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—
Chair

Mr. Leon Benoit

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• (1205)

[English]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Order, please. We go the public portion of our meeting.

We will start with the motion from Madam DeBellefeuille.

Before that, I know there was some discussion during the break about the priority list of witnesses for the nuclear safety study, but I'd like to ask everyone, if they possibly can, to have their prioritized list in by question period. Otherwise, the chances of having their witnesses available for the next meeting are slimmer.

Let's move ahead. Madam DeBellefeuille.

[Translation]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Thank you, Mr. Chair.

The motion reads as follows:

Given the seriousness of the crisis rocking the forestry sector, that the committee recommend that the government introduce as soon as possible an improved aid package of \$1 billion for the forestry sector to diversify forest economies, which is to be administered by Quebec and the provinces and distributed among them according to the relative size of their forestry industries and that the adoption of this motion be reported to the House of Commons at the earliest opportunity.

[English]

The Chair: Thank you.

We have two people on the list.

Do you want to speak to the motion first?

[Translation]

Mrs. Claude DeBellefeuille: Certainly. Mr. Chair, I make the motion at a time of crisis and urgency. I feel that both opposition and government members recognize that the forestry sector is in crisis. Twenty one thousand forestry jobs have been lost in the province of Quebec alone. Across Canada, British Columbia, Quebec, Ontario, New Brunswick and Alberta are affected by the crisis in the forestry, and we believe that our committee would be giving the government a strong signal that this is the time for action, the time to provide a plan to help the industry and its workers to get back on their feet and through the crisis.

[English]

The Chair: *Merci.*

We have three on the list: Mr. Alhabra, Mr. Harris, and Mr. Bagnell.

Mr. Alhabra, go ahead, please, and speak to the motion.

Mr. Omar Alhabra (Mississauga—Erindale, Lib.): Thank you, Mr. Chair.

This is a very important motion. Earlier today and at previous meetings, all of us expressed how important this file is and how urgent it is that action be taken. We have committed to conduct a study and we will be doing that, but I think this motion sends a signal to government, Canadians, and everybody who is involved in this industry that we can offer short-term solutions. I think the study would probably focus as much on the medium and long term as on short term, and it would still be important. This motion will not contradict the need for a study.

I want to make an amendment, and perhaps it might be accepted as a friendly amendment. So as not to have any limitation or restriction on the size of the aid package, I wonder if Ms. DeBellefeuille would accept this as a friendly amendment and remove the dollar figure, which is \$1 billion. The motion would then say “improved aid package for the forestry and manufacturing sectors to diversify forestry economies”.

The other part of my amendment relates to where it says “which is to be administered by Quebec”. Instead of “and the provinces”—and I don't know if it's the translation—I would want it to say “and other provinces”.

We will be supporting the amended motion.

Thank you, Mr. Chair.

The Chair: Madam DeBellefeuille, you've heard the proposed amendment. Do you consider that to be a friendly amendment?

[Translation]

Mrs. Claude DeBellefeuille: Yes, I see it as friendly and I accept it.

[English]

The Chair: Is it agreed by the committee to accept that as a friendly amendment?

I don't need the agreement. We'll be discussing and voting on the amended motion in this case.

The motion has been amended with a friendly amendment from Mr. Alhabra. We'll read that back to make sure we get the gist of it.

The Clerk of the Committee (Mr. Chad Mariage): Given the seriousness of the crisis rocking the forestry sector, that the committee recommend that the government introduce as soon as possible an improved aid package for the forestry and manufacturing sectors to diversify forestry economies, which is to be administered by Quebec and other provinces...

The Chair: You've heard the motion.

Those on the list, I assume, are on for discussion of the motion: Mr. Harris, Mr. Bagnell, Ms. Bell, Mr. St. Amand, and Mr. Boshcoff.

Mr. Harris.

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Chairman, while I guess I support the thought behind the motion, I believe the motion is flawed in some respects. First of all, let me say that I, for one, believe—and I'm sure my colleagues on this side agree—that this forestry issue is something that demands immediate attention. I'm sorry members opposite didn't exactly see it that way, choosing to deal with the nuclear issue, which was pretty much dealt with in an extended manner, rather than getting right into the forestry issue. I would prefer if the members in the other parties had seen the seriousness of the crisis that our forestry industry in Canada, in all provinces, including the province of Quebec, is facing. We just started to deal with it.

