources must be used to generate more employment and more wealth by increasing processing activities and the production of energy from wood. We must foster research and development for new products and make the R&D tax credit refundable. We must stimulate the creation and development of new processing businesses. We must support the modernization of companies through a loan and loan guarantee program that will allow them to purchase new, more efficient production equipment and to diversify production. We must restore the funding to diversify forest economies, which was cut by the former Minister of Economic Development, the member for Jonquière—Alma in the fall of 2006, and appoint regional stakeholders to manage it. We must improve the employment insurance plan to prevent workers from leaving the region when their income disappears. When a worker loses his job, becomes unemployed and eventually exhausts his benefits, what does he do? He looks at all possible options, even the possibility of leaving the area, which must be prevented by improving the

employment insurance system. We must also put in place an income support program for older workers who are difficult to retrain. We should consider changes to tax rules for private woodlot owners so they can deduct forest management expenses and take advantage of income averaging, particularly when a high income follows a natural catastrophe.

Those are some of the solutions the Conservative government should consider to support the regions and the forestry industry.

I would like to conclude by asking the members of the House, particularly those in the Conservative government, whose ridings are feeling the pinch because of the forestry crisis, to persuade their colleagues to pass the motion I presented this morning.

I would point out that this motion urges the government to implement a real plan to help the forestry industry, and quickly. Things are tough in the auto industry, but the government should be helping the forestry industry too.

Let us not forget that the boreal forest is located on Quebec and Canadian soil. As such, this resource belongs to Quebecers and Canadians.

Before I wrap up, I would like to summarize the motion, which refers to \$170 million over two years. That alone is not enough to help the forestry industry. That amount will not meet the needs of the forestry industry and its workers. The motion proposes a four-part plan: a tax credit to help and support the forestry industry; a loan credit; promoting the use of lumber in construction and renovation; and using forestry waste to make energy.

I would like to conclude by pointing out that, in Quebec, 150 towns are fully dependent on forestry, and another 100 towns are 80% dependent on it. I am therefore asking the members to be compassionate and set aside partisan politics. The industry needs our support, and we are in a position to help.

•(1025)

[English]

**Mr. Sukh Dhaliwal (Newton—North Delta, Lib.):** Mr. Speaker, I would like to congratulate my Bloc colleague for speaking to an issue that is not only important to Quebec, but is also very important to the forestry industry in British Columbia.

We on this side of the House believe in delivering a real plan for Canada's forestry sector, a national plan that serves all communities and forestry workers. I agree with the member that we have to come up with a comprehensive plan. In 2005 we announced a real plan for the forestry sector that addressed the issues at the heart of the motion, such as, loans, support for research and development, new technology, skills development and community adjustments. In 2006 when the Conservative government took over, it cancelled that plan. That is what has affected a lot of communities in British Columbia.

*Business of Supply*

Is the \$179 million that my Bloc colleague is talking about for Quebec forestry workers only, or is he also concerned about the forestry workers in British Columbia?

[*Translation*]

**Mr. Robert Bouchard:** Mr. Speaker, I specified in my remarks that it will be \$170 million over two years for all of Canada, including Quebec. This money that was included in the Conservative government's budget is just for marketing and also to support a number of existing programs. This is not new money, and it is clearly not enough.

[*English*]

**Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, I would also like to acknowledge that the forestry industry is struggling throughout Canada. Of course in British Columbia not only do we have issues with the downturn in the market, but we have incredible issues with the pine beetle problem.

Having said that, I note it has been with great appreciation that our community has received a lot of support from the federal government in terms of dealing with the pine beetle issue. We look forward to the opportunities in the budget and to making sure we leverage them to support our industry, such as extending markets in China. We have companies that have lots of ideas around innovation and the community adaptation fund.

Has the member opposite looked at what opportunities are available for him and his community within the budget, and would they not be helpful for him and this industry?

[*Translation*]

**Mr. Robert Bouchard:** Mr. Speaker, the hon. member is talking about support and about support programs, but she should take a closer look at the budget and compare a few things. For example, the support for the auto industry stands at \$2.7 billion, but there is only a meagre \$170 million for the forestry industry throughout Canada. It is clearly not enough. The hon. member being from a province with a big forestry industry, she really has a duty to convince her government that it should provide a real support plan for the forest industry throughout Canada and in Quebec.

• (1030)

[*English*]

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, in my region the forestry crisis has reached such a state that Abitibi, which started on the Abitibi River in Iroquois Falls because the province of Ontario gave it wood rights and hydro rights on the dams and is still one of the most profitable operations in Abitibi's world chain, is trying to sell off its dams because it is so desperate for cash right now. Abitibi is in a cash crunch and is basically slitting the throat of one of its most profitable mills. If it has to buy the hydro back from a private enterprise, that mill will go down. Everybody knows that. We are looking at a company like Abitibi that has put 100 years into this region being faced with having to sell off parts of its mill to get through a credit crunch.

Why does the hon. member think it is that the government has walked away from key parts of the forestry sector that could still make it through this downturn if credit support was available?

[*Translation*]

**Mr. Robert Bouchard:** Mr. Speaker, the hon. member asked why the government let down an industry as important as the forestry industry and why it did not support it. It is clear for everybody to see that, unfortunately, the government simply dropped this industry. It chose to support only one sector, the auto industry. It should have taken into account the fact that the forestry industry provides many more jobs. I am not against supporting the auto industry and its jobs, but there are many more jobs in the forestry industry, and it seems to me that the federal government should have had a real plan to help this sector.

In the motion before us, we are making a few suggestions. If the four options put forward in this motion were taken into consideration, we would do the forest industry a great service.

[*English*]

**Mr. Scott Simms (Bonaville—Gander—Grand Falls—Windor, Lib.):** Mr. Speaker, I have a very quick question for my hon. colleague who brings this motion forward that involves some decent measures concerning his own industry in Quebec.

I recently had a mill close in my riding resulting in the layoffs of 700 people in direct jobs and a little over 1,600 people in indirect jobs.

In my province alone, the provincial government is the only player in town when it comes to silviculture, the planting of trees. Why is this measure about the federal government becoming involved once again in the investment in silviculture and in the renewal of our forests not in the motion?

[*Translation*]

**Mr. Robert Bouchard:** Mr. Speaker, it would indeed be interesting to have a support plan for the provinces in the area of silviculture. It would be a way to manage the forest and make it more productive.

The hon. member gives me the opportunity to talk about the concerns of wood producers in Quebec. They want to get help to manage the forest and a program or tax measures to average their income. The federal government should have agreements with the provinces in order to set up a plan to help the development of silviculture in public and private forests.

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I would like to add to what my colleague has just said. We have been told lately that the Food and Agriculture Organization of the United Nations believes that in the current period of economic slowdown, silviculture would represent an excellent investment to enable our forestry workers and people in our regions to have good jobs. This is employment for the future that would also fight the effects of climate change.

Would it not be possible to revive the Eastern Quebec Development Plan, for example? The federal government provided funds to the province, which made the appropriate expenditures. Would it not be important and useful to move in that direction at this time?

*Business of Supply*

•(1035)

**The Acting Speaker (Mr. Barry Devolin):** The member for Chicoutimi—Le Fjord has time for only a brief response.

**Mr. Robert Bouchard:** Mr. Speaker, there is an excellent suggestion. Treating our forests like gardens is the way we should be proceeding. These are the measures that should be pushed forward. Let us not forget that in Quebec, and in many other provinces, the operators of private woodlots could make their forests much more productive, to the benefit of the forestry industry.

[*English*]

**Hon. Lisa Raitt (Minister of Natural Resources, CPC):** Mr. Speaker, I am grateful for the opportunity to respond to the motion tabled by the hon. member for Chicoutimi—Le Fjord. I believe the hon. member would agree that he does not hold a monopoly on concern for the forest industry in the province of Quebec.

All members of the House are aware that, since taking office, this government has listened to Canada's forest industry, has recognized the special challenges this industry faces in all parts of the country and has launched a number of specific initiatives to assist Canada's forest industry.

These initiatives have not been knee-jerk reactions to complex problems. They have been designed to assist the industry in dealing with present day challenges but they have also been designed with the advice of the forest industry, which is to have that industry transition to a stronger, more competitive and sustainable industry in the future.

Of course, the hon. member does not seem to share the concern of the industry in all parts of the country. His concern is only with the industry in the province of Quebec, as if that industry had no connection with the rest of the country. He may not appreciate that measures geared to assist Canada's forest industry as a whole also involve and support the industry in the province of Quebec. It may not occur to him that there is a wider context to the challenges with which he claims to be concerned. It may not occur to him that the solutions proposed to face these challenges must be international as well as regional in scope.

The motion the hon. member has put forward calls for a real plan as though the measures already adopted by this government and the measures proposed in Canada's economic action plan are not real, as though the measures already adopted and being proposed do not have substance, even though the industry, including the forest industry in Quebec, was consulted in devising the plan.

The motion seems to be a form of self-delusion, if not denial. For the specific proposals put forward in the motion as constituting a real plan, they already exist or are being proposed in Canada's economic action plan.

My government is delivering support for an industry that is fundamentally important to our country, an industry that does not exist in one province only and that is facing real challenges. Among these challenges are a world-wide economic downturn, a global increase in competition and a sharp decline in the prices of commodities and products.

The long term outlook for Canada's natural resources remains strong but the current economic situation presents an unprecedented mix of challenges for Canada's forest industry.

In order to fully understand recent developments as they have affected the forest industry and to develop a further strategic appropriate response, the government did not hold a conference in Ottawa. My colleagues and I fanned out across the country and undertook extensive unprecedented consultations. We listened to industry leaders, provincial colleagues, territorial colleagues, communities and other stakeholders. We also listened to the people whose local mill had closed down, in some cases the only mill and the only employment in town.

We listened to the forest industry in all provinces of the country, not just the industry in one province. What did we hear? We heard that even though Canadians recognized that the current economic crisis originated outside our borders, they expected stable leadership that would protect and advance our economy today and in the future. They do not want economic uncertainty compounded by petty political rivalry. They want strong balanced leadership that offers a clear vision for the future and how to capitalize on Canada's advantages to realize that future.

•(1040)

Canadians are also aware that we continue to fare much better than other countries, thanks, in a large part, to the decisions the present government made. Nevertheless, they realize Canada is not an island and that success in meeting today's economic challenges requires leadership in aligning our national interests with the interests of others. This is a global crisis, not a provincial crisis.

We also heard that this crisis affords opportunities, opportunities to put measures in place today that will pay off down the road. In other words, we do not want short term, short-sighted ideological thinking aimed only at achieving immediate relief. Canadians recognize and Canadians in the forest industry recognize that the only worthwhile strategy consists of smart investments, not bailouts, investments that will strengthen Canada's advantage in the long term. This has been the strategy of our government since the day it first took office.

In accordance with that strategy, forest sector stakeholders called on our government for further support in areas such as worker and community adjustment, innovation, market development, access to credit and taxation. Canada's economic action plan includes a variety of such measures.

For example, \$1 billion have been committed to a community adjustment fund to create jobs and maintain employment in communities that have been strongly affected by the downturn in the economy, such as forestry communities. This is in addition to the \$1 billion already provided through the community development trust, which was established in 2008.

Time and again in our pre-budget consultations with Canadians across the country, we were asked for help to support workers and communities. The community adjustment fund will help immediately by mitigating the short term impacts of restructuring in these communities, such as forestry communities located in Quebec.

*Business of Supply*

The fund will also support activities in areas of science and technology, community transition plans that foster economic development and other measures to promote economic diversification in various communities, such as in resource-based and manufacturing dependent communities. A total of \$428 million in investments are being provided to the Province of Quebec, through the community development trust and the community adjustment fund.

I recognize the importance of these measures. I grew up in Cape Breton in the 1980s and the early 1990s. In those years in the community of Sydney, specifically, in Whitney Pier, we saw the closing of the steel mills, the closing of the coal mines and the complete shutdown of the cod fishery. Like the hon. member, I know what can happen to a community when key industries are no longer there and I know the benefits that adjustment funds can bring in these situations.

Our economic action plan provides \$170 million over two years to support market diversification and innovation and improve competitiveness in the forest sector. The motion before us refers to this investment as only \$170 million in funding. That shows me a lack of concern for the Quebec economy.

This investment includes \$80 million for the transformative technologies program administered by FPInnovations headquartered in Quebec and \$40 million to develop pilot scale demonstration projects of new products for use in commercial application. Those are precisely the kinds of program cited in the hon. member's motion.

An additional \$50 million is earmarked for expanding domestic and international markets for Canadian forest products and to support large scale demonstrations of Canadian use of wood in construction. This includes funding to support efforts to encourage greater use of woods in non-residential construction across North America.

In Quebec, we are pleased to support the cecobois initiative as part of our strategy to grow demand for wood products.

•(1045)

There is a green element to these initiatives that is very important. After all, we cannot get more sustainable than wood. Wood is renewable, it stores carbon, and life-cycle analysis tells us it has a very low carbon footprint. We need to find ways to market wood and wood products to serve a growing need globally for sustainable products.

Sustainable development is our greatest competitive advantage. That is why it must be embraced as an opportunity, not as a cost.

Economically, sustainable development can mean the difference between short- and long-term competitiveness. Socially, it can be a determinant for quality of life and the livelihood of individuals and communities.

Forest industry leaders across Canada also told us that access to credit was a key priority for them. Through a combination of existing measures and new initiatives in the budget, an extraordinary financing framework will allow our government to provide up to \$200 billion to improve access to financing for Canadian households

and businesses. More specifically, for newer businesses, our economic action plan provides measures that can include at least \$5 billion in new financing, to be delivered under our new initiative, the business credit availability program.

Budget 2009 also provided Export Development Canada, EDC, with more financial flexibility to support business during the current economic downturn. EDC has working relationships with more than 90% of the Canadian forest industry and has new flexibility to firms in the forest sector and across the economy to address financing gaps in the credit markets.

There will be up to \$50 billion in additional insured mortgage pools through the insured mortgage purchase program, bringing the overall size of this initiative to as much as \$125 billion.

We are determined that these measures will assist in stimulating house construction and spawn new and innovative businesses with a beneficial effect on the forest industry.

Canada's economic action plan provides one of the largest infrastructure-building programs in our country's history. This too will have a beneficial effect on the forest industry. Infrastructure funding will include \$4 billion in new funding for local and regional projects, \$2 billion for urgently needed repairs at our universities and colleges, and \$1 billion for a green infrastructure fund to support projects such as sustainable energy. This is in addition to the \$33 billion for longer term projects our government has already committed under the building Canada plan.

As members know, there will be a new home renovation tax credit, providing eligibility for up to \$1,300 in tax relief for Canadians undertaking home renovations. Each time Canadians invest in home renovations, they are helping to create jobs in construction and in building supplies in their own communities. In fact, the budget provides as much as \$7.8 billion to build quality housing, stimulate construction, and enhance energy efficiency through the eco-energy home retrofit program.

Given the importance of wood in construction and renovation, this will stimulate additional domestic demand for Canadian wood and Canadian wood products, perhaps more than a billion board feet of lumber and hundreds of thousands of cubic metres of wood panels.

Our budget also builds on earlier measures to give Canada a tax advantage in the global competition for investment in manufacturing. Budget 2009 included an extension of the accelerated capital cost allowance to a flat-line two-year depreciation through the year 2011.



*Business of Supply*

Our economic action plan permanently eliminates tariffs on a range of machinery and equipment, thus lowering costs for Canadian producers in a number of sectors. These include forestry and energy, and this measure is expected to save Canadian industry more than \$440 million over the next five years.

• (1050)

To assist workers and their families, there is an \$8.3 billion Canada skills and transition strategy to help Canadians by means of a three-pronged approach: to strengthen benefits for workers, to enhance the availability of training, and to keep employment insurance rates low for 2009 and 2010.

Finally, Canada's economic action plan provides a \$1 billion investment to establish a clean energy fund to nurture the development and demonstration of clean energy technologies.

These budget measures are not a series of isolated programs designed to prod our economy from different angles. They constitute a whole and integrated approach to economic stimulus in which these programs reinforce and build on each other. They constitute a real plan. The objective is to spur innovation now in ways that will reap even greater benefits later on. Evidence of success can be seen in the variety of initiatives that are appearing in the forest sector today.

For example, FPIInnovations, our national forest research institute, has been working with a national network of university experts on the development of paper-based biosensors that can detect, report and destroy toxins and pathogens such as SARS and listeria. This network is pan-Canadian and includes researchers at five different universities in Quebec: McGill University, Concordia, École Polytechnique de Montréal, Université de Montréal and Université du Québec à Trois-Rivières.

In addition, FPIInnovations is collaborating with industry to develop next-generation building systems. These systems include design for the construction of six- to eight-storey buildings using a combination of wood, concrete and steel building materials.

Our government's focus is to build on our strengths: our deep and diverse resource endowment, the systems that support its development, and the people and ideas that together are responsible for Canada's resource advantage.

The measures I have mentioned are precisely the kinds of measures cited in the motion before us. Unlike the motion, however, they are not focused exclusively on one province. They are focused on Canada's national forest industry in all provinces, including the province of Quebec. Moreover, they reflect what the industry has told us they want. They reflect what members of the forest industry in the province of Quebec have told us they want.

In conclusion, I would suggest the hon. member not be so fast in characterizing the measures proposed by the industry in his own province as constituting no real plan.

• (1055)

[*Translation*]

**Ms. Johanne Deschamps (Laurentides—Labelle, BQ):** Mr. Speaker, if I may, I would like to talk about a reality that is quite different from the minister's remarks, which were very good.

I am referring to a local priority. After all, we must recognize that we are going through difficult times in our ridings. In one part of my riding, there once were 17 plants working in the forestry industry. Since the crisis began, 14 of those plants have closed and only three are still open. Those three plants have merged to form a single plant in order to restructure and reorganize. The administrators of this new sawmill have applied to various federal offices to obtain the funding that was announced in the latest budget. They knocked on doors at the Business Development Bank of Canada, and also at CED. Those offices told them that they had nothing for forestry.

Last week, our caucus had a presentation from CED on the different programs and—what I am saying is important—for the region, that is the Laurentians, Laval and Lanaudière, there is a niche called "Forests and Wood Products." However, on the CED Web site there is nothing listed under that heading. They told us, to show how ridiculous it can be, that it is a shame the people in my riding did not vote for the right party.

Is that the new way the Conservatives now decide who is entitled to subsidies? Is this the Conservatives' new vision of economic prosperity?

[*English*]

**Hon. Lisa Raitt:** Mr. Speaker, first I want to say, as I indicated in my remarks, I understand only too well the devastating effects of companies closing down in communities, the effects on the families and workers, and the ongoing effects on the community in general.

That is why we as a government brought in not only the community development trust to aid at the very beginning of this forestry crisis but we put a further \$1 billion into the community adjustment fund to deal with the after-effects of the reality of the fact that we are suffering in an economic downturn and the industry is facing structural challenges, in and of itself, those two forces coming together at the same time. That is why this government has recognized the effect on the communities and made those two pieces of funding available for communities.

With respect to the specific example of forestry companies seeking credit access, as I mentioned as well, we in this government have taken unprecedented measures to make sure that there is financing available across all sectors, including the forestry sector. As I indicated, there is over \$200 billion available in the extraordinary financing framework. We recognize that as being important because, quite frankly, it is something that we were told by the entire industry.

I hope that is helpful for the communities and the industry as well.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.):** Mr. Speaker, I agree with the minister that it is not just Quebec but the entire nation. I thank her for bringing that up. However, I have a couple of pointed questions.

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First, would the minister consider loans or loan guarantees a bailout or an investment? Also, is biomass investment, which is talked about in this motion, a bailout or an investment? She compared and contrasted those terms, but I want to know exactly what specific measures she would put into either bailout or investment.

She talked about the community trust fund. Essentially, here is the problem. The community trust fund is designed primarily for failed communities and not those who are failing. As I mentioned earlier, there is a mill closing down at the end of this month in my riding of Bonavista—Gander—Grand Falls—Windsor. It is AbitibiBowater. How would this community trust fund help these people keep that mill open? That is the specific question, not what it will do as far as communities that have seen mill closures are concerned, but how will the community trust fund keep that mill or other mills open?

Finally, she talked about consultations far and wide. Will she table documents pertaining to input regarding all her consultations across this country, with all stakeholders?

• (1100)

**Hon. Lisa Raitt:** Mr. Speaker, I will start with the last question first. We have actually itemized the results of the consultation. I invite the member to read the economic action plan, because that is exactly what it was. We went across the country, consulted with the industry, and put the comments in the plan that we are currently trying to implement and that we would like to continue to implement for the sake of all Canadians.

With respect to the parsing of the words “bailout” versus “investment”, the reality is that we have put together an incredibly comprehensive strategy to take the Canadian forest industry through to the future and deal with the realities of what we have now.

It is obviously unfortunate, and coming from the same part of the country, the east coast, where we have experienced downturns, I fully understand and I feel for the people of Bonavista—Gander—Grand Falls—Windsor in that respect.

However, one provides the strategy not only to have the companies flourish, but for the industry to flourish so that someday maybe that mill will open again, but in the meantime, one has to look after the people. That is what the community adjustment fund does. It allows communities to economically diversify so that they are not single-industry towns and they can prevent the downturn from happening again.

Just to elaborate a little, anytime the government recognizes the importance of investing in innovation and research and development to take wood, this wonderful product and resource we have in Canada, and lever it, make it better, and bring it into the next generation, that is certainly not a bailout. That is totally an investment. It is a belief in this country, a belief in the people of this country, and that is exactly what the strategy is for this government.

**Mr. John Rafferty (Thunder Bay—Rainy River, NDP):** Mr. Speaker, I was very pleased to hear the minister say she has faith in the future of forestry. I do too and so does everyone else in the House, and all Canadians. I have spoken to the minister on numerous occasions and I know her heart is in the right place, which is with the

forestry workers and families right across Canada. Although there were some afternoon round tables last year, much has changed since then.

I would ask the minister most respectfully, would she sit down with me and the forestry critics from the other parties to plan a national forestry summit?

**Hon. Lisa Raitt:** Mr. Speaker, as the member pointed out, we have had the opportunity to talk about the situation in Rainy River and Thunder Bay. It is of great concern to him and it is of great concern to us as well. I am always happy to speak with any member in the House regarding forestry issues within their riding, so without question, I would be happy to do so.

With respect to setting up a forestry summit, we have done broad-based consultations across the country. I continue to meet with industry people across the country. I would be happy to discuss the concept with the members in the House to determine what kind of agenda could be set up and whether or not this is the right time to do so.

The reality is that we have developed a strategy. The strategy is in the economic action plan. We are now fully on the implementation and execution of that strategy in accordance with the needs of the industry. The communities have told us what they need.

On one side it is marketing and innovation of the forestry products and on the other side it is making sure that communities and workers have both help through the employment insurance work share programs as well as general help for economic diversification in the communities hardest hit.

Within that spectrum, I would be happy to speak with anybody in the House, but we must realize that there has been enough talk on this matter. We have put our strategy in place. It is in the economic action plan. I truly wish that if the member did feel for the workers in his community, he would go ahead and vote in favour of this economic action plan, so that we can get it going and get the communities where they need to be, which is with money and with better help.

**The Acting Speaker (Mr. Barry Devolin):** Before we resume debate, I want to remind members of how question and answer period works in this place. We are now moving into 10 minute speeches with five minutes for questions and answers. Members will have about a minute to put a question and about a minute to respond.

I signal you. If you ignore the Chair, I will cut you off in terms of moving this along. So I encourage all members to cooperate with the Chair. There seems to be great interest in this topic today. Pay attention to the Chair. You will get a minute to ask a question and a minute for an answer, and we will all have an opportunity to participate.

*Business of Supply*

●(1105)

**Mr. Joe Comartin:** Mr. Speaker, I rise on a point of order. I am not quite sure I heard what you said, but the NDP has not had its first round in this debate, so we should be having 20 minutes, not 10.

**The Acting Speaker (Mr. Barry Devolin):** You are correct that in the first round there are 20 minute allocations for each caucus. It is my understanding that the NDP will be splitting its time, so there will be two 10 minute presentations as opposed to a single 20 minute presentation. My apologies if that was unclear.

Resuming debate, the hon. member for Halifax West.

**Hon. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, the Liberal Party will be splitting its time also and I will be splitting my time today with my hon. colleague, the hon. member for Westmount—Ville-Marie. I think he will be speaking among other things about the softwood lumber deal.

I am very pleased to have the opportunity to speak today about the crisis that is facing our forestry sector. The crisis is affecting thousands of families and their communities in every region and every province.

The minister spoke a few moments ago about the situation in the economy and the government's economic plan. However, one of the things that is very disturbing to us in the opposition and to Canadians across the country is what we are not seeing and what we have not seen in recent months from the government, and that is real action.

We know that in the 2007 budget \$4.6 billion was approved for infrastructure. Of that money, only a billion has been spent. If the government were truly concerned, if it were truly awake to the situation facing the economy of this country, we would think that it would have long before now started to get that money moving.

In fact, we have heard claims from the government side that when the government cut the GST nearly two years ago that was really because it knew there were going to be problems in the economy, that it foresaw these economic problems. If that were true, which it clearly is not, surely the government would have also launched spending programs to stimulate the economy to prevent us from having the problems we are now in. Unfortunately, we did not see that.

What are the results? Just last week in my province of Nova Scotia, AbitibiBowater and Minas Basin Pulp and Power announced shutdowns and layoffs that will leave hundreds of families with an uncertain future. Those people are worried about putting groceries on the table, about paying the mortgage and looking after their kids. It is the same story in dozens of communities across Canada, whether it is Domtar, Canfor or Tembec making the headlines.

Like other opposition MPs in other parties, the Liberal caucus is concerned with the fate of an industry that is vital to over 300 Canadian communities and has spinoffs in many other communities. So many of these communities are in rural areas and forestry makes up at least 50% of the economic base, particularly in those rural areas.

When we see employment in this sector fall by 9.1% as it did in 2007, we know that many of these small communities are severely impacted by such significant job losses.

Since 2006 the forestry industry has looked to government to establish a plan of action. The Bloc Québécois motion talks about some specific policies it thinks should be included in our forestry policy: refundable tax credits for research and development and measures to support energy and ethanol production from forestry waste, and we look forward to that being developed because there is a lot of research going on, as we know, into cellulosic ethanol which is a hopeful product for the future and I think that is a very good suggestion; the use of loans for loan guarantees; policies to encourage the use of lumber in construction; and the renovation of federal buildings. I think all of these are worthwhile suggestions.

The fact is the Conservative government should have already developed a plan for the forestry sector. The Conservatives have known, as I was saying earlier, for several years now that in this case, and they may have not really known what has happened to the economy over the past six months, the forestry industry was in trouble. That has been clear for quite a while.

In fact, in June of last year the Standing Committee on Natural Resources produced a report that outlined 23 recommendations but then, like now, the Conservatives failed to recognize how serious the problem was and failed to provide any meaningful assistance.

Here is a news flash. Tax cuts are not much help if one is not making a profit. All the Conservative government has delivered are empty promises, political rhetoric and recycled programs.

Several weeks ago the Minister of Natural Resources was in Sydney, Nova Scotia, where she grew up, her home town, to announce a worn over \$1 billion community development fund.

**Hon. John Baird** You're going to hurt my feelings.

**Hon. Geoff Regan:** Mr. Speaker, I am sure the hon. minister wants to hear the points I am making and I am sure that he will settle down and listen quietly.

●(1110)

The announcement of the \$1 billion community development fund that she made in Sydney looked suspiciously like the same announcement made a year earlier. That is not good enough.

Instead of investing in a stimulus package over a year ago, the Conservatives sat on that \$4.6 billion, that I mentioned earlier, that was approved in the 2007 budget for this current fiscal year that ends at the end of this month. Canadians cannot understand why the government was so incompetent that it spent less than \$1 billion of that money, especially if, as it claimed, it foresaw all these economic problems. How is that possible? It certainly makes no sense to me and I am sure my hon. colleagues on this side of the House would agree.

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In New Brunswick, there is a shovel-ready project that could put 400 people to work for a nominal cost. It is called silviculture. The New Brunswick Forest Products Association has made a request to the federal government but still has not received a decision from Ottawa. The association hopes that someone in the government across the way recognizes that this is important for an industry that has endured thousands of job losses in the past three years. It is warning all of us that time is running out to get that money flowing for the 2009 planting season. I do hope that someone in the Department of Natural Resources or in the government is listening, and that they will get moving on this request and others from across the country.

Is it any wonder that people do not trust the Conservative government when we hear of things like that? The latest performance report for natural resources shows the Conservatives have a history of not getting the job done that goes well beyond its infrastructure investments or the lack thereof.

The NRCan performance report states that “funding for the Forest Industry Long Term Competitiveness Initiative in the amount of \$10.4 million was deferred for future year spending”.

That is a little hard to imagine. I was just talking about, and we heard it earlier today, what is happening in the forestry industry. The recent economic problems have added to it, but it is not a brand new problem. There have been problems and difficulties in the forestry industry for the past number of years, and yet here we see that the government, rather than using the money that it has allocated and promised to use to support the industry, has put it off for later. What the heck is that about? How is that competent management of the industry or of our economy? Why would any competent government defer spending on an industry that was obviously facing severe challenges?

I believe this speaks volumes about the government's lack of commitment to a vital sector of our economy and the thousands of families who keep asking why the government has abandoned them in their hour of need. As I said earlier, it is no wonder that Canadians do not trust the government.

Unfortunately, Canadian forestry workers, whether they live in Nova Scotia, Quebec, Ontario, British Columbia or elsewhere, are the ones suffering as a result of a government that failed to invest in their futures, that failed to understand the importance of research and development, and a government that negotiated a sellout softwood lumber deal, about which my colleague from Westmount—Ville-Marie will speak further.

The fallout from the Conservative softwood lumber sellout continues to plague the sector. Saw mills in four provinces are now subject to a 10% export tax. Even in the face of mill closures in Quebec and Ontario, the Conservatives refuse to admit this is a bad deal. Ontario companies will have to pay in excess of \$68 million to meet the 10% export charge imposed because of bad decisions by the Conservatives. It is why we are here today.

Canadians know the Conservative government abandoned the forestry sector by not preparing the industry for the current economic downturn several years ago. In contrast, in November 2005, the Liberal government committed \$1.5 billion for the strength and

sustainability of Canada's forestry industry. This strategy included new funding for workers, the industry, communities, long-term innovation, and provided immediate assistance as well.

I see my time is at an end. I look forward to comments and questions.

• (1115)

**Hon. Gary Lunn (Minister of State (Sport), CPC):** Mr. Speaker, I would like to correct the record for the hon. member.

At the beginning of his speech, he was talking about \$1 million in the community adjustment fund. He was confusing it with the community development fund. In fact, it was \$1 billion, not \$1 million. Maybe the hon. member was doing it in error, but they are two separate funds and he is confused on that matter.

In fact, on those funds, we had the support of the vast majority of the provinces that put out that money. I know in my home province of British Columbia, Premier Campbell put out that money on a number of different initiatives to help the forestry communities and workers.

Our government has been investing from the very beginning across the forest sector. There is no question that sector is in very challenging times. We know that. We understand that. We have sat down on numerous occasions with forest products executives and asked what we can do. We have listened and are making those investments in what they have been suggesting. We are working very closely with them. We are bringing the research institutes across Canada all under FPIInnovations, under one leadership, and putting funds in there.

I would ask the member to make sure that he puts the facts out there correctly.

**Hon. Geoff Regan:** Mr. Speaker, there is no question that we agree it is important to have funding to support communities that are in need, which have had shutdowns, but what we have been talking about primarily here is how to prevent those shutdowns, how to invest in the industry to keep it alive and thriving. That is what we have not seen.

I was talking a moment ago about the \$1.5 billion committed by the previous government, the Liberal government, in November 2005. That \$1.5 billion program was cancelled by the Conservative government.

I talked a few minutes ago about the kind of funding that the government had available, even in this fiscal year, the \$4.6 billion it has not been spending. It is very disappointing to people across this country that in an economic downturn like this one, the government has not responded and has not foreseen what was needed. Many Canadians could understand and foresee certainly by last fall what was happening, and the Conservatives were still denying it.

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**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, my colleague and I get along well, but we have a bit of a contention on how the forestry sector got into its present state. There are two critical things and his party has supported the government on both of them.

One is on the pine beetle funding, which we looked for in this budget and could not find. In fact, we have had it confirmed from the Canadian Forest Service that there is none. Folks living in my region of northwestern British Columbia are still watching the devastating effects of the pine beetle, which has been a contributing factor. The government has turned its face away from this disaster and his party is supporting it.

On the second point, which is very important, when Canada so-called settled the softwood lumber dispute, it left not only \$1 billion-plus in America, but it did not insist that any of the \$4 billion coming back to Canada would be invested in Canadian mills.

Does he regret that decision? Does he regret that no mills are receiving the money back from the softwood lumber sellout and that the investment which has been absent has contributed to the downfall we are now seeing in the softwood industry?

**Hon. Geoff Regan:** Mr. Speaker, I think we all know the situation in relation to the budget. There are certainly elements about it that we are not at all pleased with. On the other hand, it is clear to me from Canadians that they want to see stimulus get out the door. There is no sign the government is doing anything so far in terms of stimulus. Of course, as the Conservatives know, their own proposal is not to spend a dime of the budget money until April 1 or perhaps later. There are reasons for that, as the member knows.

In relation to the minister's comment previously, and I think my colleague will find this worthwhile as well, we did not see in this budget anything to really change the employment insurance system to ensure that people in communities that are affected by mill closures, et cetera, can more easily get access to that program.

I agree with my hon. colleague that there are many problems with the softwood lumber deal, and the fact that those funds were not invested in mills to help them thrive was an important problem.

• (1120)

**Mr. Marc Garneau (Westmount—Ville-Marie, Lib.):** Mr. Speaker, first of all I would like to thank the hon. member for Halifax West for his insightful comments.

[*Translation*]

I thank my Bloc colleague for his motion and want him to know right off that I share his opinion on the need to establish a plan to help the forest industry. My party therefore supports the spirit of this motion. However, my colleague will not be surprised to hear me say that the plan should apply to the industry as a whole and not just to the portion of it in la belle province of Quebec.

The forest industry in Quebec, the Maritimes, Ontario, Alberta and British Columbia is facing major challenges these days. If we think back, we will remember that the Liberal government itself put forward a forestry strategy in 2005.

[*English*]

On November 24, 2005, the Liberal government announced, in partnership with forest industry stakeholders, a true plan for the forestry sector, a forest industry competitiveness strategy committing \$1.5 billion over five years. This strategy included: \$215 million for the development of new technologies in areas such as the pulp and paper industry to enhance its competitiveness; \$50 million to support the forest industry to develop bioenergy and cogeneration power technology; \$90 million to support innovation in value-added wood products; \$66 million in wood product market development; \$10 million to enhance workplace skills in the forest sector; \$150 million to help forest dependent communities diversify economically; \$800 million in loan support to help Canada's forest companies invest to improve competitiveness; and \$100 million in loan support for small forest sector businesses.

We can see that the Liberal government had anticipated quite a bit of what is happening today. Upon forming government in 2006, the Conservatives, however, cancelled the plan. Today Canadian forestry workers are paying the price for that action. Instead of investing then in improving technology, skills and competitiveness to strengthen the industry and to save jobs, Canada now faces tens of thousands of job losses. Since the Conservatives took over government, Canada has lost 18,000 forest sector jobs. Not only that, they negotiated a poor settlement on the softwood lumber dispute and we are paying the price today.

[*Translation*]

As regards the softwood lumber agreement with the United States, the Liberal Party of Canada has always supported a two-step approach to resolving the dispute over softwood lumber—arbitration by the courts and negotiation.

On September 19, 2006, the Liberal Party voted against the agreement on softwood lumber, and, on December 6, 2006, against Bill C-24 on the softwood lumber export fees. The Liberal Party wanted to be sure the Conservative government would respect the North American Free Trade Agreement and keep its election promise to recover all the customs duties collected illegally by the United States.

We believe the softwood lumber agreement is full of holes for the following reasons.

It is a reversal of the position adopted by successive federal governments and supported by NAFTA and World Trade Organization trade panels that our softwood lumber sector is not subsidized.

It compromises Canada's chances of helping a sector already in difficulty, by handing part of our sovereignty over our natural resources to our American competitors. The fallout of such capitulation will be felt in future disputes, which will no doubt arise not only in the softwood lumber industry, but also in other sectors facing the same accusations by our American competitors.

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It creates an export tax, which, at the current rate, is in fact higher than the illegal American customs duties of the past.

It strips NAFTA of any credibility as arbitrator of trade disputes and voids the principles governing such discussions.

It drops \$500 million into the hands of the American forestry sector, which uses it to fund legal and political attacks against the Canadian industry and another \$500 million into the hands of the American government.

And, finally, it contains anti fluctuation provisions that will deny the Canadian industry the flexibility it needs to deal with the unexpected, such as the infestation of the pine beetle.

The Conservatives claim that their softwood lumber agreement put an end to the dispute, but the United States began consultations questioning the forestry policies of Ontario and Quebec within seven months of signing the agreement.

Nova Scotia, British Columbia and Alberta face the same attacks. It is the \$500 million the Conservatives handed over to the Americans that is being used to finance these attacks. On April 4, 2007, the Liberal Party announced that a Liberal government would organize a national summit on the forestry sector bringing together the stakeholders—public officials, the localities involved and the forestry sector—to work out responsible measures for the environment and protect jobs in the Canadian localities.

• (1125)

[*English*]

Instead of being proactive in investing to strengthen the industry, the Conservatives are now being reactive, announcing band-aid programs. The Conservatives' lack of vision has led to this crisis in the forest sector and caused many Canadians their jobs.

For our softwood industry, the Conservatives' softwood lumber deal has also been a failure. The Conservatives rushed into a flawed agreement that left \$1 billion in the pockets of the United States. The Conservative government said that the softwood lumber agreement would put an end to litigation, yet Canada is back in court.

Unlike the Conservatives, the Liberal Party believes that there is a role for government to play in helping these sectors and the workers who depend on them.

[*Translation*]

My party has long recognized that action is essential. Accordingly, it is prepared to support a real plan to help the forest industry, a plan that would include a series of specific measures to ensure sustainable development.

**Mr. Robert Vincent (Shefford, BQ):** Mr. Speaker, I have a question for my colleague. If he were made Minister of Industry tomorrow morning, what real action would he take to help the forestry industry, the aerospace industry and other industries in terms of investment?

Since we are talking about forestry today, I would like to know where he would stand and what his recovery plan would be. I would like to hear what he has to say about that.

**Mr. Marc Garneau:** Mr. Speaker, I thank my Bloc colleague for his question. I will repeat what I said during my presentation. In 2005, the Liberal Party announced a major strategy for the forestry industry, worth roughly \$1.5 billion over five years. A number of the components of that strategy that I mentioned are covered by the Bloc motion. In that sense, we are on the same wavelength. In addition, the Liberal Party continues to support that approach to the forestry industry.

**Mr. Robert Vincent (Shefford, BQ):** Mr. Speaker, when members are on one side of the House, they may say a lot of things, but when they are on the other side, they seem to lose their memories just like that. I would like my colleague to tell me whether his memory will remain intact if he should one day become Minister of Industry and find himself on the other side of the House.

In 2004, when the Conservatives were on this side, they promised us the earth and supported our proposal to modify the employment insurance program. When they crossed over to the other side of the House, they forgot all that and developed Alzheimer's.

Will my colleague also lose his memory when he crosses to the other side of the House, or will he remember what is happening today?

• (1130)

**Mr. Marc Garneau:** Mr. Speaker, if I should ever forget the importance of the forestry industry for even a moment, I am absolutely certain that my Bloc colleague would jog my memory. I will add that the Bloc member knows that I sit on the subcommittee of the Standing Committee on Industry, Science and Technology that is looking at industrial sectors. When I talk with my Bloc colleague, we agree on the importance of the forestry industry.

**Mr. Guy André (Berthier—Maskinongé, BQ):** Mr. Speaker, I am not sure whether my colleague is aware of the London Court of International Arbitration's February 26 ruling. The tribunal found that we had exported more than our quota to the United States. In its ruling, the court recommended introducing a 10% export tax on softwood industries.

