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Standing Committee on Natural Resources

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• (1630)

[English]

The Chair (Mr. George Chahal (Calgary Skyview, Lib.)): I call the meeting to order.

Welcome to meeting number 116 of the House of Commons Standing Committee on Natural Resources.

Pursuant to Standing Order 81(5) and the motion adopted on Wednesday, November 20, 2024, the committee is commencing its consideration of supplementary estimates (B) 2024-25, referred to the committee on Monday, November 18, 2024.

Today's meeting is taking place in a hybrid format. I would like to remind participants of the following points. Please wait until I recognize you by name before speaking. All comments should be addressed through the chair. Members, please raise your hand if you wish to speak, whether participating in person or via Zoom. The clerk and I will manage the speaking order the best we can.

I would now like to welcome our guests and witnesses with us today.

For the first hour, we have the Honourable Jonathan Wilkinson, Minister of Energy and Natural Resources. From the Department of Natural Resources, we have our officials. We have Michael Vandergrift, deputy minister, Francis Brisson, assistant deputy minister and chief financial officer, Glenn Hargrove, assistant deputy minister of the Canadian forest service, and Erin O'Brien, assistant deputy minister of the fuel sector.

Just to let everyone know, I use these cards. The yellow card is a 30-second warning. The red card means the time's up. I'll try not to cut you off mid-sentence.

Minister Wilkinson, thank you for coming. The floor is yours for opening remarks. You have up to five minutes.

Hon. Jonathan Wilkinson (Minister of Energy and Natural Resources): Thank you, Mr. Chair and honourable colleagues. It is a pleasure to be with you today to speak to supplementary estimates (B).

Climate change is altering our world's natural environment in a myriad of harmful ways. This means increasingly severe and frequent weather events, but it also means more expensive groceries, higher local taxes and higher insurance premiums for Canadians. In fact, climate change is already costing the average Canadian household \$700 per year, and it cost our economy \$7 billion in insured losses last summer alone.

There is some good news here. The economics behind climate change are transforming global finance and markets, creating enormous opportunity on a scale similar to the Industrial Revolution for those who are thoughtful and strategic.

Canada's economic strategy, informed by science and business, is seizing this opportunity for workers and businesses. I look to places like Alberta, where over 6,000 workers are busy building a net-zero petrochemical facility. Other companies are moving quickly to reduce emissions and create thousands of good jobs, including companies like Strathcona, Linde, Shell, Entropy and more.

We cannot economically or environmentally deny and ignore the scientific reality, as the Conservative Party does today. Just like Canada's scientists the last time Pierre Poilievre was in government, Conservative MPs are being muzzled and silenced. They are forced to repeat the same robotic rhymes and tired slogans. Their leader calls the shots and does not let them act on the impetus in front of us: a strong economy and a livable future for our children.

The government is taking a different approach. It's one focused on making life cost less, creating jobs, seizing the economic opportunities in front of us and positioning ourselves to continue to supply the world with its energy and critical minerals needs. Our approach is securing Canada's future as an energy superpower and delivering for Canadian workers in our oil and gas sector by placing a cap on carbon pollution. This ensures that record profits are invested back into Canada instead of overseas. It keeps the sector competitive over the long term, creates thousands of jobs for Canadians, and reduces emissions.

This plan is working. We have attracted historic investments from companies, including Volkswagen, which is building the largest electric vehicle manufacturing plant ever, Air Products, which is investing \$1 billion to build a new hydrogen facility in Alberta, and the Burchill wind project in New Brunswick, which is cutting energy bills and creating good jobs for the Tobique First Nation.

• (1635)

[*Translation*]

As I said, emissions are down. They have dropped about 8% below 2005 levels, the lowest that they have been since 1992. By 2030, emissions will be 41% lower than what they would be under the Conservatives and millions of tonnes less than under the NDP's plan.

[*English*]

Colleagues, the estimates we are discussing today reflect the focus on creating jobs and increasing economic opportunities across Canada. They include investments for indigenous people, building new clean energy projects, advancing new technologies, extracting critical minerals, fighting wildfires and giving workers a seat at the table through the Sustainable Jobs Act.

I felt compelled to appear before you today because these important measures are at risk. The Conservative Party, enabled and supported by the Bloc and the NDP, is obstructing the work Canadians elected each of us to do by bringing this Parliament to a complete standstill. As we speak, in the chamber upstairs, they are blocking vital legislation that will deliver clean water to indigenous communities, funding to build affordable housing and funding for health care and dental care.

The NDP used to say it was a party of workers, but it is now supporting the Conservatives in blocking the \$3 million needed to give workers a seat at the table through the Sustainable Jobs Act.

[*Translation*]

The Bloc Québécois used to care about Quebec's forestry sector. However, it now supports the Conservatives who are blocking over \$4 million in critical funding to fight the forest fires that have harmed our forestry industry.

