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Chair

Mr. Leon Benoit

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• (1530)

[English]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Good afternoon, everyone.

We are here today, pursuant to Standing Order 81(4), to deal with the main estimates for 2009-2010, votes 1, 5, 10, 15, 20, 25, and 30 under the Department of Natural Resources, referred to the committee on Thursday, February 26, 2009, and, pursuant to Standing Order 108(2), to study the issues relevant to the Chalk River nuclear facility.

Appearing with us today is the Minister of Natural Resources. With her are Serge Dupont, associate deputy minister, and Richard Tobin, who is the assistant deputy minister, corporate management and services sector.

I thank you all very much for being here today, and I thank you, Minister.

I assume that you have a presentation. You can go ahead and make the presentation, and then we'll get directly to questions at that time.

Go ahead, please; the floor is yours.

Hon. Lisa Raitt (Minister of Natural Resources): Thank you very much, Mr. Chairman.

I'm grateful for this opportunity to appear before the committee. I do have a presentation to make and then I'll be happy to answer questions from the committee.

I know there is a great concern about developments in the natural resources sector. I'm here today with a willingness to answer any questions that the committee may have.

Let me get straight to the point. The effects of the global economic recession are deepening. During 2008 there were numerous mill closures and slowdowns in the forest sector, resulting in more than 20,000 layoffs across the country. In the mining sector, since September of 2008 there have been 15 mine closures, with almost 9,500 individuals either losing their jobs, being laid off, or taking wage cuts to keep operations open. Last July a barrel of oil was almost \$150, while six months later it was under \$40. Employment in the energy sector has been in constant decline since the historic peak of 288,000 jobs reached in October of 2008. By January of 2009 it had dropped by 12,000 jobs, and it is still declining.

Given the importance of the natural resources sector to Canada's economy, these figures are a source of great concern.

Our government knew things were going to get difficult. In devising our economic action plan, we used reliable estimates and built in recognition of the possibility that the recession could become more severe and enduring. We have already reported on progress being made with the economic action plan, and it's clear to us that the best strategy is to continue to move swiftly to implement the action plan while regularly engaging affected sectors, provinces, territories, workers and communities to ensure programs adequately address the current challenges.

Our economic action plan for Canada is a sound strategy, and the International Monetary Fund has confirmed this. As you all know, despite the enormous challenges being faced today, world demand for Canada's energy and natural resources will return. When that occurs, we can expect a substantial boost to Canada's economy because of the central role played by natural resources here in our country.

We are committed, therefore, to two main priorities. The first is to support individual Canadians in communities hit hardest by the global economic downturn. The second is to ensure that the natural resources sector is best positioned to take full advantage of the recovery when it occurs.

These are the central themes of our Government of Canada's economic action plan. The plan aims to mitigate the effects of the global recession we're currently facing while providing opportunities to secure our long-term growth and prosperity.

Let me point out some of the ways in which this is being done. I'll focus on the forest sector as one example.

It is no secret that this is a difficult time for the forest sector. It is especially so for the workers and the communities who depend on it, and that's why we are now acting to provide new supports for the workers and communities hardest hit by the global recession. Right across Canada, many communities hit hard by the economic downturn will be eligible for funding under our economic action plan's \$1 billion community adjustment fund, which builds on the work of the \$1 billion community development trust first announced in Budget 2008.

Quebec, like many parts of the country, has been hit hard, as evidenced by the mill closures, the job losses, and the impacts on communities. This week our government and the Government of Quebec agreed to lead a Quebec-Canada task team to coordinate efforts to support the forest sector in Quebec.

Let me be clear on this: this is not about new money, but it is about shared interests. Quebec made forestry commitments in their recent budget, and clearly we did the same. They approached us to explore a mechanism to coordinate, collaborate on, and accelerate our respective programs in Quebec. This is about moving quickly to create results together.

In fact, we've recently used a similar federal-provincial task team approach in the forest sector in British Columbia to ensure effective and timely delivery of forestry programs there.

• (1535)

As a concrete example of moving quickly, I announced that we will be accelerating the delivery of \$211 million to Quebec from the \$1 billion community adjustment fund. The forestry sector has been identified as one of the priority areas that will benefit from this funding.

Our government is determined to stand behind this and other resource sectors, and to do everything we can to ensure their successful future. Consequently, under Canada's economic action plan, over the next two years \$170 million will be invested in measures directed at the forest sector, adding to our already substantial investments in forest research and innovation and in the development of new markets for Canadian forest products. These funds will help develop pilot-scale projects demonstrating new products for use in commercial applications.

Investments are also being made in the transformative technologies program administered by FPInnovations in new areas such as nanotechnology. Another \$50 million is designed to extend successful marketing initiatives such as the Canada Wood program, the Value to Wood program, and the Wood First program. These funds will also support large-scale demonstrations of Canadian wood uses in offshore markets.

To assist individuals suffering hardship, we are expanding regular EI benefits and work-sharing agreements and we are providing significant support to skills training programs to provide these individuals with the necessary tools to take advantage of new opportunities when the economy recovers. These measures are part of an \$8.3 billion Canada skills and transition strategy launched by the economic action plan.