The industry reported that Quebec was responsible for 40% of the over-quota exports, while Ontario was responsible for 60%. As such, we do not feel that Quebec should have to pay 50% of the amount owing. If a 10% export tax is instituted, we will have to pay 50% of the amount owing, even though we are responsible for only 40% of it. I would like my colleague to comment on that.

**Mr. Marc Garneau:** Mr. Speaker, I am familiar with the matter the Bloc member just raised. There is no doubt that the softwood lumber agreement negotiated by the Conservative Party contained serious flaws. There are international mechanisms regulating the market and international trade. It is clear that Canada will have to move forward boldly to protect its interests.

The issue the Bloc member just raised is one of many serious issues. Canada must continue to negotiate in its own best interest.

[*English*]

**Mr. John Rafferty (Thunder Bay—Rainy River, NDP):** Mr. Speaker, I will be splitting my time with the member for Algoma—Manitoulin—Kapusking.

As the New Democrat critic for forestry, I thank the Bloc Québécois caucus for tabling this motion and for putting the interests of our forestry industry, our forestry dependent communities and our forestry related workers on the legislative agenda.

For many inside and outside of Quebec, the size and importance of this industry and the depth of the crisis in which it is mired is simply not known. I have some facts about this important industry. The forestry industry is an \$84 billion a year industry. It directly and indirectly employs 863,000 Canadians. Forestry related manufacturing accounts for a full 12% of Canada's total manufacturing output, and there have been more than 45,000 layoffs and job losses in the industry since 2003.

Between January 2003 and June 2008, there have been at least 26 permanent mill closures in Quebec alone and more than 54 indefinite closures. Together, these closures have cost the forestry industry, communities and the families of Quebec more than 11,000 well-paying jobs. The number of mill closures and job losses related to the forestry industry in Quebec during this period were more than the share of any other province in Canada during this period.

We must make no mistake, the forestry sector in Canada is in a crisis and the forestry industry, communities and families in Quebec are suffering a great deal. I find much I am in agreement with in this motion by the Bloc.

The \$170 million for the forestry sector in the budget pales in comparison to the nearly \$4 billion in assistance for the auto sector. That is not to say that the auto sector does not clearly need it, but the forestry industry has been completely ignored by the government. These two industries are roughly the same size but the forestry industry employs nearly 400,000 more people and it has had more than four times the real and potential job losses of the auto sector.

The government has shown little interest in Canada's forestry industry, our communities and our workers, and I am glad that this motion states as much.

The Bloc is correct in noting that the forestry industry urgently requires loans and loan guarantees from our federal government. Small and large producers began having their credit lines cut three years ago, so the payroll cuts that have occurred during this period are no surprise. Loans and guarantees will help Canada's modern and efficient mills keep operating, which will keep our small communities active and keep our hard-working families housed and fed during this downturn.

We also need a made in Canada policy for federal procurement so that Canadian lumber is used in all federally subsidized building projects in order to keep our lumber and wood product inventories turning over.

We also need more research, development and utilization of biomass technology and products. The Atikokan Bio-Energy Research Centre is within the boundaries of my riding. If any members of the House, including the Minister of Natural Resources, would like a tour, I would be more than happy to show them around.

I am in broad agreement on each of the points in the motion but I wonder why the motion did not state what so many stakeholders and parliamentary committees have stated in the past, that Canada needs

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a national forestry summit to help our forest industry, communities and families cope with this crisis in the short term and come out of this crisis stronger in the long term.

I do not speak without knowledge, interest or passion about this issue as I am from a forestry dependent community and represent several others in my riding.

Fort Frances counts upon forestry for 67% of its economic activity and wealth. The main employer in Fort Frances is the AbitibiBo-water pulp and paper mill. It has a cutting edge biomass furnace just coming on-stream that reuses wood waste to create heat and energy for the processing of pulp and paper. It is as efficient and modern as any plant in Ontario and it has just laid off its entire workforce for the second time in six months.

Ainsworth in Barwick struggles to stay open, even though its value-added product retails for one-third of what it did a few years ago.

Buchanan's Longlac mill, a modern plant, is closed. Ken Buchanan worked hard over the years to stay in northern Ontario and invested in northern workers. In fact, 85% of the labour force at this plant was from first nations communities.

● (1135)

Nickel Lake Lumber, which only sells a value-added product, has 16 employees. It could expand its operations with a little help from the government.

Northern Hardwoods in Thunder Bay, as I speak, is in the process of turning off the lights and heat. When the market improves, it will cost millions of dollars to start up again. It does not need to be this way.

As members can see, the forestry crisis has hit home personally for me. I feel the pain that is being felt in industry towns and households in Quebec. The federal government needs to provide leadership on this issue and develop a plan to assist, not just the forestry industry but the communities and households that are dependent upon the industry for their livelihoods.

I hope the entire Bloc Québécois will support my call for a national forestry summit that will bring together all levels of government in Canada, a variety of ministries and opposition representatives at the federal and provincial levels, industry and union representatives, academics, aboriginal stakeholders and environmental groups interested in sustainable forestry management. Such a national summit would help us find ways to help the forestry industry, dependent communities and working families survive the crisis and prosper once demand for forestry industry products increases to more normal levels.

*Business of Supply*

I thank the Bloc Québécois for putting forward this motion and for putting the national forestry crisis on the legislative agenda. I agree with its position on this matter and hope it will support my call for a national forestry summit to help the Quebec forestry industry, communities and households that have suffered through this crisis. I will be supporting this motion.

• (1140)

**Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC):** Mr. Speaker, I take exception to some of the things the member said. He talked about the fact that forestry has been hit hard in his riding and surrounding area. Why he is not supporting the government when it is moving to make the changes and improvements that need to be made in these areas? I will go through a few of them and later today I will give a speech that will cover this in a little more detail.

He talked about communities in his riding being hard hit and yet the NDP, without seeing the budget or the economic action plan, made the decision to vote against EI changes, to vote against work share improvements and to vote against \$1 billion to be put into communities across this country.

The NDP made the decision to vote against more access to credit, which we have heard is a big problem across this country for this industry. It made a decision that to vote against the home renovation tax credit that encourages people across the country to renovate their house, use wood products and get the forestry sector moving again. It made a decision to vote against the new technology commitments that we made.

Why is it that the NDP members pretend to be concerned when all they are is critical, never constructive in their suggestions?

**Mr. John Rafferty:** Mr. Speaker, I have already indicated that \$170 million, while welcomed by the forestry industry, the money is not nearly the kind of help that it needs.

To answer his question directly, we simply do not trust the government. If we look at the softwood lumber deal, the government made some choices in that deal that are now costing softwood lumber producers in the province of Ontario and three other provinces \$64 million to \$65 million because it made a mistake. We do not trust the government. We all need to work together to ensure that the forestry industry gets back on a solid footing.

**Mr. Alan Tonks (York South—Weston, Lib.):** Mr. Speaker, I am sure members of the House are quite moved by the very valid and comprehensive overview that the member has given on behalf of his constituents and those suffering in the forestry industry.

Is the member aware, though, that, in its last sitting, the natural resources committee conducted an exhaustive series of hearings and came out with a report that was to set the stage for the summit that the member is calling for? It gives an overview historically of what happened with respect to the sector. It talks about an action plan, such as the procurement approach that the member is suggesting.

I have more of a leading question. Would the member take a look at that report? After looking at the report, he may be satisfied that that would be the foundation for the summit that he is asking for and that the government really can get on with the action that is in that report.

**Mr. John Rafferty:** Mr. Speaker, if I recall, that committee refused to go to Thunder Bay, so I am not sure how exhaustive it was.

Afternoon round tables with some businesspeople are not enough. I am talking about a national forestry summit with all stakeholders, including first nations, workers, business and innovators, who can move the forestry industry forward and put it back on a solid footing. I believe, as does the member, that this is a renewable industry and it is very important for Canadians.

[*Translation*]

**Mr. Guy André (Berthier—Maskinongé, BQ):** Mr. Speaker, my comments will be brief.

I listened to my colleague and I agree with much of what he is saying, except when it comes to the idea of a summit. I am worried because I think we need to get the government to act immediately to help the forestry industry. There are things that could be done right away. Would having a summit not get in the way of any possible immediate action and put it off until later?

• (1145)

[*English*]

**Mr. John Rafferty:** Mr. Speaker, the member is absolutely right. Something should have been done before, but the House was prorogued and nothing happened then. In fact, I have been calling for a national forestry summit since before the last election.

I hope, as I continue to talk about it and as we put it on the agenda and in the national media, people will begin to realize how important the forestry industry is and how important it is that we put it back on a solid footing.

[*Translation*]

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP):** Mr. Speaker, I am very happy to be able to speak about this issue, which is important not only for the people of my riding, Algoma—Manitoulin—Kapusksing, but also for many other communities across Canada.

This motion is timely, but it is sad that the government was not aware that it should have used the budget it so recently tabled to respond to the forestry industry's concerns. The government is letting an opportunity go by and if it were not for the opposition parties, the challenges facing the forestry industry would not be raised.

[*English*]

The forestry industry was one of the first sectors to feel the current economic pinch. When the housing bubble broke in the United States, the effect was seen in the dropping sales of forestry products long before the remainder of the economy began to feel the fallout of that contraction. It would have been a good time to act and then to stem some of the bleeding. It was a time to be proactive and show Canadians that their government was working for them, that it was out to protect them, that it recognized the warning signs and had a plan to help them.



*Business of Supply*

However, the government does not operate that way. To be fair, it is hard to notice these kinds of trends when people have their heads stuck in the sand. Instead, the government is acting as if all is well in the forestry sector. It would like to have people believe that there is nothing but sunshine as a result of the softwood lumber agreement it reached with the United States. It turns out that the softwood issue was a bit of foreshadowing on things to come from the United States. Increasingly, the U.S. has become protectionist, abandoning the nuts and bolts of trade agreements and hiding behind state laws that allow for protectionist procurement.

We see this right now with respect to the steel and iron exports and have seen a protectionist agenda at play with the flawed deal the government negotiated for softwood lumber exports. Now that we have entered a global credit crunch, we see just how bad that agreement is. We also see just how unprepared the government is to deal with real financial challenges. It has no idea what it is meant to do. It throws money at construction and trades and ignores our resource-based jobs. It has a cart on a different track than the horse.

The government is so far off the mark with its stimulus. With only \$170 million over two years, there is little in the way of recognition of the severity of the problems that face the forestry sector.

I have done something that I hope many other members have done as well. I have met with forestry companies in my constituency and have discussed the challenges they face. I say hope because I cannot see the evidence that shows me many government MPs have in fact done this. I do not believe the government's response to the sector matches what I was told it required to get through the credit crunch we are experiencing.

First and foremost, companies are asking for access to reasonable credit to keep their operations above water. They are not asking for a bailout. They are only asking for a leg up. However, it will take much more than the \$170 million over two years. They are asking for tax incentives for investment and innovation. They are looking for investment to help with developing and promoting products. They would like to see waste from the industry become part of a green solution for our energy needs.

These seem like reasonable requests from an industry we are absolutely certain will rebound from this downturn. We truly believe it is important to keep this sector working. We have too many examples of what can happen when the mills shut down. In northern Ontario, there are many shrinking communities and a pressing need to reverse this trend. We will climb out of this recession. When we do so, we are going to need these communities. We are going to need these workers as well as the forestry products.

The population is dropping at an alarming rate in places like White River. If we do not take the time to protect these small communities, we will have to spend even more to bring these communities back to the vibrant places they are, or have been recently, where a family can live and workers do not have to worry about the basics and can concentrate on putting out a good product. There are tools to help retain these communities. There are ways to ensure that a town does not have to disintegrate because a plant shuts down or a mill closes.

We can use their products as much as possible. We can ensure that the employment insurance system works to keep these workers in their communities and help keep these communities vibrant so they will be there when we need them. We can implement income support programs for those older workers who will have the most difficulty relocating. Economists like to think in terms of market rationalization, cheap, portable labour. These all sound like great concepts until workers realize that they are cheap, portable labour and that the death of their own towns and destruction of their way of life is the market being rational. It is a story that is repeated time and again in northern Ontario and it does not have to be this way.

• (1150)

I am not naive. I realize there will be situations where workers will simply have to go and find another place of employment. We could do something to help with that as well.

The Communications, Energy and Paperworkers Union is calling for the establishment of a national adjustment fund for workers, their families and communities in the event of closure or restructuring, but we have heard nothing from the government about this. Shame on it.

CEP is also calling for the Prime Minister to call a national summit on the future of the forestry industry. We would welcome such a move and would see it as a sign of recognition from the government that there is a problem and that it has a role to play in the remedy.

This makes great sense. The forestry sector is vital to the Canadian economy. It is very comparable to the auto industry, yet is not receiving the same level of attention from the federal government. Perhaps we should be considering government assistance on a level similar to that being proposed for the auto industry. We have to remember that the forest products sector is one of Canada's leading industries, shipping over \$40 billion of goods annually. We have to keep our eye on the fact that forestry provides hundreds of thousands more jobs across Canada than the auto industry.

We also must remember that forestry jobs are good jobs. The average wage per employee was \$46,300 in 2005. The national average per employee is \$37,900. Each of these jobs creates an estimated four spin-off jobs. Most important, we have to remember that the forestry sector is an integral part of our identity and our economy and will require a collaborative effort from industry, labour and government, to create the conditions in which this sustainability can flourish and keep these important jobs in our communities for generations to come.

*Business of Supply*

In my riding I have seen many mill closures and others are just struggling to survive. We really need the government to step up to the plate and provide them the reasonable credit they need and also help them with regard to their energy needs because that is sinking them.

I could go on and on about forestry closures.

The impact of EI in these communities certainly has been great as well. To keep workers there and hopefully find employment, while we look at the return of the forestry sector to what it needs to get to, we need to ensure we have changes to EI. That is fundamental to assist workers when they need it the most.

I cannot tell members too often the importance of the spin-off effect on these jobs. Companies have told me that they will no longer be able to exist and that they will not be able to function properly or even start up again should they close. The government is not coming forward and assisting them. If we lose our forestry sector, the spin-off jobs will be detrimental, not only to Canada as a whole. The government has helped the auto industry, but who will buy cars if our people are unemployed?

I thank the Bloc for its motion.

● (1155)

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, my colleague is correct in the amount of mill closures that have hit her riding, probably some of the worst that we have seen across the country. Yet when we hear the Conservatives speak this morning, they probably are grateful for the economic collapse. They are hiding behind it and using it as an excuse to cover off the deliberate mistakes they made in forestry policy in the last Parliament.

The Conservatives are now trying to present it as this is some kind of global problem, which they had no hand in. Yet when we debated the softwood lumber sellout, we saw how they gave up a billion dollars of our producers' money. Under clause 10 of the bill, they imposed on our industry a 15% export tax, which was higher than what the Americans were dinging us. Written into the bill were charges against companies that tried to do value added. Now we have lost markets and we have the Americans coming back at us. The government has crippled our industry.

What does my hon. colleague feel is the impact that the deliberate decisions of the Conservatives have had on the mills in her riding?

**Mrs. Carol Hughes:** Mr. Speaker, we have seen mill closures in Opatatika, Wawa, White River and Marathon. We are seeing mill closures across the country. Shame on the government for not coming forward.

One of the questions on this issue that was answered on the government side a while ago was about giving \$172 million and the fact that the NDP is actually voting against the budget. We know the government is not going to deliver. It is putting stipulations in the budget. The fine print is what we have to look at.

In terms of the retrofit project that is supposed to stimulate the forestry industry, the retrofit project will not be approved until autumn. People should actually be doing their retrofits in the spring. I think that is a shame.

These are agreements that the government talks about. It says it is going to abide by these agreements. It cannot even get Xstrata or Inco to abide by the agreements already negotiated, or the softwood lumber—

**The Acting Speaker (Mr. Barry Devolin):** Questions and comments. The hon. member for Abitibi—Témiscamingue.

[*Translation*]

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, I listened closely to my colleague. Our ridings are almost side by side. Hers is in Ontario. Even though my riding is closer to Timmins—James Bay, I know exactly where her riding is in relation to mine. The same things are happening in my riding, and I will talk about that here in the House in a few minutes.

I have a question for my colleague. We know that companies are shutting down and are facing difficulties. Have any businesses in her riding asked for help from FedNor, for example, or other governmental organizations? Have they been turned down under the pretext that it is no longer worth investing in the forestry industry, that there are too many companies already, and that the goal is to shut down as many as possible in her riding? Is it possible to get help for new developments?

**Mrs. Carol Hughes:** Mr. Speaker, I thank my hon. colleague for his question. Forestry industry representatives have requested certain things from the government. One of their major requests came at budget time. They asked to have access to reasonable credit and wanted to ensure that the price of electricity would not cost them their businesses. In the meantime, they have also asked for money for training. However, certain restrictions apply to that money. The government will not say anything about this. The forestry industry is struggling from one community to the next, and the government refuses to acknowledge this.

I met with representatives from a business in Espanola a few weeks ago. They have already changed everything they can within their business. They said what they really need is help from the Conservative government, which continues to deny that the industry is currently going through a major crisis.

● (1200)

**Mr. Guy André (Berthier—Maskinongé, BQ):** Mr. Speaker, I will begin by advising you that I will be sharing my time with the hon. member for Abitibi—Témiscamingue, a colleague who is very familiar with the softwood lumber and forestry file.

It is with great interest that I rise to speak here today on this Bloc Québécois opposition day to address an issue that is very important for Quebec, of course, and all of Canada. Naturally, I am referring to the forestry crisis we are seeing in many areas of Quebec, as well as the Conservative government's refusal to take action on the matter.

The motion we moved here today denounces the Conservatives' failure to act in this file, and particularly the vastly inadequate measures included in the last budget. The motion also proposes to the government a series of measures to help the forestry industry.

*Business of Supply*

While the forestry crisis persists throughout Quebec, the Conservative government's recent budget revealed that it remains completely insensitive to the difficulties facing that industry and the communities that are affected. When will this government understand that its approach is simply unacceptable in the context of the current crisis and that it must immediately start listening to and working with forestry stakeholders to help this industry get through these tough times?

The Quebec forestry industry accounts for nearly 88,000 jobs in various sawmills and pulp and paper plants, or about a third of all Canadian jobs in this sector. The economies of some 230 towns and villages in Quebec are heavily dependent on it, and 160 of them are totally dependent. The forestry industry is going through a severe downturn that poses a grave threat to many of these communities. Just between May 2002 and April 2005, more than 10,000 jobs were lost in the Quebec forestry industry. Since April 2005, the situation has only grown worse, with more than 21,000 job losses in the Quebec forestry industry and related areas.

Left to its own devices during the softwood lumber dispute, when the federal government refused to provide it with the loan guarantees it needed to stay afloat, the forestry industry was unable to face the mounting value of the Canadian dollar at the time. Forestry companies lost their competitive advantage on foreign markets, especially in the United States. Now the Quebec forestry industry has to deal with a U.S. economy that is slowing rapidly and is in crisis, resulting in a major reduction in timber sales and collapsing prices.

It may also be faced with surge in protectionist sentiment in the United States, which would further undermine sales south of the border. I recently attended the winter meeting of the National Governors Association in Washington. I had an opportunity to discuss some pressing issues, such as the trade in softwood lumber we are currently debating, with a number of U.S. governors and congressmen. We were told that some senators and governors from southern states were critical of U.S. imports of Canadian softwood lumber and were asking the American President "to take whatever action is necessary to fully address Canadian unfair trade practices in the softwood lumber sector".

● (1205)

Even if these approaches to the American President are politically motivated, I think we need to be very vigilant. They show that there is a definite protectionist trend in the United States. As I was saying before, there is a major crisis in the forestry industry in Quebec and urgent action is needed at least to mitigate its effects. The government does not seem to understand this and is being negligent in providing assistance in its last budget that is not nearly enough, and I would even say, that is shameful and insulting.

With the support of the Liberals, the Conservative government provided the forestry sector with no more than a mere \$170 million in its last budget. That is a disgrace. At the same time it decided, with the support of the Liberals and the Conservative members from Quebec, to invest more than \$2.7 billion to support the automobile industry in Ontario. We are not opposed to this, but we think that the Quebec forestry industry is just as important, and even more important in terms of jobs. In the opinion even of the Québec Forest

Industry Council, the \$170 million that was announced over two years is far from enough and hardly reflects the needs flowing from the crisis in the Quebec forestry industry.

The Conservatives and the Liberals are showing their contempt for this industry which is the lifeblood for many Quebec regions. However, the Bloc Québécois is proposing a series of measures to support our forestry companies: loan guarantees for the purchase of more efficient production equipment; massive investments or tax measures to promote innovation; R and D for the industry; making the R and D tax credit refundable so that companies not turning a profit can innovate and develop new products.

In addition, it is important to mention that none of these measures contravenes the softwood lumber agreement, no matter what the Conservative minister says. For weeks, the Bloc Québécois has been asking the government and its Quebec ministers which section of the softwood lumber agreement prevents the federal government from providing loans and loan guarantees to the Quebec forestry industry. This government does not have an answer and chooses to ignore us. No one in the government, including the Minister of State (Economic Development Agency of Canada for the Regions of Quebec) can quote the section in NAFTA or in the softwood lumber agreement.

Why? Because the agreement does not prohibit the use of loan guarantees. This position is shared by the Quebec Forest Industry Council and the Government of Quebec, which allowed Investissement Québec to provide guarantees.

The position of the Conservative government, including the Quebec MPs, only shows that it prefers to bow down to the U.S. protectionist lobbies that complain about the smallest initiative that will help the forestry sector. But above all, it proves that this government does not want to help Quebec's industry. During this time, what have Quebec Conservatives done? They have remained silent and have refused to stand up for Quebec.

In closing, this motion addresses the needs of the forestry industry and the communities that are dependent on it. For that reason I am asking that all members, especially Quebec members, support this motion.

● (1210)

**Hon. Geoff Regan (Halifax West, Lib.):** Madam Speaker, I would like to congratulate my colleague on his remarks and comments.

I would like to hear what he has to say on this topic. They have described the situation the forestry industry is in and talked about it. I agree with many of my colleague's remarks about the subject. But we also notice that the government is suggesting that this is a new problem caused by the economic situation, when we know the industry has been struggling for two or three years or even longer.

*Business of Supply*

Does my colleague agree that the government should have been doing more, much earlier?

In the 2007 budget that was approved by this House and Parliament, \$4.6 billion was set aside by the government for investment in infrastructure, but it spent only \$1 billion. This goes to show how little it cares about these problems. Does my colleague agree with me on this?

**Mr. Guy André:** Madam Speaker, I thank my colleague for his question. It is true the problem in the forestry industry has been with us for some years. It started in May 2002 and lasted through the fall of 2006.

We still remember the softwood lumber crisis. Back then, we were asking the Liberal government for loan guarantees to support our industry. That is when we lost more than 10,000 jobs: between May 2002 and April 2005.

The crisis began then, and has continued ever since. The government in Ottawa, which once had a huge surplus, is now in a crisis itself and is doing nothing to help the forestry industry.

[English]

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Madam Speaker, I am sure my colleague knows that British Columbia is also facing a crisis in the forestry industry. Over 30 sawmills in British Columbia have closed. Thousands of people have lost their jobs and many of our communities are really suffering.

One of the ironies of all of this is that at a time when people in the forestry industry in British Columbia are losing their jobs, there has been an increase in the export of raw logs, unfinished logs, out of the country. Instead of turning those logs into finished products of some kind, instead of manufacturing them into finished products in British Columbia and elsewhere in Canada, we are sending these raw logs out of the country.

I wonder if, like me, the member believes that we should restrict or even ban the export of raw logs to ensure that Canadian workers get a chance for a job turning those raw logs into products here in Canada.

[Translation]

**Mr. Guy André:** Madam Speaker, that is a very good remark by my colleague. One of the options put forward by the Bloc Québécois is to change the federal tax system to help the development of secondary and tertiary transformation industries in the regions most affected by the forestry industry crisis. Obviously, British Columbia is also facing this ongoing crisis.

**The Acting Speaker (Ms. Denise Savoie):** The member for Abitibi—Témiscamingue for a very brief question.

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Madam Speaker, I will come back to that.

I would like to ask my colleague a very brief question. In his speech, he said he had gone to Washington on a parliamentary mission and had had the opportunity to meet with senators who were talking about the return of protectionism.

I would like him to tell us a bit more about what that means and how they saw the risk of American protectionism in relation to the softwood lumber crisis here.

**The Acting Speaker (Ms. Denise Savoie):** The hon. member has less than 50 seconds.

**Mr. Guy André:** Madam Speaker, less than 50 seconds. I will be quick. There is a protectionist measure in place. The industry is experiencing some problems in the United States, of course, but there is no question of jeopardizing the free trade agreement.

At the same time, our exports have decreased. We were exporting about 35% to the American market, but now, our share of the market has dropped to 22%. We still need to support our industry.

• (1215)

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Madam Speaker, I will try not to get carried away during this debate, because I know our interpreters sometimes have a hard time translating what I say when I get carried away. I will try to stay calm, but this is a debate that quickly becomes emotional for me, because the Abitibi—Témiscamingue region has been hard hit by the softwood lumber crisis.

But first, Madam Speaker, I would like to congratulate you. I have not had the chance to speak in the House since you were appointed as deputy chair of committees of the whole, and for the time being, you are presiding over the work of the House. Congratulations.

That being said, I am extremely concerned about the softwood lumber situation. I will give some examples. I have a specific example of what is happening in our area. In 2006, we approached the Conservative government that had been elected. We will all recall that there was a softwood lumber crisis. At the time, when the softwood lumber agreement was signed, the NDP and the Liberals voted against it and we voted with the Conservatives to support the agreement. We supported the agreement for several reasons. First, because the workers, the employers and the municipalities asked us to, because otherwise they were all going to shut down. That is the nub of the problem. I may have the Minister's answer, since he does not want to give an answer regarding the section that deals with the softwood lumber crisis and the reason why he does not want to give loan guarantees. We asked the government then and we are asking it again—we asked the Speaker and the Minister—to clarify the so-called anti-circumvention clause. I am going to speak a little on that subject.

I know I have only 10 minutes, but this is an extremely important clause and it was so vague. We told the government: "Be careful, this absolutely has to be clarified with officials at Canada Economic Development and the Department of International Trade," because they are going to come back to us and say: "The assistance works like this, it does not work like that, and you cannot do that." Here is an example. In Barraute, in Abitibi—Témiscamingue, there is a company that manufactures wood box springs for beds. That company asked for assistance from the federal government and CED said: "Listen, it is not clear. We do not know whether you are going to be able to ship that to the American market. If you ship that to the American market, it comes under the anti-circumvention clause and it might violate the agreement."

That is the issue. The government absolutely has to help companies get through the crisis, and there are not a lot of ways of doing that, there is only one. These companies have to be given loan guarantees.

In my riding, there are Tembec, Abitibi Bowater, Kruger, Domtar and four independent companies. The first four I just named—I will repeat them: Domtar, Kruger, Abitibi Bowater and Tembec—are not doing well. They are actually on life support. We were expecting Abitibi Bowater to declare bankruptcy yesterday or today. That has not happened, luckily for us. But for us in Abitibi—Témiscamingue, this means more than 2,000 direct jobs. For a region with a population of 130,000, if we lose 2,000 direct jobs, plus another 4,000 indirect jobs, we have just shut down several villages. As it stands, Launay has shut down, Béarn has shut down.

My colleague from Abitibi—Baie-James—Nunavik—Eeyou will be talking about Lebel-sur-Quévillon again. But in my riding, I have to say that Tembec is not doing well. They have asked the federal government for assistance.

• (1220)

If the ministers on the other side could listen to me for 30 seconds—I am thinking about the Minister of Natural Resources, the Minister of State for the Economic Development Agency of Canada for the Regions of Quebec and especially the Minister of International Trade—if they could get together and understand that a situation like that is dangerous for our regions, then we would have made some progress. We might think they do not talk to one another. We might think that the ministers and departments find it very difficult to talk to one another.

I know this because we have worked with Tembec on applications to Canada Economic Development. CED told us it would help us, but Export Development Canada thinks that this would violate the softwood lumber agreement. That agreement has really hurt us. It was a negotiated agreement, but to use an expression from legal jargon, it was “with a gun to our head”. Sign it or you die. That is exactly what is happening now. We have proposed 15 measures that could be useful, and I am going to review a few of them for the benefit of my colleagues opposite.

The forestry resource could generate more jobs. Recovery is an option. Some companies, such as Cyclofor, in my riding, need help. When Cyclofor goes to cut blocks, it recovers everything left in the cutting area to the level of about three centimetres of sediment and chips the residue. What does it do with the chips? They are not selling anymore. It has to transform them into something else. It needs help with research and development to come up with new products and find new uses.

I will not talk about stimulating the creation and development of new processing industries. This crisis may give some regions an opportunity to reassess and to change their tack. The forest is like a ship, and needs to change tack significantly in order to change the focus of its production. We must stop exporting 2x4s. This expression is understood in the forestry industry. At the moment, 2x4s are shipped out. Houses built there are transformed, and often the 2x4s leave Abitibi-Témiscamingue, head off to Toronto, cross over at Detroit and come back to be sold to us. This is unacceptable.

Our motion today encourages the government to do its homework. New product research and development must be stimulated. How? Personally, I sent three proposals to Canada Economic Development, for example. One department is not doing its job, and it is the Department of the Environment. That department could help the

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forestry industry hugely by assisting research on producing ethanol from forestry residues. Instead of making ethanol from corn, it could be made from forestry residue. The mills are there. The people are there who can work their way out of this.

I have another example. There is talk of establishing pellet mills, processing tiny bits of wood into the fuel used in slow-burning wood stoves. Pellets can be used in place of wood. One example is Écoflamme in Témiscamingue. Tembec has its head office there. If it fails, some 500 jobs will be lost and everything around it will close.

We are in a crisis. I will close by asking the government to be sensitive and concerned about the affected regions and to think about helping them.

• (1225)

The measures we have taken are vital. The government could help us if it wanted to.

[*English*]

**Mr. Devinder Shory (Calgary Northeast, CPC):** Madam Speaker, we all understand that our businesses are going through tough times. That includes the forestry industry as well.

Members know that the community adjustment fund announced in our economic action plan has been well received by workers, families and communities across Canada. The NDP and the Bloc obviously decided to vote against it, even without reading the document.

I would like to share with the House some of the feedback on the community development trust, and I would like the member's feedback on it.

After the Prime Minister announced the community development trust, the Premier of B.C. said:

The federal government has made a commitment to workers across the country... I can tell you, it's an important step. It's an important step in building partnerships. It's an important step for workers.

[*Translation*]

**Mr. Marc Lemay:** Madam Speaker, I think that my colleague was not listening. This is a major crisis. We are facing a major crisis. If my colleague thinks that I did not read the document, he is wrong. I read it completely. When I see that \$170 million is invested over two years to help the forestry industry get through the crisis and that, on the other hand, \$2 billion is invested to help the automotive industry, I see a big problem.

The industry is not looking for handouts. It is looking for loans. My colleague for Lévis—Bellechasse should listen when I am speaking. The industry is looking for loans. It does not want cash. It is looking for loans.

[*English*]

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Madam Speaker, it is very clear why the Conservatives have zero support left in Quebec. Their position today is to try to portray that somehow they had nothing to do with this crisis, even though their decisions all along have continually undermined forestry.

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They also have tried to portray this issue as though the opposition simply is not being positive enough with the state of this crisis, yet my hon. colleague and I represent these communities. They are vital communities, communities that were stable for many years, but they have gone down and they have seen absolutely no support from the government.

I want to ask my hon. colleague how credible he thinks the government is in saying that we simply need to be more positive in looking for other markets when it does not have any plan to deal with communities such as Malarctic, La Sarre, the region of Abitibi or the region of the James Bay.

[*Translation*]

**Mr. Marc Lemay:** Madam Speaker. I agree with my colleague. I will try to be less harsh. I am not saying that the government does not want to do anything. I am saying that the government does not seem to fully understand the impact of the crisis. If all the forestry industry workers were in the same place, the crisis would have the same impact as the crisis affecting the automotive industry in Windsor, in southern Ontario. The problem is that the forestry industry crisis affects small businesses spread out in many places, generally in small communities.

We are asking the government to show some sensitivity. When a business is forced to close down in a community of 200 people, it never comes back. That is why help is being requested. The industry is not asking for cash. It just wants loan guarantees.

**Hon. Geoff Regan (Halifax West, Lib.):** Madam Speaker, I will try to make it short. I appreciated the comments by my colleague from Abitibi—Témiscamingue. I agree that the government should have done more for the industry, not only to help it through these rough times, but also to help the people.

Does the hon. member agree with the recommendation of the Standing Committee on Natural Resources, whereby there should be greater investment in research and development? He touched on new technologies. Last year, I read an article in *L'Actualité* magazine about all the work and research currently being done in Quebec.

• (1230)

**Mr. Marc Lemay:** Madam Speaker, the answer is yes. Not only do I agree, but there has to be investment in research and development. Secondary and tertiary processing is essential. We have to stop selling nothing but 2x4s to the United States. We have to do the R and D, come up with new products, produce stronger doors and windows, et cetera. The entire future of the forestry industry depends on research and development.

**Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC):** Madam Speaker, I am very pleased to rise today because it will help me set at least a few things straight. I will be sharing my time with the hon. member for Lévis—Bellechasse.

For a few weeks now, the Bloc and its allies have been engaging in another witch hunt, this time on the backs of workers in the forestry industry, in order to score political points. That is how they operate, as we all know, regardless of the subject or the people they use. They try to divide people, turn them against each other, in order to separate “us” from “them”.

Before and during the last election campaign, the favourite ploy of the Bloc and its allies was to set Quebec against Alberta. Now they are trying to turn Quebec against Ontario. It is always the same ploy, only the names change.

I myself am from one of the regions and return there every weekend. And every weekend, I am visiting the villages we are discussing today. The working people there know very well what they are facing and what we are doing for them. I can understand they want more. I am with them in the field every weekend. The economic health of my riding depends to a large extent on the forestry industry, which is currently in such difficulty. We are fully aware of the problems that the families of working people have been dealing with for several years now. People should not be fooled, though, and take as gospel truth what the Bloc and company say because their real aim is to divide people, stir up quarrels regardless of what they are about, in order to promote their desire to separate Quebec from Canada and get elected or re-elected.

This crisis is nothing new, as we all know. There has been a crisis in the Quebec forestry industry for a number of years, as can easily be seen by the general context. First there was the Coulombe report, which recommended a 20% reduction in the allowable cut. Then there was the chief forester, who basically confirmed this and even imposed more in percentage terms for certain regions and species. A northern limit was also imposed. In addition, there have been the anti-forestry campaigns of Greenpeace and other groups. We have also had all the losses due to the pine beetle in western Canada and the spruce budworm.

There were a lot of other factors as well, including the changes in the value of the Canadian dollar, the cost of energy, corporate mergers, and the falling prices of wood and paper. These have not all been under the control of a single government.

The current problem with plant closures is linked to market conditions. No company ever closed down plants because they were selling too much. The problem we are facing now has to do with the markets where we sell our products. Ninety-six percent of the softwood lumber exported by Quebec goes to the United States. Eighty-three percent of Canadian lumber goes to the United States. More than a million houses are now up for sale in the United States, and it is easy to see what the impact is on our forestry industry.

Considering all these factors, one understands why, since it was elected in 2006, our Conservative government has adopted a series of measures to support forestry workers. The government's actions since we came into office must be looked at as a whole, and particularly within our limits for intervention, since the largest part of the forestry sector comes under provincial jurisdiction. Our possible areas of intervention include secondary and tertiary processing, innovative projects—research was mentioned earlier—and the development of new markets, which is essential. Everyone in this House knows that but ignores it when it comes time to assign blame.

Even before tabling Canada's economic action plan, on January 27, our Conservative government had settled the softwood lumber dispute, which produced \$5 billion for the forestry industry, including \$1 billion for Quebec, while at the same time ensuring stability for the workers who depend on this sector.

We also took other measures, while respecting the agreement with our American partners. We reduced the fiscal burden on Canadians by \$200 billion. We established the community development trust with funding of \$1 billion, of which \$217 million was allocated for Quebec. We invested \$72 million in targeted support for older workers.

In the 2008 budget we added another \$90 million and in our economic action plan, we provided an additional \$60 million for older workers. We set aside \$127 million for innovation and development of new markets. We know how valuable innovation and new markets are.

In our January 27 economic action plan, we added \$170 million in support for innovative projects and development of new markets. We have established a \$1 billion community adjustment fund to assist communities affected by the economic crisis, and more than \$200 million of that will go to Quebec.

• (1235)

That, of course, includes forestry communities that are seeking to diversify their economies and to offer new work opportunities for young people living in those areas.

We have also introduced a green infrastructure fund, which includes forestry biomass and new energy sources, and measures to encourage renovation and construction that should stimulate the demand for lumber.

I am also very proud that our plan responds to the immediate needs of workers and communities. We have targeted an amount of \$8.3 billion to help Canadian workers, through improved employment insurance benefits and increased access to training. For example, we have provided an additional \$500 million for claimants in long-term training programs. We are also extending work sharing agreements by 14 weeks to a new maximum of 52 weeks. This program is very popular and much appreciated at this time in all regions of Quebec and the entire country.

In addition to freezing employment insurance premiums, we have extended the eligibility period by five weeks to help workers who have lost their jobs over a long period. Our economic action plan also provides more money to help companies through Export Development Canada, which works with some 90% of the forestry companies in Canada.

Mr. Avrim Lzar, president and CEO of the Forest Products Association of Canada, in other words for the entire country, had this to say about the budget:

“The government has clearly heard the message and embraced our vision of becoming the producers of the best quality, most innovative and greenest forest products in the world. And it understands that in order to get there Canada needs to attract investment and secure the jobs of nearly 300,000 skilled Canadians forest workers and the communities they work in... We are very encouraged by the budget measures aimed at ensuring access to credit for Canadian businesses, particularly the expansion of the powers and financing authorities of the EDC, and we look forward to working with the government to determine how these measures can help our companies and workers .

I would remind hon. members that Mr. Lazar represents a large number of Canadian forestry companies, including AbitibiBowater, Canfor, Kruger, Louisiana-Pacific Canada, Tembec, Weyerhaeuser Company, to name but a few. If anyone wonders how important Mr.

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Lazar is in the world of Canadian forestry products, he is the head of the largest Canadian association.

So we have proof that it is as false as false can be to claim that the government has not done all it could in this sad situation. What is more, it must be noted that the arbitration ruling on softwood lumber has just been brought down, on February 26, and requires Canada, the provinces and the forestry companies to pay \$68 million in penalties, and this is a ruling that cannot be appealed. This ought to serve as a reminder of how cautious we need to be when dealing with the forestry industry as well as a reminder of the softwood lumber agreement.

So we must keep in mind that caution is of the essence. Mr. Lazar has also said: —the government cannot do much without the risk of creating new problems at the border”. In his opinion, any direct aid following the model of the assistance given to the auto industry might jeopardize the industry's access to the US market, and that must be avoided at all cost.

I would add one more thing: the forestry sector is, of course, the industries, but it is more than that. It is a natural resource. It is workers, independent contractors, loggers, truckers, and many other people who are often our friends or family members. We are working every day to find better solutions to help those families, and we will continue to do so.

I would like to end with a reminder of something that is of the utmost importance. The Bloc and its allies have chosen to play petty politics at the expense of the workers. That is their choice. I will not play their game, because I feel it is more appropriate to work with people who are looking for solutions to the world economic difficulties that are having repercussions here. I am in favour of bringing people together, not dividing them.

I must, however, reply to the Bloc members, and in particular the hon. member for Chicoutimi—Le Fjord. Can you name a single project or a single job that has been created by your actions, with the exception of your own job and those of the people who work for you, since you became a member? Obviously the answer is as simple as it is short: no. As for me, my priority is people, not partisan interests.

• (1240)

**The Acting Speaker (Ms. Denise Savoie):** I would like to remind the hon. minister that he should be addressing his comments to the Chair rather than to members of the House.

The hon. member for Chicoutimi—Le Fjord.

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Madam Speaker, I am pleased to see that the Minister of State (Economic Development Agency of Canada for the Regions of Quebec) and member for Roberval—Lac-Saint-Jean has decided to say something. He had been silent for quite a while.

Since he quoted some people, I would also like to quote some people in his riding and his region who made statements about support for the forestry industry.

Mr. Michel Routhier, president of the labour council of the FTQ in Lac-Saint-Jean, said the budget is not helping the forestry industry.

