



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 119

Thursday, November 16, 2023

Chair: Mr. Peter Fonseca



Standing Committee on Finance

Thursday, November 16, 2023

• (0850)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): I call this meeting to order. Welcome, everyone.

This is meeting number 119 of the Standing Committee on Finance. We're meeting on the pre-budget consultations in advance of the 2024 budget.

Just for everybody's knowledge, this committee has received an overwhelming and great number of briefs from right across the country, over 850. It is a record number this year.

This is the first time that the finance committee is travelling on pre-budget consultations in five years, so we are delighted to be able to reach out locally right across the country and to be on the ground. We did the Atlantic provinces and, over this week, we've done Quebec and Toronto. We were in Winnipeg yesterday, and today we are here in beautiful Edmonton, Alberta. We're delighted to be here with all of the local stakeholders being able to share their testimony with us.

One of the things we also do on this committee—we're quite a pioneering committee, and this is a great and right place to be when you're pioneering—is that we have something called an “open mike” for individuals who would have liked to come before our committee but for whom there may not have been a space at the table, yet they would still like to provide a deputation.

We have somebody with us today who will be doing that. We'll ask Ms. Jaskiran Mehta from the Terry Fox Foundation to please come to the open mike and provide us with your statement and your testimony.

Thank you.

Ms. Jaskiran Mehta (As an Individual): Good morning, everyone.

My name is Jaskiran Mehta. I received the Terry Fox Humanitarian Award, from 2005 to 2009, during my undergraduate studies at the University of Winnipeg for my Bachelor of Science degree. I went on to further pursue my education by moving to Alberta to fulfill a medical sciences degree in oncology. I now work in the management of clinical trials for a global organization, setting up trials to treat cancer.

Words cannot express the impact that this award had on my life. I come from a lower-middle-class family where finances were always limited. Receiving this award allowed me to focus and excel in my education, leading me to where I am today.

The recipients of this award are not your average group of individuals. They're a very special group that exemplifies the qualities of Terry Fox himself. They have overcome challenges, adversities and obstacles, all while excelling in their education and humanitarian efforts.

This award not only gave me, as a recipient, an opportunity, but it gave me a chance to impact the lives of thousands by the ripple effects of my work. Therefore, please, when considering the dollar allocation per recipient, also think about the exponential reach of those dollars.

Thank you.

• (0855)

The Chair: Ms. Mehta, thank you very much. That was excellent. Thank you for your advocacy. Thank you for all that you have accomplished, and thanks to the Terry Fox Foundation for what it's done for our country not just here but globally. Thank you. We appreciate that.

Members, I know it's not nine o'clock as of yet, so we do have some time. I think this is an opportunity for members, as we go around the table, to be able to share where they're from, their bidings and a little bit about themselves for our witnesses.

We do have a local—he is not local to Edmonton but to Calgary—Jasraj Hallan, MP for Calgary Forest Lawn.

Maybe we could start with you, MP Hallan.

Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC): Hi, everyone. Thanks for being here today.

I would have preferred that we were in the better city of Alberta, but it's okay. We'll make do.

I'm the proud member of Parliament for Calgary Forest Lawn. Also, I'm the shadow minister of finance for the Conservative Party.

I was born in Dubai. I moved here when I was five. Kind of like Jaskiran said, I come from a lower-income family. I'm blessed to be here where I am today after going through.... An at-risk youth is what I was designated as, but, through the blessings of God and this country, I'm here today as a member of Parliament. That's a little bit about me.

I ran a home-building business before this and also ran an after-school program for at-risk youth, so that's where most of my passion is today.

Thanks for being here.

The Chair: Before we go to Mr. Morantz, we've been asked by the technicians to not touch the mikes. They will manage the mikes. If someone does touch their mike, I guess it turns all the mikes off, so everything will go off.

Interpretation devices are available. Channel 1 is for English, and channel 2 is for French.

Thank you.

Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC): That's good to know, Mr. Chair. I'll try not to touch the button when Mr. Blaikie is speaking.

I'm Marty Morantz, member of Parliament for Charleswood—St. James—Assiniboia—Headingley, which is in Winnipeg. I was elected in 2019 and then re-elected in 2021.

I currently serve as the associate shadow minister of finance with my colleague, Jasraj Hallan. I'm delighted to be in the excellent and beautiful city of Edmonton. I look forward to hearing your testimony.

Thank you.

The Chair: Go ahead, MP Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Hello everyone.

My name is Gabriel Ste-Marie and I am the member of Parliament for Joliette, representing the Bloc Québécois. Joliette is located about a 45-minute drive northeast of Montreal.

I am pleased to meet you. Our committee always has very enlightening panels of witnesses and we take a lot of notes. We will try to include your important recommendations in the report we will be presenting to the Minister of Finance and her colleagues so they are reflected in the next budget.

I will take this opportunity to say that I understand now why there is a housing shortage in Canada. It started when Mr. Hallan left his construction firm to go into politics.

[*English*]

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Good morning, everybody.

My name's Daniel Blaikie, and I'm the member of Parliament for Elmwood—Transcona, which is a Winnipeg riding. I'm a construction electrician by trade and NDP finance critic, employment and workforce development critic, and critic for democratic reform.

I'm very pleased to be here in Edmonton. I quite like Edmonton. I think there are lots of great people, so I'm glad to be here.

The Chair: Thank you.

Go ahead, MP Baker.

Mr. Yvan Baker (Etobicoke Centre, Lib.): Welcome, everybody, and thank you all for being here and for your advocacy on your respective issues and causes.

My name is Yvan Baker. I'm the member of Parliament for a riding called Etobicoke Centre, and unlike Jas, I'm very happy to be here. My riding is a suburban community on the western side of the

city of Toronto. For those of you who land at Pearson Airport and head into the city, you go through my riding almost immediately as you drive along Highway 427.

I'm proud to be a member of the finance committee. I used to be a member of provincial parliament in Ontario, where I also served on the finance committee and as the parliamentary secretary to the minister of finance in that context.

I'm happy to be here and look forward to your input.

The Chair: Go ahead, MP Dzerowicz.

Ms. Julie Dzerowicz (Davenport, Lib.): Thanks so much.

Thank you for being here today. It's my first time in Edmonton, although I've been right across Alberta.

I am Julie Dzerowicz. I am the member of Parliament for Davenport, which is a riding in downtown west Toronto. I spent about 20 years in the business world and co-founded an environmental group. My mother though—and I don't think anybody else knows this—actually comes from a farming family, so I know through her a lot about rural life.

I'm also president of the Canada-NATO Parliamentary Association, so I do a lot of work on national security and defence.

It's a real pleasure to be here. Thank you.

● (0900)

The Chair: Thank you, MP Dzerowicz.

I'm Peter Fonseca. I'm the MP for Mississauga East—Cooksville. I've been to Edmonton a number of times. Actually, I was saying to Deborah Yedlin that I had run the half marathon here. I can't remember how I placed, but it was pretty good. I also came to meet a friend who started a great business here called the Running Room, John Stanton. You may know John. He has a big personality, and he's done a great job, not only here but well into the United States, which is terrific.

For all of this to happen, we have our clerk, Alexandre Roger, whom you probably all know best and who helped set you up here today. We also have our analysts, our technicians—as I said, don't touch the mic, everybody—and our interpreters, who do a tremendous job and make sure that we have all of our proceedings in both official languages.

On that, we are going to now welcome our witnesses.

For our witnesses today, we have, from the Alberta Federation of Labour, president Gil McGowan. From the Calgary Chamber of Commerce, we have Deborah Yedlin, president and chief executive officer. From the Canadian Business Aviation Association, we have Anthony Norejko, president and chief executive officer. From Rural Municipalities of Alberta, we have Paul McLauchlin, president. Finally, from the Association canadienne-française de l'Alberta, we have Nathalie Lachance, who is the president, as well as Isabelle Laurin, who's the executive director.

Now you will all have up to five minutes for your opening statements. We are going to start with the Alberta Federation of Labour, please.

Mr. Gil McGowan (President, Alberta Federation of Labour): Thanks. Good morning.

As you said, my name is Gil McGowan, and I have the honour of serving as the elected president of Alberta's largest worker advocacy group, the Alberta Federation of Labour, which represents workers in all sectors of the Alberta economy.

On behalf of our members, I would like to thank the committee for this opportunity to share some of our concerns and suggestions about the economy and the next federal budget. In the short time available to me, I'd like to focus on three issues of major concern to our members: the affordability crisis, the unfolding global energy transition and the Alberta government's proposal to pull out of the Canada pension plan.

When it comes to the affordability crisis, we wholeheartedly support federal initiatives to work directly with municipalities to build more housing. However, we humbly suggest that greater efforts should be made to ensure that those projects pay prevailing wages and provide opportunities for skilled trades apprenticeships. Frankly, too many contractors in the residential and commercial construction sectors cut corners on wages, and most of them are not holding up their end on training the next generation of tradespeople. If they are going to get public money, they should be required to do better.

Another concern on affordability has to do with the temporary foreign worker program. The government clearly has given in to lobbying pressure from low-wage employers and has opened the floodgates to guest workers in the low-skill categories. This is putting upward pressure on housing costs and downward pressure on wages, the opposite of what working people in the province want to see during these inflationary times.

Also on the issue of affordability, we would like this committee to seriously consider the idea of introducing an excess profits tax to discourage oligopolistic companies from using their market power to jack up prices. Frankly, we're tired of inflation being blamed on worker wages and government spending when it's clear that the real problem is that many big companies, including grocery chains and oil and gas companies, have used the pandemic as a pretext to boost profits by gouging consumers.

Here in Alberta, we also have the problem of power companies using market manipulation tactics, like so-called economic withholding, to impose obscene price increases on residential and commercial customers. Our provincial government has refused to do anything about this highway robbery, so we would like the federal government to consider stepping in.

On the subject of the global energy transition, we would like to sincerely thank the federal government for the investment tax credits included in budget 2023 and for the labour conditions that were attached to those credits. However, we want to draw your attention to efforts being made by some corporations here in Alberta to game the system. In particular, a number of big project sponsors are try-

ing to water down and get around requirements related to prevailing wages and apprenticeships. This can't be allowed to continue.

Also on the energy transition, we want to stress the need to pass the sustainable jobs act so that workers have a seat at the table when we're shaping industrial policy. We also encourage this government to start looking at the clean energy regulations as a platform for industrial policy and job creation, not simply as a mechanism for emissions reduction. We would like to encourage the government, again, to look at the Biden administration for inspiration, particularly its strategies to speed up the approval of the diversification projects and its announcement of a youth climate corps, which is an idea that we find very intriguing and that we think would be enthusiastically received by young workers here in Alberta.

Finally, with regard to the Alberta government's proposal to pull out of the CPP, we would like to encourage the finance minister to direct the chief actuary to do more than just calculate the amount that Alberta could take out of the CPP fund should it decide to leave. She should also be asked to clearly outline the impact that this proposed divorce would have on the retirement security of workers and retirees in both Alberta and the rest of the country.

I think my time is up. With that, I thank you, and I look forward to your questions.

• (0905)

The Chair: You were ahead of time, but that's great, Mr. McGowan. Thank you very much for your opening remarks. I'm sure there will be a lot of questions.

Now we'll hear from the Calgary Chamber of Commerce, please.

Ms. Deborah Yedlin (President and Chief Executive Officer, Calgary Chamber of Commerce): Thank you.

My name is Deborah Yedlin. I am the president and CEO of the Calgary Chamber of Commerce.

Before I begin, I would like to acknowledge that I am delivering these remarks on traditional Treaty No. 6 territory.

On behalf of our member businesses, I want to thank you for the opportunity to share our recommended investment, regulatory and legislative priorities for budget 2024.

First, allow me to provide a brief background of the Calgary chamber.

We exist to help businesses reach their potential. As an independent, non-profit, non-partisan organization, we advocate for businesses of all sizes and across sectors. Our focus is building strength and resilience among members, working collaboratively with them to ensure Calgary and Canada, more broadly, remain a magnet for talent, investment and opportunity. Our submission to the committee reflects this focus, having been drafted in consultation with our business community, ensuring their most pressing needs are heard.

Our membership is incredibly diverse, ranging from small family businesses to large multinational corporations. While each business faces specific challenges, many share the same obstacles, including increasing inflation, rising costs, interest rates and persistent labour shortages. It is with this in mind that I would like to focus my remarks on four key pieces within our submission: supporting affordability and fiscal prudence, addressing labour force shortages, the importance of infrastructure investments and the role of innovation in economic growth and diversification.

In budget 2024, we encourage a balance between policy objectives and maintaining affordability for Canadian businesses. Cost-related challenges remain businesses' most pervasive near-term obstacle. Blanket government policies and regulations create winners and losers, significantly disadvantaging some regions over others. As one country working towards the same goal of a prosperous national economy, proposed legislation must consider regional differences, especially when they are associated with cost implications. The government has already acknowledged as much through its recent pause on the price on pollution for some heating oil in Atlantic Canada.

Balancing policy objectives and affordability is possible. Implementing clear and consistent regulatory frameworks and ensuring regional nuances are accounted for in policy development provide businesses with predictability, the foresight required for long-term planning and the confidence that unique jurisdictional challenges will be recognized and accommodated to the extent possible.

Doing so has an added incentive to investment attraction. While we can't compete with the incentives provided in the United States' Inflation Reduction Act, we can adjust our regulatory system to be a competitive advantage for Canada by decreasing time frames for project approvals. This is correlated to economic productivity, as regulatory delays harm project approvals and development and translate into a real opportunity cost to the country.

In the same vein, budget 2024 must lead by example, recognizing the cost challenges businesses are facing through a commitment to fiscal prudence. In an environment characterized by high inflation and geopolitical uncertainty, Canada's fiscal and monetary policies must be better aligned, recognizing the Bank of Canada must continue to operate from arm's length and independently from government. While the government has taken steps to reduce its spending, actions that reduce the federal deficit and pay down debt are needed. Importantly, we encourage budget 2024 to minimize new investments until such a time that existing funding not yet utilized or allocated can be disbursed and spent.

I would also add that small businesses are particularly impacted by cost-related challenges, and that where possible the government should exhaust all options at its disposal to support these business-

es, such as further extending repayment deadlines for CEBA loans. CEBA loan extensions are particularly important to Alberta businesses, considering that the number of Alberta businesses approved for loans was the third-highest nationally, at 14% of all loans issued.

Second, we must remain focused on addressing persistent labour shortages. With 30% of Canadian businesses expecting labour shortages to pose a challenge to their growth, it is more important than ever to set conditions for success. As we expect 100% of national labour force growth to come from immigration in the future, addressing our labour shortages requires attracting more newcomers to Canada and ensuring we set them up for success on arrival.

That's why budget 2024 should include targeted reforms to Canada's temporary foreign worker program. We encourage the government to engage with local businesses to understand their temporary foreign worker requirements and further collaborate with provinces and territories to ensure that provincial nomination limits and the time workers are eligible to remain in Canada are aligned with labour market needs.

At the same time, we must ensure newcomers are successfully integrated into our communities. Settlement services and Canadian credentialization are critical to this. Immigrant settlement agencies are crucial to the settlement and integration of newcomers into Canada's labour force, and we urge the government to ensure they are adequately supported, recognizing that many organizations are facing challenges due to uncertain funding, which will inevitably lead to impacts on the services they deliver.

● (0910)

In the same vein, budget 2024 should look to address persistent issues surrounding foreign credentials and experience recognition. We encourage the government to collaborate with businesses, professional associations and colleges, as well as industry regulators, to identify and implement solutions that ensure that newcomers are eligible to work in in-demand fields upon arrival, providing immediate relief to many of the businesses struggling to find skilled talent.

Third, budget 2024 is an opportunity to refocus our national infrastructure investments to the benefit of our economy. Critically, budget 2024 must continue to advance affordable housing. For this reason, we are encouraged by the government's decision to approve the City of Calgary's recent submission to the housing accelerator fund, committing \$228 million to support the development of 6,800 new homes across the housing spectrum.

At the same time, we must ensure that we provide the cultural experiences people look for when choosing which communities to call home, and downtown vibrancy is critical to these experiences. Locally, the City of Calgary and the Government of Alberta have made significant strides towards the revitalization of Calgary's downtown, and additional support for downtown revitalization can unlock even greater economic potential. By collaborating with others—

The Chair: Thank you.

Ms. Deborah Yedlin: Am I done?

The Chair: We're well past the time, Ms. Yedlin, but you're going to have a lot of time during members' questions to witnesses.

It was five minutes, but, as I said, you'll have a lot of time during questions from members.

We are going to hear now from the Canadian Business Aviation Association, please.

Mr. Anthony Norejko (President and Chief Executive Officer, Canadian Business Aviation Association): Good morning, Mr. Chair. Thank you.

My name is Anthony Norejko. On behalf of the Canadian Business Aviation Association, I am here to discuss key considerations for the upcoming 2024 pre-budget consultation. By way of a quick background, our association is the voice for business aviation in Canada. We represent almost 400 members and the 1,500 aircraft that operate across the country coast to coast to coast, and 300 of those aircraft are based right here in Alberta. Our recently completed and soon to be released economic impact study demonstrates that business aviation operations and manufacturing in Canada support directly 25,600 jobs across the country, earning \$3 billion in wages. In fact, the average wage per direct job is just over \$116,000.

In short, our industry moves both Canadians and our economy forward every day. My testimony today will focus on three pivotal themes: the impact of the luxury tax, the crucial role of sustainable aviation fuel and the imperative need for a comprehensive study of the aviation industry's economic influence on Canadians.

