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• (1720)

[English]

The Chair (Mr. John Aldag (Cloverdale—Langley City, Lib.)): Good afternoon, everyone. I call this meeting to order.

This is meeting number 25 of the House of Commons Standing Committee on Natural Resources. Pursuant to Standing Order 108(2), the committee is continuing its study of creating a fair and equitable Canadian energy transformation. Today is our eighth meeting with witnesses for this study.

For the first panel, we have the ministers until six o'clock. We do have departmental officials too. I'll check once we get into the questions with the ministers, but the first thing I'm going to start with, if we'd like to get right into questions, is that I'll ask if there's unanimous consent to have the ministers' opening statements read into the record and we'll move right to questions.

Are there any concerns with that? Is everybody good with that?

Larry.

Mr. Larry Maguire (Brandon—Souris, CPC): We're all right.

The Chair: We will have the ministers' opening statements read into the official record.

[See appendix—Remarks by the Honourable Seamus O'Regan and the Honourable Jonathan Wilkinson]

The Chair: With that, we're ready to go right into our questions.

Just as a reminder, we do have members from the second panel online with us. They've all done their audio checks. When we finish with the ministers, we'll see if we want to continue with the departmental officials for the remainder of the first hour, which would take us to 6:20, or we could end at 6 and go onto the second panel for the hour with them, which will take us to 7 or 7:20, depending on where that goes.

Because we have some outside members, when we finish with the ministers, I'll say a little bit on how to Zoom and those types of details. The one item is simply no pictures or screen shots now that we're in session.

With the official formalities done, let's turn it right over to Mr. McLean for his first question. The first round of questions is six minutes each for the four.

Mr. McLean, the clock is yours. You have six minutes.

Mr. Greg McLean (Calgary Centre, CPC): Thank you, Mr. Chair.

Welcome back, Minister O'Regan. It's nice to see you again.

In April 2021, you were the Minister of Natural Resources. You said that the just transition was about lowering emissions, about CCUS, and about blue hydrogen. You reiterated that position in March of this year on a visit to Alberta, notably after Russia had invaded Ukraine and exposed the hypocrisy of European energy policy to a hostile foreign actor.

When Canada could have taken steps over the last half decade to become a reliable supplier of energy to the world, we were nowhere. That's largely as a result of your government's hostility to our world-leading industry.

CCUS, which is one of your solutions, is still stalled. Tell us what's holding up your government on providing what you see as one of the transition solutions to decarbonization.

Hon. Seamus O'Regan (Minister of Labour): First of all, I have to say, Mr. McLean, I have never heard our government characterized, seriously, as being hostile to the industry. That is certainly not how I have been characterized in many quarters.

I'll just speak briefly to it because what we're talking about is, in effect, now the purview of my colleague, Mr. Wilkinson, so I'll throw it over to him.

I think the last budget demonstrated our dedication to CCUS with a clear understanding of its importance to hydrogen and its importance in lowering emissions in our oil and gas industry.

I'll leave it to my successor in the role, Minister Wilkinson.

Mr. Greg McLean: That's okay. Thanks, Mr. O'Regan.

I'm just going to be asking questions of you, Minister O'Regan. I'll leave Minister Wilkinson alone today, but thank you.

By the way, Minister O'Regan, I've never suggested you were personally hostile to the industry.

The International Energy Agency has said that the world will be consuming about as much oil in the year 2040 as it is consuming today. Your solutions, it seems, of transitioning Canada out of supplying that oil to the world doesn't really seem that just and doesn't really seem like it's going to be providing any environmental solutions in the world.

Tell us how that actually works. How is transitioning jobs out of Canada to provide worse environmental solutions to the world just?

Hon. Seamus O'Regan: Oh, no, we aren't transitioning jobs out of the sector.

To be honest with you, Mr. McLean, our biggest problem is we don't have enough workers. This certainly has been my focus since I've taken on this new role as labour minister and co-leading with Minister Wilkinson our just transition strategy. We don't have enough workers in just about any industry in this country, but most particularly and poignantly, we don't have enough workers in the energy industry and in the oil and gas industry.

In my role now, and in doing the consultations I've been doing... I've spoken to this committee before about the deep-seated anxiety amongst oil and gas workers whenever the words "just" and "transition" are mentioned. Both Mr. Wilkinson and I have an aversion to the phrase, but we say it here because we all know what we're talking about. Honestly, we have to keep people in the industry. It was one of the reasons we worked very hard to put in place an orphaned and inactive well program at the height of the pandemic and the oil price war. When things bottomed out in April of 2020, as you will recall, and we had negative \$38 oil, we needed to retain workers and keep workers in the industry for what we thought would be a more prolonged period of chaos. Thankfully, it was not, but we needed to keep people in this industry.

My biggest role right now is making sure people are calm and staying—

• (1725)

Mr. Greg McLean: Mr. O'Regan, thank you.

Let's go to the next question, please. The oil and gas industry is moving quickly, as you know, towards its own solutions, and the industry is identifying those jobs that it sees as part of the net-zero solutions in the green economy.

The provincial government participates in that in all the educational programs, and yet, since 2015—when your government arrived—we've lost 180,000 jobs in the energy industry and about \$200 billion in capital projects. So you can forgive me if I say it's a little bit hostile to the industry, and you can forgive me if I'm saying that when I look at you and you say, "Hey, we're the federal government; we're here to help," it kind of rings hollow here.

So tell us how this just transition isn't just an expensive overlap of jurisdiction.

Hon. Seamus O'Regan: First of all, I think if we're going to tell the whole tale, we need to go back to before 2015, when so many natural resource projects in this country were caught up in court cases because we just didn't do the consultations we were required to do by the Constitution, the charter or existing legislation. We just thought at the time—or the government before us thought at the

time—that if you bulldozed your way through enough, you'd actually get it done. Court case after court case showed that wasn't the case.

So we had to find legislation that would allow for meaningful consultation and that would work truly hand in glove and nation to nation with first nations, Inuit and Métis communities so that nothing could be done without them. You know what? We've managed to do quite a bit in the interim—

Mr. Greg McLean: Okay, I'll differ with that, Minister O'Regan, because none of those projects have come back and most of those jobs haven't come back. You say you need them, but they disappeared and they weren't helped.

Hon. Seamus O'Regan: [*Inaudible—Editor*] I think I've gone through the list at this committee—

Mr. Greg McLean: All of those programs you put in the way for them have actually not delivered any results. We can go through that, but Jerry Dias has actually said—

The Chair: I'm sorry. I'm going to stop the clock just for a second. We're down to 30 seconds.

[*Translation*]

Mr. Mario Simard (Jonquière, BQ): Pardon me, Mr. Chair.

[*English*]

The Chair: It does make it very challenging when we have both people talking at the same time.

[*Translation*]

Mr. Mario Simard: It is impossible for the interpreters to do their job when people are talking at the same time.

[*English*]

The Chair: That's what I'm saying. The interpreters can't actually translate with the way it's happening.

Mr. Greg McLean: Mr. Chair, often when we ask questions, we expect the length of time for the answers to be about equal to the length of time for the question, which is the standard we usually use in these committees.

The Chair: I'm just going to monitor the interactions between all members and our guests today. If somebody's speaking, just let the other person finish their thought, and we'll get through a good round of questions. You have 35 seconds left.

Mr. Greg McLean: If I let the minister finish his thoughts, I'd have one question and there would be a six-minute answer, so I do have to interject at certain points of time if you're not going to—

Hon. Seamus O'Regan: There are far worse than me, Mr. McLean. Let's be honest.

Mr. Greg McLean: I know, Minister.

The Chair: There are 35 minutes left on the clock.

Mr. Greg McLean: There are 35 minutes. Thank you.

The Chair: I'm sorry. I mean seconds. Carry on.

Mr. Greg McLean: Thank you again.

You speak about these new jobs in the green economy, and yet Jerry Dias has said, “What jobs?” The former president of Unifor is saying, “What jobs?” The Conference Board of Canada suggests there are 27 jobs in the green economy for every 100 jobs that we're going to intentionally dislocate from the oil and gas economy. Tell me again how you think this is just.

Hon. Seamus O'Regan: There are an incredible number of jobs within the oil and gas industry just on lowering emissions. The good news is that a lot of the work and the skill sets we'll need in order to do things move over—particularly with hydrogen, which I think Minister Wilkinson will tell you has huge growth potential in this country; and we have a good strategy for that. We need the skill sets of the people who are currently in this industry.

There's nothing new, necessarily, that's happening, but there is going to be some pivoting, and there is going to be some training. Our biggest issue right now, though—and I'll say it again—is that we have a labour shortage in the energy industry.

The Chair: We're out of time on that.

I do want to apologize. In my haste to get the meeting started, I didn't actually welcome our official guests here today. I would like to welcome the honourable Jonathan Wilkinson, Minister of Natural Resources, back to the table for, I think, the fifth time in recent weeks. Also, welcome to the honourable Seamus O'Regan, Minister of Labour. Thank you, both, for joining us and for standing by today while we had multiple votes.

I also want to welcome Mr. Zimmer and Madame Brière, who was also here.

With that, we're ready to go over to our second questioner, Madam Viviane Lapointe, for six minutes.

• (1730)

Ms. Viviane Lapointe (Sudbury, Lib.): Thank you, Chair Aldag.

Thank you, ministers, for joining us today.

My first question is regarding the timing of legislation. Now, we know that preparing Canadians for the just transition and equipping them with the skills they need for sustainable jobs is a priority for our government. So could the ministers explain why action on legislation wasn't taken sooner?

Hon. Seamus O'Regan: Two years in, you'd think...

Our government's plan on legislation has always been clear. We want to deliver a comprehensive action plan. We want to make sure that when we do, we listen to energy workers. As I said before, it's energy workers who are going to be building up CCUS and developing low-carbon fuels and hydrogen.

As I keep repeating, particularly when I speak to unions in the consultations and meetings that I've had with them, this isn't a matter of their being included or making sure that they're at the table. None of this happens without them. None of it. They will be leading the charge here.

Over the past few years, we have made some strategic investments in skills training, regional strategies and projects right across

Canada that create sustainable jobs. I think Minister Wilkinson can talk about some important announcements he made today.

Listen, moving forward on legislation is going to require some coordinated planning to make sure that Canadians have the sustainable jobs to go to that will carry them from tomorrow into the future, and the country with them.

We are establishing legislative principles in line with international best practices. Part of that is having those consultations, which are meaningful.

Hon. Jonathan Wilkinson (Minister of Natural Resources): Let me add to what Minister O'Regan said. Certainly the legislation is very important, but so is ensuring that we hear the voices and perspectives of Canadians as we actually shape that.

The consultations began pre-COVID. Obviously they couldn't continue during the COVID pandemic. We have re-started those consultations recently, and those consultations are now effectively at an end. There are still some ongoing indigenous consultations.

I would also say that there's a related initiative, which I think will be quite important going forward. Earlier today I launched the regional energy and resource tables, which are a series of engagements to help identify regional economic strategies collaboratively with the provinces, territories and indigenous communities. These will bring growth and economic opportunities for workers and communities going forward.

Ms. Viviane Lapointe: Thank you.

[*Translation*]

Mr. Wilkinson, you just announced the creation of regional energy and resource tables.

Could you outline the significance of this announcement and what it means for the transformation of the economy and the creation of more sustainable jobs?

Hon. Jonathan Wilkinson: Thank you for the question.

As I said in my opening remarks, I had the pleasure today of launching the first phase of the regional energy and resource tables as part of our commitment to working with regional partners, specifically the provinces, territories, Indigenous communities and regional development agencies, towards a prosperous, low-carbon future. In the coming weeks, I will begin a regional process to define the main regional opportunities in relation to our commitment to a fair transition.

Each province is unique, as are the economic opportunities in each province. The approaches taken for the transition to clean energy will differ across the country. I think this will be a very important process.

Would you like to add anything, Mr. O'Regan?

[English]

Hon. Seamus O'Regan: Yes, I can tell you there was a great deal of excitement today. I'm in St. John's for the Energy NL conference. Just to give you an indication of where things are going, they used to be called Noia, the old oil association. Now they're embracing renewables and looking at interties, and workers are embracing them. There was a heavy union contingent at our meetings today.

What Canadians want to hear are realistic solutions. If you're going to deal with this realistically, you have to deal with the very real fact that this is a big country with different regions that have different strengths and attributes. These are things that were top of mind for me as a Newfoundlander in my role previously and something that's top of mind for Jonathan as somebody from Saskatchewan and a B.C. MP. There are different strengths and weaknesses in different parts of the country. If we're going to be effective in reaching net zero and using all of our strengths in different parts of the country, we have to attune to local strengths.

• (1735)

Ms. Viviane Lapointe: Thank you, Ministers. We look forward to the second wave of tables when they come to Ontario.