I like the principle of Madame DeBellefeuille's motion, but it may cause some problems, first of all, because of our agreements with the United States, which is the biggest market for Canadian softwood lumber, as you know. Even though the market for building houses in the States has gone south right now, we've enjoyed a huge market for our softwood lumber in the States because we've had ongoing stand-alone agreements with them. One of them is our current softwood lumber agreement, and as in past softwood lumber agreements, Canada cannot be seen to be directly subsidizing our forest industry. That is absolute fact. We will invite a challenge under the softwood lumber agreement in an instant should we even be perceived to be directly subsidizing our forest industry in any form.

The government recognizes the crisis in the forest industry and it recognizes that forest workers are going to be displaced by poor markets and for other reasons. Certainly in B.C., where we have the pine beetle, workers are being displaced by that infestation, and our industry is in crisis. That's why the government has developed the community development trust to assist communities that are dependent on any type of industry when there is an economic slowdown in that industry that has an effect on certain communities. In the auto sector, the manufacturing sector, the forest sector, the mining sector, where communities are having trouble because of tough economic times in their particular economic sector, this development trust is there to provide transition, retraining for workers, etc. That's already in place, and it can be expanded to include any community experiencing an economic slowdown because of the conditions of their particular industry.

Even though I really appreciate the thought, I fear that in Madame DeBellefeuille's motion, if we are to include anything in that motion that sounds as if the government would be directly subsidizing the forest industry singularly, we would raise the eyebrows of the Americans in an instant, who are saying they should watch this one because, if the government does that, they are going to launch a challenge under the softwood lumber agreement. That's my concern.

• (1210)

In light of the fact that the government already has a community development trust that can be applied to communities affected by the forest industry, I'm not comfortable with the motion specifically talking about aid to the forest industry. I fear that this is a rocky road that we don't want to travel.

I would be very willing to go into a series of committee meetings that dissected the forest industry seven ways from Sunday and that came up with some recommendations on how communities can be helped and so on, but to send a signal that this is about aiding specifically the forest industry financially, I have a problem with that. And I think we would have some challenges from south of the border.

This is not new with the current softwood lumber agreement. It was in the previous one as well, and it was in other agreements we had. So it's not a new clause that's causing this problem; it's a clause that's already been in there for previous agreements. You can bet the American lumber companies and their lawyers are watching very carefully, as they have been for years and years.

That's what I have to say about that motion. I would have trouble supporting the motion as it is.

Thank you.

• (1215)

The Chair: Thank you very much, Mr. Harris.

Mr. Bagnell.

Hon. Larry Bagnell (Yukon, Lib.): I have two points.

First, I have a friendly amendment to add the word “territories”, to make it read “provinces and territories”.

The Chair: Is that agreed, to add the word “territories”?

Some hon. members: Agreed.

Hon. Larry Bagnell: My second point...and I apologize if I'm out of loop, because I'm not on the committee, but I thought there might have been some concern that this wouldn't be done before the budget. I was just wondering if Mrs. DeBellefeuille wanted to add the words “before the budget and as quickly as possible”.

[*Translation*]

Mrs. Claude DeBellefeuille: I think that the motion is quite clear.

[*English*]

It's okay.

Hon. Larry Bagnell: Okay, that's fine.

The Chair: So you're just leaving that?

Hon. Larry Bagnell: Yes.

The Chair: All right.

We have now Ms. Bell, Monsieur St. Amand, Mr. Boshcoff, Mr. Alghabra, Mr. Allen, and Mr. Trost on the list.

Ms. Bell.

Ms. Catherine Bell (Vancouver Island North, NDP): Thank you, Mr. Chair.

I have seen the crisis in the forestry sector. It's all around me in my riding: the crisis of lost jobs, lost opportunities in communities, and lost opportunities for individuals over many years. This crisis has been going on for a number of years. One of the little towns that I used to live in almost became a ghost town. You could buy a house in that town with your credit card a number of years ago because of the mill shutdown. So I have seen this crisis growing, and it hasn't stopped.

This crisis has been exacerbated by the softwood lumber sellout that we had last year. When was that signed, April 2006? Raw log exports have increased. That's why I put a motion forward to curtail raw log exports and increase incentives for value-added manufacturing in Canada, instead of shipping our logs out and having them manufactured outside this country and sent back so we can buy the lumber. The irony is not lost on the people in my riding, Vancouver Island North, when they have to buy lumber at their local store that is made in the U.S. or somewhere else, while they see the trees cut down right in their own communities.