We're offering further financial assistance to the forest sector. In 2008, on commercial principles and at market rates, Export Development Canada provided \$14 billion in commercial solutions to the forestry sector. EDC is a key player in providing credit insurance to the forest sector and has active relationships with approximately 80% of the industry. EDC served 534 different forestry companies in 2008.

Budget 2009 increases the authorized capital limits of EDC and the Business Development Bank of Canada by \$1.5 billion each, and increases their associated borrowing limits as necessary to enhance their guarantee and insurance programs.

Before turning from the forest sector, Mr. Chairman, I would mention that the American kraft pulp producers have become eligible for an alternative fuel tax credit that is affecting the competitiveness of Canadian pulp producers. We are aware of the situation, we are concerned about the impacts of the subsidy on the Canadian forest industry, and we have raised this issue with the United States. The payments from the U.S. government to the U.S. industry are very large, and they are coming during a global recession, when all industries are struggling. Again I emphasize that we are very concerned about the situation, and we're determined to resolve it expeditiously.

Our economic action plan is providing initiatives that will benefit other natural resources industries as well. These initiatives invest in and build on Canada's strengths. They're not quick fixes; they are further investments that will help our industries in the short term and that also invest in Canada's long-term competitiveness. They are investments in people, in research, in our innovation systems, and in sustainability.

Canada's economic action plan included funding of \$1 billion over five years to support clean energy technologies through a clean energy fund. This includes \$150 million over five years for research and \$850 million over five years for the development and demonstration of promising technologies, including large-scale carbon capture and storage products.

On March 26 I announced funding through the ecoENERGY technology initiative for eight projects that will further develop and demonstrate carbon capture and storage technologies. These projects will help us to address our challenge of finding cleaner ways to produce energy.

Canada's economic action plan is also providing tax and tariff relief to stimulate business investment. This is critical to our natural resources sectors. This includes the extension of the mineral exploration tax credit for flow-through share investors by one year. This measure will help junior mining companies access the venture capital they need to finance their exploration activities.

• (1540)

We're also permanently eliminating tariffs on a range of machinery and equipment, thus lowering costs for Canadian producers in a number of sectors, including forestry and energy. This measure alone is expected to save Canadian industry over \$440 million over the next five years.

Our economic action plan is accelerating and expanding recent historic investments in infrastructure, with almost \$12 billion in new infrastructure funding over two years. Our plan provides \$1 billion over five years for a green infrastructure fund. Green infrastructure includes infrastructure that supports the creation of sustainable energy, such as modern energy transmission lines, and investing in wind and solar power. Sustainable energy infrastructure, such as modern transmission lines, will contribute to improved air quality and lower carbon emissions.

The fund will focus on a range of green priorities in the following categories: waste water infrastructure, green energy generation infrastructure, green energy transmission infrastructure, and solid waste infrastructure.

Mr. Chairman, while all of the measures I've cited will assist our natural resources sectors, there are other measures in the economic action plan that will also help by stimulating greater economic activity. For example, the economic action plan includes a \$2 billion investment in social housing. We are working with our partners in the provinces and territories to build new social housing units, and to renovate and increase the energy efficiency of existing units.

We're encouraging people to buy homes, increasing the amount Canadians can take out of their RRSPs to buy a first home by \$5,000. This is an increase of 25%. We're creating a new tax credit that will provide \$750 in tax relief to help people with their closing costs. There's a new home renovation tax credit, providing up to \$1,350 in tax relief for as many as 4.6 million families who will take advantage of this to improve their homes. We're adding another \$300 million to the ecoENERGY home retrofit program. This investment will allow another 200,000 homeowners to benefit from the program over the next two years, generating as much as \$2.4 billion in economic activity. Mr. Chairman, it is expected that these measures will have a particularly beneficial effect on the forest industry.

Before concluding, Mr. Chairman, I understand some committee members may have questions concerning activities at the Chalk River laboratories late last year. I'd be happy to address these questions during the question portion of today's meeting. Mr. Chairman, let me first remind the committee members that on February 5, I tabled reports in the House of Commons from Natural Resources Canada, the Canadian Nuclear Safety Commission, and Atomic Energy of Canada Limited regarding this event. These reports made clear that at no time was the public or the environment put at risk.

Mr. Chairman and members of the committee, to conclude, our government's investments through the economic action plan demonstrate recognition of the crucial role the natural resources sector plays in Canada's prosperity. These measures demonstrate recognition of the sector's singular direct importance in the lives of thousands of Canadians and hundreds of communities. Our economic action plan builds on actions that our government has already taken. These initiatives include investing in the geosciences and opening up Canada's north, in clean and renewable eco-energy technologies, in improving the efficiency of our regulatory system with a major projects management office, and in creating the most competitive business tax regime in the G-7. The plan utilizes previous successes to meet both short-term and long-term chal-

lenges, and to mitigate the effects of the recession, while providing a strong foundation for recovery, prosperity, and sustainability.

Now I'm happy to answer any questions that members of the committee may have. Thank you very much.

• (1545)

The Chair: Thank you very much, Minister, for your clear and concise statements on many of the key parts of your ministry. Thank you very much.

