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# Standing Committee on Finance

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Chair: The Honourable Wayne Easter





## Standing Committee on Finance

Thursday, December 10, 2020

• (1635)

[English]

**The Chair (Hon. Wayne Easter (Malpeque, Lib.)):** I will call the meeting to order.

Welcome to meeting 12 of the House of Commons Standing Committee on Finance.

Pursuant to the Order of Reference of November 19, the committee is meeting on its study of the pre-budget consultations in advance of the 2021 budget.

Today's meeting is taking place in a hybrid format, pursuant to the House order of September 23. The proceedings will be made available via the House of Commons website. Just so that you are aware, the webcast will always show the person speaking, rather than the entire committee.

I would caution witnesses and members, when you're not speaking, to put your system on mute. It makes it a lot clearer for those doing the translation services.

**Mrs. Tamara Jansen (Cloverdale—Langley City, CPC):** On a point of order, I'm just curious about something. My apologies.

**The Chair:** Go ahead.

**Mrs. Tamara Jansen:** Even though we've started so late, is it going to be possible to do the entire meeting?

**The Chair:** Yes. Ms. Jansen, we have to stop at about 6:30 my time, or 7:30 in Ottawa. We will have roughly an hour with each panel.

Did the ones who were missing show up yet, Madam Clerk?

**The Clerk of the Committee (Ms. Evelyn Lukyniuk):** No, I do not see them. I'll send the email again.

**The Chair:** To give committee members a heads up while we're waiting, in the first round of questions, it will be Mr. Kelly first for the Conservatives, then Mr. McLeod for the six-minute rounds, then Mr. Ste-Marie and Mr. Julian.

Because we are tight on time, we'd better start.

All the witnesses today, I believe, have sent briefs. I'm pretty sure I've seen briefs from all of the witnesses. There might be one who has not.

We will start with the Canadian Association of Oilwell Drilling Contractors, with Mr. Scholz, president and CEO.

**Mr. Mark Scholz (President and Chief Executive Officer, Canadian Association of Oilwell Drilling Contractors):** Thank you, Mr. Chair, for the opportunity to address the committee today.

The world is changing so quickly that it's hard to keep track. Innovations in drilling and fracking have taken the world from a potential oil and gas shortage a generation ago to more oil and gas than we can use. We have gone from the federal government subsidizing the oil sands a little over 20 years ago to incentivizing the reduction of oil consumption and to limit the expansion of the oil sands.

Because of the impacts of climate change, the new world goal is net-zero carbon emissions by 2050, but we also need to ensure that energy is still affordable and available and that we keep Canadians working through this energy transition. The only way these twin goals can be achieved is the responsible production of Canadian oil and natural gas, along with technological advances like carbon capture utilization and storage, hydrogen production, geothermal and other technologies that lower Canada's emissions while keeping energy affordable and workers on the job.

In other words, if this is really a transition, we say, "Bring it on." We've been evolving, changing and transitioning for over 70 years. Just set some fair rules, be consistent, put us on a level playing field and we'll do the rest. We also have children and grandchildren, and we want to make the world and their world a better place for them as well.

As Canadians bundle up and prepare for the coming winter months, hardworking Canadian rig crews keep our homes warm and make that hot chocolate possible this holiday season. Canadians are proud of their natural resource industries and support responsible development. With our world-class standards, Canada has an opportunity to play a significant role in shaping the world's energy future. It's our people, equipment, technology and processes that will pave the way to a cleaner, lower-carbon energy future.

Although renewables such as wind and solar will increase significantly over time, they will not replace fossil fuels in many energy-intensive applications. Therefore, as we move toward cleaner solutions, natural gas will continue to grow and eventually dominate the world's energy supply. Canada's abundant natural gas reserves, combined with our technology and geographic location to develop and deliver it at the world's lowest carbon profile, are a huge competitive advantage for our country.

Hydrogen and geothermal will also play an important role in our energy future. We have seen several drilling rigs complete geothermal wells in Saskatchewan and Alberta to produce clean and renewable electricity. The possibilities for these new industries are encouraging and exciting for the entire country. It's our people and businesses within the oil and gas services industry that will help move these new energy opportunities forward.

However, I'm afraid many Canadian drilling and service contractors are struggling to survive right now, and without the Canadian energy services sector, Canada's ambitious carbon reduction targets cannot and will not be achieved.

After a promising start, 2020 activity levels came to a crashing halt at the end of Q1, along with the global economy, due to COVID-19. The industry faced historic lows in drilling activity, with as few as six drilling rigs working in June in all of Canada. Not only was 2020 the worst year on record, it was also an extension of the prolonged downturn in Canada's oil and gas industry. This should alarm policy-makers in our country.

If we sincerely want to address climate change and embrace new energy sources such as hydrogen, geothermal and carbon capture utilization and storage, if Canadian drilling and service contractors are not available, Canada's ambitious and realistic climate objectives are not feasible.

Post-COVID, an opportunity for Canadian energy will present itself once again. We have the world's premier energy brand, the most ethically sourced, responsibly produced, cleanest hydrocarbon-based energy available in a world that will need our products for decades to come.

Thank you for the committee's time. I look forward to answering questions.

● (1640)

**The Chair:** Thank you very much, Mr. Scholz. There was a lot of information packed into that four-minute presentation.

From the City of Yellowknife, we have Ms. Alty, the mayor.

[*Translation*]

**Ms. Rebecca Alty (Mayor, City of Yellowknife):** Thank you very much.

On behalf of the City of Yellowknife, thank you for giving me the opportunity to speak to you today.

My name is Rebecca Alty, and I am the mayor of Yellowknife. In our August 2020 brief, we included five recommendations, but since then, we have added two more.

[*English*]

Our recommendations are the following.

First, we recommend that essential municipal services and the municipal role in recovery be protected by proactively working with provinces, territories and municipalities on successor arrangements to the safe restart agreement, which must include funding support for municipal operations through 2021.

Second, we recommend a doubling of the gas tax funding allocation for the next three years through a new investment, the municipal economic recovery fund, to rapidly deliver infrastructure stimulus funding and job growth for Canadians. Beyond restarting the Canadian economy as it recovers from the COVID-19 pandemic, this funding will also address the crumbling essential infrastructure in communities.

Third, we recommend the implementation of the Truth and Reconciliation Commission's call to action 21, by providing "sustainable funding for existing and new Aboriginal healing centres to address the physical, mental, emotional, and spiritual harms caused by residential schools, and to ensure that the funding of healing centres in Nunavut and the Northwest Territories is a priority."

Fourth, we recommend a quick scaling up of the rapid housing initiative—RHI—by allocating \$7 billion for no less than 24,000 additional supportive and deeply affordable housing units over the national strategy's seven remaining years. With 3,000 units committed through the existing RHI, this is a path to achieving the goal of ending chronic homelessness currently experienced by at least 27,000 Canadians. The key to success will be maintaining the RHI's efficient delivery model, including a direct allocation to cities, and supporting stick-built construction, as well as acquisition and modular housing opportunities.

Fifth, we recommend that the backlog of land claim and self-government negotiations with indigenous governments be addressed by increasing the staffing levels of federal negotiators.

Sixth, we recommend funding to implement of Canada's Arctic and northern policy framework.

Seventh, and last but not least, we recommend making the investments necessary to significantly reduce the northern infrastructure gap to address the transportation, connectivity, energy and climate-based challenges northerners face.

● (1645)

[*Translation*]

Our brief contains further details about our recommendations, and I will be happy to provide you with specifics after this meeting.

I would now like to address recommendations 1 and 2, which deal with support for municipal administrations, as well as recommendation 4, which covers housing.

[English]

As we all know, 2020 has been a year like no other. I would like to thank you all for your hard work and support this year. In particular, the city is incredibly grateful for financial support through the increased Reaching Home funding and safe restart funding.

This past Monday, our council passed our 2021 budget. Due to COVID and the necessary health protocols that we need to have in place, we are facing rising costs against falling revenues, and we have no ability to run deficits. Unlike the federal government, we need to pass a balanced budget while still providing core services such as clean drinking water, proper sewage and waste disposal, fire and ambulance and many more vital services in the midst of a pandemic. To do this while not causing a massive spike in taxes requires support from the federal government. The pandemic is not over, and the financial impact on municipal services will continue in 2021.

To ensure residents continue to receive vital services without causing them undue hardship, we recommend that the upcoming federal budget include funding for successor arrangements to the safe restart program, again, including support for municipal operations. We also recommend an increase in gas tax funding to communities. As the Government of Canada noted in its last budget, investing in communities can deliver good, middle-class jobs today, while setting the stage for economic, social and environmental returns for years to come. We encourage you to keep this in mind while drafting, reviewing and approving the upcoming budget.

As mentioned, we appreciate the federal government's Reaching Home funding, and our fingers are crossed that we'll also receive some rapid housing funding in Yellowknife, but this funding is not even addressing the tip of the iceberg. In Yellowknife and across the north, we have many adults, families and youth who are homeless or at risk of being homeless. Whether it's COVID, or temperatures that dip to minus 30 and below for many months of the year, housing isn't a nice thing to have: it's essential and a human right. We urge the federal government to increase its investments for both programs, and work with communities to overcome federal policy obstacles that prevent us all from reaching our desired outcome, which is ensuring all residents have a safe place to call home.

[Translation]

Thank you very much.

[English]

**The Chair:** Thank you very much, Madam Mayor, and thank you for your brief.

From Electric Mobility Canada we have Daniel Breton, president and CEO.

Mr. Breton.

• (1650)

[Translation]

**Mr. Daniel Breton (President and Chief Executive Officer, Electric Mobility Canada):** Thank you, Mr. Chair.

Good afternoon. My name is Daniel Breton, and I am president and CEO of Electric Mobility Canada. I'd like to thank the mem-

bers of the Standing Committee on Finance for inviting us to appear.

[English]

Created in 2006, EMC is one of the very first organizations dedicated to electric mobility in the world, representing more than 220 corporate members. They include vehicle manufacturers, electricity providers, charging infrastructure manufacturers, technology companies, mining companies, charging system providers, fleet managers, unions, cities, universities, NGOs and more.

As we will see an exponential growth of light and heavy-duty electric vehicles on the road in Canada and everywhere in the world, and as the Canadian government is working on a green recovery plan, there is one very important question that needs to be addressed: Will Canada show leadership in the fight against climate change and air pollution to create jobs in the high-tech sector of electric mobility, or will Canadians end up simply importing electric vehicles, batteries and technologies and therefore miss the boat on high-quality jobs?

That's why EMC is making 10 key recommendations for the 2021 budget. Here are some of these recommendations.

You should support Canada's zero emission vehicle manufacturing by supporting consumers purchases of EVs for all vehicle classes from cars to buses, from school buses to trucks.

For passenger vehicles, we recommend maintaining the current \$5,000 federal rebate and getting more Canadians into zero emission vehicles by increasing the base MSRP cut-off for pickup trucks, SUVs and minivans since they have a higher MSRP than smaller vehicles, whether they're gas or electric. This will help increase regional equity and access for people who need larger vehicles.

For low-speed, off-road and microelectric vehicles, we recommend a rebate of up to \$2,000, especially since some of these vehicles are built in Canada.

You should offer a cash for clunkers incentive focused on EV transition by getting people from used gas vehicles to EVs.

You should implement a GST and HST exemption for both new and used zero-emission vehicles to increase access to the benefits of driving electric.