I have to disagree with some of the comments made by Mr. Harris. I don't see this as a subsidy for the forest industry. Where it talks about forestry and manufacturing sectors, I take "sector" to mean all parts of that. A sector is a sector. We're talking about an aid package for communities, for workers and for the diversification of communities. We want to see that diversification now. We want to see job training now. There is no need to wait for the budget for this to happen. We know there is going to be another huge surplus, and we can use some of that money. We're not even asking for very much at \$1 billion. I would hope it is more. For \$1 billion to do for the whole of Canada, with all of the communities that are affected, it would have to be spread pretty thin.

The government can put in a ways and means motion or a bill to do this now. There is no reason to wait. We didn't wait for the big banks and big oil companies to receive subsidies, if you want to call it that, in the fall. I don't know why we have to make workers who are struggling wait several more months for a budget.

The community development trust is not a done deal. It's not in place. It's contingent on a budget. It's only been agreed to by one premier, as far as I know. It hasn't even been negotiated with all of the other provinces, so it is not a done deal. It is not in place.

Let me go back to why we are in this crisis. There was money in the past, the softwood money from 2004, that came out. A number of communities in my riding were looking forward to some of that money, but they got very little. It didn't get to the workers. I still have people telling me that they didn't benefit at all from that package. They are very concerned that this \$1 billion that was announced is not going to get to them either. They are saying they want this money to start flowing now, and it needs to go to communities for economic diversification.

• (1220)

They may be in the forestry sector, but they are not the industry, and we need to make sure those communities can survive. People have built their livelihoods around them, and we need to make sure

that the workers in those communities can get the retraining that can help them move ahead into other industries if the forest industry doesn't come back in those areas.

The other thing is that I don't think it has any effect on the study we're going to do on the forestry sector. I think this needs to happen and should have happened a few years ago.

In the forestry study, we're going to be looking at what's happened and what kind of policies are in place, I would hope, in some cases. We'll look at a whole lot of things. One of them, I would imagine, would be forest policy and maybe some recommendations about how we can change the policies that aren't working or improve them so that they work better, so that we don't end up in these crises.

I would hope this motion gets support and that we can start this money flowing to communities and workers for their benefit and to alleviate some of the crises these people are finding themselves in.

The Chair: Thank you, Ms. Bell.

I have six speakers on the list, and there may be more. We have about half an hour left.

Next on the list is Mr. St. Amand.

Mr. Lloyd St. Amand (Brant, Lib.): Thank you, Mr. Chair.

I just wish, without any attempt to be antagonistic, to address one of Mr. Harris's points with respect to the importance of this issue to the Liberal Party.

My colleague from Thunder Bay—Rainy River, Mr. Boshcoff, and another colleague, the member for Kenora, Roger Valley, have been absolutely relentless about advancing this issue. They have continually stressed to their colleagues—and I dare say to members opposite—the importance to their respective communities of the forestry industry and the unprecedented difficulties that the forestry sector is facing. I know, for instance, that Mayor Len Compton of Kenora is very anxious to come before the committee at the request of Mr. Valley to present, so it's very important.

With respect to Mr. Harris's suggestion that we see the issue of the nuclear agency as more important than the forestry industry, we do not see it as more important. It is not more important, but the members opposite did agree to a special meeting on January 15 and a second special meeting on January 16. I think members opposite—the government members—understood the gravity of the situation. We wanted, as an opposition party, to have further special meetings prior to returning to Ottawa on January 28. We requested an opportunity to have two meetings during the week of January 21. We met with considerable resistance about the scheduling of those meetings, so that necessitated a meeting this week—January 29—and two additional meetings next week to, in the wise words of Mr. Trost, do the job properly or not do it at all. Two additional meetings on the nuclear issue will allow us to have done the job properly, and I think Mr. Trost is wise in his suggestion that we do the job properly.

So I speak very much in favour of the motion. We are very anxious, as an opposition party, to get to the forestry study as soon as possible, Mr. Chair.

• (1225)

The Chair: Thank you.

We now go to Mr. Boshcoff.

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Thank you very much, Mr. Chair.

I'll be very brief as to why I believe we should support this now. I will lay out some points that I think people will all be able to agree on.