Firstly, the implementation of the luxury tax needs careful scrutiny and continued review. Although the federal Department of Finance Canada estimates only minor economic losses to the aerospace sector from the tax—between \$2 million to \$4 million in GDP and 10 to 20 full-time job losses—a study conducted by the researchers at HEC Montréal and circulated by our colleagues at the Aerospace Industries Association of Canada anticipates far worse consequences to the industry and, by effect, the national economy at large.

In 2022, it is estimated that the tax resulted in the lost sales of no less than 18 business jet aircraft, equivalent to roughly \$800 million in lost revenue. However, the potential full-year consequences to the sector include losses to manufacturers of not only business jets but other aircraft types, along with employment losses to the broader aerospace supply chain, business aviation operators, and maintenance, repair and overhaul businesses in Canada. Across all these subsectors combined, the anticipated losses include at least 2,000 direct jobs with a conservative estimate of \$149 million in lost wages. These lost wages imply \$29.9 million in forgone annual income tax revenue to the federal government, which would exceed the \$9 million in annual revenue expected to be collected from the luxury tax itself. Additional consequences may include forgone foreign direct investment into the Canadian aerospace sector at risk as a result of a less industry-friendly government, along with environmental impacts associated with operators retaining older and used aircraft with lower fuel efficiencies instead of buying new technologies to improve both safety and environmental performance.

This brings me to the topic of support for sustainable aviation fuel. It is vital to address the support for SAF. SAF presents a transformative opportunity and is today the single largest lever we can pull for aviation emissions reductions. By investing in SAF, the government can position Canada at the forefront of aviation sustainability. This not only aligns with our environmental commitments but also stimulates green innovation and job creation. Therefore, allocating budgetary resources towards SAF development, infrastructure and incentives to use the fuel when available, is a strategic move for the long-term environmental and economic benefits.

Lastly, I want to emphasize the importance of this committee undertaking a detailed study of the entire aviation industry. I'll start by sharing some quick statistics to help frame the story. Each business aircraft in Canada has a direct economic impact that results in 7.1 jobs per aircraft, \$770,000 in wages to Canadians per aircraft, almost \$1 million in GDP per aircraft and at least \$305,000 in taxes per aircraft.

Business aviation operations and manufacturing result in \$1.2 billion in taxes paid to the federal, provincial and municipal governments. While this is just one sector of Canada's air transportation system, it is a substantial contributor to our economy, offering employment, facilitating trade and connecting our communities. Canada's air industry competes globally and benefits us locally. Understanding the entire sector's dynamics, challenges and potential is critical for informed policy-making. This study should review no less than six critical areas of Canada's air industry: the role of government, airports, airlines, air operators, air navigation, and lastly, manufacturing and maintenance. This in-depth study could pave the way for strategic decisions that bolster the industry while ensuring it aligns with our national economic goals.

In conclusion, the upcoming budget presents a unique opportunity to address these critical areas. By carefully evaluating the impact of the luxury tax, strongly supporting sustainable aviation fuel and undertaking a thorough study of the aviation industry, we can ensure balanced, forward-looking policies that benefit all Canadians.

Thank you for your attention and for the pivotal role you play in shaping our nation's economic policy.

Thank you.

● (0915)

The Chair: Thank you, Mr. Norejko.

Now we'll hear from the Rural Municipalities of Alberta.

Mr. Paul McLaughlin (President, Rural Municipalities of Alberta): I appreciate being here today. Thank you to the committee and thank you, Chair.

I represent 85% of the land base in the province of Alberta, including 69 municipalities. We have 15% of the population and contribute 26% to the GDP and 44% of capital investment. We are stewards of the air, the water and food security. These are all critical issues that I deal with from a rural standpoint.

To MP Hallan, I grew up in Marlboro. Go figure. I moved back to the farm and married a Burlington girl, so I'm connected to everybody here, I think.

The message I have for you folks has to do with understanding the journey we are on. Rural connectivity is a critical and pivotal piece of the investment piece. Going back to the conversation related to investment, rural connectivity is critical. We do appreciate the announced investments, but the flow of money has not met the need. Alberta has actually been terribly behind and only about 35% of rural Alberta has broadband that actually matches the expectations.

We need to have these investments a little quicker and continue these investments, because Alberta is terribly behind. There are really the unserved folks, the rural remote folks who are the most unserved.

I want to talk about resilient rural communities. You have to love Alberta. Five of the 10 largest insurance claims for weather-induced events have occurred in the province of Alberta. If you go to Lloyd's of London, they know exactly where Alberta is, whether it's related to a fire, a flood or you name it.

I want to talk a little bit about resilient communities with respect to looking at disaster recovery to build back better. "Like for like" has been the model, but communities, especially small communities, need to have those core investments to understand what the risks are and the risk mitigations for these weather-induced events. It's critically important.

I represent a low population and a large land base. The municipalities I represent actually have more responsibility, with 65% of the roads in the province of Alberta and 55% of the bridges, but we have low population and that is due to the small towns that are near us. This rural infrastructure conversation is one of our biggest issues. As a municipal councillor and the reeve of Ponoka County, I have 10,000 people, and I actually have a \$170-million bridge liability among those 10,000 people, because we have the responsibility for those bridges.

We are required to replace this infrastructure—and again I go back to the conversation related to weather-induced events—if we do have a situation where we're having a disaster such as a fire or flood. The good folks in Edson had both and got evacuated twice. This is a stark reality we are dealing with, and building this resilient infrastructure is an important conversation. I won't lie to you, folks: The Government of Alberta is starting to assert itself, much as other provincial governments have, in that they are trying to break the relationship or any type of relationship between municipalities and the federal government. They are actively doing so.

I'm very concerned about that, because although we are children of the provincial government, I don't like being treated like a child. We do amazing things with our low population. We take care of an incredible amount of infrastructure that's extremely cost-effective. It is really important to ensure that we have this conversation and we create this relationship to create a better rural Alberta.

Ultimately—I am also on the Federation of Canadian Municipalities—this is all across Canada. Rural communities work hard. They need a hand up, and they need some help that way as well.

One final piece I want to touch on is the policy piece: someone writing cheques with our butts but we're not at the table. Retroactive RCMP pay has been a huge blow to small municipalities across Canada. I know we can't go back in a wayback machine, but that policy choice and those choices made on retroactive pay have caused undue harm to many municipalities.

We're trying to do more with less, and those types of policy choices that provide that downloading of negotiated fees to municipalities are critically important. It's a big issue for a lot of municipalities because we're doing more with less.

I'm the president of Rural Municipalities of Alberta. My two top issues are health care and policing, but my responsibility is roads and bridges. That is a stark communication on really where we're at as a society, and we need to have this conversation.

Thank you so much.

• (0920)

The Chair: Thank you, Mr. McLauchlin. Yes, municipal government is really where the rubber meets the road, and we all know that.

Now we will hear from the Association canadienne-française de l'Alberta.

Go ahead, please.

[*Translation*]

Ms. Nathalie Lachance (President, Association canadienne-française de l'Alberta): Hello everyone. Welcome to Edmonton, a very beautiful city in a beautiful valley.

My name is Nathalie Lachance and I am president of the Association canadienne-française de l'Alberta, the ACFA. With me is our executive director, Isabelle Laurin.

I want to extend a warm welcome on Treaty 6 territory and the territory of the Métis nation. I think it is important to note that we are commemorating Louis Riel today and there will be an event at 11:00 this morning in front of the Legislative Assembly of Alberta.

Thank you for the invitation to appear before this committee and to express the concerns of the francophone community of Alberta.

Since 1926, the ACFA has been defending the gains of Alberta's francophonie, advancing its rights, and enhancing its vitality. The ACFA represents more than 261,000 French-speaking Albertans, a growing francophonie, and more than 50 francophone organizations. As a member of the FCFA, the Fédération des communautés francophones et acadienne du Canada, the ACFA supports the recommendations put forward by the FCFA in its brief presented to your committee last August.

I take the opportunity of my presence here to revisit some of these recommendations, and to add a few points about the realities faced by our francophone communities in Alberta.

Last April, the ACFA enthusiastically welcomed the Action Plan for Official Languages 2023-2028, which included a historic, but temporary, increase in investment in official languages. Although the federal government increased the amounts earmarked for core funding of organizations operating within Canada's francophonie, these amounts fell short of the FCFA's recommendations to avoid the breaking point for organizations. In our opinion, core funding should be increased in the next budget.

Before the pandemic and inflation, many organizations were already struggling to make ends meet. This reality has only intensified over the past year: rising rent costs, increased event organization costs, increased travel costs, departure of employees in a context of labour shortage, as they find better-paid jobs elsewhere, and inevitable deficits to meet deliverables.

The need to act is urgent. That is not to mention the organizations that receive no core funding, like our community media, and which have also seen their federal advertising revenues plummet. To add to the problem, here we are, seven months after the unveiling of the action plan, and none of the funding and programs planned for the current fiscal year has been confirmed and allocated to our francophone communities. We are still waiting, even though the federal government should be distributing these funds now, and it is important to note that they must be spent by March 31.

Meanwhile, our organizations are having to cut back on their operations. Successful programs are also being put on hold. In a minority situation, we do not have the luxury of advancing funds and risking the future of our organizations while we wait for the federal government to sort out the paperwork to distribute the funds. These delays are far from a positive measure, as intended by the Official Languages Act: they weaken our francophone communities.

In our opinion, Alberta's francophonie is experiencing an additional problem related to the significant growth of its French-speaking population over the past 20 to 30 years. The federal government must review its funding envelopes to reflect these new realities. Alberta often mentions that it wants its fair share from the federal government. The same is true for Alberta's francophonie.

This is true for French-language education, whether through francophone or French immersion schools, which is crucial to Alberta's francophonie. The OLEP envelope for Alberta, the Official Languages in Education Program, has not changed in several agreements, despite the fact that our population and educational needs have grown significantly. It is time for the federal government to recognize that we need to review these amounts. The data released by Statistics Canada on section 23 charter rights holders now supports what our francophone school boards have known and said for many years.

Last June, the ACFA also welcomed the modernization of the Official Languages Act. More than six years of work has been invested, both by the federal government and representatives of francophone communities, such as the ACFA. The federal government must provide adequate funding for the implementation of the new act in its next budget. This is fundamental for us. Without this funding, the federal government will not have the means and resources to meet the new requirements imposed by the act.

Think about Immigration, Refugees and Citizenship Canada, which is now obliged to implement a strong francophone immigration policy to increase the demographic weight of francophone minority communities. To achieve this, it is imperative to fund a real strategy for the internationalization of the francophonie. And think about Radio-Canada and its regional stations that serve our francophone communities, including Alberta, and whose fears of cuts are already worrying us. And our community organizations, which are already at breaking point, will have new workloads added to them to respond to countless requests for consultations or evidence from federal departments.

● (0925)

Finally, when it comes to transferring funds to the provinces and territories for various initiatives, the federal government must continue to include language clauses. In Alberta, for example, we have seen major advances in health and early childhood over the past year, with transfer agreements including language clauses. Without these clauses, French-language services are not automatically provided by our provinces, to the detriment of francophone communities.

Thank you.

The Chair: Thank you, Ms. Lachance.

[*English*]

Now we're going to get to questions from members. In our first round of questions, each party has up to six minutes to ask you questions, witnesses.

We are starting with MP Morantz for the first six minutes.

Mr. Marty Morantz: Thank you, Mr. Chair.

Ms. Yedlin, how much longer did you have to go on your statement? Was it another minute or so?

Ms. Deborah Yedlin: Yes, it was probably a minute or a minute and a half.

Mr. Marty Morantz: Okay. Why don't you just fire away?

Ms. Deborah Yedlin: Okay.

Really what I wanted to highlight was the importance of innovation in the energy sector, so I'll just talk about that.

Our legacy in the energy sector has led to Alberta businesses being the pioneers of sustainable energy products, and decarbonization technology is critical to achieving Canada's ambitious climate goals. What we're talking about and looking for is regulatory stability and financial predictability, because this is actually germane to the prosperity of the national economy.

The investment tax credits have been welcomed as an incentive for investment, but there continues to be a lack of clarity on the specifics of these credits, coupled with concerns over the long-term stability and direction of climate policy in Canada. This has meant that capital remains on the sidelines or goes south to take advantage of the IRA, as investors weigh the risks of continued investments in the energy sector.

I would highlight the decision by Carbon Engineering, which was pioneering direct-air capture technology, which was started at

the University of Calgary, to develop its inaugural commercial facility in the United States, as one such example. The IRA made the numbers work a little differently than they would have in Canada.

The other thing that we really wanted to emphasize is the importance of the implementation of carbon contracts for difference so that companies can actually rely on a floor price for carbon and be able to go and finance the projects they're interested in financing.

The rest of my submission was about the incentives and the lack of clarity.

● (0930)

Mr. Marty Morantz: Thank you very much.

You mentioned in the early part of your submission the pause on the carbon tax for home heating, I believe, in the Atlantic provinces. It's become a Pandora's box, a nightmare, for the Liberal government, because they're essentially treating one region of the country differently for political reasons than the rest of the country.

There's a huge fairness issue here. What makes it even worse is that a minister of the government went on a TV interview and actually said that, if western Canadians want the same break, they should elect more Liberals. There are quite a few Liberals in Winnipeg, and they're pretty ineffective, because they couldn't get that same break.

Now, the government will argue that it's across the country and it's a national program, because anyone who heats their house with home heating oil gets the break, of course. I've lived in Winnipeg, Manitoba, all my life and never actually met a single person.... In fact, I didn't even know you could heat your home with home oil until I got into this job. It's all natural gas and some hydroelectricity.

Would you agree that there's a fundamental lack of fairness in not giving a carve-out for home heating across the board to all Canadians?

Ms. Deborah Yedlin: We are of the view, absolutely, when we talk about the affordability issue, that not every jurisdiction is created equally. In fact, we did write an op-ed that appeared in the Calgary Herald addressing that very issue. It was framed on the clean electricity regulations. Not only are we in a jurisdiction that depends on natural gas for home heating, but it's also very critical to our grid infrastructure. Those are two pieces where we see a blanket policy, and that speaks to what we said in our submission.

Of course, the other piece is the fuel tax on natural gas for the farmers and their heating structures, and in fact not having any alternatives for those.

Mr. Marty Morantz: Yes. In fact, we had the Minister of the Environment, Minister Guilbeault, say that there would be no more carve-outs as long as he's the environment minister.

Now, Bill C-234, which is I think the bill you were alluding to, is being tied up in the Senate by Liberal-appointed senators right now, but I look forward to its passing and to Minister Guilbeault resigning as cabinet minister, assuming he's a man of his word.

Can you maybe talk about the unfairness when it comes to businesses, because the government has been telling us for eight years that people get back more than they pay. We know now that's not true, because they've created a carve-out for home heating oil in Atlantic Canada. Those people weren't getting back more than they paid. We know businesses, small business people, have never gotten back more than they've paid. Can you comment on the unfairness of that?

Ms. Deborah Yedlin: What we were trying to point out is that, when we look at small businesses as the engine of this country from an economic standpoint, we need to make sure that everybody has an opportunity to have a sustainable business. When there is an element of unfairness in a policy, that's something we are obviously very much interested in highlighting, because we need to be competitive as a country, and I think this speaks to something else. From an economic productivity standpoint, we need to make sure that everybody has opportunities that they can execute, and we need to make sure that policies are appropriately focused on ensuring that success.

Mr. Marty Morantz: On that note, you touched on the issue of foreign credentialization in your statement as well, I believe. One of the policies that our party has brought forward is a Blue Seal program for people who come to Canada who have skills.

We have people who are trained as nurses and doctors who are working in low-wage jobs because they can't get their credentials. If we were in government, we would do whatever we could to make sure that they have the opportunity to prove their credentials at the very earliest opportunity. Is that something that the Calgary chamber is in support of?

● (0935)

Ms. Deborah Yedlin: We advocate for making sure that the path for credentialing is very clear so that people have access to programs to upscale, re-skill and gain their credentials in Alberta.

I would like to point out that the Alberta government has put in a policy for attracting nurses from around the world, and we have been able to get them through a program at Mount Royal University. It has been oversubscribed, but it's proving to be successful. It's an issue of capacity, so we've figured out how to do that in Alberta from a credentialing standpoint to make sure that we alleviate the pressures in the health care system.

The Chair: Thank you, MP Morantz.

Now we go to MP Dzerowicz, please.

Ms. Julie Dzerowicz: Thank you, Mr. Chair.

I want to thank all of our witnesses for being here today and for the excellent presentations.

I'm going to start very quickly with Mr. McGowan.

Thank you so much for your presentation.

I do so many things I forget sometimes. I co-chair our national immigration and refugee caucus over on the Liberal team, so I know a lot about immigration. I will tell you that your comment around the foreign worker program is very much.... We understand that. I think we did a temporary adjustment just because there was such an urgent need as we were coming out of the pandemic, but we have no desire to bring in more workers as that would continue to create pressure for lowering wages.

The question I have for you is around this. Because our immigration system hasn't adjusted fast enough to be able to bring in some of the skilled labour that we need, there's a number of non-status workers across our country, many of whom have been here for years. They've set themselves up. They have families. One thing we're looking at is normalizing non-status workers. Would that be something that the Alberta Federation of Labour would support?

Mr. Gil McGowan: I just want, if it's okay, to respond to one of your initial comments. Then I'll respond to the comment on normalization.

With due respect, and I appreciate your saying that you hear our concerns about temporary foreign workers, this government has announced a fast track for the temporary foreign worker program as a pilot program, and we would respectfully ask that you rescind that pilot program. It has been put in place for agricultural workers. It's scheduled to be in place for low-wage workers in the service sector as of January 1. It's a mistake, and we should not be making decisions about how many guest workers come into the country, especially in the low-wage category, in response to lobbying pressures from low-wage employers. Their incentives are all wrong.