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Mr. Robert Dionne, president of the Quebec association of logging equipment owners, said his members are worried. They are scrambling to stay afloat.

The owner of Entreprises Alain Michaud, of Saint-Ludger-de-Milot, in the member's own riding, complains about the lack of support from the government.

Mr. Bernard Généreux said this about the member for Roberval—Lac-Saint-Jean, “It is a matter of bad faith or lack of imagination.”

My question is for the minister—

**The Acting Speaker (Ms. Denise Savoie):** I would like the minister to be able to answer. The member must ask his question quickly.

**Mr. Robert Bouchard:** Madam Speaker, here is my question. Has the minister heard any forestry industry worker or business owner tell him he was satisfied with what the Conservative government has put in place—

**The Acting Speaker (Ms. Denise Savoie):** The hon. Minister of State for the Economic Development Agency of Canada for the Regions of Quebec.

**Hon. Denis Lebel:** Madam Speaker, I am on the ground every weekend. The hon. member for Chicoutimi—Le Fjord mentioned the people of my riding but he never went to these plants and these shops. I was there and I met the people.

Of course, I cannot say they are 100% happy. We have to keep on working. There is an economic crisis, there is a crisis in the forestry industry and it is a question of market. If these people can sell their lumber, they will not ask for any loan guarantees. Trucks will be running, the forest industry will be prosperous and companies will cut even more wood.

These people know that it is a market issue. Some would like to make a political crisis out of an economic crisis. People know very well that we are working for them and they want us to do more. We will keep on doing our work, fully aware of the problems these people have to contend with. I for one have chosen to be where the action is and where decisions are taken to make a difference in our future.

[English]

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Madam Speaker, I have a question for the minister. He will know that British Columbia has been seriously affected by the forestry crisis and also by the mountain pine beetle devastation that has affected many communities in British Columbia. My question is specifically about first nations communities in British Columbia.

There are 103 first nations communities within the pine beetle devastation area. These communities are very concerned about their ongoing safety. They are concerned about the forest fire danger to their communities. They have been waiting for federal government money to be transferred to the province of British Columbia to assist them in planning around the forest fire danger, setting up firebreaks around their communities, planning evacuations, and all those kinds of things.

Unfortunately, the province has not received the money from the federal government yet to do that. It has made pitches directly to the

federal government for that funding, for \$20 million to start that work immediately, and \$5 million for ongoing work. These are communities that are concerned about their very existence should forest fires break out in this pine beetle devastation area.

My question is, what is the delay? Should people have any confidence in the ability of the government to deliver assistance to forestry communities when it is not being delivered on this very basic issue?

● (1245)

[Translation]

**Hon. Denis Lebel:** Madam Speaker, I know that the pine beetle is a major problem in the west, not only in British Columbia but also in the neighbouring provinces.

I am confident that our Minister of Natural Resources and my colleague from Indian and Northern Affairs—because these are the areas concerned—will handle this file perfectly well. In my region, my riding and the aboriginal community of Mashteuiatsh, we have achieved great things working together.

As for the future of natural resources, we are working with them on a daily basis wherever possible and we will continue to do so in the best interest of all workers. We will continue to seek the most sustainable solutions in keeping with the principles of sustainable development.

**Mr. Steven Blaney (Lévis—Bellechasse, CPC):** Madam Speaker, it is an honour to take part in today's debate on the forestry industry.

It reminds me of the fact that my father started off as a timber scaler. He received his training in Sainte-Croix, near Quebec City. He was said to be very good at flipping the famous 2x4s over to assess their quality. He even worked at the Union catholique des cultivateurs for a wood producers union. As we can see, the forestry industry is linked not only to my family history but to Quebec's history, and that it is deeply rooted in our province. The forestry industry is a renewable resource. We are surrounded with objects made of wood in this chamber. We want efforts to be made to reintroduce wood in major construction works, so as to pass on this desire to future generations.

As the member of Parliament for Lévis—Bellechasse, I have in my riding, and particularly in the county of Les Etchemins, many forestry companies. I think of Rotobec, an export and manufacturing company — products are imported from around the world. I also think of the Audet sawmill, Bois Carvin, and a company from Lévis which was taken under the umbrella of the Ag-Bio Centre, a business incubator that received subsidies from the Economic Development Agency, and developed a biopesticide.

The forestry industry is a pillar of our economy. I have statistics here from the Quebec Forestry Industry Council. In Quebec alone, the economic activity is estimated at \$12.9 billion, with nearly \$4 billion going to wages and \$1 billion going back to our governments. The forestry industry is profitable for governments, and it is in our interest to ensure that it does well. Across Canada, we are talking about close to 300,000 direct jobs and 450,000 indirect ones. This goes to show how important the forestry industry, an industry facing admittedly major challenges, is to our country.



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In Quebec, because we export so much to the United States, a one-cent difference in the exchange rate can result in \$100 million in losses to the industry in energy costs. This industry has been mismanaged over the past few years. Among other factors, there is the cost of the raw materials, whether they come from public or private forests. Several factors have combined to make our forestry industry vulnerable to plant closures—one in six in Quebec—and job losses.

Even if all Quebec companies together did \$13 billion worth of business, they still would not be among the 10 largest companies. There has been some consolidation. A major global phenomenon is happening, and we want to stand by our forestry industry and help it.

I would like to cite one last statistic. Seventy-five per cent of the softwood fibre harvested is used to make lumber or newsprint. Demand for these products is declining, and they are among the least value-added forestry products. Today, I agree with those of my colleagues in the House who have said that it is important to invest in innovation and research, to create new sectors so that our forestry industry can find a niche where it can perform well. I wanted to paint a picture of this extremely important industry.

I would now like to turn to the measures we have included in our economic action plan to support the forestry industry through this crisis. As my hon. colleague, the Minister of State for the Economic Development Agency of Canada for the Regions of Quebec just explained, we will continue working with the forestry industry to help it get through this crisis.

This is a market problem, due in part to the problems our American ally is going through, but it is also a credit problem. We want to work closely with the industry, and that is what we are doing, to help it maintain liquidity so that it can keep making high-quality forest products and stay competitive on the world market.

Access to credit is not only key for the forestry industry, but also for all manufacturing sectors, be it mining or other Canadian companies. That is why the economic action plan is providing \$200 billion for companies, all industrial sectors and families: to help them and ensure that our companies can access cash.

• (1250)

The \$200 billion in the economic action plan has been approved. It was approved here last week with the support of my colleagues, those from other provinces and the support of my colleague from Saint Boniface as well as the member for Roberval—Lac-Saint-Jean. These measures are in place, and we hope to get them off the ground to support our industry, in particular our forestry industry.

We also want to create demand. We know that there is a problem and that there is not much demand. We want to increase demand by improving Canada's building inventory and by stimulating investments in home renovations. That is why we have set aside \$7.8 billion. Perhaps there is someone at home listening today who wants to renovate, invest \$10,000, replace windows or finish a basement. All of these projects require wood. The government can give him up to \$1,350 to encourage him to modernize and protect his assets. That will increase the demand for wood. If only one person does it, that is not much, but if there is \$7.8 billion for the entire

country, it means that many households can do something to stimulate our forestry industry.

As my colleague, the minister and member for Roberval—Lac-Saint-Jean, said a moment ago, we are working closely with aboriginal communities in Quebec and everywhere in Canada. There will be \$400 million injected to improve housing. We know this is a major need. That too will be grist for our mill, our paper mills, as is obviously the case, and we will stimulate demand on that side.

In the economic action plan, we are investing nearly \$12 billion in our infrastructures, and we hope that this will generate economic activity that will help our forestry sector. Certainly the measures proposed in the economic action plan lay a solid foundation to help our forestry product and mining sectors, and the communities that depend on them. In spite of all the measures we put in place in Canada, with the decline in demand in the United States, there may be setbacks, and that is why, in a time of economic upheaval, we have proposed measures for communities and workers, for heads of household who are directly affected by the crisis. We have instituted an older worker adjustment and community adjustment program. We have also implemented measures to promote innovation, develop markets, provide access to credit, as I mentioned, and provide tax relief.

To come back to the measure for communities, that is \$1 billion. We hear the opposition saying there is only \$170 million for forestry. If that money is invested well, it can help our forestry sector, but that is just one of the measures we have implemented. Those other measures include the \$1 billion for communities. That money will go primarily to the forestry sector and other sectors affected by the economic upheaval. This means that \$1 billion will be injected into communities that are vulnerable because of the situation we are experiencing. Those measures will help our workers make the transition, preserve their ability to keep working and, as they say, put bread on the table.

I referred to \$170 million. That is the amount to be spent on innovation. We are talking about it a lot today because that is how we hope to help our forestry sector stimulate its industry.

I would also mention that nearly \$440 million will be available to enable our forestry industries to invest. In the late 1970s, the forestry industry invested and that is what allowed it to make a significant recovery. In the 1980s, the paper mills also invested in treating their waste water, and that is entirely to their credit. They are good corporate citizens that got their emissions under control. So we are stimulating them and creating a favourable situation for them to be able to invest.

I also want to say that we will be supporting workers with an \$8.3 billion program to help them stay in the work force, whether in the company or once they have left the company.

We will continue to support the forestry sector. On this side of the House, we will continue to look for solutions, working with our partners and with industry, so that our industry comes out of this crisis in a better position in global terms.

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• (1255)

**Mr. Robert Vincent (Shefford, BQ):** Madam Speaker, I listened carefully to my colleague's speech and found it very interesting. But he forgot to talk about one thing. Forestry companies are laying off workers and closing plants. Workers who have lost their jobs are therefore going on employment insurance. The Bloc Québécois asked the government to eliminate the two-week period during which people have to wait to receive their first cheque. Here in Canada, we are poor relations because we still have a waiting period. France has none. There, as soon as workers are laid off, they get their first cheque, with no waiting period.

I would like to hear what my colleague has to say about that. What does he think about the Bloc Québécois recommendation to eliminate the two-week waiting period and the fact that we have a new bill that would enable people to immediately receive employment insurance, which they paid into?

**Mr. Steven Blaney:** Madam Speaker, I thank my colleague for his question.

Since we are talking about the forestry industry, sometimes we have to look not only at the trees, but at the whole forest. Last week, my colleague had the opportunity to support the whole forest in Quebec, because a number of measures were put forward to help workers, such as the work sharing measure we proposed. We want to keep forestry workers working. When companies decide to reduce their workforce, the work sharing period is extended. We are also extending the benefit period by five weeks. My colleague had the chance to support these measures, but unfortunately, he remained seated. I am happy I stood up to support these measures. We are talking about several hundred million dollars for worker training. My colleague had the chance to support a whole range of measures last week. Fortunately, we on this side of the House supported them.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Madam Speaker, I listened with much interest to my colleague saying that this forestry industry crisis originated elsewhere in the world. According to him, it has nothing to do with the government policy. But everyone knows that this forestry industry crisis is a result of the softwood sellout agreement that the government signed. This morning, we heard witnesses saying that, in addition to the \$68 million that Quebec and Ontario have to pay, due to the decision made last week, it is expected that the next decision will cost Canadian taxpayers between 400 million and one billion dollars due to all these problems.

Is the member ready to admit that this agreement was a sellout of the Canadian forestry industry?

**Mr. Steven Blaney:** Madam Speaker, I thank my colleague from British Columbia for his question.

It allows me to remind the House of two extremely important facts for the debate today. I want to tell him that the penalties imposed on Quebec and Canada are the reason why extreme caution is to be applied in choosing the measures to put in place so as not to penalize the forestry industry even further.

The second fact is the position of the NDP member, who refused to agree to the return of \$5 billion to the forestry industry. I was listening earlier today to a Bloc member who said that, without the softwood agreement put in place by the Conservatives, the whole

industry would be dead by now. We support the forestry industry. We supported it in the first month after we came to power, in 2006, and we will continue to support it.

• (1300)

**Mr. Peter Julian:** Madam Speaker, it is worthwhile to come back to the subject. I think that the member did not quite understand. Today, in committee, we heard that Canadians, and especially people in Quebec and Ontario, will have to pay \$400 million more. That is a minimum. It is possible that as much as \$1 billion will need to be paid because of this sellout agreement. That is the problem. He did not understand. Last week, we were talking about \$68 million. Now, there is an additional amount of \$400 million. Does the member understand that this sellout was a bad agreement?

**Mr. Steven Blaney:** Madam Speaker, we will continue to make sure that we have access to the American market. Three-quarters of the wood from Quebec goes to the United States. We will maintain our access to the American market and we will continue with good agreements. We will not use protectionist measures in the midst of an economic crisis. It would not make sense.

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Madam Speaker, I will share my time with the member for Trois-Rivières, who does some excellent work.

As a member of the Bloc Québécois, I have the pleasure to speak to the motion put forward by our party.

Let us take the time to read together the motion put forward by the Bloc Québécois.

That, in the opinion of the House, by providing only \$170 million in funding over two years in the latest budget to assist the forestry industry, the government is showing once again its lack of concern for the Quebec economy, which has been hard hit by the forestry crisis, since this amount falls well short of what this industry needs to see it through the current crisis, especially since this funding will serve to extend programs that are ill-suited to the needs of the industry in crisis; the government should therefore establish a real plan as soon as possible to help the forestry industry, a plan including a series of specific, sustainable development measures, including loans and loan guarantees, refundable tax credits for research and development, a policy to encourage the use of lumber in the construction and renovation of federal public buildings and measures to support energy and ethanol production from forestry waste.

The Bloc Québécois motion is intended to be complete in itself. Our colleagues in the other parties should follow the Bloc's example. Quebec is a diversified society in a number of the sectors of its economy. One of the major sectors is the forestry industry. My riding of Argenteuil—Papineau—Mirabel has one of the highest concentrations of hardwood forests in North America. We need to keep abreast of developments in the hardwood forestry industry. In times of economic crisis, that industry faces a rather difficult situation. According to this morning's, *Le Droit*, one of our companies has just had to apply for protection under the Bankruptcy and Insolvency Act because of the weakness of the market. The newspaper was referring to a hardwood floor company in difficulty that has a number of employees. In the Papineau sector of my riding of Argenteuil—Papineau—Mirabel, 45% of jobs are connected to the forestry sector.

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If I chose any other riding in the regions of Quebec, the figures would be more or less the same, that is somewhere between 25% and 55% of the labour force is connected to the forestry sector. The same goes for other provinces in Canada. Every day, the Bloc rises in this House to defend the interests of Quebecers, but we are glad when it also helps other regions of Canada.

One cannot remain unmoved by this crisis, which started long before the financial crisis announced in 2008. It is more than five years since the forestry industry started to ring the alarm bells and to warn the government. We had the softwood lumber crisis and the agreement with the US, which the Bloc Québécois supported precisely because the Quebec forestry industry asked it to. The industrial sector was unanimous on this. The NDP often accuses us of all manner of things in this area, but the Bloc Québécois has always been in symbiosis with those industries. It is all very well to live in a dream world, like the NDP, but there is a hard reality: people are losing their jobs. Business owners are saying they would rather lose a billion dollars than to risk losing it all. That is the choice business made at the time, and we endorsed that choice. That is what it means to be a political party that listens to business and its needs.

• (1305)

This is why we are proposing this motion today. We are still listening to business. The industry has been asking for loans and loan guarantees for several years, not several months. It has been done for the auto industry, but this government is refusing to do it for the forest and manufacturing sectors although it is allowed by international law. This is the reality. Why? Because in a time of crisis, it is rather difficult to obtain financing from the banks. This is the reality. Forestry companies have been in a crisis situation for many years. Even in budget 2008, the Minister of Finance had identified the forestry and manufacturing sectors as simply being in recession. They were already in recession then. Signs were present well before the financial crisis became evident in 2008.

Obviously, when a whole segment of the economy is suffering both in Québec and in other Canadian provinces, it is impossible for us not to be on the lookout and not to try to listen. The Conservatives have proposed a stimulus package with only \$170 million for this sector. This is just peanuts. Excuse me for saying this, but compared to companies' needs, this is close to nothing. This is why we are today asking the government to open their eyes. We need a true plan to help the forestry industry. There is a package for the auto industry. We are not criticizing this plan, quite the opposite. What we wanted in the stimulus package for the auto industry was protection for subcontractors because many of them are in Québec as well as other parts of Canada. We were hoping the plan would have a clause to prevent manufacturers from subcontracting outside of Canada and outside of Québec, but once more, the Conservatives did not listen.

The Conservatives made a choice by tabling a budget that provides only \$170 million for the forestry sector. As hon. members can well imagine, for that reason alone the Bloc Québécois could not support this budget, because we cannot abandon workers in this sector. For example, in my riding, in the Papineau area, 45% of all jobs are in the forestry sector. We simply cannot ignore that industry. As I said, the same is true in all regions of Quebec.

Today, we are proposing loans, loan guarantees and refundable tax credits for research and development. We are not talking about mere tax credits for research and development. In order to get tax credits, one must first pay taxes. However, when companies are going through crises and cannot finance themselves, they are definitely not making profits. If that were the case, they would have no problems finding money. This means that if we only give them tax credits, these companies will not be able to benefit from them. Instead, we are asking for refundable tax credits. If a business has not made profits but is investing, then it would get a cheque from Ottawa. This would also help that company make investments.

We are asking for a policy to encourage the use of lumber in the construction and renovation of federal public buildings. This makes sense. Canada is one of the world's largest producers of lumber. It would only make sense if, in the federal buildings, some of the construction projects would involve the use of lumber. Finally, we are asking for measures to support energy and ethanol production from forestry waste, or biomass. Now is the time to do that. If we want to help these companies, we must invest. One way of diversifying their activities would be to use biomass to produce energy. This could help them increase their production.

Again, if Conservative, Liberal and New Democrat members were aware of what Quebecers are going through, they would support the motion brought forward by the Bloc Québécois.

• (1310)

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Madam Speaker, I found the presentation given by my former colleague from the Standing Committee on Transport, Infrastructure and Communities very interesting.

However, I do not understand one thing. Though this motion, which we will support, the Bloc is trying to fix what it destroyed by supporting the Conservative Party softwood lumber sellout. My hon. colleague will respond that that is what Guy Chevrette wanted. However, in Mr. Chevrette's testimony before the committee at the end of August, he explained that the industry in Quebec is currently being wiped out by this Conservative government. What he wanted was loan guarantees. What did that take? It took an opposition willing to work to stop the softwood sellout and put in place something that would have been more sustainable in the long term.

Quebec lost thousands of jobs because of this softwood lumber sellout. Since last week, Quebecers and Canadians are now being forced to pay an additional \$68 million. Now we are learning that there is more. Because of this softwood sellout, another \$400 million in penalties will be imposed on Quebecers in a few weeks.

Is the member ready to publicly admit what the Bloc Québécois members admit in private, which is that it was a mistake to support the softwood lumber sellout and to help it pass—

**The Acting Speaker (Ms. Denise Savoie):** The hon. member for Argenteuil—Papineau—Mirabel.

*Business of Supply*

**Mr. Mario Laframboise:** Madam Speaker, this question allows me to set the record straight.

First of all, I am pleased that the NDP has decided to support the Bloc Québécois motion. It will now stop living in the past. The problem is that the NDP members are always living in the past. In this case the Bloc Québécois is not to blame. An entire industry and not just one man—Guy Chevette or whoever—wanted the agreement. The entire Quebec industry wanted it. In fact, not just the Quebec industry, but the Canadian industry as well.

As I mentioned, we can always go back over the past but in these international debates, the pattern never changes. The Americans know very well that by the time the winners lose they will all be dead. That is what will happen and what they are doing. They know very well that in the end Canada will win. However, they are sucking the life out of the industry. For that reason we must have loan guarantees. That is the reality. No matter what Americans may think, let us get going and help our companies. If we can support our industries and get them through this crisis, the winners will triumph in two ways: they will have weathered the crisis and they will have money in their pockets. In addition, there will be a nice surplus allowing them to increase employees' wages. Perhaps the NDP should step into 2009 and stop living in the past.

**Mr. Roger Pomerleau (Drummond, BQ):** Madam Speaker, my colleague spoke about the \$170 million over two years for the Canadian forestry industry as being peanuts. That is exactly what it is: peanuts in comparison to the needs expressed by the people in the industry. In my view, he could also call that peanuts in comparison to the amounts given elsewhere, which nobody denies. A total of \$2.7 billion was given to the automotive industry and to banks, without any accountability measures. Three billion dollars will go into the pockets of the Prime Minister for him to spend as he pleases, without being held accountable to the Parliament. The forestry industry really gets only peanuts. I would like my colleague to confirm that.

• (1315)

**Mr. Mario Laframboise:** Madam Speaker, my colleague for Drummond is absolutely right. And he knows the situation very well. What is worse is that the workers in the forestry sector know the situation very well. They are very bitter about the position of the government, and I understand them. If anyone has been following the evolution of this crisis for the past four years, it is the employees from the forestry sector, for whom I have a good thought today. It is not easy for spouses and children when people lose their job. That is the reality. They are the ones members should have in mind when they make decisions here. It is sad to see that the Conservatives, supported by the Liberals, have decided to abandon a whole area of the industrial sector and a whole group of workers.

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Madam Speaker, it is a pleasure for me to rise today in the House to speak about the forestry industry.

Many years ago, Trois-Rivières was the world capital of paper, and there are still many jobs in the paper mills, which are currently in such difficulty. The Mauricie in general has very large numbers of people who work in the forestry industry. An entire segment of our industrial base is redefining itself and trying to find new niches and

novel ways of doing things. That is the main reason why we are proposing this motion today in support of this industry.

It is going through very difficult times. The recent economic and financial crisis has only aggravated a situation that was already very alarming and that the Bloc Québécois has been condemning and debating in the House for years. We certainly must condemn this laissez-faire policy, which prevents us from providing adequate support to this important part of the Quebec economy. In providing only \$170 million over two years in its last budget, Ottawa has flatly turned its back on the entire forestry industry, with the connivance of the Liberal Party.

Over the years, the Bloc Québécois has brought forward a number of ideas to deal with the crisis. For reasons that are often unfortunately purely partisan or ideological, our proposals were ignored, to the detriment of Quebec and its regions. We have suggested a number of specific measures, including loans, loan guarantees, refundable tax credits for research and development, policies to encourage the use of wood in the construction and renovation of federal public buildings, and measures to support the production of energy using ethanol and forestry waste. All these measures should help the industry emerge from a crisis that has lasted too long and should ensure sustainable, viable, profitable development for all the Quebec economy and Quebec society.

I want to say a bit more about these loans and loan guarantees. Ottawa refused to help the forestry industry during the entire softwood lumber crisis. It thereby prevented the industry from modernizing its means of production and improving its productivity. The industry was unable to invest in new equipment and in the development of new products. These investments are necessary, though, for the very survival of the industry. So now the forestry companies are left without resources, totally unable to make the necessary investments. It is all especially obvious in our region of the Mauricie.

Yesterday, Monday, workers in total support of our demands demonstrated in favour of loan guarantees for the industry. AbitibiBowater—the Laurentian plant in Grand-Mère—is asking for special measures to guarantee loans to the forestry industry by the end of March. Last year, the company renewed loans worth \$350 million. Since then, the market has been in trouble, as everyone knows, and demand has shrunk significantly. That is why the employees found themselves out on the street. If loan guarantees were given to this industry, we could keep our workers on the job.

In the St. Maurice Region, the Smurfit-Stone plant in La Tuque applied for protection under Quebec financial legislation. Now we have another 250 employees in the street. This is very disturbing. In the case of AbitibiBowater in Quebec, there are 7,600 employees and 8,900 retirees.

As we can see, therefore, the Bloc's motion today hits the nail on the head in terms of workers' concerns. These investments are important.

*Business of Supply*

Respecting the trade agreement on softwood lumber with the United States was not easy. It was a necessary evil. The government must now, in the wake of the difficulties created by the agreement, help the industry with loans and loan guarantees. It has to support the industry.

● (1320)

This form of assistance, I might point out, is in compliance with the softwood lumber agreement and with NAFTA. The government keeps saying that it can do nothing and is bound by the agreement. We do not think that is the case. We are still awaiting an answer from the member for Roberval—Lac-Saint-Jean on the number of the section preventing such forms of assistance.

Right now, the forestry industry is considered high risk by the bankers. This industry therefore pays a high risk premium when it turns to the financial institutions. The result is that a number of them are unable to get funding. This is why the federal government must guarantee loans. In almost all cases, this measure costs next to nothing. It is not a subsidy. The company repays the money at term. So it is hard to understand the government's refusal to act.

According to the Quebec Forestry Industry Council, if the government guaranteed the loans by the banks to the forestry industry, the rates of interest would be more reasonable, and new projects might even be undertaken. For this reason, the Bloc Québécois, the sole defender of the Quebec forestry industry in Ottawa, is presenting this motion to correct the errors of both the Liberals and the Conservatives and to have the federal government grant loans and loan guarantees to the businesses hit so hard by the crisis in the manufacturing sector and for so many years.

Let us now talk about the second measure proposed in this motion, namely refundable tax credits for research and development. Research, innovation and development are the pillars on which an industry shapes its future. Increasing productivity, discovering new products and accessing new markets are critical to the development and survival of the Quebec and Canadian forestry industry.

During a crisis such as the one that the forestry sector is experiencing, the industry cannot be left to fend for itself. That is why, in our stimulus package, in our motion today, and in fact since the beginning of the crisis, the Bloc Québécois has been proposing refundable tax credits for the forestry industry.

I want to say a few words on measures to support energy and ethanol production from forestry waste. All the governments have come to realize that in order to find our way out of the crisis—as we can see in the United States—we must not only intervene in the economy, we must also help and fund tomorrow's economy, so that it will create jobs and opportunities for the future. The U.S. administration understands that and is investing in green and renewable energies.

Producing energy and ethanol from forestry waste is a perfect example of a traditional economy trying to develop new markets. For example, the Mauricie is one of four regions in Quebec that have been selected for calls to tenders to use forestry biomass to gradually replace fossil fuel. I should also mention that, as early as in 2010, the Amqui hospital centre, in Quebec's Matapédia Valley, is going to be

heated with forestry biomass. It will be the first facility to do so in eastern Quebec.

In the Mauricie region, and elsewhere, we have reconciled the economy and the environment. Using that approach allows us to reduce our greenhouse gas emissions, diversify opportunities for our forestry industry, and make our region wealthier. Implementing measures to support energy and ethanol production from forestry waste would help diversify markets for forestry companies, revitalize regional economies that depend on this resource, reduce our dependency on oil, lower our energy costs, and give our entrepreneurs the help they really need in their plans for the future.

In conclusion, we must realize that the moneys committed to the Conservative trust in 2008 are inadequate. The distribution of the money from that trust between the provinces is unfair. Quebec is getting \$2,300 for each job lost, while Alberta is receiving \$25,000. Let us not forget that 40% of all communities that depend on the forestry sector are located in Quebec. That is why I am urging hon. members to support this motion presented by the Bloc Québécois. The solutions that it proposes will help this important industry in all of Quebec.

● (1325)

[*English*]

**Hon. Shawn Murphy (Charlottetown, Lib.):** Madam Speaker, I agree with a lot of what my colleague had to say in her speech. The forestry industry has been a disaster over the last number of years. Approximately 20,000 jobs have been lost and I do not see anything being done in the House. This did not start with the recession. It started three or four years ago with the softwood lumber agreement, which was a major disappointment. It provided \$1 billion to the American competition to fight us and that will probably be used for the next 10 years. I see us being shut out of that market or our capacity diminished greatly.

The member talked about the \$1 billion community development trust fund. I analyzed that and I did not see any conditions or strings attached to it that indicate it would help any forestry worker or any town that was affected by the downturn in the forestry industry.

Since it looks like we will have difficulty in the American market right now, does the hon. member see any new markets that Canada should be exploring on this issue?

[*Translation*]

**Ms. Paule Brunelle:** Madam Speaker, certainly new markets could be explored, and that is why we are calling for loan guarantees and loans for our companies to do research and development, which will help them to stabilize. As well, when we talk about the 2009 budget and the \$170 million granted for the forestry sector, we can only lament the low priority the government is giving it, when we know that \$2.7 billion is being given to the auto industry in Ontario.

We have to understand that the auto industry represents 500,000 workers, but the forestry industry represents 825,000 workers. We can see that their priorities are misplaced. We can see that when the government created this trust fund and this assistance for communities, it allocated the money unfairly.

*Business of Supply*

We also understand what the member is saying, that the amounts are inadequate.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Madam Speaker, I always listen to the member from Trois-Rivières with great interest. Usually, what she says makes sense, but today, it makes somewhat less sense. It is the decision by the Bloc to support this sellout agreement of the Conservative Party's that brought about the disaster in Quebec's forestry industry. Several thousand Quebecers have lost their jobs, and now they are begging the Bloc to reverse its position. Why? It is simple. The anti-circumvention clause is now so broad that the Americans will challenge any decision made in Quebec or elsewhere in Canada to assist the forestry industry. Loan guarantees would provoke a reaction from the Americans, and it would be coming out of Quebecers' pockets again: \$68 million last week, and another \$400 million to come.

Is the member prepared to admit in public what the Bloc Québécois members admit in private, that supporting this agreement was a monumental mistake?

**Ms. Paule Brunelle:** Madam Speaker, it is unfortunate that my colleague is not as pleased with my remarks today, but I could say the same thing about his.

What we have to understand is that the softwood lumber agreement is behind us. The industry strongly recommended and asked that we support that agreement, because people were genuinely going hungry. Certainly battling the Americans is like David and Goliath, and the solutions are indeed not very simple. That is why we have to look ahead now. We have to look at where this industry is going and what we can do to support it. We have neglected it for too long. Certainly, in our opinion, loan guarantees are the essential element of all the measures we are suggesting in this motion. I was pleased to hear just now that the NDP will nonetheless be supporting the motion. There is a desire to support the forestry industry, and that is a very good thing.

• (1330)

[English]

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.):** Madam Speaker, it is an honour to stand in the House today to discuss this very important issue.

Coming from the province of Newfoundland and Labrador, forestry certainly plays a great role. In my hometown of Bishop's Falls, which is in the Exploits Valley next to Grand Falls—Windsor, the major centre, forestry has played an essential role for my family, as well as others in my community.

Over the years, whether it be through the sawmills, the newsprint industry itself or the lumberyards, forestry has been an essential component to the economy of the area I represent, which is so rich in its natural resources. Yes, we do have the fisheries as one of our mainstays, and it has been described as the backbone of the economy of the outport of Newfoundland and Labrador, but forestry has played a role in that as well.

I will comment on the history, where we have been and eventually explore where we are going in a few moments but first I will discuss the motion that was introduced by my hon. colleague from the Bloc.

The opposition day motion states:

That, in the opinion of the House, by providing only \$170 million in funding over two years in the latest budget to assist the forestry industry, the government is showing once again its lack of concern for the Quebec economy, which has been hard hit by the forestry crisis....

To a great extent, I understand where the Bloc members are coming from and I understand the gist of what they are saying but it leaves a lot of the more vulnerable people in the forest industry out there. It leaves them sort of tethered to hopes that have been vanquished in recent years because of the economy and because of the industry itself. Even before the recession that we have slid into, there were always problems with the newsprint industry with the onslaught of modern communications and technology advances being what they are. Obviously, this has become a key issue for the entire industry, and not just for Quebec in this particular situation.

I understand this is a major issue in Quebec and, on a per capita basis, there certainly is a greater dollar value than probably any other jurisdiction in North America. However, it also reflects on the entire nation and the entire continent of North America.

I have mentioned before in this House the fact that we have a closure upon us in the town of Grand Falls—Windsor that will affect the bottom line of the entire province given that its output was so great. That mill was owned by AbitibiBowater. It decided a few months back to close the mill after 100 years of existence. We can all imagine how important this is. It will put close to 1,000 people, including loggers, mill workers and the stevedores in the town of Botwood, out of work. This will have a lasting impact.

That is the major reason I am talking about this issue today but I also wanted to reflect upon why we are here, which is to voice the concerns of our constituents in the case of this particular industry. I do believe the government has a great role to play in this industry.

Moving along on this particular motion, it also talks about a plan for certain areas in which it hopes the government will invest, which would certainly be of benefit to the region. However, the question now becomes whether it goes as far as it should and, personally, I do not think it does.

The Bloc motion does put forward some particular measures that I feel are very important, such as the sustainable development measures. We are dealing with a renewable resource, one that has anchored many communities in rural Canada for the last 100, 200, 300 years. Some communities were built upon it. Communities exist today because of it and will continue to proceed whether they have a large newsprint mill, a paper production mill or an integrated lumberyard. Opportunities still exist for them.

However, the government has a role to play here and one that I believe is key. I do not want to divide this debate into what is a bailout as opposed to an investment. That is where we come in. Where the two sides of the House may differ on this argument is on exactly what they consider to be a bailout. There is always the connotation in a bailout that it is some kind of a waste of government money. I do not know whether that is true or not. I do not think we as politicians sit down and weigh the pros and cons of each particular investment to the point where we decide whether it is good or not for our constituencies.

*Business of Supply*

●(1335)

The other thing the Bloc motion talked about was the refundable tax credits for research and development, which is absolutely key. A wood product has so much value and so many areas go untouched, areas that provide so much potential for all these communities, not just for the particular companies or individuals who own sawmills or lumberyards, but for the entire community itself. We are talking about year-round employment that provides a great deal of income for families to sustain larger families. We all know the traditions by which paper towns grew up. The children of many of the people who have great jobs in mills also get the same jobs and so on and so forth.

The mill in my riding has been around for 100 years and, as I mentioned earlier, it sustained my family and my neighbour's family. This is why we are here to talk about this important issue. I applaud the initiative that is coming from the Bloc and just how important this is. However, I would caution the Bloc members to expand it beyond just one particular jurisdiction. I hope they will address that in the next little while.

The motion also calls for a policy to encourage the use of lumber in the construction and renovation of federal public buildings and measures to support energy and ethanol production from forestry waste. That is a very good idea and a good option at hand that we do not talk about too much.

However, it is not just about the construction of buildings. I will give the House a fine example. In Europe right now there is a tremendous market for wood pellets as a source of energy and heat. This is one area, at least in my area of the country, that we have not explored to its fullest. When we think about it, with energy costs rising, wood pellets provide a cheaper alternative, depending, of course, on the price of the product one is buying, the actual wood pellets.

Therefore, the industry of developing, marketing and the production of wood pellets needs to evolve and mature to a place where we can provide a low cost product when it comes to energy. That is a good example where government can play a huge role. It could give subsidies to the individual consumer, which the provincial government did recently, but also incentives for the industry to basically make a greater profit.

One of the ways the industry can do that is for the government to be a good valued customer for wood pellets. It is possible not only in federal government buildings but some of the incentives that the government talks about when it comes to home renovations. This could be used, I hope, for this particular scenario. It is environmentally sustainable and it is a renewable resource. I hope the federal government as well as the provincial governments across the country will look at this as a good opportunity for economic development. That is one example that this particular industry can lend itself toward not only creating jobs but also reducing energy costs for the individual and for industry itself.

I would like to talk briefly on the history of the forest industry in my province. A lot of this will parallel many of the other situations across the country on just how the forest industry has evolved to create such great value added products.

For the first 400 years after the discovery of Newfoundland and Labrador, the forest was used almost exclusively as a support for the fishery. It became this tertiary activity to support a much larger effort. In addition to the construction of premises, wood was essential for fuel. It was then and it is today. It was also used for boat building, the construction of stages and flakes that, 400 years ago, were so essential.

We will find that a lot of communities, as I stressed earlier, were based upon their ability to take the wood from the forest and turn it into something else for the value of other industries. That is essentially what we have come down to. The industries in my area, all over the province and all over Atlantic Canada still take full advantage of that.

By the mid-1800s, it was apparent that the fishing industry could not support the population entirely. Therefore, to assist in diversifying the economy and developing the forest and mineral resources of the interior of Newfoundland, a railway was constructed across the island. The trans-island railway was completed in 1898 and it had two major influences on the province. One was access to the interior and two was the 145 blocks of land comprising nearly 4,000 square miles granted to the reconstruction railway. However, it also allowed interior regions of my province, much like others, to develop the forest industry 100 to 150 years ago. That was an essential component to the development of a lot of our economies.

●(1340)

That is the historical impact of the forest industry. I know we have debated this issue so much because it means so much to us. It is not just a rural component or issue. This also helps develop the cities in which we live and the entire economy itself. A tremendous amount of workers across the country rely on the forest industry and, in many cases, they get unheralded.

I do not mean to take away from other industries that are also lining up for stimulus money and for investments from the government to allow their industry to flourish, and I speak of the auto sector and agriculture. However, the forest industry, with its historical context alone, should tell us that this should always be at the forefront. On every agenda, whether it is a federal agenda, a provincial agenda or a municipal agenda, forestry should always be in that front part. There is so much value added into these products and we have so much to gain from this.

I commend the people from all parties who have spoken already on this. They truly know the importance of this industry.

Up until the early 1900s, it was not considered necessary to protect the forest resource. I guess it is one of those things that maybe has suffered from neglect because the debate was always about other industries and forestry was sort of just shoved to the side.

*Business of Supply*

Unfortunately, in many situations that happens to this day. That is why we stand in the House and argue so vehemently for the right investments in this industry. I cannot think of a better time to be talking about this than now, during the economic crisis that we are under. One thing we have to realize is this. If we are to harvest a resource, if the people we represent are to be the principal beneficiaries of every natural resource, then it is a responsibility for us to allow industry to develop a product to its fullest. Value-added products, whether it be the fishery, manufacturing, textiles or forestry, is where we fit in to allow these people to extract as much profit as they can from this resource but, at the same time, to sustain the communities and the resource. That is what is imperative to us.

I do not think government should just get out of the way. Let us talk about that right now.

A lot of people will say that if the forest industry is what we say it is, then it will survive on its own. That is not necessarily the case. The problem is communities die as a result of this. It is so labour intensive and it takes so much from our land. It is not only about the wood; it is about the power we harness on the rivers in order to fire up the mills. It is also about the community living structure, the social structure in which we live. To me that represents the key to this argument. That is why we have to get involved and play a role. That is why we stand here today and debate.

We can talk about the fine points. We can talk about the profit margins for a particular company. We can talk about the fact that we want to provide the incentive for a lumber yard to branch out into other types of products. That is what is key. We operate on the margins, but the bulk of the industry relies on the people who work day and night in our forests and also in the mills and in the ports that ship it out. This is why we stand here today.

I will take a moment to bring forward a few quotes.

These are some of the points I received in an email from Bob Dingwall, president and CEO of Jamestown Lumber. I would rather bring his points out than just my own because he is someone who is absolutely hands-on with the entire industry. He writes that forestry, of course, is the mainstay of rural economies in many parts of Canada. He says, "Canada's forestry infrastructure, which includes huge amounts of human-skilled capital, in addition to the physical assets associated with the production of forest products cannot be allowed to further dissipate. It can't be pulled off the shelf for the next generation's benefit in the future global economy".

• (1345)

That is very true. Forestry cannot be thought of in two, three, four-year increments. We have to start talking about generations of rural Canadians, urban Canadians and Newfoundlanders and Labradorians. We have to plan for the next generation forestry workers. Will they be different than today's workers? Most likely, yes, but at some point we have to grasp the vision as to what this industry will be. It is essential for that community. There is no way around this.

Unfortunately, being involved in politics, where we run on four-year mandates, or in this Parliament maybe one or two-year mandates, we have to realize that the long-term vision is key to what we debate. If we lose sight of that long-term vision, our rural communities and the entire nation in general does not have anything

on which to hang. Sometimes, as I said earlier, we push forestry aside to its detriment.

We are not asking for a nationalized institution for the way forestry is run. We want to encourage private investment, but there has to be a positive influence by all levels of government.

Mr. Dingwall brought up other points. One was Scotiabank's commodity price index, which is a very important fact. In some of the other industries, such as metals and mining, the commodity price index assigns an index weight. Metals and mining is 16.6% as an index and oil and gas is 16.8%.

According to Scotiabank's commodity price index, what is its assignment of an index weight? It is 39.8%. That is how much value is placed on what we produce. Many people rely on this industry and that one piece of lumber, that one tree, and the harvesting of it.

Yes, we cut it down. Yes, we can create wood pellets and byproducts of wood, such as wood shavings, wood chips, the actual lumber itself, which is the massive part of this, and, on the back end, newsprint, paper products. All of this stuff is taken from a renewable resource.