[*English*]

The Conservative Party, after years of ignoring indigenous rights and voices, is blocking over \$13 million for the important work of the indigenous advisory and monitoring committee. Together, these parties are blocking funding for the smart renewables program, which is helping to build affordable, reliable and clean electricity grids.

Colleagues, I urge you all to support the estimates as presented, and ask you each to stand against Pierre Poilievre's ridiculous obstruction, which is wasting millions of taxpayer dollars, so we can adopt this funding that will strengthen our economy and fight climate change.

Thank you very much, Mr. Chair.

I look forward to the questions.

The Chair: Thank you for your opening remarks, Minister Wilkinson.

Now I will go to our first round of questioning, which starts with Mrs. Stubbs.

Mrs. Stubbs, you have six minutes. The floor is yours.

Mrs. Shannon Stubbs (Lakeland, CPC): Thank you, Chair.

Thank you, Minister and officials, for being here.

Minister, it strikes me that everything you just talked about seems to suggest that you haven't been in power for nine years. I guess the obvious question for most Canadians would be, "Well, how do you imagine that any of us are supposed to believe that any of those things are priorities for you, when, after nine years, you haven't gotten any of it done?" If you're so confident—now you want to fight the Conservatives, the NDP and whomever—then call a carbon tax election and let Canadians make this decision once and for all.

I have a general question for you, to start.

If you're the seller of a product, do you believe having more customers is better than having one?

Hon. Jonathan Wilkinson: Thank you, honourable member.

We have been in power for nine years. We've made enormous progress. The smart renewables program, for example, has 71—

• (1640)

Mrs. Shannon Stubbs: As the seller of a project, is it better to have more customers? Are more customers better than one?

Hon. Jonathan Wilkinson: —different projects that have generated 2,700 megawatts of power.

What Canadians want to understand is why—

Mrs. Shannon Stubbs: Minister, I asked you a very simple question.

Hon. Jonathan Wilkinson: —you are obstructing the work of Parliament, and why Parliament is wasting millions of dollars doing almost nothing every day. The Conservatives simply obstruct everything that's happening.

The Chair: Minister Wilkinson, we have a point of order. I'll ask you to hold for one second.

Go ahead on your point of order, Ms. Dabrusin.

Ms. Julie Dabrusin (Toronto—Danforth, Lib.): The minister was providing an answer, and Mrs. Stubbs kept interrupting. This makes it very hard to hear the answer.

Mrs. Shannon Stubbs: It's a yes-or-no question.

The Chair: Ms. Dabrusin, thank you for your point of order.

I'm glad we are able to raise this right off the top. We want to make sure the individual asking the question asks the question, and that the minister has appropriate time to provide an answer. I hope members do not interrupt the individual asking the question, or the minister responding to the question asked. If you can give him an appropriate amount of time to do so, I think that would be greatly appreciated. Accordingly, we'll have a smooth meeting.

Thank you, Ms. Dabrusin, for your point of order.

Do you have a point of order, Mr. Falk?

Mr. Ted Falk (Provencher, CPC): Yes.

On a related point of order, when the minister is asked a succinct question, I think he should give a succinct answer.

Thank you.

The Chair: Mr. Falk, thank you for your point of order.

I'd like to acknowledge that he was just getting into giving an answer before he was cut off.

Mr. Ted Falk: No.

Mrs. Shannon Stubbs: The question was simple. I'll repeat the question, Chair.

The Chair: I want to make sure that we have the ability to ask for an answer.

I will go back to you, Mrs. Stubbs.

Actually, I'm sorry, but we have a point of order from Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): I don't want to give anybody advice, with my old grey hair, but my Conservative colleagues keep ruining their clips by doing points of order. I say let's just carry on.

The Chair: Thank you.

Mrs. Shannon Stubbs: Minister, do you believe it's better to have more customers than one?

Hon. Jonathan Wilkinson: That's exactly the reason we built the Trans Mountain pipeline, which you folks couldn't get built. It was to ensure we had access to tidewater, in order to sell our products to other markets.

Mrs. Shannon Stubbs: After nine years, what actually happened is this: In the first two years of your government, you killed two private sector-proposed, dedicated export pipelines—one to export to Asia and one to the east coast, which would have secured energy self-sufficiency for Canadians and export markets in Europe. In fact, TMX just now started operating. Within five years, Canada will be out of pipeline capacity altogether.

It is because of your policies that Canada is now, in 2023, still dependent on the U.S. as its number one customer for oil and gas, while the U.S., since 2015—in every Democrat, then Republican, then Democrat, then Republican administration—has turned the United States from a net importer of oil into a net exporter and Canada's biggest competitor. Because of your anti-development policies, they are still Canada's biggest customer.

How can you be proud of a track record that helps create jobs, build pipelines and send money and investment into the United States while leaving Canadians broke, poor and jobless?

Hon. Jonathan Wilkinson: I would say that it's a sad state of affairs when a representative of a political party that actually couldn't get anything built in this country is making that kind of an argument. At the end of the day, the Conservative Party gutted environmental protections—

Mrs. Shannon Stubbs: Four pipelines were built under the Conservative government.