The best interests of the public should be decided by policy-makers like you as opposed to responding to low-wage employers who just want to defy the economic laws of gravity, when, in this current context of labour shortage, wages should be going up.

On normalization, we support the idea of normalizing those workers who have been in the province.

Ms. Julie Dzerowicz: Thank you.

Then, on the sustainable jobs front, I had the privilege of getting to Denmark, which has transitioned out of oil and gas into renewable energy. It is very specific about working in two key regional areas to transition its workers.

What's the top advice you have for us as we're moving toward sustainable jobs and moving that forward?

Mr. Gil McGowan: The top advice is that this government should continue on the track it's on. We've already dealt with the transition for workers in the coal-fired power sector. We're the only province I think that has negotiated a sector-wide just transition package for a group of workers who have been affected by climate policy. It's been very successful, but in oil and gas there's a much bigger group of workers and our members in that sector have been very clear that we don't want economic labour market adjustment policies like training and pension bridging. Those are necessary, but not sufficient.

What we really want is an industrial policy to create jobs in new sectors. We support the investment tax credits. The Americans are leading the way with the IRA. We support labour conditions for things like prevailing wage and training. There's an opportunity to use this investment strategy and investment policy to train the next generation of trades to address the labour shortage that we all identify.

For us, in a nutshell, sustainable jobs and a just transition means industrial policy supported by government in the public interest.

Ms. Julie Dzerowicz: Thank you.

I will shift over to Ms. Yedlin.

Ms. Yedlin, we are in an intangible economy where even in some of our old industries, oil and gas or the auto sector, still need new technologies in order to succeed in the 21st century. Intellectual property is going to be key for future economic success. I would also argue that we need investments in IP education, generation and retention. That will be critical.

What would be your recommendation to government for us to be helpful to businesses in succeeding in the 21st century, given the fact that we are an intangible economy?

• (0940)

Ms. Deborah Yedlin: Every business's success today depends on the adoption of technology. When we look at numbers right now and our economic productivity, when we rank 29 out of the OECD countries in terms of economic productivity per capita, it's absolutely critical that the technology option is spread throughout the economy. We know that small businesses need to have supports to be able to adopt the technologies that will help make them more competitive.

Having said that, we need to look at how we de-risk technologies and the role that government can play in making sure that companies that do develop technologies have a place where they can develop, scale and commercialize. I want to point to the Canada growth fund as one example. There was an announcement two weeks ago when Deputy Prime Minister Freeland was in Calgary that there was funding of \$90 million provided to Eavor Technologies, which is a geothermal company doing a pilot project in Germany.

Ms. Julie Dzerowicz: Do you think that the federal government should be investing in IP education, generation and retention, or do you think that is already strong out there?

Ms. Deborah Yedlin: I think we should absolutely do that to make sure that we retain the IP. The point made when that an-

nouncement was made in Calgary by the CEO of the company was that, if the support wasn't there the company probably would have been sold because they were looking at a sale. This way the IP stays in Canada, and we need to make sure we do more of that to allow the companies that have developed something that is proving to be successful....

The government plays a de-risking role in supporting those innovative technologies, and then they can get out of it. It's not something that they have to be forever invested in. There is a market. You have something that's proven. I would point to the Israeli model. That's exactly what's happened in that company in terms of how they support the commercialization of new technologies, and then the government's mechanism let's them exit. I think that's something that we have to think about very deliberately, because if we want to be a productive and growing economy given the demographic curve that we are facing we have to invest in technology, we have to keep the IP here and we have to create an entrepreneurial culture where people are not afraid to take risks. If we don't do that, we actually will not succeed as a country broadly speaking.

The Chair: Thank you, MP Dzerowicz.

MP Ste-Marie, go ahead, please.

[*Translation*]

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

I want to welcome all the witnesses on this panel. These discussions are very informative.

Unfortunately, we will not have time to ask all the questions we would like. You can be assured that we are taking notes and we will make sure that your recommendations are included in the committee's report.

Thanks to Ms. Lachance and Ms. Laurin, from the Association canadienne-française de l'Alberta, for being here and for your testimony. I am going to come back to parts of your presentation. One thing you said is that the funds announced in the action plan for the official languages are not enough to meet the needs. As well, you point out that the plan was tabled seven months ago, but the money has still not been paid out to you and you have only until March 31 to spend it.

I would therefore invite you to say some more about that. In concrete terms, what does that represent for your organization and the organizations you represent and for the services you offer and the choices you have to make?

Ms. Nathalie Lachance: This is a huge challenge for us. We have about 50 francophone organizations, but many of them are quite small.

We tell them they will be receiving more money but we do not know exactly how much they will be allocated or when they will receive the money. They will therefore have only a few months to spend it, and this puts a huge amount of pressure on them and really limits their capacity to build in the long term. Predictability of funding is necessary to be able to build for the future.

Mr. Gabriel Ste-Marie: This is certainly concerning. We hope this situation is being heard. We also often hear municipalities tell us that the money is paid late and they have to spend it in a short period of time, and this makes it very difficult to predict. It is disappointing to hear that this also affects your important organization.

You also talked about organizations that have no core funding, such as community media. We know that the media are going through an unprecedented crisis, with the web giants pocketing revenue. What is the current situation for francophone community media in Alberta?

Ms. Nathalie Lachance: The situation is very critical.

Francophone community media in Alberta are crucial for the survival of our francophone community. That is how we pass down our history, share our day-to-day experience, and reach one another in ways that we are not able to do in the major media, where we cannot be heard, or in the local media, where our voice is drowned out. It is therefore important and crucial that we receive funding.

All community media in Alberta have significant challenges to meet. The beacon of Albertan francophonie, *Le Franco*, has survived this year, but the paper has had incredible problems. The work done by a new team, who rolled up their sleeves, and by my predecessor as president of the ACFA is really what managed to get *Le Franco*, which continues to work with us, back on its feet. This newspaper represents a very long tradition and is crucial for the community: it is our history.

Federal government departments really have to be encouraged to invest and to spend their advertising budget as they used to do in the past: using community media, which are followed by ordinary people, by a public that could not be reached otherwise.

● (0945)

Mr. Gabriel Ste-Marie: I know that, but there is also a power struggle going on between the government and Facebook. Departments prefer to buy advertising on Facebook rather than encourage community media, even though they are on the brink of shutting down and play a hugely important role in the social fabric, as you so clearly said.

You talked about an internationalization strategy. I would like to hear your comments on that subject, but also on the subject of immigration. Is francophone immigration sufficient to maintain the weight of your important community in Alberta?

Ms. Nathalie Lachance: Our capacity to attract and retain immigrants is not high enough. In all honesty, we need to bring more immigrants to Alberta.

However, I think it is important to point out that Alberta has a capacity to attract people, as we can see. The population in Alberta is growing very significantly, as is Alberta's francophonie. I think the faces of Alberta's francophonie have changed a lot in recent

years. In the last 20 years, the schools have become more diverse; they really need to be connected and they need inclusion.

Alberta's francophonie, the old-stock francophones, represents about one quarter of our population. Second is Canadian migration, people like me, who came from Quebec or elsewhere. There is also international migration, which really represents the vitality of the francophonie. We therefore need to continue this momentum and work with the Minister of Citizenship and Immigration. We also have to put more effort into francophone Africa, since Africa is the continent where French is most commonly spoken on the planet.

The people who come here integrate into our community well. We really have great partnerships. I think a lot of work could be done on this.

Mr. Gabriel Ste-Marie: You were talking about keeping the language clauses: Immigration, Refugees and Citizenship Canada has that obligation, does it not?

Ms. Nathalie Lachance: There are language clauses in all the agreements, particularly regarding healthcare, where we have made major gains. Obviously, education is extremely important as well. The schools, from kindergarten to grade 12, play a key role in integrating newcomers. They have to be able to play that role properly.

Mr. Gabriel Ste-Marie: Thank you.

I want to come back to the internationalization strategy, particularly in relation to francophone Africa, where we need to have more visibility to make sure we admit an equitable proportion of francophone immigrants. Is that right?

Ms. Nathalie Lachance: That's right.

Mr. Gabriel Ste-Marie: Good.

In conclusion, I was impressed to see that your organization was founded in 1926. You are approaching your centennial year and I want to congratulate you.

The Chair: Thank you, Mr. Ste-Marie.

[*English*]

We'll now go to MP Blaikie, please.

Mr. Daniel Blaikie: Thank you, Mr. Chair.

Mr. McGowan, in your opening comments you said that you would be interested in seeing the finance minister ask the chief actuary to outline some of the impacts on retirees of the proposal by the Alberta government with respect to the CPP.

Can you say a little more about that? What are some of the metrics that you think the chief actuary might use in order to better articulate that potential impact?

Mr. Gil McGowan: Thanks for the question.

The Government of Alberta has asked the federal government to task the chief actuary in coming up with a number for the transfer amount. With due respect, we think that is too narrow a scope. We would like the finance minister to ask the chief actuary to do what actuaries do, which is to measure risk. There are all sorts of risks associated with a big change like the one that the Alberta government is proposing, not just to workers here in Alberta but workers elsewhere. We feel very strongly that the scope of the project being handed to the chief actuary should be expanded to talk about risks associated with the viability of the CPP, the viability of an APP—an Alberta pension plan—and the impact it might have on contribution and benefit rates. They're opening a huge Pandora's box, and we think it's very dangerous. We need more information on the table, not just the transfer amount.

I would draw the committee's attention to a column that was published in the *Financial Post* yesterday. It was written by two actuaries, one based here in Alberta by the name of Doug Chandler—he's from Calgary. We in the labour movement agreed with what Mr. Chandler is recommending in that column.

● (0950)

Mr. Daniel Blaikie: Thank you very much.

Ms. Yedlin, I understand that you recently had somebody from the Canada Pension Plan Investment Board in town.

Can you share with the committee some of the thoughts that your own members have, and that the chamber has, about the proposal for Alberta to leave the Canada pension plan?

Ms. Deborah Yedlin: Thank you for the question.

We just hosted John Graham, head of the CPP, in Calgary on Tuesday. What we've said the government needs to be mindful of is respecting that the Alberta government can make the decisions it wants to proceed with. We're concerned about certainty, about portability and about the fact that this represents generational change. We look at it from the perspective that, when you have a pension plan that has generated annualized returns of 9.6% over the last 10 years, we think there would be a lot of people who would like to be able to do that, given the last 10 years of significant volatility in the markets. We have a very solid pension plan that protects Canadians from coast to coast and gives people dignity in their retirements. We don't know what the portability would look like, and from a retirement standpoint, what that would be.

Alberta is also a province where we rely on people coming from away, from the Atlantic provinces mostly, to work in our energy sector. We're definitely hearing that this is concerning.

Finally, it's an issue of certainty. We want to be a jurisdiction where we could attract capital, because we need to do that. As a country and as a province, we've relied on attracting capital for growth, and anything that causes uncertainty means that the risk premiums go up and that capital will go somewhere else. Capital goes to where it can get the best return with the least amount of resistance. Anything that causes any uncertainty, whether provincial or national, is not helpful from an investment standpoint going forward.

That's what our concerns are, and that's what we're hearing.

Mr. Daniel Blaikie: Thank you very much.

Mr. McGowan, I would like to circle back to the conversation on the temporary foreign worker program. A couple of things that I've heard in conversations about the program that would be helpful would be to have work permits that are tied to industries rather than employers, and to have a clear path to citizenship for folks who do come to work.

What do you think about those proposals, and what else do you think might be useful to introduce into the TFW program so that it's not just a program for temporary, cheap labour but is actually about a longer-term workforce recruitment?

Mr. Gil McGowan: We, in the Alberta labour movement, support both of those suggestions: open permits and a quicker path to citizenship. However, we're concerned that the program is being used as a replacement for real immigration. We humbly suggest that this government should reconsider the low-wage, low-skills stream, because we think it is being badly abused.

I would remind members of the committee that the temporary foreign worker program, as originally conceived 40 or 50 years ago now, was about high-skilled workers who were in a better position to defend their interests in the labour market. There was never a low-wage stream, and that's the problem.

Employers in the low-wage service sector have been abusing that stream. Even during the boom years, between 2004 and 2014, wages in that sector didn't go up despite wages going up everywhere else. We are convinced that was because the temporary foreign worker low-wage stream gave them an alternative to responding to market conditions by increasing wages.

The final thing I'll say is this: I just want to remind members of the committee that the labour market is a market and the government should not be in the business of intervening in that market to help employers defy the economic laws of gravity.

● (0955)

The Chair: We're going to get into our second round of questions, members and witnesses.

If there's any time left, we'll allow each party one last question at the end for a final third round.

In this round, we're starting with MP Hallan for five minutes.

Mr. Jasraj Singh Hallan: Thank you, Chair.

My first question's for Mr. McLaughlin.

It's picking up after what my colleague, Marty, was talking about with Ms. Yedlin. It's about the carbon tax.

We saw that 3% of Canadians in Atlantic Canada, where the Prime Minister's poll numbers are tanking, got a carve-out for the carbon tax on home heating.

Does it seem like it's fair to leave out people in rural Alberta who sometimes don't have the option of using different forms of energy?

Mr. Paul McLaughlin: When you think of raising your children, fairness is always the measure of whether you're doing a successful job and your kids are always going, you're being unfair, you're picking favourites.

In regard to our good friends in Atlantic Canada, I respect and understand the economics of heating oil and I understand the pressures.

I think that you nullify the spirit and intent of a carbon tax by having a carve-out. If the messaging is that this is actually a tool to modify behaviour when behaviour cannot be modified, then your alternatives get quite narrow.

Rural Albertans spend a tremendous amount of energy per capita as it relates to the drying of grain or heating of buildings. My energy consumption as an individual is much greater than others'. That being said, I've invested in renewables and there are opportunities available for helping Alberta agriculture, but we are in a global market. We're in a global competitive market, and we need to really have that lens.

We're also competing with the 800-pound gorilla in the south that's used a different mechanism. Competing with incentives by taxation is counter to where I think we need to go, especially from a commodity production standpoint.

Mr. Jasraj Singh Hallan: You would agree that a carve-out for rural Albertans would also be fair right now, or a pause on the carbon tax.

Mr. Paul McLaughlin: My members would unequivocally ask for a carve-out as it relates to agricultural, and ultimately the conversation should also be about heating. We live in a cold, northern country on the planet Earth. We have a disadvantage. I think it's good because we have a lot fewer bugs than other parts of the world.

Mr. Jasraj Singh Hallan: My colleague also brought up Bill C-234. Are you familiar with that bill?

I wanted to ask if it would help, in your opinion, to lower prices.

Mr. Paul McLaughlin: Yes—a hundred per cent. It's a brilliant policy decision. We need to talk about food security in light of climate change conversations.

A third of this province is in a one-in-50-year moisture drought. A third of this province was on fire. We need to recognize that. That is the trend that's occurring. Really, we have reservoirs in southern Alberta that are at 2% of full supply level. We have an issue.

Food security and food production should be one of our core pillars and priorities as it relates to our climate change response.

Mr. Jasraj Singh Hallan: If you had a message for those senators who are holding it up in the Senate, what would that message be today?

Mr. Paul McLaughlin: I think we need to realize that we need to feed ourselves first, and we're being asked by other countries to help feed the world. We need to recognize that and I think that's an important conversation for us to have as a national strategic conversation.

We need to be able to feed ourselves and feed the world.

Mr. Jasraj Singh Hallan: Mr. Norejko, you've talked extensively about the luxury tax. Can you sum up the negative impacts of the luxury tax for us?

Mr. Anthony Norejko: The way I would frame the luxury tax is that it's important to first recognize the work of this committee. This committee understood that aviation should be separate and studied, but that did not happen. There's still an opportunity.

The luxury tax triggers at \$100,000. Any aircraft with wings qualifies then for the luxury tax, no matter the purpose. On matters related to jobs, we talked earlier in this session about high-skilled jobs and the income that Canadians earn because of their skill level and their desire, whether it's on environmental initiatives or on safety initiatives. We see it. On the direct impact, 25,600 Canadians are employed, broadly speaking, across the country. Just related to the business aviation operations and manufacturing, there are 53,000 jobs across the country.

Decisions on luxury tax mean that potential buyers are either making decisions to avoid a new aircraft, putting at risk other environmental initiatives and safety initiatives, or they are putting Canadian jobs at risk, ultimately, by choosing to find some alternative. That isn't an incentive structure that benefits everyone.

• (1000)

Mr. Jasraj Singh Hallan: In your opinion, is the intent working in the opposite direction of what the impact of it is?

Mr. Anthony Norejko: We do see that. Right now there are decisions being taken in the market, everything from acquiring and retaining older aircraft, which is both a safety and environmental opportunity, to using foreign operators to accomplish what would otherwise be flown in Canada in an attempt to avoid the luxury tax.

Mr. Jasraj Singh Hallan: Would removing the luxury tax help to start to bring back some of the customers and retain those jobs?

Mr. Anthony Norejko: Absolutely. In the end, it keeps Canadians employed. It keeps us moving, both individuals coast to coast to coast and businesses across the country and the globe.

The Chair: Thank you, MP Hallan.

Now we'll go to MP Baker, please.

Mr. Yvan Baker: Thanks very much, Mr. Chair.

Thank you all for your testimony. I'll echo what Gabriel across the aisle said. There's a diversity and a richness of knowledge here that we're all benefiting from. I thank you all for that.

I want to start with Mr. McGowan.