We now go directly to questioning, starting with the official opposition. Mr. Tonks, for up to seven minutes, go ahead, please.

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

Thank you to the minister for being here. It's always a pleasure to have you before the committee.

I guess my first question was on a point that you made, Madam Minister, with respect to alternative energy. In particular, it related to something you said that alluded to wind energy and the clean energy fund. The concern has been expressed... We've had hearings before the committee on an integrated energy approach that would be nationally coordinated in various ways. One of the criticisms that has been raised is that, with respect to wind, the United States is investing far, far more on a per capita basis in that particular technology. It's acting as a negative influence with respect to additional technology and job creation that would emanate around that particular activity.

Would you like to make a comment with respect to how you view that situation, and whether the estimates have taken into consideration the concerns that have been raised by the industry?

Hon. Lisa Raitt: Thank you very much for your question.

As you know, the Government of Canada is a strong supporter of renewable energy technologies. We're committed to the objective of having 90% of our electricity needs provided by low-emitting sources by 2020.

The ecoENERGY renewable power program introduced by this government is investing \$1.5 billion over 14 years. It has been a great success. The goal was to encourage 4,000 megawatts of renewable power capacity, which is enough power for a million homes. To date we have signed projects for 2,736 megawatts of new renewable power as well. It's a combination of wind and solar and hydro.

The amount of \$500 million in contribution funding for new projects is still available under the program. In the department, we are continuously taking a look at the projects to ensure that they are being reviewed and to make awards.

It has been a very successful project. It is anticipated that we will have exhausted the funding about a year and a half earlier than anticipated. That has caused great concern for the wind energy folks. They have been discussing that matter with us. We're ensuring that they understand our commitment to renewable energy going forward, having not anticipated that it would be so successful.

The positive aspect is that, having put the program in place one year ago, in 2008, we're seeing the projects coming online now. It's really gratifying to see the wind projects in Chatham and in other areas. It's very positive to see that we are adding those new megawatts.

To sum up, the program is still there. We still have applications. As I indicated, we've made commitments to 51 projects already, and there are another 22 projects that we're taking a look at, with a further 13 projects after that. It's a remarkable success story. It has added to our overall plan to make sure that in electricity, 90% comes from low-emitting sources by 2020.

• (1550)

Mr. Alan Tonks: Thank you, Madam Minister.

This morning we had the opportunity to listen to, on a video conferencing basis, the results of both German and Swedish experience with green job creation using the kinds of strategies that have been alluded to in your presentation. The question that I'm going to ask now will be similar to the question that was asked then.

We asked them what percentage of the GDP was in fact calculable in terms of job creation and in terms of investment that would compare with older industries. Has your ministry done any calculations in two respects: one, as a result of this strategy, what is your target with respect to job creation and high value-added investment in renewable resources; and two, are there any calculations, with respect to the reduction of carbon dioxide, as a result of the strategies implemented in your action plan and in your presentation today?

Hon. Lisa Raitt: Thank you.

In my discussions with the industry, one of the questions I had for them is that if you take a look at these programs as being the Canadian taxpayer's investment in renewable power, it's nice to be able understand the calculation of what the return on that investment would be. They've indicated that they have taken a look at what their economic generation is and the number of jobs, and what it means to the economic sector. They have indicated that they will be forwarding the information.

I'll turn to my officials here to see if we've done anything internally on that matter. I'll also defer to them on the specifics in terms of your second question, on the technical aspect of greenhouse gas emissions.

The reality is that recognizing that more electricity will be needed, every time you can replace a new megawatt—that is, from fossil fuels, from an emitting source—either through energy efficiency or through a renewable source, that's a good thing. That's why we've invested \$1.5 billion in bringing these 4,000 megawatts of renewable power capacity onto the grids in various provinces.

Perhaps my officials can add to this.

Mr. Serge Dupont (Associate Deputy Minister, Department of Natural Resources): I would simply add, Mr. Chair, that although I certainly don't have consolidated numbers to present to you today, on a program-by-program basis, if one takes the ecoENERGY retrofit for homes program as an example, we've estimated additional amounts invested in Budget 2009 would represent the activity of \$2.4 billion. That, I think, through some multipliers, can easily be translated to a number of jobs, a number I don't have with me right now.

We also calculate amounts of carbon dioxide that would be achieved as reductions through this approach. It is the same thing with biofuels and the same thing with wind. We do go through these calculations and look at the actual projected impacts of programs, and then we obviously try to look back afterward as well.

Mr. Alan Tonks: How much time do I have, Mr. Chairman?

The Chair: You are actually out of time. You shouldn't ask; you might get a little extra.

We go now to the Bloc Québécois and Madame Brunelle, for seven minutes.

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Good afternoon.

Madam Minister, I am pleased to hear you talk about the forest industry, because that is the issue I wanted to raise with you. Obviously, given that Quebec accounts for 40% of the industry and that a considerable number of jobs have been lost, this issue is of great concern. You say that you want to ensure, as part of your mandate, that the natural resources sector be in the best position possible to take full advantage of the eventual economic recovery. This is an objective that we share.