I'm asking about your record.

Hon. Jonathan Wilkinson:—such that nothing could actually get built in this country. They lost social licence. They lost the ability to work with indigenous people.

It was this government, through the work that we did very proactively, particularly on the indigenous side, that actually managed to get the Trans Mountain pipeline built, but also major projects across this country.

Mrs. Shannon Stubbs: Except you killed the northern gateway pipeline, which every single impacted indigenous community supported.

Hon. Jonathan Wilkinson: I think most folks—

Mrs. Shannon Stubbs: They had mutual benefit agreements that you took away from them when the Prime Minister vetoed it without any consultation.

Can you at least by now answer the question of how many oil and gas jobs your “one of its kind in the world” production cap kills?

Hon. Jonathan Wilkinson: It's going to create tens of thousands of jobs in Alberta. You will actually see large-scale CCUS projects built in Alberta and operated in Alberta. Methane reduction technologies have already driven significant job growth in Alberta. You will see significant job creation associated with the path.

That is exactly why you hear from workers that they actually think this is a good thing. Rather than letting companies that are making enormous profits simply distribute it back to shareholders—

Mrs. Shannon Stubbs: Minister, you're talking about jobs—

Hon. Jonathan Wilkinson:—this will actually ensure that they invest it in Canada.

Mrs. Shannon Stubbs: You're talking about jobs in the future. Since 2015, 300,000 Canadians have already lost their oil and gas jobs because of your policies.

The Conference Board of Canada, S&P Global and Deloitte say your first of its kind in the world cap, not a cause for celebration but instead a cause for caution, will kill between 100,000 and 150,000 jobs over the next 15 years.

I guess the question is simple, then. Do you believe the Conference Board of Canada, S&P Global, Deloitte, the Canadian chambers of commerce and all of the other experts and economists who have come out to say that your oil and gas cap, exactly as you intend it to, will kill hundreds of thousands of jobs? Do you think they're wrong?

• (1645)

Hon. Jonathan Wilkinson: I do, actually. First of all, they were basing their analysis on a regulation that didn't even exist.

Second of all, one of the assumptions they made was that oil and gas companies would do nothing to reduce their emissions. The only person in this room or the only people in this room who actually think that's a reasonable thing to say are the climate deniers who maybe sit on the Conservative benches.

Paul, an oil sands worker from Fort McMurray, said, “[The oil and gas companies] are taking our money and bringing it out of province [right now]. All these companies are just raking in the money, taking it away when it can be invested here. If [it's a pollution cap, if] it's carbon capture, there you go, that's an investment. That's more money they can...keep here.”

That is exactly right.

Mrs. Shannon Stubbs: Minister, you mentioned indigenous opportunities and jobs. I certainly have been an advocate, over the past 10 years, since I've been elected, for job opportunities and economic prosperity for indigenous people, reconciliation, so that they can move from surviving poverty to thriving in prosperity for the benefit of the entire country.

Do you know how many indigenous people are employed in Canada's oil and gas sector?

Hon. Jonathan Wilkinson: There are many, as there are in Canada's mining sector. I would say that's an extremely good thing, but I would say, once again, that we're here because the blockage—

Mrs. Shannon Stubbs: In fact, indigenous people—

Hon. Jonathan Wilkinson: —in Parliament to be able to get the supplementary estimates (B) approved means that you're actually looking to kill the indigenous advisory committee, something that has been enormously important for the oil and gas sector. That's something you should reflect on, and so should your leader.

Mrs. Shannon Stubbs: Minister, up to almost 10% of the oil and gas sector jobs are filled by indigenous people. Those are the people most at risk from your anti-energy policies—

The Chair: Ms. Stubbs, time's up. You'll have to continue that line of questioning in the next round. Thank you.

We'll now go to Mr. Schiefke.

You have six minutes, sir. The floor is yours.

Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.): Thank you very much, Chair.

I'd like to welcome the minister to committee today.

Minister, this is the first time we've had an opportunity to ask you questions in this committee since the U.S. presidential election.

With that in mind, I want to ask you about the relationship between Canada and the U.S.

As the Minister of Energy and Natural Resources, how would you describe that relationship? More importantly, how are you preparing to protect Canadians?

Hon. Jonathan Wilkinson: The relationship between Canada and the U.S. is obviously an extremely important one, incredibly interconnected and interdependent. That is true in energy, but it's true in autos and it's true in a number of different sectors. It is extremely important that we continue to move forward in a relationship that is mutually beneficial for the United States and for Canada. That is something that we certainly will be discussing with the Trump administration.

Canada supplies incredibly important things in many areas: 60% of the oil imported into the United States comes from Canada; 18 million homes are powered by uranium in nuclear power reactors in the United States; and 85% of the electricity imported by the U.S. comes from Canada. That powers six million homes, including in Boston and New York. There are also the critical minerals. It goes on and on and on.