How is our government working with and supporting indigenous communities through the energy transition?

Hon. Seamus O'Regan: This past March, I visited Cowessess First Nation. They have a renewable energy storage facility. Chief Cadmus Delorme wanted me to see their new 10-megawatt solar power farm. This is the country's first hybrid renewable energy system for solar and wind, which store in batteries.

Indigenous communities right across the country, like Cowessess in Saskatchewan, are already doing the work. We need to listen to them, learn from them, and figure out how best to support them. That is a big part of what we're doing now, during the consultations. We also have programs like the sectoral workforce solutions program and UTIP, which we can leverage to support these communities, but a lot of the work is yet to be done and we want to make sure we do it right.

There are a number of first nations communities that are already well attuned to this. I spoke about the labour shortage earlier. There are a number of people.... I think particularly of Lyle Daniels, who is the indigenous advisor to the Building Trades of Alberta. He's attuned to the fact that there's a real effort by a number of unions out west. I'm thinking of Building Trades of Alberta particularly, which is working with first nations directly on reserve to try to get more indigenous young people into the trades. We have a population boom in many of our first nations communities. People are hungry to work, contribute and make their way in life, and the trades could be an answer for them. It could also certainly help our energy industry.

The Chair: We're out of time on this one.

We'll now go to Monsieur Simard.

[Translation]

Mr. Simard, you have the floor for six minutes.

Mr. Mario Simard: Thank you very much, Mr. Chair.

I am pleased to see you again, Mr. Wilkinson. I will start with the compliments before I get to the criticism.

Thank you for your follow-up on the Ariane Phosphate file. I appreciate that very much.

The current study pertains to a fair and equitable transition. The word "transition" means moving from one thing to another. Yesterday, a fairly simple question occurred to me in this regard.

In your opinion, has Canada started this transition?

[English]

Hon. Seamus O'Regan: I would say, Monsieur Simard—

[Translation]

Mr. Mario Simard: My question was for Mr. Wilkinson.

I am sorry. I do not have anything against you, Mr. O'Regan.

Some hon. members: Oh, oh!

Hon. Jonathan Wilkinson: You like me better than him, Mr. Simard.

That is an important question. The entire world has to undergo an energy transition to reduce greenhouse gases and fight climate change.

The International Energy Agency foresees a reduction in oil consumption by 2030 or 2035, and then a reduction in the use of natural gas. That will be followed by a transition to renewable energy forms and hydrogen.

Mr. Mario Simard: You are projecting me into the future.

Hon. Jonathan Wilkinson: There is significant documentation about this.

Mr. Mario Simard: You are optimistic. That is good; we have to be. It seems to me, however, that Canada has not begun this fair transition. Let me explain why.

The concept of a transition has two parts. It requires reducing greenhouse gas emissions. In defining this transition, we talk about a process to manage the transition from an economy based on fossil fuels to a net-zero or greener economy.

In your announcements, I see an attempt to stay in an economy based exclusively on fossil fuels, which is unfortunate. When I look at the investments that have been made in natural resources, I see a lot in the gas and oil sector, but very few in the forestry sector, for instance.

I get the sense that the transition everyone is talking about has not yet started in Canada. We are talking about it, but there is no action.

• (1740)

[English]

The Chair: Minister Wilkinson, we can't hear you. Can you hear me? You're on mute.

I've stopped your clock. We didn't hear your response.

[Translation]

Hon. Jonathan Wilkinson: As you probably know, I disagree with you on that. Like our allies in Europe and the United States, we have made investments to reduce greenhouse gas emissions and to make the energy transition, but in way that maintains a strong Canadian economy. The forestry sector is certainly important, as is the energy sector.

So we have to reduce greenhouse gas emissions in both of these sectors. That of course has to be done in accordance with recommendations based on climate change science. At the same time, though, we also have to ensure a prosperous future for Canadians.

Mr. Mario Simard: That is the crux of the issue. A fair and equitable transition requires courageous action, but I have yet to see that.

In my opinion, there are two basic principles. First, we have to reduce our carbon footprint, which is not happening now. In Canada, the largest sector of the economy that creates greenhouse gas is the oil and gas sector. We have not yet reached the transition, because the government is supporting this sector financially.

Secondly, we have to stop funding fossil fuels by 2023, as you promised. In recent months, the government's financial support for Trans Mountain has reached \$30 billion. The amount set out in the budget for carbon capture is \$2.6 billion. Yet there is absolutely nothing for the other sectors of economic activity.

The concept of a fair transition includes environmental justice and climate justice. We are trying to reduce the disproportionate effects that climate change will have on certain categories of individuals who are somewhat more marginalized. In my opinion, what you are doing is a complete failure in terms of the transition.

Hon. Jonathan Wilkinson: I agree with you that we have to do more to fight climate change and limit its effects on Canadians, and of course on the most affected groups, including the first nations.

It is very important to have a plan to tackle these issues and adapt to climate change. Moreover, Minister Guilbeault is working on that right now.

I must disagree with your statement that we have not done anything for all the other sectors.

The oil and transport sectors account for the most greenhouse gas emissions. We have done a lot in these two sectors to reduce greenhouse gas emissions. We have also taken a number of steps with other sectors, such as the aluminum sector in Quebec and the steel sector in Ontario.

We must of course do more. We have to reduce greenhouse gas emissions, but that must be done in accordance with science-based recommendations. That is exactly what we are doing right now.

[English]

The Chair: Okay. Thank you.

Now we're going to go to you, Mr. Angus, for his first six minutes.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you, Mr. Chair.

Thank you, Minister Wilkinson.

Thank you, Minister O'Regan. I think it's the first time that I've been able to speak with you at committee, so I will focus on you today.

We've been hearing loud and clear from the Canadian Association of Petroleum Producers that they believe Canada needs to focus on increasing oil and gas exports to global markets.

The other day at committee, my Liberal colleague, Mr. Sorbara, totally supported the CAPP position when he told them that "the world needs more of Canada's energy".

Is that the policy of this government? To increase oil production for export...?

• (1745)

Hon. Seamus O'Regan: Look, we don't live in a state that determines these things offhand, right? We live in a country in which these companies will determine what their production levels are.

Where I think that we've taken I think very constructive measures is in putting in an emissions reduction plan with teeth that gets down to the numbers. I think that will certainly incent the lowering of emissions in the production of oil, but the production of oil most certainly will continue, and I think the world is going to be looking for safer, lower-emitting and more secure sources of oil.

Mr. Charlie Angus: The CER, the Canada Energy Regulator, expects a 1.2 million barrel a day increase. Would that be something that you think your government supports?

Hon. Seamus O'Regan: There's an expectation, and that's not the same as an order. Let's not imply anything—

Mr. Charlie Angus: No, no. I didn't say that.

You were the guy who made sure TMX went ahead. That's going to give us about another 800,000 barrels a day. My question is on whether your policy is that you are going to look to help CAPP and the oil sector meet the international markets for increased oil production in Canada.

Hon. Seamus O'Regan: I think that our policies are clear, now that we have an emissions reduction plan as of this spring.

Mr. Charlie Angus: But you don't have a cap. We haven't heard anything about a cap.

Hon. Seamus O'Regan: We have an emissions reduction plan that certainly sets those for different industries.

Mr. Charlie Angus: I don't know. Just help me. Every time I talk to the Liberal government, you guys are like "We're going to lower emissions of production."

You do agree that if you burn oil anywhere in the world, you're adding carbon, right? Can we agree on that?

Hon. Seamus O'Regan: Mr. Angus, I'm not here for juvenile debates on these issues. I think we both know that it is much more—

Mr. Charlie Angus: No, I think it's the heart of the matter. It is the heart of the matter.

Do you believe that if you sell 1.2 million barrels overseas and it is burned, that those emissions don't count to the planet?

Hon. Seamus O'Regan: I think that they count whether or not you burn them outside of the country or inside of the country.

Mr. Charlie Angus: Okay. That's good.

Earlier you began by saying we aren't transitioning, that we have to keep people in the industry, that the biggest problem we are facing right now is the shortage of energy workers in the oil sector. Then you mentioned that the orphan gas program was about a job—keeping people working.

I guess the question I'd ask is this. Given the climate crisis, your biggest priority was covering off the billions in damages caused by oil companies who walked away, and your focus is keeping people in the oil industry, so why are we talking about just transition? Why not just say, "Hey, we have to find more workers in the oil sector. We've got overseas markets. That's our focus"?

Why are we talking about just transition?

Hon. Seamus O'Regan: Mr. Angus, I wish I existed in your world where magic wands make things happen, but they don't.

Mr. Charlie Angus: I don't have a magic wand, sir. What I want to know is, are you spinning us here? Are you serious?

Hon. Seamus O'Regan: You act like you do.

I will tell you who does this work. It is the workers of this country. If they are not in this industry, they are not going to be able to do the work that they need to do to—

Mr. Charlie Angus: The oil sector is the work of this country. I agree that it always has been—

Hon. Seamus O'Regan: No, no. It is the workers of this industry.

Mr. Charlie Angus: —but we are dealing with a climate crisis, sir. The question is, if your biggest priority is getting more workers into the oil sector, where the emissions are going to go up, why are we wasting time talking about a so-called just transition?

Hon. Seamus O'Regan: A waste of time is certainly a phrase that comes to mind right now.

Let me be very blunt with you.

Mr. Charlie Angus: You keep treating me like I'm some kind of child, sir.

Hon. Seamus O'Regan: The lowering of emissions is not something—

Mr. Charlie Angus: The question is—

The Chair: Sorry, I'm just going to stop the clock. When we have two people talking, interpretation can't hear.

Mr. Angus, you asked a question of the minister.

Mr. Charlie Angus: Well, actually no; I didn't get to ask the question.

Hon. Seamus O'Regan: I'm not even sure it was a question.

Mr. Charlie Angus: I'll just put my magic wand down and I'll ask him.

Dr. Tricia Williams stated that, within Canada, they have no idea what sectors are going to "be affected by energy transitions" in terms of "labour and skills", but "that analysis simply hasn't been done". The environment commissioner said the same thing, that there were no plans in place. That's on your watch, sir.

I'm asking, why are we wasting time with the public, telling them that you're going to have this big just transition plan, when you don't know where those clean jobs are, and as you say, your biggest concern right now is keeping people in the oil patch.

• (1750)

Hon. Seamus O'Regan: My biggest concern is making sure that the workers of this country are in place to make sure they do the work we need them to do, which is to lower emissions wherever and wherever we can find them, and that we build up renewables in this country. I don't know who else you expect to do it. It is the workers of this country.

Mr. Charlie Angus: I know, but Dr. Williams said you guys haven't even analyzed—

Hon. Seamus O'Regan: Mr. Angus, I haven't spoken to Dr. Williams. I've spoken to a lot of interesting workers in this country, though—a lot of workers.

Mr. Charlie Angus: I'll finish quickly on this, because Liberal James Maloney asked the same question. He said:

...I want to get away from a situation where we have people hauling out reports that were too thin and then, on the other hand, people saying that all politicians aren't telling the truth and so on. What I want to focus on is, where are these jobs that are going to replace the ones we have now? The reality is that our economy is very reliant on the oil and gas sector.

I'm hearing from your own Liberals that they have no clue as to where you're going to create these clean energy jobs. That's what the environment commissioner said, that you don't have a plan for just transition.

Why don't we just say that just transition is a great green screen, but our focus is now and has been the work in the oil patch. That's why you helped with TMX. Just say it, and then we can move on.

Hon. Seamus O'Regan: Hogwash. We just made an announcement today on regional tables that I think—

Mr. Charlie Angus: Regional tables...

Hon. Seamus O'Regan: —will make sure that we bring workers together with industry, that we sit down and we start to hammer out the solutions that are specific to different areas of this country.

I don't think we have ever been more focused on lowering emissions, but it is hard work. It is complicated work, and it is certainly work that we are going to need to do together. That requires making sure that you have workers on board.

I can tell you right now that there are a lot of workers who hear talk about this and the implication that there's some sort of grand master plan that should have been written up by now that they've been left out of. We've been very clear with them that we are not proceeding with anything without them.

Mr. Charlie Angus: That's all good to hear, but—

The Chair: I'm sorry, but we're over time here, so I'm going to end this one with regret. I'd like to continue to hear it, but we're going to stop and go to the next person.

We're up with Mr. Bragdon.

I'm just looking at the clock, and we only have 10 minutes left, and the next round would be 15 minutes, so I'm going to shorten it a bit to maybe three and a half minutes, if that works.

Mr. Richard Bragdon (Tobique—Mactaquac, CPC): Okay, we'll do our best, Mr. Chair.

The Chair: Perfect, and I'll do my best.