We all recognize the need to assist our forestry companies. The Government of Quebec has invested \$100 million, which is a significant amount for a provincial government. The unions, the Quebec Forest Industry Council and the Forest Products Association of Canada are calling for immediate action. Some 21,000 jobs have been lost in Quebec since 2005, and 49,900 jobs since 2006, when you took up your position, unfortunately.

The government's response was to provide Quebec with \$170 million over two years and strike a committee to conduct a study. The forest industry is asking for immediate loan guarantees in order to reach agreements and maintain operations. If you want the natural resources sector to be in a better position to take advantage of the economic recovery, companies must remain open. Today's situation is disastrous, businesses are shutting down.

Shouldn't you be reviewing your decision and providing the industry with loan guarantees, as they are calling for?

• (1555)

[*English*]

Hon. Lisa Raitt: Thank you very much for the question.

I too share the concern. One of the more remarkable experiences that I had, both in preconsultation and since then, was the close working relationship with Quebec and with the other provinces in terms of recognizing the forest industry's need for help and aid.

First and foremost, the softwood lumber agreement is extremely important to the industry. They've told us loud and clear that it must be respected and that we can't put it at risk. We start from that premise of abiding by the softwood lumber agreement.

As I indicated in my remarks, we did strike a Canada-Quebec forestry task team. They're going to be looking at priorities for early action. One of them is credit and finance, and specifically what can happen in terms of provision of aid and help to the industry within the softwood lumber agreement.

However, it must be recognized, as I also mentioned, that the forest industry does actually access the credit facilities of the Government of Canada through EDC. In fact, it is remarkable that there's a relationship with 534 forestry companies, about 80% of the total forestry companies in Canada, to the tune of approximately \$14 billion, so supporting EDC and BDC and increasing their availability to help countries and industries and sectors is beneficial to the forestry sector as well.

More important is the fact that this task team will be focusing on credit and finance as they apply to Canada-Quebec forestry issues. We'll be taking a look at all options and seeing what can be done. We have asked that officials report on the progress of the team by May 15, 2009.

[Translation]

Ms. Paule Brunelle: There are two issues regarding the task team. We were told that a working group would have to submit solutions on or before May 15. However, no new money has been allocated, and I am quite puzzled by that.

In your remarks today, you spoke about loan guarantees, but within the context of EDC. What were you referring to exactly? Your Minister of Revenue has always told us that, in his view, loan guarantees contravened the softwood lumber agreement, something the Bloc Québécois is challenging, of course. We voted in favour of the softwood lumber agreement because the industry asked that we do so and that we put an end to the disaster. Nevertheless, I have a hard time following you.

Are the loan guarantees you refer to intended for new projects? If that is the case, I have to say that that is not what companies are asking for. Instead, they want loan guarantees to continue to pay their suppliers, stay in business and not have to lay off workers as is now the case.

[English]

Hon. Lisa Raitt: Thank you for your question.

When we talk about loan guarantees, what we're really talking about is the general issue of access to credit, which is affecting all the sectors and all the companies. Even companies with strong balance sheets are facing problems in accessing credit in this global economic recession.

We view that the financing arrangements available through EDC and BDC are consistent with the softwood lumber agreement. As I said, last year in the forestry industry, \$14 billion was accessed, and 534 companies have utilized it.

The reason financing arrangements through EDC and BDC, which are the appropriate channels to go to, are in compliance with the

softwood lumber agreement is that they're provided on commercial terms, and they are broadly available to the entire industry sectors across the country, not only in forestry. That is an important statistic, in fact, when dealing with the softwood lumber agreement.

The other aspect that is important to note is that we recognize the issue of access to credit in the economic action plan and have bolstered what has been available at EDC and at BDC in an extraordinary enhanced financing framework in order to allow more companies to take advantage of the facilities of EDC and BDC.

• (1600)

The Chair: Thank you, Minister.

You have time for one short question, Madame Brunelle.

[Translation]

Ms. Paule Brunelle: I would like to comment on the funding under your Community Adjustment Fund. In your presentation, you praised the fact that \$211 million were earmarked for Quebec. However, 40% of the forest industry is located in Quebec. Given that the problem is more acute in Quebec, we would have expected additional amounts, as you gave to the automotive sector in Ontario.

I see single industry towns in my region closing down, and the government has nothing to offer them. What we are seeing are true human and family tragedies. I do hope your task team gets to work, finds other solutions and asks for more advice from the industry, which has the solutions the government is failing to heed. Now is the time to act.

[English]

The Chair: Merci, Madame Brunelle.

Could you give a very short answer, Madam Minister?

Hon. Lisa Raitt: During our consultations we heard from the industry. We continue to work with the industry on the matter. We look forward to working with the task team in order to flow the funds under the community adjustment fund as quickly as possible to make it matter.

The Chair: Thank you.

We go now to the New Democratic Party, to Mr. Martin. And if there is time left—and that did happen one time seven years ago—then we will go to Mr. Cullen for the remainder of the time.

Go ahead, please, Mr. Martin.

That shot wasn't only at you. That is general.

Hon. Lisa Raitt: He says that with love.

Mr. Pat Martin (Winnipeg Centre, NDP): I wonder who was in the chair then.

Minister Raitt, thank you for this opportunity.