There's a huge benefit to our continuing to work collaboratively together. There are actually areas where we can better enhance that collaboration for further mutual benefit. That's certainly something that I will be discussing with the nominees of the new president once they are fully in place.

Mr. Peter Schiefke: Thank you, Minister.

Something that, as you know, is very important to me and members of our caucus and most members in the House, except for the climate deniers in the Conservative Party, is efforts to fight climate change. A key part of our government's work to fight climate change includes building new renewable energy projects. This is enabled, at least in some part, by the smart renewables and electrification pathways program, something it wholeheartedly supports.

Can you share with this committee and Canadians who are watching what the program does, why it's important and why Conservative members and their leader, in your view, are trying to stop this funding?

Hon. Jonathan Wilkinson: It's an extremely important program. It's both economic and part of the climate plan. It supports the deployment of clean electricity infrastructure, from smart grids to wind turbines and solar panels. It also does energy storage. It provides thousands of good jobs; it provides cheap electricity, and it makes our electricity grids more affordable, reliable and clean.

It is also the case that most of the projects that actually have been undertaken through that program have indigenous ownership of some form, and in many cases it is 100% or the majority, like the Cowessess First Nation in southern Saskatchewan and a whole range of others.

About, I think, 2,700 megawatts of clean power has been deployed through that program, and approximately the same amount of energy storage. It is enabling us to move forward and ensure that we are cleaning our grid, but doing so in a responsible, reliable way that will be affordable for customers going forward.

Again, it is a shame that it is being blocked by the Conservative Party of Canada in terms of money going out to actually build projects in Alberta, Saskatchewan and other parts of the country.

• (1650)

[Translation]

Mr. Peter Schiefke: Thank you, Minister.

You spoke about the threats and opportunities associated with climate change. We also know that, as we reduce greenhouse gas emissions, we're already feeling their impact in the form of forest fires and severe droughts, for example.

Can you talk about how the Government of Canada is protecting Canadians from the climate change effects already under way?

Hon. Jonathan Wilkinson: Of course, we need to reduce emissions, fight climate change and slow down its effects. In this sense, our plan is working.

We must also adapt to the climate change effects already under way. To this end, we launched the national adaptation strategy, the first of its kind in Canada. This strategy will help us adapt to and mitigate the growing threats of climate change and extreme weather events.

We've also invested over \$800 million to fight and prevent forest fires. For example, as part of the WildFireSat mission, satellite images help us spot forest fires, monitor them and fight them more effectively. In Natural Resources Canada's supplementary estimates (B), you'll find \$4.5 million to modernize Canada's ground satellite infrastructure, which supports important missions such as the WildFireSat mission. I want to emphasize the need for this funding in the fight against forest fires. It's time for the Conservatives to stop blocking this critical funding.

Mr. Peter Schiefke: Thank you, Minister.

I would like to express my sincere gratitude. This funding and program mean a great deal to the community of my constituency, Vaudreuil—Soulanges. As you know, our community experienced historic flooding in 2017 and again in 2019. This program truly helps us and will continue to assist us in the coming years and decades.

Thank you.

[English]

The Chair: Thank you.

We'll now go to our next speaker, and that's Mr. Simard.

Mr. Simard, you have six minutes.

[Translation]

Mr. Mario Simard (Jonquière, BQ): Thank you, Mr. Chair.

Thank you for joining us, Minister.

We've often talked about hydrogen. I don't want to talk about it at length. I just want to point out that, according to many articles, the hydrogen bubble is deflating. In the federal government's strategy, which is only four years old, the initial forecast stated that hydrogen would generate \$11,000 billion. Just four years later, that figure has been lowered to \$2,000 billion. This amounts to an 80% reduction. It's quite astonishing. However, I don't want to get into that. I just want to say that, in my opinion, people are often misguided when it comes to adopting energy strategies. I get the same impression in the case of carbon capture and sequestration.

I have a fairly simple question. I asked Ms. Freeland the same question when you were both at this committee. I would like a clear and unambiguous answer. Does the government intend to fund the Pathways Alliance through the Canada Growth Fund?

I would like to hear your answer to this question.

Hon. Jonathan Wilkinson: As you know, we introduced a tax credit to support carbon capture projects. There's also the Canada Growth Fund. However, the Canada Growth Fund makes investment decisions independently. I think that it has conversations with the Pathways Alliance, but it has conversations with many companies across Canada. In any case, the Canada Growth Fund must make its own decisions.

Mr. Mario Simard: I understand that people are sometimes misquoted in the media. However, some English-language articles suggested that you and Ms. Freeland agreed to support the Pathways Alliance through the Canada Growth Fund. I'm saying this because you referred to the generous tax credit, which I believe is worth \$12 billion. If money were also taken from the Canada Growth Fund, I would find that outrageous. Taxpayers shouldn't be responsible for paying oil companies.