I don't know that I have a question. It's more to build on the conversation that you were having with some of my colleagues around the CPP. I mentioned earlier in the introductions we did that I was a member of the provincial parliament in Ontario. That was when Kathleen Wynne was premier of Ontario. She was advocating very forcefully, as some of you may recall, for an expansion of the CPP premiums so that the benefits people received would be greater at the time.

One of the things—and this is public—that we looked at was the possibility of separating out or creating a separate Ontario pension plan. I think Kathleen went partway down the path and was exploring that. I'm just sharing that from my perspective, and this kind of goes back to what Ms. Yedlin was saying as well. I think that, for a whole bunch of reasons that both of you have spoken to today, the view was that it was much better for Ontarians, never mind for the rest of Canadians, if Ontario continued to stay within the CPP, both because of the certainty that it provided but also because of the benefit it provided.

You talked about the returns and the pension income. From a financial perspective, from a return for the pensioner perspective and from a certainty perspective, there wasn't a scenario that we saw where separating Ontario out or having a separate additional pension plan for Ontario to supplement the CPP was a scenario that would be beneficial to the economy, to workers or to businesses.

I just wanted to offer that as part of the discussion that you were having. It's not really question. It's more just to tack that on.

Mr. Gil McGowan: Can I respond?

Mr. Yvan Baker: Sure.

Mr. Gil McGowan: I think there's an important distinction that needs to be made between what was proposed by the Wynne government in Ontario and what's being proposed by the Smith government here in Alberta. The big distinction is that what was being proposed in Ontario and, frankly, what was being considered at roughly the same time in both B.C. and Alberta, was a supplementary plan that would be publicly run by the province but would sit on top of the CPP. It was a supplementary plan. I want to make it clear that we in the Alberta labour movement actively participated in support of the idea of creating a supplementary plan under our previous provincial government. I think it was the Stelmach government.

CPP is not enough, frankly. To be fair, it was never designed to be the entirety of your retirement security. They talk about the three-legged stool in pension policy. They talk about public plans like CPP, personal savings and workplace pensions. The problem that we have, especially here in Alberta, is that, unlike in the 1960s, when CPP was started, a large number of people had access to workplace pensions. Here in Alberta, that's no longer the case. In Alberta, 75% of working Albertans have no workplace pension of any sort, whether it's defined benefits, defined contributions or even

RRSPs. That's one leg of the three-legged stool that is gone for most workers in this province. That makes the first leg, CPP, even more important. We don't support our provincial government using it as a bargaining chip for politics. That's not what it's for. It's for retirement security.

If we were talking about a supplementary plan on top of CPP, that's an entirely different conversation. It's one that we would enthusiastically support. Especially for those workers who don't have workplace pensions, we should have that conversation.

Mr. Yvan Baker: Would you prefer a supplementary plan that augments people's pensions or an augmentation to the CPP?

Mr. Gil McGowan: Honestly, it would be better if it were an augmentation to the CPP, and the labour movement actively participated in the expansion of the CPP that is currently being implemented. I was involved in those conversations, and I would like to have seen more, because it's still not enough to provide retirement income—

• (1005)

Mr. Yvan Baker: I have to cut you off. I apologize. I have a minute left here.

That's my point. Yes, we could augment this. In Ontario, we were looking at that. If that were our last resort, we probably would have done it. The point was that we saw it would be better if the CPP were enhanced rather than separating it off, for financial and risk-related reasons.

[Translation]

Mr. Chair, I think I have 45 seconds left, is that right?

[English]

The Chair: Yes.

[Translation]

Mr. Yvan Baker: Ms. Lachance, I would like you to tell us briefly about the importance of the role your organization plays. In my riding, Etobicoke-Centre, there is a strong, dynamic, but small francophone community. Why is it important to support French and the francophone community, not just in Alberta, but everywhere in Canada?

Ms. Nathalie Lachance: It is crucial and it adds value to Canada. When we look at the pillars of this country, we talk about the anglophone community, first nations communities, Métis communities, and Inuit communities. We also have to talk about francophones and the crucial role we have played in the past and we can continue to play in the future.

[English]

The Chair: Thank you, MP Baker.

Now I will go to MP Ste-Marie.

[Translation]

Mr. Gabriel Ste-Marie: I agree entirely.

Mr. Norejko, the purpose of the luxury tax, which affects aviation, was to distribute wealth better by asking the wealthy to make an extra effort. What you are telling us, and what has been shown, is that ultimately, that tax is jeopardizing an extremely important industry, one in which Canada is the third leading global centre. That is distressing.

You referred to the study by the Department of Finance that said there was nothing to worry about, this was not so risky and it should not really affect the industry. You are saying something entirely different about the tax in effect, however. If the tax on aircraft is maintained, what will the consequences be in the medium term?

[English]

Mr. Anthony Norejko: Thank you for the question.

It's an important area. Quebec leads in terms of our business aviation operations and manufacturing. It's a province that employs the most number of Canadians and has over 13,600 employees.

The luxury tax, itself, whether empowering business to move across the country and across the globe or even just reaching our environmental objectives, is forcing people to find alternatives. These alternatives are not favourable either to the Canadian economy—this is to say, the employees who are manufacturing these aircraft—or to the environment. When we talk about, let's say, the recent commissioner's report, 2030, the ability for us to get anywhere near close to that is not going to happen.

Broadly speaking, these decisions, the way luxury tax.... This committee had identified that aircraft should be separate and studied. Because that work has not been undertaken, these gaps, these challenges, remain. We are seeing, in industry today, decisions being undertaken either to find older aircraft or to not purchase them at all.

I think it absolutely is making an impact.

[Translation]

Mr. Gabriel Ste-Marie: Thank you.

Canada is the third leading global centre for aeronautics, but it has no policy or industrial strategy for this sector. It is on its own. Why should Canada adopt a policy like this?

[English]

Mr. Anthony Norejko: Thank you for the question.

This is an important area. This is what I mentioned with the six pillars of the strategy, about the role of government. What role does government play in terms of the regulations and incentives that are applicable to our industry—broadly and not just business aviation? On our airports, we've talked about major centres and, even on this panel today, connection for rural communities and how important that is across the country.

We must talk about the role of airlines, our air operators—in this case, business aviation operators, helicopter operators, tourism—all of these and how they fit together. Also, there's air navigation and the role of Nav Canada. Lastly, there is manufacturing and maintenance. With all of these components together in today's global economy, Canada has the opportunity to lead in so many ways.

We have all of the foundational resources here, but without a focused strategic review of those six pillars, Canada risks falling behind. Absent from that, there's even, again, this opportunity for sustainable aviation fuel and how Canada could lead.

Those six elements plus the opportunity on the environment are exactly why Canada should undertake a concentrated study about its industry and its impact to Canadians.

The Chair: Thank you, MP Ste-Marie.

MP Blaikie, go ahead, please.

Mr. Daniel Blaikie: Thank you, Mr. Chair.

Mr. McGowan, in your opening remarks you mentioned that the Biden administration is looking at setting up a youth climate corps.

Can you describe for the committee what that looks like and how you think it might be adapted to the Canadian context? I don't know if you have this level of detail with you today, but what do you think it might cost and Canadians might get in terms of value for money out of a program like that?

• (1010)

Mr. Gil McGowan: Establishing a youth climate corps in Canada makes sense in every province, but it might be particularly useful in a province like Alberta, given what we've just gone through over the past couple of years, especially last spring and this summer.

We experienced an unprecedented number of wildfires and the province spent more than \$1 billion fighting those wildfires. We just heard from Mr. McLaughlin from the Rural Municipalities of Alberta that we're dealing with unprecedented droughts in many parts of the province, so there's a desperate need for investment in resiliency and climate mitigation.

I look south of the border at what the Biden administration is proposing, and they're basically suggesting creating an army of young people by paying them and training them to do a lot of this resiliency work.

There was a poll that was put out yesterday that showed public support for these ideas, including very significant support in Alberta and especially among young people. I think our young workers are keen to get out there helping to fight fires to make our communities more resilient by supporting infrastructure. I think this would be very supportive of the federal government's climate work but also its industrial policy work.

Mr. Daniel Blaikie: I know there are some economists like Jim Stanford, for example, who we've heard from at this committee, who are reticent to use the words "labour shortage". His contention is that it's at 5% unemployment, but there are a lot of people who have given up looking for work. There are a lot of Canadians fit for work but are having a hard time finding the right job or accessing the right training to be able to take the jobs that employers want them to fill.

Do you think that a youth climate corps is an opportunity to incorporate some basic skills training for folks who are otherwise having a hard time accessing employment and who could then go on to supply private sector employers who are looking for particular kinds of skills that they're not finding in the current labour market?

Mr. Gil McGowan: Yes, for sure. There's absolutely no doubt from our perspective that we are already experiencing a shortage in the skilled trades, in particular. That problem is set to get worse rather than better, because a lot of our tradespeople, at least here in Alberta, are in their late forties and fifties and many of them are contemplating retirement. There's going to be a huge turnover in the next five or 10 years, and we should be doing everything we can to get people into the pipeline.

I think a youth climate corps could actually help in that regard, especially if the focus is on building infrastructure to build resilience. There are a lot of young people who are excited about being part of the solution. If you could take that excitement to put them into employment that would put them on a path where we could kill two birds with one stone. It would help with climate resilience, but it would also get a lot of young people on the pipeline towards skilled trades.

Thank you very much.

The Chair: Thank you, MP Blaikie.

MP Morantz, go ahead, please.

Mr. Marty Morantz: Thank you, Mr. Chair.

Mr. Norejko, I want to say that I feel your pain. It seems that this government has never met an industry that they didn't want to kill. They brought in a very political, partisan tax that penalizes your industry. They didn't have an economic impact statement until we forced them to come up with one, and it was a sham of an economic impact statement. It talked about losses in the aerospace industry of \$2 million to \$4 million and maybe 20 jobs. We now know, based on your testimony, that it's far worse than that.

I'm going to give you an opportunity to talk about the actual economic impact. I also want to note that we had Mike Mueller at this very committee back in the spring, and he said many of the same things that you've said.

I also want to point out that my riding has a major footprint for the aerospace industry. In my riding we have Magellan, Standard-Aero, Boeing, the Winnipeg airport and others, so I'm hearing this directly from my constituents as well.

Could you comment on a couple of things? What is the actual job loss in your estimate as a direct result of the carbon tax? Also, what was the reduction in the number of airplanes that could have been sold, had the tax not been in place?

• (1015)

Mr. Anthony Norejko: The way to frame it is that, for every aircraft that we lose, it's approximately 7.1 jobs, so seven jobs. This is, again, \$116,000. We pay \$3 billion in wages, and this is just direct aviation operations and manufacturing, and this is the impact.

From just one of our manufacturers the year previous, we know that there were at least 18 aircraft, just from one of our manufacturers, and this results in approximately \$800 million in missed sales.

Now, to assemble an aircraft, whether it's in the riding that you just mentioned, in yours or across this country, there are so many individuals, Canadians, who are employed to make these aircraft, both directly putting them together and installing the parts. At a minimum, there are 50 employees per assembled aircraft, so let's say that we take the largest manufacturer in Canada, Bombardier, for business aircraft. If they see production lines slowing down, there are materially at least 50 people per aircraft who would need to go away, let's say, if we lose those aircraft.

Mr. Marty Morantz: On the number, though, did I hear you say 25,000 jobs directly or indirectly earlier?

Mr. Anthony Norejko: That is the total for industry to date, but we estimate that, with the luxury tax, it was far greater than the 20 jobs. I think 2,000 jobs was from the HEC study that was undertaken with our colleagues, so that was \$149 million in wages and, I think, \$30-odd million in taxes.

Just from that one study alone, 2,000 jobs would be materially impacted as a result of luxury tax.

Mr. Marty Morantz: The \$800 million, is that since the time the carbon tax came in?

Mr. Anthony Norejko: It's one year.

Mr. Marty Morantz: That's one year, so that's close to a billion dollars in economic activity as a result of this silly tax in your industry. Is that correct?

Mr. Anthony Norejko: Yes.

Mr. Marty Morantz: On to another subject, the carbon tax is clearly a failed policy, and it's literally falling apart. One of the things I'm wondering about is whether the carbon tax has made air travel for consumers generally more expensive. When you go and pay for your airline ticket, are you paying more every time you fly because of the carbon tax?

Mr. Anthony Norejko: Of course, fuel is the number-one expense, whether you're in an airline or in business aviation operations. Jurisdictionally, provinces are enacting low-fuel standards, and this adds costs to that fuel per litre. Yes, whether it's related to a carbon tax, the airport operations or an air navigation service provider, costs for Canadians are going up. This translates to higher ticket costs. That is one input.

Mr. Marty Morantz: I'll go to Ms. Yedlin for a moment. In 45 seconds, tell me, do you agree that...?

The Governor of the Bank of Canada said, when he was at this committee, that the carbon tax amounts to 0.6% of all inflation. You've talked about affordability. If the carbon tax didn't exist, that would bring the federal government 33% closer to its target inflation rate of 2%, inflation now being 3.8%. It would make it 3.2%, which would give the Bank of Canada more room to reduce interest rates. Would you agree that it would help?

Ms. Deborah Yedlin: I think that it's an interesting issue to contemplate. The Bank of Canada governor did speak to the Calgary Chamber of Commerce in September, and he also made the point that it's a very small amount of money, but, when you look to change behaviour, if you go back to the publications of the Ecofiscal Commission by Chris Ragan out of McGill, if there is a desire to change behaviour, a carbon tax is the best way to do it. The issue is how it is administered, how it is applied and where it needs to be considered in terms of the impact it has in various sectors.

As I said at the beginning of my remarks, blanket policies are not helpful, and there are regional differences. There are sectoral differences that really need to be considered in this context.

Having said that, we know that companies have started to model their business cases assuming that the carbon tax doesn't go away, so certainty is a very important part of where we're at right now.

The Chair: Thank you.

Thank you, MP Morantz.

Now we'll go to MP Dzerowicz, please.

Ms. Julie Dzerowicz: Thank you, Mr. Chair.

I'm going to direct my questions to Mr. McLauchlin, but I'm going to stop at about 30 seconds before my time ends so I can address the inaccurate disinformation that Mr. Morantz is pushing forward on the price on pollution.

I want to start off with two clarifying comments, just because they worried me.

You talked a little bit about how Alberta is trying to break the relationship between the city and the federal government. Can you just take a moment to explain that?

Then I also want you to clarify something for me. You were talking about retroactive pay and fees the federal government did, so could you just clarify that? I want to make sure that I know what you're referring to.

• (1020)

Mr. Paul McLauchlin: I'll go really quickly.

Actually, within the mandate letter that was provided to the Ministry of Municipal Affairs, it was distinctly stated to ensure that the relationship exists between the province and the municipalities and not the federal government, so it was explicitly stated to Municipal Affairs.

Also, I'm quite active with the Federation of Canadian Municipalities. There is a trend that provinces are starting to make sure that the relationship is between the province and the federal government and not the municipalities, not a jump over. There was an announcement in Calgary of accelerated funding for housing, which I

think has got some issues with the federal and provincial governments. They're not in attendance.

As it relates to retroactive pay, there was a negotiated agreement between the federal government and the RCMP as it relates to back pay. Quite literally, it was negotiated and any of the municipalities that pay for the RCMP got a nice bill in the mail. We did ask for that to be waived or absorbed, the \$180 million, and that was not waived by the federal government. Again we were not at the table negotiating and someone wrote a cheque with our butt.

Ms. Julie Dzerowicz: Just quickly on the first item, what would you like us to do around the city and the federal? I agree we need to have that relationship as well. Do you have a recommendation around that for us?

Mr. Paul McLauchlin: My recommendation is understanding that local government is the most accessible government. We're the government of proximity, as President Pearce, the president of the FCM, has said. It's understanding that we have a role, we're fiscally prudent and we're closest to the people. When we get caught between federal and provincial fights, who actually loses is the people. We only have one taxpayer, so I think everybody needs to come to the table and realize that we're pretty efficient in the ways we provide deliveries and services, and fiscally efficient. We need to start having that relationship.

Ms. Julie Dzerowicz: I appreciate that.

I want to go to the conversation you started introducing around disaster recovery and resiliency.

Do you believe that you have the data you need? What I'm talking about is this. Do we have the right flood mapping? Do you know where we need to rebuild and not rebuild? Do we have the data that we need, or is there more work that we need to do in order to really start putting into place the plans around resiliency?

Mr. Paul McLauchlin: Small population centres with low density probably don't have the capacity to actually provide the analysis of that type of information. There is some flood-mapping data done by the Insurance Bureau of Canada. The Province of Alberta had some flood mapping that it just will never release for whatever reason. We've asked for it for 10 years, and it turns out that it will never leave the halls of the provincial government.

We need to model risk from a local level, from all levels, and I think we need to start using that risk model. We need to start going away from a one-in-a-100-year flooding to one in 250. There's drought mitigation, and all these resiliency conversations we need to have. If you have a dollar, are you better to spend the dollar on mitigation or on adaptation? I'll be honest with you. It's probably a dollar on adaptation. I think that we need to start looking at it that way. That's not speaking against renewables or any of those other pieces, but, from a municipal rural lens, adaptation is the key place.

Ms. Julie Dzerowicz: I'm 100% in agreement with you. I co-founded an environmental group, but I 100% agree with you.

If you have specific recommendations, not just around flood mapping but also around whether it's fire or anything else, please let us know. I think there's a whole slew of things that we can be doing around emergency management, but I think we're looking for what we need to do.