Mr. Richard Bragdon: My questions will be addressed to Minister O'Regan as well, a fellow Atlantic Canadian, and we'll try to do this rapid fire as much as possible.

Minister, with both of our being from Atlantic Canada, we know how vital the natural resource sector is for our labour, for our workers and for our region's economy, and that the potential is yet to be fully realized as it relates to our natural resource sector. A lot of our time in Ottawa is spent here, it seems, talking about the perils of such sectors, but I think there could be a whole lot more talk about the potential within these sectors, particularly for the Atlantic Canadian region as well. In Newfoundland and Labrador, you know how vital this sector is to our region's economy .

We hear often about just transition; we hear it thrown around a lot. Industry and workers do not like ambiguity around this. In fact they hate it, so could you give us your definition of what a just transition for workers means? How would you define it?

Hon. Seamus O'Regan: It means that we have the ability to point workers in the right direction where we need them to lower emissions, to build up renewables and to continue the prosperity of this country. In fact, I think our workers are so essential to the development of this country and its energy sector that they will be absolutely vital in the next big national challenge, which is taking the fourth biggest producer of oil and gas in the world, a prosperous G7 country, and dramatically lowering our emissions and meeting those targets. That is not easy, and it's going to require every one of the workers who is currently within our energy sector and then some.

Mr. Richard Bragdon: Thank you, Minister.

I think you would very much agree with me that right now, with the geopolitical circumstances we're facing in the world, it certainly appears by all indicators that there's an ongoing and increasing demand for oil and gas and energy, especially safe and reliable providers of that energy to help transition countries that may be dependent on unsavoury nations, dictators and despots for their energy, and Canada could step up and help solve that problem.

You even mentioned that we need more workers in this field. We need to make sure that Canada is helping to step in and fill the void and the vacuum that's being created right now, and there's an opportunity.

I wonder, Minister, if you have some thoughts on that. How can Canada step in and solve the geopolitical problem by using our energy resources, which are proven to be some of the most effective, ethical and best environmentally regulated natural resources in the world?

• (1755)

Hon. Seamus O'Regan: I will say this, Mr. Bragdon, and I've said it several times publicly. The issue of the labour shortage in our industry is very acute. I think one of the things we have to be very clear about is that we have to make sure we get rid of this ambiguity you speak to wherever we can.

There's an awful lot of anxiety among energy workers in this country when they hear phrases like “just transition”, so we need to make sure that we keep them in place, in play, and that they have a clear understanding of how much we appreciate their talents in building up this energy industry in this country. Now we need them to lower emissions and build up renewables.

Mr. Richard Bragdon: Thank you, Minister.

I know my time is short, but I do want to just say that we're in a transition, but we want to transition to prosperity, not to poverty. I think workers want to make sure that they have jobs, that they can put food on their tables and that they can keep providing for their families without chasing sometimes nebulous ideals that are put out there without the substantive realities of being able to provide for their families.

Can you guarantee, as the Minister of Labour, that, during this just transition, you will not be transitioning jobs out of rural communities and forcing people to relocate for work?

The Chair: Sorry, I'm just going to jump in. We're out of time, but I'll give you a few sentences to respond to that question, and then we'll move to our next person.

Hon. Seamus O'Regan: I have to be very careful how I answer that.

That's not the intention, certainly. But I come from Newfoundland. I'm getting on a plane tonight to go to Ottawa, and I can tell you that about a third of that plane, going to either Toronto or Montreal, is going to be filled with Newfoundlanders on their way to Alberta or Saskatchewan. That's what happens. There are lots of people who move back and forth across this country. It helps build the energy sector in this country.

Listen, we want to make sure that energy sector workers understand how valuable they are and that they are needed if we are to go forward on what I call our "next great national mission", which is lowering emissions and building up renewables. They are the workers to do it. They are the only ones to do it. I don't know anybody who thinks this can happen without them. I look at them and tell them, "None of this will happen without you. We cannot move forward without you. You will lead the way." The workers of this country will lead.

The Chair: I'm going to stop there and go to Mr. Chahal, who will have three and a half minutes.

Mr. George Chahal (Calgary Skyview, Lib.): Thank you, Mr. Chair.

Thank you, Minister Wilkinson and Minister O'Regan, for joining us today at committee.

I'm just going to get right into it. I'm elected from Calgary, a city in a province whose economy is heavily reliant on energy and emission-heavy sectors. Workers are facing uncertainty during the energy transition, and these workers want to make sure they have sufficient opportunities available to them during the transition.

Can you talk about the steps the government is taking to ensure that sufficient opportunities are available for workers who will be affected by the transition and that the labour market shifts arising from the transition are smooth and equitable?

We'll have Minister O'Regan first, and then a follow-up with Minister Wilkinson.

Hon. Seamus O'Regan: Look, Mr. Chahal, we want it to be as smooth as we can possibly make it. You can't make any guarantees on that, because contrary to what some may think, this is a market-led economy.

The transition to a low-carbon economy is a massive economic opportunity. One of the things we can step in and do, when we've been doing it with sectoral supports that have been announced by Minister Qualtrough, is look at where those areas are and where we can help in making sure the training is available on the ground.

A lot of it, I can tell you, is by working with unions to make sure that job training is available through their facilities, through the UTIP program, for instance.

Invariably, when I visit your fair province, I am often with the Building Trades of Alberta and their facilities, working with them, supporting their efforts—and we're talking about substantial sums of money—to make sure they are pivoting over to areas where there is growth.

I just have to reiterate one thing. We've been talking an awful lot about what government, government, government should be doing,

but let's not forget that oil and gas companies in this country are doing extraordinarily well. Yes, I made sure we worked very hard to ensure their sustainability through the twin crises that we had to go through over the past couple of years, the pandemic and an oil price war. I didn't really necessarily do it just to see share buybacks and executive compensation; I want them to invest in their workers. They need to invest in their workers. They need to do that because they are going to need these people in order to lower emissions and build up renewables.

A lot of this training and a lot of the resources that are required for this transition will and must come from the private sector.

You had asked that Minister Wilkinson speak to this too, so I'll leave some room for him.

• (1800)

Mr. George Chahal: Mr. Wilkinson.

Hon. Jonathan Wilkinson: Thank you.

Look, let's just step back. The world presently faces two great challenges. One is the challenge of energy and security, and the other is the existential challenge of climate change. Let's be clear. This is a science issue; it is not a partisan issue.

We need to ensure that we are moving forward in a manner that will allow us to address both of those, but certainly we have to address the climate challenge in a manner that's going to promote economic prosperity.

I will tell you that the regional energy and resource tables we announced today are about building the economies of the future on a province-by-province basis, where the opportunities in Quebec are going to be different from the opportunities in Alberta.

I will also tell you that from a skill-set perspective, many of the opportunities of tomorrow will require the same types of skill sets as those of today. A hydrogen plant or a biofuels plant will require the same kinds of workers who exist in oil refineries today.

So there is an optimistic economic future for this country.

The Chair: I notice that we're at 6:00 o'clock. I'm hoping that I can squeeze an extra three minutes out of the ministers, with just a minute and a half for the Bloc and a minute and a half for the—

Hon. Seamus O'Regan: I'm afraid, Mr. Aldag, it would require your squeezing another three minutes out of Air Canada, in my case.

The Chair: Okay. Well, if you need to go, you need to go.

I do want to thank you for being here today.

I don't know—

Mr. Charlie Angus: I have a point of order. Can we give Mr. Wilkinson an extra three minutes?

[*Translation*]

Mr. Mario Simard: I am sure Mr. Wilkinson has three more minutes.

Hon. Jonathan Wilkinson: I can stay to answer the questions from the members of the NDP and Bloc Québécois.

[English]

The Chair: Thank you, Minister Wilkinson.

I've taken time off of the first two, so it will have to be tight. Mr. Simard will have a minute and a half, and then there will be a minute and a half for Mr. Angus.

It's over to you, Mr. Simard, for a minute and a half.

[Translation]

Mr. Mario Simard: I would like to pick up on what you said, Mr. Wilkinson.

You said that economic prosperity is an important factor to consider in a fair transition. I can understand that, but if you look at the definitions of a fair transition, there is one that refers to the status quo. And the definition of the status quo would mean focusing exclusively on maintaining the economic growth of the oil and gas sector.

I am in favour of economic growth. In the current context, however, oil companies are posting record profits: \$2.95 billion for Suncor and \$1.17 billion for Imperial Oil in the first quarter of 2022. I will never understand why you are giving a disastrous amount of public funding to these companies. I am referring just to the \$2.6 billion earmarked in the budget and the \$14 billion per year to Export Development Canada, or EDC, for the oil and gas sector.

Is that what you call growth?

Hon. Jonathan Wilkinson: Thank you for your question.

We have to work with major industries to reduce greenhouse gas emissions. All sectors of activity in Canada, whether steel, aluminum, forestry or oil and gas, are catalysts. We have to work with them to reduce greenhouse gas emissions. All these sectors must shoulder some of the responsibility in this process. They must also do it for the common good.

It is important for us to work with all sectors of industry in Canada.

Mr. Mario Simard: To put things in perspective, I would like to point out that the Toronto-Dominion Bank released a study in 2021 that said that 50% to 75% of oil and gas workers were likely to be displaced to another sector. I find it indecent that you're giving \$2.6 billion to the oil and gas sector, but you're not planning anything for the workers. The oil companies are gluttons. They're rich, and they have money coming out of their ears. So I find it appalling that \$14 billion a year from EDC goes to the oil and gas sector, when we know that 50% to 75% of oil and gas workers will probably be displaced by 2050.

Once again, I find this appalling.

Hon. Jonathan Wilkinson: As I said, it is important that we work to reduce greenhouse gas emissions. That is what a responsible government must do. It's also important that in our vision for the future, there are low-carbon sectors, like hydrogen. In fact, we are working with the Quebec government, for example, in the hydrogen and critical minerals sectors. Of course, we're doing exactly the same thing in Alberta, Saskatchewan and British Columbia. It's our responsibility to do that and that's what we're going to do.

• (1805)

[English]

The Chair: We're going to finish there.

Now we'll go to Mr. Angus for his last minute and a half.

Mr. Charlie Angus: Thank you, Mr. Chair.

Thank you, Minister Wilkinson, for taking the time to stay with us. It's very much appreciated.

I certainly share your view that we could have a very optimistic future, given the incredible resources and the skills that we have, but it's all dependent on our recognizing the urgency of the crisis and the necessity of our getting this right, because it is the question of the age.

When I was reading the environment commissioner's report on the handling of just transition, I was concerned when he said:

...we found that Natural Resources Canada and Employment and Social Development Canada were not prepared to support a just transition to a low-carbon economy for workers and communities.

He also said:

The government had made a commitment to support a just transition and established a lead department.

He continued, however, that this department, Natural Resources, had not established a governance structure that would set out the related roles and did not have a plan.

My question for you is whether Natural Resources is the best place to handle an issue of just transition, which has always been about promoting Canada's resource sector. Are you equipped to handle this, given what we've seen from the environment commissioner's report?

Hon. Jonathan Wilkinson: Thank you, Mr. Angus.

I think one of the areas where you and I definitely do agree—and I think I agree with the commissioner as well—is the urgency of the work that needs to be done here and the importance of getting it right.

I would say to you that one of the things.... People talk a lot about the just transition, but I think the question that we actually have to ask ourselves is, transition to what? That is exactly what the regional tables that I announced today are about, which is looking at the areas of economic opportunity in each province and territory—they will be different in each province and territory—how those will evolve and what the jobs and the skills requirements are going to be, and then we need to put in place the kinds of supports for workers and communities to ensure they can actually make that transition effectively.

That is exactly what we are going to be doing, and I do think that Natural Resources Canada is the appropriate place to lead that.

Mr. Charlie Angus: Excellent.

I know my time is up, but do you have a timeline on when these tables will report back so that we actually have a picture of where we're going?

Hon. Jonathan Wilkinson: These tables are collaborative with the provinces and territories. We set up the first three today. I hope there will be two more within the next few weeks, and then there will be a second tranche and a third tranche.

Each of the tables is going to set its own action plan and time frames, but I will tell you that we're looking for concrete action plans to be developed within three or four months—very short periods of time.

Mr. Charlie Angus: Thank you for that.

The Chair: With that, we're out of time.

Ministers, thanks to both of you for being here with us. I think we've had officials on standby, so thank you to them.

You're free to go—

Hon. Seamus O'Regan: I want to commend you on delaying my Air Canada flight by 30 minutes. That never happens—well done.

The Chair: We're here to please.

The importance of this committee is not to be understated. We'll go to no end to make sure we hear from expert witnesses, so thank you for being here today.

Folks, we have the next panel on standby. We don't need to adjourn or suspend so we'll just bring the next group right in. As soon as we have everybody showing on the screen, we'll get right into the next round of questions.