I'm thinking about what Suncor's Rich Kruger had to say here. He suggested that oil companies were spending too much time reducing their carbon footprint. After that, do we really expect to use taxpayer money to reward these billion-dollar companies? I find that outrageous.

It would be unwise for your government to decide to use, for this purpose, the Canada Growth Fund, which falls outside the government reporting entity. This means that you wouldn't need to follow the usual rules for awarding grants.

I don't want to put words in your mouth. However, when Ms. Freeland came here, she seemed open to the idea of funding the Pathways Alliance through the Canada Growth Fund. In some of the English-language articles that I read, you seemed open to this mechanism as well. If you tell me clearly that this isn't the case, I'll take your word for it. I'm not a Conservative, so I won't argue with you.

Are you prepared to clearly rule out the idea of funding the Pathways Alliance through the Canada Growth Fund?

• (1655)

Hon. Jonathan Wilkinson: As I said earlier, the Canada Growth Fund is independent and it makes decisions independently.

Its mandate is to speed up the development of a clean economy, but also to help reduce greenhouse gas emissions. If it makes a move to reduce the greenhouse gas emissions that come from the oil sector, I'm all for it. However, I'm also on board when it invests in critical minerals, hydrogen or other areas that hold great promise for the future.

Mr. Mario Simard: I know that you aren't the Minister of Finance. However, \$15 billion was taken out of the public purse and put into the Canada Growth Fund. You're telling me that these people are completely independent, that they make their own decisions and that they don't seek advice from the government. How strange.

I suggest that you conduct a thorough press review. Articles in English Canada indicate that you and Ms. Freeland want to use the Canada Growth Fund to support the Pathways Alliance. I want to believe you. The fact remains that this would be a way to meet your emissions cap targets. If you tell me today that this isn't the case and that you aren't speaking with the people at the Canada Growth Fund about supporting the Pathways Alliance, again, I'll take your word for it. I'm not a Conservative, so I'll believe you. However, I would find it unwise to announce, in the coming months, that the Canada Growth Fund will support the Pathways Alliance in order to meet the emissions cap targets.

Could this happen? If you say no, I'll believe you.

Hon. Jonathan Wilkinson: As I said, the Canada Growth Fund makes its decisions independently. Ms. Freeland and I don't have any influence on its decisions.

Mr. Mario Simard: I understand. So—

Hon. Jonathan Wilkinson: That said, I support the Pathways Alliance project. I want to see it happen, hence the tax credit.

[*English*]

The Chair: Thank you.

We'll now go to Mr. Angus for six minutes.

Mr. Angus, you have the floor.

Mr. Charlie Angus: Thank you, Chair.

This past week, Paper Excellence admitted to European anti-monopoly regulators that, in fact, they are Asia Pulp & Paper.

There was a huge public track record identifying the connection among Paper Excellence, Asia Pulp & Paper and Sinar Mas, from

Shanghai. However, your officials, your government, came and told us that you couldn't find any connection whatsoever.

Did they just play you guys for suckers?

Hon. Jonathan Wilkinson: I'm curious, Mr. Chair, about what this has to do with the supplementary (B)s in Natural Resources Canada.

The purview, as you will know, Mr. Angus, for the review of foreign investments actually lies with the Minister of Innovation, Science and Industry.

Mr. Charlie Angus: I absolutely understand that.

Hon. Jonathan Wilkinson: I understand that you are interested in having him come and answer your questions, so I encourage you to do that.

Mr. Charlie Angus: Did you provide any warnings or advice to the Minister of Innovation, being that Natural Resources Canada is your responsibility?

Hon. Jonathan Wilkinson: When an Investment Canada Act review is actually ongoing, it has nothing to do with Natural Resources Canada.

• (1700)

Mr. Charlie Angus: It doesn't. Okay.

Corporate reputation is everything, especially in forestry. Asia Pulp & Paper had a notorious track record. It launched one of the most intensive burnings of forests and peatlands in Indonesian history, which released 1.75 billion tonnes of carbon dioxide in just a few months. When it took over Northern Pulp in Pictou, its emissions surpassed the threshold by 100,000%.

Did your department track this company at all?

Hon. Jonathan Wilkinson: As I say—

The Chair: We have a point of order.

I will ask you to hold on, Minister Wilkinson.

Go ahead, Ms. Dabrusin.

Ms. Julie Dabrusin: I know that it's kind of loose on this piece, but perhaps if Mr. Angus could help us tie that to the supplementary (B)s, that would be helpful.

The Chair: Thank you for your point of order.

Mr. Angus, on the questioning, we give quite a bit of latitude, but could you tie it to the conversation at hand on the supplementary estimates?

Minister Wilkinson was about to answer, and then you can continue on.

Go ahead, Mr. Wilkinson.

Hon. Jonathan Wilkinson: Thank you.

As I say, certainly some of the information that you stated, and that is in the public media in terms of the behaviour of this particular company, is concerning.

The government, through the Investment Canada Act review, obtained a number of different commitments on the part of the company before any decision was made on the basis of a net benefit to Canada. Of course, the government will monitor, and is monitoring, those kinds of conditions that were actually imposed on the company.