The forest industries, labour, affected communities and suppliers, and their families, have described this gesture as nice, but it won't save one job or one plant. It is somewhat defeatist in that it assumes the industry is a write-off.

I would contend at this stage, in the precarious situation that is facing the industry, that with the restructuring there are new niches being created, such as in fine paper and corrugated paper, that can actually save hundreds if not thousands of jobs—if the assistance comes now.

Point three is that this package as described is based on a per capita. That means that a province such as Alberta would get a large amount of money, and I think everybody is well aware of the envy with which we view Alberta's economy. An aid package for Alberta is kind of like sending limousines to Beverly Hills. It's not really going to affect who is going to be able to drive.

The other thing is that, as described, the package has no strings attached. It means that the provinces and territories can do with it as they will, which means that it may not go to the forest industry. It may go to something else.

Now, the problem is that the communities that are going to be going after this money are so desperate—we're going to take whatever we can get. That's why at this stage I'm ready to support this. The reason I want to support it now is that, because of the partisanship of making this contingent on the passage of the budget, there is going to be no flow until June or July, which is way too late, six or seven months too late. The need is so immediate that I'm

begging all members of the committee to vote for this, because if we wait until July, we won't save one job or one plant.

Thank you very much, Mr. Benoit.

The Chair: Thank you, Mr. Boshcoff.

Mr. Alghabra.

Mr. Omar Alghabra: Mr. Chair, I want to take this opportunity to highlight the contrast between us, the Liberals and the Conservatives. We believe that Canadians expect their government to play a role in smoothing out difficult times when Canadians are experiencing circumstances that are not of their control.

We all know the economies are really controlled by international factors, factors out of our control—and out of the control of the workers, out of the control of the employers. That's a government's role—and that is why we collect taxes and manage the affairs of the country—to help Canadians at difficult times. This is an opportunity for our government to demonstrate leadership and stand up for Canadians. Ironically, that was the slogan the Conservatives used in their last campaign. We have yet to see them do that in action.

Having said that, I think this is a great opportunity. We wish the industry was not going through these difficult situations, but it is understandable that occasionally, through economic cycles, certain segments of the economy go through challenges, and the government needs to be there for Canadians who are suffering the consequences of those difficulties.

I also want to highlight the irony of Mr. Harris's point of view when he says this might be considered a subsidy. While on the one hand he says we can't do that, he shouldn't on the other hand take pride in the fact that they have an aid package. It is contradictory. You can't say a government can't provide a package but say that we are providing an aid package. The reality is that the aid package that the Conservatives are proposing is not really directed to the forestry economies or the manufacturing economies. It is being held hostage to political and partisan consideration, and the committee is adamant that we send a message to the government, on behalf of all Canadians, particularly Canadians who are in these regional economies and suffering the consequences of those slowdowns, that the government has a role to play.

That is why we even took out the dollar amount, to give flexibility to the government in how it implements that aid package. But there must be a role for government to help communities in need, at times of need, for a transitional period until they're able to get back up. In fact, when they do that, they'll be carrying other weaker sectors of the economy when they're going through other difficult times.

Therefore, Mr. Chair, I would like to call this motion to question. I think we've heard various points of view and I would like to call this motion to question for the sake of time.

Thank you.

• (1230)

The Chair: Thank you, Mr. Alghabra.

We have four people to speak on the motion still. We will go to the question when the people who have requested to speak on the motion have spoken.

Mr. Allen.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

As has been said before, the spirit is noble, but there are three main issues I have with the motion.

My riding in New Brunswick is dominated by forestry and agriculture. The upper county—Victoria County—is predominantly forestry on the whole eastern side, and York County and Carleton County are dominated by forestry. However, in Atlantic Canada we've also had the opportunity to have an Atlantic exemption as part of the softwood lumber deal, and it's because a lot of our wood comes from private land. This traditional exemption has been very valued by our forest industry. Any attempt to subsidize that would be a significant problem in Atlantic Canada.

Also, this motion talks about this crisis rocking the forestry sector and states that “the Committee recommend that the government introduce as soon as possible an improved aid package for the forestry and manufacturing sectors”. Manufacturing, Mr. Chair, should be left out of this, really. It is much more of an industry responsibility and is much broader.

If we're going after the forestry side of this, and I echo Mr. Boshcoff's concerns.... It is the targeting of this. This motion is not even targeted, from a forestry standpoint.