I believe we'll be starting with Mr. Maguire.

Do we need to sing *Happy Birthday* or can we just go right into questions?

Mr. Larry Maguire: I think you're fine.

The Chair: Just give us a minute here.

Some hon. members: “Happy birthday to you”—

Mr. Larry Maguire: I just wish they could sing, Mr. Chair.

The Chair: I want to welcome Mr. Gaheer to the committee.

While we're getting everybody brought in, I'll just mention who we have joining us for this next hour.

Thank you to the witnesses for being here with us and for waiting for us to get started today. We've had one of those days full of votes and that has delayed our start.

From the Canadian Federation of Agriculture, we have Keith Currie, first vice-president, and Frank Annau, environment and science policy director.

If I get the pronunciation of anybody's name wrong, feel free to reintroduce yourself when you have your opening statements.

We also have, from the Canadian Critical Minerals and Materials Alliance, Ian London, executive director; from the Quebec Forest Industry Council, Jean-François Samray, president and CEO; and

from the Grain Growers of Canada, Branden Leslie, manager, policy and government relations.

I realize that some people may have to leave early during the meeting, so feel free to drop off when you need to go.

Because some of you may not have been before committee before, I'll note that we have simultaneous translation happening. On your screens, and for Mr. Leslie, who is here, you can choose floor, which is the language being used in live time, or English or French. We ask people to remain muted. For those on screen, you'll have to unmute yourselves.

I use a card system. When the time is within 30 seconds of ending, I give the yellow card. When the time is up, we give the red card. Don't stop in mid-sentence. Just wind up your thought, and then we'll move to the next person.

With that, we're ready to get going. We have opening statements.

Mr. Currie, we'll go with you for your five-minute opening statement, and we'll just move into questions as quickly as we can.

If you're ready, you have the floor for five minutes.

• (1810)

Mr. Keith Currie (Vice-President, Canadian Federation of Agriculture): Great, thank you, Mr. Chair, and good afternoon, everyone. Thanks for letting me take part in this.

As mentioned, I am Keith Currie, the first vice-president of the Canadian Federation of Agriculture, which I will refer to as CFA going forward.

We are Canada's largest general farm organization; we represent, roughly, 200,000 farmers and farm families from coast to coast to coast here in Canada. I'll also mention that Frank Annau, who is our environment and science policy director, is joining me today and is going to answer all the really tough questions.

We appreciate this opportunity to present to the House of Commons Standing Committee on Natural Resources. Creating a fair and equitable and energy transformation is critically important to Canadian agricultural producers. As you may be aware, the producers I represent are price-takers in the market, which means that when we incur increasing input costs, such as rising energy costs, we cannot increase the price of the products we produce to offset those rising costs. In a report that came out last December on the energy sector and agriculture, the Parliamentary Budget Officer noted that in 2019, half of all farms were either losing money or barely profitable.

We must ensure that the financial burden of a just energy transformation doesn't fall solely on the shoulders of these producers. This will require some support to invest in the technology needed to make this transformation on farms. Unfortunately, as we all know, Russia's invasion of Ukraine has caused skyrocketing input costs for gasoline and diesel along with many other products, which will likely continue into the foreseeable future. This is reducing the cash available to farmers to make such investments.

To increase this cash influx, we recommend an extension of the federal carbon price exemptions to cover natural gas and propane. These are fuels used for grain drying and livestock cooling and heating, and they are also critical activities for mitigating climate impacts, such as extreme autumn rainfall occurrences and our summer heat domes.

While the carbon price is meant to incentivize energy transformation to lower emission fuels, current fuel prices are high enough to really eclipse that as a market signal. Producers can, instead, use that money to reduce the impact of high fuel prices by adopting clean technology wherever feasible. A perfect example is precision agricultural technology, which significantly improves fuel efficiency by using fleet analytics and auto-guidance systems to reduce the number of passes needed for cropping.

One U.S. study recently found that this can decrease fuel by up to six per cent, which would be the equivalent of about 18,000 flights. That very same study also stated that this fuel use could decrease further 16% with broader adoption of such technology.

However, we face a number of barriers to this adoption, including the lack of reliable rural Internet needed to run the equipment and the fact that adoption rates drop significantly on farms that are under 500 acres in size or that have a smaller annual income of under \$75,000 per year.

We recommend that the government prioritize rural Internet and scaling down this technology in order to realize these fuel efficiencies.

It's also important that we enhance existing mechanisms to support uptake of these technologies. An example that is greatly appreciated by our producers is the agricultural clean technology program, which offers a 50% federal cost share for the purchase and installation of clean tech on the farm. However, the value of eligible projects starts at \$50,000, which means that farmers need to put up a minimum of \$25,000 in order to receive funding. Our concern is that this leaves out a large number of small family farms who are unable to contribute that minimum amount but are in need of being, and wanting to be, part of that energy transformation.

We recommend that this cost share be enhanced to accommodate these low-income farms and that the government reduce the \$50,000 minimum project value to accommodate a greater number of low-cost projects, which will multiply the cumulative effect.

Once farms have made this transformation, we must ensure that they do not continue to shoulder the burden of energy transformation financially. This is needed on farms in provinces under the federal carbon price where fossil fuel powered electricity grids pass on carbon costs to our producers. The irony is that producers who adopt electricity to reduce their carbon costs instead pay a price on carbon passed down through their energy providers on their electric bill. These costs will only rise as fuel suppliers face pressure to meet Canada's 2030 methane reduction goals and the upcoming clean fuel standard, the latter of which it is confirmed will increase fuel prices in rural areas where there are fewer low-emission alternatives. Again, this is yet another reason to ensure that the price exemptions on farm fuels are extended to include the full range of farm fuels.

Finally, a just energy transformation on farms is only possible if we identify any inequalities.

• (1815)

I would like to mention that Canadian agricultural producers are looking to partner with the federal government on initiatives, going forward.

Thank you.

The Chair: Thank you so much.

Mr. London, if you're ready, we will go to you for your five-minute opening statement.

Mr. Ian London (Executive Director, Canadian Critical Minerals and Materials Alliance): Thank you very much.

Mr. Chair and members of the committee, thank you for the invite today.

I speak on a subject very different from the agriculture or oil industry. Despite Canada's vast resource wealth, our critical materials remain largely undeveloped and not strategically leveraged, primarily because of a lack of understanding about their significant climate, national security, broad economic and local community benefits.

Critical materials development and their downstream processing feed major value-creating clean technologies and next-generation jobs. Critically needed materials are fundamental to clean energy production, utilization—we always talk about production, but not utilization or “Can we use less energy?”—e-mobility, communications and medical applications. The industry strategy council, a forum assembled by ISED, created a blueprint for such implementation and provides a road map of how we can get there.

This potential is impossible to capture unless there is a just transition. We all benefit by workers, communities, employers, and government officials advocating for their own interests and fully participating in the planning process. Canada's partners can achieve these aspirations if they adhere to these principles. In the EU, for example, dedicated funding streams, strong public sector attention, and partnering with non-governmental organizations and unions are instrumental to this transition. The EU's just transition mechanism is a key tool to ensure the transition toward climate-neutral economies happens in a fair way, leaving no one behind.

C2M2A, the organization I represent, has proposed a suite of recommendations around critical materials policy, investment, research and development, secondary sources, education and trade through the years. With my limited time today, I'm going to touch on a couple of just transition-related thoughts.

First, enable first nation inclusion in value-added infrastructure investment through major project coalitions, essentially. This participation should not necessarily be limited to resource development or mining projects, because, as I'm describing today, it's not a mining initiative. It's industrialization for the new economy, and allowing first nations to participate in some of its interconnecting or interdependent links along that supply chain...to the mine, and possibly into its downstream processing. A program for indigenous groups to purchase equity in critical minerals and materials projects, possibly through soft loans repaid from indigenous groups' share of the profits, should be considered.

Many indigenous groups understand the strategic nature of critical materials. However, there needs to be a clear pathway for these groups to benefit by participating in, rather than opposing, these opportunities. I fully respect the very delicate balance in this.

Second, I have worked with communities in developing projects that help address energy poverty and invest in new decarbonization technologies. Cleaner energy for cleaner mining of critical materials and a cleaner economy is also of growing interest to our customers, funders and shareholders. Energy-efficient vehicles and motors, and even Zooming, as we're doing today, are all based on high technologies built upon critical materials.

Third, there was a previous discussion, which I appreciate sitting in on, about education. We need to cultivate and prepare a workforce to fully participate in a low-carbon economy. We are clearly short of capabilities—different capabilities. Mechanics who used to work on certain motors, engines and vehicles will have to become electronics engineers or technicians. We need to consider that in our planning. It's more than just mining. Rest assured, we're short, and it takes time to build that capability. Unfortunately, the world's competitive environment doesn't allow us a lot of time.

Fourth, I have a little aside related to just economy: How do we champion research and policies that increase Canadian firms' and communities' ability to accelerate supply chains built on secondary sources? We always tend to go back to “We need new mines.” There are already materials in tailings ponds and effluent streams, in current operations by major firms, that can be tapped and start producing what was waste product into valued products. This would not detract from the benefits that can be accrued by establishing new mines, but rather demonstrate Canada's ability to capture market share and attract value-creating investment in Canada.

Fairness and solidarity must be defining principles in our critical minerals strategies and plans. We also need to complement just transition principles with the right actions and policies. Canada's mineral wealth, mining and metallurgical reputation, as well as its climate and justice aspirations, are held in high esteem internationally.

• (1820)

Canada can capture across-society benefits from its natural resources. I caution again that we must avoid the traditional trap of exporting domestic raw materials to be processed elsewhere, only to be imported with their larger carbon footprint as value-added finished products.

Thank you.

The Chair: That's great. Thank you.

We'll go to Mr. Samray for his opening statement. Mr. Samray, I understand you can only stay until 6:30.

Mr. Jean-François Samray (President and Chief Executive Officer, Quebec Forest Industry Council): Mr. Chair, I've managed my schedule for the committee. It's no problem. I'll be with you until midnight, if you want.

The Chair: That's very kind of you. I'm glad you're able to join us.

I was going to say, and I'll mention it now, that if anything comes up from the conversation we have today or if you have any additional thoughts, you are all invited to submit an additional brief of up to 10 pages. I wanted to mention that in case you needed to leave, but I'm glad you can join us.

If you're ready to go, I'll turn the floor over to you for your five-minute opening statement.

Mr. Jean-François Samray: Thank you, Mr. Chair.

I will do my opening statement in French. Feel free to ask me questions in English.

[*Translation*]

My name is Jean-François Samray, and I am here as president and chief executive officer of the Quebec Forest Industry Council, or QFIC.

I am pleased to respond to your invitation to contribute to your thinking on the topic of a just and equitable transition in the energy sector in Canada. The QFIC is the main voice of the forest industry in Quebec. It represents the interests of softwood and hardwood sawmills, veneer mills, pulp and paper mills, cardboard and panel mills, and engineered wood manufacturers. Increasingly, it represents companies moving into bioenergy production.

Through its expertise and that of its partners, the QFIC guides and supports its members on issues that include forestry, supply, energy transition, product quality recognition, human resources and worker training, health and safety, and legal and economic intelligence.

With respect to our contribution to the Canadian and Quebec economies, it is important to remind committee members that forests and the forest industry play an important role in the Canadian economy. The sector provides direct employment to more than 200,000 Canadians in 600 communities, including more than 12,000 first nations workers, and generates more than \$80 billion in revenue annually. Specifically in Quebec, the forest industry generates 130,000 direct and indirect jobs and over \$25 billion in sales.

In addition to making significant contributions to the economies of hundreds of regions from coast to coast, the forestry sector is a major contributor to the Canadian economy with contributions to gross domestic product, or GDP, of more than \$20 billion, or 8% of Canada's manufacturing sector. With exports worth over \$45 billion in 2021, the sector has a strong positive trade balance of over \$30 billion. Of this, approximately \$10 billion comes from Quebec.

Beyond the economic aspect, I want to emphasize that the forest is a powerful tool in the fight against climate change. Acting as a gigantic CO₂ capture reservoir, the forest allows us to fight global warming. There is a need to maximize the sustainable use and management of our forest to enhance its carbon capture and sequestration role not only by intensifying forest management, but also by promoting the use of wood in the substitution of carbon-intensive products in the construction sector to store this carbon in the long term.

This position is entirely consistent with the solutions proposed by the Intergovernmental Panel on Climate Change, or IPCC. In particular, the IPCC urges states to act on four fronts simultaneously.

The first is the substitution of fossil fuels with renewable energy.

The second is the sustainable management of forests and the maintenance of biodiversity.

The third is afforestation, i.e., the return to production of harvested or formerly cleared forest areas converted to other uses.