However, in terms of a detailed response with respect to a lot of these issues, I encourage you to invite the Minister of Innovation to come and answer your questions.

Mr. Charlie Angus: We will be. The issue is whether there was any responsibility for Natural Resources Canada to look after our forests when we gave it to such corporate bandits.

A former manager at APP's Shanghai offices spoke to Canadian media. They said that the whole intention of Asia Pulp & Paper taking control of Domtar and Resolute Forest Products was that it was "a fibre grab".

They want to keep the perception that Paper Excellence is an asset of Canada, for Canada and by Canada. In reality, it's a feeder for the Chinese machine.

Are you looking into whether our mills and our forests are being used by Asia Pulp & Paper as a feeder for the Chinese machine?

Hon. Jonathan Wilkinson: As part of any Investment Canada Act review, there is an ongoing monitoring of the behaviour and the commitments the company has. I encourage you to have that conversation with the Minister of Innovation, Science and Industry.

Mr. Charlie Angus: Did Natural Resources—

Hon. Jonathan Wilkinson: I would raise this question again, though, to the Chair. What does this have to do with supplementary (B)s?

Mr. Charlie Angus: What does it have to do with your department's responsibility to look after our forests? That's my question.

Hon. Jonathan Wilkinson: I think I was actually invited to be here to talk about supplementary (B)s. Normally, you would talk about what you were invited to come here for, Mr. Angus. I'm not sure how this relates to that at all.

Mr. Charlie Angus: We had a problem. Mr. Jackson Wijaya refused to testify before our committee. That's unprecedented, when someone just says, "No, I don't care what you think." However, he's controlling 22 million hectares of forest. You're probably smarter at math than I am, but that's bigger than the size of Nova Scotia.

When Nova Scotia's former premier, Stephen McNeil, went to meet with Mr. Wijaya, he went to Shanghai, to the Sinar Mas building. We've been told that Mr. Wijaya's office is in the headquarters of APP, at the White Magnolia Plaza, which is also known as Sinar Mas Plaza, in Shanghai.

Could you tell us where Mr. Wijaya is?

Hon. Jonathan Wilkinson: I don't know Mr. Wijaya, and I don't know where his office is, so—

Mr. Charlie Angus: He's the man who is in control of 22 million hectares of forests.

Hon. Jonathan Wilkinson: —I would have a hard time giving you a sense of that.

Mr. Charlie Angus: I'm just concerned because—

The Chair: Mr. Angus, I want to pause once again. As a reminder, if we could tie it to the supplementary estimates.... You do have a significant amount of latitude to work within. Since the minister is here on the supplementary estimates, you're free to use your questioning as you wish, but you need to tie it back to the conversation at hand today. I'm sure you can find a way to do all of that.

Thank you.

Mr. Charlie Angus: Absolutely. I know it is uncomfortable that we gave 22 million hectares of Canadian forest to a company with such a track record and we're going to have to plant two billion trees to cover all the damage, but I just want to follow up.

Mac Anderson, who worked at Mackenzie Fibre, testified to the B.C. legislature that Paper Excellence was owned by Sinar Mas, which your government denied. Then he said, "Guys in Shanghai were reviewing what I was doing."

If this is a Canadian company in the Canadian interest that is operating and looking after our Canadian forests, are you concerned at all or are you looking into the fact that our forests are being directed by the guys in Shanghai?

Ms. Julie Dabrusin: On a point of order, Mr. Chair, I just feel like we keep on going to the same point, and I still haven't received an answer about how this ties to the supplementary estimates (B).

I know that Mr. Angus has brought a motion to have Mr. Wijaya come, so that may present an opportunity for us to get a lot of these answers, but this doesn't tie to the supplementary estimates (B) as far as I can tell. We've tried a few times to ask for even just a slight hook into them, so perhaps if Mr. Angus can help with that, it would be helpful.

● (1705)

Mr. Charlie Angus: I absolutely would love to have the Paper Excellence study, but my Liberal colleagues are filibustering it, so we can't ask these questions. The only chance I might get is this.

Is the minister in charge of Canada's forests?

I'm concerned that this is being controlled from Shanghai. I know the workers are concerned. We have some great mills that we want to protect and we want investment in.

I'll just ask a simple question.

Is your department concerned that decisions about Canadian forests are being directed out of Shanghai?

Hon. Jonathan Wilkinson: Again, the Investment Canada Act review, which looks at—

Ms. Julie Dabrusin: I still haven't gotten that slight hook into the supplementary estimates (B). It's pretty light.

Mr. Charlie Angus: The truth hurts. I'm respectful. She can interrupt me all she wants, but—

Ms. Julie Dabrusin: It's not about truth—

The Chair: Thank you, Ms. Dabrusin, for your point of order.