You should incentivize all Canadians to buy electric vehicles with a used zero-emission vehicle incentive of up to \$2,000.

We also recommend a federal ZEV standard in line with Canada's ZEV targets and aligned with California, B.C., Quebec and other jurisdictions around the world. We also recommend a ZEV standard for heavy-duty vehicles inspired by the new California regulation to help achieve Canada's drive to zero pledge.

[*Translation*]

We recommend expanding targets for the zero emission vehicle infrastructure program and the electric vehicle infrastructure deployment initiative, including in rural and remote areas, by setting and funding higher one- and five-year targets for charging station deployment.

We recommend setting zero emission vehicle targets of 100% for new government fleet vehicle purchases starting in the 2023 financial year, wherever feasible, and ensuring that Crown corporations are eligible for the same programs as private companies to support those purchases and the deployment of charging stations.

[*English*]

We recommend that you pre-order or bulk buy heavy-duty electric transit and school buses to take advantage of economies of scale and create manufacturing jobs in Canada.

We recommend expanding the funding for ZEV training programs for consumers, but especially for workers who are looking to work in a company with positive prospects for the future. Many Canadian companies are looking for workers in electric mobility.

[*Translation*]

As a Canadian NGO dedicated to electrifying transport, Electric Mobility Canada can use government support to help its mission. In return, we will provide our expertise and our experience to help the Canadian government carry out its green recovery plan.

We are currently part of an industrial coalition looking to establish a solid supply chain for the zero emission vehicle industry, from British Columbia to the Maritimes. We therefore want to ensure that Canada positions itself in the global transition to zero emission vehicles.

This initiative seeks to bring together the country's main stakeholders, from mining to mobility, from research and development to marketing, and from assembly to infrastructure. We are anxious to share our work with you.

We must remind the committee that light- and heavy-duty vehicles contribute to climate change and air pollution. Air pollution causes 14,600 deaths per year, which is 7.5 times the number of deaths caused by vehicle accidents. According to Health Canada, the economic consequences of air pollution represent \$114 billion per year. Electric vehicles have a major, positive impact on reducing greenhouse gas emissions and air pollution.

You will find more information on all of our recommendations in our full brief.

Thank you.

[*English*]

**The Chair:** Thank you very much, Mr. Breton, and for your submission earlier.

The last witness on this panel is Mr. Goodman, president of the Explorers and Producers Association of Canada.

Mr. Goodman.

• (1655)

**Mr. Tristan Goodman (President, Explorers and Producers Association of Canada):** Thank you very much, Mr. Chair.

Good afternoon. My name is Tristan Goodman, president of the Explorers and Producers Association of Canada, or EPAC.

Thank you for the chance to speak to the committee members today, and I hope you are all safe during this difficult period.

EPAC represents over 100 owned natural gas and oil producing companies focused on drilling, rather than mining, Canada's energy resources. Our members employ tens of thousands of Canadians across the country, and represent over a hundred billion dollars in market assets here in Canada.

We recognize Canadians' expectations of our industry to continue to make progress on reducing GHG emissions; ensuring that we support our indigenous partners through contributing to economic reconciliation; and responsibly underpinning Canada's future economic prosperity, all during a time of changes in global energy use.

Although important changes have been made and continue to be needed, we believe that a cleaner oil and gas sector can aid in driving the country's economic recovery.

We are a large contributor to the Canadian economy, as well as producing some of Canada's most valuable exports that ensure a responsible balance of trade for our nation. Petroleum products remain our country's number one export, representing close to 15% of Canada's total exports.

The current global health pandemic has created challenges for all industries, and especially so for Canada's oil and gas sector as prices for our products are far lower than demand dictates under regular world economic conditions. While prices have started to recover, we continue to face challenges that will have ramifications well beyond our industry, as the economy moves to repatriate manufacturing of such items as PPE, create the materials used to make electric vehicles, as well as long-term production of made-in-Canada solutions to lithium, helium, hydrogen, LNG and other elements in a changing economy.

Canadian oil and gas producers are world leaders in the evolving ESG space, and have demonstrated our commitment to contribute to economic reconciliation with our indigenous partners, and more broadly with indigenous nations. We acknowledge that our industry has made mistakes, not evolved quickly enough at times, and needs to do more.

Being Canadian means that we are here for the long term. We commit to continually improving our performance while ensuring that the essential need in Canada for oil and gas comes from this country rather than poorly regulated foreign entities.

We would like to thank the federal government, the official opposition, and the provincial governments for their support.

Key areas of success to date include projects such as the Keystone and TMX pipelines, the LNG Canada development in British Columbia, worker support programs through EDC-BDC liquidity actions, the emissions reduction fund, and job creation activities to remediate worksites.

EPAC and its members have the technology and innovation expertise to add remarkable value during a period of great transformation. We want to work with all levels of government as they rebuild Canada's economy while implementing the federal government's UNDRIP legislation, climate change policies, and resolving issues around market access.

There are many opportunities that can be discussed and implemented including a number that I have detailed in my written submission.

In particular, I would like to draw your attention to the following top-line recommendations: supporting the deployment of carbon capturing utilization and storage, ensuring financial liquidity, seizing the opportunity of liquefied natural gas, expanding the orphan well program, getting the clean fuel standards right, and continued support for market access and development.

Thank you again for letting me have the opportunity to address you as you continue your important work.

I look forward to your questions.

**The Chair:** Thank you very much, Mr. Goodman.

You said you were expanding a well program, but I didn't catch that word you used. Could you repeat it for me?

**Mr. Tristan Goodman:** I apologize, Mr. Chair, it was expanding the orphan well program.

**The Chair:** Orphan well program. Okay, that's what it was. Thank you very much.

We'll go to our first round of six minutes, starting with Mr. Kelly, followed by Mr. McLeod.

Mr. Kelly.

**Mr. Pat Kelly (Calgary Rocky Ridge, CPC):** Thank you, Mr. Chair, and to all of our presenters.

Mr. Scholz, six is a staggeringly low well count for a month. Can you put that in perspective and tell us how that June well count compares with long-term averages, or even over the last year, or any other comparison you might give us for perspective?

● (1700)

**Mr. Mark Scholz:** Certainly. I remember quite vividly sitting in my office in the middle of June and getting the daily rig report. It gives me a bit of a synopsis of where the rigs are working across western Canada as well as the offshore side of the business. It was quite scary. There were six rigs in all of western Canada—three in Alberta, none in Saskatchewan and a couple in British Columbia. To give you an idea of what it would be in a normal year, it would be in and around 100 rigs. Around June, we would be starting to ramp up for our summer programs and beginning to ramp up further into the fall. Out of those six, only two companies out of Canada's 24 drilling contractors were operating in June.

Even more startling is the fact that, even March to June, 75% of Canada's drilling rig contractors haven't spun a wheel since March. It's a very serious situation.

**Mr. Pat Kelly:** Yes. That's staggering.

How many rigs have left Canada for the United States since 2015?

**Mr. Mark Scholz:** The most important statistic to really highlight is how many of our "high-spec" drilling rigs have left. We estimate that about 28 of our most sophisticated drilling rigs have left Canada for destinations like the Permian, the Eagle Ford and other U.S. destinations.

**Mr. Pat Kelly:** Is it fair to say that the policies of this government have been entirely unfavourable to Canadian investment but have been advantageous to investments in oil and gas in other jurisdictions?

**Mr. Mark Scholz:** I would say that this is a global business. We try to incentivize capital to come into Canada from all across the world. Capital is going to go to destinations that have the greatest return for investment.

**Mr. Pat Kelly:** So the investment opportunities since 2015 have been in oil-producing jurisdictions outside of Canada.

**Mr. Mark Scholz:** I would say that when you look around the world, the Canadian basin has not performed as well as the U.S. basin or other international basins. That would be correct.

**Mr. Pat Kelly:** In terms of reducing emissions, is it fair to say, then, that carbon leakage is a significant factor in the policies? In other words, when activity merely moves from one jurisdiction to another, we are not reducing or contributing to a reduction in global GHGs but merely punishing the Canadian economy.

**Mr. Mark Scholz:** Well, I would add to that. I would say that because we don't have as much investment in Canada....

Let's be very frank: Canadians are the innovators when it comes to a lot of this technology that will allow us to reduce emissions. You can look at things like bi-fuel technology, where we can use natural gas as well as diesel in our engines, and tide-line electrification of our rigs, where we actually have no emissions whatsoever in terms of scope 1 emissions. We can power our rigs directly from the electricity grid.

The other example I can give you is Canadian downhole technology in terms of how we've been so productive in drilling efficiencies and optimization. Generally, wells that 10, 15 or 20 years ago would take 40 days to drill we're now drilling in 10 days. When you look at that on the basis of emissions, that's a 75% reduction in overall emissions. That's Canadian technology that we want to build right here in our country.

**Mr. Pat Kelly:** That's a fantastic good-news story. However, if Canadian technology is part of the solution to better efficiency and reduction in emissions, but investment is being chased to other jurisdictions, that will not help us achieve any kind of goal or support our economy.

I have only a few moments left—

**The Chair:** It's your last question, Pat.

**Mr. Pat Kelly:** —so I'll throw my last question to Mr. Goodman and get him in here.

Can you comment, sir, on the clean fuel standard and the implications for both consumers and industry?

• (1705)

**Mr. Tristan Goodman:** Sure, I can quickly answer that as the chair moves us on here.

There are certainly opportunities within the clean fuel standards. There's a large debate that is going to continue around the clean fuel standards. A lot of the innovation that Mr. Scholz was talking about has great application within that. There is debate as to the impact on Canadians from a disposable income perspective, but there's no question that there will be some changes coming up, both some opportunities from an oil and gas perspective, as well as some challenges on the implementation.

Thank you.

**The Chair:** Thank you all for that round.

We are turning to Mr. McLeod. You have six minutes, Michael.

**Mr. Michael McLeod (Northwest Territories, Lib.):** Thank you, Mr. Chair, and to all of the presenters here today. It's a very interesting discussion.

I'd like to say welcome to Mayor Alty from Yellowknife. It's good to have somebody from the north in the mix once in awhile.

I listened closely to your recommendations. The recommendation on the gas tax.... In budget 2019, our government did do a one-time doubling of the gas tax transfer. I wonder if you could tell us how that helped Yellowknife. Would a similar top-up in budget 2021 assist with the city's infrastructure plans?

**Ms. Rebecca Alty:** Thanks for the question.

Yes. We were definitely grateful for that top-up.

We have a lot coming up in our capital plan. It's not those sexy projects that all taxpayers love to talk about. It's our sewage lagoon, sludge removal and waste management. They're not cheap projects, so when we talk about creating a new cell that's required at our solid waste facility in 2023, that's a \$4.5 million project for a city of 20,000. It's significant infrastructure that we have to keep up.

There's also our water submarine line, which ensures that we have clean drinking water. We have the Giant Mine, which is a toxic legacy that the federal government is cleaning up right now. We actually have to draw our water from farther up the lake, which isn't as close to our water treatment plant. Replacing that submarine line is a \$9 million project. This is just on the heels of all these other big projects.

We're talking about \$19 to \$45 million a year in capital projects over the next 10 years.

**Mr. Michael McLeod:** Thank you for that.

I really appreciate hearing somebody recommend that resources should be ramped up for the federal government side of indigenous land claims and negotiations for self-government. Maybe even adding to that is the need for a recognition or rights framework. I think Yellowknife is really in a land-locked situation, being surrounded by land claims on all sides. It would really help if we could move that forward. That's good to hear. Hopefully, people are listening.