There's another thing I wouldn't mind hearing from you on. As the world becomes more unpredictable and unstable, I always think about building more resiliency at home. This is around food security. Have there been conversations around ensuring that we work with the agricultural base to make sure that we have food resiliency and security here in Canada?

Mr. Paul McLaughlin: You probably heard some of the media on the moratorium, on the pause that they call a moratorium, on renewables in Alberta. The lens that we had, and the concern we had, was actually food security and saving good-quality agricultural land. Pivots in southern Alberta were being removed and solar panels were being placed on that land. With the severe drought this year, the land that had irrigation pivots on it could have been in production.

I think we need to have this big conversation around food security and food preservation, whether it's urban sprawl or otherwise. I think it's a very important topic, and we need to start, again, going through those priorities. Food security needs to be part of that climate change resiliency conversation as Canadians.

• (1025)

The Chair: Thank you, MP Dzerowicz.

Just looking at the time, we have about five minutes for this excellent first panel, so we're going to have one minute per party to be able to ask a question and get an answer.

We're going to start with MP Morantz.

Mr. Marty Morantz: Just quickly, I wanted to just get clarification on one point, Ms. Yedlin. Would you agree that it would be fair to have a carve-out or a pause for home heating for all Canadians?

Ms. Deborah Yedlin: I would agree with that because we have very different jurisdictions. As I said, blanket policies are not applicable in this case and also when we talk about the clean electricity regulations.

Mr. Marty Morantz: Would the chamber like to see the passage of Bill C-234?

Ms. Deborah Yedlin: Yes.

Mr. Marty Morantz: Those would be the questions.

The Chair: MP Morantz, that's a lot of questions there. We said one question and an answer.

Mr. Marty Morantz: I thought you said one minute.

The Chair: Okay. I apologize.

MP Baker.

Mr. Yvan Baker: Just quickly on the issue.... There's been a lot of conversation. I mean, we're here to listen to you, not so much to espouse our political views from our end. However, I do just want to flag for common understanding that what's been done has been talked about as an Atlantic Canadian policy. It's really a Canada-wide policy, but of course, it affects Atlantic Canada more than anybody else. That's the first thing I would say.

The second thing is that it's a temporary carve-out. I think that's an important nuance. It's not dismissing any of the feedback that we've gotten on that aspect of things. I just wanted to flag that so that the facts are clear as we walk out of here.

[*Translation*]

Ms. Lachance, I am going to go back to my earlier question.

The francophonie is important. In my opinion, it involves both a cultural and an economic aspect. We also have a duty to French as an official language. Could you add to your earlier answer to the question of why it is important to protect French and support the francophone community?

Ms. Nathalie Lachance: I think it is central to who we are as Canadians, so it is important to protect French, and I agree with you that we also have to look at it from both the economic and the cultural perspective.

There are so many places in the world where more than one language is spoken. In Canada, we sometimes get bogged down in the two languages. I think it is important to recognize the crucial role played by the francophonie, both in Canada and on the international scene.

[*English*]

The Chair: Thank you, MP Baker.

MP Ste-Marie, go ahead, please.

[*Translation*]

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

Ms. Lachance, can you add anything to your testimony, in one minute?

Ms. Nathalie Lachance: I would just like to encourage you to consider the importance of the francophonie when you are preparing your submissions for the budget. It would be a good idea to make sure that all agreements signed with the federal government include language clauses. That is how we manage to get all these services and programs on the ground.

The Chair: Thank you.

[English]

Our final questioner is MP Blaikie.

Mr. Daniel Blaikie: Mr. Norejko, at the time the luxury tax was implemented, the government made a choice to put the tax on the manufactured product. There was talk about taxing the use or the rental of jets and about other ways of implementing a luxury tax that would be less damaging to the manufacturing industry in Canada.

Do you want to speak a little bit about some of the options that the government has in order to retain a luxury tax of a particular type, but one that would have less of a negative impact on the manufacturing sector in Canada?

Mr. Anthony Norejko: What I would say very briefly is that, first, as we've put in our submission, the 50 plus 1%, in effect, it's recognizing that—as the Income Tax Act does for these assets—as the threshold for business use. What was put in place was 90%, which is a higher threshold than the Income Tax Act states itself. That's a principal one. The use of charter aircraft and fractional aircraft is an opportunity. This is what translates to buyers in Canada or users of these services who are either commissioning U.S. base entities to do their flying or just not buying the aircraft altogether. As you've all seen, perhaps, on this road show, it's very difficult to connect Canadians across the country. There's no direct service between Ottawa, the nation's capital, and here—Edmonton, Alberta—or Winnipeg or other places. These decisions, these impacts, mean that it makes it that much harder and more costly for Canadians to move around the country at a high level. That's what I would say luxury tax does.

The Chair: Thank you.

Thank you, MP Blaikie.

On behalf of the committee, I want to thank all of our expert witnesses for their testimony for our pre-budget consultations in advance of our 2024 budget. You were excellent.

On that note, we are going to suspend for five minutes as we transition to our second panel.

Thank you.

• (1025)

(Pause)

• (1035)

The Chair: We're back.

This is meeting number 119 of the Standing Committee on Finance. We're doing our pre-budget consultations in advance of the 2024 budget.

For our second panel of witnesses, if you were not here, we were just talking about being delighted to be here in Edmonton, in beautiful Alberta, and to be on the ground, because we haven't done this for five years. It's been a long time since our committee has been able to travel, but we are travelling the country. We started in the Atlantic. Yesterday we were in Winnipeg; today we are here in Edmonton; and tomorrow we'll be in Vancouver before heading back to Ottawa.

We thank you for coming before us, and we look forward to hearing your testimony. At this time, you're going to have an opportunity to introduce yourselves in your opening remarks. You each have five minutes before we get into the members' questions.

With us today we have, from Edmonton Global, the chief executive officer, Malcolm Bruce. From Electric Mobility Canada, we have Daniel Breton, president and chief executive officer. From Fairness Alberta, we have Bill Bewick, executive director. From Friends of Medicare, we have Chris Gallaway, executive director. From the National Cattle Feeders' Association, we have Greg Schmidt from the board of directors, as well as the president and chief executive officer, Janice Tranberg.

We're going to hear your opening remarks right now, and we'll start with Edmonton Global, please.

• (1040)

Mr. Malcolm Bruce (Chief Executive Officer, Edmonton Global): Thank you very much for the opportunity to speak with you today and provide input into the budgetary process.

I'm going to focus on one particular subsector, even though we are globally competitive in five, where we see tremendous investment and growth.

As noted, my name is Malcolm Bruce. I'm the CEO of Edmonton Global, the Edmonton metropolitan region's economic development agency. Our shareholder group is the 14 member municipalities that make up the Edmonton region.

The Edmonton region is driving historic and almost unparalleled growth in Canada. At the forefront of this particular growth opportunity is hydrogen. This is one of the best solutions for those industries that are really hard to electrify. Think about heavy industry, chemicals, advanced manufacturing production, concrete, steel and glass, things that require intense heat to be created. There are also things that need to move very long distances: heavy-haul trucking, mining, farming and vehicles such as transportation trains, long-distance bussing, cargo ships and airplanes. These things can't be easily plugged in or economically viable if they need to spend a third of their lives charging.

Today, the Edmonton region is by far the largest producer of hydrogen in Canada. If the Edmonton region were a country, right now we would be the second-largest producer of hydrogen in the world. Almost all the hydrogen currently is used in heavy industry. Most of it has a fairly large carbon footprint. This is changing.

Right now, Air Products is building the world's largest net-zero hydrogen facility in Edmonton, at a cost of \$1.6 billion, making it truly a global-scale project. Hydrogen and our capabilities in carbon capture enable other massive net-zero projects to happen here first. Heidelberg Materials has planned to renovate and build the first and largest-scale net-zero cement facility right here in the region.

Solving the carbon challenge for industries like cement production is where our biggest gains will come from. We need projects like this if Canada wants to meet its net-zero commitment. For perspective on how important decarbonizing cement is, if you took every electric car in the world in 2022 and doubled their combined battery efficiency, that would be roughly equivalent to the carbon impact of decreasing the cement industry's emissions by 1%.

Heidelberg's project, a project they want to build here, isn't reducing it by 1%. They are reducing it 100%, showing to the entire industry that this is possible. They've chosen Edmonton to be the global leader and example.

Our partners in Alberta's Industrial Heartland Association, which is located in the northeast quadrant of the region, are very close to making a number of announcements by a global Fortune 500 company that will create the largest and first net-zero ethylene and polyethylene facility. Should this \$12-billion project go forward and be approved by the company's board, this will produce, again, another global-scale net-zero hydrogen facility that will need to be built, equivalent to the Air Products one and probably larger. This company has signalled that this project will be roughly twice the size of the Air Products one and take over as the largest net-zero hydrogen facility in the world.

Our region is also working on massive-scale multi-billion dollar projects around Mitsubishi, Shell, Petronas and many others. These projects are focused on shipping net-zero hydrogen, mainly as ammonia, to Asia and California.

We can not only help decarbonize Canada, but also have a significant impact on the world. It's Canada's time, and the path to net-zero runs through the Edmonton region. These are investments being made by some of the world's biggest companies. They are serious, and they want to move quickly.

When I listed these projects, almost all the words that I said, except for Air Products, were “planning to”, “signalling” and “intention.” Many of these deals are not done. These projects are Canada's to win, but they are also Canada's to lose. Frankly, global investors aren't confident in Canada's ability to deliver. The trust our nation has built over generations is quickly dissipating, as investors watch our nation create roadblocks and squander away many of our nation's biggest economic opportunities, in particular around resource development. Global energy transition is real. Canada can be a leader in this space.

- (1045)

Companies search out environments that are predictable and transparent and move with speed. Right now, Canada is failing on all of these fronts. We are slow to act, slow to approve and confusing to investors and, rather than building projects, we're building uncertainty and risk. We need to shift our thinking and our approach to policies and regulations to empower the kinds of investment we want: to become enablers rather than gatekeepers.

Environmental stewardship and indigenous inclusion should be part of the assets that are sought out. Done right, inclusion makes projects far stronger and more sustainable and can significantly reduce the risks.

At Edmonton Global, we're extremely optimistic about our future for the region and the future of Canada. This is absolutely the best place to live and to grow a business if you want to make a difference and have an impact.

Don't get me wrong: We will find success either way. Our fundamentals are strong, our talent pool is well educated and young, and our financial, legal and social structures are the envy of the world. The question is, how much of the opportunity will be realized? If we—

The Chair: We've gone over time. Thank you.

That was great. We'll have an opportunity for a lot more during members' questions.

We'll now hear from Electric Mobility Canada.

Mr. Daniel Breton (President and Chief Executive Officer, Electric Mobility Canada): Thank you for giving me the opportunity to appear before the Standing Committee on Finance.

My name is Daniel Breton. I am the president and CEO of EMC.

Founded in 2006, EMC is a nationally based industry organization dedicated exclusively to the advancement of electric mobility and an opportunity to support the Canadian economy while fighting climate change and air pollution. EMC is the unifying and authoritative voice for electric transportation in the country.

[Translation]

Electric Mobility Canada has a wide range of member organizations including light, medium, heavy-duty, and off-road vehicle manufacturers, ship builders, infrastructure providers, electricity suppliers, tech companies, research centres, governmental departments, universities, mining companies, fleet managers, unions, and so on.

[English]

Let me personally invite all of you to our conference right here in Edmonton at the EXPO Centre. Right now, we're having our trade show here, where you'll see electric cars, trucks and buses.

Here are EMC's top recommendations for the 2024 budget.

For light-duty vehicles, continue purchase incentives for new passenger EVs, but focus on the EV-only range to include more long-range electric cars, SUVs and pickup trucks. Introduce a fiscally neutral feebate system to have the most polluting vehicles fund EV incentives for new vehicles. Make EVs more accessible for low- and modest-income households through a dedicated program.

Make it easier for taxis, car share or ride-share to go electric by removing the iZEV cap for fleets. Actually, there was good news yesterday from Transport Canada on that front: going from 10 to 50 electric cars that could get a purchase rebate for car sharing.

Support consumer EV education and industry sales force training—this is a big need. Establish a green scrappage program that gets fossil fuel vehicles off the road, and replace them with zero-emission modes of transportation, whether battery electric or hydrogen. Adopt an ambitious ZEV sales transportation regulation program to make sure that all Canadians have access to a growing supply and variety of EV models.

For MHDV, pursue purchasing incentives for the segment and work with the provinces to match funding. Pursue funding for electric transit buses and pursue long-term funding for municipalities and transit agencies to convert their fleet to electric. Make the electric school bus incentive program simpler and more efficient so companies can apply and get the funding they need for transition. Increase funding for the integration of electric trucks into commercial fleets. Implement a phase-out of fossil fuel vehicles at federally regulated properties such as ports, rail yards, parks and airports.

Make electric off-road vehicles more affordable—many companies in Canada make electric off-road vehicles, one of them being snowmobiles, obviously—by introducing a federal rebate, as Yukon, Vermont and other jurisdictions did. Implement a ZEV sales mandate for off-road by 2035, similar to New Jersey, New York and California.

Support the electrification of Canada's ferry services. No one talks about this, but it's important. In Norway, I saw that 50% of the whole ferry fleet was already electric. We recommend that the federal government work with regional and provincial ferry agencies, as well as Crown corporations like BC Ferries, to launch a program to support the electrification of ferry services across Canada to lower GHG emissions, air and water pollution, and underwater noise and, in the process, create a Canadian zero-emission marine industry to become a North American leader.

On EV charging infrastructure, set and fund targets for EV charging stations or fuelling stations for hydrogen for all types of vehicles in every Canadian region. Make one million condominiums and apartments EV-ready over four years. Add EV charging requirements to national building codes. Support right-to-charge rules for residents of multi-unit residences. Accelerate rural, remote and off-road access to charging, as we saw in last week's report from the Auditor General.

• (1050)

[*Translation*]

As you can see, the transition to electric transportation will call for sustained support from the federal government, not only to ensure that it succeeds, but also because the Canadian and foreign companies involved need the market to be predictable in order to invest in the medium and long terms.

Collaboration among the provinces and territories, the first nations, municipalities, and the federal government is essential if Canada wants to be a global leader in the electrification of transportation.

We have to ensure that future generations will have access to sustainable, well-paid jobs everywhere in Canada, from mining to assembly, from research to education, from sales to maintenance, and from British Columbia to the Maritime provinces, including, obviously, Alberta.

The Chair: Thank you, Mr. Breton.

[*English*]

We would all be at the expo if we didn't have to be in Vancouver tomorrow. Thank you for that invitation.

Now we're going to hear from Fairness Alberta.

Dr. Bill Bewick (Executive Director, Fairness Alberta): Thank you for the invitation to appear.

I'd like to start with Fairness Alberta's motto: "Proudly Canadian. Fiercely Albertan". We're a group of Canadians who believe Albertans have not been treated fairly by federal economic and fiscal policies. We believe that by respectfully but assertively raising awareness across Canada about the basic facts on these policies, we can persuade a majority to support meaningful reforms that will strengthen both national productivity and national unity. I can't imagine two higher priorities for your committee, and they are currently very intertwined.

As we detail at fairnessalberta.ca, from 2000 to 2018 Albertans sent \$324 billion more in federal taxes than was spent by Ottawa back in Alberta. For most of the last decade, that averaged \$20 billion per year, or \$4,500 net per Albertan.

Don't get me wrong. When things are going well for our economy, Albertans are very willing to help Canadians with an outsized share of taxes to pay for government, but when federal policies are either unfair to us today or unfairly threaten our economic future, we, like any province, deserve to be not just heard, but reasonably accommodated. Canada is a vast country, with differing provincial realities. The only way it can hold together is by respecting those differences and by reasonably accommodating them.

What are some of these unfair policies? You can review my testimony to this committee in 2020 on equalization and fiscal stabilization being unfair and needing reform. I mention them because they are the most recent examples germane to this committee of the Prairies being refused reasonable accommodation, but the two most important threats to Canada's economy and national unity are clear: the 42% emission cut by 2030 dictated to the oil and gas sector and the demand for net-zero electricity by 2035.

As you know, Saskatchewan and Alberta do not have major hydro resources or nuclear plants to generate electricity. In the cold and often dark prairies, we've moved from relying on coal to cleaner natural gas for power and heat. The other unique element of Alberta's electricity system is that it is driven by private investment. This has directly contributed to our success in building renewable power.

In 2022, 75% of Canada's wind and solar investment was in Alberta, but the best available technology to complement intermittent wind and solar is the natural gas peaker plants. We can't replace this entire system with net-zero emissions by 2035, and even trying to get close will drive up costs here far more than in any other province.

With the electrification push across society, we need more investment in generation, but insisting on an arbitrary 2035 date is scaring those investors away. It also puts a chill on investment in any other sector in Alberta, because almost every business relies on affordable, reliable electricity. Without reasonable accommodation, this policy will damage our economic engine, which will hurt all of Canada.

The other damaging policy is the 42% carbon emission cut by 2030 that only the oil and gas sector faces. While other sectors of Canada's economy are urged, prodded or incentivized to help Canada get closer to the government's overall target to cut emissions by 40% by 2030, only oil and gas is being forced to meet that target.

The environment commissioner's last two reports show that Canada overall will not meet this 40% target by 2030. It shows that 95% of the government's initiatives have no targets. That's probably because even if it is technologically possible, slashing emissions that much in seven years is totally unaffordable for most businesses and households without drastically reducing output or the standard of living. In other words, it might be a reasonable accommodation.