One thing the federal government has neglected in the past little while is silviculture. I hope that in the near future we will have a debate on the role of the federal government involved in silviculture, which is why I endorse the idea of a national summit for the forest industry.

Some people might ask why we would gather all these people in one city to talk about forestry. That is where can have a frank discussion among government, industry and the unions as well, such as the Communications, Energy & Paperworkers Union. These are the stakeholders. They have a vested interest in seeing this resource replenished and in ensuring we get the value from this resource.

I also want to talk about the situation in Bonavista—Gander—Grand Falls—Windsor. As I mentioned, it has been around for about 100 years. Earlier this year the mill closure was devastating news. However, keep in mind that the resource at the very base of this mill belongs to the people. Should we expropriate the rights on the river to harness the power and to go into the forest to cut down trees for profit? Yes, we own it and we have to be the stewards of that resource. We are the ones who have to protect the concept that the principal beneficiary of this resource is the collective, the people who put us in power.

I would like to make that point clear because I think a lot of people have lost that point. Industry has a role, but it is not the be-all and end-all of harvesting this resource.



*Business of Supply*

Hopefully I will get some time following question period to continue my thoughts. I thank the House for listening to me and I welcome any questions or comments.

• (1350)

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Madam Speaker, I listened with interest to my colleague. I assumed that at some point in his 20 minute oration he would request the House to allow him a do over on his vote in support of the softwood lumber agreement. Unfortunately, the predictions the NDP made were correct. The contract designed by the Liberals and then implemented by the Conservatives with the Americans allows the Americans to decide when they do not like what a province does.

I can recall Liberals and Conservatives alike saying that this would allow for peace in our trade relations with the U.S., that the Americans would no longer apply tariffs to our wood. Hundreds of millions of dollars have been charged to Ontario and Quebec and future charges will be charged to British Columbia and the others.

Is there no regret at all in the hypocrisy of standing in the House and saying that he will be defending softwood lumber and lumber industries across Canada when it is coming to bear right now? At present, the cumulative effect of this perfect storm, a terrible agreement, a downturn in the housing market is destroying mills across northwestern British Columbia and Canada. This agreement allows the Americans to apply punitive damages against Canadian companies and provinces at their own discretion.

I enjoyed the member's comments, and we are good friends. However, is there no sense of regret over having rushed that bill through, having agreed to absolutely fall down with the Conservatives when it came to defending Canada's interests in the softwood lumber market?

**Mr. Scott Simms:** Madam Speaker, certainly notable exceptions have taken place with the softwood lumber deal. I agree with him that the money was left on the table and problems have been created as a result of that in this trade dispute. I suggest that he and others to go back to what I talked about earlier, and his party supports a forestry summit, and that is to talk about this industry in the context in which we are. He brought up the fact that we were in the context of a downturn. That started well before the recession took over.

One of the issues I had with the other side was the community trust fund. The accountability record on the community trust fund has been abysmal.

I will ask the government this. What does the community trust fund do for someone who has been laid off and is now looking for work in the town of Grand Falls—Windsor? My local newspaper, the *Grand Falls Advertiser*, recently did a story about Mr. Glen Frampton. After working so long in the mill, he is unable to find work, but also the accreditation to continue the skills he learned in the mill. How does the community trust fund help out a person like Mr. Frampton when it is for industries that have failed?

This debate should be about how we protect those failing industries. The investments we make should maintain the mills. My mill is closing at the end of this month. What will the trust fund do to keep this mill open? Probably very little, and that is the debate I want to bring to the House.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Madam Speaker, Liberals have been rising in the House to criticize the softwood lumber sellout that they put through the House and the Senate. My colleague from Skeena—Bulkley Valley asked a very valid point. This whole agreement has blown up in the faces of those who pushed it forward: \$68 million charged last week; an anticipated \$400 million in charges coming in a few weeks, as my colleague mentioned; other lawsuits coming toward British Columbia and Alberta; and thousands of lost jobs.

I know the member to be a fair man. Could he simply rise and apologize to those thousands of Canadians who have lost jobs because of the softwood sellout. Could he apologize for the hundreds of millions of dollars in penalties that Canadians have been forced to pay? Could he just rise and apologize on behalf of the Liberal Party for inflicting this on Canadians?

• (1355)

**Mr. Scott Simms:** Madam Speaker, I do not want to suggest the member has taken leave of his senses, but I will leave it at that.

When we rise in the House and talk about an issue as important as this, what bothers me the most is some parties demean this issue. They talk about the divisions to conquer for their own self-interests. What bothers me is they do not stand up for people who are most—

**Mr. Nathan Cullen:** Self-interest? You wrote the book.

**The Acting Speaker (Ms. Denise Savoie):** Order. The hon. member has the floor.

**Mr. Scott Simms:** Madam Speaker, I would just like to say this, in addition to what I have talked about earlier, in regard to this particular industry and what it faces right now. We need to ask this particular government and all parties in the House to pull together to find a solution here for these people who are the most vulnerable.

Let us talk about the EI issues. Let us talk about the fact that most of these people who find themselves most vulnerable now are just not eligible at this point to claim EI. That is a huge issue, not just in forestry but all other industries.

I want to ask these particular members, and others, to stand up for these particular issues, so that we can protect the most vulnerable in our society, not just in forestry but others.

**Mr. Peter Julian:** Apologize.

**Mr. Scott Simms:** Madam Speaker, apologize? I have represented my constituents since 2004, and I apologize not to him and not to anybody else in this House, because that is what we are here to do.

**Hon. Geoff Regan (Halifax West, Lib.):** Madam Speaker, I congratulate my hon. colleague for his speech today and for his answers. I noticed that after the first question came from the NDP, the member for Skeena—Bulkley Valley, who asked the question, did not listen. He is not listening now. He was then and is again engaged in a discussion with Conservative colleagues across the way. I think it is important that if one asks a question, one listens to the answer, and perhaps if the second NDP questioner had heard the answer to the first question, he would not have asked the same question.

*Statements by Members*

I would like to ask my hon. colleague this question. What does he think of the idea that was proposed by the natural resources committee last June which talked about the need for a national summit, led by the Prime Minister, of the forestry industry to look at the problems that were already existing? We still have not seen that summit.

**Mr. Scott Simms:** Madam Speaker, I neglected to mention this last time. It is funny how the NDP members will rise in the House to take credit for a budget that occurred several years ago, but when they take credit for that budget, they never mention any one moment of reform of the EI system. It is funny. It is called the politics of convenience, I believe.

Nonetheless, let me get to the situation that my hon. colleague from Halifax West talks about. The national forestry summit should prove to be a great conversation had by all.

Sometimes the echo is deafening, Madam Speaker, but I will continue despite that. I will say this about—

**The Acting Speaker (Ms. Denise Savoie):** I would like to call the members to order out of respect for the member who is speaking.

**Mr. Scott Simms:** Madam Speaker, it is quite the workout I am having today.

I want to give an example of a summit in this particular situation because a lot of people say it is not really necessary, but it is. It has worked in the past. In the province of Newfoundland and Labrador we had a fisheries summit that was chaired, incidentally, by a gentleman I know who used to sit in this House. His name was Loyola Hearn and he chaired the summit. What came out of that summit were some of the policy initiatives that we have today, some not so good, others pretty good, but it basically created a crossroads of communication for which I commend my former hon. colleague, Mr. Hearn, for doing at the time, and I wish him all the best, incidentally.

Nonetheless, that is the conversation that we need to have each on a provincial basis, as well as in a national forestry summit, to consolidate opinions and to allow the free flow of communications from unions, industry, and definitely from our government.

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## STATEMENTS BY MEMBERS

• (1400)

[English]

### INFRASTRUCTURE

**Mr. Gord Brown (Leeds—Grenville, CPC):** Madam Speaker, I am pleased to state that our government listens to Canadians and we act on their behalf, and nowhere is that more positively demonstrated than in my riding of Leeds—Grenville.

Canadians, including those in my riding, told us that they needed infrastructure money to move critical projects forward. This government delivered.

One of the many important projects is the Port of Prescott, where crumbling docks will be rebuilt. This is an inland, deepwater port where dry bulk cargo is transferred and stored. The port services

municipalities throughout eastern Ontario, providing storage and delivery of road salt, and farmers with grain storage and shipment.

Without this critical dock, thousands of transport trucks would be driving across Ontario delivering salt for roads and delivering corn. Our government—

**The Acting Speaker (Ms. Denise Savoie):** The hon. member for Davenport.

\* \* \*

### PORTUGUESE CANADIAN COMMUNITY

**Mr. Mario Silva (Davenport, Lib.):** Madam Speaker, on March 28, 2009, Armindo C. Silva is to be honoured by the Portuguese Canadian community for his many years of public service. A wise man once said, “Only a life lived for others is a life worthwhile”. Armindo Silva is the embodiment of this ideal.

He arrived in Canada in 1961, started his own business, studied and received a master's degree in business administration from the University of Toronto. He has had a very successful business career. However, it is his work on behalf of others that we will celebrate this year. He is a founding member of the Federation of Portuguese Canadian Business and Professionals. He has pioneered scholarships for young people, worked as a fundraiser for the United Way, and served on the mental health advisory board of the Toronto Hospital.

These are only a few of his accomplishments. He brings to life a passion for community service and a deep understanding that we all have a responsibility to make our communities and our country a better place for all of us.

On behalf of all members of Parliament, I am pleased to recognize and honour the community service of an outstanding man who is an example to us all, Mr. Armindo C. Silva.

\* \* \*

[Translation]

### QUEBEC INTELLECTUAL DISABILITY WEEK

**Mrs. Ève-Mary Thāi Thi Lac (Saint-Hyacinthe—Bagot, BQ):** Madam Speaker, I am pleased to speak today about Quebec Intellectual Disability Week and its slogan promoting greater empathy.

This is a week to be open to differences and recognize that those who live with intellectual disabilities are full-fledged citizens. I myself have had a number of enriching experiences, having been a host family for the Centre de réadaptation en déficience intellectuelle de la Montérégie-Est and a sponsor for Parrainage civique. I can assure you that I came out of these experiences a better person.

I would like to thank all of the volunteers who work in this area and I would encourage people to get more involved with the wonderful people living with an intellectual disability. I am proud to say that the riding of Saint-Hyacinthe—Bagot is blessed with a large number of services to help those living with intellectual disabilities.

[English]

### TIBET

**Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP):** Madam Speaker, today we commemorate the 50th anniversary of the Tibetan national uprising. Fifty years ago, 300,000 Tibetans surrounded the Dalai Lama's palace to protect their young leader from the Chinese military. That dedication to the Dalai Lama is today reflected not only here in Canada but worldwide.

The NDP reaffirms its commitment to supporting human rights in China, including the collective self-determination rights of the people of Tibet. The government of China must respect freedom of religion, speech and assembly for Tibetans. I would remind the House that on February 15, 2007, the House of Commons gave unanimous consent to a motion by NDP MP Peggy Nash. It said:

That, in the opinion of the House, the government should urge the government of the People's Republic of China and representatives of Tibet's government in exile, notwithstanding their differences on Tibet's historical relationship with China, to continue their dialogue in a forward looking manner that will lead to pragmatic solutions that respect the Chinese constitutional framework, the territorial integrity of China and fulfill the aspirations of the Tibetan people for a unified and—

**The Speaker:** The hon. member for Medicine Hat.

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### CITIZEN AND JUNIOR CITIZEN AWARD

**Mr. LaVar Payne (Medicine Hat, CPC):** Mr. Speaker, I recently had the opportunity to attend the 2009 Brooks citizen and junior citizen of the year awards ceremonies.

Mr. Joe Yarrow was the citizen of the year recipient. Since arriving in Brooks 48 years ago, he has dedicated 45 years to the Brooks Fire Department, 49 years to the Royal Canadian Legion, 42 years to the Elks, and has donated over 400 units of blood. Joe is truly a remarkable man whose dedication and commitment to his community and its citizens are second to none.

Jessie Wang was the recipient of the Brooks junior citizen of the year. Jessie's community involvement includes organizing a student exchange trip and volunteering at the Brooks Health Centre. She is involved with over half a dozen local, national and international organizations, all while attending high school and tutoring some of her classmates. She is an outstanding and accomplished young lady.

On behalf of my constituents, I offer Joe and Jessie our sincere congratulations on their awards.

\* \* \*

• (1405)

### HUMAN RIGHTS

**Mr. Francis Valeriote (Guelph, Lib.):** Mr. Speaker, I ask the House to join me in congratulating the Pakhtunkhwa Peace Forum for its efforts to draw attention to the violation of human rights and terrorist action in Swat, Pakistan.

Over the past two years, more than 300 innocent civilians have been killed and more than 800,000 have been displaced in the Swat Valley as a result of fighting between Pakistani Taliban groups and the military. In addition, more than 200 schools have been destroyed, depriving 120,000 girls of needed education. The peace forum held a

### Statements by Members

successful rally in Toronto last month in a show of solidarity with the citizens of Swat.

I invite the government and, indeed, all of the House to condemn the killing of innocent civilians, the displacement of others and the destruction of schools in Swat, and request that it provide humanitarian aid to all those affected.

\* \* \*

### SMALL BUSINESS

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** Mr. Speaker, small business is the engine of economic growth and will be the main driver of economic activity as we navigate our way out of this current economic downturn.

As governments wrestle with appropriate stimulus packages and many major transnational corporations are forced to significantly downsize their operations, it is the small business sector that continues to operate efficiently, and in the process creates and maintains jobs and contributes to our GDP.

On Friday, February 27, I had the honour of hosting the Minister of State for Small Business and Tourism at a round table forum of small business leaders from Edmonton—St. Albert. We enjoyed a frank and open discussion of some of the challenges and also some of the successes of the entrepreneurs operating within my constituency.

One such enterprise, the Tudor Glen Veterinary Hospital, was honoured that night at the Alberta Business Awards of Distinction for demonstrated excellence as a small business.

I would like all members of the House to congratulate all successful small businesses, the backbone of the Canadian economy.

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[Translation]

### SPECT'ART RIMOUSKI BROADCASTER

**Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ):** Mr. Speaker, I would like to highlight the extraordinary work of regional concert presenter Spect'Art Rimouski, which was awarded the Rideau/XM Radio Satellite top concert presenter prize in February at the Capitole de Québec. The award honours Spect'Art's boldness, ingenuity and excellent work in the field of artistic direction.

Spect'Art also received another major award, the 2008 Félix for Quebec performance venue of the year. Many industry stakeholders, including the Réseau des organisateurs de spectacles de l'Est du Québec (ROSEQ), praised the regional concert presenter's contribution and its collaboration with other performing arts organizations.

I, too, would like to congratulate Spect'Art on receiving this award and on everything it has accomplished.

*Statements by Members*

[English]

**NORTHERN IRELAND**

**Mr. Deepak Obhrai (Calgary East, CPC):** Mr. Speaker, in recent days we have been witness to tragic events in Northern Ireland, including the murder of two soldiers and a policeman.

We offer our sympathy to the families of the victims of these cowardly acts.

Canada condemns these incidents. These cynical acts of violence are the work of a small number of disaffected individuals who want to turn back the clock on the progress that has been made in establishing a lasting peace in Northern Ireland.

Canada and Canadians have consistently supported the cause of peace in Northern Ireland.

Canada stands steadfast in its support of the governments of the United Kingdom, Ireland and the political parties in Northern Ireland in their efforts to consolidate the gains of the peace process.

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[Translation]

**BURT PAULIN**

**Hon. Dominic LeBlanc (Beauséjour, Lib.):** Mr. Speaker, it gives me great pride to rise today to congratulate the new Liberal member from New Brunswick, Burt Paulin. Elected last night in the byelection in Restigouche—La Vallée with more than 53% of the votes, Burt Paulin toppled a former Conservative stronghold in New Brunswick.

The Conservatives never would have believed they could lose that riding, which had been held for so long by the new senator, Percy Mockler. But alas, the popularity of the Graham government, the efforts of our colleague from Madawaska—Restigouche and Burt Paulin's skills sent a very strong message to the Conservatives.

●(1410)

[English]

Conservatives in Ottawa and in Fredericton ignored the crisis facing forestry workers, failed to help seasonal workers by improving employment insurance, and turned their backs on small, rural communities. Last night those consequences came home to roost in New Brunswick.

\* \* \*

[Translation]

**LIBERAL PARTY OF CANADA**

**Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC):** Mr. Speaker, the director of news content for the *Chronicle Herald* said that “George Baker is a troublemaker”. The *St. John's Telegram* scoffs that he is looking for publicity. Rex Murphy writes that Senator Baker's support for a sovereigntist Bloc Newfoundland and Labrador “is useless mischief”. According to an editorial in the *Globe and Mail*, Senator Baker “should be repudiated, not indulged”.

There are many damning statements about the sovereigntist Liberal senator. But remarkably, we have heard nothing from the

leader of the Liberal Party. In fact, you might say his silence is deafening. The title of the *Globe and Mail* editorial probably says it best: “Intolerable in a national party”.

Will the Liberal leader finally stand up, follow the advice of the *Globe and Mail* and many other Canadians, stop indulging a sovereigntist senator and kick Senator Baker out of the Liberal Party?

\* \* \*

[English]

**HEALTH CARE**

**Ms. Chris Charlton (Hamilton Mountain, NDP):** Mr. Speaker, when it comes to protecting public medicare, no community stands up as united as my riding of Hamilton Mountain. We rallied to save Henderson General Hospital. We rallied to save the VON services. We rallied at Michelangelo's to oppose the ideological funding cuts that threaten the quality of our care.

Hospital building projects are important, but they will stand as meaningless monuments to medicare without investments and staff.

In Hamilton, hospitals are balancing their budgets by cutting and centralizing services. In the process, Hamilton Health Sciences is axing 300 positions, while St. Joseph's is cutting 175.

Canada needs 26,000 doctors immediately just to meet the OECD average. By 2016 we will be short 113,000 nurses and half of all medical technologists will be eligible to retire. Cuts to staff mean cuts to care.

In this deep recession, economists all agree that strengthening our social safety net is a key government responsibility. Investing in medical personnel will benefit both health care and our economy in the short term, and will create lasting jobs that will strengthen our footing when we emerge from the recession. Clearly the time to act is now.

\* \* \*

**LIBERAL PARTY OF CANADA**

**Mr. Dean Del Mastro (Peterborough, CPC):** Mr. Speaker, racist comments about cat being served in a public restaurant, bullying the Ontario public broadcaster, and being fired by one of the nation's leading Israeli advocacy organizations would amount to a bad year for anyone. Then again, it is only March 10.

Welcome to the Warren Kinsella gaffe watch. The senior adviser to the Liberal leader loves his own voice so much that now it is coming back to haunt him. The Liberal Party asks him for advice, in his own words, “all the time”. Despite that responsibility, in his latest action he wrote an email threatening the Canada-Israel Committee and then claimed his bullying is “not a threat”.

He should be more cautious about what he says. If the Liberal leader were as smart as his Harvard teaching stint would suggest, he would fire Mr. Kinsella so that he would be free to stick his foot in his mouth whenever he liked without a negative impact on the Liberal Party.

*Oral Questions*

Will the Liberal leader commit today to firing his senior adviser, Warren Kinsella?

\* \* \*

[*Translation*]

**TIBET**

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, I rise in the House today to commemorate the 50th anniversary of the uprising of the Tibetan people in Lhasa. This was followed by a series of Chinese repressive measures, forcing the Dalai Lama, the spiritual and political leader of Tibetans, to seek exile in India. According to the Tibetan government in exile, these measures resulted in the deaths of 87,000 Tibetans who held to their convictions and their pride in their people.

So it has been 50 years since Tibet tried unsuccessfully to gain some measure of autonomy. The cultural fabric of the Roof of the World is weakening. Tibet's history books have been rewritten and the Tibetan language is no longer taught in secondary schools.

It is time to adopt a comprehensive approach that takes into account the interests of all parties involved, rather than taking one side or the other, so that Tibet may gain real autonomy and the commemoration of these events will not be in vain.

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**THE CONSERVATIVE GOVERNMENT**

**Mrs. Lise Zarac (LaSalle—Émard, Lib.):** Mr. Speaker, the Conservatives' partisan appointments are raising eyebrows among immigration lawyers and the Haitian diaspora.

The Privy Council, the Prime Minister's own department, approved the appointment of Pharès Pierre as a member of the Immigration and Refugee Board.

This appointment already smacks of cronyism because Mr. Pierre worked in the Conservative Party executive in the Saint-Jean riding. He was also vice-president of the Quebec wing of the Conservative Party. However, it gets worse. Mr. Pierre was the cabinet leader for Prime Minister Yvon Neptune in the regime of President Aristide, who can hardly be said to have enjoyed unanimous support.

This is clearly a new attempt by the Conservatives to influence the policy for welcoming new Canadians in order to select those likely to support the government politically.

How can we believe for even one second that Mr. Pierre's political involvement will not affect his judgment as a board member? The Prime Minister has some explaining to do.

\* \* \*

•(1415)

[*English*]

**LIBERAL PARTY OF CANADA**

**Mr. Daryl Kramp (Prince Edward—Hastings, CPC):** Mr. Speaker, last month Warren Kinsella approached members of the Canada-Israel Committee to ask them for a favour. When they declined, he got mad.

In an email dated February 18 sent to members of the Canada-Israel Committee and the Canadian Jewish Congress, Kinsella said, "If they proceed with this, it will be a huge mistake, one they will regret profoundly". He went on to say, "As far as the Liberal Party of Canada goes, if I am asked for my advice, and I am all the time, I will say that the Canada-Israel Committee has utterly marginalized itself, and that it is not a voice we need necessarily heed going forward".

Is this what the Liberal leader expected when he hired Kinsella, that he would use his position to cut off access to the Liberal Party?

Whether it is his opposition to the seal hunt, or his warning that Chinese food might contain cat meat, or his support for a Liberal MP's attendance at a Tamil Tiger rally, or his threats to the Canada-Israel Committee, Warren Kinsella is offending community after community. It is time for the Liberal leader to fire him.

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**ORAL QUESTIONS**

[*English*]

**THE ECONOMY**

**Mr. Michael Ignatieff (Leader of the Opposition, Lib.):** Mr. Speaker, why is the Prime Minister telling Canadians in Brampton that we will be out of this economic crisis by 2010? It is a nice forecast and I hope it is true, but he is the same Prime Minister who said, "If we were going to have a recession we would have had it by now". That was in September 2008. His reputation for credibility has never recovered. Why should we believe his forecast now?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, the Prime Minister and his government have an economic plan for Canada, Canada's economic action plan. It is a great read. I know the members opposite want to read it. I know they have only had about five weeks to get through it. It has lots of pages and it is a big read, but I encourage the members opposite to take the time on behalf of Canada to read it. Unlike their leader, we actually have an economic action for Canada.

**Mr. Michael Ignatieff (Leader of the Opposition, Lib.):** Mr. Speaker, Brampton, where the Prime Minister gave his speech, happens to be a place where 1,100 Chrysler workers lost their jobs in 2007 and 3,000 more jobs are hanging by a thread in 2009. The government is on a faraway planet. The Prime Minister said nothing about those workers in his speech.

When will the government stop spinning the facts about the reality of our economic situation and tell Canadians the truth?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, in fact, the Prime Minister did mention the auto sector in his remarks. I am sure the Leader of the Opposition would like to retract saying that he did not.

The reality is that in the month of December, the Premier of Ontario and the Prime Minister announced in Toronto that they would participate in trying to assist in the auto sector. Meetings have been held at the highest levels of the American administration, the former administration and the new administration of President Obama, including last Thursday in Washington, in order to try to advance this cause.

*Oral Questions*

The Minister of Industry is fully engaged and we are working toward a resolution for Canadian workers.

[*Translation*]

**Mr. Michael Ignatieff (Leader of the Opposition, Lib.):** Mr. Speaker, I will try again in French. Today, in Brampton, the Prime Minister boasted about the Canadian economy being relatively healthy, but he is out in left field.

When will he admit that Canadians are now losing their jobs twice faster than the Americans? When will the Conservatives take off their rose coloured glasses about the Canadian economy and start telling it like it is?

• (1420)

[*English*]

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, I agree that economic times are difficult, that many Canadians are losing their jobs. That is why we have an economic plan for Canada.

We have a challenge in the Liberal dominated Senate. This is a question of leadership.

Here is a quote: "We think it's important to pass this legislation expeditiously and I'll be talking to the Senate to make sure they get the message. We made it clear that we are not pursuing an amendment strategy here. We want this money out the door. I'll pass that message in no uncertain terms to the Senate".

Who said that? The Leader of the Opposition. The message is not getting through. He needs to go down the hall and tell the Senate to pass the bill.

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**FINANCIAL INSTITUTIONS**

**Hon. Dan McTeague (Pickering—Scarborough East, Lib.):** Mr. Speaker, at this perilous time in our economy, credit card companies are bilking Canadian business and consumers by raising their hidden fees for credit card transactions on our merchants.

We now know that these same credit card companies want to do the same thing to our low cost, effective debit card system. These fees are having a devastating impact on business and consumers at precisely the wrong time.

Will the government undertake immediately to protect consumers and business from these greedy and unnecessary hidden fees and increases, or is this business failure very much a part of the government's economic plan?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, of course Canadians need to have access to credit, not only access to credit but access on reasonable terms. That is why in the budget we introduced the extraordinary financing framework of up to \$200 billion to help make sure that we have reasonable access to credit in this country.

I hope the member opposite will encourage the Liberal senators down the hall, whom he knows, to make sure they act this week and do not go off on holidays next week. They cannot say they have constituency work because they do not have constituencies.

[*Translation*]

**Hon. Dan McTeague (Pickering—Scarborough East, Lib.):** Mr. Speaker, I am talking about merchants, not the political games the minister wants to play.

A discount merchant told us that prestige credit cards have made his transaction fees increase by 39%. This adds up to a loss of \$800,000 in his case. The government is remarkably passive on that issue. Other countries have already started regulating credit cards.

Will the Prime Minister and his minister show initiative and do the same? What are they waiting for? For our businesses to go bankrupt under this government?

[*English*]

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, if the member opposite would bother to read the budget implementation bill, he would see the provisions in the bill requiring a minimum grace period on new purchases made with a credit card, improving debt collection practices, requiring clear and timely advance notice of changes in rates and fees. All of that in terms of regulatory power would be given to the Minister of Finance under the budget implementation act.

What is important, I say to the member for Pickering—Scarborough East, is that we get that bill through the Senate and get royal assent so we can help Canadians get better credit.

\* \* \*

[*Translation*]

**FORESTRY INDUSTRY**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, in his Brampton pep talk, the Prime Minister added nothing to his insufficient stimulus plan, but instead focused on the importance of positioning the country to ride the recovery wave. The problem is that a lot of people might end up drowning because the Conservatives still do not have a plan to help forestry companies.

Instead of remaining unresponsive, will the government finally help the forestry industry by offering loan guarantees?

**Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC):** Mr. Speaker, as always, our Prime Minister is playing a leadership role for the entire Canadian economy. We all know that the Canadian forestry industry has some serious problems, and the recent London ruling should prompt elected members of all parties to take a very serious look at the situation. Given that all loan guarantees provided by Quebec and Ontario are now subject to arbitration, I will not comment further at this time.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, what the minister just said is unbelievable. For one thing, the London ruling has nothing to do with loan guarantees. For another, the government is paying lawyers in London to argue that loan guarantees are legal. And now the minister says that he cannot talk about it even though his lawyers are talking about it and saying that it is legal.

*Oral Questions*

When will he stop bowing down before the Americans and stand up for the forestry industry, particularly Quebec's forestry industry?

• (1425)

**Hon. Stockwell Day (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC):** Mr. Speaker, every day in the House, we hear about the Bloc's concerns about what lawyers working these forestry-related cases need. We do not really care about the lawyers' needs; we care about forestry industry workers' needs. That is why we have programs for them.

**Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ):** Mr. Speaker, this morning, at the Standing Committee on Finance, Eric Siegel, president and CEO of Export Development Canada, stated that his organization had given loan guarantees to the forestry industry, this in compliance with the NAFTA treaty and the softwood lumber agreement.

Instead of hiding his groveling by using false legal excuses, will the minister follow EDC's example, stand up for his region and provide the forestry industry with loans and loan guarantees?

**Hon. Stockwell Day (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC):** Mr. Speaker, the majority of business leaders in the forestry industry are involved and are cooperating with Export Development Canada to get some support, some financing for their companies and workers. Once again, it is us who are concerned about workers' needs, unlike Bloc Québécois members who are concerned about the needs of bankers and lawyers.

**Mr. Serge Cardin (Sherbrooke, BQ):** Mr. Speaker, the three law firms representing Canada before the London Court of International Arbitration are unanimous that loan guarantees to the forestry industry are perfectly legal under the softwood lumber agreement.

Will the government finally abandon its ideological approach and provide loan guarantees to the forestry industry?

**Hon. Stockwell Day (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC):** Mr. Speaker, of course we have an ideology: it is to provide support to workers, to people who are currently experiencing difficulties.

What do we hear day in and day out from Bloc members? We hear about problems with lawyers and courts. We on this side are concerned about programs that work, programs that will help companies and workers in Quebec and across Canada.

\* \* \*

[English]

### THE ECONOMY

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, the Conservatives' reckless fiscal policies have led Canada into the worst recession in a generation, but when it comes to the economy, the best that our missing-in-action peekaboo Prime Minister can do is to hightail it out of town to point fingers of blame at everybody else instead of taking a little responsibility.

Meanwhile he is proceeding with the slow and steady death of the auto sector, forestry, mining, steel, and the list goes on. While he is in Brampton saying, "Don't worry, be happy", the Minister of Finance is telling the Senate that things are going wrong.

Who is right, and who is in charge?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, it is pretty clear to everybody in the world, actually, except perhaps the leader of the NDP, that there is a synchronized global recession. We can look at the GDP numbers in Japan. We can look at the decline in GDP in China. We can look at the numbers, especially in eastern Europe and western Europe as well. Canada is faring relatively well. We went into this recession with the strongest fiscal position in the G7 because we had paid down \$38 billion worth of debt over the first three budgets. We are in a much better position to weather this storm than other countries.

[Translation]

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, the government is breaking records when it comes to economic mediocrity: the worst GDP performance in 18 years; the first trade deficit in 33 years; and, finally, our exports have gone down for a sixth consecutive semester, which is a first in 60 years!

Will the government assume a minimum of responsibility for Canada's dismal economic performance? Yes or no?

[English]

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, of course we have taken on the responsibility, unlike the leader of the NDP, who did not even bother reading the economic plan for Canada before he decided to vote against it. Now, that is reckless disregard for Canadians.

This is the economic plan for Canada. We take responsibility for it. We want to implement it, and we hope the Liberal Senate will let us do that on a timely basis.

• (1430)

**Hon. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, excuses do not cut it for the quarter of a million people who have been thrown out of work since the last election. When these unemployed workers turn to the government's job bank website to get a bit of help and maybe a bit of hope, what do they get? They log on and they are greeted by a message saying there are technical difficulties. Well, no kidding. How can we have any confidence in a website about the slush fund when the government cannot even get its job bank website working?

**Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC):** Mr. Speaker, we are doing everything we can to ensure that all Canadians have access to all the labour market information and all the job information they can. Unfortunately, we have unprecedented numbers of people looking to the job bank. We are working to update it to ensure that it is robust enough to withstand the demands upon it. We are working on that to serve Canadians.

*Oral Questions*

[Translation]

**CITIZENSHIP AND IMMIGRATION**

**Hon. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, we have learned today that the Conservative government recently appointed Pharès Pierre, former chief of staff of the Prime Minister of Haiti during the Aristide regime, to the Immigration and Refugee Board of Canada. Given the importance of the Haitian situation for Canada, it is a source of concern that such an appointment has taken place. The Haitian diaspora is justifiably concerned.

Two questions arise with respect to this appointment. Why did the Minister of Citizenship and Immigration recommend Pharès Pierre as a board member, and did the security report not mention Mr. Pierre's political past in Haiti?

**Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC):** Mr. Speaker, I share the hon. member's concerns about this. I learned of this person's political connections this morning. His file was recommended to me by the CIRB, however, and it has a pre-selection process. He passed the Privy Council security checks.

I spoke today with the head of the Board and with my deputy minister to get his opinion on how to handle this matter.

**Hon. Denis Coderre (Bourassa, Lib.):** Mr. Speaker, the minister assumes responsibility for this appointment, fine, but he says he was not aware, and that holds no water. So it is one of two things: either he signs appointments blindly, or he signed this one on the recommendation of the political lieutenant of the Quebec Conservatives.

In committee today, the Minister of Citizenship, Immigration and Multiculturalism said that, had he known, he would not have appointed Mr. Pierre. Now the harm is done, will he withdraw his recommendation of Mr. Pierre as a board member and will he have cabinet cancel the appointment?

**Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC):** Mr. Speaker, unlike the system under the Liberals, the new system for appointments to the IRB enables people to make public and transparent applications to the board. It makes pre-selections and then submits names to me. There is a system for security checks at Privy Council.

As the bottom line, I am responsible for the recommendations I make to cabinet. I am concerned about the connections this person had in the past with certain politicians in Haiti. This is why I will now be examining this file.

\* \* \*

[English]

**ARTS AND CULTURE**

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Mr. Speaker, the new Canada media fund has not been well received by the independent production industry. Claire Samson, president of the association of film and television producers of Quebec, says that the government is about to kill this industry. She said the new funding criteria, based on performance, would greatly reduce the production of documentaries and the numbers of jobs that are related.

Why is the minister trying to wipe our documentary industry off the map?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, the Canada media fund is what is in Canada's best interest.

We are merging it together with the Canada television fund in order to make it more efficient for the future. It will be \$310 million for the production of Canadian content on multiple platforms. It has been well received.

I invite those who have concerns to simply look at the proposal and what has been said about it. Pierre Karl Péladeau said, "We now have reason to think that the necessary conditions will be created to promote the development of a strong and creative production industry..."

Everybody will benefit from it, from the broadcasters to the producers, and it is good for Canada.

● (1435)

[Translation]

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Mr. Speaker, Judith Brosseau, senior vice-president of Astral Media and a member of the board of directors of the Canadian Television Fund, believes that reducing the membership of that board from 21 to 7 will have a very negative impact. On the one hand, the expertise of the industry representatives on the board will disappear in one fell swoop, and on the other, there will be a flagrant lack of independence, because broadcasters, who have their own vested interests, will appoint five of the seven board members.

Why take a stand in favour of one segment of the industry over the other? What is he hiding?

[English]

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** This is ridiculous, Mr. Speaker. It is modernizing a fund to create more Canadian content on more platforms. That is what is needed for this industry. Going forward, it is precisely what is needed.

With regard to the governance structure, it is a governance structure that needed to be amended and improved. It was recommended by the Auditor General. The Auditor General identified problems with the old Canadian Television Fund board. We put forward proposals. We did our consultations. We have come up with a governance model that will be independent and effective, and it will serve Canadians better.

[Translation]

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, the recent announcement by the Minister of Canadian Heritage and Official Languages about the Canada Media Fund did not make everyone happy. The minister says he based his decision on the criteria for success and what viewers want, adding that people will pay for what they want.

By using commercial success as the Canada Media Fund's main funding criterion, is the minister not stifling boldness, creativity and innovation?



*Oral Questions*

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, absolutely not. This member always votes against the needs of our country's creators. In this Canada Media Fund, an investment of \$310 million will be used to create Canadian content. One third of that money will be reserved for French-language productions. She voted against this measure. As usual, she voted against Quebec and the needs of our country's artists.

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, I invite the Minister of Canadian Heritage and Official Languages to say that in front of the artists.

Artists are worried about being left out of the decision-making process in favour of funding providers.

If the minister is so concerned about creativity, why do artists no longer have any role to play in the new structure, except as members of an "advisory" group?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, that is completely false. As usual, my colleague is talking here in the House without her facts, without even a briefing. I can give her this information so that she can show up here in this House with the facts.

\* \* \*

**CITIZENSHIP AND IMMIGRATION**

**Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ):** Mr. Speaker, we have learned that Pharès Pierre, former chief of staff to the prime minister of Haiti under the controversial regime of Jean-Bertrand Aristide, has been made an IRB commissioner. The Minister of Citizenship, Immigration and Multiculturalism has appointed an individual who was a member of a government that practised torture and who was involved in atrocities.

The minister cannot hide behind the fact that it was an IRB recommendation, since he makes the final decision. Can he explain why he made such an appointment?

**Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC):** Mr. Speaker, I thank the hon. member for his question, but I am not hiding anything. As I said in committee and here in this House, I take full responsibility for all the appointments and proposals made to cabinet in this matter. However, all candidates are subject to a preselection process carried out by the IRB, as was the case for the individual in question, and he passed the security screening with the Privy Council Office.

That being said, I am concerned about his ties to Haiti, which is why I am following this file very closely.

**Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ):** Mr. Speaker, the Conservatives are hiding and ducking the issue under false pretenses. The only plausible explanation for this appointment is that Pharès Pierre was the vice-president of the Conservative Party executive in Saint-Jean, and was vice-president of the Quebec branch of the Conservative Party. This is a partisan appointment, and that is the real explanation.

Will the government promise to reverse this shameful appointment?

**Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC):** Mr. Speaker, as I said, there is a new, transparent process overseen by the IRB for the preselection of candidates. The individual in question was not involved in the current Conservative Party. I personally did not know this man, and I was not aware of any partisan involvement here in Canada, or in Haiti. I accepted the IRB's recommendation, but I am concerned about his ties to certain political figures in Haiti, which is why I spoke with the chair of the IRB and my deputy minister to resolve this matter.

\* \* \*

● (1440)

[English]

**PENSIONS**

**Hon. Judy Sgro (York West, Lib.):** Mr. Speaker, a constituent of mine, Mario, called my office this morning. He was very concerned about how his property taxes, utilities, food and medications are all going up, but his pension is not. These are difficult times, making it extremely hard for pensioners across Canada to manage.

What can I tell Mario the government is going to do to help him weather this storm?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, pensions are a matter of significant concern. There are pressures on pension plans across the country. As we know, many of the pension plans rely on their equity investments as part of the funding for their pension plans. This is the reason we took certain steps in the budget to assist the pension plans in terms of what is called "smoothing" and providing longer periods of time to repay capital to pension plans.

It is also why my parliamentary secretary is conducting a consultation that is starting soon all across Canada to gather information. It is a complex issue and must be handled carefully.

**Hon. Judy Sgro (York West, Lib.):** Mr. Speaker, the current market conditions have Canadians very worried about the long-term viability of their pensions. Canadians want concrete action, not speaking points. People need real solutions, and I am sure the minister knows that.

Apart from his one-man show, what concrete actions will the minister take to protect Canadians' pensions, which continue to be hit by the recession and the Conservative inaction?

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, as far as the one-man show goes, I could not think of a better man for the job, quite frankly, than the member being asked to do it.

Pensions are a complex issue. Federally we only regulate about 10% of pension plans in this country. The provincial ministers and I have worked carefully together on this issue. The member opposite is correct that the pension issue needs to be addressed carefully, thoughtfully and thoroughly, and I am happy that my parliamentary secretary has undertaken this work.

*Oral Questions***SCIENCE AND TECHNOLOGY**

**Ms. Kirsty Duncan (Etobicoke North, Lib.):** Mr. Speaker, according to the OECD, Canada lags behind other G7 nations in investments in science. We have all seen how President Obama has made research and development a key plank of his stimulus package. So why are Canada's three granting councils—social science, natural science and health—coping with extreme financial shortfalls following January's federal budget?

Why has the government turned its back on knowledge?

**Hon. Gary Goodyear (Minister of State (Science and Technology), CPC):** Mr. Speaker, the member is absolutely incorrect. This country is first in the G7, and second only to Sweden in the OECD.

In the previous three budgets, this government supported the granting councils with over \$200 million in new funding that is ongoing every year, and I am glad the member supported those budgets.

**Ms. Kirsty Duncan (Etobicoke North, Lib.):** Mr. Speaker, I believe those facts are incorrect.

In order to attract the best and brightest to this country and at the same time avoid a brain drain, we must invest in research in all subject areas, yet the government wants to direct funding only to the research it approves of.

Since the government was unable to predict the current economic crisis, what makes it think it can predict the research that will be most beneficial to Canadians?