I did want to ask about how the City of Yellowknife envisions having the call to action number 21 met, which you mentioned. Would that be through a larger central healing centre, several smaller facilities throughout the north, an on the land program in the communities, or a combination of all these? What is your city's vision?



**Ms. Rebecca Alty:** The discussion that happens in the north is that there are multiple throughout. Here in Yellowknife, we had the Arctic Indigenous Wellness Foundation recently begin. It's now in its third or fourth year and has great success, but it has no core funding. It's really important.

Mental health and addictions are huge costs to the health care system, which the federal government is supporting through NIHB. It's really a cost of whether you're going to be paying for the ramifications of not dealing with the mental health and addictions or if you want to be preventative and try to resolve these issues before they become hospitalizations and criminal justice issues.

I think it's important that TRC recommendation 21 is addressed. The report is going up on its sixth year of being released. That recommendation is definitely needed here in the Northwest Territories.

• (1710)

**Mr. Michael McLeod:** I don't know how much time I have left, but I want to ask you a final question on the rapid housing initiative that you mentioned.

I know that many organizations in the Northwest Territories are interested in accessing the rapid housing initiative. Could you tell the committee how the City of Yellowknife has considered using and accessing these funds, and if you have any recommendations for improving the program?

I just got a call today from the Sahtu. They're saying that we need to extend some of the time frames. These are tight. They have winter road schedules and everything else. Maybe you can talk about that a little bit.

**Ms. Rebecca Alty:** The City of Yellowknife has four different ideas that we're looking to pursue. Two of them include motel transformations into single-use apartments. The other one is an old office building that's now vacant. There are 10 storeys that could be transformed into residential units. Then there's a federal asset. There's a 36-unit apartment building that the federal government has empty here in Yellowknife, and we are hoping that it can be transformed into supportive housing, because the market rental in Yellowknife is sufficient for federal employees. That's just what the City of Yellowknife has. The YWCA also has a project that they're looking to expand, and there are a few more NGOs.

The timeline is incredibly tight. I recognize that the idea is to get the money out the door; however, we're all in the midst of a pandemic trying to keep our heads above water. Trying to do our regular jobs and apply for this funding—not to kick a gift horse in the mouth—is a challenge, so getting the funding applications in and then the timelines to get it done here in the north.... Yellowknife is lucky in that we do have road access, but for a community like Paulatuk, which is up in the Arctic Ocean, finding out that they get funding in March means that they can't do their project until summer 2022, which by then, has already blown the rapid housing initiative deadline. Really, it's about recognizing that not all communities have road access, and even for those of us with road access, it's about just being able to have enough human power to get these projects done, because even when you have a modular unit, it comes, and it has to be set up on the grounds, so you still need those trades folks.

Again, it's great; we really need housing support here in the north, but the program hasn't been designed necessarily to lead to success, because we're all such small organizations. The next speaker is from the community of Lutselk'e, which has a tiny government staff. They don't have people on staff to be able to fill out complicated—

**The Chair:** We will have to leave it at that. I think you're sending the message to get the decisions done well ahead of construction season. We have the same problem in what you would call the "south".

I'll turn to Gabriel Ste-Marie for six minutes.

I believe you are in a room in Ottawa.

Mr. Ste-Marie will be followed by Mr. Julian.

[*Translation*]

**Mr. Gabriel Ste-Marie (Joliette, BQ):** Thank you, Mr. Chair.

First, I'd like to say good afternoon to all the witnesses.

I would also like to thank the mayor of Yellowknife for giving part of her presentation in French. I am very grateful to her for that.

My questions are for Mr. Breton of Electric Mobility Canada.

Why should we increase the rebate eligibility cap for light electric trucks?

**Mr. Daniel Breton:** Thank you for your question, Mr. Ste-Marie.

Actually, the answer is very simple. At the moment, the way the rebates have been designed for electric vehicles means that basically only cars are eligible for a federal rebate when they are purchased. But more and more people need a sport utility vehicle, an SUV, or a pickup truck for family or work. Unfortunately, due to the price of those vehicles, they do not qualify for the federal rebate because they are still a little more expensive to purchase. Whether they are gas or electric, larger vehicles are always a little more expensive.

For electric SUVs and pickup trucks, increasing the rebate eligibility cap is intended to ensure regional equity, but also equity for Canadians who need larger vehicles.

**Mr. Gabriel Ste-Marie:** Thank you for your answer.

I represent the constituency of Joliette, where many people own a pickup truck or at least need a vehicle with towing capacity. Currently, none of those vehicles are eligible for the rebate.

You addressed this issue in your presentation, but could you elaborate on the economic costs of pollution in Canada?

• (1715)

**Mr. Daniel Breton:** Yes. A year ago, almost to the day, Health Canada released a report on the overall economic cost of air pollution, an estimated \$114 billion per year. That's an astronomical number. People don't realize how much air pollution is all around us, and that a significant portion of it comes from transportation. Over 50% of carbon monoxide and nitrogen oxide emissions, or NO<sub>x</sub>, come from transportation, and cars, along with light and heavy-duty trucks, account for 20% to 30% of those emissions, depending on the type of vehicle.

So, if air pollution can be reduced by moving towards light and heavy-duty electric vehicles, the costs could help create jobs in the electrification of transportation. We have several manufacturers of electric vehicles in Canada, Ford and Chrysler in Ontario, for example. British Columbia has some. Manitoba has New Flyer. Quebec has Nova Bus, Girardin and Electric Lion. So, many companies do it.

That's one aspect of the economic interest.

The other aspect is that, in reducing air pollution, we reduce health costs by tens of billions of dollars. That is an extremely important aspect of the transition to electric vehicles.

**Mr. Gabriel Ste-Marie:** You said that, because of air pollution, people were going to develop illnesses or complications. Health Canada's \$114 billion, which is a very impressive number, represents the additional costs on the health care system. For example, someone living on Saint-Joseph Boulevard in Montreal who breathes in traffic emissions is at risk of developing illnesses, and that comes at a cost.

Quebec has zero emission legislation. If Canada used that act as a model and committed to having one by 2030, in your opinion, what kind of positive economic impact would it have on jobs and income?

**Mr. Daniel Breton:** In another report we published, we did a calculation to see the result if Canada were to follow the lead of British Columbia, which has just introduced zero emission legislation, much like Quebec, California and more and more jurisdictions in North America and around the world.

We calculated the increase in revenue for utilities like Hydro-Québec, BC Hydro and SaskPower. We're talking about the sale of electricity, charging stations and infrastructure, as well as construction work, among other things. By 2030, this represents an additional 250,000 to 300,000 jobs, according to a study by Clean Energy Canada. By 2030, revenue could be as high as \$190 billion from the electrification of transportation.

This is what it means to transition to electric transportation. It's not just about buying electric vehicles. We have formed a coalition to see what the production chain for electric vehicles would look like in Canada, starting with mining and raw materials and working up to assembly and research and development. It means creating a whole new field, a whole new specialty, where Canadians can be world leaders.

In that respect, we have a lot of assets, that is, state-of-the-art research centres. We have Jeff Dahn at Dalhousie University, for example. In Quebec, we have Karim Zaghbi at the Institut de recherche d'Hydro-Québec (IREQ). Then we have the Automotive Parts Manufacturers' Association, or APMA, which has set up a research centre and presented a prototype, the Arrow model.

So Canada has a lot to offer in terms of our raw materials, our knowledge, our universities and our production capacity. A whole new field could be created with Canada as the leader.

[English]

**The Chair:** We'll have to end it there, as we're out of time, Gabriel.

[Translation]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair.

[English]

**The Chair:** The next round will be split between Mr. Falk and Mr. Poilievre.

Mr. Julian, you have the floor.

**Mr. Peter Julian (New Westminster—Burnaby, NDP):** Thanks very much, Mr. Chair.

Thank you to our witnesses for being here today. We certainly hope that you and your loved ones are staying safe and healthy during this pandemic.

Mayor Alty, I'd like to start with you. You've confirmed previous testimony we've heard from people such as Mayor Côté from the City of New Westminster and Mayor Hurley from the City of Burnaby about the overall impact on municipal services during this pandemic. Thank you for that.

I have three questions for you specifically about the housing issue, because that is an issue that is top of mind here in the lower mainland of British Columbia. We are simply seeing an increase in homelessness as the pandemic worsens many of the socio-economic conditions that existed prior to it.

You mentioned that there was a federal government-owned building with 36 units that I understand is empty. I'd be interested in knowing how long that federal building has been empty, because obviously 36 units is a considerable start in terms of addressing housing. You've talked about a substantial increase in funding, and I couldn't agree with you more. In fact, \$7 billion seems to be a very important first start, as the rapid housing initiative doesn't meet in any way the huge demand of hundreds of thousands of families across the country.

What has been the impact of the lack of housing in Yellowknife now, and what would be the impact if we were talking about a \$10-billion, \$15-billion or even \$20-billion program that puts shovels in the ground and started building affordable housing across the country?

I raise that because in British Columbia, as you're probably aware, the B.C. government has built more housing than every other jurisdiction put together, including the federal government, by simply moving to putting in place modular housing, to make sure that affordable housing units are purchased and put in place.

What would be the impact of the federal government really stepping up and investing double figures in billions of dollars to ensure that housing was available for everybody who needs it?

• (1720)

**Ms. Rebecca Alty:** It's called the Aspen Apartments, and it's a 36-unit apartment building. It has been empty since 2019. They were looking to transfer it to a local NGO, but the way the transfer program works, the NGO was going to have to put \$4.5 million on their books as a liability. For the NGO, that just wasn't an option, because it was going to impact their borrowing limits, so it didn't go through. Then COVID hit, and the federal government transferred the asset to the territorial government to use right away, from March 2020 until the following March. Following that, our request is that the federal government look to transfer it to a local NGO again and to not go back to use it as federal employee housing, because our private market here is sufficient and federal employees make enough to rent on the private market.

In regard to homelessness and the need for both affordable and supportive housing, with COVID, we were in lockdown. Nobody outside of one's household was supposed to be visiting you, so a lot of the hidden homeless really became obvious as people weren't welcome to come to couch surf and stay with friends and relatives. Therefore, an increase in shelter space is required. The worry is that if community transmission were to happen in Yellowknife, as it did in Nunavut—in Arviat, with its households of 10-plus people—all of a sudden the numbers could skyrocket in just a matter of days. Therefore, it's really important.

It's tough to get those numbers, because with hidden homelessness and couch surfing and the dangers that come with that is the fact that you're putting yourself in vulnerable situations. The housing is really important, and we have 15 families on the wait-list to get housing. That means kids aren't able to get a good education and the stability they need to be good contributors to the economy in the future.

Across the country, I think we all know.

**The Chair:** Peter, this is your last question.

[Translation]

**Mr. Peter Julian:** I would like to ask Mr. Breton a question.

Mr. Breton, I'm pleased to see you again.

Some countries have made a successful transition to electric vehicles. I am thinking of Norway in particular, where more than half of new cars purchased are electric.

What could Canada learn from other countries that have successfully transitioned?

• (1725)

**Mr. Daniel Breton:** Thank you for the question, Mr. Julian. I am also very pleased to see you again.

The world's leaders are countries that have ensured that the right parameters are in place to promote the development of electric vehicles. They have encouraged people to purchase electric vehicles in a variety of ways, such as offering rebates and deploying infrastructure for the vehicles, like charging stations, throughout the country.