The fourth is the increased use of wood as a building material.

In all of these sectors, the forest industry can play a structuring role and offer good jobs to Canadians who are looking for them or who wish to pursue their career in a sector economically linked to the energy transition. In Quebec, the forestry industry offers quality, well-paid jobs. In 2021, workers in the industry earned an average annual compensation of \$68,000, more than 50% of the average Quebec salary.

Given all this, what can the Government of Canada do?

First, it can use its power to set an example by promoting and requiring products with lower carbon intensity in its own calls for tender. One example is the increased use of wood in the construction of government buildings. Every tonne of cement or steel that is replaced by a wood material significantly reduces the carbon footprint.

Secondly, it can put in place financial incentives to encourage the use of low carbon materials, such as wood, to accelerate the decar-

bonization of the construction sector and achieve carbon neutrality of buildings.

Third, with financial support from Natural Resources Canada, the Quebec government and the Canadian Wood Council, we have developed, under the leadership of Cecobois, the Gestimat software. This is a tool used to measure the carbon footprint of a wood building and compare the result to that obtained using the traditional method.

Like the governments of Quebec and Ontario, the Government of Canada would benefit from adopting this tool to quantify the greenhouse gas emissions found in the management of its building stock.

As Canada recovers from a global pandemic, we believe the forestry sector is the best way to maintain and create jobs and attract more investment. The sector also has the potential to position itself as a leader in the shared transition to a low-carbon economy.

Mr. Chair, I will stop here. I think you understand that it will be a pleasure to answer your questions and to show that the forest industry is a partner with the government in Canada's energy and economic transition.

• (1825)

The Chair: Thank you, Mr. Samray.

[English]

For the final opening statement, we'll go to Branden Leslie, who's joining us in person in the room.

It's good to see you. If you're ready to go, the floor is yours.

Mr. Branden Leslie (Manager, Policy and Government Relations, Grain Growers of Canada): It's a pleasure to be here. Good afternoon Mr. Chair and honourable members.

My name is Branden Leslie and I'm the manager of policy and government relations with the Grain Growers of Canada.

Canada's grain sector is both a major user and producer of energy such as biofuels. The just transition will directly impact farmers and their operations, so we appreciate being able to share our perspectives with you here today.

Farmers are proud of their stewardship of the land, of their ever-improving record of sustainability, and of the fact that they feed millions of people here at home and around the world. Farmers must be at the table when it comes to charting our nation's path to net zero by 2050, which is why we remain frustrated by the fact that agriculture is not represented on the net-zero advisory body.

As part of Canadian grain farmers' ongoing leadership as environmental stewards, we continue to look forward to ensuring our competitiveness and our environmental and economic sustainability. We require the federal government to understand and enact policies to support, not hinder, those objectives.

That's why on March 28 we were proud to launch the development of our Road to 2050 climate solutions initiative, which is intended to guide government policies and programming directed at Canada's grain sector, ensuring farmers are supported in their efforts to reduce emissions and increase carbon sequestration.

In the meantime, however, I would like to outline some realities of energy use requirements for our sector and how best we can mitigate the impacts of climate change while remaining competitive as we work to feed a growing world population.

Mr. Chair, Canadian agricultural energy demand increased from roughly 200 petajoules in 1990 to roughly 300 petajoules by 2016. While this might sound concerning, a more important fact is that the amount of energy consumed per dollar of agricultural output fell by 17%. This is sustainable intensification of production. This is what we should ultimately be working towards—maximizing our production in a sustainable manner.

At a time when the world is facing a looming threat of food insecurity, Canadian farmers are being asked to grow more. They are facing policies that could limit their production, such as the reduction in fertilizer use. Prices for inputs such as crop protection products and fertilizer have dramatically increased recently, further reducing already very thin margins for farmers.

It's important to note that farmers are ultimately price takers and cannot pass on additional costs as many other businesses are able to do. These crop inputs are some of the highest expenses for grain farmers, so they are utilized as efficiently as possible, but they must not be constrained in their use by government policy. I can assure you that farmers are not spending tens or hundreds of thousands of dollars extra on inputs like fertilizer just for the fun of it.

Mr. Chair, farmers are adopting the use of renewable energy where possible. The number of farms using renewable energy sources more than doubled from 2016 to 2021. However, the reality is that our farm equipment and transportation system mainly runs on diesel. Our grain dryers run on propane or natural gas. Our crop inputs require fossil fuels to be manufactured. Progress is being made towards moving to alternative fuel sources for all of these, but the reality is that they are not currently available. Realistically, given the cost of new machinery and a host of other challenging issues, it will take years, if not decades, before they are scalable.

In the meantime, a just transition must ensure that the cost of producing the food we all eat does not rise dramatically. That can only be the case if the family farm in Canada is profitable. Extra costs added to the fuels that farmers have no choice but use simply isn't a viable option.

Farmers are innovative by nature and embrace the newest technologies. From beneficial management practices to the newest plant genetics or precision agricultural technologies and more efficient machinery, farmers have and will continue to invest in things that are good for their bottom line, their soil and the future of their oper-

ation. They can only make those investments, however, if they have the capital to do so.

Canadian farms have tremendous potential to sequester even more carbon in the years ahead and will continue to work to reduce emissions. However, if our nation wants to ensure our food security, farmers will require the use of fossil fuels in the short term.

If Canada is to consider what a just transition to a low-carbon economy looks like, I would ask that you take into account these realities for farmers. We must ensure that our farms are able to be sustainable now and into the future, both economically and environmentally. It is critical that government policy reflects these current realities so that Canadian farmers can continue to feed our nation and the world.

Thank you, Mr. Chair. I look forward to your questions.

● (1830)

The Chair: Perfect. Thank you for a nice, tight opening statement.

Folks, looking at the time, we'll probably get through one round of six minute of questions for each party. Then we had planned to go in camera for a brief discussion on drafting instructions.

I have the subcommittee scheduled following this meeting. Some questions were raised on Monday about the study. We're going to deal with that in the subcommittee following this.

We'll go through the four six-minute rounds of questions, at which point we'll be able to thank our witnesses and then we'll go in camera. For what lays ahead for the remainder of this session, we're going to start with Mr. Maguire.

I'll turn the floor over to you for your six minutes of questions.

Mr. Larry Maguire: Thanks, Mr. Chair.

I want to thank all of our presenters today for their presentations.

I'll be focusing my questions—and I thought we were going to be getting a few minutes for some of my colleagues here as well on the agriculture side with Mr. Currie here and his colleagues and with Mr. Leslie.

You've both indicated that the industry is price-takers. I come from a farming background and I know that, but I wonder if you could expand on how this just transition has impacted a lot of the rural communities.

Mr. Currie and Mr. Leslie, you made some comments. I'd like you to expand on some of the ones about the investment in technology. The status quo has never been acceptable—I wrote that down here—to stay ahead in food production here domestically and for export. What precipitated my writing that down was your comment about how the industry has been leading in technology to provide the food we are going to need in the future as well. What do you specifically recommend to our committee to ensure that these farmers and our rural communities won't be negatively impacted by the just transition?

Mr. Currie, maybe you could start.

Mr. Keith Currie: Thank you, Mr. Maguire, for the question.

I think what we need to keep in mind is that agricultural producers in rural Canada by and large pay disproportionately more when it comes to pretty much everything but especially when we're talking about carbon pricing. As an example for those of you in urban ridings, when you want to go to the grocery store, you have a couple options when you go out the door—you jump in your car and choose to pay fuel tax on your drive there and back, or you go down the street to catch a bus or streetcar or whatever. We don't have that opportunity in rural Canada. Everything we do—and I know MP Angus will understand with his vast riding—requires us to travel long distances to do regular business, so we are paying disproportionately more.

We're still willing to do our part, so we need those financial incentives to figure out how we can do more online, for example, and how we can minimize our fuel use through technology, which is going to require expansion of broadband and 5G and, certainly, getting telecos that are sitting on unused spectrum to give it up because they didn't pay for it and they're not using it. That will increase the speed of broadband expansion throughout Canada, which is greatly needed for our production increases that are required and for efficiencies within livestock buildings, etc. As you heard, we are willing to do our part, but it's going to take that investment. When we make a decision in our operation to do more to sequester carbon, we don't do that environmental practice in isolation. There are also multiple co-benefits like nutrient retention, water flow increasing, biodiversity increasing. We increase the wildlife, pollinators, birds, etc. There are multiple environmental co-benefits with those investments; they're not just singular investments. We as farmers are willing to do our part, but we just can't bear the financial burden on our own backs; we need that help from government.

• (1835)

Mr. Larry Maguire: Mr. Currie, because of time, I'll interject there. I know you mentioned the carbon pricing exemptions as well for drying and heating, and the \$50,000 level for farm families, which is important as well.

Mr. Leslie, you wanted to answer that as well, but I'll throw in another one here on the concerns about energy and food security around the world. We've seen with the war in Ukraine right now that farmers are being asked to grow more food here to feed the world. Do you recommend we take into consideration the dramatic rise in energy costs—you've already talked about that a little bit—and food security issues in our committee's report? If so, why should we do that? I personally think we should, but can you ex-

pand on that situation given that Ukraine and Russia, which are both big food producers, may not be able to do that this year to their fullest? We also still have drought situations in spite of Manitoba being under water right now. There are still pretty dry regions in some of the midwest. Please expand on that, Mr. Leslie.

Mr. Branden Leslie: Sure. Thank you, Mr. Maguire.

There are a few things to touch on. I would certainly recommend it. The connection between food security and a just transition might not seem to be obviously connected, but I think it's very evident that they are. The average price of diesel on a farm in whatever province has largely doubled, it's a significant cost increase, and as mentioned, we can't pass those costs down.

I appreciate Mr. Currie's mentioning of the carbon tax exemption in Bill C-234. That policy is simply taking money out of the pockets of farmers when they go to dry their grain. You have to store your grain at a certain moisture level or it will rot. You will no longer have a product in your bin, and you will have something to throw away. That money is better invested in the new technologies and things like precision agriculture, applying the precise amount of inputs with less application, great, but they're very expensive, but you'd be buying a \$600,000 piece of equipment at a time when a lot of farms are lucky to be breaking even.

Last year across much of the Prairies, there was a drought. As you mentioned, this year in southern Alberta and parts of Saskatchewan there's serious drought, and in Manitoba, where I'm from, it's largely under water. It is a challenging time, so I would absolutely recommend considering using that food security lens to be considered as we look to the just transition. It's one thing to aim for this, and I think when we look towards perhaps the electrification of a tractor down the road, that would be a great thing, but there are some substantial changes that—

Mr. Larry Maguire: Just quickly, then, I'm going to have to interject because I'm almost out of time. On this fertilizer reduction that the Liberal government wants to bring in with it, can you outline to our committee the impact it will have on crop production and food prices? Maybe you two gentlemen could just give a quick reply to that.

The Chair: I would say the reply has to be quick, because we're at six minutes, and we're going to run out of time. Maybe one of you can give a two-sentence response.

Mr. Branden Leslie: With less fertilizer application we will grow less food. Less food means increased prices.

• (1840)

The Chair: Perfect. Thank you.

We're going to now go to Ms. Dabrusin, who will have her six minutes.

[*Translation*]

Ms. Julie Dabrusin (Toronto—Danforth, Lib.): Thank you, Mr. Chair.

I will address Mr. Samray first.

Mr. Samray, I find the discussions very interesting. In my city of Toronto, wood is being used more and more in the construction of buildings. You talked about the jobs that are being created as a result of the increase in the number of construction projects where wood is being used.

Have you done any analysis on what kind of jobs these are? What opportunities does this represent?

Mr. Jean-François Samray: The chair has allowed me to send you a 10-page document. I am pleased to provide you with my comments on this.

The construction industry also wants to be able to use more workers. There is a balance here. More and more commercial builders are looking for prefabricated modules, i.e., glulam beams.

These are large sections that are installed using cranes, which allows buildings to be erected much more quickly. The work in this case can be done in a factory, and it requires special skills in both manufacturing and robotics. This represents solutions for the construction sector.

In short, it is about promoting the prefabrication sector, as there is a lack of workers on construction sites.

Ms. Julie Dabrusin: Do you know in which regions these prefabrication plants are located, now that there is starting to be more work in this area?

Mr. Jean-François Samray: There are some in Quebec, for example at the Chibougamau plants, which are in a way our engine. The company Nordic Structures also makes them. There are other manufacturers in Quebec, as well as in Ontario and British Columbia. These technologies are gradually developing.

At the Canadian Wood Council, a working group is focusing on this. There is growing interest in developing this type of construction, including in the Maritimes. There is indeed a need, as there is a shortage of labour to establish yards that use raw wood.