**Hon. Gary Goodyear (Minister of State (Science and Technology), CPC):** Mr. Speaker, in just this budget alone, this government has put in \$5.1 billion: \$50 million for the Institute for Quantum Computing, the next generation of computer language; \$80 million for transformative technologies; \$87 million for Arctic research of all kinds; \$3.5 million for internships; \$87.5 million to the Canada graduate scholarships program; \$250 million to modernize federal labs; \$500 million for Canada Health Infoway.

I would go on, but I am losing my voice.

\* \* \*

•(1445)

**CHILD CARE**

**Mr. Dean Allison (Niagara West—Glanbrook, CPC):** Mr. Speaker, yesterday we learned from *The Epoch Times* that the leader of the Liberal Party wants to do away with our \$1,200 per child universal child care benefit.

Could the minister of HRSD comment on the Liberal leader's latest pledge to take choice in child care away from parents?

**Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC):** Mr. Speaker, unlike the leader of the Liberal Party, on this side of the House we will continue to stand up for parents and give them real choice in child care. Unlike the Liberal leader, we will not take away the UCCB that provides \$2.4 billion a year to families to help them provide care for their two million children.

Unlike the Liberal leader, we believe in Canadian parents and their ability to choose what is best for their children.

\* \* \*

**AUTOMOTIVE INDUSTRY**

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, workers at General Motors are showing leadership, but after the unprecedented sacrifice auto workers made yesterday, the minister turns to them and says that it is not enough.

What is not good enough is that there is no national auto strategy, no protection for pensions, and we are just sitting by watching jobs go to Michigan and Mexico. That is what is not good enough.

When will the government admit that its inaction led us here and that it is time to do something substantial for a change?

**Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC):** Mr. Speaker, of course, our Minister of Industry and our Prime Minister have been showing tremendous leadership on this file right from the start.

It was recognized in a comment made by industry expert Dennis Desrosiers the other day, when he said:

[The finance minister and the industry minister] have been brilliant in how they've handled this going way back...They came out weeks ahead of the American government...They really deserve a lot of credit.

I am sure that in the follow-up question the hon. member will be giving them some credit.

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, how about some quotes from all those auto workers who lost their jobs? Those are the real people that the member should be listening to.

If we had a national auto strategy like the Conservatives promised months ago, General Motors would be viable in Canada. We would not be crossing our fingers and hoping for the best. We would be taking the necessary leadership to ensure the long-term viability of the auto sector in Canada.

The CAW has shown that leadership. Now it is time for the minister to do the same.

On behalf of the workers and pensioners who have given so much, when will the government start to act and listen to them, and stop attacking the worker families who, by no fault of their own, have been thrown out of their jobs?

**Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC):** Mr. Speaker, the hon. member knows that everything in this budget was focused on helping those workers, helping their families, helping Canadians keep jobs.

I want to quote the NDP member for Hamilton Mountain, who on January 29, in this House, said, "Every single important piece that people in the community were looking for is mentioned." She said that of the budget.

I want to ask the hon. member why his party would vote against a budget that contained "every single important piece that people in the community were looking for".

*Oral Questions*

[Translation]

**SCHOLARSHIPS**

**Mr. Nicolas Dufour (Repentigny, BQ):** Mr. Speaker, the Minister of State for Science and Technology is once again trying to disguise reality. The budget plan clearly states, on page 107, and I quote: “Scholarships granted by the Social Sciences and Humanities Research Council will be focused on business-related degrees”.

Will the minister stop playing with words and reconsider his ideological takeover attempt of university research, which is unanimously condemned?

[English]

**Hon. Gary Goodyear (Minister of State (Science and Technology), CPC):** Mr. Speaker, what the member is failing to do is to consider the fact that there are pre-existing scholarships. Those scholarships continue. The member laughs, but in fact the member just did not read the budget in totality.

These are new programs. The pre-existing scholarships and internships remain, and they continue every year from now on. This year we created 2,500 new scholarships and 600 new industrial internships, because that is what we were asked to do by Canadians and this—

• (1450)

[Translation]

**The Speaker:** The hon. member for Shefford.

\* \* \*

**SCIENCE AND TECHNOLOGY**

**Mr. Robert Vincent (Shefford, BQ):** Mr. Speaker, besides the Conservatives' ideological takeover attempts, the scientific community is concerned about their refusal to respond to the financial needs of universities for research. The association's executive director, Mr. Turk, finds it bewildering that money will actually be taken away from the three granting agencies.

Will the Conservatives finally understand that preparing the future means investing in people and ideas now?

[English]

**Hon. Gary Goodyear (Minister of State (Science and Technology), CPC):** Mr. Speaker, once again I want to remind the member opposite that this government put \$5.1 billion of new money into science, technology and innovation. Everything for the Canadian Space Agency, this member voted against. There is money for the Canada Health Infoway. This member and his party vote against that stuff.

There is money for cancer research. There is money for health care information. There is money for Internet and telecommunications. There is money for everything to do with improving this country's innovation. That member, along with the NDP, votes against that stuff.

\* \* \*

**TRANSPORTATION**

**Hon. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, the government has billions of dollars right now to create jobs, yet to

date there are no jobs and no projects. There is, meanwhile, one legacy project with great economic spinoffs, a high-speed train from Quebec to Windsor, that cries out for action. It would create 127,000 jobs in just the construction phase alone, according to several of the dozen feasibility studies that have been conducted so far.

Why not get on the job and issue a request for proposals from the private sector and get this project on track?

**Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, I am sure this was right at the top of the priority list, if they had only got that fifth term.

We are working constructively with the Government of Quebec and with my premier, the Premier of Ontario. We recently announced we were moving forward with a study to look at the cost of this important project. We are committed to working with my premier and the Premier of Quebec to constructively evaluate this project.

The one group of people standing in the way of help for the unemployed is a group of people down the hall, the Liberal Senate. He should get them to act.

**Hon. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I guess that means there is no political will to do anything.

Yet in France, Germany, Spain, Italy, China, and now even Britain and the United States, they are building the future with Canadian high-speed train technology. They have experience and recognize the economic and environmental benefits of high-speed trains. Their projects are classified as nation builders.

Today in Canada we have the money, we have the expertise, but the government lacks the political will. What is it about nation building that so intimidates the government?

**Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC):** Mr. Speaker, that gentleman comes from a party whose notion of nation building was to cut \$25 billion from our hospitals and doctors. It was to bring in the sponsorship scandal, probably the biggest destruction to national unity, certainly in my lifetime.

We have an important economic action plan. Step by step, we are getting it done, but I implore, I beg my friend from Eglinton—Lawrence, could he go down and talk to the Liberal senators and tell them to stand up for hope, to stand up for opportunity, to stand up for new jobs, and to support our economic action plan?

\* \* \*

[Translation]

**ARTS AND CULTURE**

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, the government has used the economic crisis to attack the CBC. Yesterday, the minister announced that the government would be cutting the new Canada media fund for the CBC. It is refusing to support the corporation's request for stable funding, and it still owes the corporation \$60 million.

*Oral Questions*

The result? Regional stations will have to close and jobs will be lost. Why has the minister launched a campaign to destabilize the CBC?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, this is completely untrue. Grants to the CBC will reach \$1.17 billion this year, the largest investment in the history of our country.

• (1455)

[English]

I only have that report in French.

However, my hon. colleague talked about the announcement we made yesterday, about the Canada media fund and what it means for the CBC.

Here is what it means. Hubert Lacroix said:

The new Fund is designed to make sure that Canadians have access to more of the popular drama, comedy and children's programming that they want to watch, when, how and where they want to watch it.

CBC supports what we are doing. It is good for Canada.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, if that were true, he would give the CBC the \$60 million that he is sitting on. The minister's spin will not keep our local television stations going. In fact, if we look at the lack of accountability and how he stripped it from the Canadian Television Fund, the broadcasters have been kicked off, the CBC has been kicked off, independent television producers have been kicked off. He has taken a \$130-million public fund and turned it into a private club for the cable giants.

Why has the minister thrown out the public interests to protect the vested interests of a cabal of the five giant cable companies?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, the member says we are kicking the Canadian Television Fund. The Canadian Television Fund supports the Canada media fund; it supports what we are doing. The member says he speaks for the Canadian Television Fund. The Canadian Television Fund says we are speaking for them. This reform, \$310 million for more Canadian content on more platforms, is going to serve Canada's future.

The NDP members are only upset because this is a great idea that they did not think of. They voted against the budget before they read it. With \$310 million for the best interests of Canadians, we are getting the job done.

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**NATIONAL DEFENCE**

**Mr. Devinder Shory (Calgary Northeast, CPC):** Mr. Speaker, for years under Liberal governments the Canadian Forces suffered from a lack of financial support for essential equipment and support systems that our men and women in uniform require.

Yesterday our government continued with our agenda to strengthen the Canadian Forces with measures that will also help 250 highly skilled General Dynamics workers in Calgary.

Could the Minister of Public Works please inform the House of the important national defence contracts that were announced yesterday?

[Translation]

**Hon. Christian Paradis (Minister of Public Works and Government Services, CPC):** Mr. Speaker, I would like to thank my colleague from Calgary Northeast for his question.

Citizens in Calgary, as well as those in the Ottawa-Gatineau region, will benefit from two contracts announced yesterday. The first is with General Dynamics and the other with Thales Canada in order to update the Land Command Support System.

Canadians will benefit from considerable defence spending that will ensure that hi-tech jobs will be created and maintained here in Canada. We are serious about rebuilding the Canadian Forces.

[English]

Once again, where the Liberals failed, we are getting the job done.

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**SRI LANKA**

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, when Canadians in the Tamil community are worried sick about their relatives in Sri Lanka, the Conservative government continues to look for reasons not to act. The humanitarian crisis in Sri Lanka's northern Vanni region is rapidly becoming a catastrophe. International crisis groups are telling us that the situation is deteriorating by the day. Yet the Conservative government is not listening.

Will the Prime Minister now commit to supporting the call to appoint a UN envoy for Sri Lanka, one who will address human rights and assist in an ongoing and lasting peace process?

**Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC):** Mr. Speaker, you will recall that we have been extremely active on this file. We have taken action. As a matter of fact, I have been in touch with India's foreign affairs minister as well as India's foreign affairs representatives. We have reviewed it.

My colleague, the minister responsible for international aid, also has been very active in terms of helping the needy and the civilians with a complement of humanitarian aid.

We have been very active and we are getting the job done.

\* \* \*

[Translation]

**DOMTAR**

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Mr. Speaker, on January 27, I asked the minister about the 425 employees of the Domtar plant, in Lebel-sur-Quévillon, who lost their jobs following a lockout. She told me to wait for the budget. I have read and reread the budget and it does not contain a solution to this problem. In this specific case, exceptions to the law apply to prisoners, but not to the Domtar workers. That does not make sense.

Will the government support the Bloc Québécois bill in order to remedy this situation and allow many workers—

**The Speaker:** The hon. Minister of Human Resources and Skills Development.

• (1500)

[English]

**Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC):** Mr. Speaker, there are very great challenges in these tough times for a great number of people. We have a framework and we intend to stick with that framework.

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#### SCIENCE AND TECHNOLOGY

**Ms. Niki Ashton (Churchill, NDP):** Mr. Speaker, using smoke and mirrors, the government claims to support Canada's students and researchers but it is paying \$90 million in new graduate scholarships by cutting \$148 million in research grants. It is not an increase. It is a cut.

Thanks to the Liberal support for the budget, the Conservatives have overruled arm's length agencies for their own ideological purposes. This is an attack on academic freedom.

When did the government decide that it knows better than the Social Sciences and Humanities Research Council of Canada which projects should get funding and which should not?

**Hon. Gary Goodyear (Minister of State (Science and Technology), CPC):** Mr. Speaker, it is very clear that the member and many of the members opposite have not read the budget clearly. This government has increased the Social Sciences and Humanities Research Council budget by 50%. On top of that, in this budget we added \$87 million for more scholarships. In fact, the NRC received an additional \$200 million for IRAP which helps whatever industries want help in and whatever area of research they deem to need it.

That is what this government is doing. I wish—

**The Speaker:** The hon. member for Fleetwood—Port Kells.

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#### BROADCASTING

**Mrs. Nina Grewal (Fleetwood—Port Kells, CPC):** Mr. Speaker, media has become so much more than the daily newspaper or the dinner hour newscast. The Internet and other new media have changed the way viewers watch their favourite television shows.

Could the Minister of Canadian Heritage and Official Languages please explain how the government has responded to the changing broadcast landscape?

**Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC):** Mr. Speaker, after the announcement yesterday, Ivan Fecan, of CTVglobemedia, said, "Congratulations to [the] Minister...for putting the audience first in the creation of this fund".

That is what we are trying to do. We are merging together the old Canada media fund and the Canada television fund to create the Canada media fund. This will support industry, Canadian content,

#### Oral Questions

official languages, aboriginal content and the content that Canadians want to watch on the platform on which they choose to watch it.

This is about modernizing the way we make investments so that it serves Canadians better. It is what we were elected to do and we have delivered.

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#### REVENUE CANADA

**Ms. Judy Foote (Random—Burin—St. George's, Lib.):** Mr. Speaker, the Government of Canada encouraged fishers of Newfoundland and Labrador and Quebec to voluntarily retire from the fishery in return for a retirement benefit. Hundreds of fishers took the offer. Unfortunately, the government taxed that benefit 100% instead of the required 25%.

The fishers have been trying to get the government to return the thousands of dollars taken from them unfairly but the government has refused.

Will the Minister of Fisheries and Oceans intercede on behalf of those fishers and get the government to return to them the money they are owed?

[Translation]

**Hon. Jean-Pierre Blackburn (Minister of National Revenue and Minister of State (Agriculture), CPC):** Mr. Speaker, when the fishers sold their licences, they became subject to capital gains tax pursuant to the Income Tax Act. Some fishermen protested, even though we intervened in an attempt to have the tax owing reduced somewhat. However, given that the matter is still before the courts, I will not speak any further about this.

[English]

**The Speaker:** Order. That will conclude question period for today.

The hon. member for Berthier—Maskinongé on a point of order.

[Translation]

**Mr. Guy André:** Mr. Speaker, I seek the unanimous consent of the House to adopt the following motion:

"That, notwithstanding any Standing Order or usual practice of the House, Bill C-336, An Act to amend the Employment Insurance Act (labour dispute) be deemed to have been read a second time and referred to a Committee of the Whole, deemed considered in Committee of the Whole, deemed reported without amendment, deemed concurred in at report stage and deemed read a third time and passed."

**The Speaker:** Does the hon. member for Berthier—Maskinongé have the unanimous consent of the House to move this motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

*Business of Supply*

[English]

**POINTS OF ORDER**

## ORAL QUESTIONS

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** Mr. Speaker, during question period, in a statement made by one of the Conservative members, it was suggested that the Leader of the Opposition had said that a Liberal government would take away the universal child care benefit. The Leader of the Opposition has never, ever stated that and has never believed that. That member should retract that statement and clear the record.

• (1505)

**The Speaker:** I am not sure that the hon. member is rising on a point of debate rather than a point of order. The hon. members may feel that it is a point of order but, in the view of the Chair, it is not because it has nothing to do with procedure. It has to do with arguments about what is right and what is not. As hon. members know, judicious though I may be, I am not a judge and do not decide who is right and who is not.

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**ROUTINE PROCEEDINGS**

[English]

**CANADA'S ECONOMIC ACTION PLAN**

**Hon. Jim Flaherty (Minister of Finance, CPC):** Mr. Speaker, pursuant to an order of the House dated February 3, 2009, I have the honour to table the first report to Canadians entitled, "Canada's Economic Action Plan: A First Report to Canadians".

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**GOVERNMENT ORDERS**

[Translation]

**BUSINESS OF SUPPLY**

## OPPOSITION MOTION—FORESTRY INDUSTRY

The House resumed consideration of the motion.

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I am pleased to be sharing my time with the member for Rimouski-Neigette—Témiscouata—Les Basques, the Bloc Québécois' new private forests critic. The Bloc Québécois is the first party to have such a critic.

The Bloc Québécois decided to dedicate this day to the fact that the forestry industry, the industry as much as the workers, has been neglected, forgotten by the federal government. Why do we have to dedicate a day to this debate? Because the federal government has decided to have a double standard. On one hand, there is the auto industry that deserves a real helping hand. The federal government decided, for example, to go ahead with loan guarantees, offering companies the opportunity to get help from the government. On the other hand, there is the forestry industry, which has been abandoned by the federal government.

During question period, we saw—and this may prove very instructive for the Minister of State (Economic Development Agency

of Canada for the Regions of Quebec), who was saying that loan guarantees could not be used by the federal government because they are in conflict with the free trade agreements—that its own lawyers, before the London Court of International Arbitration in connection with the softwood lumber agreement, and the civil servants at Export Development Canada, EDC, are basically giving the okay to loan guarantees for the forestry industry.

Why is the government now the only party that does not want to go ahead with this measure? The Bloc Québécois' work could result in success for business if we manage to make the government understand that the tool is available, that we can move forward, that we can offer loan guarantees to prevent companies from going bankrupt, not because of mismanagement, but because the U.S. market has shrunk dramatically. We have to make the government understand that we need a transition period, perhaps six months or a year, during which companies can go forward with loan guarantees, get the money they need, keep working, and maybe even buy equipment to improve productivity. That is the purpose of the Bloc's proposal today.

We know that the softwood lumber agreement, though not great, could have been worse. We had to sign it. In the past few weeks, industry representatives and workers in my riding have reminded me that the Bloc did the right thing when it supported the agreement. Now, the industry needs another helping hand because the U.S. market has dried up.

My riding is blessed with cross-border industries in Saint-Pamphile and Daaquam that mill American timber in Canadian mills, in Quebec mills, and then resell it, mostly to the American market. Luckily, they are exempt from the softwood lumber agreement. Unfortunately, they are not getting that kind of support from Economic Development Canada. The federal government and the ministers involved seem to think that the forestry industry's time is up, but thousands of jobs depend on it, and those jobs will last. There will always be a market for wood. If Quebec and Canada fail to do what must be done in time, they will have a much smaller share of that market in the future.

This morning, the United Nations issued a reminder that one way to combat the slowing economy is to invest in silviculture. That is one of the approaches we could use. A lot of workers are out there planting trees. These people help create carbon sinks to absorb carbon, and their positive contribution will help us address climate change challenges.

The federal government, however, as is the case in so many sectors, is not sensitive to this reality. It is not doing enough to move forward on this file and it continues to view forestry as an outdated industry. It is nothing of the sort. It is an industry that definitely has a future, if the federal government moves forward on this.

*Business of Supply*

There are also other measures the federal government could move forward on, primarily involving benefits that could be given to workers who lose their jobs. In a forestry community, in a municipality that depends on the forestry sector, when 25, 50 or 75 workers lose their jobs, this has a significant economic impact, an impact on their families and on the entire community. In that respect, the federal government has an excellent tool to intervene.

• (1510)

The Bloc Québécois is proposing the elimination of the waiting period when people qualify for employment insurance. At present, during the first two weeks of unemployment, unemployed workers receive no benefits, even though they pay into the system from the very beginning. This is an appalling feature left over from the old employment insurance system, which people paid into only after working for a few weeks. Since the Liberal reforms in 1994, people must pay into it from the very first hour, but they do not receive benefits right away.

The federal government is looking for ways to stimulate the economy. One of the best ways would be to eliminate the waiting period and give unemployed workers employment insurance benefits beginning the very first week they are unemployed, thereby allowing them to remain consumers and keep the economy going. Apart from the tax cuts we have seen in the past, if we could return the favour now to those who were the key players in tackling the deficit, we should give them back their employment insurance benefits beginning on the first day of unemployment, by eliminating the waiting period.

With this motion, the Bloc Québécois is fulfilling precisely the mandate it was given, which is to defend the interests of Quebec. There is a need to do so in various areas, and particularly in economic matters. The incomes of families affected by the economic slowdown have to be protected. In that regard, measures have to be taken to move forward. My colleague from Rimouski-Neigette—Témiscouata—Les Basques will certainly address that issue as the critic for these matters.

I would like to point out that the slowdown has been such that, in the forestry industry, the sawmills that cut wood and the paper mills have been affected. However, those who often take a hit are the woodlot owners, who are not getting paid. They have to stop cutting wood because the prices they are getting are not enough to support production. In that regard, the government could have put forward a measure to help them through these difficult times.

This Parliament must therefore go ahead and vote for the Bloc's motion which, among other things, proposes concrete action, as we did last fall with respect to the economy in general. We were the only party to do so. For the forestry industry, we are proposing loan guarantees. I discussed that proposal at the beginning of my remarks. Loan guarantees are permitted under international agreements and the FTA. We have demonstrated this. This was further evidenced by the representations made to the courts by government lawyers.

We are also calling for the establishment of a policy to encourage the use of lumber in the construction and renovation of federal public buildings. This is a specific measure the federal government could implement, which would not cost the government more in the end and would allow it to use lumber. As with all aspects of the

economic slowdown, the buying power has to be maintained. When governments decide to implement infrastructure programs, they do so to keep the economy going. Deciding to build buildings with lumber would keep the forestry economy going. That would be a meaningful benefit.

We would also like to put in place measures to support the production of energy and ethanol from forest waste. It has become evident that ethanol produced from corn can be harmful to the environment. Energy products derived from forest waste are far less harmful to the environment, produce good results and use an under-utilized resource.

Therefore, the Bloc Québécois has decided to use this day to discuss the forestry industry. This issue concerns several ridings as it directly affects employment in logging and milling, the paper industry and the entire wood processing sector throughout its territory.

In the past, in Quebec and Canada, there was a sort of social pact whereby seasonal workers in resource regions could qualify for unemployment insurance benefits. In turn, they produced goods consumed in major centres. The Liberal reform of employment insurance in the 1990s broke that pact. It has never been re-established by the federal government.

We hope that this government will take action in this period of crisis. We need innovative solutions and these must be introduced by the federal government. Today, the Bloc Québécois is presenting constructive proposals and hopes that the Conservative MPs, especially those from Quebec, are listening and will ask their government to take action.

• (1515)

At this juncture, Quebecers are being told that there is help for the auto sector but that the forestry industry is being sacrificed. Many Quebec and Ontario regions find that unacceptable. Our forestry industry needs proper support equal to that received by the auto sector.

The Bloc Québécois is launching this appeal on behalf of all Quebec communities that depend on forestry.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, as usual, I listened to my Bloc Québécois colleague with a great deal of interest. What I do not understand is how the Bloc Québécois is involved in the current forestry crisis. Job losses in Quebec have risen sharply since October 2, 2006, when the softwood lumber agreement, that sellout agreement, took effect. Since then, thousands of Quebecers in Mauricie, Abitibi-Témiscamingue, Saguenay—Lac-Saint-Jean and elsewhere in Quebec have lost their jobs. Because of the anti-circumvention clause, which the NDP had predicted the Americans would use, Quebecers and Ontarians had to shell out \$68 million last week. In a few weeks, another \$400 million will be paid.

*Business of Supply*

Is the member prepared to admit that the idea of loan guarantees, which is good and which the NDP fully supports, is blocked by the softwood lumber agreement, that sellout agreement? In fact, the Americans are happy with this agreement, because they can use it to take the Quebec forestry industry and its workers to court.

**Mr. Paul Crête:** Mr. Speaker, in the past, the NDP has had valid ideas when it came to social equity. However, when it comes to the softwood lumber agreement, it is completely out of touch with reality. Again last week, I met with forestry industry leaders and workers. They said they were happy that the agreement had been signed, that it was not the best agreement in the world, but it was something. They told us that the agreement absolutely has to be maintained because it contains a dispute mechanism. They added that even if we lose some cases, we can win others. It relieved them of the sword of Damocles, which the Americans were dangling over their heads.

I would be willing to bet that during the latest federal election the NDP lost at least 5 to 10% of the vote in my riding because they are so out of touch with this reality. People do not want to hear that the agreement should be denounced and that it would have been better to live worse off without it. People felt that the Bloc Québécois position on this was reasonable and asked us to continue supporting this agreement. Today, we continue to defend workers and industry leaders. The forestry industries of Quebec and Ontario need the tools that the Bloc Québécois are bringing forward, which the Conservatives still refuse to accept.

• (1520)

**Mr. Steven Blaney (Lévis—Bellechasse, CPC):** Mr. Speaker, I am pleased that my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup supported our government's softwood lumber agreement, which gave our industry a new breath of life. Last week, he could have helped the forestry industry, as he seems to claim to be doing in his remarks. In particular, he spoke about biomass conversion. The economic action plan sets aside \$1 billion over five years for green infrastructure, with projects for biomass utilization, projects that are directed at communities, among others. There is \$1 billion for communities, not to mention an amount of \$170 million that is provided directly for the forestry sector, along with measures to stimulate the current weak demand, particularly from American customers. On one hand, we want to encourage demand, and build up infrastructure with increased lumber content in buildings. At the same time, as I have stated, we want to encourage home renovations that will certainly lead to increased demand for lumber products.

Why does my colleague not support these budget measures? Why is he not standing up for workers, especially in the forestry sector?

**Mr. Paul Crête:** Mr. Speaker, I will be brief. I would tell my colleague from Lévis—Bellechasse that today's debate should be the most instructive period for the Conservatives since the government returned after the election.

We have shown in black and white how government lawyers are pointing to loan guarantees as an acceptable measure under the agreements. For weeks, the Minister of State (Economic Development Agency of Canada for the Regions of Quebec) has been saying the opposite. Today, we have the evidence that Export Development Canada—EDC—is giving the okay to this kind of measure. The

lawyers who represented the Government of Canada before the courts in London did the same thing. The Conservative government is the only holdout. That is why we have tabled a proposal that calls for these things. I agree with him concerning the utility of wood construction. Thank goodness we can agree on that point. The Quebec forestry industry has issued a distress call to say that it needs loan guarantees. The Conservative government is the only one that does not want to move forward, even though its own lawyers admit that loan guarantees are a good management tool and the one that should be used.

Will my colleague from Lévis—Bellechasse intervene with the Minister of State (Economic Development Agency of Canada for the Regions of Quebec) and the Minister of International Trade to ensure that this tool will be available so that our industry can get through the current crisis and move toward recovery? Obviously, we must use all the other tools available but this is one that is important and which the Conservatives have unacceptably deemed off limits.

**Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ):** Mr. Speaker, my Bloc Québécois colleagues who have risen on this opposition day have talked about the serious problems plaguing Quebec's forestry industry. I would like to join them in making this House aware of the forestry sector's problems, long neglected by the federal government. Today's Bloc Québécois motion points to the inadequacy of funding allocated in the latest budget to an industry that has been in crisis for several years and that, if left to its own devices, will suffer even more because of the current economic situation. That is why, in our motion, we have denounced the absence of specific measures to improve things for the forestry industry, measures such as bonuses, loan guarantees and refundable tax credits for research and development. We also strongly encourage the use of lumber in the construction and renovation of federal public buildings, along with new measures to support the production of energy and ethanol from forestry waste.

Despite the government's excuses to cover up its lack of political will, all of these measures are legitimate and would not violate the international softwood lumber agreements that bind us. My colleagues have already gone into great detail about these aspects of our motion. I would like to focus on what is really going on with private woodlot producers in Quebec. I would like to talk about what is happening to 130,000 owners, 10,000 of which are located in the lower St. Lawrence region, where 50% of the woodlots are private. That is an indication of how important their activities are to local and regional development in my region.



*Business of Supply*

Over the past few years, private woodlot owners in Quebec have seen their situation get worse. They have been hit hard by the forestry crisis and have felt the impact of permanent and temporary plant closures, tighter markets for their wood, and sharply declining prices. Such are the consequences of an ongoing crisis that they are not equipped to deal with because of a lack of government support. In its most recent budget, the federal government once again ignored the needs of private woodlot owners in Quebec.

Richard Savard, who has responsibility for forestry in the regional conference of elected officials in the Bas-St-Laurent area, referred to the latest federal budget as a missed opportunity. In addition to being woefully inadequate and poorly targeted, federal assistance for the forestry industry in no way meets the needs of private woodlot owners. Yet private woodlots account for 29,000 direct jobs in Quebec.

In my region, Bas-St-Laurent, activities associated with private forest management and wood marketing create some 2,000 forest and factory jobs. In addition, the economic spinoffs from private woodlots are vital to our rural communities. It is crucial that the situation of private woodlot owners improve, because the survival of these communities depends on it.

In Bas-St-Laurent, the warden of the Témiscouata RCM, Serge Fortin, was outraged at Mr. Flaherty's insensitivity. According to the warden, because the minister is unaware of the impact that the forestry crisis is having on some regions, he does not appreciate that the loss of 500 jobs in our region is the equivalent of a loss of 10,000 jobs in Montreal. We have to bear in mind that, according to Department of Natural Resources data, 1,000 direct jobs have been lost in the forestry sector in Bas-St-Laurent since April 1, 2005. This is alarming.

Faced with the government's inaction, private woodlot owners are not just standing idle; they are doing everything they can to develop the full potential of their forest heritage. This means that, in addition to being undeniably important to rural communities, private forests can play an important environmental role when managed sustainably. They can help preserve wildlife habitat and ecological diversity, protect air and water quality, store carbon and reduce soil and shoreline erosion. In fact, thanks to the management of private forests, they are more productive today than public forests. Management is very profitable in the long run and deserves to be recognized.

In the coming months, the Bloc Québécois will press the federal government to recognize management plans as proof of reasonable expectation of profit, so that woodlot management expenses are deductible under section 31 of the Income Tax Act.

• (1525)

The advantages of sustainable woodlot management are many, and we need to ensure that the federal taxation system is better adapted to this type of operation, which benefits the population as a whole.

Under the present tax system, woodlot management expenses are not deductible from total farm income, and this tends to encourage poor forest management.

In other words, the tax system as it applies to private woodlots is not beneficial to farmers and does not favour sustainable resource use. At the present time, there is no specific status under the Income Tax Act for woodlot owners.

In the eyes of Revenue Canada, most of them are seen instead as part time farmers or hobby farmers. That being the case, it is not easy for them to claim their operating losses. They have to prove there was a reasonable expectation of profit, and this is very hard to prove according to the present tax authority requirements. There is, therefore, a lot that needs to be done as far as taxation is concerned to achieve more appropriate recognition of the work of private woodlot owners.

Another point on which the Bloc Québécois will place a great deal of emphasis is changes to the taxation system for private woodlot owners to allow averaging of revenue from the sale of wood produced by sustainable management or harvested after some natural disaster.

This is a very reasonable request, given the great irregularities in forest income. One harvest year, the revenue could be high, but then growers have to wait a number of years before newly planted trees are mature enough for harvesting.

At the present time, woodlot operators' incomes are all taxable in the year of sale of the product, even if that income may represent 10 years of work and be followed by another 10 years totally without income.

These are the reasons operators want income averaging for taxation purposes. That way, someone selling \$200,000 worth of lumber this year could, for example, declare \$20,000 income over the next 10 years. Obviously the taxation rate would be lower and this would make it possible for operators to live better off the proceeds.

Today, measures must be taken to make forest resources a true lever for growth in the regions of Quebec such as the lower St. Lawrence.

For any progress to be made on this, I would first of all stress the two measures I have just set out: management plans and income averaging for private woodlot owners in Quebec. Supporting those measures is tantamount to recognizing the contribution made by private woodlots to regional development, and acknowledging that private woodlot owners have particular needs which must be listened to.

Private woodlot owners can rest assured that the Bloc Québécois will continue to relay their demands to this House.

• (1530)

[English]

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, as the member knows, the Liberal Party will be supporting the motion because, in fact, it mirrors the plan that it had in 2005 for the forestry industry, which included loan supports for research, new technology, skill development and community adjustment. Unfortunately, as the member also knows, the Conservative government cancelled that plan in 2006 to the detriment of the forestry sector.

*Business of Supply*

There is a comprehensive plan now but there is problem. The Conservative softwood lumber deal basically took tens of millions of dollars out of the equation when the government made that deal and left all the billions of dollars in the United States. The irony is that the Bloc Québécois supported that deal, which I understand cost some 20,000 forestry sector jobs since the Conservatives formed government.

I wonder if the member could advise the House why the Bloc Québécois was in favour of a flawed deal but now is fighting for the forestry sector.

[*Translation*]

**Mr. Claude Guimond:** Mr. Speaker, the Bloc Québécois supported this proposal a few years ago because there was a consensus in Quebec among forestry producers, the industry and the National Assembly of Quebec. Action was urgently needed and that is why the Bloc Québécois is in part responsible for deciding to intervene at that point.

I would also like to mention that all measures proposed by the Bloc Québécois, including today's, do not contravene international trade measures that we must honour.

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Speaker, unlike the member who asked the previous question, the Bloc Québécois has always been a strong proponent of the Quebec forestry industry. My question is not about that since my Bloc Québécois colleague clearly stated so in his response.

We realize from his speech that a number of measures should have been included in this budget to support Quebec's private woodlot owners in particular. Why is there nothing in this budget? Does he believe that the government, through some parliamentary process, carried out any consultations that would have permitted these people to be heard and to have some input?

I do not believe any were held but I would like to hear what he has to say about that.

• (1535)

**Mr. Claude Guimond:** Mr. Speaker, I thank my colleague for his very pertinent question.

Just recently the Conservatives made a decision. They clearly chose Ontario's auto industry. We can understand that the auto industry needs assistance but it should not be given at the expense of the forestry industry, which is very important especially in Quebec.

Today, what is new about this debate is that, henceforth, we have to consider the 130,000 private woodlot owners in Quebec and in Canada who have been forgotten since the start of the forestry crisis. They need substantive measures to help them get through this terrible crisis.

[*English*]

**Mr. Bruce Hyer (Thunder Bay—Superior North, NDP):** Mr. Speaker, I will be supporting the motion, which is a good one, but I am still scratching my head as to why the Bloc voted for the softwood lumber sellout.

How does the hon. member from Quebec feel about more value-added in the forest industry, moving from just paper and lumber to products like prefab homes, fine furniture, bio-refining chemicals

and similar things? Also, would he comment on loans and loan guarantees?

[*Translation*]

**Mr. Claude Guimond:** Mr. Speaker, we obviously need to be looking at transformation. It must be based on good research and good development and we must, without a doubt, find solutions that are environmentally sustainable. We have to consider the industry and relaunch it on a new basis that will benefit everyone.

[*English*]

**Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC):** Mr. Speaker, it is good to be here to speak to this issue. However, I am saddened today as well. We are all saddened when people lose their jobs and when communities are under the gun. However, I am particularly saddened when I see people trying to take advantage of that, and that is what the opposition has done today. Some of us have worked on this file for a long time.

I am going to talk a little later about some of the work we have done. We have even worked with the Bloc in the past to try to solve some of these issues. Now it seems those members think they will get some sort of political gain out of people's misery, and that does not sit well with me.

Even when we are successful, and we often are, the Bloc members will not support us. If they did, we would see support for the integrated approach we have taken to the forestry industry over the last couple of years. If they really wanted to help their constituents, they would vote with us on the economic action plan. I will explain some of the factors at which they should take a second look. They should be moving together with us on this.

Canada's forestry sector is obviously undergoing an important number of changes and even a restructuring due to the challenges it is facing. I think if one talks to the industry representatives, they will say that very clearly. They will say that they are asking the government to join with them to work together to overcome those challenges so the forestry industry can lead the way in the future. That is the anticipation in the industry. When we see our way through the times that they face right now, Canada will be the leader in forestry around the world. There are a number of reasons for that, and I hope to get to some of those later.

First, I want to talk about some of the work we have done. I have been on the natural resources committee both in the last Parliament and in this Parliament. Last spring, we decided we wanted to undertake a major study of the forestry sector. For three months, the natural resources committee focused on the forestry sector issues. We spent a lot of time on it. We did our work. I was glad to see that, in the end, we were able to come up with a unanimous report. As all of us in the House know, this does not happen very often. However, all the parties were able to agree on the recommendations. We were able to agree that there was a way forward that would work. We made recommendations to the government and the government put a number of those recommendations into our economic action plan.

*Business of Supply*

This is one reason why the Bloc should be supporting us instead of opposing the best interests of their constituents by working against the economic action plan.

I want to go through the committee recommendations and then go through what the government has chosen to do.

Recommendation 1 was to call a forestry summit to bring people together. Right after the report was tabled in the House of Commons last spring, we had a national round table. We brought folks in from across the country. We sat down and asked them what they thought about our report. We had consulted many of them when we were preparing it. They gave us their input and talked a bit more about the future. Once again, they felt there was a strong future for the industry. Since I began working on this file, I have appreciated the fact that there is this understanding that our country is going to play a major role in forestry around the world for many decades to come. The government acted on recommendation 1 very quickly.

Recommendation 2 was that we establish a national forest industry innovation fund and that this fund be provided with sufficient resources to ensure the industry could be central in the development of the new bio-economy.

Several of the recommendations called for funding for research and innovation. We met this recommendation by putting together FPInnovations. We will talk a bit more about that great development later, as well as the money that has been committed to it and the tremendous work it has done in Quebec and across the country to bring new innovation to the forestry sector.

Recommendation 5 was that the Government of Canada, in partnership with provinces and territories, should actively pursue policies that would encourage value-added manufacturing. We did that by addressing issues regarding access to credit and by extending the capital cost allowance. We will talk about that a bit later as well.

Recommendation 9 was that the Government of Canada extend that capital cost allowance. The committee recommended five years, but the government chose to do it for two years. It has been extended through 2010-11 and we will evaluate it further at that time.

• (1540)

Recommendation 15 was that the Government of Canada continue to work with first nations and other aboriginal communities to enable them to become active partners in the development of Canada's forests. We are certainly willing to do that. We are working with them. This spring a number of government members on the Natural Resource file were able to tour communities. One thing we heard regularly was that the process of consultation was important, one that needed to be productive and beneficial to all.

Recommendation 21 was that we work with the provinces and territories to provide full support for certification of Canadian forestry products. Anyone who is involved in the forestry industry knows that has been an important component, both for the industry and the government, so we continue to work on that.

That was only one of the things we did about year ago, which was very important. We brought forward those recommendations. The government went through them during summer and the fall and

when it came to our economic action plan, a number of those were included.

This spring, as I mentioned, we also toured the country. The minister felt it was important that we not only listen to what was going on in Ottawa in regard to the forestry sector, but that we get out across the country. Before the House came back this spring, we did that. We fanned out and covered the country from one end to the other to hear what communities, individuals and companies involved in the forestry section had to say, what their concerns were, what the pressures were. I think that was beneficial for all of us.

I found it interesting that we were in the ridings of a couple of opposition members. We were there ahead of them and heard the concerns and problems of their constituents. They told us that the opposition members would be holding some hearings in the next couple of weeks.

Those consultations directly fed back to our economic action plan. The minister mentioned that this morning. We were able to bring the information and the concerns back to Ottawa, to the minister, and many of those things were brought forward and implemented in our action plan.

That action plan is an integrated approach. It is a package for the whole country. That is the thing we need to remember today. It is done for Canadians.

I want to talk about a couple of the general things in that action plan.

First, everyone has heard about the \$4 billion new commitment for infrastructure. That has been greeted across the country with a lot of interest. That is on top of the \$33 billion that was committed previously to the infrastructure funding. There is a new \$2 billion university fund that goes toward supporting universities and colleges, updating and renovating some of the facilities, bringing them up-to-date. There is a \$1 billion clean green fund that will be put in place to encourage sustainable energy. All of these things will have good impacts and opportunities for wood and for wood manufacturers.

Through our economic action plan, we have brought in support for a whole number of areas. I want to break them down, one component at a time and talk about them so people get an understanding of how broadly based this plan, this integrated approach, is.

Once I have done that, perhaps the Bloc will have a better understanding. I understand some of the Bloc members may have been too busy to read the economic action plan. Once they hear about all the areas it reaches into, they will probably consider voting against their motion today, joining with us to support what we are doing for our country and for the province of Quebec as well.

*Business of Supply*

We have committed support for communities across the country. We have heard a little about that today. This did not only start in the last month. Bloc members decided in the last few weeks that they had to bring forestry up every day. We were aware of this a while ago and we did some things a couple of years ago to address it.

Last year we put \$1 billion into the community development trust. That money was given to the provinces. They had the choice of how they would spend it. For example, I am told the British Columbia spent \$129 million of that money directly on forestry.

The Bloc members should ask their provincial government to tell them how much of the development trust fund was spent on forestry. Then they can perhaps help it to direct more money into the forestry sector if that needs to be a priority in their province.