Then it talks about manufacturing. It gets down to the relative size of the forest industry. Well, if you're talking manufacturing, you're starting to mix apples with oranges. As well, does the relative size mean geographically, or does it mean the impact on the economy of these regions?

I find, in this situation, that it's an industry responsibility for that side, and it's very broad. From a forestry perspective, a significant amount of responsibility for the forestry industry lies with the province. When it comes to issues like electricity prices, which is a main issue New Brunswick is battling with right now, with wood supply....

I can talk about a situation right now in my riding. We're on the verge of reopening a mill, and we can't get wood. It's a challenge to get wood. And wood supply is a provincial responsibility. It would have put 30-some people back to work. So those are challenges that I think we're sharing with the provinces.

While the motion is directionally where we want to go, we've already put the \$1 billion community development trust out there. Recognizing that it is a joint provincial and federal responsibility, with most of it being a provincial responsibility, shouldn't we be looking at the study in terms of where each of the areas should play a role? We could get a better handle on knowing what an aid package would be so that, first, we don't contravene provincial responsibility, and second, we ensure that we don't get ourselves into a trade issue with the U.S. on our softwood lumber deal.

Mr. Chair, for those reasons, I would be very concerned. We do have the billion dollars out there now. It's aid to communities. But I think it would be much better to quickly get a study done and determine the right thing to do, versus putting a motion out there when we don't even know what the right thing to do is.

Thank you.

• (1235)

The Chair: Thank you, Mr. Allen.

Go ahead, Mr. Trost.

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Thank you, Mr. Chair.

If I may just remind my honourable colleagues across the way, too much praise can get me into trouble with my whip and my leader. I may not survive caucus with a few more remarks like that. I'm very concerned my nomination could be in serious jeopardy if the headline comes out: “Trost endorsed by Liberals”, so please keep it down over there.

Mr. Omar Alhabra: Stop being wise then.

Mr. Bradley Trost: I may be able to achieve that goal very quickly, Mr. Chair, in some people's eyes.

I would like to make some points, some of which have already been made.

I'm not as familiar with the overall forestry file as some of my colleagues here, such as Mr. Boshcoff, Mr. Harris, Madam Bell, members of the Bloc, and Mr. Allen. My riding, while very close to an area where forestry is important, is not particularly a forestry riding. It is 70% urban and has a lot of farm and light manufacturing and agriculture. I'm not quite as familiar with all the details of the issue, but I do understand a little of how we do this politically and so forth.

I would think if we were going to make a motion or recommendation from this committee, it would be better if we did it after we had gone through serious study. If we now make the motion and put in all these details, it has about all the impact of—be it the broader world or the powers that be—just general politicking and what committees do. It's the same as if each of our parties basically restated our political viewpoints in a press release. It can go to the House. We can do a debate on the day, but the journalists would go, hum, hum, yawn, yawn. The Liberals, Bloc, NDP, and Conservatives would state their opinion.

If we do a semi-substantive study with six, seven, or whatever number of sessions we agreed to, then we could come together with some specific ideas and things that we can work on together. Again, things tend to be more widely accepted by the broader community, and they're more willing to go forward if you have people buying in with the assumption that there's no hidden agenda. When it just becomes party line votes or something like that, there's always the assumption of hidden agenda. We know that politically: we send out our press releases, you send out yours, and it goes back and forth.

If we are going to argue for an augmented aid package in which we decide that what the government announced is going to be in the budget, we should do this after we've gone through some very thorough and substantive study that we could all stand behind. A motion like this is not going to encourage any Conservative member of Parliament to go to his minister and say, let's change this; let's make this tweak; let's do this modification. The same is true for the opposition. It's not going to say, let's do these things here and get this done.

If we don't have an election this spring, our forestry report could go up the minister line. The crisis is very likely to continue, and I think, particularly for people who have forestry in their riding, you'd like to be able to go back to your riding and say, we did this; we made this adjustment, and it actually helped. Even if you're not a government member, if you could say you made some contribution; when you got back home you could claim some credit for having done something positive. You're the local member. You're the incumbent. You have gotten something done. By the way, that's actually our job—to get things done for our constituents.

We can do it in opposition; we can do it in government, but we need to do it. To have this type of credibility, for us to be able to argue it up the line to the people who have more direct control over public finances, we need to have more unified support on the committee. We need to have systematic and laid-out ideas and specifics that we can do.