Ms. Julie Dabrusin: Thank you very much.

[*English*]

My next questions were actually for Mr. London. You were talking about the critical materials, and the big focus was on the jobs in processing, not just on the mining side of things. I was interested by that. Have you done an analysis as to where the jobs in processing could end up being? What would be some of the regions where you would expect to see many of these jobs developed?

Mr. Ian London: Thank you for the question.

You're bang on. You can look at northern Quebec, as some of these processing facilities are energy-intensive, so we would want clean power. You see initiatives by Rio Tinto for scandium lightweight materials for vehicles. In some of the cases we would have to look at southern Ontario. Thunder Bay has large lithium...that can be produced tied in with the battery manufacturing in central Ontario. You look at Saskatchewan. The Northwest Territories' rare earths are feeding into the Saskatchewan Research Council, which is building separation facilities. There is actually a pan-Canadian solution out east, and there are Labrador-Newfoundland resources

there also. They are very different materials. There is a suite of materials that go into any of this electric farm equipment.

How do we reduce demand in terms of energy? That would be by electrifying equipment, which require pan-Canadian solutions—southern Ontario, Quebec, and out west.

Ms. Julie Dabrusin: Thank you so much. That was a really fulsome answer. I am going to hand my last two minutes to my colleague Mr. Sorbara.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Parliamentary Secretary.

It's great to see you, Chair, and all of the witnesses. To the individual from the Quebec Forest Industry Council, with regard to the use of lumber and the opportunity to use lumber in varied situations, I know that in Ontario, and in other provinces along with Quebec, lumber is becoming more commonplace in buildings. What other opportunities do you see for lumber being utilized in the Canadian economy? It's very exciting to see mass timber, and in my riding I have the carpenters' union and the training facility there. I know they're training the next generation of apprentices to undertake building those buildings, whether it's in urban or rural Canada.

• (1845)

Mr. Jean-François Samray: You're bang on. There's definitely a need in the construction sector, and we're training a lot of new workers who are diversifying their knowledge and reorienting themselves in construction. Softwood lumber could definitely be used for these types of products.

Canada is a big player, as well, because a lot of the new facilities built for the IT sector.... The companies that are in the web industry want to reduce their GHG footprint, so they're ordering these buildings from Canadian manufacturers. There's a need for the Canadian economy, as well as for exports, answering the need for an energy transition and lowering the carbon footprint of construction.

Canada is really well positioned with the certified forest and the know-how that we're developing on this.

Mr. Francesco Sorbara: Thank you, sir. That was excellent.

The Chair: We're out of time on that one.

We're now going to go to Monsieur Simard, who will have six minutes.

[*Translation*]

Mr. Mario Simard: Thank you, Mr. Chair.

I am following in the same vein as my friend Ms. Dabrusin and Mr. Sorbara.

Mr. Samray, we know that a fairly simple administrative measure, the application of the carbon footprint as a criterion for awarding public contracts, would help to promote the use of wood. It wouldn't cost a penny, unlike everything the federal government invests in the oil and gas sector.

Do you think this would be a good solution to encourage the use of wood?

Mr. Jean-François Samray: I think you need the right tool to measure it properly. As I mentioned in my speech, the Gestimat software is used for just that, to analyze the life cycle of everything that goes into the construction of a building. We are able to do simulations. Architects and engineers can run simulations to determine the reduction in the carbon footprint of a building constructed with wood compared to the traditional method.

In Quebec, we've started handing out plaques, which building owners can put in the entrance of their buildings to show the extent of this reduction.

The Quebec government has created a database to quantify the carbon footprint reduction in the construction of its building stock.

I think it would be beneficial to use these kinds of measures. It would stimulate communities across the country, as there is wood in every province in Canada.

Mr. Mario Simard: If you agree, Mr. Samray, perhaps you could send the committee some information on the Gestimat software.

I now want to turn to another topic.

Earlier, we received the minister. I asked him a question in relation to a Toronto-Dominion Bank study that says that almost 50% to 75% of oil and gas workers will be displaced by 2050. We're talking about 75% of workers, that's huge.

I've seen presentations on the bioeconomy. You talked about bioenergy. We know that these are industries that are linked, through biomass, to the forestry sector, which is very promising.

In your opinion, are there job opportunities in the forestry sector for people from the oil and gas sector who will have to be displaced?

Mr. Jean-François Samray: In order for there to be employment opportunities, there needs to be investment and the context to make it happen. I think the carbon price gives a clear signal to the industry. The International Civil Aviation Organization initiatives are creating a market for these biofuels.

Indeed, the skill required to manoeuvre a distillation column, whether to distill crude oil or to operate a chemical reaction in a bioreactor, is a transferable skill. Skill transfer is practised in several Scandinavian countries, where people go to work in another sector of the industry by personal choice. If they are going to distill something, they like to go to the green economy. It's a personal choice.

There are a lot of transferable skills, whether it's pipe fitters, millwrights, technicians or plant workers. All of these trades are governed by standards and codes. These are totally transferable skills.

● (1850)

Mr. Mario Simard: To make this transition to the bioeconomy, there are not many federal government programs, to my knowledge. There is the famous Investments in Forest Industry Transformation program, or IFIT, which is aimed at transforming the pulp and paper sector as well as the forestry sector. My understanding is that this program is underfunded.

In your opinion, could better financial support for the IFIT program make it easier to make this shift to the bioeconomy?

Mr. Jean-François Samray: Yes, that could certainly be useful. I think you will have some work to do in the committee, because the funding for this program expires this year. It is a fundamental program for all sectors of industry, whether it is critical minerals, agricultural research or petroleum. They all need it to make transitions and have a presence in the market.

Given the potential benefits of the IFIT program in terms of jobs and greenhouse gas emission reductions across Canadian communities, I think it deserves to be funded to the extent that it can deliver. Given that one in ten applications for funding is successful and that applications for projects that would be feasible are in the billions of dollars rather than millions of dollars, I think the market is vibrant and we need to move forward.

Mr. Mario Simard: Thank you, Mr. Samray.

Canada has a hydrogen policy, and it focuses primarily on blue and grey hydrogen. In Quebec, we can produce green hydrogen from hydroelectricity, but also from biomass.

Do you think it would be interesting to explore this pathway, green hydrogen, for the forestry sector?

Mr. Jean-François Samray: There are residues on the cutblocks. Recent fires in the American West have shown that when these residues are left on the cutblocks, they become a fuel just waiting to catch fire and burn down entire forests.

In Quebec, the spruce budworm ravages forests over thousands of square kilometres. This is wood that could very well be used to produce biofuel. I think there is an opportunity here that the sector should explore. We just need to send the right signal.

It would be interesting to open a pilot plant to demonstrate that it can be done and to measure the costs. I can give you the example of Sweden, which opened a pilot plant called GoBiGas to produce biofuel. They had to shut down for a while, but I heard this week that they are going to start up again. I think that's the kind of program that should be encouraged.

[English]

The Chair: We're out of time there, so we're going to Mr. Angus, who will have six minutes.

Mr. Charlie Angus: Thank you very much.

Mr. London, I want to start with you because right now much of the critical minerals are coming out of Congo. We know of massive human rights abuses and human rights campaigns against Tesla and others, and we know that China is playing a massive role in trying to corner the market.

There is an opportunity for Canada, but I guess I'd ask the question of how important it is that we actually have really high standards. We have high standards in environment. We have high standards with work, but in terms of the environmental footprint.... We know that Borden mine has gone green. They've stopped using diesel. Diesel has a huge impact on worker health.

If we're going to be promoting energy with the batteries, how important is it that we actually try to get the sector to be showing that we can do this big production mining with clean energy?

Mr. Ian London: That's an excellent question. I'm going to take it in two parts.

I think it's fundamentally important, because folks like Tesla and all the manufacturers are looking for, one, trace provenance—that is, traceability—and a reduced carbon footprint. A part of the contributors to carbon footprint is how we move material all over the world. It's not the carbon footprint that went into the actual mining; it's shipping it across. We're shipping it overseas where they're doing the processing and we're buying back product, etc. It's fundamental that we move these products and advance these energy-efficient, greener mining operations.

I was also describing this from a critical materials perspective, and we heard something from all of our colleagues today, which is, how do we reduce our energy consumption? It's by using more energy-efficient agricultural equipment. We also talk about electric vehicles or e-mobility. Yes, it's nice to assemble a plant, but we're bringing everything in from everybody else.

Why can't we capture the technology and the spinoffs that come from it, which would then make the mine much more economic and the environmental footprint much more acceptable or reduced?

• (1855)

Mr. Charlie Angus: You're speaking my language, sir. I've lived in northern Ontario and have watched so much of our resources go out. The issue of value added is huge for us. Just down the street from me, the SMC mill, which is the first cobalt processing plant, is setting up. We have opportunity.

We see how recyclables and waste are being handled at the Rouyn smelter and the Garson SMC mill. The importance of having a supply chain that we can offer the world, showing that we're using clean energy, that we have the higher environmental standards, that we have better worker conditions.... Do you have recommendations that you could send to our committee on what we could actually bring to government to say that it's not just saying that we're going to support the extraction, but it's how we extract and how we develop them that is going to be the key in dealing with the climate crisis?

Mr. Ian London: Absolutely, and it's more than just extraction. It's the value added along the line.

For us, because of the nature of this, it should be understood that it's not just a commodity. If we don't understand what our customers demand and what their customers demand.... That's what China built. They were in the raw material business 30 years ago. Now you buy all your washing machines and computers from them.

It's interesting leverage for Canada, while reducing the footprint at the same time.

I will submit a 10-pager on that.

Mr. Charlie Angus: Thank you so much for that.

Mr. Samray, I want to turn to you to ask this question, because I haven't heard your being asked about how climate is affecting the forests.

I live in the northern, boreal region. Would you say that the climate crisis is having an impact on the forests of northern Canada now?

Mr. Jean-François Samray: It definitely is. That's for sure. At the end of the day, we can see that the northern limit is going higher and higher. There are trees that are growing in what used to be the tundra, and now there are trees with leaves that are now growing into boreal forests, which is something we haven't seen before.

There's a change in the forest and there's a need to make a change in the way that we're evaluating that forest.

Mr. Charlie Angus: What we're seeing here, besides increased fires and increased insects, is stress on some of the traditional boreal trees that we cut. We're seeing that stress on them. We're seeing that things are moving, but they're not moving quickly enough to keep up with this transition. The forests are not moving as far north as they probably need to, so we have to look at the economic and environmental impacts of that.

I have two questions. One is about the modelling you're doing of the boreal region now. The other question is about my region and the James Bay lowlands, which is one of the world's largest depositories of carbon, but part of what holds it is its first-generation wood. It hasn't been cut. There's the need to maintain large, continuous sections of the boreal forest to hold the carbon imprint. Have you looked at that as well?

Mr. Jean-François Samray: Mr. Angus, if I may answer you directly, the thing is that Canada is such a huge country, and we hold 30% of the certified forests of the world. There's enough room to do some conservation and enough room to garden our forests in a more dynamic way in order to make them resilient.

We can do both. It's not either-or.

Mr. Charlie Angus: Absolutely. I have mills pretty much in my backyard. I want to know about the long-term plans, because we're seeing stress now where we have to have a plan 20 years down the road for what forests we can cut, what forests have to be protected and where are we going, given the impacts we're seeing.

Mr. Jean-François Samray: Natural Resources Canada is doing some research on the types of trees that will be better off when we do some replanting. That is part of the job that needs to be done as well.

Mr. Charlie Angus: Thank you.

The Chair: Sorry, we're out of time on that one.

To our members, to our witnesses, with the way that the clock has been a bit messed up with, I don't think we have time to have another full round. I'm going to suggest that we thank our witnesses at this point and let them go.

Just before we go in camera for drafting instructions, I did want to take a minute to clarify a statement that I had made on Monday. If the witnesses want to go, please do that.

On Monday there were some questions raised about how certain decisions were made with this. We'll talk about this perhaps more at the subcommittee to determine how we want to proceed if this is going to be the last session for this study, or if we want to continue it. Nonetheless, I was asked some very specific questions about numbers. Numbers often tell different stories depending on what numbers you're using. And this is in part in response to comments made that this may not be a legitimate study because of numbers I threw out there.

I just want to make a couple of comments. I did send a note to the committee—we just got the translation back, so I've sent it to your P9 email addresses—explaining the process that we've used in choosing witnesses for this study, and actually for our previous studies in this Parliament so far. It's also based on a model that the committees used in the previous Parliament as well.

In brief, we get witness lists from each of the parties. We then have gone through them looking for themes and the priority of the witnesses listed, and then we look at the balance of parties in the House. That has been the structure used so far for our two previous studies, as well as in the 43rd Parliament. If we want to discuss that either at the subcommittee or at any point, we can talk about being more specific or refining that, but that's how the witnesses were selected for this one.