The Prairies' biggest economic driver, oil and gas, gets no such accommodation, and it alone must get there in seven short years. The oil and gas sector has made massive investments in reducing emissions. The major players in the oil sands are committing to the monumental task of getting to net zero by 2050. They're pursuing a major expansion of carbon capture and they're exploring small modular nuclear reactors, but there's only so much CCS we can get in place in seven years, and there's no chance of an SMR getting through federal approvals by 2030.

Alberta is leading the way in blue hydrogen as well, but it will take time because it needs CCS. CCS is needed both for oil and gas emission reductions and for significant decarbonization of our elec-

trical grid. It is expensive, though, and if you really want it built by 2030, 2035 or even 2050, it needs long-term policy and funding support, not destabilizing threats.

Without reasonable accommodation for the Prairies, there is only one way to meet the federal demand for a 42% cut in emissions by 2030: massive cuts to natural resource production. This kills jobs, slashes Canada's exports and reduces tax revenues.

The twin threats of a forced cut to resource extraction combined with anxiety over the reliability of electricity on the prairies are not just going to cost us our prosperity. They will also strangle the economic engine that has been stabilizing federal finances for decades. We were encouraged to hear a government minister say, regarding the heating oil exemption, "We have policies that have to be adapted to provincial realities."

• (1055)

Without adapting to our provincial realities on these two policies, you will strain not only future budgets but also the fabric of this nation by refusing us reasonable accommodation.

Thank you for the invitation. I look forward to your questions.

The Chair: Thank you, Mr. Bewick.

Now we'll hear from Friends of Medicare.

Mr. Chris Gallaway (Executive Director, Friends of Medicare): Thank you, Chair and committee members, for having me today.

My name is Chris Gallaway. I am the executive director at Friends of Medicare. We are based here in Alberta. We're a non-partisan advocacy organization and we've been around since 1979 working to improve, protect and strengthen public health care for Albertans and all Canadians.

With my time today, I want to touch on four issues briefly.

The first is finally moving forward on universal single-payer public pharmacare. The facts are out there: Canadians face some of the highest drug costs in the world. Millions of Canadians are struggling to afford their medications, including one in five households here in Alberta. A third of Alberta workers do not have drug coverage, and these numbers are only getting worse with the cost of living going up. We know there will be an initial cost to implementing this national program, but we also know there will be substantial savings—savings for Albertans, for employers, for our governments and for our health care systems. This is well documented in reports from the Parliamentary Budget Officer and others, and the road map to get there is already in front of you in the government's own report from Dr. Hoskins. This is the right thing to do for Canadians' health. It's the smart thing to do for our budget, and we urge you to get on with it in budget 2024.

The second issue I want to raise is around dental care. Here in Alberta over 30,000 kids got to see a dentist because of the Canada dental benefit. I know it's been life-changing for many families and children, and this happened in spite of the majority of our MPs from Alberta not supporting moving forward on dental care. At a time when the cost of living is the top concern, moving forward with dental care for children, for seniors, for folks with disabilities and for so many of those on fixed incomes has never been more crucial. We hope to see this expansion continued in budget 2024.

The third issue I want to raise today is around accountability for our public health care dollars. We see the federal government's role in health care as an important one—funding health care to ensure that we have a robust system in every province and jurisdiction—but when the new federal health transfers were being negotiated, Friends of Medicare and many other groups called for strings to be attached to that funding. Instead, we've seen blank cheques to provinces with no guarantee they even spend the money on health care, let alone that they don't use it to further privatization. In Alberta, we've already seen this as a concern with respect to our pandemic spending. Our auditor general looked at \$4 billion in spending on the pandemic and concluded that the provincial government did not provide a clear picture of what was done with the money or what was achieved. We deserve accountability for our public health care dollars and we need to enforce the Canada Health Act in provinces where they are violating it.

The fourth issue I want to raise with you all today is around indigenous health. The health inequities we're seeing in indigenous people in this province are completely unacceptable. The federal government has a clear role in addressing this and stepping up as a meaningful partner. That means stepping up to address barriers to access, to address the backlog in health infrastructure in indigenous communities, to address the social determinants of health and to look at the systemic racism we're seeing in our health system and our programs.

That must include urgent action on the drug poisoning and mental health crises that we're seeing. This summer, Treaty 6 chiefs declared a state of emergency given the number of their people who were dying in this crisis. Five nations in northern Alberta have followed suit. The grand chief for Treaty 6 at the time was quoted as saying, "If harm reduction isn't available, our People will die."

There's an urgent need, and the federal government needs to be at that table.

There's so much more I could say on that: on the need to keep the promise on status for all and on regularization so that everyone can access health care, on enforceable long-term care standards, and on the need for a national staffing strategy in health care. There are many issues, but with my time today I will leave it at that. I look forward to the questions from committee members today.

Thank you.

• (1100)

The Chair: Thank you, Mr. Galloway.

There will be opportunity for you to expand on those issues in questions.

Now we'll hear from the National Cattle Feeders' Association.

Mr. Greg Schmidt (Director, Board of Directors, National Cattle Feeders' Association): Thanks for the opportunity to participate today. We appreciate it.

My name is Greg Schmidt. I'm a producer and an owner-operator of a cattle feedlot just north of Edmonton here, in the Barrhead region. I'm not used to this type of setting, but we'll give it our best.

The National Cattle Feeders' Association is the voice of Canada's cattle feeders. We work to improve the competitiveness of Canada's beef sector.

Our pre-budget recommendations address food affordability by tackling challenges at the farm gate, and our recommendations ensure Canadian agriculture is sustainable and can track alongside our global competitors.

Recognizing that Canada is in a time of fiscal restraint, our budget requests do not come with large price tags. NCFCA presented four recommendations to this committee within our written submission, but today we'll focus on just two of those.

First, we recommend that the government consult on and develop a critical farm input strategy to ensure Canadian farmers have an affordable and stable supply of critical farm inputs needed to competitively produce high-quality agriculture products. The sector is facing unprecedented challenges to the accessibility and affordability of farm inputs such as fertilizer, feed, seed, machinery and fuel. Input costs have skyrocketed. The majority of these costs cannot be passed down the value chain, making farming in Canada increasingly less profitable.

Recent transportation challenges make obtaining inputs difficult due to rail and port strikes, as well as rural roads and bridges that are unable to withstand extreme weather. Geopolitics will continue to challenge access to farm inputs, and alternative pipelines need to be considered for Canadian agriculture to compete globally.

Just as the government has invested in a critical minerals strategy, it must now build and fund a critical farm input strategy. Without this, the consequences will be significant, both for producers and for Canadians at the grocery store.

Ms. Janice Tranberg (President and Chief Executive Officer, National Cattle Feeders' Association): Our second ask is that the government foster a business environment that supports Canadian agriculture through regulatory, policy and taxation requirements that track alongside those of our international competitors. While the Canadian government cannot control global events, they can control the regulatory, policy and taxation burdens on Canadian farmers. The total cost resulting from the government piling on requirements for farmers is a catalyst for inflation and a threat to food security.

Now is the time for the government to commit to agile and competitive government policy that contributes to the profitability of farmers, to food security and to environmental sustainability.

There are many simple, non-monetary regulatory and policy changes that could have a significant impact on our sector: for example, creating an automatic exemption from the underused housing tax for farmers who own homes for the purpose of housing farm workers, as well as ensuring an efficient and timely approval process for new and innovative products that are available to our global competitors. This is supported by MP Kody Blois, who has a recent private member's bill, Bill C-359.

Another example is aligning Canada and the United States on specified risk material regulations, as well as addressing the economic and animal welfare challenges of electronic logging devices for livestock transportation, setting achievable targets within the sustainable agriculture strategy that track alongside our global competitors, and approving the desperately needed grasshopper control product lambda-cyhalothrin for livestock feed in Canada.

These are just some examples. As today permits, we stand ready to talk as well about additional recommendations that were included in the NCFA's written submission to the committee, including funding support for the Canadian integrated program for anti-microbial resistance surveillance and maintaining the interest-free portion of the advance payments program at the current level of \$350,000.

NCFA thanks you for your consideration today.

• (1105)

The Chair: Thank you, Ms. Tranberg and Mr. Schmidt.

Now we're going to get into the members' questions. In this round, each party will have up to six minutes to ask you questions.

We will start with MP Hallan for the first six minutes.

Mr. Jasraj Singh Hallan: Thank you, Mr. Chair.

Thanks to all the witnesses for being here today.

My questions are for Mr. Bewick.

Thank you for so eloquently giving the temperature of what Alberta is feeling like and what Albertans are feeling like today. After eight years of this Prime Minister, we've never seen the country so divided or broken—whether it's anti-energy, anti-Alberta or anti-growth laws; legislation like Bill C-69, the northern pipeline bill or Bill C-48, the tanker ban; or the carbon tax.

We recently saw the Prime Minister do a massive flip-flop on this carbon tax, giving 3% of Canadians—in Atlantic Canada, where the Liberals' poll numbers are tanking—a break on the carbon tax on their home heating. We also recently saw a very out-of-touch, Liberal Atlantic and rural affairs minister say that, if the Prairies want a carve-out like what Atlantic Canadians got, they should “elect more Liberals”.

Well, there are Liberals in western Canada. There is one here in Edmonton who is a minister. I can't figure out whether he's irrelevant or whether he just has no voice at his own cabinet table.

I want to ask you this, Mr. Bewick: Is this unfair treatment to the rest of Canadians, and should all Canadians not have gotten this carbon tax carve-out for home heating?

Dr. Bill Bewick: Too often, with the federal policies, there's a lack of recognition that there's an affordability crisis that is far more acute for a lot of Canadians right now. I was sort of encouraged to see some recognition of that with this policy. I was sort of encouraged to see a federal leader talk about how “We have policies that have to be adapted to provincial realities.”

What's facing Alberta, as well as Saskatchewan and parts of B.C., is a real threat to our economic future, to our future productivity and to the chances for our children to have the kinds of opportunities that we've had.

It's one thing to brush off a referendum on equalization and say, "Oh, that doesn't matter." It's another thing to say that you got all the premiers of Canada to agree that Alberta should get a retroactive payment for fiscal stabilization but that you're going to ignore that anyway. These are the kinds of things that cause irritation and make people feel like they're being unfairly treated.

If we go after their main source of income and economic prosperity, it doesn't matter where you are in the country; that is going to put a wedge in our ability to have a united country. When the government is facing such serious debt growth and such long-term deficits, it's unfathomable to me that the biggest contributor to federal income in terms of what it costs them versus what they get from it.... The energy sector in the Prairies is the golden goose. To strangle that without any alternative to replace what it does for the economy, what it does for people's lives, what it does for producing energy, is.... I don't understand it. There really needs to be some serious thought with regard to the long-term effects.

• (1110)

Mr. Jasraj Singh Hallan: Mr. Bewick, would you agree that a carve-out for all Canadians for carbon tax on home heating would be fair?

Dr. Bill Bewick: Canada is a vast and cold country. It does seem like it would certainly be fair to give that to all Canadians.

Mr. Jasraj Singh Hallan: What does it say about national unity when these kinds of laws that I talked about...? What does that say about our Canadian national unity?

Dr. Bill Bewick: It's a real danger. I think people brush it off and say, "Well, Alberta is just complaining again." This is not just complaining. This is a full-on threat to our future and Saskatchewan's, as well as parts of Manitoba's, B.C.'s and Newfoundland's to the extent that they have a significant energy sector. It's really fracturing Canada, and it needs to be addressed.

Mr. Jasraj Singh Hallan: We've seen things like the fair deal panel and a sovereignty act that was brought up in Alberta by the Alberta government. Where do you think those came from? Do you think it was partly to do with the attack on our oil and gas sector by this government?

Dr. Bill Bewick: Definitely. However, I would not say that it's just this government. There have been governments in the past that took Alberta for granted as much as other governments sometimes ignored us. I think that every party in the legislature, every caucus, needs to fulfill its duty to really listen to—and, as I said, not just listen to but reasonably accommodate—different sections of the country, regardless of the political stakes, just for the sake of fairness.

Mr. Jasraj Singh Hallan: You talked a little bit about the power grid. Do you think it's a reasonable demand by this Liberal government on Alberta and Saskatchewan about—

Dr. Bill Bewick: No. When you hear about the large provinces that have 90% or 95% already decarbonized in their electricity grid, and we have about 10% decarbonized in our electricity grid, asking us to cut 90% of our current power versus 10% or 5% of the larger other provinces, this is clearly a case of needing to have policies that have to be adapted to provincial realities. This is a very clear provincial reality for the Prairies.

Mr. Jasraj Singh Hallan: Do you have any comments on Bill C-234?

Dr. Bill Bewick: As you said, it would be great if all Canadians were treated equally and fairly and were accommodated.

Mr. Jasraj Singh Hallan: Thank you.

The Chair: Thank you, MP Hallan.

MP Baker, go ahead, please.

Mr. Yvan Baker: Thanks very much, Mr. Chair.

Thank you to all for being here with us today.

You know, every time I sit in one of these hearings, as we've been doing throughout the week and over the past few weeks in Ottawa, I appreciate how difficult the finance minister's job really is. Some things that you've suggested are more regulatory in nature and obviously don't cost a lot, or anything, to implement. As you can see, there are a lot of priorities and a lot of resources that folks are asking be dedicated to those. The challenge for this committee is to bring that forward to the Minister of Finance in some sort of coherent way. I thank you for advocating for your respective communities and for advocating for Alberta and for advocating for Canada. Thank you for being here.

There have been a lot of comments in this morning's discussion around the carve-out on the carbon tax. I don't want to litigate that. I don't have questions for you about that. We're all entitled to our respective opinions. If you folks disagree with certain things government does, that's why we're here—to hear that—so I appreciate that. What we're not entitled to is our own set of facts. I think the one thing that I would just make sure is clear, folks, as you're adjudicating or deciding whether you think it's a good idea or a bad idea or whatever you think, is that the carve-out is a three-year temporary carve-out for those who heat their homes with oil. It applies across Canada.

Obviously, the majority of people who heat their homes with oil are in Atlantic Canada, so it's for a portion of Atlantic Canada, but it's not an Atlantic Canadian policy. It's a policy for all Canadians who heat with oil. It was done because oil is the most expensive way to heat your home. It's also very expensive for folks to transition. It was clear that folks who use home heating oil, whether in Atlantic Canada or elsewhere, were having trouble making that transition. That's why that policy was brought in for a short period of time.

The other thing I want to point out is that, as part of that announcement on the temporary carve-out, the federal government doubled the carbon tax rebate top-up for rural residents. That's something to keep in mind as well. That also applies across Canada.

I didn't want to talk about that, but I did want to put those facts on the table so that you knew what those were.

Greg, you talked about how you're not accustomed to being in this environment. I have to tell you that I come from the world of business. I've been in elected office provincially and federally for eight years now, and I'm still not accustomed to this environment. You did a fine job.

I don't know that I have many questions for you both other than an appreciation for some of your suggestions. I noted a few of Janice's suggestions especially around changes that would help your sector and help those people you represent. They sound like things that could be done relatively quickly and at a low cost. I appreciate those. We'll take those away with us. Thank you.

Mr. Gallaway, I have a question for you around long-term care and national standards. You mentioned it only briefly. I know you had a lot on your plate to cover. I've spent a lot of time on national standards for long-term care. In early 2020, I and a handful of MPs wrote a public letter to the Prime Minister and the Premier of Ontario, as we were in Ontario, to ask that national standards be put in place. Those standards have been developed. The federal government funded the development of those standards by external experts. These aren't the Liberal or Justin Trudeau standards. Experts put these together.

My point of view, and I want you to give me your reaction to this, is that those standards aren't worth the paper they're printed on if they're not implemented. Ultimately, health care is the jurisdiction of the provinces. My view is that the next step is that we need provinces—I'm also looking at Ontario, which is where I'm from—to do that too. I'm not picking on anybody. Across Canada, I think if we want seniors to get the quality care they deserve, long-term care homes need to meet those standards, and to meet those standards, we'll probably just have to adopt them and enforce them. Do you agree with that?

• (1115)

Mr. Chris Gallaway: Absolutely. That's why tying strings to funding is important. We're seeing that with housing funding right now in municipalities. If you want the funding, there are rules you have to implement and standards that you need. There's no reason we can't do the same in long-term care with provincial governments.

Mr. Yvan Baker: We did do some stuff recently in terms of a large amount of health care funding. We provided all of the provinces \$198 billion, I think, over 10 years.

The Chair: I apologize, MP Baker, but we're having some issues with your mike.

You may have to use MP Dzerowicz's mike. We have stopped the time.

Mr. Yvan Baker: Just recently there was the \$198 billion, and again I spent a lot of time on health care. I was one of those, along with many others in our caucus, who advocated for that funding to be tied to outcomes. That's what was done, and my understanding now is that the federal government is in the midst of discussing with each province what the specifics are and what specific outcomes the funding is tied to. Do you agree with that? Do you agree with that approach?

Mr. Chris Gallaway: Yes, we don't see very stringent strings or really anything that will be enforceable with respect to that funding. We're glad negotiations are happening, but when it came to things like child care, the federal government caved to Alberta on every demand they had, watering down the deal. We're concerned that if the only approach is handing over a blank cheque, it won't get the outcomes we're looking for.

Mr. Yvan Baker: I hope we didn't cave, but I hear you. I hear your feedback, but hopefully that's a sign that the federal government sort of does certainly respect provincial jurisdiction and respect the feedback of the provinces. I'm not saying we ended up with the perfect outcome. I'm not opining on that, but I think the point that's been discussed a lot here this morning is that the federal government tries to serve all Canadians, and it does listen. Do I have any time left?

The Chair: You have just enough for an answer. Is there a question for the...?