Minister, asbestos is the greatest industrial killer the world has ever known. More Canadians now die from asbestos than all other industrial diseases combined. In fact, in the province of Quebec, 80% of all the deaths due to industrial disease are from this carcinogen. Yet Canada remains one of the largest producers and exporters of asbestos in the world. Without exaggeration, we are exporting human misery on a monumental scale.

Asbestos is not only not banned in Canada, the Government of Canada spends millions of dollars actively subsidizing and promoting asbestos all over the world. It's not only in direct subsidies, but Government of Canada officials act like globe-trotting propagandists for the asbestos industry—not only promoting the product, but undermining other countries' efforts to curb its use.

So, Minister, I come to you today noting that in your estimates you have a further direct subsidy to the Asbestos Institute, a group of charlatans. I have no qualms whatsoever calling the Asbestos Institute a bunch of frauds and charlatans. I can show you a list of 150 scientists, doctors, and researchers from around the world who say that asbestos should be banned in all of its forms. The Chrysotile Institute has one discredited charlatan, David Bernstein, who says that asbestos might be able to be used safely if you're careful, and that's the only researcher that your government, the Government of Canada, hangs its hat on.

I agree with Keith Spicer that Canada's policy on asbestos is morally and ethically reprehensible, and I ask how you, as the Minister of Natural Resources, can in good conscience shovel taxpayers' money to this bunch of clowns to go out and dump 220,000 tonnes of asbestos per year into the third world.

Now you're spending tens of millions of dollars to remove the asbestos from these buildings, because no MP should ever be exposed to a single fibre, yet you're dumping 200,000 tonnes per year—only into third world countries, because all western countries have banned the stuff—with no health and safety protection whatsoever. You're creating a legacy of illness in those countries with every tonne you export. How do you justify this appalling international embarrassment, this disgrace, this stain on Canada's reputation?

• (1605)

Hon. Lisa Raitt: Thank you.

Mr. Chair, the health and safety of Canadians is the number one priority of the Government of Canada. The government supports the controlled use of chrysotile in the same way it supports the controlled use of all other industrially important materials. Canada, in partnership with the Government of Quebec and the industry, has mandated the Chrysotile Institute since 1984 to promote the controlled use.

Mr. Pat Martin: No, it was created to take the stink off of the asbestos industry, and it hasn't worked. Tens of millions of dollars is never going to take the stink off of that industry—

The Chair: Mr. Martin, as chair, I allow leeway for people to interject once a minister has given an answer. She only started to give her answer. Please let her answer the question and then you can ask another question if you'd like.

Go ahead, Madam Minister.

Hon. Lisa Raitt: Thank you very much.

In 1984 the governments of Canada and Quebec, labour, and the industry established the Chrysotile Institute, a not-for-profit organization, to promote the controlled use of chrysotile domestically and internationally. Since its inception, the Government of Canada has contributed one-third of the institute's annual budget, which is \$250,000. The Government of Quebec contributes an equal amount, as does the industry.

Mr. Pat Martin: We know those facts.

Hon. Lisa Raitt: The institute utilizes the funds to provide information on how to manage the risks associated with the production and handling of the fibres. Its information includes technical regulations, control measures, and best practices. That's the way in which to educate people on the controlled use of the fibres and—

Mr. Pat Martin: Thank you, Minister. I've actually read that same document, but what they are is a lobby group. Are there any other lobby groups that the Canadian government subsidizes so that they come and lobby the Government of Canada? The fact is they put on 160 trade junkets in 60 different countries, paid for by the taxpayers of Canada, because they use our embassies and our foreign missions to flog this stuff.

The asbestos industry dines out on Canada's good name because they say that if a nice country like Canada says asbestos is okay, then it must be. Well, the whole world is united in their condemnation of asbestos, except for our country.

I used to work in the asbestos mines, believe me, and they closed due to normal market natural forces, because nobody would buy their junk any more. The only mines that are left in the country are in Quebec. Is that a coincidence, that you're supporting this industry because it's in the politically sensitive part of the country?

Hon. Lisa Raitt: With all due respect, Mr. Martin, Canada's policies are based on internationally recognized, peer-reviewed scientific evidence, and they reflect best practices.

Mr. Pat Martin: Nonsense. David Bernstein is your only researcher.

The Chair: Mr. Martin, please do not interrupt the minister. She only started her answer. If she were going on and on, that would be a different thing; you could politely interrupt. But please let the minister answer.

Hon. Lisa Raitt: The position is consistent with the United Nations Conference on Environment and Development, where countries agreed that chemicals should only be banned if the risks are unreasonable and otherwise unmanageable. The Government of Canada's approach to this is based on a life-cycle approach. It applies to all minerals and metals, and is consistent with our minerals and metals policy.

The purpose of the institute, Mr. Martin, isn't mandated as you state to create the.... The terminology used would be offensive to the people who actually work in the institute and do the work. But the key for us with respect to the Chrysotile Institute is what I said in the last part of my remarks: the funds are used to provide information on how to manage the risks associated with the production and handling of the fibres. Those are important matters to make sure people have the information.