• (1545)

Obviously this year we have come forward again with the community adjustment fund, another \$1 billion to try to mitigate the effects of the economic downturn. Again, Quebec does very well with these funds.

I should just point out that Quebec was entitled to about \$216 million in the community development fund. It is projected it will get about another \$211 million or \$212 million out of the community adjustment fund. The first one was a development trust; this year it is a community adjustment fund. There will be a total of about \$428 million that can then be put toward forestry, if that is what it determines to be the most important area that needs it.

I should also refer to some of the past initiatives. With respect to the pine beetle initiative, this government committed \$200 million in order to help communities adjust to some of the new realities of having to deal with an environment where the pine beetle has devastated so much of the area and the economy. We had a chance to see some of the impact of that when we were on our tour in northern British Columbia.

It is important that this money be delivered for communities, that it be delivered for infrastructure and that it be delivered for programming. That is why we put in place the development trust, the adjustment fund. That is why we committed money in the past to these communities in order to help them through these tough times.

We have also made some commitments to the companies that are involved in the forestry sector. As I mentioned earlier, we have accelerated the capital cost allowance. We have extended that for another two years. That has been very important for companies. It has given them the ability to buy new manufacturing processing machinery and equipment and then to depreciate that. This has worked very well for them on the tax side.

Obviously the work share changes, the extensions that have been made, are being well received across this country. I remember in my own area in the early 1980s, we had a very tough time. A form of work share was put in place in the local factory. It meant that people could stay in our small rural community and continue to work. It made a huge difference for our community. I know that is going to make a difference across the country as well.

We have also moved to provide access to credit. When we travelled across the country we heard that it was very important that

there be improved access to credit. Our changes in the economic action plan will provide up to \$200 billion of credit to address gaps in credit markets. This is for individuals and businesses. There is increased funding for the Business Development Bank of Canada. There is increased funding for the Economic Development Agency of Canada in the Quebec region.

This morning the EDC was at the finance committee. It said that last year, of the \$80 billion it had committed, \$14 billion went specifically to forestry.

There are a lot of different avenues that companies now have in order to access credit and financing.

I should also point out that we have actively reduced tariffs, which means about \$440 million in savings to industry over the next five years.

Technology, of course, plays a huge part in the forest industry and forest products. We believe that technology is actually going to lead the way in the renaissance of the forest industry in Canada. There are a number of initiatives the government is involved in, in terms of bringing new technology to the market.

The Canadian Wood Fibre Centre has been put in place to find newer and higher value products and uses for woods and fibres. It is focused on developing new products, on stimulating innovation.

There is a value to wood program, which encourages value-added manufacturing. It promotes the transfer of technology from labs and research centres directly to the workplace.

Budget 2009, our economic action plan, commits \$120 million over two years to support innovation in forestry.

I would be remiss if I did not mention FPInnovations and the tremendous work it is doing. We had the opportunity to tour its lab in Vancouver. Money has been committed to it and it is moving ahead on transformative technologies. We saw some very fascinating projects. It is working on developing technology that will allow buildings to be much larger and several storeys higher than in the past. There is a huge machine that can actually shake down the structures. It will be able to tell where the stress points are on the structures. It has been working with other countries to develop that in terms of protection in earthquake regions. It is working on projects where it mixes wood fibre with other new chemical compounds, making completely different organic substances, in order that there will be products in the future that were never even thought of in the past.

*Business of Supply*

• (1550)

It was exciting to be on that tour and to see the \$80 million that has been put into a transformative technologies program and another \$40 million that has been put into pilot scale demo projects. The FPInnovations lab in Vancouver has a huge CT scanner to scan large logs. It can get down to the finest micro-scale development of the uses of wood. It is fascinating to see that taking place. The lab is focusing on emerging technology, forest biomass utilization, nanotechnology, a pile of things that many of us do not even understand but that hold a valuable and exciting future for forest products and their use.

We have been supporting workers in a myriad of ways. This is very important to this government because, as I said, no one wants anyone to lose his or her job. We have put about \$8.3 billion toward the skills training and transition strategy which involves a number of things. I mentioned the work share program. It is something that impacts workers and their families directly. It impacts their ability to remain in their communities which many people want to do.

We have also funded the EI changes through that program. Those changes have been welcomed across Canada. We listened to what Canadians wanted in terms of changes to the EI program and we put them in place. There are more people applying for EI. We have committed more resources to try to make sure that those folks have quick service and that they can get the money that is coming to them.

Again we come back to the community adjustment fund, the community development trust, which have a direct impact on communities that have gotten money from them. They have directly impacted the workers as well. That is about \$428 million for the province of Quebec.

Another initiative that has been really popular is the home renovation tax credit. That provides up to \$1,300 in tax relief for people who undertake home renovations. Obviously that is something that is going to encourage the use of wood, the use of forest products. We think that is a great initiative. It creates jobs. It will stimulate local economies. In my rural area there are a lot of people who are looking forward to doing those projects. That tax credit is going to allow them to move ahead with that. It creates a demand for wood. I am told that it is going to provide for up to one billion board feet this year in Canada alone to meet the requirements of that project. That seems to be an awfully large amount of wood.

There is \$50 million in credit that is available for mortgages that was not available prior to our economic action plan. We have also been working on developing markets. Members can begin to see that there is a complete strategy here, obviously. Markets are very important. We put \$50 million into expanding markets around the world to emphasize our wood product use and to move ahead with that.

The softwood lumber agreement has been a point of discussion today. I think one thing we can all agree on is that it did stabilize the Canadian lumber industry. We received over \$4 billion back in penalties that had been taken. That has created some stability in this country in terms of understanding what we can do in our relationship with the United States.

The economic action plan includes \$50 million to diversify markets for Canadian wood products. We are looking to expand the North American market as well.

We have been in the Chinese market. We went into the Wen Chuan earthquake region. We went in with wood and have been in there doing projects. We have explained to the Chinese that wood is much safer than some of the products they had been using prior to the earthquake. We have built some buildings, and I understand that clinics, schools and homes have been put in place.

Mr. Speaker, there is a lot more that I would like to say, but I see that you are indicating that my time is almost up here. I am going to try to wrap up.

The motion today calls for a number of things. The motion calls on us to provide loans and loan guarantees. We have extended credit in a huge way. Again I will point out that \$14 billion of the EDC's \$80 million went into forestry last year. It calls for tax credits for research and development. I have talked about the incredible investment that we made in research and development. It talks about encouraging the use of lumber. We have done that through the home renovation tax credit. It talks about measures to support energy and ethanol production. We are doing that through the \$1 billion green fund.

I think it is time to quit trying to create division and despair. We have a plan. We are pushing ahead. We welcome the other parties to join with us on that.

• (1555)

[*Translation*]

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Speaker, I listened attentively when my colleague from the Conservative Party spoke about today's Bloc Québécois motion and it shocked me.

It was surprising to hear him say that the Conservatives listened to what citizens wanted in terms of measures to improve employment insurance. They say that they have improved the system by adding five weeks. But we know that, particularly in the forestry sector, job loss is cyclical. In any case, I have not heard anyone in my riding, and very few in Quebec, say that the Conservative government consulted them about this. On the contrary, people are telling us that the right thing to do would have been to eliminate the two week waiting period because, as I said earlier, these people have cyclical work. They will work for 25 or 40 weeks and then will be temporarily laid off for 10 or 15 weeks. It really is the two week waiting period that hurts them the most. In addition, quite often a couple works for the same company, so they are doubly penalized. What the government has proposed does not really help them.

[*English*]

**Mr. David Anderson:** Mr. Speaker, this just proves what I said earlier, that even when we do things that work very well, the opposition is not willing to support them.

*Business of Supply*

In this instance, we did move to extend EI and that is something that has been very popular across Canada. We also have moved, as I mentioned earlier, to extend the work share program, to expand the conditions and the opportunities for that.

The member opposite should be thanking us rather than criticizing us for what we are doing. We are willing to work with those members. We want them to work with us. Unfortunately, it seems that we are just not on the same page.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, 20,000 forestry jobs have been lost since the Conservative government took office. I think it is fair to say that the Conservatives are not getting the job done.

It did not start just with the economic crisis that we are facing. It started with the flawed softwood lumber deal.

The member rattled through quite a large number of items that collectively are proposed as being the solution, but it is like throwing marshmallows at a brick wall and trying to break it down. It has to be more substantive.

The member went through the provisions of the motion. It is very similar to the strategic plan for forestry that the Liberals brought in in 2005, and which the Conservatives cancelled when they formed government in 2006.

The member said that they have done all these things. If he has done all the things that are in the motion, and all these things are good and helpful, why is the Conservative Party going to vote against this motion?

• (1600)

**Mr. David Anderson:** Mr. Speaker, there is nothing like revisionist history, especially coming from a Liberal.

Members will recall the mess we were in when the Liberals were done with the lumber file. I do not think anybody in this country was happy with what happened on that file for 13 long years.

The Liberals were willing to leave \$4.5 billion in the United States. They were willing to penalize our industry to the tune of \$4.5 billion. This government was able to reach a softwood lumber agreement, get that money back here and provide stability in the forestry industry. We continue to work on those issues. We are getting the job done.

**Mr. Bruce Hyer (Thunder Bay—Superior North, NDP):** Mr. Speaker, I was interested in the comments by the member for Cypress Hills—Grasslands.

I have been making phone calls to the office of the hon. Minister of Industry, and I have been asking again and again in the House how we can get loan guarantees or some other form of support that will save the industries in Longlac, Geraldton, Marathon, Terrace Bay and 300 communities across Canada.

We are about to lose markets. We are about to lose skills. We are about to lose workers and families, mills, corporations and communities, 300 communities across Canada.

My sincere question for the hon. member for Cypress Hills—Grasslands is, since his Minister of Industry will not do it, will he please direct me to the sources of funding? We need \$25 million to

\$50 million for selected mills with long-term potential and sustainability to save those industries and to save those jobs. Will he please tell me whether his government really wants to save those industries and exactly which programs have the potential to do so?

**Mr. David Anderson:** Mr. Speaker, I do not think I have enough time in the next couple of minutes to answer all of these questions, but I can give him part of the answer.

I am going to talk about the credit access. There is support for the forestry sector in the economic action plan. I am going to list some of the measures in our economic action plan that offer direct support through credit access.

We have made a commitment to expand the small business financing program. We have set up the Canadian secured credit facility to help consumers and businesses finance the purchase of vehicles and equipment to the tune of \$12 billion. There is a business credit availability program which extends credit, giving BDC and the EDC greater lending powers, another \$5 billion.

We enhanced the CDIC's ability to protect Canada's financial system, which should provide access to credit. We have given authority to the finance minister to provide loans and lines of credit, and there is flexibility in private pension funds via the Office of the Superintendent of Financial Institutions.

Some of those things should impact his community.

**Mr. James Lunney (Nanaimo—Alberni, CPC):** Mr. Speaker, I want to compliment my hon. colleague, the parliamentary secretary, for his excellent speech and pointing out how important it was that we actually got the deal done in the softwood lumber agreement that brought \$4.5 billion back to our industries. I hate to think where we would be if legislators were pushing it now with the market collapsing in the U.S. and our industries not receiving that money back. I want to compliment the member for pointing out so many of the good programs in terms of helping businesses by extending the capital cost allowance, providing work share extensions, and the many good points that he brought out.

With the program that has been introduced by the government to expand forest initiatives, diversification and forest innovation, I wonder if the member could comment on the breakdown of the \$170 million in federal investment, and what programs might receive federal funding under the expanding market opportunities of that program that would help our industries.

**Mr. David Anderson:** Mr. Speaker, I talked a bit about that during my speech, so if the member does not mind I want to talk about some of the other initiatives that we brought forward that I did not get to during my speech. I will certainly talk to the member a little later about the specifics, if he is willing.

I want to point out that we put money into a number of other initiatives. There are \$12.5 billion to support a national forest pest strategy and another \$10 million over two years to demonstrate our leadership on environmental innovation and forest sustainability.

*Business of Supply*

We worked really well with the Canadian Council of Forest Ministers. Both ministers of natural resources who I have been privileged to work with have been leaders in that area, in bringing together implementation on things like a national wildland fire strategy, the forest pest strategy that I mentioned, and a vision for Canada's forests.

One thing that has been very interesting to me in being part of the natural resources file is the geomapping that Natural Resources is responsible for. There is funding through geosciences and GeoConnections for forestry-related projects in terms of mapping and those kinds of things.

That combined with many other things, including the \$9 billion in tax relief that we brought to the forestry sector, gives me a lot of hope for the industry. We need to look forward and continue to develop those markets and new technology, and then we can move ahead successfully.

• (1605)

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, I want to give my hon. colleague a heads up that my own brother was the number one person on the IWA seniority list. He finally left the Canadian white pine mill in Marpole after 45 and a half years of service when my family came to Canada. One of the things he was always concerned about was the fact that B.C. liked to export raw logs. When raw logs are exported, jobs are exported.

The hon. member indicated that we received \$4.5 billion back on the softwood lumber deal, but he forgot to mention that we left \$1 billion behind that was owed to Canadian companies. I want to know why we left \$1 billion behind in the softwood lumber deal and also, what is his view on exporting raw logs to the United States, which in many ways exports our jobs?

**Mr. David Anderson:** Mr. Speaker, I was interested to hear in news reports this morning that the B.C. provincial government has actually come out with a long-term forestry strategy. I believe there were 28 or 29 recommendations and points of discussion, one of which was the export of logs. I think there is going to be a fulsome discussion in British Columbia about this issue. It seems to me the provincial government was arguing that there were some benefits of log exports, as well as negatives. I think the people of British Columbia will have that discussion.

[*Translation*]

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Mr. Speaker, I would like to indicate that I will be splitting my time with my colleague from Saint-Maurice—Champlain.

I would like to remind the hon. member for Cypress Hills—Grasslands of one of his speeches concerning income splitting relating to the settlement of the softwood lumber crisis two years ago. It is a bit of an embarrassment to bring that up now, because at that time \$23,000 was allocated to provinces that did not really need it, and provinces where workers were really badly hit by the crisis received only \$2,300 per lost job. That was highly discriminatory.

Today the Bloc Québécois is presenting a motion in reaction to the planned assistance to the forestry industry. This wishy washy and mediocre plan for \$170 million announced in the 2009 budget is spread over two years and is for all of Canada. It is intended as

assistance to a forestry sector that is in crisis and one that is, let us not lose sight of this, mostly in Quebec and the eastern part of the country. This amount is laughable and clearly inadequate. It does not in any way correspond to the industry's needs. It will just melt away like snow on a sunny day before it can do any good. This is far from being my personal view of the situation, or even that of the Bloc Québécois.

The vice-president of the Abitibi-Témiscamingue regional conference of elected officials, the mayor of a municipality affected by the forestry crisis, made the following comments the day after the budget:

We thought there would be plenty of money to help the forestry industry. But, with \$170 million for all of Canada, Abitibi-Témiscamingue will not get more than a few crumbs to help the forestry industry, which has experienced many job losses.

In fact, all that this assistance is doing is prolonging programs that had already proven unattainable and unworkable as far as counteracting the effects of the softwood lumber crisis is concerned, programs that this government had not managed to adapt in the past and seems still unable to adapt. It seems there is a lack of understanding on the part of the Conservative Party as far as the present forestry crisis is concerned, since it has not managed to learn from its mistakes in order to correct them at last, even partially, in order to make it better suited to meeting the needs of the industry in this time of crisis.

The softwood lumber industry has been going through major difficulties for a number of years now. It has had to cope with the imposition of antidumping duties and countervailing duties by the US, coupled with rising energy and raw material costs, and in particular with the higher rate of exchange of the Canadian dollar.

Today, with the economic slowdown in the States, the number of construction starts has fallen, causing a drop in demand for wood products. As sawmills supply the pulp and paper industry with wood chips, the drop in sales of softwood lumber means fewer wood chips. Second, third and fourth stage processing industries are also closing their doors, industries like pulp and paper, particle board, wall panelling, cogeneration plants, transport companies and forestry companies with many of their specialty suppliers.

We can only criticize the current government's lack of foresight and point to the lack of courage on the part of the Quebec members, who have been incapable of suggesting ways that might revive the industry. This obvious lack of courage has highlighted the ignorance of the leaders of this party, or of this coalition, should I say, since the Liberals supported this budget.

It was not a problem for the Conservatives because at that point, when the budget was tabled, what counted was tripping up the Liberal party, the other party of the coalition, by making such an offer to the automotive industry that it could not reject the Conservative budget without attracting the wrath of Ontario voters. And by rewarding western voters with sumptuous tax credits to the oil companies, a sector still bubbling at the moment, Canada was gratified. Quite a message to Quebec and the Maritimes. Are the Conservatives so calculating that they consider these provinces negligible?

*Business of Supply*

•(1610)

This is why the Bloc rises and proposes specific measures to meet this crisis. The forestry crisis means jobs lost for thousands of workers, with all of the human drama that entails. It also means dire consequences for other sections of the population. The impact of the forestry industry on economic and local development is crucial. The pay of forestry workers has a considerable impact on regional consumption.

In addition, other sectors, such as transport, supply and subcontracting, local businesses and services are feeling the effects of the crisis in the forestry industry. According to Service Canada, for each job lost in the forestry industry, nearly six-tenths of a job will be lost indirectly in local business.

The forestry industry is a major employer in Quebec. Forestry operations and management, primary, secondary and third stage processing of wood and research activities generate economic benefits in a number of resource regions.

Faced with the inaction and deaf ears of the federal government, the Bloc Québécois is demanding a comprehensive assistance package to support the industry and help it get over the downturn. This plan should include specific measures to ensure sustainable development, including loans and loan guarantees, refundable tax credits for research and development, policies to encourage the use of lumber in the construction and renovation of federal buildings, measures to support the production of energy and ethanol, and assistance for research into the best uses of forestry waste.

The forestry industry provides more than 6,860 jobs in Abitibi-Témiscamingue alone, as well as hundreds more in the Nord-du-Québec region. Many families in my riding are affected by this crisis, either directly or indirectly. The unfortunate recent plant closures for indeterminate periods will result in about 2,300 factory job losses in Abitibi-Témiscamingue and Nord-du-Québec.

As a result of the poor economic conditions in Lebel-sur-Quévillon, a town of 3,000, Domtar closed for good its plant employing 425 people. If this figure is transposed to a city like Montreal, it is the equivalent of 550,000 lost jobs. Just imagine the economic impact. As if that were not enough, the Comtois sawmill also located in Lebel-sur-Quévillon has temporarily ceased operations, putting another 286 people out of work, or the equivalent of 300,000 jobs in Montreal. Not even Alberta or the Conservatives could stand up to that.

The difficulties in the pulp and paper industry are prompting a company like AbitibiBowater to take tens of thousands of tonnes of newsprint off the market every month because of low sales. The Tembec sawmill in Senneterre has also had to cease operations, as it announced today. The forestry industry is closed down once again for periods running from three weeks to a month. Senneterre is another forestry town that has had its share of job losses.

The forestry industry needs help right now. Not tomorrow; now. The Conservative government still has not grasped this, as can be seen in the fact that the Minister of National Revenue just suggested holding a forum to find some solutions. I would like to remind him that 400 people met in Quebec City a year and a half ago for the Summit on the Future of the Quebec Forest Sector. As the minister

responsible for Canada Economic Development, he set up advisory committees before the summit and still consults them, although without proposing any solutions to the crisis.

The solutions are well known, however. As Guy Chevrette of the Québec Forest Industry Council said recently: "The troubles we are currently experiencing are a liquidity and refinancing problem. They know that". We hear the same story at Tembec, where they say that the funds allocated in the budget may be of help in the long-term but these industries have needs right now.

•(1615)

Richard Fahey, the VP, communications and public affairs, at Tembec, said that the challenge they were facing was that people are looking for short-term measures to see them through the crisis.

It is imperative that we get the point across to the Minister of National Revenue and his government that the time for talking or holding a so-called forum is passed and that now is the time to act.

I would like to go over the consequences of this crisis. In my riding, heavy equipment dealers and forestry workers are seeing their income shrink, and their work weeks get shorter, that is when they can hang on to their jobs. These people have no hope of seeing this government consider giving them back, through the EI program, a portion of the money that was deliberately diverted from its original purpose.

That said, I will give the next speaker the chance to make his remarks.

[English]

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Mr. Speaker, I would like to ask my hon. colleague a question similar to the one I asked the hon. member for Cypress Hills—Grasslands. When Canada exports raw logs or raw materials to other countries, in many ways we are exporting our jobs. I would like the member's viewpoint on what happens when provinces decide, for whatever reason, to export raw logs to the United States or elsewhere in the world. Does he not believe that exporting raw logs is actually exporting our jobs?

[Translation]

**Mr. Yvon Lévesque:** Mr. Speaker, I was a union advisor in a previous live and, as such, I certainly find it appalling to see our country, our provinces, export unprocessed materials. Even softwood lumber alone is too much. We should finish and refine our products before selling them abroad. Encouraging the export of the primary resource is the wrong approach.

•(1620)

[English]

**Mr. James Lunney (Nanaimo—Alberni, CPC):** Mr. Speaker, it is interesting to see the member from Nova Scotia raising the issue of exported raw logs from British Columbia. If the member were aware of what is going on in B.C., he would know it is actually a very complicated issue, as it is in Quebec, where logs are imported from the U.S. Moving the logs across the border is a complicated issue.



*Business of Supply*

One of the main aspects in British Columbia is the difference between crown land and private land. Crown land is provincial. It is regulated by the province, which controls natural resources, but when it comes to exporting logs from private lands, that is an international trade issue and is regulated by the federal government. However, regulations cannot be imposed by the federal government without cooperation from the provincial government.

It is a complicated issue. I appreciate that the member would probably not expect the member from Quebec to understand exactly what is going on in British Columbia. Perhaps it would be better for him to direct that question to someone from British Columbia.

**Mr. Peter Stoffer:** Mr. Speaker, my colleague knows very well that I spent my first 23 years in British Columbia. I worked in private mills myself and I understand the—

**The Acting Speaker (Mr. Barry Devolin):** Order. I would like to remind all hon. members that this is the question and answer period for the member who made the presentation.

Questions and comments. The hon. member for St. John's East.

**Mr. Jack Harris (St. John's East, NDP):** Mr. Speaker, I would like to ask the hon. member for Abitibi—Baie-James—Nunavik—Eeyou whether the experiences in Quebec are similar to those in my own province of Newfoundland and Labrador.

We had a mill that operated for 100 years. There were negotiations going on in Grand Falls-Windsor concerning the continuation of the mill and some restructuring, but what was required was support from the Government of Canada for older worker adjustment so that they could support a restructuring that would keep the mill going. I raised this issue in the House in December. Nothing was forthcoming from the government. Conservatives talked about the communities fund, which helps after the mill closes, but there was nothing to keep the mill open.

Does the member have similar experiences in Quebec with any mill closures in recent weeks or months?

[*Translation*]

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Mr. Speaker, I thank my hon. colleague for his question.

At the same time, I would also like to respond to the Conservative Party member who asked a question earlier. As for the first question, I would point out to the House that when I was at school—perhaps not many people remember that long ago—I remember I was at boarding school and the fathers taught us that the Americans became rich by minding their own business. As I got older, I realized that nothing was further from the truth, since the Americans preached a buy made in USA policy. The day when Canada is able to do that and teach elementary school children Canadian nationalism and Quebec nationalism, we will be that much better off.

To answer the question asked by my hon. NDP colleague, apart from adapting or transferring workers to the western provinces, which greatly needed workers in recent years because of oil and gas activities, very few offers were made involving the retraining of workers in their own field. Instead, they were told they should take part in training programs for jobs outside their region or they were simply told to move in order to work in another region, which is harmful to Canada overall.

**The Acting Speaker (Mr. Barry Devolin):** It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint-Bruno—Saint-Hubert, Culture; the hon. member for Vancouver Centre, Forestry Industry.

Resuming debate. The hon. member for Saint-Maurice—Champlain.

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Mr. Speaker, I am pleased to join in this debate on the Bloc Québécois motion. First, I would like to congratulate my colleague who spoke before me. He made an excellent presentation, outlining clearly several issues the forestry industry is facing, in his region especially.

I would add that my own region, the riding of Saint-Maurice-Champlain that I represent, is also a region that includes many workers who make their living from the forestry industry. There are also numerous municipalities. I had intended to name them all but I see that there are a great many.

There are workers who depend on the forestry industry in all of the municipalities in my riding: Grand-Mère, Shawinigan, Sainte-Tite, Sainte-Thècle, Lac-aux-Sables, La Tuque, Parent, Notre-Dame-de-Montauban, La Bostonnais, Saint-Séverin, Sainte-Adèle, I could name them all.

These people realize that they are in a very difficult situation. That is why the Bloc Québécois has presented this motion today. The Quebec forestry industry is in a crisis, as many others have said. We are all agreed that we are now in a recession, but the Quebec forestry industry has been in a crisis since 2005.

It has been suffering the effects much longer than many people in other areas who have just lost their jobs. We agree that it is difficult. It is always a shame when people lose their jobs. However, entire towns have been deprived of income for many years. Families no longer have jobs. In some cases, both parents have been laid off by the same company. People are suffering.

There are 88,000 workers in the Quebec forestry industry. They are, in effect, the economic engine of many regions in Quebec. This crisis is hitting them with full force. I just said this has been going on since 2005. During the last four years, people have been struggling with these situations. Processing plants, sawmills and other plants, have been closing their doors, one after another, sometimes for good and sometimes temporarily. There is nothing in this Conservative government budget to really help the workers who are losing their jobs.

They boast of having added five weeks of employment insurance, but in terms of effectiveness and as a support measure for people who lose their jobs, it is practically meaningless because almost 75% of the people who lose their job will find a new one before the Conservative government issues their 45th or 46th employment insurance weekly benefit.

*Business of Supply*

So, it is not a very effective measure. Once again, the Conservative government has introduced this measure to try to make political capital. However, if it had abolished the two week waiting period, then it would have done something to really help workers.

This is not the first time the Bloc Québécois has put forward a plan. We did it last year, to support the entire forestry industry. I will come back to that later. Last year, the Bloc proposed several measures that are still very relevant. In proposing them again last November, we had hoped that the Minister of Finance would have considered them before introducing an ideological economic statement. We did propose them again, but, unfortunately, he did not take them into account.

We know the federal government has the necessary resources. We know that, and its budget is supporting the auto industry in Ontario with \$2.7 billion in funding. For the forestry industry, however, it is offering \$170 million for all of Canada. This is a catastrophe. Quebec's forestry industry is an important driving force. Yet there is nothing in this budget to really help that sector.

The Bloc Québécois has already asked the government several times, and we are asking once again, to give these businesses and these workers some support. We are calling on the government to grant loan guarantees and assistance to modernize their equipment.

• (1625)

We know—at least we all hope—that the recovery will come one day and that people in many places want to be ready for it, but the federal government refuses that idea. It objects, saying that it would be in violation of the softwood lumber agreement and the free trade agreement, and that it would only create a host of problems.

However, at the Standing Committee on Finance today, we learned directly from Eric Siegel, president and chief executive officer of Export Development Canada, that his organization—a financial branch of the federal government—has granted loans and loan guarantees to businesses in the forestry sector. I told him that I assumed that when he was doing business with those companies and when he was granting the loans and loan guarantees, he was doing so in compliance with international agreements like the free trade agreement and the softwood lumber agreement. Mr. Siegel told us that, yes, he could not do business any other way and that he could not ignore those agreements.

So on one hand the government is telling us that it is illegal, that giving loan guarantees is not in compliance with the softwood lumber agreements. And, on the other hand, we see that the president and CEO of EDC, a federal government agency, is saying the opposite, that his organization is doing this while fully respecting the softwood lumber agreement. This seems to me to be such an obvious contradiction that it makes no sense.

The current Conservative federal government must review its position and admit that it has been completely wrong, that it misled us and that it must allow loan guarantees for forestry businesses. For some, that would mean avoiding bankruptcy, and for others it would mean continuing progress. It would also mean that the forestry industry would become more innovative and competitive, particularly in Quebec.

If we were to listen to the Conservatives, the forestry regions would be left to die. I am sorry, but there are still people and workers who are very productive, people who are well trained and who are not willing to say that their region is dying. They want to keep contributing to their region's growth and to the growth of the economy in their communities. However, what we are hearing and what we can understand from the reactions of the Conservative government and its elected members, is that, for them, it is as though the regions are dying and have no future and so these regions must give in to the mass exodus of youth and to high unemployment.

But we are saying—and this is what those people are saying too and this is what they want to hear—that forestry can provide significant leverage and we have not explored all of the options.

Earlier, I listened to the question put to my colleague about the processing that should be done here. When we export unfinished products, we are exporting jobs too. We have to do something about this. We must invest energy and large sums of money in research and development, so that Quebec's raw materials—the wood from our private and public forests—can be processed here, as close as possible to the people who cut down the trees and take them to the closest town, and so that new products can be developed and marketed from there. That is what we need, but at the same time, we have to support companies with loan guarantees, we have to enable them to buy new equipment so that they can compete internationally. That is how we will really support them.

Thank you for your attention. I will be happy to answer any questions.

• (1630)

[English]

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member will know that the Liberal caucus will be supporting this motion. It is a good motion and it reflects the strategic plan that we had for the forestry sector in 2005, which was \$1.5 billion over five years.

The member probably heard the comments of the previous Conservative speaker who went through a litany of certain activities outlined in the budget, which was line by line what was in the motion and the provisions being called for in the motion, and basically said that the government agreed and it was doing that.

It does raise the question, if the Conservatives believe in those activities and they are doing them, why they are not supporting the Bloc motion, which is a problem.

It gets even worse. Recently, nine U.S. senators were here to complain about Canadian protectionist measures related to the U.S. stimulus package, which were meant to divert attention from Canadian violations. Incredibly, the Minister of International Trade agreed with the U.S. senators. He did not defend or support the forestry sector.

Does the member have some concern about the international trade minister not supporting our forestry sector.

*Business of Supply*

•(1635)

[*Translation*]

**Mr. Jean-Yves Laforest:** Mr. Speaker, I thank my colleague for that question.

It is clear that both his question and his observation that the Minister of International Trade does not even defend the forestry industry in Canada and Quebec reflect this government's inconsistencies. I spoke about this. Every day, we see contradictions, and they are becoming increasingly obvious.

They head organizations like Export Development Canada, which provides loan guarantees and loans for forestry companies and says it does so in full compliance with international free trade agreements and the softwood lumber agreement. Yet in answer to our questions in this House, the Conservatives say that what EDC is doing is not compliant. The Minister of State for the Economic Development Agency of Canada for the Regions of Quebec says that the government cannot provide loan guarantees because they make no sense and they will prevent or delay the signing of agreements and so on. This argument does not hold water. Once again, it is evidence of the Conservatives' contradictions.

**Ms. Niki Ashton (Churchill, NDP):** Mr. Speaker, I would like to know what my hon. colleague thinks of the lack of action we tend to see on the part of the government when it comes to the forestry industry, which is struggling to survive in different regions. For instance, in northern Manitoba, where I am from, part of the region continues to really depend on the forestry industry. The companies have not shut down, and people are still working. What concerns them is that the government is not supporting those industries that continue to operate. Attention has to be paid not only to the regions that have already lost that part of their economy, but also to supporting the regions where companies are surviving and need help.

**Mr. Jean-Yves Laforest:** Mr. Speaker, I thank the hon. member for her question.

I totally agree. There is no doubt that it is important that the government support the regions which are still in survival mode. Companies continue to operate, but are struggling. They clearly need help. At the same time, we must not forget the regions with companies that have closed temporarily. It is important that help be provided across all these regions. The fact that an industry or company has experienced what I would call temporary difficulties does not justify letting it down.

It is important that the government realize that the forestry industry still has a bright future in Canada and Quebec.

[*English*]

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, I am pleased to speak to this motion today. It is a very important motion that is before the House because many members of the House of Commons come from ridings where forestry is important.

I will be splitting my time with the member for Skeena—Bulkley Valley who comes from a riding where forestry is important.

I want to put a little context to this because forestry is not only important in my riding but it is an essential industry in the province of B.C.

The Canadian Centre for Policy Alternatives has done several analyses on the forestry sector. In a recent analysis on February 13, it talked about the fact that B.C. has lost 65 sawmills, 4 pulp mills and 20,000 jobs in the forestry industry. With a spinoff effect of about one to three, this means a loss of about 60,000 jobs just in British Columbia alone. We must not forget about the tens of millions of dollars of revenue that is no longer being sent to government coffers to help pay for health care and education.

When we talk about forestry jobs, we are not just talking about the loss of good paying jobs for forestry workers and their families. We are also talking about the spinoff impact for all of those other industries that directly support forestry. For example, in my riding, Madill, a company that made logging equipment, went bankrupt. We are also talking about restaurants, retail shops and car dealers that all benefit from good paying forestry worker jobs.

When we take it from the provincial level down to the local level, we have had a number of closures that have had a cascading effect in my riding and throughout Vancouver Island.

Catalyst Paper announced the closure of the Crofton kraft pulp mill around the middle of February. It is shutting its doors at its 350 employee mill in Campbell River on the north island and the restructuring layoff of 127 workers at its Powell River facility. That is basically 850 jobs just in one sweep. This says that we need a coordinated response. We cannot do piecemeal responses to this.

The B.C. Federation of Labour president, Jim Sinclair, wrote a letter to the Premier of British Columbia about the importance of the forestry sector in British Columbia. He said, "It contributes close to 40% of B.C.'s exports and 25% of our GDP in the province of British Columbia".

He goes on to say, and this is an important reminder to all of us, "Let it not be said that forestry is a sunset industry". Jim Sinclair pointed out that "We believe a strong, sustainable forestry industry can continue to be a vital component of our economy".

We need to ensure we are putting in place measures at the federal and provincial levels and whatever support we can provide for the municipalities to ensure our forestry sector remains strong and vibrant and a vital part of our economy, whether it is the logging operations, the processing value-added operations or the support industries that surround it.

The motion does talk about the fact that we need to be solutions oriented. It talks about the elements that need to be in place for our forestry plan. I want to touch base on a couple of those and I want to pay particular attention to the value-added sector.

*Business of Supply*

The CCPA wrote a paper back in June 2007 called "Wood Waste and Log Exports on the BC Coast". These are important numbers because they say that roughly one in three logs from coastal forest lands failed to be run through provincial mills. One-third of all timber cut in British Columbia failed to be processed in British Columbia. That is a significant number. In its analysis, it did the cost of not turning those logs into lumber and other wood products here in B.C. The loss was estimated to be 5,872 jobs in 2005 and 5,756 jobs in 2006.

It goes on to talk about raw log exports. Anyone from British Columbia will be very familiar with the need to change the raw log exports policy in British Columbia. CCPA did an analysis on the raw logs and the impact it was having on both our communities and the public purse. It talks about the fact that raw log exports from public and private forest lands in coastal B.C. have been a long outstanding concern. Since 2000, when annual log exports stood at 2.68 million cubic metres, out of province raw log shipments have risen by more than 75% to 4.7 million cubic metres. This increase alone amounts to 57,714 highway trucks of raw logs, enough wood to keep two sizable sawmills supplied for a whole year.

• (1640)

That is criminal, I would argue. Over 90% of the land in British Columbia is crown land. That means it is owned by the people of British Columbia; yet the people in British Columbia are not benefiting from this resource. We are shipping those logs out of the country, south of the border and overseas for processing while one sawmill after another closes its doors, laying off workers.

There used to be something called a social contract in British Columbia. That meant that if a company had the right to cut the trees, they had to mill them close to home. That social contract has been broken. I would argue that one of the solutions to some of the problems facing British Columbia would be to reinstate that social contract.

We could name any number of mills we have seen close. One that this paper cited was the New Westminster sawmill. The cessation of production at that site cost 284 workers their jobs.

In talking about solutions, one of the things I talked about was raw logs. I want to talk about the immediate situation for just one moment. One of the things that we know has to happen to help out forestry workers in British Columbia and throughout this country is that we have to do something about the employment insurance program.

I am very proud of the fact that New Democrats put forward a motion last week asking for this House to support EI, and we will be voting on that important motion tonight. I would urge every member in this House to talk about eliminating the waiting period, reducing the eligibility requirements to 360 hours, and dealing with some of the regional anomalies.

Some regions are linked up with another region where the unemployment rate is higher. For example, my own region is linked into Vancouver, where the unemployment rate is much lower. Our workers actually get fewer weeks of employment insurance.

We need to do something immediately for those workers and their communities. We know that when workers have that social safety

net, they spend the money in their local community on food, shelter, the necessities of life, and it helps keep our local economies going.

I talked about the raw logs and the need to ban raw logs. We also need to look at support for value added, and there are a number of ways we can do that. We can look at refundable tax credits. We can look at elements around research and development. Again, that important social contract that says raw logs will be processed closer to home would be really a way to encourage value-added manufacturing in the province of British Columbia.

One of the things Mr. Sinclair pointed out in the letter I read was about the deindustrialization of British Columbia. As we continue to ship our resources somewhere else to be processed, it means we are losing some of our own manufacturing capacity. That manufacturing capacity is an important element in keeping the economy of British Columbia viable.

In the longer term, provincial New Democrats under the leadership of Carole James have proposed a detailed plan on what could help out our ailing forestry sector. I do not have time to go through all the elements of that plan, but I do want to touch on a couple of points.

They have a five-point plan where they flesh it out. The first one is to create a green plan for B.C.'s forests, and there are a number of elements under that.

The second one is to develop an innovative 21st century forest product industry.

The third one is to create a community and worker stability program, and it has to do better than the community trust fund that we saw in this House, because many workers were simply left out in the cold.

Even though in British Columbia we have a forestry sector that has been in crisis for years, many of the workers, because they had been laid off prior to that date that was set in 2007, were simply not eligible. Yet they had spent 30-some odd years working in the forestry sector. If we are going to look at creating a community and worker stability program, it actually has to take a look at all of the workers.

The fourth one is to establish a permanent commission on forestry; and the fifth one concerns softwood lumber and forest tenure reform. New Democrats have spoken on this in the House many times. We were adamantly opposed to that softwood lumber deal. We are now seeing the impacts in our communities.

One of the important parts of Carole James' plan is that we need a complete, comprehensive assessment of the resources that can be derived from B.C. forests. That includes eco-system services, timber resources, and non-timber resources. We need to have this comprehensive review.

*Business of Supply*

In the last decade or so when forestry was in a lot of trouble, we used to talk about “stump to dump”. We need a plan that looks at our forestry sector right from the time the trees are planted, all the way through until we are looking at waste products. It is that kind of innovation and research and development initiative that will keep a healthy forestry sector and well-paying jobs in our communities.

• (1645)

**Mr. James Lunney (Nanaimo—Alberni, CPC):** Mr. Speaker, I would thank the hon. member for pointing out some of the issues on Vancouver Island, which I certainly identify with since the same issues are happening in my riding and some of the same concerns, with the loss of jobs and mills closing down.

She mentioned Catalyst in Crofton and Campbell River. We have one mill remaining in Port Alberni that is still functioning, but it is more or less on life support with the downturn in the pulp industry right now. So I appreciate the member pointing out those losses and the job losses right now.

The member raised the log export issue. She would know the complications with private lands and public lands, and of course, with federal and provincial jurisdictions. However, the real problem we are faced with is the collapse of the market. With the terrible downturn in the U.S. and its surplus of houses, the Americans are not building homes. They are not using our products. They are not buying them right now. That is the problem. That is why the products are not moving.

I want to ask the member whether she feels that the \$170 million that the government is putting forward to help in forestry initiatives that are directed at diversification and forest innovation are not the very things that she is asking for to help get our forest industry going again.

• (1650)

**Ms. Jean Crowder:** Mr. Speaker, of course, the member is well aware, being from British Columbia, that the job losses in B.C. did not start with the downturn in the U.S. economy. Those job losses have been going on for several years. People such as the CCPA have been talking about the fact that we need a proactive strategy for forestry in British Columbia.

The member rightly points out that, with raw logs, there are different issues between public and private lands. What I am urging is that the provincial and the federal governments work together to address their respective responsibilities around how raw logs continue to flow out of our province and are processed somewhere else.

When it comes to the elements that are in the current budget around forestry, certainly we welcome those elements, but they do not go far enough. I talked specifically about short-term responses to workers' needs, and employment insurance was an element that was absolutely not dealt with in terms of the way forestry workers are being impacted. The five weeks at the end does not help the forestry workers who simply do not qualify because of the number of hours that are required and being tied to a different labour market.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, it is always a pleasure to hear the hon. member speak on issues in her area.