Mr. Angus, I'm going to turn it back over to you. You're an experienced parliamentarian. You have 15 seconds or so. I'm going to let you ask your question and let Mr.—

Mr. Charlie Angus: It's the only question I've wanted to ask.

Are you and is your department concerned about whether or not our forests are being controlled out of Shanghai? It's a simple question.

Hon. Jonathan Wilkinson: As I say, the review of foreign investment goes through the Investment Canada Act, and the requirement to ensure all of the obligations and the commitments through that process, once one is approved, rests with the Minister of Industry.

Mr. Charlie Angus: I get that, but I asked if you are concerned.

Are you concerned?

Hon. Jonathan Wilkinson: I would suggest that you actually invite him to have that conversation, and I would also suggest that you have a conversation with one of your friends, Doug Ford, who is actually responsible for the management of the forests.

If you know anything about the constitutional jurisdiction here, Charlie, the provinces actually manage the forests—

Mr. Charlie Angus: I'm glad you're bringing up Doug Ford, but I wanted to know if you were concerned. I'll call Doug and I'll check in and see what he has to say, but I was hoping that you were concerned.

The Chair: Thank you, Minister Wilkinson. Thank you, Mr. Angus, for your questioning.

Unfortunately, we have to move to the next round of questioning.

Now we'll go to Mrs. Stubbs for five minutes.

Mrs. Shannon Stubbs: Thanks, Chair.

Just to finish off where we were, Minister, 13,000 indigenous people work in jobs in the energy sector. As you know, indigenous people make up about 4% of the national work force but 8% of the energy sector. Indigenous people make three times more in the oil and gas sector than they do in other sectors. Indigenous women in particular make very much more than others in other sectors. There is lower unemployment among indigenous people in the oil and gas sector than in the rest of the economy.

Knowing that the oil and gas cap will kill hundreds of thousands of Canadian oil and gas jobs—every expert says so—I just wonder how you can possibly justify bringing through policies that will kill

the jobs, the livelihoods and the future aspirations of those people you always say you care about most.

Hon. Jonathan Wilkinson: Mrs. Stubbs, that's just factually untrue. In fact, with the way in which the oil and gas cap is defined, we expect to see a 16% increase in production, not a decrease in production, and an increase in employment, not a decrease in employment.

We've brought forward mechanisms like the indigenous loan guarantee program, which is sector agnostic, to ensure that indigenous people can participate not just as workers in the sector, but as owners in the sector. That is absolutely a fundamental part of what we are working to do.

Mrs. Shannon Stubbs: Minister, your claims that it will create jobs and increase production make absolutely no sense. After nine years, your government has left Canada completely landlocked and dependent on one customer, the United States, which is now our biggest competitor.

Within five years, Canada will be completely out of pipeline capacity. Therefore, production will be cut. Therefore, oil and gas workers will lose jobs. Therefore, a priority group among them, which will be hurt the most, will be indigenous workers in oil and gas. It is deeply alarming that Canada's natural resources minister seems to have no clue about that.

I guess, then, you don't really care that Dale Swampy from the National Coalition of Chiefs says, "If the federal government continues on its path with a 'just transition'—with Bill C-50, which you know will kill 170,000 oil and gas jobs immediately because your own memos told you so—"an emissions cap"—which is a production cap—"and other crippling legislation [it will cause] an energy crisis that will have catastrophic effects on our people, especially those living on reserves across this country."

Shame on you.

Let's talk about LNG, because, of course, you and your government seem to be the only people in the world who think there's no business case for Canadian LNG.

How many countries, Minister, have asked for LNG from Canada?

• (1710)

Hon. Jonathan Wilkinson: First of all, I would say that it's the height of hypocrisy—

Mrs. Shannon Stubbs: How many countries have asked for LNG from Canada?

Hon. Jonathan Wilkinson: —for a member of a party that actually could never get a pipeline to tidewater built to actually be saying that we're somehow at fault—

Mrs. Shannon Stubbs: Four pipelines were built in Canada under the former Conservative government.

Hon. Jonathan Wilkinson: —for the fact that there's actually still a significant amount of oil going to the United States. We are the first government that actually was able to get a pipeline built, and that's because we respect the environment—

Mrs. Shannon Stubbs: You actually killed the two private sector proposals to export markets that were proposed under the former Conservative government.

Hon. Jonathan Wilkinson: —and respect indigenous people, unlike the Harper Conservative governments, which did not respect—

The Chair: Minister Wilkinson, I'm going to ask you to hold there.

Colleagues, we need to have one individual speaking at a time, the individual asking the question and then the minister with an opportunity to answer the question. It makes it very difficult for our interpreters to interpret when we have multiple microphones on and multiple folks speaking.

Please feel free to ask your question, but please provide the minister enough time to provide a response.

I'll go back to you.

Mrs. Shannon Stubbs: That's great.

The question was this: How many countries have asked Canada for LNG?

Hon. Jonathan Wilkinson: There have been six LNG projects that have actually proceeded to the decision stage during the nine years we've been in government.