The government is going to continue to bring forward the community development trust. It is going forward in the government's budget. Instead of just doing something else, we might want to come back after we've gone through our report and say, let's put together something to augment this—and maybe not always just with cash. There may be different ways, such as taxes, labour force mobility, training, etc., that we could do to be supportive with the full knowledge that they would not cause problems with our trade with the U.S. I think that is actually an idea that would get something accomplished.

Let's face it, this motion today is going to be forgotten as soon as it's on the wires, depending on what else is out there competing for the news. It may get no publicity whatsoever. It may go to the House, but there are a million motions we can do in the House if we need to do stuff, on both sides of aisle.

• (1240)

That's where I stand. That's my suggestion. I would put it out there to all committee members to take a really serious thought and look at that, because if we want to get something accomplished we need to work together.

The Chair: Thank you, Mr. Trost.

Because of your obvious stature with the opposition parties, which has been stated clearly today, I'm sure they'll just agree with that and we'll just go on to the next item on the agenda.

An hon. member: Very wise.

The Chair: No? Then we'll go to the next person on the list.

Mr. Harris.

Mr. Richard Harris: Thank you.

Well, I want to address some of the comments made earlier, Mr. Alghabra's comments about government standing up for the forest industry. I know he comes from a forest-dependent community so he understands the industry very well. He's very aware that over the last number of decades the forest industry has had some very, very good times, it's had some mediocre times, and it's had some bad times. Market conditions primarily have been the cause of the rise and fall of the fortunes of the industry. He knows that when market conditions are good, I'm sure because of his experience in the forest industry, that the forest industry in fact has always had a net surplus to Canada in the balance of trade. It's been a very good industry for this country and we've enjoyed some very good times.

The governments, whether they were Liberal or Conservative governments, have enjoyed the revenues from the forest industry. I think, overall, governments past and present have done a good job in recognizing how important this industry is to Canada, particularly to some parts of the country, as it contributes to the local economies as well.

I'm sure my colleagues understand that we have a situation in Canada that has pretty much made us dependent—"dependent" is not a mild word—on the construction market in the U.S. We all know what's happening down there. Construction starts are down tremendously from even normal times, forget the boom times, when we all enjoyed seeing trainloads of lumber going south of the border on an hourly basis, let alone daily basis. Things are different down there now. We're in a market slump.

At the end of the day, when we have to answer the question as to why we have these market problems with our lumber, after all our discussions, I'm sure the two main factors are going to be that the American market is very bad right now, and that of course the dollar plays a big role in that too. When our dollar was at 75¢ or 80¢, that's a pretty nice spread for our Canadian manufacturers. Primarily, those are the two things affecting our forest industry, and that applies, in some respects, to pulp and paper right now, although that's doing not too badly these days.

Some of the solutions, from a market point of view.... Number one will be that we have to diversify our markets, which is a given. Forest companies, certainly in my part of the country, have been working at this for a number of years. So diversification of our markets is probably going to be a response that we'll get from many of the experts who testify before us in this, and we'll deal with the dollar difference as well.

Let's not shortchange the government's record of standing up for the forest industry. I'll be the first to admit that with the exception of a few little bumps along the way, the Canadian government has recognized what a contributor the forest industry has been to Canada. I may get struck dead for saying this, but whether it's been a Liberal government in the past or a Conservative government, for the most part the governments have recognized the forest industry contributions very well and have done the best they could at the time to ensure that this market remain buoyant.

Market factors in America are something that we can't control, so we have to try to mitigate any effect that the American market has on Canada, our industry up here. One thing is to have an agreement with the Americans, like we've had in the past, like we have now. It doesn't do anybody any good to spend hundreds of millions of dollars on lawyers and get them rich and fat arguing while our lumber manufacturers and our forest industry suffer. That's not a solution. We have an agreement. No agreement is perfect. You get the best you can and hope it works. We've seen that in past agreements and we know that to be the case in this one.

● (1245)

I think the question we're going to centre on mostly is, how do we as a government in these times demonstrate to the hardest hit communities that the government can recognize that they're having an economic slowdown and help them? Our government has put forward the proposal for the community development trust. We're convinced this is the answer, because it's not just the forest industry that's suffering, many others are: auto manufacturing and manufacturing in general, the mining industry in some places, local manufacturing in so many different sectors. This development trust, when approved in the budget...and we expect the opposition—the Liberals, the Bloc, and the NDP—will support the budget so this community development trust can become a reality and help the communities in their ridings.