Mr. Yvan Baker: There's not really a question unless you want to comment, Mr. Gallaway.

Mr. Chris Gallaway: That's fine. Thank you.

The Chair: Thank you, MP Baker.

MP Ste-Marie, go ahead, please.

[*Translation*]

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

I want to welcome all the witnesses.

Mr. Breton, regarding federal regulations, why is it important to regulate the sale of zero-emission vehicles, including trucks, buses and other medium and heavy vehicles, and to have strict standards for exhaust emissions?

• (1120)

Mr. Daniel Breton: It is very simple, in fact. According to a study published in 2019 by the International Energy Agency, Canada's vehicle fleet is the worst in the world when it comes to greenhouse gas emissions per kilometre driven. It is not complicated: when it comes to green house gas emissions, we come in last. That is the first thing I wanted to say.

Second, everywhere in the world, almost all auto manufacturers are opposed to regulations concerning greenhouse gas emissions or the number of electric vehicles to be supplied to Canada. That said, they were also opposed to air bags and antipollution systems in the past, and even to seatbelts, in the 1960s. So it is nothing new to see manufacturers, in general, opposing regulation: it is a matter of principle.

When we look at everything involved in the zero-emission standard, we see auto manufacturers everywhere in the world making it their priority to ship electric vehicles to countries where there are regulations.

[*English*]

As we say in English, they always complain and they always comply.

[Translation]

Regulation is therefore extremely necessary. At present, a majority of the electric vehicles sold in Canada are in British Columbia and Quebec. In Ontario, in the Maritimes and in some provinces, none exist.

If a car dealer wants to sell electric vehicles but there are none to be bought, and the dealer has sales targets to meet, they will try to dissuade the buyer from buying one in order to sell them the gas-powered vehicle on their lot.

Mr. Gabriel Ste-Marie: We see the same thing in Quebec, unfortunately.

Mr. Daniel Breton: That may be because the standard is not strong enough.

Mr. Gabriel Ste-Marie: Yes.

Why should the federal government adopt an action plan for electric vehicles?

Mr. Daniel Breton: At present, there is an action plan for the electric vehicle supply chain, that is, for everything relating to critical minerals, batteries or assembly, in particular. Announcements have been made by the federal government. A few days ago, there was an announcement in British Columbia and there were also announcements in Ontario and Quebec.

There are very good things being done all over Canada, but there needs to be an integrated plan for electrifying transportation that also includes infrastructure.

In fact, there is one area that not enough gets said about, and that is education and worker training. Two of our members are Unifor and the FTQ, the Fédération des travailleurs et travailleuses du Québec. There is an extremely important transition that is going to happen in jobs. The young workers I talk to say they do not just want to have a job, they also want to feel they are doing something tangible to promote zero-emission vehicles. Whether they are cars, trucks or buses, whether they are electric or hydrogen-powered, these young people want to feel they are making a positive contribution to the economic future of their region. I have heard this in Quebec and in Ontario and even here in Edmonton, where good things are happening, like the streetcar project.

A lot of things are going to be happening in terms of technological innovation and zero-emission vehicles.

Mr. Gabriel Ste-Marie: Thank you.

When it comes to the supply policy, is the federal government up to the job?

Mr. Daniel Breton: For everything referred to as the critical minerals supply chain, one of the challenges that arises is the amount of time it takes for projects to be approved. There is a balance that is not easy to achieve: on the one side, you want to make sure the projects move forward as fast as possible, but on the other, it has to be done in partnership with the first nations. You can't do what was done in the past and show up on their land and ransack it with disrespect and even racism. There is extremely important work that has to be done in that area.

Someone asked me how we could speed up the approval process at the Department of the Environment. My answer was that cutting staff in the department was certainly not going to speed things up. The department has to be given the resources to do its job. I am a former minister of the environment. At the time, we had almost no budget and almost no staff. I know exactly what happens. It is all very well to talk about respecting the environment, but that takes employees on the ground to do the work.

Mr. Gabriel Ste-Marie: Thank you.

You said that rail transportation could be electrified. If I understood correctly...

Mr. Daniel Breton: When it comes to rail transportation, we are 50 to 75 years behind the rest of the planet. Forgive me, but we look ridiculous in North America when it comes to electrifying the railway system. Sometimes, when I compare our system to what is being done in Europe or Asia, I get the feeling I have gone back to pre-war days, when I board a train in Canada. It is a bit pathetic.

Take the example of the rail link between New York and Montreal. Once the Amtrak train crosses the border between the United States and Canada, its average speed is 16 km/h between the border and Montreal because of the poor condition of the rails. I think there is work to be done.

• (1125)

Mr. Gabriel Ste-Marie: What can be done to support electrification of the transportation used in the mining industry?

Mr. Daniel Breton: More and more mining companies, some of which are members of Electric Mobility Canada, are interested in critical minerals supply.

I am going to say something extremely important: from a geopolitical perspective, critical minerals supply is in everybody's mind these days. I remember speaking with the federal government and with American politicians a few years ago. The American politicians did not think critical minerals were important, until we talked to them about having control of the critical minerals supply for national security and military reasons. All of a sudden, they were listening. They realized that it was not just an environmental issue. Some people could not care less about the environment, but it is another matter when you talk to them about national security and critical minerals supply.

Where I have a problem is when President Biden came to Canada last year or a few months ago. In the House of Commons, he said that since Canada had critical minerals, he was going to take them home to process them. We cannot find ourselves once again in some kind of neocolonial system of natural resource extraction, and not make value-added products in Quebec and Canada. I believe that is a mistake we have made too often in relation to oil, lumber or aluminum. I think you learn from your lessons and you do not get a second chance to do it.

The Chair: Thank you, Mr. Ste-Marie.

[English]

We'll go to MP Blaikie.

Go ahead, please.

Mr. Daniel Blaikie: Thank you very much.

Mr. Gallaway, I just want to circle back on the question about pharmacare.

I am glad to hear you say single-payer, personally. I know there are still folks out there who think Canada should take a stopgap approach and just have a plan for people who don't currently have coverage.

I'm wondering if you can speak to what the challenges and the cost of that are versus those for a single-payer system.

Mr. Chris Gallaway: Absolutely.

That's something that comes up all the time. There's kind of this idea that, if we just try to find a way to fill the gaps for that one-third or so of Canadians who might not have coverage, that will be cheaper and it will somehow work out, but we lose all of the savings of a single-payer system if we just add new programs. We already have thousands of drug plans in this country—employer plans and public plans. They're costing us a lot of money. We're already paying to not have single-payer pharmacare when we could simply do it through one system, through a national program, through our medicare system. We could save money and provide the medicines people need to everyone.

It's clearly laid out. There's report after report that shows this: the Parliamentary Budget Officer, Dr. Hoskins.... There's so much that can be looked at to show how clearly it is true that the best model is a single-payer system, fiscally as well as in terms of the outcomes for health, so we should simply do it.

Mr. Daniel Blaikie: I think we know that one of the risks people face by having their prescription drug coverage tied to their employment is that they can end up with gaps in employment. If they change jobs, even if they're fortunate enough to go right into another job, or if they might be laid off for a period of time, there's usually a certain amount of time that they have to spend paying into the plan before they're eligible for benefits. Can you speak to the virtues of a fully portable prescription drug plan?

Mr. Chris Gallaway: It's something that folks in Alberta know well. We saw that through the pandemic across the country, with people losing their benefits. We have the boom-and-bust cycle of oil and gas here, where people have employment and then they don't. That's happened many times in my lifetime and in Alberta's history. If people's medicine and the drugs they need to stay alive—their health—are tied to their jobs, we don't think that's fair and okay. As part of health care, they should have access to them when they need them and where they need them.

We're this strange country where we have this universal health care system that doesn't include drugs outside of the hospital. It's costing us a lot. People end up back in the hospital. It really shouldn't be tied to the idea that you have a job for right now. You retire and suddenly your benefits change, or the provincial government changes the drug benefit plan for seniors. Whatever it might be, people shouldn't be at the whim of employment, different drug

plans or different programs. There should be one system whereby everything is covered and people know that they can get what they need when they need it, no matter where they live in the country.

Mr. Daniel Blaikie: When it comes to health human resources, it seems like we're stuck in a zero-sum game. We don't have enough health care professionals—of all kinds—and the provinces are developing their own health human resources strategies in vacuums. Often, that means looking at other jurisdictions and creating incentives for people to move to other jurisdictions, but not enough emphasis on training to ensure that wherever you live in Canada you're living under a health system that has an adequate supply of health human resources.

I wonder if you could speak a bit to the importance of developing something among the provinces. I don't think it should be Ottawa-led, but Ottawa-convened and Ottawa-resourced. Talk about the importance of having a national strategy in that regard.

● (1130)

Mr. Chris Gallaway: There's such a need for national leadership on health care staffing, both because not every province is doing it—Alberta doesn't really have a workforce plan currently for health care—and, also, you're right that we're in this race-to-the-bottom mentality, whereas we really should be having a strategy that looks at retention, at how we keep the skilled health professionals that we have working in the systems where they're working, and that also looks at recruitment, the training, the immigration, whatever those other pieces might be, to ensure we have the workforce we need going forward.

Instead, we're seeing some provinces doing more than others. As part of my job, I read a lot of things online about health care, news stories and stuff, but now what happens to me is that I get lots of ads on health care—my phone thinks I'm a nurse half the time—ads like, “Do you want to work in Atlantic Canada? Here is your incentive to move.” We're poaching from each other rather than looking at the system across the country.

The newest one I've seen is actually for anesthesiologists—that's my parents' wish, but that's not my employment. Provinces are desperately looking for folks to keep their operating rooms open. If we're simply moving people from Alberta to B.C. or from Saskatchewan back over to Nova Scotia, where people might have grown up, that's not solving the bigger issue. It's costing us more because we're putting in all these expenses. We heard from the rural municipalities in the last panel that doctors are such a big thing, and we're seeing rural municipalities pony up all sorts of money in trying to recruit a doctor to their towns—an incentive or whatever it might be. They're just competing with each other for the same doctor and spending more money to do it, rather than our having a national strategy. I think it's crucial if we're going to solve the problem we're in.

Mr. Daniel Blaikie: Thank you very much.

Do I have a little more time, Mr. Chair?

The Chair: You have one minute.

Mr. Daniel Blaikie: I'm happy to continue.

I guess what I wanted to ask about is maybe stepping back a bit. You mentioned that there were some negotiations going on in the follow-up to the announcement of health care funding, but what the Liberals didn't do, which they had campaigned on in 2015, was bring back the national health care accord approach, where you get provinces around the table, you set priorities and you develop metrics. I wonder if you could speak a bit to what was lost in turning away from the model of a national health accord, and what you think we need to be doing as a country in order to get those benefits back.

Mr. Chris Gallaway: That is something we called for at the time, along with groups across the country. We needed to do a new national health accord where everyone was on the same page, because it should be one medical system, one health care system—medicare—no matter which province you live in. We shouldn't be having one-off deals with every province, with different levels of service and coverage. It's about getting that buy-in at a national table for the money that needs to be spent.

We do think that the federal government needs to pay their share—and that share has decreased over time—but also, there needs to be some agreement on what that's going to be and what we're delivering to Canadians and Albertans as part of that. That is the moment when the federal government has the power to look at outcomes like long-term care centres, like buy-in for pharmacare or whatever it might be. If it's at that table where everyone agrees and everyone has signed on, it's much easier than signing 12 or 13 different agreements across the country, one at a time, on all these issues.

Mr. Daniel Blaikie: Thank you.

The Chair: Thank you, MP Blaikie.

That's the end of our first round of questions. We have enough time for a second round of questions. The timings will be a little different for the members asking the questions.

We are starting with MP Morantz.

Go ahead, please, for five minutes.

Mr. Marty Morantz: Thank you, Mr. Chair.

Mr. Schmidt, we heard Mr. Bewick say a few minutes ago that Canada is in the midst of an affordability crisis. I agree. I have in front of me a report put out by Agriculture Carbon Alliance. Are you familiar with it?

I'm just going to go through a couple of things as they pertain to Alberta.

They canvassed different sectors. The Alberta chicken farmers said they conducted an energy utilization survey among their farmers to quantify the impact of the carbon price. Depending on the size of the operation, the carbon price was estimated to cost an average of \$41,000 annually to our chicken farmers. Also, in terms of Alberta, the Alberta Cattle Feeders' Association put a number of about \$14,000 on it, which equates to 75¢ per tonne of grain that is produced. Then the Alberta poultry farmers said, “as for financial viability, we face the following. Every \$10 per tonne of carbon tax costs us significantly more each month, and when the cost goes to the intended level of \$170 per tonne, our cost will rise to an average of approximately \$40,000 per month”.

These are incredibly high numbers. I know the government members have made the case over the last eight years that people get back more than they pay. That is obviously not the case if you are a poultry farmer, a cattle feeder or any of the other examples that I gave.

We have this bill in the Senate right now. It's Ben Lobb's bill. It was passed in the House. It was tied down by Liberal senators in the Senate. Are you of the mind that this bill should pass the Senate as quickly as possible?

• (1135)

Mr. Greg Schmidt: I am absolutely.

Mr. Marty Morantz: That's a very short answer to a very long question.

Voices: Oh, oh!

Mr. Marty Morantz: I thank you for it.

Do you have any context you care to add?

Mr. Greg Schmidt: Yes. You touched on a lot of different industries there. I think we're seeing the effects of not only the carbon tax but also multiple layers of taxation that are affecting us as an agriculture industry. We rely heavily on transporting our product to and from market, whether that's live animals or whatever it is, and on heating our barns. We're very high fuel users. The carbon tax has a big direct impact on us.

Mr. Marty Morantz: Poultry farmers say it will be \$480,000 a year at \$170 per tonne.

Does that make food more expensive?

Mr. Greg Schmidt: The problem with most of our industries at the bottom of the chain is that we are price-takers, so we really can't pass those costs on to consumers. However, yes, down the chain, I'm sure that affects the food price.

Mr. Marty Morantz: Instead of making food more expensive, it makes the producers less viable.

Mr. Greg Schmidt: Absolutely.

Mr. Marty Morantz: Okay.

I just want to circle back to this issue of a carve-out or pause on the carbon tax for home heating oil. I'm from Manitoba. I have never met a single person who heats their home with home heating oil. As much as the Liberals like to say that this is a national program, when they rolled that policy out, there wasn't a single cabinet minister from the west at that press conference. There were just Atlantic cabinet ministers. To say that this was not a policy, a carve-out, intended to deal with only Atlantic Canadians—because the Liberals were tanking in the polls there—I think is disingenuous.

Would you agree that it would be fair to have a carve-out for home heating across the board for all Canadians?

Mr. Greg Schmidt: I would absolutely. That's home heating, and I think more important to our industry is Bill C-234 at the Senate.

Mr. Marty Morantz: I'll have to ask you a few more questions, because I love when people say, "Absolutely".

Mr. Bewick, just briefly, it seems as though Alberta always gets the short end of the stick when it comes to national unity. There are so many issues and you've eloquently covered them.

When it comes to energy—and oil and gas in particular—I remember the national energy program of the 1980s. I'm old enough to remember what federal government policy did to the Alberta economy back then. You referred to the oil and gas industry as the golden goose and said that it's going to affect Canadians' standard of living as we go forward.

Just quickly, how much do these policies around the carbon tax and other anti-energy policies cost the Alberta economy?

Dr. Bill Bewick: At the moment, it's just starting, so it's as much the spectre of where it ends up that is now curtailing investment and costing us opportunities already as....

When you say the carbon tax will go up to \$170 in 2030, when you say you will have to slash production of the oil and gas sector by 2030 to meet an arbitrary standard and when you arbitrarily pick 2035 as a net-zero electricity grid date, it's just bad governance. It's the kind of thing that chases investors away.

If, instead, it was, "Let's work together. Here's our plan for how to fully invest in carbon capture and storage so that people can continue to grow their businesses, and here are ways we will support the policies to get that carbon stored underground so that production can continue". If that was the tone and the attitude, that would attract investment. I think Mr. Bruce would agree with me. However, instead, we're getting these somewhat arbitrary deadlines and caps, and people who want to invest here don't know where it's going to end.

• (1140)

The Chair: Thank you.

Thank you, MP Morantz.

We'll go to MP Dzerowicz, please.

Ms. Julie Dzerowicz: Thank you so much, Mr. Chair.

I want to thank all the presenters for excellent presentations and for the discussions today.

My colleague was very eloquent when he said it's okay to have a difference of opinion—and we indeed want to hear from you when there are things we can do much better—but no one should invent facts. In an earlier exchange, there was an indication that our carbon tax is weakening and failing, and it's all awful. I will say to you that we continue to be very committed to a price on pollution, which we call the carbon tax.

We were in Manitoba yesterday. I'll tell you that everyone who was there continued to support a carbon tax. It is the best and the cheapest way to tackle climate change, and if oil and gas prices are going up, it's because we have global inflation and there is massive instability from wars that is impacting the price of oil and gas in our country.

With that, I'm going to make a couple of comments and then I'll ask some questions.

Mr. Galloway, I very much appreciated that my colleague Mr. Blaikie talked about the health care accord we talked about and we promised in 2015. I too agree that we need to bring that back, and I really appreciated your comments around having to make sure that there are far more strings attached. That came out in yesterday's testimony as well. I want to let you know that the increase we provided in our health care funding.... We made a major announcement of \$198 billion for health care. The increase we gave the Canada health transfer was based on what the Canadian Medical Association had recommended, which was just under 5%. We did that, and I want to put it on the record.

I appreciate your comments. We're very much listening very closely to them.