They also have ways to discourage the acquisition of polluting vehicles, by using a bonus-malus mechanism, for instance. Norway is extremely strict in that respect. It imposes taxes of up to 150% of the purchase price on buyers of polluting vehicles. We will probably never get that far in North America, but we can certainly learn from zero emissions legislation passed elsewhere in the world, such as in California. The state government there enacted a zero emissions law 30 years ago, and California has become the North American leader in acquiring electric vehicles.

Regulation is important, but public awareness is also essential. We need to explain to people how electric vehicles work, because there is a lot of misinformation and a lot of preconceptions about them.

I live in the country, on an island, and I can tell you I have no problem getting to Toronto, Ottawa, the Gaspé or New York in an electric vehicle. It is doable today, and the technology is evolving extremely fast.

[English]

**The Chair:** Thank you all.

Following Mr. Falk and Mr. Poilievre will be Ms. Dzerowicz and Mr. Fragkatos on a split.

Mr. Falk.

**Mr. Ted Falk (Provencher, CPC):** Thank you, Mr. Easter.

I want to thank all of the panellists for their presentations here at committee today. It's been very interesting and it's always a joy to learn something new.

Mr. Goodman, you talked in your presentation about abandoned and orphaned wells, and you also mentioned them in your brief. Your brief references the \$1.72 billion that the industry received from the government to address some of those wells, but it says there's still a \$70 billion gap to address the need to reclaim or close those wells.

Who is responsible for doing that?

**Mr. Tristan Goodman:** Thank you very much.

The industry is responsible for doing that, and we take ownership over that. We appreciate the federal government's program to get Canadian workers back to work. I think there were some good decisions on the part of the federal government to move forward on that.

Thank you.

**Mr. Ted Falk:** Regarding the gap between the almost \$2 billion that you have and the \$70 billion that's estimated to still be required, do you have any ideas of where that's going to come from, or how we could address that? I see, as you mentioned in your last answer, that this is a job creation thing in addition to being environmentally responsible and being good stewards.

**Mr. Tristan Goodman:** First, the numbers are actually quite difficult to work out. Whether it's \$70 billion or less, it really doesn't matter. I'm not going to specify what the number is because it actually depends on how you look at it. I can say the industry has put extra effort to this. I think it has recognized that investors are actually expecting it to do that. Canadians are expecting it to do that and there's a broad commitment to do that.

I can say also that the provincial governments... the way they've moved in British Columbia, Saskatchewan and Alberta recently is to put in place new policies and new procedures, whether those be timelines or percentage of spending targets. Those are appropriate policies, particularly right now when prices are difficult. As prices recover, there should be more money and more effort put towards that. That is a commitment by the industry.

**Mr. Ted Falk:** Does the industry actually have a pool of funds? Is it something that somebody administers for them? Does the association look after it, or do individual companies and well owners need to make that provision?

**Mr. Tristan Goodman:** It's a bit of both. How it generally works is that there are two forms to any of these programs. Policies take different forms, but they are relatively simple. It's basically like your household income: What are your assets coming in and what are your liabilities associated with that? That's called an asset-to-liability ratio. Then the industry backstops with its money, in the hundreds of millions of dollars, any company that is financially distressed and not able to deal with its liabilities. It goes into what is called an "orphan fund", and the industry then pays for that. They are all administered slightly differently, but they all have the same basic process. I should mention that, as a former energy regulator, I have quite a lot of expertise on the implementation of these programs.

• (1730)

**The Chair:** Thanks to both of you.

We'll switch over to Mr. Poilievre, or we may be back to you, Mr. Falk.

Pierre.

**Hon. Pierre Poilievre (Carleton, CPC):** Thank you very much.

I have here the global demand for oil for 2019. This is obviously pre-COVID, but it was 100 million barrels per day, which represents an increase from the preceding five years and contradicts common misconception that oil is now a thing of the past. In fact,

the International Energy Agency anticipates continued demand of at least 60 million barrels per day for decades to come. Again, oil will be produced. The question is, by whom? In North America, while our industry has been decimated in Canada for the last five years, production has doubled south of the border. We're seeing more money and more jobs go to less environmentally friendly sectors south of the border while we decimate ourselves. Would either of the oil and gas witnesses be willing to comment on what we're doing to our own national economic interests by driving oil and gas production out of our country to less environmentally friendly jurisdictions?

**The Chair:** We'll take the time to go to both—

**Mr. Tristan Goodman:** I can certainly comment on that, but if it is okay, Mr. Chair, perhaps I'll ask Mr. Scholz if he would like to go first.

**The Chair:** Yes, Mr. Scholz will go first and then Mr. Goodman.

Mr. Scholz, be fairly quick if you could.

**Mr. Mark Scholz:** I would agree. At the end of the day, it doesn't really matter what forecast you're looking at, although some are quite different from each other, depending on different stated policies. The reality is that the world is going to consume more energy. As Canadians, I know that we're committed to looking at climate change very seriously. However, the reality is that if we harm the industry, i.e., the oil and gas industry and the service sector that is embedded in that industry, we will not be able to develop into hydrogen or geothermal, have a robust petrochemical industry and also deal with our growing energy demands as a country. We have to be very pragmatic about our approach and ensure that our existing oil and gas industries are sustainable in the long term, not only to supply Canadians with these products but also internationally. We can either get it from Canada or we can get it from the Saudis or the Iranians. I think most Canadians would choose a Canadian product.

**The Chair:** Mr. Goodman, you have 30 seconds.

**Mr. Tristan Goodman:** Absolutely, Mr. Chair. Thank you.

Mr. Poilievre, thank you for the question, and it's nice to see you again.

The International Energy Agency that you referenced is the gold standard. It predicts that we will see an increase in all energy use, including renewables, by the way, a sector that a number of previous oil and gas companies are starting to enter. I think there's great opportunity in the future for Canadians across the whole energy space. It's not one versus the other. I do think, though, we have to ensure that foreign capital is coming into Canada so that we can invest in all types of energy sources.

Thank you.

**The Chair:** Thank you.

Next are Ms. Dzerowicz and Mr. Fragiskatos.

Ms. Dzerowicz, you're up first.

**Ms. Julie Dzerowicz (Davenport, Lib.):** Thank you so much, Mr. Chair.

I want to genuinely thank everyone for your excellent and important presentations.

I only have 2.5 minutes and so I can only ask one of you questions. Unfortunately, because Mr. Julian asked the same questions I was going to ask on electric vehicles of Mr. Breton, I'm going to turn my attention to Mr. Scholz.

Mr. Scholz, in the six minutes that Mr. Kelly asked you questions and basically only blamed Liberal policy over the last six years for what's happening in the oil sector, I did a quick search just to show that a lot of foreign investment is fleeing the oil sands in Canada because it is high cost and high carbon. Not only is it a high-cost jurisdiction, but it's producing lower-quality oil. There are regulatory challenges. There are interprovincial issues. There's a lack of pipeline capacity. There's also a lack of investment of capital by the companies that are actually here.

Irrespective of all of that, I thought that you made some very interesting and important points. There is a transition that's happening: We are moving to a low-carbon economy. We do want to make sure there is a transition to renewable energy, clean technology and clean energy. One of the things you asked was what the rules of engagement are moving forward. I felt that was a fair ask, so I wouldn't mind if you could elaborate on what exactly you feel is unclear in terms of the rules of engagement moving forward.

• (1735)

**Mr. Mark Scholz:** I think there are a lot of unknowns right now. I would just give you the example of Bill C-69. When you talk about the pipeline infrastructure that's desperately needed in Canada and will continue to be needed here, I just have to recall what Chris Bloomer, the president and CEO of the Canadian Energy Pipeline Association, said. He and his association say that don't really see a proponent that would be willing to go through the process under Bill C-69 to actually see another pipeline get built here in Canada. I'm not a pipeline expert; I'm looking at other sources that would indicate to me that Bill C-69 in many ways is broken from an industry perspective.

I think the industry worked really hard trying to provide some amendments that would make the bill it workable. We weren't successful in that. I do think that Bill C-69 is still problematic. There

are still a lot of unknowns with the clean fuel standards and how they ultimately are going to be implemented.

I think that at the end of the day, when I say that we want some certainty as to what the goalposts look like, it really means, what is the regulatory framework that we're going to be operating in? I think we need industry and government to really work hand-in-hand to ensure that when we have these emission objectives, we're not going to throw the baby out with the bath water, but are actually going to work with these industries that are ultimately going to help us achieve some of those long-term, aspirational goals.

**The Chair:** Thank you, both.

Mr. Fragiskatos.

**Mr. Peter Fragiskatos (London North Centre, Lib.):** Thank you, Chair.

My question will go to Mayor Alty.

Mayor, I'm in Canada's south, all the way down in London, Ontario, but I think all of us can learn a great deal from the Canadian north. Thank you for your work as mayor.

You spoke eloquently in your testimony about the importance of healing centres, not just from a cultural perspective for indigenous people, but also from a healing perspective itself.

I have an organization in London that has been quite anxious to have a healing centre built in the community here with federal assistance. I'm wondering if you can elaborate on the importance of healing centres. You talked about it from your perspective as mayor, but I think there are general lessons to take from this.

**Ms. Rebecca Alty:** One of the things that I hear from residents who attended is that it's structured so that you call to make a counselling appointment, and you go to your appointment and it's for an hour, regardless of what stage you are at. You've just disclosed this terrible trauma you've experienced, and it's like, "The hour is up. See ya." Out the door you go, but "Let's book another appointment".

In contrast, the Arctic Indigenous Wellness Foundation is there and helps you through that journey of trauma. It's not that rigid structure that boots you out the door once your time is up. It's been incredibly beneficial. For example, there was a resident who had been drinking on the streets for many years and he went there just to enjoy tea and something to eat. There was no pressure to talk. The attitude is that "When you're ready, you can open up, and we'll be there for you". He never left. He stayed and he was the security for the camp, and that was his thing that helped him get sober. Then he was able to go to treatments and come back and continue to work there.

The other beneficial thing is that it really enables the sharing of the traditional knowledge between the elders and the new generation so that it can be continued for years to come. There are so many great success stories. It's just a grassroots organization that currently has no core funding. It is struggling to continue to operate year after year.

**The Chair:** We will have to end it at that.

I have just a couple of points of clarification for Mr. Scholz.

You said that natural gas will continue to grow and that we have the world's lowest carbon profile. Is that data in your original brief, Mr. Scholz? If not, could you send it to us?

My second question is on the geothermal wells, which you mentioned. I'm quite familiar with the geothermal wells in Iceland. Are we talking much the same thing in Canada? What are we talking about?

• (1740)

**Mr. Mark Scholz:** On the first point, those statistics are actually from the Government of British Columbia. I can track those down for you. It's well sourced, and it basically looks at how, from development all the way to transportation, Canada by far has the lowest carbon profile. That's why I think LNG is such a huge export opportunity for Canada.

In your other question, you were talking about something in Iceland. Sorry, I didn't catch it.

**The Chair:** They use geothermal wells in Iceland for nearly everything.

Is it a similar style? Is this what you're talking about, or what is it?

**Mr. Mark Scholz:** I'm not familiar with Iceland. It is a really budding industry in Canada. What's happening right now is that we're actually part of a geothermal alliance with a number of environmental groups that are partnering, really, in trying to see the feasibility of this industry. So we're really at the cutting edge.