The point was made that only one premier has officially signed on to it. I'm not sure if that's accurate. I know the Premier of B.C., the Premier of Alberta, and other premiers across the country have made favourable comments about the community development trust and are looking forward to it becoming a reality in the next budget. This is going to go a long way in helping the communities in Quebec, Atlantic Canada, B.C., and the territories without violating or being seen to violate the softwood lumber agreement in any way because it does not specifically—

[*Translation*]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Chair, he is off-topic, he is talking about the budget now. We are not discussing the budget.

[*English*]

The Chair: I have a point of order, I believe.

[*Translation*]

Mr. Christian Ouellet: He is not speaking to the motion. At the moment, Mr. Harris is talking about passing the budget. You should bring him back to order. He is talking about the wrong topic.

[*English*]

The Chair: I believe he is on topic, Monsieur Ouellet.

I would like to remind everybody we have two more speakers on this list. We have the motion on approving funding to pay for witnesses for the nuclear safety study, those whose companies don't pay for them, and Mr. Alghabra has indicated he would like to have one of his motions debated today too.

Mr. Harris, you may continue, then Mr. Tonks, then Mr. Allen.

Mr. Richard Harris: Mr. Chairman, to Mr. Ouellet, I appreciate his intervention, but the motion itself talks about the new national

community development trust, and I appreciate the recognition of it. And it also talks about providing funding—the amount was taken out—to diversify forest economies by the provinces, etc., and that's what we're talking about here, to mitigate the damage caused by the downturn in the forest economy as well as other manufacturing sectors. So when I refer to the community development trust, it's in the Bloc motion. So I am talking about the same thing, in fact.

I'll reiterate my distinct fear that we have to be very careful in any motion we put forward, any study we do, that the Americans do not see this as a start to a plan to directly subsidize our forest industry. I know Mr. Alghabra understands exactly what I'm talking about, because he knows the softwood lumber agreement very intimately. I know that Mr. Boshcoff and Mr. Tonks, Mr. St. Amand, Madame DeBellefeuille, and Mr. Ouellet all know that, as does Ms. Bell, being in a forest-dependent area of Vancouver Island. We know we cannot allow the Americans even to perceive this, because that will result in an immediate softwood lumber challenge.

So unless we can have a motion that deals with the industry in a way in which it cannot be perceived that the government is going to directly subsidize the industry, I can't support it, Mr. Chairman.

I really think the other members are very wise as well, and I think they understand the point I'm trying to make. I have all types of willingness and desire to deal with the forest industry and the problems we have, but with caution in that one respect.

Thank you, Mr. Chairman.

● (1250)

The Chair: Thank you, Mr. Harris.

Mr. Tonks, then Mr. Allen.

Mr. Alan Tonks (York South—Weston, Lib.): Thank you very much, Mr. Chairman.

I'll try to be brief, if that is possible. Anyone watching this must be as confused... And I'm not intimate with the industry, as has been pointed out, because I don't have the kind of mix that Kenora, the Eastern Townships, or other areas have, but I do have Irving Tissue, which is a downstream manufacturer, in my area. It's the largest manufacturer and the largest employer in my particular constituency.

I had a visit with a broad spectrum of both the administration, the ownership and the company officials, and workers over the break. They are concerned about the manufacturing implications—and Mr. Harris has made some excellent points—but they are equally concerned about the upstream implications.

They suggested they would like to host a meeting, using York South—Weston as the venue, where the company's plant is, to bring down all of the upstream and downstream interests and have a discussion and perhaps invite the Parliamentary Secretary to the Minister of Trade or the minister himself, or whoever, to be part of that discussion.

The reason I mention this is that when I hear Mr. Allen say there is a plant in his area that is on the verge of reopening a mill and they can't get wood, and when I hear of the problems created in the local economy in Kenora and other cities with respect to the downturn and the implications, again, perhaps of the dollar and perhaps the market slump in the United States, it's even more reason we should totally understand it. And I don't. I admit that. But I did learn a little from what has been given today.

I do not see anything in the motion that would be premature, because there is such a dislocation as we speak. I take it that Industry Canada and officials who are looking at existing programs are quite adept at applying those, and I would probably say they need more resources to do it.

So as a given with respect to this motion, I don't see it as contradictory to anything that has been said, but rather complementary in the sense that we really need to have a total understanding of this.