I did want to say, though, on the numbers that I gave you the bottom-line numbers, including for today, but the background behind it is as follows. Again, this may open up more questions, but I want to at least give a sense of where we started from. This is thanks in large part to our analysts and our clerk for providing me and working through these.

The Liberals started with 20 witnesses being invited. Five of those overlapped with the NDP witnesses, and one overlapped with both the Conservative and the NDP witnesses. There were 17 witnesses invited by the Conservative Party, with an overlap of one with the Liberals and the NDP. The Bloc had six who were invited with one overlapping with the NDP. And then when you look at the NDP, the NDP actually had 16 who were invited, but six overlapped with the Liberals, one with the Bloc, and one both with the Liberals and with the Conservatives. That's where it gets kind of messy, because there were witnesses who were unavailable or who had to cancel at the last minute, with three of the ones suggested by the Liberals cancelling, five from the Conservatives, two from the Bloc and six from the NDP.

In the numbers I shared on Monday, that's what we ended up with, but it wasn't through our not attempting to try to get robust lists of witnesses provided by the parties.

I just wanted to correct the record so to speak. What I gave you was very much the bottom line of what we ended up with, but through no lack of attempt on my part and that of the team to develop robust witness lists for the study so that it would be a very fair and robust study.

I see there are a couple of hands up, and my intention is that we then go into closed free questions or comments, but I just wanted to speak for the public record because I think it is fair to paint a bit of a broader picture than what I painted on Monday.

Mr. Angus, Mr. McLean, and then Mr. Simard.

Charlie.

• (1900)

Mr. Charlie Angus: Thank you.

I'm somewhat confused, Chair, because in your note that you just sent us—and I really appreciate it—you said that it was somewhat misleading to assign exact numbers of witnesses to each party. However, that's what you told us at the meeting, that this was being done at the last meeting based on seat allocation, which is not something that was ever said before. That was certainly news to me. I've spent 19 years in Parliament and been on all kinds of committees. I'd like to know the rules of the game before I go in. To be told that these are assigned according to seat allocation, it would have changed everything about how I—

[*Translation*]

Mr. Mario Simard: I'm sorry to interrupt you, Mr. Angus. There is no more interpretation.

[*English*]

The Chair: Just a second, Charlie. We've lost translation.

[*Translation*]

Mr. Mario Simard: There is a small sound problem on Mr. Angus' side.

[*English*]

The Chair: Okay, Charlie. We had a bit of a sound issue with some interpretation lost. Perhaps readjust the boom and try again or continue.

• (1905)

Mr. Charlie Angus: I'm just saying, Chair, that when I saw your note that you sent to us, which I appreciate, you said that it was somewhat misleading to assign exact numbers of witnesses to each party, but you told us at the last meeting that that was how the decisions were made.

I'm very surprised, because I went into this—I was at the subcommittee, where we talked about witnesses—and it was never, ever, indicated that was how it going to be done. When I count up the witness lists, I count up 13 witnesses for the Liberals, 9 for the Conservatives, not counting today, four for the Bloc and four for the NDP. Certainly we were not given the allocation we were expecting.

If some people had to cancel because we had multiple votes, I understand that. Also, given a study of this importance, if we are down to what we had today—seven meetings, really, with witnesses—that does meet the test of what we had agreed to, which was to hold 12 meetings. We talked about possibly holding 10, but we're down to seven meetings now.

Again, some of my key witnesses.... I'm not being picky because they were my witnesses who I think are key voices for the study. I don't have a problem hearing from the agricultural sector. I don't have a problem hearing from the forestry sector, but I certainly question why key regional leaders on the just transition are not involved, why the Just Transition Centre is not involved, Canada's Building Trades Unions, Destination Zero and Oil Change International are not involved. The Indigenous Climate Action group and Indigenous Clean Energy spoke to us. They were ready to testify, and now they have been dropped.

To me, that damages my credibility of going out and making efforts to talk to witnesses and to ask them to testify.

The Athabasca Chipewyan will face a huge impact from oil increases because they're the ones who are dealing with the question of tailings. They have a stake in this.

The Union of B.C. Indian Chiefs may have cancelled in frustration because of the continual votes, but it seems to me, given the importance of indigenous buy-in on this question, that we should try to make arrangements. We should try to see if we can reschedule. We shouldn't just say, "Oh well, too bad. It's done. Let's get this thing done."

I will just end by saying—

The Chair: At no point did we just say, "So sad, too bad." I do take exception to that. Every effort was made.

Mr. Charlie Angus: I'm sorry if I said that. I will rephrase it: "Oh well, they couldn't make it, so we moved on. Now we're going to give drafting instructions."

To me, that disrespectful of the larger obligation that we have as parliamentarians to hear the full point of view. We haven't finished the methane cap study; that hasn't been submitted. We haven't finished the emissions cap. The clock is ticking. I can't see how we're now going to say that we'll throw this to getting it drafted.

We also have that other report from the previous Parliament. We have outstanding reports that aren't done. We have witnesses who we haven't heard from. I don't see how we can say at this point, when we haven't met the test of holding 10 to 12 meetings, that we're ready to just shut this down and try to get this out the door. It makes no sense to me, and it's not credible for the work that we need to do to reassure Canadians and to provide the government good, strong advice on something as important as the just transition study.

The Chair: Thank you for your comments, and that's why we're having a subcommittee meeting today, to look at where we want to go for some future studies and where we want to conclude this one.

Where I hesitated on the numbers—what you've quoted are the bottom-line numbers—is that I'm saying that there are a whole bunch of the witnesses who crossed party lists, and that's where it's not....

On the numbers I gave, the way that the analysts have assigned the numbers is that, if the same person is on the Liberal list and on the NDP list, they're assigned to the Liberals as the majority party. It's the same as if there were a Bloc and a Conservative; the Conservatives get attributed that witness.

That's what I'm saying. In the other numbers I shared today, there were a lot of witnesses who were on multiple lists, and that's why it's not easy to attribute simply a number to a party, because there is lots of overlap of the witnesses. Where there was overlap, where we thought there would be mutual interest, unfortunately in the way that I presented the number on Monday, they were attributed to the majority party, either the Liberals or the Conservatives, which then ends up skewing the numbers in appearance.

That's just a clarification on that.

We're going to go Mr. McLean and then Monsieur Simard. Then, at that point, we'll go into camera for a continuation of the discussion.

Go ahead, Mr. McLean.

• (1910)

Mr. Greg McLean: Thank you, Mr. Chair.

I haven't been a parliamentarian as long as my colleague, but I was on this committee before, and that was the allocation. We did it by seats in Parliament. By my math, the number of Conservative witnesses that we call should be roughly about 80% of the ones the Liberals have called. We have some fluidity around that. If we've all called the same witnesses, we don't count them as anybody's witness, because they're obviously much in demand from everybody on this committee.

I would like to see that continue. This is the voice of Parliament. This a committee of Parliament. With all due respect for the representation of Parliament, if the Liberals have 16 witnesses, then the Conservatives will expect 80% of 16 to be Conservative witnesses. About one-quarter of the Conservative witnesses will be Bloc witnesses and about one-fifth will be NDP witnesses, who are brought forward from their lists. That is the representation in Parliament, and that is our democratic institution that we're representing here. I know we've all put a whole bunch of names on this list.

Mr. Chair, perhaps what we needed prior to finalization of the list of witnesses was a meeting of the subcommittee to say which of our witnesses were imperative to get on this list. We weren't involved in who of the witnesses we put on the list were selected to be heard at this committee. I think that some of those witnesses would be very important.

I'll also raise a point that a lot of witnesses appearing for a short time in these committees leave very little time for us to question the witnesses. Having six witnesses at one meeting doesn't really give us that full analysis of what they've been able to provide to us. I would suggest that we have to trim down the number of witnesses we have at these meetings. You have a good list, and hopefully you can trim from that list those who will be most important and will give us the broadest perspective. However, they do have to represent the weight of Parliament here.

If I could suggest a path forward, it would be to extend the number of witnesses we see here one more meeting or so, until we have that ratio, and in the subcommittee after this meeting, you meet with the parties to say how many can be fit into that last meeting. That will have your ratio relatively straight forward, and we can make sure that the ones each party feels are most important to be on that last list of witnesses are heard by this committee. Then, we proceed with the report.

The Chair: Perfect. Thank you for your comments.

Monsieur Simard.

[*Translation*]

Mr. Mario Simard: The principle of proportionality based on the number of seats does not work, because I should have had the same number of witnesses as the NDP, without overlap. The only overlap was with the list of witnesses submitted by Mr. Angus, and they were representatives of the Fédération des travailleurs et travailleuses du Québec, or FTQ.

I don't know how it was done, but you say in the brief message you sent that you followed much the same procedure. But that is not the case, because we do not have a work plan. If you remember, in the study that we did on the greenhouse gas emissions cap, we had a working document indicating which witnesses were going to appear and when, and their political affiliations. We had that working plan, so a number of people thought it was fair.

In this case, we never saw a work plan. We did not discuss it together in subcommittee. I repeat what I said last week. I don't think it's worth pursuing this study, because I don't think it's going anywhere. This study will certainly not be representative of the questions on just transition in Quebec.

We heard the opinion of the FTQ representatives, but we did not hear the opinion of the other workers' associations in Quebec. We had a lot of input from oil company representatives and a lot of people who were in favour of the oil and gas sector. One of the objectives of the study was to define what a just transition would entail. Yet we received very few experts on this issue.

This will not be my problem, but rather that of the analysts. They will have a serious problem trying to write something coherent in relation to the original motion. I wouldn't want to be in their shoes.

In future, we need to be consulted and given a working plan. Otherwise, I will not make a witness list; it would be a waste of time. If the work is based on ideological interests, I will not waste my time making lists of witnesses. We have to follow a work plan. As Mr. McLean said, there has to be proportionality based on seats.

I will debate this with you when we are in camera. Note that I am not saying this to overwhelm you, Mr. Chair.

• (1915)

[*English*]

The Chair: Thank you.

I have Julie, then Charlie.

Ms. Julie Dabrusin: Thank you.

I'll pick up on what the last two people said.

First of all, in terms of Mr. McLean's piece, I think it makes a lot of sense that we continue most of this conversation in subcommittee, which is exactly what he said. We should be talking about it and going through it in subcommittee. I believe there is time set aside for it, so I think that would be a good place.

In parting, I would just mention that I was chair of the committee for many years, as well, and we always divided it proportionately. It seems fair—the way you've talked about the numbers. I think, at subcommittee, you can launch into that, and everyone has their say.

Thank you.

The Chair: Thank you.

Go ahead, Mr. Angus.

Mr. Charlie Angus: Thank you.

I think it really does need to be put on the record: What is being proposed here is nothing like what was discussed from the beginning regarding how this committee would operate. I have been on committees for 18 years, from agriculture to almost every other committee. It was based on us coming together with witnesses, going through the witnesses, and trying to figure out what was fair and reasonable, because certain MPs in certain regions represent a bigger share in a particular area or study. If this were allocated so that the Conservatives get 80% of what the Liberals get...it works out great for the two old-fashioned parties. On this file, you guys are probably doing pretty well together.

I brought this motion forward because I really thought we were working—as you said, Mr. Chair—collegially. We were going to work together, put in a work plan, and have a subcommittee. We did all that. We put in all our witnesses and then, suddenly, when there were problems with witnesses, all the conversations stopped. I have to say that, if we're going to base it on proportionality, I am very much seeing a heavy weight on people who are very pro-industry as it is, and status quo, which is fine for them, but if we're going to look at a just transition, we need these other voices.

To change the rules of the game at this point is, to me, bad faith. This is not what was ever said. I am not overreacting. I will fight for my right, as a parliamentarian, to participate properly in hearings, to bring forward witness lists, and to expect those witness lists to be treated seriously. If there is a problem with witnesses, it will be brought back to us at subcommittee, because we have representation from each party and we can work it out.

That was the way we agreed we were going to work. Now, suddenly, the Liberals and Conservatives are saying, “Actually, we really like that we can control the witnesses and our voices are heard more. We didn't even get to the 12 meetings, the eight meetings or the 10 meetings. We can move on.” I question why we would even go further if this is how it's going to be on just transition. I would like to think we can get this done. I would like to think we can have proper witnesses, but I am really concerned that I'm now dealing with bad faith, and I have lost a lot of trust.

I have enormous respect for you, Mr. Chair. I'm not trying to be mean to you, but this is about fundamental principles for how we operate. When you change rules like that and say it's based on proportionality of seats, and then say, “But it wasn't quite”, and somewhere the Liberals.... Then I see it is based on proportionality of seats, because our witnesses have been bumped. These are key witnesses. These are not New Democrat voices. These are indigenous, labour and climate change voices that need to be heard. These are all people engaged in just transition and they've just been bumped. Now we're told, “Well, this is the way we do it here.”