The problem here started with the cancellation of the 2005 strategy of the then Liberal government on forestry assistance. The Conservatives overturned that strategy and then carried on with the flawed softwood lumber deal, as the member well knows, where billions of dollars were left on the table. Although the government said it would be dealt with and there would be no more court problems, the fact is that we are back in court today.

I have listened to the last Conservative speaker outline all the provisions of the budget that he feels would assist the forestry sector, and it turns out that his party is still not supporting this particular motion.

Since 20,000 jobs have been lost in the forestry sector under the government's watch, would the member agree that the Conservatives are not getting the job done?

**Ms. Jean Crowder:** Mr. Speaker, that is an easy answer. No, they are not getting the job done, and the softwood sellout is sinking jobs in our province.

**Ms. Niki Ashton (Churchill, NDP):** Mr. Speaker, I would like to thank my colleague for pointing out some of the challenges faced in her riding, challenges that are very much a reality in the riding that I represent—for example, in the community of The Pas, Manitoba.

The Pas is an example where the province, the municipality, the steelworkers, headed by Chris Parlow, the president of the United Steelworkers, and also the neighbouring chief and council have come together to bring about a solution to the problem. In all of this, the underlying theme is that the federal government has been absolutely absent. I would like her to speak to the existence of that in her region.

**Ms. Jean Crowder:** Mr. Speaker, we continue to see workers losing their jobs and being threatened with losing their homes. So, clearly, the strategy that the Conservatives have proposed is not working for people in my riding and for people in Churchill and other ridings in the country.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, while I thank the Bloc Québécois for raising the issue of forestry, there was a pretense of doing so while having supported so many of the measures that got us into this trouble in the first place.

Forestry unfortunately has become a symbol of the hollowing out of Canada's manufacturing sector, whether we look at steel or the auto industry. Even aspects of the value-added mining industry have gone away from our country.

For Canadians to understand how critical this is for our economic future and where we pick ourselves up from this recession and go forward, it is pivotal to understand that these are the very industries that built this country, that in fact built this place, and enabled governments for generations to provide the health care, education, and spending on things we care so much about. They found their home in many of these industries.

*Business of Supply*

I cannot help but think of Houston, British Columbia, a relatively small town consisting of 3,000 people. They have very minimal health care, barely adequate education, yet every year, doing their part and pulling their weight, being part of the fabric of Canada, they pour millions and millions of dollars into the coffers of provincial and federal governments.

Within the forestry sector in particular, we know it is hard, demanding, and dangerous work. Folks expect over time to put in a hard day's work and receive fair pay. Unfortunately, the very industries that built this country are now being thrown away, chipped away, sold off in negotiations like we saw with softwood, sold off at various times as we in Canada no longer stand up for the values and beliefs that we once held, that there was a national interest.

There are many who would point out and are going to take what I might call "the convenient truth" in their eyes that the only reason we are facing this calamity is because of a world recession, a meltdown in the U.S. housing market. However, those of us who come from forestry communities across Canada have seen the slow and steady erosion of that base across the board. This is not a new phenomenon. It did not start when the housing bubble popped in the U.S. It did not start when the Canadian dollar started to gain value compared to the U.S. This started a long time ago.

Policies were put in place, perhaps with the best of intentions, but had effects on the overall workforce and the overall productivity and efficacy of our forestry sector. This debate is about both the past and the future.

**Mr. Richard Harris:** Which policies?

**Mr. Nathan Cullen:** My Conservative colleague is heckling. One of pertinence that was brought out by the province—this is a policy I am naming for my Conservative colleague, if he does not mind being quiet for a moment to hear it—was actually a Socred, right-wing policy in B.C. that said, wouldn't it be a neat idea if we tied the value of the resources nearby to the communities that rely on those resources? That was later scrapped by another version of the Socred Party.

What we see in northern B.C. is full logging trucks passing each other every day, going six, seven, eight, or nine hours down the road to super mills, which was the model that was meant to save us if we just allowed consolidation of the industry.

We saw that with the federal government, which was no longer asking the departments that were meant to stop anti-competitive behaviour in places like Burns Lake, Fort St. James and Mackenzie. That anti-competitive behaviour built up communities that no longer had the adaptability to adjust when one company ran into trouble.

As my colleague on the Conservative benches will know, when a couple of announcements popped up in Mackenzie, it virtually killed the town. It put the entire town into a state of seizure. If we look back 10, 20, or 30 years ago, we had a much more adaptable and flexible forestry industry.

This debate is about both the past and the future. There are going to be disagreements in all corners of the House about how we got to this place. Some of us will look at the fact that we gave a veto to a foreign government in the softwood lumber agreement and allowed

it to decide which measures we were taking were anti-competitive and which ones were not.

Then we allowed it to slap us with tariffs, which it did, which we predicted it would do and will do again to British Columbia, Alberta, Ontario and Quebec. It hit our industry with punitive damages on policy directed by the provinces, where even the federal government has no jurisdiction or role. Somehow Washington has something to say about it. What kind of agreement is that when we start to muddle the jurisdictions that are instilled and enshrined in our Constitution? These are fundamental differences of opinion that I have with colleagues across the way.

Whether it was due to a fixation on U.S. housing markets, with mega mills focused there and only there, we urged the government year after year to please allow for a greater diversification of where our markets go, to put more money into marketing Canadian wood to other markets.

We saw the housing market bubble grow and grow year after year, and we saw the over-dependence on the Canadian supplier side to that market. There were those of us both in the House and in the forestry sector who said this was a dangerous formula.

● (1655)

If we have an industry that is dependent upon an economy that creates a bubble and the bubble inevitably pops. However, the good times were good times and we had to keep going with the policies that got us there.

We cannot use the convenience of a global recession to say that this is what is going on in forestry or manufacturing. We have seen, as has been noted, the successive de-industrialization of our country, year after year. These are flat-out statistics. My colleagues can argue as to the reasons why or why not, but the fact of the matter remains.

It was pointed out that a study showed raw log exports went absolutely crazy in British Columbia. The federal government had nothing to say about the international trade policy on this one, for some strange reason. We saw that 5,800 jobs in 2007 simply were not there. Those are 5,800 value-added jobs that each of us would die to have in our constituencies, even 1,000.

I am sure my colleagues from Nanaimo—Cowichan and Nanaimo—Alberni would be celebrating if the front page of his paper stated that a 1,000 value-added jobs were created in his riding. It would be a great thing because those jobs are hard to come by and they are hard to create. Meanwhile we have policies that direct us not to create those jobs, rather to export those raw logs. We are made to feel that this is a sound and wise policy for the country's future. It is not.

We now have to look also to the future. Communities have stepped forward time and time again. I have watched my communities in Terrace, Prince Rupert and Hazelton absolutely go through some of the most devastating and punishing economic news imaginable.

*Business of Supply*

I would like members to try to appreciate the effect this would have at home. We are talking unemployment rates of 70%, 80% and 85% when one or two mills go down. I want people to contemplate that and understand what it is to see eight or nine out of every ten workers out of work. It is devastating not just on brute economics, but on the social fabric of the community and the hope that young people do not feel as they go through school.

Recently I was at a graduation ceremony in Hazelton. I did a quick straw poll with the 60 or 70 graduates students. I asked who was planning to go away to school and then come back to the community to set up a family, a home and a life. Out of those graduates, one hand went up. That is for a reason. There is no hope for them.

Communities are coming forward time and time again with ideas and proposals, yet we see the government do something so callous, and I hope the Conservatives will stand up and answer this question.

We looked through this year's budget to find the funds dedicated to the pine beetle crisis in B.C. I hope my colleague from Prince George understands this. A commitment was made by the federal government to B.C. and its residents to assist in with the pine beetle. When this announcement was first made by the former minister of natural resources, I congratulated him in the press. I told him that it was a good thing and that we needed to get that money out the door. As we heard from the chief forester of British Columbia today, we cannot find money in the budget. It has been rolled in and the accountability is gone.

Folks are saying that British Columbia is in the middle of one of the most ecologically devastating things ever seen. The government made a serious, honest and binding commitment to the people of British Columbia to come forward with that money. We have looked to see where and to whom that money has gone. So little money has flowed out and what little was promised, no longer appears present.

We also know the forestry industry has the potential to be reborn. Someone said that we should not call this a sunset industry. Know that mill managers, town councils and chambers of commerce are coming together with ideas and proposals to diversify what happens at their mills. There is the possibility of energy generation. There is value added in different sectors. There is the ability to see this industry in a new light.

We are begging the federal government to speed it up. In the first round of announcements on money, it was 16 months before proposals were even ready to go out the door. Mayors, municipalities and plant managers were furious that it would take 16 months to get a proposal together for a so-called crisis.

We know the industry can improve and recover. It will change and it will look different, but we have to understand that the policy of a tax cut for a company going under does not allow it to make it to the next quarter. It does not allow it to have hope for the next year.

We need to have more than just one bullet, but when all we have is a hammer, every problem starts to look like a nail. The government has been ill-equipped. There must be some responsibility. The federal government has an enormous amount of power. With that power, comes responsibility. There is a responsibility in this case to own up to failed policies and half attempts and to recognize what is

needed. Without this, the devastation will continue. We simply cannot do that if we are to be elected leaders of the country.

● (1700)

**Mr. James Lunney (Nanaimo—Alberni, CPC):** Mr. Speaker, I know the member is concerned about his constituents as are the rest of us in British Columbia. We are dealing with a forestry industry that is in tremendous transition. The interior has been hammered hard by pine beetle and that will change things for decades.

The whole industry has changed since the gravy days of the 1980s to which the member referred. He is right that there have been tremendous changes. The downturn in the U.S. economy in the last half a year has been the final hammer in a whole series of changes in the forestry industry. The latest slam is really devastating our industry. However, we are competing today against inferior products from other parts of the world. We still have the best coastal timber in the world on the coast of B.C. The challenge is in the interior.

We are competing against inferior wood from other parts of the world. The wood is bound together with glues and resins, which are structurally as sound as our best coastal timber. The challenge we face is that we have to find higher-value products for our wood products. The industry itself is in transition. We cannot go back to the past, so we have to transition into the future.

Will the member acknowledge that, since we cannot go back to the past, we have to find the value added and the innovative ways to use our forest industry? It will change—

● (1705)

**The Deputy Speaker:** Order, please. I will have to cut the hon. member off there so we can have time for a response.

The hon. member for Skeena—Bulkley Valley.

**Mr. Nathan Cullen:** Mr. Speaker, I know he is keen for the response, so he would not want to ruin my time.

In terms of looking at the past, there are measures and elements that we have to recognize. No one projects going back to 1980. The circumstances have changed.

*Business of Supply*

However, things were done then that are of value. There is a great story, and I would ask the member to take a look at Lax Kw'alaams, Port Simpson. It has been running a small, community-owned operative. It is putting 250 people to work on a consistent basis under the principle that we do not waste a stick of wood, under the principle of those who were guided by the elders in that first nations community that we must derive the greatest value added.

However, we have been running policies that leave slash piles in the bush that are taller than most houses in which people live. Those policies eventually come home to roost. We cannot have these inefficiencies. We have to look at completely new models of financing. The large conglomerate, highly leveraged forestry companies presented a weakness when they were over-dependent on one sector, the U.S. housing market. When that leaning happened, we saw that when it fell, it fell hard. This will continue. The government must not say that rosy times are around the corner because they are not. It is unfair and irresponsible to say otherwise.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member knows that nine U.S. senators from both parties had written to President Obama to complain that Canada's complaints about the protectionist measures in the U.S. stimulus package were meant to take attention away from Canada's own alleged violations of the agreement. Interestingly enough, not only is the Minister of International Trade not going to support this important motion, which is supported by the majority of the House, but he is not defending the position of Canadians in this regard and is, in fact, supporting the position of the senators.

Would the member care to speculate on why the Minister of International Trade prefers to support the position of the United States rather than the forestry sector in Canada?

**Mr. Nathan Cullen:** Mr. Speaker, I would only suggest that he does so out of habit. The support of the American position at the trade table has gone on for far too long. The Americans come forward and, while signing agreements like NAFTA with Canada, set up a protection measure around their steel industry. Why? Because they want to protect their steel industry under the auspices of NAFTA. Did we have any problem with that as Canadian negotiators? Apparently not.

However, when the elected representatives in the House stand and make similar suggestions, we are called insane and crazy. We cannot do such a thing. When the Chinese government proposed to buy Noranda, our largest mining outfit, and all its resources, we had a finance minister tripping over himself, excited by that so-called investment. The Chinese came forward during those negotiations and said that their plan was to smelt less of the materials than Noranda traditionally did in Canada and smelt more of it overseas, taking added-value jobs overseas.

It is perplexing to me and it is not comprehensible to most Canadians. Why is there this pattern of not standing up for the interests and rights of Canadians? Negotiators like that are why our industrial strategy fails us time and again.

**Mr. Richard Harris (Cariboo—Prince George, CPC):** Mr. Speaker, I am pleased to speak today. I hope I can be heard over the roar of approval from the American southeastern softwood lumber producers as they listen to the NDP talk once again about scrapping the softwood lumber agreement.

There are visions of prosperity going rampant down in Georgia and those southern states. Without a softwood lumber agreement, they could simply impose whatever punitive penalties they wanted on Canadian products coming across the border. Given the recession in the U.S. housing industry, those folks down there, who cheer for the NDP on a daily basis, could probably supply almost all the softwood lumber for constructing houses down there. As that cheer for the NDP gets louder about killing the softwood lumber agreement, I will try to talk about some positive things that our government is doing.

There is no doubt that the forestry industry has some serious challenges. The member for Skeena—Bulkley Valley did not mention that the current softwood prices are somewhere in the neighbourhood of \$155, \$158. Some of the mills were selling it off for \$130 just to get it out of their yards.

The member also knows that the break-even point is somewhere in the high three hundreds for a mill to be profitable. Yet that is fault of the Canadian government. He chooses to blame the government, not the fact that there is a recession in the U.S. The housing starts are down the tube and the price is at a point where the mills in Canada are losing money on every stick.

Notwithstanding the so-called disparities in the softwood lumber agreement, about which the member talked, if the prices are at \$158, no mill in Canada will make any money anyway, even if there were no tariffs.

The government has a role to play and Canada's recent economic action plan will help industrial sectors like the forest industry. We are investing \$8.3 billion to help retrain and upgrade the skills of our workers in the forestry industry and other industries. That is our Canada skills and transition strategy to address the most pressing needs of workers who are facing layoffs so they can transition into a different type of employment.

That is good news. There are \$8.3 billion going into that program. The NDP does not like good news, let us remember that. Also, let us remember that NDP members have not read the budget, yet they said they would vote against it. The NDP members will vote against the \$8.3 billion to retrain and help upgrade the skills of our workers in the forest industry.

Canada's economic action plan will also temporarily provide additional support to workers and the unemployed facing transitions through some tough economic times. I am proud to talk about some of the measures we are taking. This is all good news.



Of course the NDP will not like it, but we will provide nationally the benefits for the current five week pilot project that has only been provided in the highest of unemployment areas. We have increased the duration of the EI benefits by another five weeks, raising it from 45 to 50 weeks at an estimated cost of \$1.5 billion. The NDP voted against the extension of the EI program. We are not voting against it. We are supporting it. We brought it forward. That is in our budget, but the NDP does not care about that because it is good news and NDP members do not like good news.

We are providing another billion dollars over two years for provinces and territories through the existing labour market development agreements for skills training. They have a closer contact with the real needs of the workers in their communities. That is good news, but the NDP is voting against that as well.

• (1710)

I would like to wrap up by talking about the work-sharing program. We are extending it by 14 weeks. We are allowing mills in the forestry sector that have had their work-sharing program expire to have another whole year, another 52 weeks. NDP members are voting against billions of dollars in that program as well. I would like them to tell that to the workers who are facing layoff in the forestry industry—

**The Deputy Speaker:** Order. It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

• (1715)

[*Translation*]

The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion, the nays have it.

*And five or more members having risen:*

**The Deputy Speaker:** Call in the members.

• (1740)

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 25*)

**YEAS**

Members

Allen (Welland)  
Andrews  
Arthur  
Asselin

André  
Angus  
Ashton  
Bachand

Bagnell  
Beaudin  
Bellavance  
Bevilacqua  
Bigras  
Blais  
Bouchard  
Brisson  
Byrne  
Cardin  
Charlton  
Christopherson  
Coderre  
Cotler  
Crombie  
Cullen  
Davies (Vancouver Kingsway)  
DeBellefeuille  
Deschamps  
Dewar  
Dhalla  
Dorion  
Dryden  
Dufour  
Duncan (Edmonton—Strathcona)  
Eyking  
Folco  
Fry  
Garneau  
Godin  
Gravelle  
Guimond (Rimouski-Neigette—Témiscouata—Les Basques)  
Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)  
Hall Findlay  
Holland  
Hyer  
Jennings  
Kania  
Kennedy  
Laframboise  
Layton  
Lee  
Leslie  
Lévesque  
Malo  
Marston  
Martin (Winnipeg Centre)  
Masse  
McCallum  
McKay (Scarborough—Guildwood)  
Ménard (Hochelaga)  
Mendes  
Mourani  
Murray  
Neville  
Pacetti  
Patry  
Plamondon  
Proulx  
Ratansi  
Rodriguez  
Roy  
Savage  
Scarpaleggia  
Siksay  
Simms  
St-Cyr  
Szabo  
Thibeault  
Trudeau  
Vince  
Wasylcia-Leis  
Wrzesnewskyj

*Business of Supply*

Bains  
Bélangier  
Bennett  
Bevington  
Black  
Bonsant  
Bourgeois  
Brunelle  
Cannis  
Carrier  
Chow  
Coady  
Comartin  
Crête  
Crowder  
Cuzner  
Davies (Vancouver East)  
Demers  
Desnoyers  
Dhaliwal  
Dion  
Dosanjh  
Duceppe  
Duncan (Etobicoke North)  
Easter  
Faille  
Foote  
Gagnon  
Gaudet  
Goodale  
Guarnieri  
Guimond (Rimouski-Neigette—Témiscouata—Les Basques)  
Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)  
Harris (St. John's East)  
Hughes  
Ignatieff  
Julian  
Karygiannis  
Laforest  
Lavallée  
LeBlanc  
Lemay  
Lessard  
Malhi  
Maloway  
Martin (Esquimalt—Juan de Fuca)  
Martin (Sault Ste. Marie)  
Mathysen  
McGuinty  
McTeague  
Ménard (Marc-Aurèle-Fortin)  
Minna  
Murphy (Charlottetown)  
Nadeau  
Oliphant  
Paquette  
Pearson  
Pomerleau  
Rafferty  
Regan  
Rota  
Russell  
Savoie  
Sgro  
Silva  
Simson  
Stoffer  
Thi Lac  
Tonks  
Valeriote  
Volpe  
Wilfert  
Zarac— 152

**NAYS**

Members

Ablonczy  
Albrecht  
Allison  
Anders  
Ashfield  
Benoit

Abbott  
Aglukkaq  
Allen (Tobique—Mactaquac)  
Ambrose  
Anderson  
Baird

*Business of Supply*

Bernier	Bezan
Blackburn	Blaney
Block	Boucher
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Bruinooge	Cadman
Calandra	Calkins
Cannan (Kelowna—Lake Country)	Cannon (Pontiac)
Carrie	Casey
Casson	Chong
Clarke	Davidson
Day	Dechert
Del Mastro	Devolin
Dreeshen	Duncan (Vancouver Island North)
Dykstra	Fast
Finley	Flaherty
Fletcher	Galipeau
Gallant	Glover
Goldring	Goodyear
Gourde	Grewal
Guergis	Harris (Cariboo—Prince George)
Hawn	Hiebert
Hill	Hoback
Hoeppner	Holder
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Kent	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lebel	Lemieux
Lobb	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Mark	Mayes
McColeman	McLeod
Menzies	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
O'Neill-Gordon	Obhrai
Oda	Paradis
Payne	Petit
Poillievre	Prentice
Preston	Raitt
Rajotte	Rathgeber
Reid	Richards
Richardson	Rickford
Ritz	Saxton
Scheer	Schellenberger
Shea	Shiple
Shory	Smith
Sorenson	Stanton
Storseth	Strahl
Sweet	Thompson
Tilson	Toews
Trost	Tweed
Uppal	Van Kesteren
Van Loan	Vellacott
Verner	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)
Wong	Woodworth
Yelich	Young — 140

**PAIRED**

## Members

Clement	Ouellet
Paillé	Weston (Saint John) — 4

**The Speaker:** I declare the motion carried.

[*English*]

OPPOSITION MOTION—EMPLOYMENT INSURANCE

The House resumed from March 5 consideration of the motion.

**The Speaker:** Pursuant to order made on Thursday, March 5, the House will now proceed to the taking of the deferred recorded division on the motion relating to the business of supply.

● (1750)

**Mr. Bill Casey:** Mr. Speaker, on a point of order, my whip was not paying attention when the vote came by and I would like my vote counted yes on this motion.

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 26*)

**YEAS**

## Members

Allen (Welland)	André
Andrews	Angus
Ashton	Asselin
Bachand	Bagnell
Bains	Beaudin
Bélangier	Bellavance
Bennett	Bevilacqua
Bevington	Bigras
Black	Blais
Bonsant	Bouchard
Bourgeois	Brison
Brunelle	Byrne
Cannis	Cardin
Carrier	Casey
Charlton	Chow
Christopherson	Coady
Coderre	Comartin
Cotler	Crête
Crombie	Crowder
Cullen	Cuzner
Davies (Vancouver Kingsway)	Davies (Vancouver East)
DeBellefeuille	Demers
Deschamps	Desnoyers
Dewar	Dhaliwal
Dhalla	Dion
Dorion	Dosanjh
Dryden	Duceppe
Dufour	Duncan (Etobicoke North)
Duncan (Edmonton—Strathcona)	Easter
Eyking	Faille
Folco	Foote
Fry	Gagnon
Gameau	Gaudet
Godin	Goodale
Gravelle	Guamieri
Guimond (Rimouski-Neigette—Témiscouata—Les Basques)	
Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)	
Hall Findlay	Harris (St. John's East)
Holland	Hughes
Hyer	Ignatieff
Jennings	Julian
Kania	Karygiannis
Kennedy	Laforest
Laframboise	Lavallée
Layton	LeBlanc
Lee	Lemay
Leslie	Lessard
Lévesque	Malhi
Malo	Maloway
Marston	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Mathyssen
McCallum	McGuinty
McKay (Scarborough—Guildwood)	McTeague
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Mendes	Minna
Mourani	Murphy (Charlottetown)
Murray	Nadeau
Neville	Oliphant
Pacetti	Paquette
Patry	Pearson

Plamondon  
Proulx  
Ratansi  
Rodriguez  
Roy  
Savage  
Scarpaleggia  
Siksay  
Simms  
St-Cyr  
Szabo  
Thibeault  
Trudeau  
Vincent  
Wasylycia-Leis  
Wrzesnewskij

Pomerleau  
Rafferty  
Regan  
Rota  
Russell  
Savoie  
Sgro  
Silva  
Simson  
Stoffer  
Thi Lac  
Tonks  
Valeriotte  
Volpe  
Wilfert  
Zarac — 152

**NAYS**

Members

Abbott  
Aglukkaq  
Allen (Tobique—Mactaquac)  
Ambrose  
Anderson  
Ashfield  
Benoit  
Bezan  
Blaney  
Boucher  
Braid  
Brown (Leeds—Grenville)  
Brown (Barrie)  
Cadman  
Calkins  
Cannon (Pontiac)  
Casson  
Clarke  
Day  
Del Mastro  
Dreeshen  
Dykstra  
Finley  
Fletcher  
Gallant  
Goldring  
Gourde  
Guergis  
Hawn  
Hill  
Hoepfner  
Jean  
Keddy (South Shore—St. Margaret's)  
Kent  
Komarnicki  
Lake  
Lebel  
Lobb  
Lunn  
MacKay (Central Nova)  
Mark  
McColeman  
Menzies  
Miller  
Moore (Fundy Royal)  
Norlock  
O'Neill-Gordon  
Oda  
Payne  
Poilievre  
Preston  
Rajotte  
Reid  
Richardson  
Ritz  
Scheer  
Shea  
Shory  
Sorenson  
Storseth  
Sweet  
Tilson  
Trost

Ablonczy  
Albrecht  
Allison  
Anders  
Arthur  
Baird  
Bernier  
Blackburn  
Block  
Boughen  
Breitkreuz  
Brown (Newmarket—Aurora)  
Bruinooge  
Calandra  
Cannan (Kelowna—Lake Country)  
Carrie  
Chong  
Davidson  
Dechert  
Devolin  
Duncan (Vancouver Island North)  
Fast  
Flaherty  
Galipeau  
Glover  
Goodyear  
Grewal  
Harris (Cariboo—Prince George)  
Hiebert  
Hoback  
Holder  
Kamp (Pitt Meadows—Maple Ridge—Mission)  
Kenney (Calgary Southeast)  
Kerr  
Kramp (Prince Edward—Hastings)  
Lauzon  
Lemieux  
Lukiwski  
Lunney  
MacKenzie  
Mayes  
McLeod  
Merrifield  
Moore (Port Moody—Westwood—Port Coquitlam)  
Nicholson  
O'Connor  
Obhrai  
Paradis  
Petit  
Prentice  
Raiitt  
Rathgeber  
Richards  
Rickford  
Saxton  
Schellenberger  
Shipley  
Smith  
Stanton  
Strahl  
Thompson  
Toews  
Tweed

*Business of Supply*

Uppal  
Van Loan  
Verner  
Warawa  
Watson  
Sky Country)  
Wong  
Yelich

Van Kesteren  
Vellacott  
Wallace  
Warkentin  
Weston (West Vancouver—Sunshine Coast—Sea to  
Woodworth  
Young — 140

**PAIRED**

Members

Clement  
Paillé  
Ouellet  
Weston (Saint John) — 4

**The Speaker:** I declare the motion carried.

[*English*]

OPPOSITION MOTION—SCIENCE, RESEARCH AND INNOVATION

The House resumed from March 9 consideration of the motion.

**The Speaker:** Pursuant to order made on March 9, the House will now proceed to the taking of the deferred recorded division on the motion relating to the business of supply.

• (1800)

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 27*)

**YEAS**

Members

Allen (Welland)  
Andrews  
Ashton  
Bachand  
Bains  
Bélanger  
Bennett  
Bevington  
Black  
Bonsant  
Bourgeois  
Brunelle  
Cannis  
Carrier  
Charlton  
Christopherson  
Coderre  
Cotler  
Crombie  
Cullen  
Davies (Vancouver Kingsway)  
DeBellefeuille  
Deschamps  
Dewar  
Dhalla  
Dorion  
Dryden  
Dufour  
Duncan (Edmonton—Strathcona)  
Eyking  
Folco  
Fry  
Gameau  
Godin  
Gravelle  
Guimond (Rimouski-Neigette—Témiscouata—Les Basques)  
Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)  
Hall Findlay  
Holland  
Hyer  
Jennings  
Kania  
Kennedy  
André  
Angus  
Asselin  
Bagnell  
Beaudin  
Bellavance  
Bevilacqua  
Bigras  
Blais  
Bouchard  
Brisson  
Byrne  
Cardin  
Casey  
Chow  
Coady  
Comartin  
Crête  
Crowder  
Cuzner  
Davies (Vancouver East)  
Demers  
Desnoyers  
Dhaliwal  
Dion  
Dosanjh  
Duceppe  
Duncan (Etobicoke North)  
Easter  
Faillie  
Foote  
Gagnon  
Gaudet  
Goodale  
Guamieri  
Harris (St. John's East)  
Hughes  
Ignatieff  
Jury  
Karygiannis  
Laforest

*Private Members' Business*

Laframboise  
Layton  
Lee  
Leslie  
Lévesque  
Malo  
Marston  
Martin (Winnipeg Centre)  
Masse  
McCallum  
McKay (Scarborough—Guildwood)  
Ménard (Hochelaga)  
Mendes  
Mourani  
Murray  
Neville  
Pacetti  
Patry  
Plamondon  
Proulx  
Ratansi  
Rodriguez  
Roy  
Savage  
Scarpaleggia  
Siksay  
Simms  
St-Cyr  
Szabo  
Thibeault  
Trudeau  
Vincent  
Wasylcia-Leis  
Wrzesnewskyj

Lavallée  
LeBlanc  
Lemay  
Lessard  
Malhi  
Maloway  
Martin (Esquimalt—Juan de Fuca)  
Martin (Sault Ste. Marie)  
Mathysen  
McGuinty  
McTeague  
Ménard (Marc-Aurèle-Fortin)  
Minna  
Murphy (Charlottetown)  
Nadeau  
Oliphant  
Paquette  
Pearson  
Pomerleau  
Rafferty  
Regan  
Rota  
Russell  
Savoie  
Sgro  
Silva  
Simson  
Stoffer  
Thi Lac  
Tonks  
Valeriotte  
Volpe  
Wilfert  
Zarac— 152

Norlock  
O'Neill-Gordon  
Oda  
Payne  
Poilievre  
Preston  
Rajotte  
Reid  
Richardson  
Ritz  
Scheer  
Shea  
Shory  
Sorenson  
Storseth  
Sweet  
Tilson  
Trost  
Uppal  
Van Loan  
Verner  
Warawa  
Watson  
Sky Country)  
Wong  
Yelich

O'Connor  
Obhrai  
Paradis  
Petit  
Prentice  
Raitt  
Rathgeber  
Richards  
Rickford  
Saxton  
Schellenberger  
Shipley  
Smith  
Stanton  
Strahl  
Thompson  
Toews  
Tweed  
Van Kesteren  
Vellacott  
Wallace  
Warkentin  
Weston (West Vancouver—Sunshine Coast—Sea to  
Woodworth  
Young— 140

**PAIRED**

Members

Clement  
Paillé

Ouellet  
Weston (Saint John)— 4

**The Speaker:** I declare the motion carried.

[*English*]

It being 6:01 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

**PRIVATE MEMBERS' BUSINESS**

[*Translation*]

**GUARANTEED INCOME SUPPLEMENT**

**Mrs. Ève-Mary Thāi Thi Lac (Saint-Hyacinthe—Bagot, BQ)** moved:

That, in the opinion of this House, the government should as soon as possible introduce a bill providing: a 110 dollar monthly increase in the guaranteed income supplement paid to pensioners; the continuation of the payment, for a period of six months, of the old age security pension and supplement to a person whose spouse or common-law partner has died; automatic registration for people 65 entitled to the guaranteed income supplement; full retroactivity of the guaranteed income supplement for seniors who have been short-changed.

She said: Mr. Speaker, this is the first time since the voters of my riding of Saint-Hyacinthe—Bagot first elected me in 2007 that I have had the privilege to present a motion as a member of Parliament.

The motion I have chosen to sponsor is a good example of my interest in creating bridges between the generations. I am also very pleased to have the cooperation of my colleague from Châteauguay—Saint-Constant, the Bloc Québécois critic for seniors.

**NAYS**

Members

Abbott  
Aglukkaq  
Allen (Tobique—Mactaquac)  
Ambrose  
Anderson  
Ashfield  
Benoit  
Bezan  
Blaney  
Boucher  
Braid  
Brown (Leeds—Grenville)  
Brown (Barrie)  
Cadman  
Calkins  
Cannon (Pontiac)  
Casson  
Clarke  
Day  
Del Mastro  
Dreeshen  
Dykstra  
Finley  
Fletcher  
Gallant  
Goldring  
Gourde  
Guergis  
Hawn  
Hill  
Hoepfner  
Jean  
Keddy (South Shore—St. Margaret's)  
Kent  
Komarnicki  
Lake  
Lebel  
Lobb  
Lunn  
MacKay (Central Nova)  
Mark  
McColeman  
Menzies  
Miller  
Moore (Fundy Royal)

Ablonczy  
Albrecht  
Allison  
Anders  
Arthur  
Baird  
Bernier  
Blackburn  
Block  
Boughen  
Breitkreuz  
Brown (Newmarket—Aurora)  
Bruinooge  
Calandra  
Cannan (Kelowna—Lake Country)  
Carrie  
Chong  
Davidson  
Dechert  
Devolin  
Duncan (Vancouver Island North)  
Fast  
Flaherty  
Galipeau  
Glover  
Goodyear  
Grewal  
Harris (Cariboo—Prince George)  
Hiebert  
Hoback  
Holder  
Kamp (Pitt Meadows—Maple Ridge—Mission)  
Kenney (Calgary Southeast)  
Kerr  
Krampr (Prince Edward—Hastings)  
Lauzon  
Lemieux  
Lukiwski  
Lunnay  
MacKenzie  
Mayes  
McLeod  
Merrifield  
Moore (Port Moody—Westwood—Port Coquitlam)  
Nicholson

*Private Members' Business*

Motion M-300 proposes some more specific amendments to the guaranteed income supplement. It is a reintroduction of Bills C-301 and C-490 introduced during past sessions by the Bloc Québécois. Its intention is to help our needy seniors and demonstrate our desire to improve their situation. This motion is intended as an answer to their wishes.

I cannot help but be delighted by the support of my motion by the hon. member for Laval, the Bloc Québécois critic for the status of women. We are well aware that many women are affected by the current unfairness in the guaranteed income supplement program.

This motion therefore proposes four different items: automatic registration for the guaranteed income supplement; a \$110 per month increase for recipients of the guaranteed income supplement; full retroactivity of the guaranteed income supplement for seniors who have been short-changed; and a compensatory continuation of benefits to recipients of the guaranteed income supplement when a partner has died.

The tour undertaken by my colleagues in the Bloc Québécois to consult seniors and seniors' organizations in all parts of Quebec cast light on the poverty of seniors. They asked us to pay attention to their needs, because many of them live in real poverty. The rise in the cost of living is more likely to affect seniors as they have to pay more for drugs, essential services and housing.

Do I really need to convince my colleagues that this money will be going to the neediest of our seniors?

Our elders deserve more than the Conservatives want to give them at this time. Tax credits are all very fine, but a person has to pay income tax to be able to benefit from them.

For those most in need, the support measures proposed in my motion are essential, because these people cannot meet their basic needs. This is a form of isolation and social exclusion that can lead to other problems such as bad health, depression and dysfunction. There is no doubt that poverty can quickly strip people of their confidence, dignity and hope.

It is not uncommon to see recipients unable to fully retire, because they need to earn some additional income just to survive.

I am using the term survive, because this is indeed what it is all about.

By being unfair to them, the government is choking our seniors and keeping them in extreme poverty.

Honouring our elders is a fundamental value in our society. We must respect these people, who worked so hard for the well-being of future generations. This is a matter of dignity, social justice, respect and, above all, rights for our elderly. Personally, I believe that this dignity begins first and foremost with financial security.

For years the Bloc Québécois has been criticizing the irregularities in the federal guaranteed income supplement program, which provides supplementary income to low income seniors.

Over the past few years, an extensive operation carried out by the Bloc Québécois has helped track down some 42,000 of these people

in Quebec. However, there are still about 135,000 seniors who are being shortchanged, including 40,000 in Quebec alone.

The reason why so many seniors are not receiving the guaranteed income supplement is simply the Liberals' inaction, which is now being imitated by the Conservatives.

● (1805)

The government says that seniors only have to register once to get this supplement. This shows the government's ignorance of the situation and of the needs of our elderly.

The 135,000 people who are not getting this money are precisely those who are not aware of the existence of that program, who do not understand the application form or who cannot fill it out properly.

The government has an obligation to track down all those seniors who were forgotten. It must immediately set up an automatic registration system. It has the means to do so, since the exchange of information with the Canada Revenue Agency is now allowed.

The \$110 monthly increase in the guaranteed income supplement is essential and would help our seniors improve their living conditions. Right now, the guaranteed income supplement paid to low-income pensioners does not even allow them to reach the low income cutoff. Increasing the guaranteed income supplement by \$110 would help these people to at least have a revenue equivalent to the low income cutoff.

In 2006, the guaranteed income supplement was increased by \$18, then by \$18 again in 2007 and by \$16 in 2008, for a total of \$52 over three years. We are definitely not talking about exceptional generosity. Do hon. members really believe that such measures will not trigger a reaction from our seniors?

There is another problem: the Bloc Québécois found 42,000 people in Quebec who are entitled to the guaranteed income supplement, but they will receive only 11 months' retroactivity from the federal government. When a Canadian taxpayer ends up owing money to Revenue Canada after an audit of past tax years, the government does not settle for 11 months' retroactivity; it wants every penny it is due.

I myself handled files for seniors who were being told to pay back overpayments from the department. The department has occasionally used pretty ruthless measures to recover such overpayments. But the government does not settle for 11 months' retroactivity; it collects every penny of the overpayment. That is a striking example of how the government takes advantage of the most vulnerable.

I should add that full retroactivity of the guaranteed income supplement would cost some \$12 billion. We know that the government has recorded surpluses in the neighbourhood of \$10 billion over the past few years. It might have been nice for some of that money to go to our seniors, who are becoming both more numerous and poorer.

*Private Members' Business*

It is just disgusting to see so much money spent on the military—\$17.1 billion for the purchase of helicopters, planes and other equipment—on top of the billions Ottawa has given to “poor” oil companies. The Conservatives should be ashamed of their plan to reduce taxes on oil companies to 15% over the next five years, while reducing the tax rate to 22% for SMEs that have been hit hard by the economic crisis. Thanks to the government, oil companies will get \$2 billion worth of tax breaks in 2009. But they do not see this as scandalous.

Why does the government not want to invest a little more in our seniors? Seniors' associations have also asked that guaranteed income supplement co-beneficiaries be allowed to continue collecting benefits for six months after a spouse's death. Currently, surviving spouses receive just one month of benefits after their spouse's death, which is a heavy penalty.

I want to make it clear that this compassionate payout will last for just six months. It is not permanent. The goal is to enable seniors going through a grieving process to create a more stable situation for themselves.

•(1810)

An individual who loses his or her spouse has to think about whether or not they will move or how they will maintain or keep the family home. These questions have to be asked. This compassionate measure shows a bit of humanity in dealing with our seniors. I am also convinced that my colleagues from all parties recognize our responsibility towards those who made us what we are and who expect our appreciation.

When in opposition, the Conservatives supported Bill C-301, which was introduced by the Bloc Québécois before the 2005 election was called. All Conservative members in this House voted for the bill. In order to demonstrate their sincerity, and thus honour the position taken previously, I urge them to support my motion now that they are in government.

The government can count on Quebec, which it has recognized as a nation. Members of the Bloc Québécois have known for a long time that our role is to defend the most disadvantaged. Rest assured that in a sovereign Quebec our seniors would not be penalized. The National Assembly of Quebec has adopted a unanimous motion in support of seniors who do not receive the guaranteed income supplement to which they are entitled. More than ever I will promote an independent Quebec that will respect our seniors. The guaranteed income supplement is intended for the most vulnerable. Our seniors wish to live with dignity. It is a question of social justice, rights and what is due to our seniors.

Our seniors built the Quebec of today and my generation will build the Quebec of tomorrow. These are intergenerational bridges.

•(1815)

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Mr. Speaker, I would like to congratulate my hon. colleague from Saint-Hyacinthe—Bagot on the fine speech she gave concerning our seniors. As she so clearly pointed out, for several years now, the Bloc Québécois has been trying to have this principle recognized, to acknowledge our seniors and ensure they have enough income to live their lives with dignity.

I wonder if the member would not agree that, regardless of everyone's personal opinion, our current economic climate actually presents the perfect opportunity to invest this money in our seniors, who are so deserving of it, in order to stimulate our economy. As we all know, if these people had even the slightest increase in their incomes, they could really benefit from that and spend money in their communities. I would like to know her thoughts on this.

**Mrs. Ève-Mary Thériault Thi Lac:** Mr. Speaker, I thank my colleague from Alfred-Pellan for his speech. He was, moreover, the sponsor of the motion the Conservatives supported when in opposition.

In response to his question, raising the income provided to our seniors would be of great help to their situation. We know that many seniors are having to make a choice between paying for food or paying for medicine. This can end up costing the state more because it will have to look after seniors who have become sicker than necessary because they cannot afford to buy their medicines.

I, and all of my colleagues in the Bloc Québécois, want to see our seniors live in dignity. That is why I am calling upon all of my colleagues here in the House of Commons to support my motion.