Mr. Pat Martin: With all due respect, I know you're a relatively new minister, but I think you should follow up on what they're really doing with that money. I run into them all over the world when they're promoting and pushing asbestos, and undermining things like the Rotterdam convention. They showed up to undermine and sabotage the Rotterdam convention on the list of hazardous materials under the United Nations.

Asbestos is not on that list because Canada twists arms to make sure it's not. It's an embarrassment. It's a disgrace.

Unfortunately, my time is up. I would like to share what time I have left with my—

• (1610)

The Chair: Your time is up, Mr. Martin.

Madam Minister, do you want to respond?

Hon. Lisa Raitt: The Government of Canada, in partnership with the Government of Quebec and industry, mandated the institute to promote the controlled use of chrysotile. That is the job, and the funding is applied to that mandate.

The Chair: Thank you very much, Madam Minister.

Thank you, Mr. Martin.

Now we'll go to Mr. Anderson for up to seven minutes.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): I'll be sharing my time with Mr. Shory.

The Chair: You may do that if there is time left.

Mr. David Anderson: There will be.

I want to make a quick observation. I'm disappointed that Mr. Martin has showed up here with his torqued-up rhetoric on his special subject. It seemed to me that Mr. Cullen wanted to make Chalk River an important part of our discussions, and we included it in the orders of the day as something we would be talking about here today. But when it was his turn to have his intervention there was not one word about Chalk River during the seven minutes of question time. So I'm not sure what they wanted to do with that.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Point of order, please.

The Chair: Mr. Cullen.

Mr. Nathan Cullen: Mr. Anderson knows full well that in our discussions this morning I clearly made a distinction between talking about the estimates here today and my motion specifically on the effects of Chalk River. We've already gone through this conversation.

The Chair: Yes, we have, and this is debate. So we will get back to Mr. Anderson.

Mr. Nathan Cullen: I'm not sure why Mr. Anderson is bringing it back up. We went through this conversation in all good faith this very day. I'm not sure how it improves the decorum under your committee chairmanship to raise something that Mr. Anderson knows—

The Chair: This is debate, Mr. Cullen. We can have that debate again another time, if you like.

We have the minister here today. Let's get to the questions.

Mr. Anderson—and the clock was stopped—go ahead, please.

Mr. David Anderson: What we went through was Mr. Cullen's opinion on what we should do with this meeting. But the fact remains that the orders of the day include discussing the Chalk River nuclear facility and the estimates.

I'm going to turn it over to Mr. Shory for his questions.

The Chair: Mr. Shory, you have about six minutes left.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair.

Thank you, Minister, for coming out this afternoon.

We'll be studying Bill S-3 next week. I understand that the bill is to amend the current Energy Efficiency Act. For my benefit and the benefit of my friends on the opposite side, what exactly is the Energy Efficiency Act, and why do we need to change it?

Hon. Lisa Raitt: Thank you very much for your question.

The amendments to the Energy Efficiency Act are there to help Canadians save more money by reducing household energy use and in turn lowering home energy bills. The amendments modernize the act by increasing its scope and effectiveness. They pave the way for subsequent new energy efficiency regulations that will cover more products and cover them more effectively. The proposed amendments build on the Government of Canada's "Turning the Corner" plan to fight climate change, which of course sets an absolute reduction of 20% in greenhouse gas emissions by 2020.

Specifically, the amendments have to do with amending the scope of the act, allowing authority to prescribe labels of what information should be provided to the consumer when purchasing products, and clarification on authority to regulate the classes or categories of the products. It's those kinds of amendments that will help us toward the goal of the act to eliminate the least energy-efficient products from the Canadian marketplace. So when the Canadian consumer makes a choice for energy efficiency, they have the information to do so. Not only that, but we are eliminating from the marketplace those products that are not energy efficient.

Thank you very much for your question.

I look forward to hearing the committee's deliberations.

Mr. Devinder Shory: Minister, many of my constituents tell me how much they appreciate our government's ecoENERGY retrofit home program. I understand that changes were recently made to this program. Can you please tell this committee how these changes will help consumers?

Hon. Lisa Raitt: Again, it is another one of these programs that has been a massive success in Canada, not only because people are educated on the importance of energy efficiency with these kinds of programs being available, but they're seeing savings in their pocketbooks when they make energy efficiency decisions in the house.

I have some statistics. Over 94,000 Canadian households have completed energy efficiency upgrades, and they're eligible for grants. Through the expansion of the new program, which was expanded by about \$300 million, we have increased the grant levels available. We anticipate that 200,000 more homes will be able to take advantage of and participate in the program. That has an extra economic effect of \$2.4 billion across Canada.

It's a very successful program. We've experienced great feedback on it. More importantly, the provinces have come online to match funds with us on these programs, to make it even more attractive to the Canadian homeowner to do the right thing, become more energy efficient, and save money along the way.

• (1615)

Mr. Devinder Shory: Minister, I know that many constituents in my riding have taken advantage of this good program. I wonder whether you know if other parts of our great country, other Canadians, are also taking advantage of this program.

Hon. Lisa Raitt: Yes. In my province of Ontario, certainly there's been a great uptake in people wanting to do home retrofits. In Nova Scotia as well, I heard from the minister responsible for the program, who said it's of great interest to them. Specifically, because Nova Scotia has a much older stock of homes, it certainly is helpful to have the federal as well as the provincial granting mechanism, to make it that much more accessible for people to do energy efficiency retrofits.