As the officials and the plant workers from Irving brought out very, very graphically to me, if that plant closed down in my riding, I can tell you there would be huge implications. We just lost the Kodak plant. There are symptoms that we are in a downward slide with respect to various parts of the manufacturing sector, not the least of which is the downstream paper industry as a part of the forestry industry.

So let's not get hung up on the fact that we're not concentrating on the manufacturing part, Mr. Allen, or that we should be concentrating more on the upstream part that comes under Natural Resources. Let's have people in here. Let's sit down and understand totally what the issues are, and let's approve this motion, but let's get on with the overall study we had already approved. I think that's consistent with the direction the committee has given in the past.

Thank you, Mr. Chairman.

•(1255)

The Chair: Thank you, Mr. Tonks.

We have about five minutes left. Mr. Allen and Mr. Anderson. And I do want to go to the vote on the motion and then also vote on this operational budget issue. Mr. Alghabra's motion will have to be dealt with at another meeting.

Go ahead, Mr. Allen.

Mr. Mike Allen: Mr. Chair, I'm going to take up Mr. Alghabra's challenge about proposing an amendment. I think it would address some of the concerns I have on this overlap and recognize that it is a forestry sector and we want to get to the forestry sector as part of this committee.

My amendment would be to basically drop the "manufacturing" word and rather than say, "start distributing among the relative size", the motion would read:

Given the seriousness of the crisis rocking the forestry sector, that the committee recommend the government introduce as soon as possible an approved aid package for the forestry sector to diversify forestry economies, which is to be administered by Quebec and the other provinces, and that a recommendation be reported by the committee to the House at the earliest opportunity after our study of the forest industry.

That way, we would be able to get our hands around what we want to recommend, we could possibly build on the \$1 billion community development trust, and it would get to things like when you look at manufacturing.... And Mr. Tonks raises a very good point. Small manufacturing in my riding would like to have working capital assistance right now because of some of the exchange on the dollar and the tremendous fluctuation they're seeing in their receivables right now. You probably can't do that for the forest industry because that would be seen as a subsidy.

Those are some issues I'm very concerned about, and that's why I would propose that amendment, Mr. Chair.

The Chair: Mr. Alghabra.

Mr. Omar Alghabra: I move that given the seriousness of the crisis rocking the forest sector, the committee recommend that the government introduce as soon as possible an improved aid package for the forestry sector to diversify the forestry economies, which is to be administered by Quebec and other provinces and territories...

Mr. Mike Allen: And that a recommendation be reported back to the House at the earliest opportunity following the study on the forestry sector.

The Chair: That's the motion with the proposed amendment.

Would you consider that a friendly amendment, Madam DeBellefeuille?

[Translation]

Mrs. Claude DeBellefeuille: Mr. Chair, I was elected in 2006, so I am not very familiar with the procedures. At the moment, if we debate the amendment and then the motion, we are going to be short on time, and our next six meetings are really planned out. So I am a little concerned about the way things are going. Before I can tell you if I agree to consider this amendment or not, I would like you to clarify the situation.

[English]

The Chair: We're actually dealing with an amendment right now.

•(1300)

[Translation]

Mrs. Claude DeBellefeuille: Excuse me, Mr. Chair, I just want to finish. I appreciate Mr. Allen's approach and I assume that if he moves an amendment, it means that he will support it. I see that as a step forward on Mr. Allen's part and I am going to accept it.

[English]

The Chair: Okay, so that has been accepted as a friendly amendment.

We have one more speaker on the motion with the friendly amendment included.

Mr. Anderson.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): I'm talking to the original motion, so if you're going to vote on the amendment in there....

The Chair: It has been accepted as a friendly amendment, so we're speaking on the motion with the friendly amendment included.

Mr. David Anderson: That's fine.

The Chair: Do you want to speak to that, Mr. Anderson? No.

(Motion agreed to)

(Motion agreed to)

The Chair: You all received a copy of a proposed budget to help pay for witnesses to come to our meeting on the nuclear safety issue. Would someone move that first?

The Chair: We are out of time for today's meeting.

Mr. Lloyd St. Amand: I'd be happy to move that the proposed operational budget in the amount of \$26,550 for the period 2007-08 in relation to the committee's study on nuclear safety be adopted.

Mr. Alghabra, your motion hasn't been dealt with. You can bring it up at another meeting if you choose to do that.

The meeting is adjourned.

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