[English]

**Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC):** Mr. Speaker, the hon. member is certainly well intentioned and is heading in the right direction. Seniors who have worked hard and contributed to the growth and development of our communities and country are well deserving.

There were a number of initiatives in the last budget, pension income splitting and others. In budget 2009 there was a \$1,000 increase to the age credit, \$400 million over two years for the construction of social housing, long-tenured worker benefits of \$500 million, and \$60 million over three years for the targeted initiative for older workers. There was a series of initiatives in the budget with respect to older workers.

The member asked for support of her motion. Why is it that she did not support the budget which contained some very significant benefits for older workers and seniors, benefits that they surely could have used? How is it that the member and her party opposed those very initiatives in the budget?

•(1820)

[Translation]

**Mrs. Ève-Mary Thériault Thi Lac:** Mr. Speaker, I am pleased to hear what the hon. colleague across the way has had to say. It gives me an opportunity to repeat what I said. He did not really get the intent of my motion. He refers to intentions but this government needs more than intentions; it needs to take action.

He speaks of measures to help seniors but those are measures for people with incomes. Tax credits only affect people who pay income tax. The measures in my motion are to help people living with minimum incomes that do not even bring them up to the poverty line. I saw none of those measures in the budget presented by the Conservatives.

**The Deputy Speaker:** The hon. member for Huron—Bruce may ask a very short question.

[*English*]

**Mr. Ben Lobb (Huron—Bruce, CPC):** Mr. Speaker, I appreciate my colleague's comments, but what strikes me as interesting is she mentioned the lowest income earners, those in the most need. In our economic action plan we enhanced our working income tax benefit. We added dollars to retrofit affordable housing, to create new housing, housing for seniors and housing for those who are disabled, and yet she said that she does not want to support the budget.

I ask the—

[*Translation*]

**The Deputy Speaker:** The hon. member for Saint-Hyacinthe—Bagot has only 15 seconds.

**Mrs. Ève-Mary Thāi Thi Lac:** Mr. Speaker, once again, the member is talking to me about tax credits for workers. Is he saying that he wants seniors to go back to work? What he is saying is completely ridiculous. He is mixing up two files. I am talking about a motion to help the poorest among us, and he is telling me that they should go back to work to get credits from his government—

**The Deputy Speaker:** Resuming debate.

The Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour.

[*English*]

**Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC):** Mr. Speaker, it is interesting to hear the member speak for and against a subject that would help seniors and older workers in a number of ways that I and the hon. member have listed. It is certainly something that would have been worthy of support, but she is focused on her particular motion and I would like to speak to that.

I would speak in support of our public pension programs and the good work the Conservative government has been doing for some time to help seniors. Since its first day in office, our government has been absolutely committed to improving the lives of seniors. We have done that by making seniors' issues a priority and by sticking to improved programs such as the GIS the member referred to, so we can do an even better job of serving Canadians.

A great deal has already been done to translate this commitment into reality. For example, since taking office we have increased the GIS by \$36 per month for unattached seniors and \$58 per month for couples in January 2006 and January 2007. These monthly increases to the GIS amount to a 7% increase over and above regular indexation to compensate for the increase in the average wage. The total cost of this measure alone is \$2.7 billion over five years.

*Private Members' Business*

We have also increased the GIS earnings exemption from \$500 to \$3,500, so that many working pensioners can now keep up to an additional \$1,500 in GIS benefits.

We also passed Bill C-36, legislation that makes it much easier for seniors to apply for and receive their GIS payments. This change allows seniors to make a one-time application for the GIS and receive it year over year as long as they are eligible, provided they file annual tax returns.

To help encourage seniors to apply for GIS benefits which they may be entitled to, we send out application forms to low-income seniors identified through the tax system. These efforts have helped to put benefits in the hands of more than 328,000 additional seniors.

For seniors who do not file income tax returns, we have undertaken aggressive targeted outreach efforts to reach seniors who may be eligible for GIS. These efforts range from setting up information booths at events to working closely with the volunteer sector and first point of contact service providers. Targeted groups include newcomers, persons with disabilities, aboriginals and the homeless.

Our support for seniors has not stopped there. We have also provided more than \$1 billion in tax relief each year to Canadian seniors through pension income splitting and enhancements to the age and pension income credits. This amounts to a significant amount of dollars.

More recently, through our economic action plan, we have introduced measures that will also help seniors in many additional ways. For example, we are increasing the age credit by \$1,000 for 2009 and beyond to allow eligible seniors to receive up to an additional \$150 in annual tax savings.

We are investing an additional \$60 million over three years in the targeted initiative for older workers program. We are expanding the number of potentially eligible communities to include older workers in small cities.

We are providing \$400 million over two years through the affordable housing initiative for the construction of housing units for low-income seniors.

Canada can be proud that the poverty rate among Canadian seniors has declined dramatically over the last 25 years. In fact, the average income for seniors in that time has doubled.

Canadians can also be proud that we already have one of the lowest levels of poverty among seniors of any country in the industrialized world, at around 5%. It is quite a remarkable figure. This makes us the envy of many other nations, including Sweden, the United States and the United Kingdom.

That being said, there is always room for improvement. Our government will continue to work to ensure that the needs of all seniors, including low-income seniors, are adequately met.

Let me turn to the motion before us today. Given the size and complexity of the GIS program, upon which many of our most vulnerable citizens depend, it is vital that each and every change being considered be examined thoroughly. Careful consideration must be given to impact and cost.

*Private Members' Business*

With that in mind, I would like to take a few moments to examine the proposals contained in today's motion and how they might affect the GIS program and the people it benefits.

To begin with, there is a proposal to increase monthly benefits by \$110, a move which could cost as much as \$2 billion a year. The motion also calls for unlimited GIS retroactivity which, by some estimates, could cost as much as \$3 billion. These two measures alone would cost several billions of dollars. We are talking about huge sums of money, especially given the economic times we are living in right now.

• (1825)

It is important to note that GIS benefits are already paid retroactively for up to one year. The current one year retroactivity provision is at least on par with, and in some cases superior to, retroactivity provisions for similar programs in other Canadian and international jurisdictions. For example, retroactivity provisions for the Alberta seniors benefit, British Columbia's senior's supplement, and Ontario's guaranteed annual income system allow for a one year retroactivity limit. This is also the case for the Canada pension plan.

The current one year retroactivity provision contained in the OAS act is even more generous than similar programs in other countries. For example, Australia's age pension, New Zealand's superannuation and Sweden's guaranteed old age pension provision provide for no retroactivity. Social assistance programs such as Alberta works, Nova Scotia's income assistance program and Ontario works also have no retroactivity provisions.

In this regard, I would like to point out that the previous Liberal government was in agreement with this particular point. Here is what the Liberal member for Notre-Dame-de-Grâce—Lachine, on November 18, 2005, had to say on this issue:

With respect to retroactivity, I think it is more important that this program be totally consistent with existing provincial income supplementation programs. On the issue of retroactivity for one year, there is no discrepancy between this program and the provincial programs, which are income supplementation, security or support programs.

It is also very important to note that full retroactivity could also mean increased costs to the provinces and territories whose income supplement programs are based on eligibility for the GIS.

All that said, we must keep in mind that there are already two exceptions when retroactive payments can be made beyond one year: first, when the applicant would have been incapable of expressing the intent to apply for benefits; and second, when an administrative error has occurred or erroneous advice was given.

This motion also proposes paying six months of a deceased person's pension to the survivor. While this proposal seems reasonable at first glance, it is important to note that the GIS is already adjusted for changes in family status following the death of a partner since many low income seniors become eligible for GIS or an increase in that supplement due to the fact that they are now single income individuals. Furthermore, both the Canada and Quebec pension plans contain survivor benefit provisions that help seniors in such situations.

Last but not least, this motion proposes eliminating the requirement to apply for GIS benefits, which is also difficult since

the information available from the Canada Revenue Agency is often insufficient to determine eligibility. In this regard, the former Liberal member for Ahuntsic and former parliamentary secretary to the minister of social development said that doing away with the application process would:

—unreasonably burden the governmental retirement system administratively, technically and financially...Without the application process and income verification, the system would be open to abuse. In addition, we would not have enough information to determine entitlement for seniors who, for instance, do no file tax returns. This would also substantially increase the risk of errors within the system.

Those words are from a Liberal predecessor of mine on this very topic. These comments were made in this House on October 24, 2005.

The onus for making an application must continue to rest with the applicant. Thankfully, as I have mentioned, due to the actions of this government, our seniors now only have to apply once for the GIS benefit.

For the reasons I have outlined, we cannot support this motion. While the proposals are well intentioned and we cannot disagree with the intent of the motion, the reality is that implementing these measures would require enormous financial investments and would have widespread ramifications and implications for other government programs, both at the federal and provincial levels.

As such, I would urge all members of this House to work with the government as we continue to ensure that our policies, programs and services meet the needs of Canada's seniors in a responsible manner. We will continue to do that and we will continue to look at ways to enhance their benefits. It must be at a progressive rate and at a time that the government decides.

Therefore, I would ask members not to support this motion.

• (1830)

**Hon. Judy Sgro (York West, Lib.):** Mr. Speaker, I am very pleased to have the opportunity to speak to Motion No. 300, an extremely important motion that has been put forward. I know everyone in the House cares a lot about seniors. We are very concerned with how they are aging and whether or not they are receiving sufficient support. Granted, there are some that do because they have private pensions and lots of support, but there are others like those my hon. colleague referred to who do not have that kind of support system and need to rely more and more on government support.

For the viewers who are watching, I would like to read the motion. It says:

That, in the opinion of this House, the government should as soon as possible introduce a bill providing: a 110 dollar monthly increase in the guaranteed income supplement paid to pensioners; the continuation of the payment, for a period of six months, of the old age security pension and supplement to a person whose spouse or common-law partner has died; automatic registration for people 65 entitled to the guaranteed income supplement; full retroactivity of the guaranteed income supplement for seniors who have been short-changed.

There are a many things in this motion and clearly the member is very concerned about a variety of areas. She certainly tried to cover them all in one motion, which I think will be quite complex and difficult to deal with in its entirety. It would be an interesting thing to have a study and see where it all fits.



*Private Members' Business*

For the people watching at home who are trying to understand how the House of Commons processes work, M-300 is only a motion. It is a general expression of desires and intents. It is not a bill and would never become a bill. It would never become a law unless the government chose to introduce it as such and that is the core point of the motion. It is asking the government to introduce a bill that would increase all of the areas I have referred to. If this motion were to pass and as time passes, it would not actually force the government to do anything. I say this just so we are honest and not misleading those who are watching to think that if the government were to do this, we would suddenly get all those increases. It does not quite work that simply. This is just the beginning of a process, asking the government to introduce a bill that would do that.

Seniors across Canada need and deserve our help to ensure their dignity and quality of life, especially in these tough economic times. My colleagues and I are committed, and I believe we are all committed in the House, to working very hard on behalf of Canada's seniors. We will strive to protect their pensions and invest in their well-being to our greatest possible extent. The Liberal Party has a strong record of enhancing benefits for seniors. We know that seniors need and deserve our help to ensure their health, security, dignity and quality of life.

When I go back to my riding every weekend, I end up meeting with lots of seniors and talking to them about a variety of issues. I rarely fail to hear about how difficult it is to manage. I asked a question in the House today on behalf of Mario, one of my constituents, who called and said that his property taxes, hydro and gas bills are going up. He asked me how he was supposed to pay all of these bills. His pension is not going up. If it goes up 1.2% or whatever the cost of living is, that clearly is not enough to offset the many expenses that he is trying to deal with. Of course, seniors are going to come to their parliamentarians or elected officials and ask for help because they cannot manage on whatever they have in their savings plus their pensions and the GIS. It is not enough.

Hence, the motion I am speaking to today again tries to address many of those needs that I expect my colleague has heard in her own riding while talking to her own constituents. In doing a bit of an analysis on this motion, it looks like it would cost well in excess of \$1.5 billion over the current budget. As much as we would like to do a lot of things, I think we have to be practical and reasonable in many aspects of looking at these things.

● (1835)

The Bloc members will never be in government so they can introduce, say and ask anything they want. They do form a very useful purpose at times by flagging issues. They are raising issues of concern and it is our job to respond in the appropriate way.

At this particular time, when we are dealing with a recession, it would be extremely difficult, I would suggest, to find \$1.5 billion, if not an extra \$2 billion to meet the needs no matter how much someone would want to do that.

Clearly, the motion could be referred to the human resources committee that would take a detailed look at just how we could more effectively benefit our seniors. Whether it was with this motion or in some other way, I think it is probably something that all of us would like to see done.

I have talked to some of the members of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons With Disabilities and they have indicated their desire to look more intently on just what seniors are receiving and what we might be able to do to assist them.

We certainly would have preferred it if the Conservatives had not spent the cupboard bare with their previous budgets and their fall economic and fiscal updates, eliminating the rainy day fund that we always had there for difficult times. It would have been helpful if that had been there, but it is not there any longer and we have to deal with what we have to deal with.

The previous Liberal government made great progress for Canada's seniors. Our constant goal was to enhance the quality of life for all seniors. We must always remember that this great country we live in was built by seniors that we have today.

I am currently the critic for veterans as well as seniors and pensions. Talking to many of these veterans has been quite an experience, listening to the stories they tell me, and being reminded about just who built this country that we get to enjoy and that we will leave for our grandchildren to enjoy.

In the last Liberal budget 2005, we had many great initiatives for Canadian seniors. Our budget made significant investments in seniors' programs from health care to income security, from retirement savings to assistance for caregivers. That is another very important area that needs some serious attention from the government as well. We have an aging population and more and more caregivers are also struggling themselves. We need to be addressing that area.

The guaranteed income supplement provides low income seniors with a benefit that ensures a basic level of income throughout their retirement years. In 2004 the Liberal government made a commitment to increase the guaranteed income supplement by \$1.5 billion over the next five years. However, budget 2005 went above and beyond that commitment. We announced that we would increase the guaranteed income supplement benefits for low income seniors not by \$1.5 billion but by \$2.7 billion over two years.

It was a period of good economic times. We were managing the country well. The economy was strong and we had surpluses. We chose to turn around and put that surplus toward seniors, so that they would have the benefits and we would assist their lives and make their quality of life a little more comfortable.

*Private Members' Business*

Seniors are and want to remain very active members of our society. We introduced the new horizons program, which had been a program around 10 years ago that was reintroduced by the Liberals in order to provide opportunities to make sure that seniors were having the opportunity to get out to exercise and socialize. A big important part of wellness is the ability to be out and interact with other people, attend bingo games and card games. I visit my riding frequently and visit the seniors who seem to be having the time of their lives, going on trips and enjoying themselves.

That budget also provided \$13 million over five years to establish a new national seniors secretariat, so that we could focus more on just exactly what was going on with seniors. They continue to be very concerned about pensions, about the health care system, pharmacare, housing, and many of the difficulties that people face that are on a fixed income. Our government clearly was committed to all of these things.

In closing, the Liberal Party remains steadfast in our support for our seniors and ensuring the best quality of life possible for them. I would hope that our human resources committee is able to study some of these very issues.

● (1840)

As I said earlier, it is easy for the Bloc to come forward with these kinds of unrealistic motions because they know they will not have to be responsible at the end of the day.

**Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP):** Mr. Speaker, I stand today in support of the member's motion, Motion No. 300, and I commend the member for bringing this important issue before the House and for the passion that she showed today as she spoke to us.

I will reiterate a bit about the motion, although other speakers have already spoken to it. The motion calls for parliamentary action to ask the government to:

...as soon as possible introduce a bill providing: a \$110 a monthly increase in the guaranteed income supplement paid to pensioners; the continuation of the payment, for a period of six months, of the old age security pension and supplement to a person whose spouse or common-law partner has died;

The motion also asks that the government make automatic the registration for people 65 years of age who are entitled to the guaranteed income supplement.

Last, it asks that the government make a fully retroactive payment of guaranteed income supplement for seniors who have been previously shortchanged.

Of course, such requests as those contained in the motion are very much in keeping with the NDP's ongoing work to improve the lives of seniors. For that reason, I am pleased to support such a motion designed to enhance the income security of Canada's poorest seniors. In fact, the motion is more or less in line with the policies the NDP has been arguing for, for years.

The reality facing our country is that our seniors are finding it increasingly difficult, if not impossible, to make ends meet. They do not just worry about their retirement incomes. They are the fastest growing group of Canadians living in poverty. Even though our seniors built this country, people who should be our country's heroes in so many ways, today far too many of these seniors suffer silently,

living lives of poverty and neglect, neglected by their own federal government.

In fact, that is how it was put to me recently by a delegation of prominent seniors who visited my office. They said that it was as if seniors were invisible to this country. They have worked hard all of their lives and have played by the rules but now, with every bill they open, they are paying more and getting less.

International Woman's Day was marked just last Sunday. I find it more than ironic that it is older women who are hit the hardest during these uncertain times. Low income rates among senior women remain more than double those of senior men: 3% of men and 7% of women. As women tend to live longer than men, it is unattached senior women who suffer most of all.

I will paint a picture cobbled together by research from Statistics Canada.

First, if we take the maximum amount available to a senior from old age security and combine that with the maximum guaranteed income supplement, we are still well below the after-tax low-income cutoff. These programs provided almost one-third of the income of senior women in 2003. Older women tend to have incomes lower than men because they participated less in the paid labour force and, if they were employed, their wages, on average, were less.

The Conservatives talk about choice for women to stay home and raise their children but then they are penalized when they do so. In 2004, about one in five women had never worked outside the home. Further and again, as women live longer, they are at greater risk of running out of savings in their lifetime.

According to a 2006 study, senior women suffer much more financially from widowhood than senior men. Over a 10 year period, senior widows saw their income decrease in the five years after the death of their husband. Over the same period, widowers' incomes actually increased in the five years after the loss of their wife.

In 2005, it was estimated that the incomes of unattached, low income older women were, on average, about \$2,220 below the after-tax low-income cutoff. In 2004, the mean before-tax income of women over 65 was 67% of men.

Women tend to receive lower CPP benefits because of their historically low earnings and because the majority of Canadians do not have a workplace pension plan. The types of jobs women do and the lack of pension coverage make it difficult for women who work throughout their lives to accumulate retirement incomes and to provide a secure financial future for themselves.

● (1845)

The 2001 Seniors in Canada Report Card published by the National Advisory Council on Aging identified the economic status of unattached seniors, particularly women, as the area where priority action was needed. Five years later, despite a minor increase in their incomes, the 2006 report card shows that unattached women are still very much at risk of living in poverty.

*Private Members' Business*

Moreover, low income seniors must deal with a convoluted maze of uncoordinated federal, provincial and territorial programs. On top of this, seniors also face the clawbacks associated with GIS. This is something I hear from my constituents in my office in Hamilton East—Stoney Creek. A slight increase in income can affect GIS and other benefits and increase costs and taxes for low income seniors. If a person receiving the GIS cashes a \$1,000 RRSP, the individual could see her GIS benefits reduced by up to \$500. If the person is among the 50% of GIS recipients who pay income tax, she could pay a further \$250 in income tax.

Furthermore, other provincially and territorially administered benefits face the possibility of being reduced and/or being eliminated altogether. In the worst case scenario, small increases in income outside of these programs could very well result in a net loss of income for the senior.

In effect, low income seniors are trapped. Because of this tangled web of disincentives, they are actively discouraged from earning additional income to make their lives more enjoyable. Moreover, and with respect to this motion, I am often asked by seniors why they are not automatically registered for GIS. Qualifying for old age security means people already meet the income requirements for GIS and yet they must apply for the latter to receive it. Every July, people who have not reapplied for their GIS benefit are suspended from receiving those benefits until renewal applications are completed.

In 2005, and I am borrowing data again from the National Advisory Council on Aging, there were approximately 115,000 late applicants for GIS. The council believes that most of this benefit bottleneck can be accounted for because seniors are not renewing the GIS on time. Approximately 138,000 seniors who qualify for GIS do not receive it.

This will simply not do. It makes sense that seniors who are eligible for the benefit should automatically be registered for it. The income security system for seniors is difficult enough to negotiate as it is and seniors do not need yet another form to fill out.

The motion before us today solves this problem by automatically registering seniors for GIS and by providing full retroactivity with respect to the payments they have missed.

In keeping with the spirit of the motion being debated, I would like to conclude with the following message. I and the NDP believe passionately that no senior should live in poverty. Accordingly, we would like to see the combined GIS and OAS benefits increased so that they are equal to or greater than the low income cutoff. We also believe that the clawbacks associated with GIS should be eliminated immediately. In addition, we would like to see better coordination of provincial, federal and territorial programs. To better protect unattached senior women, we also would like to see an automatic and compulsory sharing of pension rights under CPP, employer pension funds and retirement savings plans.

We, in this Parliament, must ensure that all of our seniors have the financial support they need to live dignified, independent lives free from the scourge of poverty. We must take every opportunity to enhance their income security. This motion is a very good step in that direction and I thank the member opposite for tabling the motion here today.

● (1850)

[*Translation*]

**Ms. Nicole Demers (Laval, BQ):** Mr. Speaker, I am pleased to speak today about the motion that my colleague was generous enough to move. I am here in this House this afternoon and I have been listening to the debate from both sides. People are talking about money, values, costs. I have a bit of difficulty with that. I would like, for one moment, maybe for the 10 minutes that I have, to talk about the seniors we represent, who are probably the most vulnerable people in this country. We have an aging population and 38% of seniors are over 75.

People who are over 75 sometimes have difficulty knowing how to organize their affairs, and more importantly, they are often too proud or too ashamed to ask for help from anyone at all. In the case of people over 75, the husband was probably employed somewhere that did not have a pension plan. Perhaps their children have even passed away before them, since their children's lives were very different from their own, and they have probably been left to take care of themselves. They are very proud and have learned to get by their entire lives. Indeed, in the case of people over 75, they survived the first great depression, which lasted from 1929 to 1940. So, for someone who has lived through that and managed to feed their family, feed their children, send them to school, clothe them, and so on, those people might think they do not need much to survive. So they are content with very little and they often manage to make do without asking for the things they do not have.

I was listening earlier as the hon. member for York West and the hon. member for Souris—Moose Mountain were talking about the votes that took place previously in this House. It is true that three years ago—I hope the hon. members will recall—when the Liberals were still in power, a unanimous vote was passed in this House on a similar motion granting seniors the guaranteed income supplement, that is, what was owing to them, with full retroactivity, which was to be followed by automatic registration. At that time, we did not even fully understand just how disadvantaged our seniors have become and we had not yet asked for the additional \$110 a month. I am pleased we are doing so now. This came as a result of our visits with seniors, when we began to understand their needs and what we could do to help them.

They are talking big bucks but how much, exactly? In the morning papers there was a reference to \$525 million for a project having to do with a defence communication system and they were not even certain of the results. The amount of \$291 million had already been spent and according to the reports the results were not convincing so far. That means \$816 millions have been spent for nothing, yet they are getting upset about a few billions for people who have given everything for their country, many of whom went off to war between 1939 and 1945, and some of whom now have children or grandchildren off fighting in Afghanistan, people who have helped build the economy of this country and make it strong, even though they earned very little.

*Private Members' Business*

I have trouble understanding how they can confuse the issue and say that the Bloc Québécois can ask for things but will never do anything. I would point out to my colleagues that every time the Bloc Québécois has asked for something, every time it has invested efforts in finances, it always got answers. I can assure the House that it is not because the Bloc Québécois will never be in government that it does not know how to make decisions relating to finances and to the people it represents.

• (1855)

We have always been extremely painstaking in ensuring that the money was there to do what we were asking for. For our colleagues over the way, it is a big deal to give \$1.5 billion to deserving seniors, but no big deal at all to allow companies to put money into tax havens and never see a cent of tax from it. There is a big difference between allowing the oil companies to not pay billions in taxes and giving, or not giving, \$1.5 billion to deserving seniors.

What kind of a society do we live in if we think like that? We are in a recession and so it would not be possible to provide our parents with food, to give them what they need? The government has decided it needed to provide tax credits. When people do not have to pay income tax, they get no tax credits. Is that clear? Seniors receiving the guaranteed income supplement will never get tax credits, unless they go back to work, as the government seems to want them to. At age 75, they might have a few more years of work left in them, mightn't they? At \$7 an hour, I am sure our seniors could make a lot of money.

It is inconceivable that this government should want to spend so much money on defence, deprive itself of so much money from the oil companies and allow companies to use tax havens when we need this money to help the most vulnerable members of our society.

During the most recent election campaign, I visited seniors' residences, as I always do. I will always remember one evening. When I left after dinner, a very stoic woman was waiting for me at the door to the building. She was clean and well dressed and was standing waiting to hand me an envelope. Naturally, I did not want to read the letter in front of this person, so I went to my car, where I opened the envelope and read the letter.

This person was asking what I, as a member of Parliament, could do for her. She had had nothing to eat in her refrigerator for two weeks. She was eating only bread and peanut butter. She was asking what I could do for her. She does not get enough money from the guaranteed income supplement. Her pension cheque, which usually goes up every July, had not gone up. It usually increases every three months, but it had not increased. Her rent, like all rent, had gone up. The extra \$16 she was getting did not even cover her rent increase.

What do we do in this case? Do we take money out of our own pockets and give it to her? I am sure that there are at least 25, 50 or 100 people in my riding who are in the same situation. Of course, I directed this woman to agencies that could help her, but it still took several days before she got any help.

Is it right to leave people 80 or older broke like that, without anything to eat? Is it right to leave them to commit suicide? At present, 40% of suicides are committed by people over 50. In 2006

alone, 453 out of 1,136 suicides were committed by seniors. We need to think about that.

The motion my colleague has put forward today would enable seniors to live better, with respect and dignity. It would not make them wealthy. We live much better than that ourselves. I hope my colleagues will think about that when they vote on the motion.

• (1900)

[English]

**The Deputy Speaker:** The hon. member for Huron—Bruce will have about two or three minutes before the time for private members' business expires.

The hon. member for Huron—Bruce.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Mr. Speaker, I am pleased to contribute to the debate on Motion No. 300, which purposes that the government introduce legislation to make amendments to the Old Age Security Act with respect to the guaranteed income supplement.

We all share the aim of doing all we can to help our country's seniors enjoy a better quality of life. It is only because of our seniors' long years of sacrifice and hard labour that we live in such a prosperous and successful country today. There is no question the entire nation owes them a debt of gratitude.

That is why since 2006, our government has acted decisively on its commitment to protect the security of Canadian seniors and to help increase their quality of life. One need look no further for evidence of this commitment than our efforts to reduce poverty among seniors.

Thanks to our government's continued and increased investments, Canada is recognized as a global leader in alleviating poverty among seniors, with one of the lowest levels of poverty among the elderly of any country in the industrialized world. As recently as 1980, more than 21% of older Canadians lived below the poverty line. By 2006, that figure was less than 6%.

That being said, there is always room for improvement. Our government will continue to work to ensure that the needs of all seniors, including low income seniors, are adequately met.

I remind the House that since taking office, our government has increased the GIS by 7% over and above regular indexation to compensate for the increase in the average wage. The total cost of this investment for low-income seniors is \$2.7 billion over five years.

As many seniors continue to work, we have also increased the GIS earnings exemption from \$500 to \$3,500 per year. This means that a single pensioner earning \$3,500 or more is now able to keep up to an additional \$1,500 in annual GIS benefits.

It is evident that this party and this government supports seniors. I would ask the member opposite, who put forward the motion, to read our economic action plan—

**The Deputy Speaker:** The hon. member for Huron—Bruce will have seven and a half minutes left in his speech the next time the bill is before the House.

The time provided for the consideration of private members' business has expired and the order is dropped to the bottom of the order of precedence on the order paper.

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## ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1905)

[Translation]

### CULTURE

**Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ):** Mr. Speaker, for the adjournment debate this evening, I will return to a question I asked the Minister of Canadian Heritage and Official Languages here, in this House, on February 2.

I told him that he got a lot of people's hopes up when he came to Quebec in January to meet members of the cultural community. They said that he was a good listener. On February 2, the very day of my question, *Le Devoir* reported that the minister pulled the wool over everyone's eyes, because he had not restored the \$5 million he cut, without reason, for foreign tours by artists.

I asked the minister to admit that he was trying to make something new out of something old because most of the money he was announcing—and that he continues to announce—will go to extending existing programs.

I want to talk about the Trade Routes program because it has to do with the second part of my question. I asked him to restore the program that made it possible for artists—in the performing arts and also more literary arts, such as writers—to present their cultural works abroad.

Trade Routes is a comprehensive trade development program specifically designed for Canada's arts and cultural sector. The program helps profit and not-for-profit organizations in the arts and cultural sector prepare to export and sell their products and services in international markets. In particular, the program offers access to market research, trade experts in Canada and abroad, and financial support.

Trade Routes helps profit and not-for-profit organizations in the arts and cultural sector, in the areas of crafts, design, film and television, heritage, new media, performing arts, publishing, sound recording and visual arts.

The program usually has a budget of nearly \$8 million. Of that, close to \$3 million—\$2.7 million or \$2.8 million, to be precise—goes directly to artists, theatre and dance companies, and the other \$5 million goes to cultural attachés. That is why, during yesterday's meeting of the Standing Committee on Canadian Heritage, I had a question for Alain Paré, president of the International Exchange for the Performing Arts (CINARS), who is keenly aware of the program.

### Adjournment Proceedings

He said that Heritage Canada's trade commissioners, who suck up \$5 million of PromArt's \$8 million allocation, were seen as duplicating the work of cultural attachés already working in embassies, people we could easily do without. However, we still have to figure out how to get that \$3 million back. Artists really need that money, as well as the PromArt money, to perform and exhibit abroad.

I would truly like to know if the minister intends to find a solution so that Quebec's arts and culture sector will not be stifled.

[English]

**Mr. Dean Del Mastro (Parliamentary Secretary to the Minister of Canadian Heritage, CPC):** Mr. Speaker, we have worked very hard to help the member through the very significant investments we are making. Apparently the member and her colleagues have no interest in reading the budget or in looking into the very significant investments we are making in the arts. The member specifically referenced travel abroad.

Her constituents and the constituents of the Bloc in Quebec should know that the Bloc has voted against budget 2009. Budget 2009, Canada's economic action plan, contains \$276 million in new money, but of course that is not all of the money for the arts. The \$276 million is new money. The member is unaware that there is \$276 million in new money. There is \$540 million in total, of which \$276 million is new. It will go to help ridings from coast to coast and it will support the arts from coast to coast.

The member referenced international travel. The member should know, and in fact artists know, that we have increased the funding to the Canada Council for the Arts up to \$181 million. That is a 17% increase. That was a fund of just \$100 million only a few short years ago. It is now \$181 million, thanks to the leadership of our Prime Minister, our finance minister and our great new young Minister of Canadian Heritage and Official Languages.

Everywhere he goes, artists from coast to coast, after meeting the Minister of Canadian Heritage and Official Languages, are very impressed with his leadership and his direction. People are very excited about where he is taking this file and about the progressive nature of the way we are taking this file.

Canadian culture is a world-leading export for Canada, but it is also something we are proud to promote right here in Canada. That is why we have invested \$100 million for summer festivals. Those summer festivals will occur from coast to coast in this great country, from north to south and from east to west, and we will be behind those festivals. We are also behind so many things that the artists are doing.

I want to go back to the Canada Council for the Arts for one moment. The investment we have made there has increased to \$181 million, \$13 million of which they are spending on international travel, but the balance remaining, \$168 million, is going to artists right here. They are investing it right here, in artists and in arts and culture right here. That is artists helping artists, and our government is standing behind the Canada Council. We are backing them up.

*Adjournment Proceedings*

The Bloc is voting against the Canada Council, and I would like to repeat that statement for the people in Quebec, because the Bloc does not run anywhere else. The Bloc has voted against increases in funding for the Canada Council for the Arts. The Bloc Québécois has voted against increases in arts and culture, and it campaigns as a party that supports arts and culture. Well, the Bloc cannot support arts and culture in Quebec and come to Ottawa and vote against funding increases for the Canada Council and so many other things, such as summer festivals. The member should apologize to the arts and culture community in Quebec for consistently voting against its interests.

• (1910)

[Translation]

**Mrs. Carole Lavallée:** Mr. Speaker, if the Bloc Québécois had voted in favour of the budget presented by the Conservatives in this House, a budget that was missing \$45 million for artists, I am sure we would not be where we are in the polls today, that is, at 40%. The Conservatives, on the other hand, are at only 10% in Quebec.

Everything he said is true. All the numbers he gave are more or less accurate, but there are gaping holes nonetheless. Artists are missing a portion of their funding, because the Conservative government took it away from them. Artists are missing the financial assistance that allowed them to tour and present their work abroad. In that regard, \$7 million is missing: \$4 million for PromArt and \$3 million for Trade Routes. That is how much money is missing at this time, funding that allowed our artists to tour abroad. There are no existing programs that provide sufficient subsidies to allow them to tour abroad.

[English]

**Mr. Dean Del Mastro:** Mr. Speaker, the member made reference to polls in Quebec. I would argue that the polls in Quebec are meaningless. What matters is that the Bloc Québécois is voting against the interests of Quebecers consistently.

Budget 2009 is good for the people of Quebec in so many ways, not just in arts and culture, but right across the board. There are investments in science and technology and the extension of EI. Who would vote against the extension to EI? The Bloc Québécois did. That is who voted against it.

There is also significant investment in infrastructure, in things that matter, including roads, bridges and sewers. These things will build the future of Quebec. The Bloc Québécois members voted against that, and they stand here trying to confuse the issue, trying to cloud the issue, trying to misrepresent what the government is doing.

The government can stand proud on what it is doing with heritage. It can stand proud on arts and culture, because no government in the history of Canada has ever been more supportive.

## FORESTRY INDUSTRY

**Hon. Hedy Fry (Vancouver Centre, Lib.):** Mr. Speaker, in budget 2006, the Conservative government announced \$400 million to address the long- and short-term impacts of the pine beetle infestation; to strengthen the long-term competitiveness of the forestry sector in Canada; to support worker adjustment for the changing economy and to build new economies; to expand market opportunities for Canadian forest products; and to identify and

address essential skills and adjustments for older and laid-off forestry workers.

Yet, in the same budget year, 2006-07, none of the \$400 million was spent. In 2007-08, \$112 million was spent. In 2008-09, \$74 million was spent. The total spent is about \$185 million out of a promised package of \$400 million. Since then, things have worsened in the forestry industry not only in B.C. but across Canada.

In the period 2006 to 2008, the forestry industry suffered because of a drop in the U.S. housing construction market. It has suffered because of the poor softwood lumber agreement with the U.S. The Conservative government left \$1 billion on the table out of a \$4 billion deal negotiated by a Liberal government. The price of lumber dropped 40%. Two hundred and seven mills were closed across Canada and 38,000 jobs were lost in that time.

Pulp and paper companies began to lose money and prices for pulp and paper fell by 20%, during which time the money still was not flowing. Canadian companies lost \$529 million U.S. in the final quarter of 2008. Costs and charges came to \$292 million in 2008 compared to \$30 million the year before. The government sat on its hands and spent only \$180 million over two years. A year after the money was promised, nothing had flowed.

Three hundred rural and remote communities in Canada depend on forestry. In those towns, workers have suffered. I can speak specifically to B.C. towns that depended on forestry, such as Mackenzie, where people began to lose their jobs. Fifteen hundred forestry workers depended on that mill for their jobs. When the mill closed, 4,500 people who were depending on getting that money had to wait for it. In the meantime, the government still did nothing. First nations communities in the west that rely on forestry waited for the pledged money. They worried about how to harvest dead wood killed by the pine beetle. They worried about fires in summer. They waited for that economic help, but it did not come.

In the meantime, insult was added to injury. The same B.C. communities of aboriginal people waited for two years to meet with the former minister of natural resources, who himself is a British Columbian. With tens of thousands of lies, \$1 billion in infrastructure under threat from the pine beetle and the enhanced threat of wildfires, the chief of the B.C. first nations community said, "Our community needs this funding now", yet the long-awaited stimulus package did not come until a year later.

What bothers me is the callous disregard shown to the real people whose lives are being damaged and the broken promise, the smoke and mirrors of putting money into a budget only to watch it disappear into some mysterious black hole. That is what galls me the most. The government seems to toy with the lives of people and does not care.

*Adjournment Proceedings*

• (1915)

**Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC):** Mr. Speaker, those are pretty strong accusations.

As I said earlier today, we are saddened by the job losses that have taken place across this country. We are saddened by communities that are under the gun because of those job losses. But mostly, I am saddened when we see people trying to make political gain out of other people's misery. I would suggest that is what is happening again here tonight with the member opposite because I have heard nothing from her over the last year on this file.

I have been on the natural resources committee for a year and a half and I never heard a complaint from her until the last month when she began to think she can start to get some political mileage out of this issue. We heard nothing from her last year when the committee did its work and came up with a unanimous report which contained a number of the issues that the government has adopted in the economic plan of 2009. We heard nothing from her this spring when we were asking for budget input. She said nothing.

I should point out that the community development trust, last year, delivered \$120 million to British Columbia for its forestry sector. That is a significant amount of money. Where was she when we were travelling the country this spring? We heard nothing from her on this issue. We are not dealing with this file because of politics; we are dealing with this file because we care.

We have put forward a plan and I am glad to see that she and her party are going to support it, but rather than criticizing us, perhaps she should be promoting what it is we are doing.

I want to talk a bit about the integrated approach that we have toward the forestry sector. It involves workers, technology, markets, companies and communities. I do not think I have enough time this afternoon go to through all of those things, but I will try to touch on a few of them.

In terms of companies, we have made some significant differences. We are providing access to credit. If people had been listening earlier to the debate, they would have heard some of the details. Last year in EDC's portfolio \$14 billion out of \$80 billion was targeted toward the forestry sector. We have improved work share programs in an attempt to give companies a chance to stabilize themselves and their workforces. We have accelerated the CCA, the capital cost allowance, which was asked of us.

In terms of communities, we provided \$1 billion to the community development trust last year. As I mentioned, \$120 million of that went to British Columbia. This year there is another \$1 billion in the community adjustment fund to help communities deal with the economic situation they find themselves in. We have delivered, as she pointed out, \$200 million to deal with the pine beetle situation in communities that have been so devastated by it.

In terms of workers, we provided \$8.3 billion for skills training and transition. That includes things like the work share program and the extension of EI benefits. We travelled across this country and asked people what they wanted. One of things they told us they wanted was EI benefits extended. This government listened to those consultations and put that in place.

We have gone around the world trying to develop markets. We put \$50 million this year into market development. We put money into future technology. I do not have time to talk about all of that, but one of the great things in place is forest products innovations and the difference that it is making in new technologies.

We have consulted with our stakeholders and listened to the concerns of Canadians. The budget initiatives that we are planning will lead to a strong and competitive tomorrow while looking out for the needs of citizens today.

• (1920)

**Hon. Hedy Fry:** Mr. Speaker, I would like to ask, where was this member while the government was travelling in the spring of 2009? B.C. MPs met with the forestry sector communities in British Columbia in the spring of 2008. I personally travelled during the summers of 2007 and 2008 to meet with the people in the communities where the mills were closing down.

I was there. I was there over the last two years, listening and speaking to the people in those communities. In the spring of 2000 I met with the BC First Nations Forestry Council. That is where I learned that it had been trying to meet for two years with the Minister of Natural Resources and could not get a meeting with the B.C. minister.

I am not speaking on my own. This is something that has been going on. We have watched this demise since 2005, when the Liberal government put \$100 million into this community. In 2006 the Conservative government promised it and did not do it.

I can tell the member where I was.

**Mr. David Anderson:** Mr. Speaker, I do not know if the House remembers the complete mess the forestry industry was in when the Conservative government took over. If members are familiar with it at all, they will know that we brought in the softwood lumber agreement, which actually brought stability to this industry.

The member's party across the way was in government for years and could not resolve that issue. It allowed \$4.5 billion to \$5 billion of Canadian money to be tied up in the United States. It would have been tied up there forever if the Liberals had stayed in power.

The best thing to happen was the Conservative government coming into power. We were able to deal with the softwood lumber agreement. We were able to bring in packages both last year and this year to deal with the forestry crisis. We will continue to work with the industry and other governments. We will get the job done for Canadians and for forestry communities.

**The Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24.

*Adjournment Proceedings*

(The House adjourned at 7:23 p.m.)

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