I don't think a lot of people necessarily understand what the full potential is going to be, and hence why government support is needed to really start looking at whether or not, in fact, this could be a potential industry.

It's similar to what we saw 20 years ago with the oil sands, where our country saw them as a huge opportunity, a national interest. We can do the same thing with geothermal.

**The Chair:** Thank you.

I know that Iceland has the lowest electricity costs in the world and it's due to geothermal power.

I know that we're always in a rush at this committee, and I do want to thank the witnesses for their very good information. We appreciate it and the briefs that you forwarded to us in August. Anybody who has a little bit of extra information can forward it to the clerk, please.

With that, we'll suspend and go to the next panel.

• (1740)

(Pause)

• (1740)

**The Chair:** The meeting is called to order.

Welcome to meeting number 12 of the House of Commons Standing Committee on Finance.

We are, as you know, doing the pre-budget consultations for the 2021 budget. I will leave it at that and we will go right into the statements by witnesses.

If you could hold your statements to roughly five minutes, it would be helpful because we have quite a tight time frame tonight.

We will start with the Heart and Stroke Foundation of Canada, and Manuel Arango, director. Manuel, you have been here many times. The floor is yours.

**Mr. Manuel Arango (Director, Policy and Advocacy, Heart and Stroke Foundation of Canada):** Thank you very much, Mr. Easter.

I'm pleased to be with you today virtually to outline the Heart and Stroke Foundation's priorities for the 2021 federal budget.

The first issue I'd like to deal with is pharmacare. Heart and Stroke is seeking concrete steps on the implementation of a national, universal pharmacare program. Prior to the pandemic, 7.5 million people in Canada had inadequate or no prescription drug coverage whatsoever. Furthermore, 16% of Canadians went without medication for heart disease, cholesterol or hypertension because of the cost. Between March and April, roughly 3 million people lost their jobs. Consequently, it is highly likely that many Canadians lost access to their employer-provided drug coverage.

Pandemic-related unemployment has disproportionately impacted women, recent immigrants and racialized persons. Women are often in more precarious work situations, including part-time positions that do not offer drug plans.

The pandemic has once again demonstrated that the patchwork of 100 public and 100,000 private drug plans in Canada cannot be relied on when times get tough.

Heart and Stroke was pleased to see the commitment to implement a national pharmacare program in the latest Speech from the Throne and in the fall economic statement. It's also my understanding that the Prime Minister, after today's first ministers meeting, reiterated his commitment and indicated he is working with the provinces toward the implementation of pharmacare.

We urge consultations with those provinces that are willing so that a preliminary common formulary of essential medicines can be developed ideally by July 2021 or at the latest by January 2022, as was indicated in the Hoskins report. We also strongly urge for the inclusion of \$3.5 billion in funding in budget 2021 to support initial implementation of this work. This figure was also indicated in the Hoskins report.

The second issue is that, as the federal government seeks to identify new ways of generating revenues, Heart and Stroke recommends implementing a licensing fee on tobacco manufacturers as well as a federal tax on vaping products. A licensing fee could raise \$66 million annually and would be a means of ensuring that tobacco companies pay their fair share to cover the costs of tobacco control measures and of tobacco-related diseases in Canada. In terms of youth vaping, we all know that a new generation of young people are becoming addicted to nicotine. Research shows that taxation is one of the most powerful levers to prevent vaping uptake among young people. B.C. and Nova Scotia are already taxing vaping products, while provinces like Ontario have called on the federal government to ensure that a tax is applied across the country. We're asking that the federal government introduce a minimum 20% value-added tax to be levied on vaping products to make these products less accessible and affordable to youth.

The third issue is that Canada's health charities continue to seek federal investments to assist in their recovery. The outbreak of the pandemic has resulted in a dramatic increase in demand for health charity services from those living with chronic diseases like heart disease and stroke. At the same time, fundraising revenues have been halved across the sector.

While the Canada emergency wage subsidy has helped us retain some employees, other measures such as the emergency community support fund have not been truly accessible to Heart and Stroke and many other charities. In November the Health Charities Coalition of Canada renewed its request for assistance from the federal government. We are collectively seeking \$131 million over two years to support those living with diseases in Canada, including \$28 million to keep up with increased demands for patient support programs and \$101 million to protect investments in lifesaving research.

Finally, the last issue is that Heart and Stroke is also asking the federal government to renew funding to its federally funded women's heart and brain health research initiative. This initiative is critical, because we have significant gaps in women's diagnosis, treatment and recovery. This is in part due to decades of heart disease and stroke research based solely on men. Budget 2016 included a five-year, \$5 million investment in our women's research initiative. This enabled the funding of 26 research projects across Canada and the creation of a research network connecting over 200 individuals across the country. We are now seeking a renewed and augmented commitment from the federal government to expand this vital work.

• (1745)

Finally, we are calling on the federal government to act on its commitments from the 2015 election platform, the 2019 federal budget and several mandate letters to the health minister to imple-

ment front-of-package nutrition labelling regulations and restrictions on the marketing of unhealthy foods to kids.

Thank you.

• (1750)

**The Chair:** Thank you.

We'll turn now to the Indigenous Leadership Initiative with Mr. Nitah.

**Mr. Steven Nitah (Senior Advisor, Indigenous Leadership Initiative):** Good afternoon, everyone.

I'd like to thank you for inviting me to present to you today on the budget ask for support for indigenous leadership in conservation and the indigenous guardian initiative.

My name is Steven Nitah. I'm a representative of the Indigenous Leadership Initiative, which supports indigenous nations in honouring our cultural responsibility to care for land and water—essentially, a continuation of life.

The Indigenous Leadership Initiative provided a written submission to this committee as part of pre-budget consultations earlier this year. Indigenous leadership plays a unique leadership role in advancing indigenous-led conservation. We directly support dozens of first nations as they pursue their conservation goals. We are a leading national voice in building momentum and consensus among scientists, conservation groups and academics, such as through conservation through reconciliation—

**The Chair:** Mr. Nitah, I have to interrupt you for a minute.

The clerk or somebody is going to assist you to connect to the right mike. We're having trouble with the sound going through to the interpreters.

Evelyn or whoever, go ahead.

**The Clerk:** Mr. Nitah, I am told that you might not have the right microphone selected.

If you go to the bottom of your Zoom app you'll see that there's a microphone with an arrow pointing up. If you click on the arrow you'll see "Select microphone".

Can you hold the microphone closer to your mouth when speaking? We'll see if that makes a difference.

**Mr. Steven Nitah:** I will do that.

**The Chair:** We'll try that. You seem to be coming through a little clearer, Mr. Nitah.

Go ahead.

**Mr. Steven Nitah:** I have important things to say. I want you to be heard clearly.

Thank you very much for this.

**The Chair:** Thank you.

**Mr. Steven Nitah:** The Indigenous Leadership Initiative is a leading voice in Canada. We are partners in a seven-year research project called the conservation through reconciliation partnership, which supports indigenous leadership and conservation and indigenous guardians.

Experts around the world agree that biodiversity loss is accelerating at unprecedented rates and biodiversity loss affects our climate, just as climate change affects our lands and waters. These values exist on indigenous lands because they are stewarded by indigenous peoples. We bring a unique knowledge and a millennia of experience in managing these areas.

Canada has recently announced that it will protect 25% of its lands and waters by 2025, and 30% by 2030. As the Prime Minister recently acknowledged, indigenous partnership is essential to achieving these goals. In fact, Canada can only meet these targets by putting indigenous-led conservation, land-use planning, indigenous-protected and conserved areas, and indigenous stewardship and guardian programs at the very heart of its nature conservation strategy.

We are already working together and leading the way in helping Canada achieve its biodiversity conservation targets. The vast majority of new protected areas in recent years have been designed, established and managed by and with indigenous communities. The Canada nature fund, created in 2018, provided important start-up funds for this work, but more needs to be done to help achieve Canada's targets in ways that also support reconciliation, new economic futures for our communities and regions, and climate resiliency.

For this reason, the Indigenous Leadership Initiative, or ILI, and its partners are recommending that the Government of Canada commit to and invest \$1.5 billion over five years specifically for indigenous-led conservation.

Indigenous guardians are also an essential piece of this puzzle. Guardians manage IPCAs, our indigenous-protected and conserved areas; monitor development projects from industrial interests in our territories; and revitalize cultural practices and values. They are ambassadors on behalf of their nations on the land. They are the eyes and ears for their nations, and their work benefits us all.

In part with support from the 2017 federal pilot program, there are now 70 indigenous guardian programs operating in all regions of Canada. The momentum is growing.

The Indigenous Leadership Initiative and its partners therefore recommend that the Government of Canada expand funding to support existing and new guardians. We recommend investments of \$831.5 million over the next five years, ramping up to at least \$300 million per year thereafter. This is consistent with the approach in Australia, where successive federal governments have invested in indigenous-protected areas and guardians-led programs called rangers for over 20 years with extraordinary results.

New federal investments for indigenous-led conservation in Canada would advance Canada's commitments to reconciliation,

biodiversity and climate protection. They would also make a vital contribution to Canada's economic recovery by creating immediate jobs in indigenous communities and regions from coast to coast to coast.

At the same time, long-term federal investment should be paired with new economic tools to support indigenous-led conservation and stewardship over time. This includes conservation financing vehicles, public-private partnerships and support for new carbon markets that can incentivize and support indigenous-protected and conserved areas. For example, many indigenous-protected and conserved areas will be created in the boreal forest, home to some of the largest carbon deposits on the planet. Finding ways to value and generate ongoing revenue from the protection of these carbon stores would be critical to securing long-term management and conservation of these areas.

I have seen first-hand how indigenous-led conservation can help create a new future. For example, Lutsel K'e has signed agreements with the Government of Canada and the Government of Northwest Territories to protect the Thaidene Nëné indigenous-protected areas. It's also a national park reserve in the territorial protected and conserved areas. Three levels of government working together created this massive protected area.

We have hired indigenous guardians and this year alone we've invested over \$500,000 in regional businesses to buy boats, snowmobiles and research equipment. We've been winterizing a newly purchased fishing lodge and look forward to welcoming visitors when the pandemic is over.

• (1755)

Earlier this year our community's work was recognized by the United Nations Development Programme with the prestigious Equator Prize, the first in Canada. This was done because of our partnership and relationships to build positive outcomes for Taidene Nëné in the region.

Support for indigenous-led conservation transcends political parties. A 2017 report by the standing committee on the environment unanimously supported indigenous guardians and greater partnership with indigenous people in nature conservation. Canadians agree: Poll after poll demonstrates a strong commitment to conserving nature and to doing it together.

Today, I encourage you to join us in building momentum in supporting this vital work as part of a new future for our country and the world.

*Marsi cho.*

**The Chair:** Thank you very much, Mr. Nitah. Congratulations on the award, and thank you for the submission earlier.



Turning to the National Association of Friendship Centres, we have Mr. Sheppard and Ms. Formsma.

**Mr. Christopher Sheppard (President, National Association of Friendship Centres):** Thank you, Mr. Chair.

Good afternoon, committee. I'm Christopher Sheppard, president of the National Association of Friendship Centres. I want to recognize that I'm joining you today from Treaty 6 in Saskatoon, the homeland of the Métis. I'm thankful for the welcome that I've received while being a visitor here in Saskatchewan.

I am joined, as usual, by my national executive director, Jocelyn Formsma.