I would like to turn my attention to Mr. Schmidt and Ms. Tranberg. Thank you so much for your wonderful testimony. I really appreciated some very specific recommendations that you had for us.

One of the things we've been talking about in the finance committee is interprovincial trade barriers. I wanted to know whether or not you think it is important for us to be tackling that for your industry. The recommendation that's come out from a number of other people who have come to present to us is that we should have a registry to show whether the interprovincial trade barriers are actually stopping trade—and affordable trade—between the different provinces.

I wanted to know whether that's something you would support.

Ms. Janice Tranberg: I'll take this one.

We don't have a position on interprovincial trade.

On meat specifically, there are impacts to international trade should we lower standards. Right now, processing plants are either federally inspected or provincially inspected. If we lower our standards to meet provincial inspections, that could potentially complicate international trade. There are opportunities lost by not being able to have interprovincial trade, but there are also concerns for our international trade, which is about 50% of beef in Canada.

It's not an easy yes-or-no answer. That's what I'm trying to say.

Ms. Julie Dzerowicz: I appreciate that.

I also appreciated your comments around food security in Canada. There needs to be a lot more planning around that because, as we move to more global instability, you want to build a more resilient food system within Canada. I think the more supports we can provide to our food sector, including the sector you're a part of... I think it is really important, so I appreciated that.

I'll move over to Mr. Breton on EVs, or electric vehicles. I appreciated your comments.

One of the things I've noted, as someone who wants to purchase an electric car, is that in B.C. and Quebec, they have the highest number of electric vehicles. A huge part of that is because it's the provinces that have jumped in and provided some incentives.

I hear your recommendations for the federal level. Would you also agree that at the provincial level there needs to be some strong incentives as well?

Mr. Daniel Breton: Yes, but I'll give you an example.

In New Brunswick, the EV incentives are higher than in B.C. The issue in New Brunswick is that, because there are no regulations, they can't get any. It's one thing—

• (1145)

Ms. Julie Dzerowicz: Is it regulation, or is it provincial?

Mr. Daniel Breton: Right now, there are provincial regulations in B.C. and Quebec, so manufacturers have to provide more electric vehicles there. Because there's a higher rebate in New Brunswick, but no regulations, they can't get any—

Ms. Julie Dzerowicz: There are no regulations.

Mr. Daniel Breton: There are no provincial regulations. That's why the federal regulations that should be announced any day now will make a big difference.

I'll give you a perfect example.

Twelve years ago, the federal government under Mr. Harper, and the Ontario government, provided \$170 million for Toyota to assemble Toyota RAV4 EVs in Ontario. There was a big incentive back then. It was \$8,500. Because there were no regulations, 100% of these vehicles, which had been assembled with taxpayers' money, were sent to the U.S.—all of them. You could not buy a Toyota RAV4 EV in Canada or in Ontario.

Then, yes, rebates do make a difference, but regulations sure do.

Ms. Julie Dzerowicz: You're very helpful.

The Chair: Thank you, Ms. Dzerowicz.

Now we go to MP Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Breton, what needs are there when it comes to electric vehicle charging stations?

Mr. Daniel Breton: A report on ZEVIP, the Zero Emission Vehicle Infrastructure Program, was released last week. It says in the report that Canada will achieve its targets for 2026 in relation to charging and refuelling stations for electric and hydrogen-powered vehicles and in relation to fast chargers and level 2 chargers. Beyond that, we have to make sure that funding continues.

For those who are not aware, this year is the 110th anniversary of subsidies by the United States to its oil companies. This means that those companies have received a lot of money, for decades, to install oil and gas infrastructure in North America. The United States therefore has a 110-year head start when it comes to electrification of transportation.

We think the program has to continue because it allows for predictability in terms of the market and ensures that there are facilities for everyone. One of the gaps mentioned in the report by the Office of the Auditor General of Canada dealt with the supply of charging and hydrogen refuelling stations in rural and remote regions, including in the Canadian prairies. Once you get off the highway or outside the big cities, charging stations are a definite challenge. In Quebec, the challenge is different, because the Hydro-Québec electrical network brought about an incredible change when it comes to the supply of charging stations.

We published a survey a few weeks ago that revealed that in Quebec, 97% of people who own an electric vehicle want to purchase another one. In Ontario, where there are fewer and lower quality facilities, it is 83%. That means there is a 14 percentage point difference between Ontario and Quebec, when those provinces are located side by side.

Charging stations are doing to be extremely important. The program has to continue, but it needs to be improved. For now, funding is being granted for charging stations, but some networks are not reliable. There are very high performing charging networks, like the electrical and other networks, but there are others that are not reliable. What we are proposing is to attach infrastructure reliability parameters to the funding.

Mr. Gabriel Ste-Marie: Right.

You suggest that a green scrappage program be put in place. What is that, exactly?

Mr. Daniel Breton: In fact, we are suggesting that after a certain number of years, more precisely when a vehicle is to be scrapped, people could be given an incentive to buy a green vehicle, an electric vehicle, or to buy a public transit pass or an electric bike. Electric cars are not the only solution; they are one solution among others.

I will be frank: for people who live in urban areas, having one or two cars is more of a hassle than an advantage. Personally, I live in the country, so it is impossible for me to take a train, a streetcar or a bus, because those modes of transportation do not exist in my region. So we have to adapt to the various regions of Quebec and Canada. Urban reality, suburban reality and reality away from cities and towns are three very different realities.

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you, MP Ste-Marie.

MP Blaikie, go ahead, please.

Mr. Daniel Blaikie: Thank you very much, Mr. Chair.

Mr. Bruce, one of the things we've heard around this table of ten—we heard it about electric vehicles and we heard it about the aerospace industry just today—is how important it is to have an industrial strategy in order to be able to attract investment and to give investors confidence that, over time, the investment environment in Canada is going to be relatively stable.

We heard a little bit about how electric car rebates, in the absence of a regulatory framework, may be nice, but it doesn't really allow for the kind of movement we need to see in order to have success. I wonder if the ITCs are a little bit like an electric car rebate in the absence of an industrial strategy for the development of hydrogen. What do you think the industry needs in terms of a policy framework in order to establish Canada as a leader in hydrogen?

• (1150)

Mr. Malcolm Bruce: I'll back up the bus, first, as I do want to just echo some of Daniel's earlier comments around the supply chain as an important part of it. The industrial strategy is something that's going to enable all those things to happen.

Canada has a hydrogen strategy. It was produced almost three years ago. Alberta has a road map on hydrogen. There's lots of policy out there that says this is where we want to go. In Canada's strategy, we want to be a top three provider of hydrogen to the globe. The challenge is that the subsequent work to deliver on that is where the problem sets are. What are the enabling frameworks that need to occur?

For example, we have no bulk liquid facilities on the west coast. They're all full. That means we can't move ammonia or hydrogen to Japan, Korea, California, China or Taiwan, who all want our products. When I said that these projects are what we hope to complete, that's because we have a policy framework that says we want to do this, but our actions to try to deliver on the infrastructure to be able to move that product to market are not being enabled.

A classic example is the length of time it takes to get to regulatory approval. There's one bulk liquid facility on the coast that we're

trying to build now. It took three extra years to get the regulatory approval. It's now costing an extra \$300 million to build. Then you layer on no new incentives for fossil fuels. In the old school, it would have been approved. There was the national corridor fund. We would have gotten that first part built and the rest built, but today we can't because of no new fossil fuels. The company starts with one set of rules, and halfway through the game it changes.

All I'm saying is that we need to get certainty back into our international investors. They do not have it right now, because they can't seem to get that certainty in a project. We need industrial policy and execution that provide certainty across the value chain.

Mr. Daniel Blaikie: What do you think is that next step in execution? What does the federal government have to do in order to be able to execute the goals they've set out in the strategy? What are the missing technical pieces? What are the things that are in the way?

Mr. Malcolm Bruce: First, when a company commits to a process—as you know, these things take five, 10 or 15 years to do—the challenge is that if the process changes halfway through, it means the business case has to be reshaped. I would strongly recommend that you grandfather projects that have started under the system they have. Investors will then know that system.

Second, make sure that the incentive programs enabling it, such as the strategic innovation fund, the Canada growth fund and all of these funds, have clear criteria so that companies understand what the strategic investment fund will do for them. Air Products, for example, got \$300 million out of the strategic investment fund, plus \$161 million out of the Alberta equivalent. That gave them \$461 million out of a \$1.6-billion deal. That's what incentivized them to come and build here.

The Chair: Thank you, Mr. Blaikie.

MP Hallan, go ahead, please.

Mr. Jasraj Singh Hallan: Thank you, Chair.

My first few questions will be for Mr. Bewick once again.

In keeping with the theme of the carbon tax, we saw that the carbon tax was sold under the pretense that it would somehow fix the environment and put more back into Canadians' pockets than what they would have to pay into it with these phony rebates. We know that both those things are not true now. The public budgeting officer, the Liberals' own budget watchdog, said that many Canadians, and more Canadians, will have to pay more into it than what they get back.

We've seen that the Liberals have missed every single climate target they set for themselves. We've seen a massive flip-flop on the carbon tax. Just recently the courts have ruled that parts of Bill C-69, the anti-pipeline bill, were unconstitutional. It was a big win for Alberta and a big win for the energy sector.

What does it say to you about these policies?

Dr. Bill Bewick: I think there needs to be a little more recognition that precisely those approval processes that take so long and add so much red tape are exactly what are being expected from the energy sector, both the electricity and the oil and gas sector. The only way you can cut your emissions that much is with massive new investments in technology and infrastructure. If the federal government doesn't have a regulatory process in place to meet the goals they're demanding, then something needs to give.

If a reduction in carbon emissions is the biggest priority, the number one thing Canada can do is get more LNG to the Pacific to replace Chinese coal. Canada has 1.5% of the global emissions. Nothing we do will make any difference compared with what we could do by getting China a steady supply of LNG so that they aren't building coal plants. Last I checked, they were planning to build 150 megatonnes of new coal. The entire oil sands is half that. If we can cut coal in half by replacing it with LNG, we've replaced the entire oil sands with something that actually brings money into Canada instead of dumping a bunch of money into things like battery plants.

• (1155)

Mr. Jasraj Singh Hallan: Recently when Japan and Germany came here looking for our LNG, the Prime Minister said there was no business case. There were, I believe, 18 LNG projects on his desk, and not one has been completed.

You're right. It seems as though there are more dollars going to dictators because of the regulatory burden, the red tape and these anti-energy bills that this government has put up.

What does it say, what does it signal, when this Liberal government has not been able to meet its own emissions targets but is putting a stranglehold on provinces to make them meet what it wants them to?

Dr. Bill Bewick: As I said, the environment commissioner has been very clear that the government isn't meeting its targets, yet it's not willing to budge one inch when it comes to what it's demanding of the Prairies. That's the sign of a double standard.

When you look at the top 15 global producers of oil and gas, the only two that are democracies, other than Canada, are Brazil and the U.S., when it comes to oil, and Brazil and Australia, when it comes to natural gas. The other 12 are dictatorships.

If Canada isn't producing these products that the world is hungry for, then dictators are going to be licking their chops and warming their hands at the thought of that.

Mr. Jasraj Singh Hallan: What needs to be done right now in order for us to be a world leader once again?

Dr. Bill Bewick: We can be a leader in carbon emissions reductions, but we have to be sensible about it and look around at what

the competitors are doing and be the best in class, not drive off an economic cliff instead of leading a parade.

Mr. Jasraj Singh Hallan: Is that the direction we're going right now?

Dr. Bill Bewick: Yes. Right now we are forcing our products to stay in the ground and burying our heads in the sand instead of being global players.

Mr. Jasraj Singh Hallan: Fair enough.

Going back to Bill C-234, I didn't get a chance to properly ask you about this, but how important is this bill? I know that all opposition parties are in agreement with this and with getting it passed immediately. How big an impact would this bill make?

Dr. Bill Bewick: Is this the one for farm production?

Mr. Jasraj Singh Hallan: Yes.

Dr. Bill Bewick: Fertilizer was put on the table as something the federal government wanted to go after and severely restrict.

Again, we have an affordability crisis facing many Canadians. We also have a productivity crisis in Canada. The idea that you can keep subsidizing jobs until the end of the world will just drive us into national bankruptcy. We need things that actually produce dollars and that can produce products that we can sell to the world. It should never be underestimated how important oil and gas and the agriculture industry are to Canada's ability to maintain its fiscal books and finances. Targeting these industries for these kinds of programs—because people in big cities don't care about them or don't think doing that is going to hurt them—is naive thinking and will further drive up the affordability crisis.

Mr. Jasraj Singh Hallan: Fair enough.

I'll ask the same question to the National Cattle Feeders' Association.

How important is Bill C-234 to helping bring affordability back to our producers?

Ms. Janice Tranberg: It's very important.

Last week I was talking with one of my members. He was telling me that he looked at one month's bill—he was looking at his heating costs—and 25% of the bill was the actual product. All the rest was taxes, delivery charges and everything else. That's at the current level. Once it goes up—

Mr. Jasraj Singh Hallan: Would you be able to table any of that with the committee, with that person's approval?

Ms. Janice Tranberg: I can ask.

• (1200)

Mr. Jasraj Singh Hallan: Fair enough.

Thank you.

The Chair: Thank you, MP Hallan.

To all witnesses, you are able to send in to the clerk anything that was not captured, and then it will go to our analysts. Thank you.

Now we're going to our final questioner for today, and that is MP Baker.

Mr. Yvan Baker: Thanks very much, Mr. Chair.

Since I'm the one who is wrapping it up, thank you all again for being here today.

I have lots of questions I want to ask, so I'll do the best I can in five minutes.

[*Translation*]

Mr. Breton, at the start of your presentation you made several concrete suggestions. I am not saying we should not do everything you suggested, but if you had to prioritize one or two or three of your suggestions, what would they be?

Mr. Daniel Breton: The first would be regulation, to make sure we have an adequate supply of light and heavy electric vehicles. The second would be to put infrastructure in place, which is extremely important everywhere in Canada. The third would be education and training, because without education and training, we will not be able to create the high quality jobs we want to create for young people and for the future. There is a transition to make, not just in energy, but also in jobs, and so we have to be up to the task. For now, we are not yet there and this is a real challenge.

Mr. Yvan Baker: Thank you.

As was mentioned here yesterday, the federal government, in collaboration with the provincial government, has recently invested funds to attract investments in electrifying transportation. The battery plants in Ontario are one example. What do you think? What will the impact of these investments be?

Mr. Daniel Breton: The auto sector in Canada was on the verge of dying and had been in a long decline for 20 years. Thanks to the investments by the Canadian government, we are seeing a resurgence in the auto industry, including trucks and buses, whether on the part of Volkswagen, Stellantis, Northvolt or other companies. As a result, Canada has recently risen to third place among the countries that attract the most foreign investment.

People say that this is wasting money or throwing money around, but in fact it is an investment for the future. First, as you know, it is directly related to the American Inflation Reduction Act. If the public money spent in the United States under that act go down, the Canadian subsidies and credits for battery manufacturing will also go down. Nonetheless, these are plants that will be there for 40 or 50 or 60 years.

Yesterday, the Minister, François-Philippe Champagne, was at our conference, where we talked about the future of the transportation electrification industry. It was a vision of the future.

The first time I talked to the federal government about developing a supply chain for electrifying transportation in Canada was almost 20 years ago. Things have sped up in the last two years. The time is right, because auto manufacturers are investing everywhere in the world at the moment. People are grumbling about public funding for the Volkswagen battery plant, but the thing to remember is that Volkswagen will not have any other plant in North America. Canada is the one that was chosen. The same is true for Northvolt: there will be no other plant in North America. Some people seem to think this is wasteful. Actually, it is an investment.

I hear you talk about finances: what do you think the economic cost of air pollution is in Canada? According to a report by Health Canada, it is \$120 billion a year. Air pollution comes from two sectors: transportation and oil and gas. If we want to talk about economics, then let's talk about health economics, people's health being wasted by pollution.

Forest fires are another thing that absolutely has to be considered. For 40 years, an average of two million hectares of forest has burned every year. The previous annual record, set in 1995, was seven million hectares. This year, 18 million hectares of forest had already burned in September.

Fossil fuel production has an economic impact, an impact on families and an impact on the people who were evacuated. This year, we saw disasters everywhere in Canada because of forest fires. So I think the attitude of some people, people who say we have to produce more oil and more gas, is a bit cavalier, since that is part of the problem.

Mr. Yvan Baker: Thank you.

In my riding, Etobicoke Centre, I sometimes hear people say that the fight against climate change is important, not just for our planet and our health, but also for the economy. A strategy to fight climate change is part of an economic strategy.

• (1205)

Mr. Daniel Breton: That is what we say at Electric Mobility Canada. We want to decrease greenhouse gas emissions and air pollution, but we want to do it by creating sustainable, good quality jobs in Canada, whether in electrification of transportation, the hydrogen industry, or the renewable energy sector. Young people want not just high quality jobs, but also jobs where they feel they are doing something tangible to improve their future and their family's future. The climate disasters we are now seeing give us all something to think about. I think we should not be wilfully blind.

The Chair: Thank you.

[*English*]

Thank you, MP Baker.

We want to thank all of our witnesses for coming before us and for your testimony for our pre-budget consultation in advance of the 2024 budget. We really appreciate your testimony.

Again, as I mentioned, for anything that was not captured, please feel free to send it in to our committee and to our analysts. We have one meeting left before we conclude our meetings on pre-budget consultations and get into the report.

On that, thank you very much for having us here. The hospitality in Alberta, in Edmonton, has been tremendous, and we really appreciate it. Thank you.

We are adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>