

QUEBEC

FURNITURE STORE LAYS OFF 115 AMID TARIFF UNCERTAINTY

A Quebec furniture manufacturer says the threat of U.S. tariffs on Canadian goods has forced it to lay off 115 people. South Shore Furniture says it's laying off 97 people at its headquarters and factory in Ste-Croix, Que., southwest of Quebec City, and another 18 people at its operations in the Eastern Townships. Earlier this week U.S. President Donald Trump, shown, said he would hold off on his threatened tariffs against Canada for at least a month. But in a news release Thursday, South Shore Furniture says the uncertainty around Trump's motives has affected sales, adding that 70 per cent of its products are shipped to the United States. South Shore says that in response to potential tariffs, major American retailers have increased their imports from Asia instead of Quebec, harming the company's business. *The Canadian Press*



Tariff threat from U.S. isn't fading soon

VARCOE

Continued from FP1

Majority support was seen among Canadians of all ages, income and education levels, according to the online poll of 1,811 Canadians, conducted on Sunday and Monday.

"It is a significant finding," institute president Shachi Kurl said in a text. "What remains to be seen is whether this represents a moment or a movement."

Underpinning the energy issue, the poll found 91 per cent of respondents think Canada needs to reduce its reliance on the U.S. as a trading partner.

It won't be easy.

"Years of policies rooted in energy ignorance and centred around self-flagellation have made us poorer and vulnerable," Eric Nuttall, a senior portfolio manager with Ninepoint Partners, wrote in a column this week in the National Post.

While several LNG projects are moving ahead, no one is pitching massive greenfield oil pipelines today.

Asked about Quebec supporting the revival of Energy East — a defunct proposal to build a 4,500-kilometre pipeline to ship oil from Western Canada to the East Coast — Premier François Legault said Monday there is currently no social acceptability for that kind of project in the province.

"Of course, the situation, the economy and what Mr. Trump is doing may change the situation in the future," Legault told reporters.

And the tariff threat isn't fading soon.

Even with a month-long delay by Trump on imposing tariffs on exports from Canada and Mexico, it's likely only a short-term reprieve, said Gitane De Silva, who served as Alberta's senior representative to the U.S. during Trump's first term.

"I think the premiers are serious about (energy projects). The reality, though ... is any project takes time," said De Silva, the principal of GDStrategic.

"The question I have is whether the commitment and momentum can be sustained long enough to get those projects off the ground."

Financial Post

Chris Varcoe is a Calgary Herald columnist. cvarcoe@postmedia.com



JIM WELLS / POSTMEDIA NEWS FILES

Stephen Poloz, former governor of the Bank of Canada, says there are clear risks to Canadians if Ottawa carries out a planned response of counter-tariffs against the U.S.

ECONOMY

Trump's bravado shines light on Canada's fragility: Poloz

Effects of tariffs could be worse than expected

BARBARA SHECTER

Former Bank of Canada governor Stephen Poloz warned a Bay Street crowd Wednesday that the impact of United States President Donald Trump's threatened tariffs could be worse than expected because the Canadian economy is more "fragile" than when it met a best-case scenario in weathering the pandemic five years ago.

"We confront (these new) challenges from a weak starting point," Poloz said in a speech at the Canadian Club in Toronto, in which he pointed to higher unemployment, "extremely weak" business investment and a slew of mortgage renewals at higher interest rates.

"The return of tariff man and his unpredictability will accentuate that weakness, whether the tariffs go into effect or not," said Poloz, who was governor of the central bank from 2013 to 2020. "Today, we approach the Trump tariff shock with our economy in a very fragile position."

In a worst-case scenario, he said, Canada could face both an economic slowdown and inflation, forcing the Bank of Canada to choose which is the more pressing threat on which to base interest rate decisions.

"Which one are you supposed to try and fix?" Poloz said it is one thing to model the impact of a trade war, with some estimates suggesting it would be equivalent to a five per cent pay cut for Canadians, but, as with the response to the pandemic, models can't account for everything.

"We can do arithmetic around the tariffs, but we can't predict future behaviour — the human reactions that are underneath the things that models purport to capture," he said. Nevertheless, there are clear risks to Canadians and the strength of the dollar if Canada carries out a planned response of counter-tariffs, Poloz said, and he urged consideration of other responses, such as getting rid of inter-provincial trade barriers.

He also urged politicians to think about what is perhaps at the heart of Trump's rhetoric: Canada paying its share of national defence under the North Atlantic Treaty Organization agreement.

This, he suggested, could be achieved through a new defence tax at the cash register, specifically directed toward men and women "in uniform," and an agreement with the United States that would ensure Canada's shipping and aerospace industries had a shot at military procurement contracts.

Lower-income Canadians could be reimbursed for the tax, perhaps in the neighbourhood of three per cent, in the same way they receive a GST rebate, he added.