We want to thank you again for the invitation to appear before you. We are grateful as we know there are many demands on your time and attention and, as usual, you are working late.

We have already provided our pre-budget submission for 2020 in advance of federal budget 2020-21. We have also provided a briefing note that we have drafted in partnership with other federated charities and non-profits calling for sector support for human and community services.

Due to our previous testimony to this committee, you are already aware that the NAFC represents over 100 local friendship centres and provincial and territorial associations from coast to coast to coast. Friendship centres are urban indigenous community hubs that are owned and operated by indigenous people and provide a wide range of wraparound community supports through programs and services for every age and demographic of people. Collectively, we are one of the largest and most comprehensive service-delivery networks in Canada.

In 2019, 93 friendship centres served approximately 1.4 million first nations, Inuit, Métis and non-indigenous people across over 1,200 programs in 238 buildings and employing over 2,700 staff. The current funding for urban programming for indigenous people will sunset in March 2022, with some predictions that the effects of the COVID-19 pandemic and aftermath will last for the next two years.

Friendship centres need some assurance that UPIP will continue with enhancements and an updated program design that will be sure to meet the needs of urban indigenous communities in light of new realities that we cannot yet foresee.

In our pre-budget submission, we have focused on the much-needed investments in the friendship centre network across Canada, UPIP renewal with enhancements, investments in indigenous community-owned infrastructure, children, youth and family programming, and engagement on a national urban indigenous health framework.

In addition, we have also joined the YMCA, YWCA, United Way, the Boys and Girls Club and Big Brothers and Big Sisters of Canada in a call for a federal community services COVID-19 relief fund to support critical human and community services, and to implement a philanthropic match program. The friendship centre network across Canada is a remedy to challenges that lie ahead. Our structure creates layers of accountability for the work we do and the resources that we invest in the communities that we serve. Our net-

work is highly effective, agile and competent in responding to community needs and sharing information among each other and our partners.

Our results are impressive for the amount that we currently receive. Imagine what we could do with flexibility and appropriate financial support.

As we mentioned in our last appearance, we encourage the federal government to look to us as an answer to the question of how we can better equip indigenous people living in urban settings. Properly equipping and resourcing friendship centres now and including friendship centres in response-and-recovery strategies is but one way to care for and invest in the viability of our communities and economies across Canada.

The NAFC has offered, and continues to offer, its perspectives, expertise and knowledge of urban indigenous communities and community members to inform the federal government and guide effective remedies both now and as we continue on this journey.

We look forward to being a part of this ongoing conversation and to the questions you might have today.

• (1800)

**The Chair:** Thank you very much.

Before I turn to Ms. Tiessen, I'll give you a heads-up on the first round of questions, which we'll have to cut back to five minutes.

Ms. Jansen, you'll have the first five minutes. Ms. Koutrakis, you have the next.

We'll turn to Ms. Tiessen with Unifor. Welcome.

**Ms. Kaylie Tiessen (National Representative, Research Department, Unifor):** Hi. Thank you.

It's very nice to be here this afternoon. I really appreciate the opportunity to provide input into the 2021 budget consultations.

Unifor is Canada's largest private sector union. We represent 315,000 members, in nearly every sector of the economy and in every province, so we have lots of recommendations.

My name is Kaylie Tiessen. I work in the research department at Unifor. Our organization has spent a tremendous amount of time enacting solutions to the challenges and the opportunities presented by COVID-19, both in terms of protecting the public health and the health of our members and also protecting or enhancing their economic security.

If there is one overarching message based on these experiences that we've had this year, it is this: Do not miss the opportunity to build back to a better economy than we had before. There were many crises that were already in existence and we need to fix them. The economy before couldn't locate PPE for workers and businesses when it was needed most. That economy refused to provide paid sick days or sufficient time off the job, even though resources to do so were readily available. Our most essential workers were, and still are, barely earning enough to get by. Basic social services such as prescription drugs and child care were, and still are, inaccessible to many people.

Yes, prior the pandemic, Canada was experiencing record-setting low unemployment and real wage growth had finally started to take off, but those statistics took nearly 10 years to arrive after the 2008-09 recession. We know that focused government action can reduce the lag time between when an economic recovery technically arrives and when it is actually experienced by workers and families on the ground. Government action can also shorten the time it takes to return to the trajectory we were on before the pandemic, ensure full utilization of productive capacity and put the right policies in place to ensure workers are experiencing healthy working conditions and living wages as a minimum.

With the arrival of the vaccine, the end of the pandemic is now in sight, still some way off but in sight. With that comes the hard work of recovering and rebuilding. Unifor recommends an economic stimulus package big enough and bold enough to put people back to work and build racial and economic justice, because we know that economic recovery is not achieved if we continue to leave people out of prosperity.

Our recommendations are as follows, and you can see them in the brief that we prepared back in August.

Redesign income security system with a focus on permanent EI reform and a federal minimum wage that is at least \$15.

Grow the economy through green jobs and decarbonization. That includes a national auto strategy, charging infrastructure and targeted support for the energy sector as we march towards net-zero targets and continue to meet our current energy needs.

We need to solidify Canada's ability to make and create things at home, through strategies to rebuild industrial capacity.

Expand the definition of critical infrastructure to acknowledge the actual outsized importance that care work has in building the foundation for our economic prosperity. Then, once we change the definition, we have to build the infrastructure, and that's a very important piece. We're talking about a universal pharmacare plan, universal child care system, and the end of the drinking water advisories in indigenous communities. Build made-in-Canada public transit.

The list is long, and it's in our brief.

Finally, government is currently designing additional means to ensure financial support for SMEs and large corporations while restrictions on travel and going out and shopping are still in place. Our members working in hospitality, air transportation, aerospace and tourism need those programs now. When they're put in place,

we need to make sure that all of that support comes with strong and enforceable conditions that protect and promote the public interest, including good jobs and environmental sustainability.

All of that accomplishes three important goals. One, it creates more jobs, putting people back to work, and may have to transition people from one industry before the pandemic to another after. Two, it ensures that the quality of work in Canada is substantially enhanced. Three, it builds a stronger foundation on which we can build economic prosperity for everyone.

• (1805)

Finally, I want to address the deficit.

The last time the government spent this much money was during World War II. That extraordinary spending actually went on for four years. So for four years, the government spent between 18% to 23% of GDP. It was the right thing to do then. It's the right thing to do now. The economy didn't collapse. With prudent effort put into going to war, and then prudent management afterwards, the country saw an era of substantial prosperity, and the same is possible in the present.

What we know about the deficit today is that the deficit-to-GDP ratio will reach between 15% to 16%. That's high, but it's not unprecedented. In the following years, that ratio will shrink and return to a normalized level. That's a prudent plan in my opinion.

Current spending has pushed the debt-to-GDP ratio up substantially. It's likely to reach about 50% in the next few years and decline thereafter.

Again, this is something to constantly monitor, but at this point, we can see that the size of that ratio is not something that will collapse our economy or even put at risk our country's ability to borrow. Canada was in a relatively strong fiscal position before the crisis and continues to be in a strong position today.

In conclusion, do not let the opportunity to build a better economy go to waste. Unifor is asking that you take the appropriate steps right now to make sure that the vision that so many of us have for an even better version of Canada can be realized.

Thank you.

• (1810)

**The Chair:** Thank you very much, Kaylie.

Thank you, all, for your submissions in August. If you have anything else you want to add, drop a note to the clerk.

We'll go to our rounds of questions.

Ms. Jansen, you're first up.

I'm sorry, but we'll have to go to a five-minute round.

**Mrs. Tamara Jansen:** Yes, thank you.

I would like to direct my questions to Jocelyn—and maybe Steven, I'm not sure. Thank you so much for the briefs that all of you provided.

I'd like to first share with you that I am a very proud foster sister of Shaylene Lakey, who is Blackfoot from the Siksika Nation, so the urban indigenous issues that she's been putting out over the years are close to my heart. Shaylene is an amazing indigenous woman whom I truly admire. She's built herself a successful career working with children in care. She's been advocating for indigenous youth, who consistently fall through the cracks.

This summer, we managed to catch up over lunch and she talked passionately about the serious inequity facing urban indigenous youth in particular. Following that lunch, I met with Joanne Mills, executive director of the Fraser Regional Aboriginal Friendship Centre. I can tell you that I left that meeting with incredible respect for Joanne, who has a deep love for the youth in her care.

I would just like to quote from an email she sent me recently:

I am the Executive Director of the Fraser Regional Aboriginal Friendship Centre Association in Surrey. I am Cree from Fisher River First Nation in Manitoba and consider myself a displaced urban indigenous woman. There are 8,000 kids in care for whom \$333 million was spent last year. That's \$41,250 per child. Over 50% of those children are indigenous. However, Surrey numbers show the shocking problem were facing. In Surrey, urban indigenous services only received \$625 per person. We have the highest urban child poverty rate. We comprise 40% of the homeless population in spite of being less than 3% of the total population. We are 40% of the children in care. We are overrepresented in youth homeless data and corrections data. We are less likely to have a doctor or primary health care provider. We are less likely to graduate. We are overrepresented in the opioid mortality rates particular in Whalley, and our vulnerable youth are targets for human trafficking and homicide with Surrey being a hub. Only a fraction of dedicated funding is provided to indigenous agencies or service providers. The majority of funding goes to non-indigenous services or is delivered by non-indigenous agencies who do not understand the issues or remedies. Redirecting this funding to culturally appropriate service providers would demonstrate real commitment to breaking these cycles.

Would Ms. Formsma like to speak further to the disaster we are facing in my riding especially—which has the fastest growing urban indigenous community in the province and for whom mental health issues are top priority—if we don't make changes to the broad structure?

**The Chair:** Go ahead, Ms. Formsma.

**Ms. Jocelyn Formsma (Executive Director, National Association of Friendship Centres):** Thank you.

I think you just spoke right to my heart on that one. Both President Sheppard and I are alumni of our own national youth council for friendship centres, so we were mentored and developed through the friendship centre movement, and up until about 2016, we actually had a national youth program, which was the cultural connection for aboriginal youth. Prior to that were the urban multipurpose aboriginal youth centres, called the UMAC for short.

These programs had a profound effect on indigenous young people across the country, and many of the colleagues that I met when we were young people in our early 20s are now leaders in national indigenous organizations, banks and companies, and they've started

their own.... We're all over the place, and we're still in contact with each other.

Indigenous young people are the fastest-growing population in Canada. We know that. We know that more than half of the indigenous population across the country is under the age of 25. We have no national indigenous child care or children's framework or strategy, and we have no national youth strategy. To me, those are two major things.

In our budget submission, we've housed our request under the children, youth and family programming because we know how important it is to maintain cultural connections, to maintain family connections and to create new community connections for those urban indigenous children. Friendship centres do so much for young people in care, and even during the pandemic we've heard of friendship centres that were finding young people who were aging out of care, finding them safer homes that weren't overcrowded, and making sure that they had connections to employment and could come to the centre to apply for their CERB and receive support.

I would definitely agree, and we're also working on an anti-indigenous racism in health care initiative. We just started this past month. We don't know how things are going to roll out with urban indigenous young people as Bill C-92 is developing in jurisdictions or developing within first nations, Métis and Inuit governments, so we've been wanting to be involved in those conversations.

What I would say is that it's on our radar. Youth engagement, children and youth are huge areas of interest and passion for us, the friendship centres. Hence, we are asking for investments in children and youth programming as part of our budget ask.

