



CANADA

# House of Commons Debates

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VOLUME 144

|

NUMBER 027

|

2nd SESSION

|

40th PARLIAMENT

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**OFFICIAL REPORT (HANSARD)**

**Tuesday, March 10, 2009**

**Speaker: The Honourable Peter Milliken**

## **GOVERNMENT ORDERS**

Opposition Motion—Forestry Industry

**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.

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.

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.