That is not the way it's been done. This is a decision made and I have to protest it. I will continue to protest it, if this is how we're going to operate in future.

• (1920)

The Chair: I would say that, perhaps, the lesson here is: The more explicit we are in our motions to address some of these issues, the smoother it may be.

We'll go over to you, Mr. Bragdon. Hopefully, following you, we'll be able to go in camera and conclude this part of the meeting and get to subcommittee.

Mr. Richard Bragdon: Thank you, Mr. Chair. I've always appreciated your demeanour and approach in my short time on this committee.

I'll just say that precedence is usually one of the biggest things used in the structuring of any committee. In other committees I've served on, whether in the private sector or here on Parliament Hill, precedence is something that brings stability and helps make sure there is a sense of fairness.

Anyone who looks at this objectively, and looks at how committees are structured.... The committee structure within the House of Commons, based on proportionality of seats allocated, is a precedent that was set and is well established in this House. I think that, with the exception of maybe one committee, all other committees function very similarly to this one in terms of their allocation of witnesses per the proportionality of seats.

I appreciate Mr. Angus, his long service on the committee, and his perspectives, but I think you're on very solid ground as far as proportionality of witnesses according to seats is concerned.

Thank you.

The Chair: Thank you, Mr. Bragdon.

Mr. Angus.

Mr. Charlie Angus: Thank you.

I just want to follow up on that precedent, because the precedent when this committee started was that we would choose witnesses based on the study. That was the agreement we had when we began the methane cap study.

We've supplied witnesses based on the agreement we had. I also had that agreement with the former Conservative member, Michelle Rempel Garner. We spoke about witnesses. We spoke about that with Mr. Simard. The precedent that you are creating now is an after-the-fact precedent and, again, it's a precedent that really works for the Liberals and Conservatives.

It was the same on all of the committees I've been a member of—I can take the time to name them. When I was on the agriculture committee, we didn't allot witnesses like that. In the eight years I spent on the privacy and ethics committee, we had the big WE Charity study and the Pornhub study, and witnesses were allotted based on the issues of the need. In the previous Parliament, when I was involved in the Cambridge Analytica study, I worked with the Liberals and Conservatives on creating witness lists that we all agreed were important. None of them were based on proportionality. That was a major undertaking. When we dealt with the privacy issues, that's how it was done.

My Conservative friends can say that this has always been a precedent, but it hasn't been. This is a choice that is being made now at the 10th hour. My fear is that it's because you want to get this study out of the way; but we haven't even finished the methane cap study. It's ridiculous. How many days was the methane cap study? Two or three days? We don't even have a report on that. The emissions cap study I believe is going to take a long battle to even try to get to recommendations.

Are you telling me, Chair, that the witnesses I was allotted for the emissions cap study was based on the number of my party's seats in the House? I would like to have that information, because that wasn't what we were told.

Again, it is very convenient to talk about a precedent and say that everyone else has done this, when not everyone else has done this. I can go through it and I can come back on that. I'll be more than willing to read through all of the various studies that I've been aware of and that I've been involved in—I can take the time to do that—to show that this is not how we operate.

But on something as important as the just transition, I would appeal to my Liberal colleagues that I think it is important that we get this right. It will not look good if it is going to be said that this study has been a waste of time. People trust us to do this. People are expecting that we're going to give the government good recommendations.

When I pushed to get the CLC back, it wasn't because they were labour and they were friends of mine. They were the largest labour union in the country and, as Minister O'Regan said, we must have labour at the table. Of course, we need labour at the table: We needed to have their advice. When we had the witness from Iron & Earth here, I asked her, can you give us your recommendations? This is not about my pushing an agenda. These are the people who are most affected.

We've worked in good faith on this throughout the whole study, but now I'm being told this is the way it's always been done.

Mr. Chair, I appeal to you that for us to move forward, we need to be able to trust one another. We need to have that collegial working relationship attitude. We need to have a subcommittee where we can all sit down—

• (1925)

[*Translation*]

Mr. Mario Simard: The discussion is perhaps redundant, Mr. Chair. We are going around in circles. Our meeting is already running over time and there are people with obligations. I don't want to cut off my friend Mr. Angus, but the discussion is going on and on. I don't know what the purpose of it is.

[*English*]

Mr. Charlie Angus: I'm sorry. If you want me to get to.... I have the floor, Mr. Simard.

[*Translation*]

Mr. Mario Simard: Yes, I'm well aware of that.

[*English*]

Mr. Charlie Angus: I know you may have places to go to, Mr. Simard. I have places to go as well, but I'm taking my role very seriously.

I have laid out some of the issues of my concern. We can talk all night about it in camera. You can go off and do other things if you want, but I'm here to speak on the parliamentary rules that have been in place, that were agreed upon, and that are now being arbitrarily changed.

The Chair: Thank you.

I would agree this is a very important study and we want to get it right.

I have Mr. Bragdon and then Monsieur Simard. At that point, we may be able to go into the next part of our meeting.

Mr. Richard Bragdon: I would recommend that we do go into the next part of the meeting for sure, Mr. Chair.

But I'll just say this in regard to that. We're all for getting the 12 sessions in and, obviously, as Conservatives, making sure that we hear from as many witnesses as possible. But I really feel that we don't want to be coming across as if certain sets of witnesses are more important than other sets of witnesses. We've been hearing from very qualified witnesses from all across the span, who have been brought forward to this committee so far, and we're hearing very valuable insights. They may not line up with everyone's ideology, but we're hearing important and pertinent information from the labour perspective, from the industry perspective and from other perspectives and regional perspectives.

I've got lots of witnesses whom I submitted for the committee to consider and who haven't been called yet. I'm hoping they will, but I'm not going to filibuster based on that at this point, so let's hopefully get this to subcommittee and come to a reasonable conclusion.

Thank you, Mr. Chair.

The Chair: Mr. Simard.

Mr. Angus, is that a residual hand raised or is it a new hand?

Mr. Charlie Angus: That's a residual hand.

[*Translation*]

Mr. Mario Simard: I just want to clarify one point.

My colleague Mr. Angus was saying earlier that we had an agreement on witnesses in the previous study, but that was not the case. We had an agreement on the subject of the study, but we did not have an agreement on the witnesses we would call. That's another thing entirely.

I suppose there are precedents as to operating guidelines. We can all report to our whips. I would recommend that we now move to the closed session portion of the meeting and then we can discuss it. If we're in camera, maybe that will cool things down for some.

[*English*]

The Chair: Perfect.

I'm happy to adjourn and take the next part of the conversation to subcommittee, if people are fine with that.

Some hon. members: Agreed.

The Chair: With that, then, we shall adjourn.

Opening Remarks: Minister O'Regan EN
RNNR Committee
June 1, 2022

Good afternoon, Mr. President, members of the committee

I speak to you from my riding of St. John's, on the island of Newfoundland, which is the traditional territory of the Beothuk.

Thank you for inviting me here today to discuss my work in the just transition to a low carbon economy.

An important part of this work is ensuring that Canada's workers have what they need to succeed.

Over the past two years, we have invested considerable funds in training employees and in our companies to prepare them to create these sustainable jobs.

This includes more than \$1 billion in workforce training and support for workers, especially in sectors in transition. As we highlighted in Budget 2022 and the Emissions Reduction Plan, this is a big step forward.

In the coming year, the government proposes to invest \$2.5 million to launch a union-led consultative table. It will provide advice on priority investments that will help workers cope with changes in the labor market, particularly those working in jobs or working in at-risk sectors.

The term Just Transition can evoke strong emotions for some workers, especially those in the energy sector who may have had families in the oil field for generations. For some workers, these jobs are all they've known. And to get this right, we have to recognize that "just transition" isn't just about making sure no one is left behind - its about acknowledging the role that workers will play in leading our energy transition.

While we are in the consultation process, the feedback we receive will inform our decisions on what action to take for the climate. We will also ensure that marginalized groups such as racialized Canadians, women and youth have access to new jobs and opportunities.

Worker, union, employer and community councils will guide our work, as will the meetings we have had with stakeholders, provinces, territories and Indigenous groups.

Our goal is to make sure we're doing it right for the workers who will be critical to Canada's success in this area. They are at the heart of this project. We cannot ignore them, and Mr. President, we will not.

In order to help Canadians meet the changing needs of industry and transition to a low-carbon economy, Employment and Social Development Canada has recently completed a Call for Proposals for the new Sectoral Workforce Solutions Program.

The program will help workers train and develop. Employers and in particular small and medium-sized enterprises will be able to attract and retain a qualified workforce.

A significant part of this funding will be invested in projects that focus on training people for the jobs that we will need to build up renewables and use new technology to reduce emissions. It will support workforce development needs in sectors that are involved in protecting the environment, oceanic or aquatic ecosystems, and sectors involved in managing natural resources and/or contributing to the low-

carbon economy. This is all part of Canada's Climate Action Plan and Just Transition.

We're also looking at regional tools and opportunities that will help support the transition to a low-carbon future.

Here in Newfoundland and Labrador, new market opportunities are being pursued for offshore renewables, and clean fuels. This oil-producing province is building its workforce and energy systems to capitalize on emerging opportunities that will support a low-carbon economy.

We'll continue to support provinces and territories as they create jobs and drive economic growth across the country.

The point is that a low-carbon economy is both a necessity and an extraordinary opportunity for long-term prosperity—but without workers, there is no transition. In fact, they will lead it.

OK, I think I'll leave it there, I now look forward to questions.

Date: June 1, 2022

Speaking notes for the Honourable Jonathan Wilkinson, Canada's Minister of Natural Resources, for an appearance before the Standing Committee on Natural Resources on their study titled "Creating a Fair and Equitable Canadian Energy Transformation"

Good afternoon. I am joining you from North Vancouver, on the traditional and ancestral territories of the Tsleil-waututh, Squamish, and Musqueam peoples.

In the aftermath of President Putin's illegal and brutal invasion of Ukraine, issues relating to energy affordability and energy security are now very much at the forefront of international affairs.

There are those who, on one hand, would suggest that given the urgency of the energy security issue, we must set aside concerns and actions relating to climate change.

Concurrently, others believe that any move to increase production of fossil fuels – even if to aid our European friends at a time of crisis - should not be pursued given concerns about climate impacts.

Neither of these extremes represents thoughtful nor tenable positions.

As I said when I was in Washington, DC twice recently and again in Berlin for G7, Canada must and will be there to do what we can

to assist our friends and allies in Europe and around the world. And we must continue to aggressively address carbon emissions and I grow our economy in a way that is compatible with a net-zero future.

This economic growth will involve some changes. That is why the Paris Agreement calls on countries to ensure a just transition within their borders.

We are fully committed to ensuring a just transition through the creation of sustainable jobs in every part of Canada.

For our country to remain prosperous, we must ensure that we are acting now to fully seize the economic opportunities associated with a low carbon future. This is why we are consulting with unions, industry, provinces and territories. This will enable us to clearly identify the skills that our labor force will need to thrive in the economy of the future.

But we are not only working for the future, we have already put in place many programs to support workers and communities who can expect to be affected by this transition - Minister O'Regan will speak more to that in a moment.

My message to you is that, in order to plan and implement a transition, we must first determine what it is that we are transitioning to.

As I have told many in this room before, the global economy is changing rapidly. It is changing, in large part, because the science of climate change is telling us that it must.

Around the world, financial markets are increasingly pricing climate risk into investment decisions. Smart money is flowing

away from assets that are not compatible with a transition to a net-zero world, and towards opportunities that are.

Just as any successful business must be capable of interpreting and reacting to changes in the business environment, countries - to sustain and enhance their level of prosperity - must also be capable of thoughtful response and action.

It is in this context that Canada can choose to be a leader in this global economic change - or we can let it happen to us - with all the consequences of being a laggard.

By choosing to lead, we are ensuring that our workers and businesses take advantage of market opportunities that will be worth trillions of dollars.

This morning when I addressed the Vancouver Board of Trade, I announced the first phase of the Regional Energy and Resource Tables, where our government is convening provinces and territories, Indigenous peoples, and other stakeholders - such as workers - to collaborate on accelerating economic activity in line with our net zero future.

We will begin this engagement with British Columbia, Manitoba, and Newfoundland and Labrador, and then engage the rest of the country.

The Regional Energy and Resource Tables will align priorities, funding and financing opportunities, as well as policy and regulatory approaches. By delivering collaborative strategies in every region of the country, we will leverage our comparative advantages to ensure that Canada becomes a global leader in the energy transition.

By working together, we can ensure a just transition through the creation of sustainable jobs in every region of this country.

Thank you.

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