Mr. Devinder Shory: We all will agree that it makes great sense to encourage energy efficiency. We all also know that there are not only homes in this country; we have commercial buildings as well. Are there any measures in place to help make commercial buildings more energy efficient and reduce GHG emissions?

Hon. Lisa Raitt: Yes. We not only focus on Canadian homeowners, but we want businesses to be more energy efficient as well. Saving energy is the goal, in general, for energy efficiency, be it in a person's home or in their business.

The ecoENERGY retrofit program provides incentives in the form of financial support to businesses, as well as public institutions and industrial facilities, to help them implement energy-saving projects and reduce greenhouse gases and air pollution. Commercial and institutional participants in the program could receive up to \$10 per gigajoule of estimated energy savings, 25% of eligible project costs, or \$50,000 per project. That is also a successful program.

Mr. Devinder Shory: Do I have some more time?

The Chair: You have time for one more question.

Mr. Devinder Shory: Thank you.

This is a very important question for me, Minister, because I am from Alberta, and the oil sands are very important for us. The oil sands have been a key economic driver, helping to keep our economy relatively strong in relation to most other developed

countries during this economic downturn. However, there are challenges that come with oil sands production. Can you tell us whether any action is being taken to conquer those challenges so that Canada can continue to capitalize on this key resource while reducing the impact on our environment?

Hon. Lisa Raitt: I agree with you completely. The oil sands are a strategic resource and are key to our energy supply and also to energy security, not only of this country but of North America as well. We are committed to mitigating the environmental impacts of the development of the oil sands, because when you think about it, they hold one of the world's largest oil deposits that is available here in Canada for production.

The current low oil prices have led to the delay of several oil sands projects, which is disappointing. However, world demand will return and will continue to climb. That's a fact. We have to remember that for the Canadian economy, that natural resource is there. It is available for us to make sure that we utilize it responsibly, and at some point in time, when the economic situation improves, the projects will resume.

Recognizing the fact that it is a fossil fuel, however, we must develop that resource responsibly. There are two ways to do that. Number one, in order to deal with the demand for energy in the world, we must do what we spoke about before, which is to increase renewable energy. The second aspect, though, is to recognize that if we are using fossil fuels, we must explore technologies that are going to help mitigate their use.

This economic action plan, as I indicated in the opening remarks, has \$1 billion set aside in a clean energy fund. We have a clean energy dialogue with the United States, focusing on those promising technologies that will help us mitigate the use of fossil fuels. In this case, it's carbon capture and storage. In fact, I made an announcement, as I indicated, in March about eight different projects across Canada that are going to be funded by the federal government. They will help, in portion and in coordination with industry, to develop carbon capture and storage for production of fertilizer, for the production of oil, and use in gas as well.

It is important for us to be leading in carbon capture and storage, because we really can be a world leader in it. We belong to a global carbon capture and storage institute. We are a founding member, as is Australia, and we have signed agreements with the United Kingdom with respect to carbon capture and storage. There's great innovation and ingenuity in Canada and great knowledge on the topic. In fact, in Saskatchewan we've had a carbon capture and storage project running for a number of years as well.

• (1620)

The Chair: Thank you, Minister.

Mr. Shory, your time is up.

Monsieur Bélanger, go ahead for up to five minutes.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Thank you, Mr. Chairman.

Madam Minister, you mentioned AECL and Chalk River, so I want to go there.

We know that the government, perhaps even Natural Resources Canada, has commissioned a study by the National Bank to determine whether or not AECL should be privatized, and if so, how. Is there any more information that you would be prepared to share with us today on that matter?

Hon. Lisa Raitt: As you indicated, sir, the government announced a review of AECL last year. It's part of our commitment to due diligence and good governance and responsible management, but more importantly, we recognize that the world is going through what is being termed a "nuclear renaissance". There is a demand for clean, low-emitting electricity, and nuclear power does indeed provide that.

The overall objective of the review was to bring forward options to strengthen the corporation. We have received that report from the National Bank. My officials are reviewing that report and will be making recommendations on the report. It's very important—if I could just take one more second on this—to indicate that it's not just about reviewing Atomic Energy Canada Limited. We must recognize the fact that the nuclear industry in Canada is so important, with 30,000 jobs and great economic activity.

Hon. Mauril Bélanger: So there's no information or no more of that report that you can share with us today?

Hon. Lisa Raitt: Currently, my officials are reviewing the report. They will be making recommendations.

Hon. Mauril Bélanger: Thank you.

What's leaked is that the recommendation about privatizing is that the proprietary information and knowledge for the CANDU be privatized to 51%, therefore ceding control. There are those who have equated that to a similar mistake. Especially because of the current renaissance, as you mentioned, Minister, they are sort of equating this to the decision of another government in the past about the Avro Arrow.

Are you prepared at this point to rule out privatization?

Hon. Lisa Raitt: We're taking a look at all options that are available in order to strengthen Canada's commitment to nuclear research, and the officials are reviewing it.

Hon. Mauril Bélanger: Thank you.