"I think Donald Trump would say, 'Now, that's a teammate. Forget about all this other stuff that I'm talking about,'" Poloz said, acknowledging that while his plan might blunt the impact of a trade war, it could come under criticism for seemingly acquiescing to a "bully."

On Wednesday, Liberal leadership hopeful Mark Carney, another former Bank of Canada governor, pledged, if elected, to meet Canada's NATO target of two per cent of GDP by 2030 — two years ahead of the timeline set by Prime Minister Justin Trudeau.

In an interview following his speech, Poloz said the potential costs of any steps taken to mitigate the impact of the trade war must be weighed against the federal government's expressed willingness to spend to support Canadians hurt by it.

"You could imagine things like CERB (the pandemic era Canada Emergency Response Benefit) or enhanced EI (employment insurance) — something that quickly helps people if they've lost their job because of the tariffs," he said. "Separately, what I'm saying is, if we're going to have (the equivalent of an across-the-board) five per cent pay cut, think about those as chips on the table (in a negotiation) ... What are you willing to do to avoid losing that five per cent?"

Poloz acknowledged that dissolving inter-provincial trade barriers as an alternative to counter-tariffs is sure to be politically challenging, but said there is a blueprint for it in Canada's founding.

"It is worth remembering that back in 1866, the United States walked away from its trade agreements with the provinces ... What was our response then? Confederation. Imagine that," he said.

"Our founding fathers thought they were creating a unified east-west free trade zone, so that we could reduce our dependence on trade with United States," said Poloz. "The irony is almost too much for me to handle."

Financial Post
bshecter@nationalpost.com



The Board of Directors of TMX Group Limited declared a dividend of \$0.20 on each common share outstanding, payable on March 7, 2025 to shareholders of record at the close of business on February 21, 2025.

Cheryl Graden
Chief Legal and Enterprise Corporate Affairs Officer and Corporate Secretary

In the Matter of the Bankruptcy of Intelligent Haptronics Solutions Inc. of the City of Vancouver, in the Province of British Columbia

Notice is hereby given that the bankruptcy of **Intelligent Haptronics Solutions Inc.**, a corporation who operated from 1200 - 900 West Hastings St. Vancouver BC V6C 1E5 occurred on February 3, 2025, and that the first meeting of creditors will be held on February 20, 2025, 11:00 AM, Microsoft Teams. Login details are as follows: Microsoft Teams call Meeting ID: 263 666 611 298 Passcode: S4Td2Kj2 or Dial +1 437-703-4516, 827297503#

Dated at Toronto, this 7th day of February 2025.



Albert Gelman Inc., Licensed Insolvency Trustee
250 Ferrand Drive, Suite 403
Toronto, Ontario M3C 3G8
Tel: 416-504-1650, Fax: 416-504-1655
www.albertgelman.com

Court File No. 2025 01G 0491

THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR GENERAL DIVISION, IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF: The Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 as amended - and -

IN THE MATTER OF: A Plan of Compromise or Arrangement of the Applicants, **Karwood Contracting Ltd., Karwood Engineering Inc., Karwood Ontario Ltd., and Karwood Design Group Ltd.**

NOTICE OF INITIAL ORDER

PLEASE TAKE NOTICE that an Initial Order was made by the Supreme Court of Newfoundland and Labrador-General Division, In Bankruptcy and Insolvency, on February 3, 2025, following the hearing of an application by Karwood Contracting Ltd., Karwood Engineering Inc., Karwood Ontario Ltd., and Karwood Design Group Ltd. (the "Applicants") and that BDO Canada Limited was appointed as Monitor;

PLEASE TAKE NOTICE that any person with a claim, grievance, application, action, suite, right or remedy, or proceeding or enforcement process in any court, tribunal, or arbitration association, relating to the Applicants are stayed on terms as set out in the Initial Order;

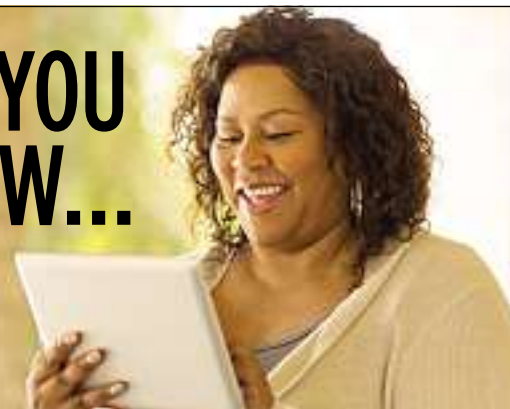
PLEASE TAKE FURTHER NOTICE that additional information regarding this proceeding can found on the Monitors website at <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/karwood> or by contacting Paul Kouadio, of BDO Canada Limited, at (647) 761-1537 or by email at pkouadio@bdo.ca.

DATED at Halifax, Nova Scotia, this 7th day of February, 2025.

BDO Canada Limited
In its Capacity as Monitor
Suite 201, 255 Lacewood Drive
Halifax, NS B3M 4G2
Telephone (902) 425-3100
Facsimile (902) 425-3777




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