• (1815)

**The Chair:** Take 30 seconds there, Mr. Nitah.

**Mr. Steven Nitah:** Thank you.

I think the root causes of indigenous people flocking to regional centres in every province and region of the country are the assimilation policies and the impacts of those on our communities and regions.

The indigenous leadership initiative in the budget we asked for is to strengthen the communities and regions, create employment and create certainty for investment, as previous speakers from the last panel spoke about.

Indigenous leadership and land use planning, working with our provincial government and industry to determine the best places to protect for biodiversity and conservation purposes, ensuring that the economic grounds are open for exploration and development, and creating certainty for investment—these are the potential responsibilities indigenous governments have in every community in the country.

We need to support them in creating the capacity so that kids are not leaving town and connections are made for those who are already in the regional centres and displaced environments so that they can connect back to their home communities and territories. The land is healing.

**The Chair:** Thank you very much.

We'll have to end that round there.

Ms. Koutrakis, you have five minutes.

**Ms. Annie Koutrakis (Vimy, Lib.):** Thank you, Mr. Chair and to all of our witnesses for your very heartfelt and interesting presentations this afternoon.

My first question is for Mr. Arango. It's nice to see you again, and thank you for your presentation.

**Mr. Manuel Arango:** Thank you.

**Ms. Annie Koutrakis:** One of your recommendations was on the youth vaping epidemic in our country. There was an increase of over 100% in the use of vaping among older teens in Canada between 2017 and 2019. Vaping products damage developing brains and youth vaping can increase the odds of tobacco smoking.

In your pre-budget submission, you call on the federal government to introduce a 20% tax on vaping products. There are some provinces that have already begun a levying taxes on these products, and others are studying the possibility.

Do we have any data on how these taxes have affected the sale of vaping products, specifically to young people?

**Mr. Manuel Arango:** What we do know certainly is that taxes and price impacts behaviour for all types of different behaviours. For example, taxation is actually one of the strongest most powerful tools that we have at our disposal to address tobacco smoking. Early results to date indicate that it's also useful with vaping.

The reality is that it doesn't matter what product it is. If you put a high enough tax on any product, you will curtail behaviour. It's just a basic part of economic theory. Price has an impact on behaviour, and if we put sufficient taxes on vaping products you will definitely, 100% see reductions in vaping consumption.

• (1820)

**Ms. Annie Koutrakis:** Should we be considering other measures, like regulatory measures, to prevent the youth from smoking vape products?

**Mr. Manuel Arango:** Absolutely. Taxation on its own won't do the trick. It's a very important tool, but there are other things that have to be done. To date, the federal government has put health warning labels, or has introduced regulations to put health warning labels and restrict the marketing of vaping products. These are very important things. However, there are two other regulatory pieces

that are really critical as well, the first of which is restrictions on flavours that are used in vape products. There are a number of provinces that have acted to implement bans on flavours. This is very important.

The other thing is to limit the amount of nicotine in vaped products. Once again, a number of provinces have acted in this area. The European Union has acted, and they've put a limit of 20 milligrams of nicotine in vape products. That's a standard that many jurisdictions across the world are following, and we're hoping that Health Canada will introduce regulations to limit the amount of nicotine in vape products as the European Union has done.

**Ms. Annie Koutrakis:** Thank you.

Mr. Chair, do have I time for one more question?

**The Chair:** You have time for one more question.

**Ms. Annie Koutrakis:** My next question is to Ms. Tiessen. I'm an advocate for the universal basic income, with a guaranteed liveable income program in Canada. I'm always considering different perspectives and opinions on what an income support program would look like in practice. I would like to hear your comments on, and if you can outline, Unifor's vision for an income security system that adequately supports families and addresses poverty in Canada.

**The Chair:** That's a big one to do in two minutes.

**Ms. Kaylie Tiessen:** I can do some of it in two minutes.

**The Chair:** Go ahead.

**Ms. Kaylie Tiessen:** People in Canada receive income in multiple ways, and income security supports are delivered in multiple ways. Each of those programs serves a different purpose. None of them should be abandoned. Many of them should be improved substantially. We saw with the implementation of CERB a recognition that \$2,000 a month might be a kind of bear minimum to get people through a short-term crisis in their personal life, and many people were going through it at the same time. The \$2,000 a month was a choice that was made that seems to address that fact.

Are there programs that need to be improved to meet that basic level? Yes, including looking at social assistance across the country, which is within provincial jurisdiction, but also employment insurance reform, and making sure that folks who are unemployed actually can access employment insurance, and then also making sure that the replacement rate is high enough and that the income is high enough to support them through a crisis.

In addition to that, we would look to a \$15 or higher minimum wage so that people who are working full-time and people who are working part-time can meet their basic needs. Right now, we're seeing that our members across the country in low wage jobs are just unable to do that. Part of it is because the minimum wage is very low, and the other part is that they're working part-time in precarious jobs and maybe don't have access to health insurance and other things. Then we bring in all of the other supports that come into play like universal child care and universal pharmacare. That addresses the affordability issue, so that instead of it coming out of pocket, it's coming out of us, collectively through our taxes. Those are a few things that I would start with.

**The Chair:** Thank you very much, Kaylie

We'll now turn to Mr. Ste-Marie for five minutes, followed by Mr. Julian.

Gabriel.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair.

First, I'd like to say hello to all the witnesses and to thank them for their very interesting presentations.

I do not have much time. I will direct my first question, about the aerospace industry, to Ms. Tiessen.

Thousands of Unifor members work in the aerospace sector. Since the spring, 4,500 jobs have been lost. Countries where aerospace is a major industry all quickly introduced measures to support it.

This week, the Minister of Finance appeared before the committee and told us she was working on a specific plan for the aerospace industry. We gathered that it will be included in the recovery plan. So it will probably be part of the next budget.

What would be your asks in terms of support for the aerospace industry?

• (1825)

[*English*]

**Ms. Kaylie Tiessen:** We have many asks, but two asks are for these two industries that are related to air transportation, the air transportation sector and the aerospace sector.

In the air transportation sector, we're looking for a targeted air transportation recovery plan and a long-term plan that looks at making sure that we're creating decent work for people who are working in the sector, as well as looking at implementing some rapid testing and other measures to potentially reduce quarantine when we know that folks who are travelling are not infected with the coronavirus.

We have a whole host of recommendations on that, which I would be very happy to send to all of you. It's a six-page plan.

Just this afternoon I met with our aerospace industry council to talk about our recommendations for how to move forward. We're seeing that the longer our airplanes are downed, the aerospace sector is beginning to see a lagged effect in their own recession. Most-

ly that's happening in the commercial industry, but it is affecting some military as well.

We'd like to see a focus on investment in fostering research and development in high-tech industries. We'd like to see a focus on buying Canadian—and this is the case for public transit as well—to make sure that when the Government of Canada purchases aircraft for multiple uses, including search and rescue, those aircraft are made in Canada. De Havilland would be a great example of some of those.

In addition to that, we're looking for an aerospace industrial strategy so that we can look at where we are now and then build towards a vision for the future that includes, again, decent work and the high-tech industry that Canada has been fostering for years.

**The Chair:** Go ahead, Gabriel.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you very much for all your answers, Ms. Tiessen.

Yes, it is important to have an industrial strategy for aerospace, as other countries do.

I will now turn to the representatives of the National Association of Friendship Centres.

Under normal circumstances, you do extraordinary work. What you have done during the pandemic is even more remarkable. How are things going in your centres across Canada?

We have a friendship centre in the constituency I represent. It usually hosts large gatherings during the holiday season. This year, they seem more focused on Christmas baskets. How is the morale in your centres this holiday season?

[*English*]

**Ms. Jocelyn Formsma:** Maybe I'll just start quickly and then I'll hand it over to Chris if he wants to add anything.

I would just note that we've done some information collection from our centres and have hired more staff than we laid off. We've maintained our level of employment and have hired more people over the pandemic. Our staff retention rate has been quite high, so I think it's notable in these times that we've been hiring more people than laying people off.

I would say that overall, people are tired. The funding that we've received through the indigenous community support fund has been really helpful, but the funding is set to end March 31, 2021. We're now working with Indigenous Services to ensure that the fund can be extended so that when people show up on our doorsteps on April 1, we don't have to turn them away because the funding has run out or we have to give it back, or whatever we decide needs to be done.

In our proposals and in our submissions to this committee we've also identified a post-COVID recovery period. We think that by having predictable and sustainable enhancements to the UPIP, the program for indigenous peoples, we can be part of the build back better, but it really relies on those enhancements to the program as it is, including the community-owned infrastructure, which is part of our submission.

I think the centres are doing as well as we could expect them to. People are tired and right now just need to know that the help we've received is going to continue and that we don't have to turn people away come the new fiscal year.

I don't know, Chris, if you want to add anything on that.

• (1830)

**The Chair:** We are going to have to stop it there.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you very much.

[*English*]

**The Chair:** We'll go to Mr. Julian, and after that, hopefully, if we can get the time—we're starting to jam another committee—we'll start with Mr. Kelly and Mr. Falk.

Mr. Julian, you have five minutes.

**Mr. Peter Julian:** Thanks very much, Mr. Chair.

Thanks to all of our witnesses. I'm going to endeavour to get through all four because you have all brought a lot of very important things to bear, so I'd ask you to be relatively brief, at 45 to 50 seconds each.

I'll start with Ms. Tiessen. Thank you very much for being so eloquent about the importance of social infrastructure, pharmacare, child care. We know that for every buck we spend on childcare we get \$6 back in economic stimulus.

Isn't it important as well to take care of the revenue side? I'm thinking of a wealth tax and an excess profits tax like we had in the second world war, which you referenced, cracking down on overseas tax havens that cost us \$25 billion a year, and making the big web giant companies actually pay corporate income tax so that we have the wherewithal to make these investments and to build back better, as you stated so eloquently.

**Ms. Kaylie Tiessen:** Yes, absolutely. I'll read right from our brief. Under the heading "Rebuild Canada's Fiscal Capacity", it reads:

Enhance Canada's fiscal capacity through a number of tax changes including implementing a wealth tax, close tax loopholes, clamp down on tax havens and amend the Income Tax Act so that Canadian ad buys of American digital media are no longer tax deductible;

**Mr. Peter Julian:** Thank you very much, and thanks to Unifor and all of its activists for driving a really important recovery that will keep everybody together and won't leave anybody behind.

Mr. Nitah, you talked very eloquently as well about the indigenous leadership initiative. I've seen first hand in Haida Gwaii how indigenous guardians have been able to conserve important natural space that also has fundamental sacred value. You've talked

about \$1.5 billion for indigenous-led conservation and another \$835 million, I believe you mentioned.

How many first nations communities would be able to benefit from this type of investment?

**Mr. Steven Nitah:** If Canada is going to reach its international commitments and reach 30%, that pretty much means we have to double the size of our protected areas across the country. I would liken that to a quantity of land the size of Manitoba.

[*Translation*]

**Mr. Gabriel Ste-Marie:** I have a point of order.

The interpreter is indicating to us that the sound quality is making it hard to interpret.

[*English*]

**The Chair:** Okay, Mr. Nitah, could you just hold your microphone fairly close there again to make it clearer.

**Mr. Steven Nitah:** Okay, I am sorry to the interpreters.

If Canada is going to reach its commitment to protect 30% of the country, we're at about 15% protected area now, so we need to double that, and that's a quantity of land the size of Manitoba.