Your government, with the support of the opposition, refused the acquisition by foreign interests of MacDonald, Dettwiler and Associates. Are you prepared to rule out acquisition of AECL or majority control of AECL's technology by foreign interests?

Hon. Lisa Raitt: It's a complex matter. As I indicated, the National Bank study has been received by the department. The officials are reviewing it, and we'll consider any options that the officials bring, but no decisions have been made.

Hon. Mauril Bélanger: So you're not prepared to rule it out. Okay.

In December there was a spill of tritiated water. On December 14 CanWest News Services reported that and reported that they got that information from the engineer, who was saying, and I quote, "Operators now must wear protective clothing inside the reactor hall because of the beta fields", because of a "minor spill of tritiated water". But the next day the chief nuclear officer for the facility denied that there had been a discharge of active water. Then later, you tabled a report in the House confirming that there had been.

There are those who would like to see a fairly open and public investigation on this matter, with full disclosure. Is that not being done in order to not affect the possible value of AECL, if you did decide to privatize and sell it?

• (1625)

Hon. Lisa Raitt: I have to say that's an interesting juxtaposition of thoughts, but it's not the case.

The health and safety of Canadians is our greatest concern. So we asked for a report from CNSC, we asked for a report from AECL, and we asked our officials in Natural Resources Canada as well to report on what happened. Those reports discussed in depth what happened, and indeed they were tabled in the House, as I indicated. But more importantly, since then both AECL and CNSC have had public meetings and have talked about the incidents in public and have indicated that they will do better in terms of disclosure.

This matter was fully disclosed. It has been tabled, and the reports are there to read.

Hon. Mauril Bélanger: Along those lines, there was supposed to be a planned release of some treated radioactive water that had been collected as a result of last December's leak. Has this been done, and if so, have there been public reports of this? Again, how have we assured the public that there are no worries, especially when those operating the plant have to wear protective suits?

Hon. Lisa Raitt: I can't speak to the operations of AECL, because AECL operates Chalk River and are the most appropriate people to talk about what internal measures they take with respect to employee regulation. But what I can say is that it is well disclosed and it is actually on websites talking about what happens with radioactive water and how long it's stored and how it is then re-released into the environment. All that information is available online for people to take a look at. It's fully disclosed and it is part of the operations of AECL and Chalk River, and they're the most appropriate people to discuss it.

The Chair: Thank you, Minister.

Thank you, Mr. Bélanger.

Mr. Allen, for up to five minutes.

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

Thank you, Minister, for coming today.

I do appreciate the remarks you made with respect to the black liquor issue. This is a huge issue in New Brunswick with our pulp mills, recognizing that this U.S. subsidy represents about \$120 to \$150 U.S. per tonne subsidy to the U.S. marketers. So I appreciate the recognition, and I can't stress enough on you and your ministerial colleagues to press this issue with the U.S. as best you can to make sure that we have our companies on a level playing field.

I would really appreciate your comments on that.

Hon. Lisa Raitt: It is of great concern from two perspectives. From an environmental perspective, it's almost a perverse way of dealing with an incentive that is meant to encourage the use of cleaner fuels. In a backwards way what is happening is that this black liquor is being mixed with diesel fuel in order to get access to the subsidy. And it is a significant subsidy. It qualifies mills for 50¢ per gallon of a refundable tax credit, and that helps the bottom line of those mills in the United States.

I have written to Secretary Chu on the matter and expressed our concern that in a time of global economic recession, when all industries are enduring much pain, this subsidy is working to render anti-competitiveness. Internally, we're discussing it with industry, DFAIT, and all the appropriate officials here in the government to see what we can do, taking a look at options, and moving forward on the matter.

Mr. Mike Allen: My riding is dominated in the south and on the eastern side by forestry. With some of the challenges we face, I thank goodness that we always have access to the Atlantic exemption from the softwood lumber. That's been good in a way.

My riding is feeling these changes mainly in the eastern and southern areas. We've talked about the community adjustment fund and the \$211 million to Quebec. I understand that ACOA is actually

going to be responsible for delivering the community adjustment fund in Atlantic Canada. Can you comment on how quickly that money will be flowing to these communities?

• (1630)

Hon. Lisa Raitt: In the case of the community adjustment fund, much like the other funds that we have in place, both for economic stimulation and for assistance to those who are being hardest hit by the recession, the goal is to move the projects along as quickly as possible. That's why we're delivering these programs through already existing programs, as in the case you mentioned in connection with ACOA.

It's interesting that the development of the projects really did come from the ground up. It came from talking to woodlot owners, it came from talking to industry, it came from talking to the provinces with respect to the kinds of projects they'd like to see. But the key is to make sure that we keep people working in the communities, and that we help communities adjust. Single resource towns can be helped by economic development projects, but you need to ensure that the community has something to replace its resource industry with during this downturn. It's important to look to the future, because in the long term there will be a recovery and the forest industry will do well again.

The Chair: Thank you, Minister, for coming today, and for answering questions on the many issues within your ministry. We look forward to having you with us again in the future.

Thanks very much.

Hon. Lisa Raitt: I didn't know I was done. Thank you, Mr. Chair.

The Chair: The meeting is adjourned.

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