I would say that every indigenous community in this country should be able to protect its special places, which are usually highly biodiverse areas, and every one of them can create an economy around that, which supports a local economy and works toward the reconciliation agenda that Canada has.

**Mr. Peter Julian:** Thank you so much.

Mr. Sheppard and Ms. Formsma, you talked about the next couple of years, but we know from past pandemics like the Spanish flu that it had a particular impact on lower income people, poor and more marginalized populations, which lasted for over a decade.

Are you worried that the federal government is starting to cut back already on program expenditures at a time when we actually need to be looking over the next 10 years at expanding, providing the supports, as Ms. Tiessen talked about, and ensuring that nobody is left behind?

**Ms. Jocelyn Formsma:** Yes. I think a lot is in our submission, but what I will say is that there is always this jurisdictional gap between urban and on-reserve population, and the Inuit in the north as well—anybody who is not.... Métis settlements are covered by the Métis government as well. Each level of government tends to think that it's the other level of government's job to come to take care of the urban indigenous population. Especially during the pandemic, we've had so many conversations along the lines of, "For urban, isn't it the province's job?" Then we've had our network directly talking to the provinces, and they've been saying, "Well, you're the federal government's job".

We really need to have a national conversation about how we're going to make sure that nobody falls through the gaps. Each level is assuming that the other level of government is taking care of this population.

I just want to ask if Chris has anything to add on that, but that's my main point.

• (1835)

**Mr. Peter Julian:** I'm sorry, but I have just one question left, so I'm going to have to—

**Ms. Jocelyn Formsma:** Okay, I'm sorry.

**Mr. Peter Julian:** Thank you very much.

I'll move now to you, Mr. Arango. You talked very eloquently about pharmacare. There's going to be a historic vote—this will be the first vote ever on pharmacare legislation in Canada. It will be NDP Bill C-213 in February, which would put into place the legal framework around pharmacare, including universality, public administration, portability, accessibility and comprehensiveness.

Is the Heart and Stroke Foundation supporting that legislation so that we can put in place the legal framework that would allow us to bring in national universal pharmacare?

**Mr. Manuel Arango:** In terms of the policy, yes, we support that. I have to be careful, because the CRA says I can't be partisan toward a particular bill, etc. In terms of the policy that's being promoted through that bill, absolutely, we support that. It's important to put the appropriate legal parameters in place so that this can be done. We're absolutely supportive of anything and everything that moves pharmacare forward in an expeditious fashion.

As I mentioned earlier in my testimony, one of the first really critical steps, in addition to establishing this legal parameter, is allocation of dollars in the next federal budget. We need to have some money in there so that we can allow those two or three provinces—whoever is keen to get out of the gate on this first—to actually implement it. That's a really critical step, in addition to the legal parameters—having some money in the budget.

**The Chair:** Okay, Manuel, we'll have to end it there.

Thank you, Mr. Julian.

We have been given the authority to go with two more five-minute blocks before we get kicked off the line.

We'll start on a split with Mr. Kelly and Mr. Falk, and we'll conclude with Mr. McLeod.

Mr. Kelly.

**Mr. Pat Kelly:** Thank you.

My question is for you, Ms. Tiessen. In your presentation you spoke about many broad economic goals. One of them was ensuring that Canada's current energy needs are met, and also that the jobs of energy workers are protected.

In a previous panel, in response to one of my colleague's questions, the Canadian Association of Oilwell Drilling Contractors pointed out that under this government's regulatory regime, no company would likely ever propose a large energy project with any expectation of success. He was referring to pipelines and oil sands projects and things like that.

These projects are typically built by unionized workers; they use steel that is manufactured by unionized workers and they tend, on

completion, to provide some of the highest-paying jobs out there. Could you comment on any concerns you have about the government's policies that are driving investments and the jobs that go with them—which in many cases are unionized jobs—out of the country?

**The Chair:** Ms. Tiessen.

**Ms. Kaylie Tiessen:** That's another very big question.

We do have folks who are experts on the energy industry and the specific policies of this government and previous governments. What I will say is that the prize for us is that people have good jobs, and those good jobs come in many different forms and in many different industries.

We're calling for an industrial support package for the energy sector so that we can continue to meet the energy needs that Canada currently has, and also recognize that we're moving toward some net-zero targets. Those are in place, and we support those targets.

As we're moving through that, we need to make sure that people who work in the energy industry are able to access training and access the same or higher-quality jobs that are available and move toward them. And then, looking at all of the different ways we can produce energy, we need to make sure that investments are made there as well.

• (1840)

**The Chair:** Thank you, Mr. Kelly.

Mr. Falk.

**Mr. Ted Falk:** Thank you, Mr. Easter and Mr. Kelly for this time.

I'd like to direct my question to Mr. Arango. In both your brief and your presentation, you mentioned how important the charitable sector is to your organization and how reliant you are on charitable donations. Several years ago I presented a private member's bill that would have given the same favourable treatment to a charitable donation as a political donation receives. It didn't get the support of the House at that time, but you've indicated how important it is.

Can you tell us a little bit about how you think the government could model a charitable donation scheme that would really complement your association?

**Mr. Manuel Arango:** For sure.

One thing we have mentioned in our brief is that we need direct support in addition to incentivizing charitable giving. I talked a little bit in my speech about that, about the direct subsidies that we need.

In terms of incentivizing charitable giving, there are many different ways to do it. You mentioned a very important way, which is to treat a charitable donation like a political donation. That would give a significantly better tax credit to donors. There are also many other different ways, including exempting capital gains tax on the donation of private shares and real estate to charities. There's also matching of fundraising by the government. The government could match fundraising by the charities. That's another way to incentivize giving as well. If the government says it will match every dollar you give to charity, that's another way to do it.

**Mr. Ted Falk:** It's a little bit similar to our foreign aid schemes.

**Mr. Manuel Arango:** Yes.

There are about six or seven different ways, and the bottom line is that any form of incentivizing giving is something that we deeply appreciate, in addition to direct subsidies.

**Mr. Ted Falk:** You've already mentioned that there's currently a private member's bill on the floor that would exactly address the issue of donating privately held shares of stocks to charity.

Can you tell us roughly what percentage of your income is received from the charitable sector?

**Mr. Manuel Arango:** I'm sorry, but I'm not quite sure I understand the question. Could you just rephrase it, perhaps?

**Mr. Ted Falk:** Could you tell the committee what percentage—

**Mr. Manuel Arango:** I think I know what you mean—what percentage of our donations come from individual donors?

**Mr. Ted Falk:** That's correct.

**Mr. Manuel Arango:** Roughly 95% of our revenues come from Canadians who donate say \$10 or \$20. It's roughly 95%. The other 5% would be either government or corporate donations. Those really are a small part. It's really the individual donor, the individual Canadian, that we rely on in a big way.

**The Chair:** We are going to have to end it there.

**Mr. Ted Falk:** Thank you.

**The Chair:** Thank you to all three of you.

Mr. McLeod, you will get to wrap it up with a five-minute round.

Go ahead please, Mr. McLeod.

**Mr. Michael McLeod:** Thank you, Mr. Chair.

Thank you to all of the presenters here today.

I have to be quick because I don't have a lot of time, so I'll just jump right into it.

Mr. Nitah, thank you for your presentation. I'm very familiar with the indigenous guardians program. I was very excited to see what's going on with the Thaidene Nëné park agreement. There's lots of good stuff happening. If it were up to me, there'd be an indigenous guardian program, an aboriginal head start program and a friendship centre in every one of our indigenous communities. That would really help a lot and go a long way.

It's clear that the indigenous guardians program and the indigenous protected conservation areas are key to addressing Canada's reconciliation. I think you said that. It also helps us with our envi-

ronmental goals. Could you also speak to the socio-economic benefits for indigenous people that these programs provide?

**Mr. Steven Nitah:** We know, based on studies here in the Northwest Territories and also in Australia with the example of the Australian rangers program and indigenous protected areas over there, that for every tax dollar that's invested in these programs, there's a savings of up to \$3 for the Canadian tax base. There are savings in other areas of expenditures, in the form of reduced participation by indigenous peoples in the criminal system, the justice system, the health system, the social services system and the public housing system. They start contributing to the tax base of the country.

Also, on the reconciliation side, the assimilation policies were focused on removing indigenous peoples from their land—

• (1845)

**Mr. Michael McLeod:** Mr. Chair, can I get Steve to hold his mike up? It's hard to make out.

**The Chair:** Yes. Steve, just bring your mike up a little bit again. I didn't get a complaint from the translators but if you could... You're okay now.

Go ahead.

**Mr. Steven Nitah:** The indigenous leadership initiative, which supports indigenous nations across the country to build indigenous protected and conserved areas, is a great opportunity for reconciliation. We're talking about shared relationships, meaning shared authority in many cases and indigenous leadership in other cases. All of this is in the spirit of reconciliation. Employment opportunities are created. Business opportunities are created through tourism. Indigenous tourism is the largest growing industry; it's a \$2-billion industry globally and growing.

In Canada and globally we are faced with the impacts of climate change. In Canada, we hold a great deal of responsibility to the global community just because of the size of our country. The boreal forest alone holds 12% of the global carbon storehouse. They are asking us to protect it. That's a big chunk of land.

**Mr. Michael McLeod:** I want to get one more question in, Steve.

I want to jump over to the friendship centres. I want to direct this question to Chris Sheppard, because he hasn't had a chance to respond to any questions.



I've been watching over the years. I've been involved in the friendship centres. I know about the start and stop. I know about the hit-and-miss funding allocations that have been going on for years.

Chris, can you tell us and speak to how critical it is for the friendship centres to have some substantial long-term funding commitments from the federal government in order to have the indigenous communities fully participating in Canada's COVID recovery?

**The Chair:** Mr. Sheppard.

**Mr. Christopher Sheppard:** Thank you.

I'll start by saying that when I started coming to these committees, friendship centres had a permanent program. We had a youth program. We had employment and training programs. That was before I was even 30 years old. Now we have none of those things.

I think we need a program that has a cycle of at least 10 years so that we don't continually have to start preparing for the next funding cycle before five years. We need investment in infrastructure and young people.

I'll keep talking if I can keep going.

**The Chair:** Go ahead and just finish your point there, Mr. Sheppard. Then we will have to end.

**Mr. Christopher Sheppard:** I think my final comment, which I keep making at every committee, is that the Government of Canada needs to find ways to recognize that the majority of indigenous people live in urban communities. The proportion of funding that

goes to those communities is minuscule when you look at the total envelopes. At some point we have to start providing the resources to match the needs where people actually are, in policies and in programs.

**The Chair:** Okay.

Thank you for that.

We are definitely over our time.

Just for committee members, the notices went out for tomorrow's meeting. Although we have invited witnesses for next Monday, and maybe even Tuesday, we still don't know if we're going to get an agreement in the House that will allow the committee to meet virtually next week. That's just for your information. We'll see where it goes with the House leadership of all parties, I guess.

To the witnesses, thank you very much. I know it takes a lot of time and a lot of effort to prepare the submissions that you forwarded to us by mid-August. We did get 793 submissions this year. They will all be taken into consideration. The committee and the analysts will go through them and pull out what we can.

I also want to sincerely thank you, first of all for presenting us with the briefs, and for coming in and answering our questions today. It's been an interesting afternoon.

With that, thank you again.

The meeting is adjourned.

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