Mrs. Shannon Stubbs: How many countries have asked Canada for LNG?

Hon. Jonathan Wilkinson: Five have been approved. The one that was rejected was rejected by the Government of Quebec.

Mrs. Shannon Stubbs: The answer is that seven countries have asked for LNG from Canada: Germany, Poland, Japan, Ukraine, South Korea, Greece and Latvia. Your prime minister and your government said that there is no business case, so, in fact, Canada is exporting zero LNG right now.

However, in the exact same time that you guys have been in government, the U.S., of course, has skyrocketed ahead to export LNG. Then the Biden administration announced a pause. You still dithered and delayed and roadblocked Canadian LNG out of Canada. Mexico went to race ahead. Now, in addition to the tariffs that Trump is threatening on Canada, he has also said that they are going to ramp up exporting LNG again.

How on earth, Minister, can you justify your anti-development and anti-energy policy that sent half a trillion dollars in businesses and investment from Canada to the United States and that creates jobs, builds critical infrastructure and helps exports from the United States while landlocking Canada, killing our GDP, doubling hous-

ing costs, doubling food bank usage, skyrocketing the costs of all essentials and killing Canadian jobs?

Hon. Jonathan Wilkinson: I mean, it would be nice if you would actually use some facts, Mrs. Stubbs. There are three LNG projects that are actually in the process of being built right now. One is LNG Canada Phase 1.

Mrs. Shannon Stubbs: That's correct, which means that none is being exported.

Hon. Jonathan Wilkinson: The second is wood fibre. The third is cedar LNG.

With respect to the east coast opportunity—

Mrs. Shannon Stubbs: Zero is being exported.

Hon. Jonathan Wilkinson: —I would suggest that you read the newspaper, because it was Repsol and TC Energy that actually said that there was no economics, because the infrastructure costs of getting that amount of gas to the east coast actually means that the price of gas would not be competitive. That was a business decision by businesses.

Mrs. Shannon Stubbs: You killed pipelines sitting on the east coast.

The Chair: Thank you, Mrs. Stubbs.

Thank you, Minister Wilkinson.

We will now go to our next speaker, who is Ms. Lapointe.

Ms. Lapointe, you have five minutes.

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

Minister, I was pleased to hear you mention critical minerals funding in your opening remarks.

Last week, I met with the Mining Association of Canada, and they highlighted the importance of de-risking Canadian critical minerals projects through a lot of our tax credits, such as the critical minerals exploration tax credit, the clean technology manufacturing investment tax credit and the mineral exploration tax credit. They specifically talked about their members' frustrations with the obstruction in the House of Commons that's happening right now, holding up these tax credits. I told them I would speak with you about their concerns at the first available opportunity, so here I am, asking you what the consequences are to the sector and Canada's economic growth, as well as overall, if these tax credits continue to be held up?

Hon. Jonathan Wilkinson: I very much share the concerns of the Mining Association of Canada. These are measures that are designed to help produce critical minerals that our allies need and to help process critical minerals. That's important in the fight against climate change. It's important to help our allies from an overall energy security perspective, and it's critically important in terms of reducing dependence and reliance on China. These have been delayed for months now because of the Conservatives' obstruction in the House. These will help our mining sector to create hundreds of thousands of jobs and billions of dollars in economic activity. It's pretty shocking that, at a time when the cost of living is up, the Conservatives would block measures that will create such good-paying jobs and, to be honest, would aid the Government of China in terms of increasing its dominance with respect to critical minerals and critical minerals processing.

One of the things that are in supplementary estimates (B) is money for the Saskatchewan Research Council to actually develop a process for processing rare earth elements, which are all processed in China right now. It is ridiculous, the kinds of things that are being blocked by the obstruction of the Conservative Party of Canada.

• (1715)

Ms. Viviane Lapointe: Thank you, Minister.

I'm a member of the defence committee. We had the Minister of National Defence appear at our committee meeting last week to speak about the critical importance of moving forward with supplementary estimates (B).

One of the estimates items I noticed for Defence is a transfer from Defence to NRCan to support the Canadian safety and security program. It's my understanding that your department needs this funding to purchase equipment in support of a nuclear emergency response.

Can you elaborate on the equipment that is required and why it is so important?

Hon. Jonathan Wilkinson: I'm sorry. I missed the beginning of that question.

Ms. Viviane Lapointe: The supplementary estimates (B) for National Defence would see a transfer of monies from National Defence to NRCan to support the Canadian safety and security program.

Hon. Jonathan Wilkinson: The Department of National Defence and NRCan work very closely together, and increasingly so, in the area of critical minerals. People often think of critical minerals in the context of battery-related minerals, in particular, or uranium and potash. However, an enormous number of critical minerals—often rare-earth elements—are significantly important in the context of defence applications. An example is scandium, which the Americans need for their defence program.

Some of the transfers that go on between the departments are about aiding the work NRCan is doing, as we are the lead with respect to critical minerals. It is extremely important, again, that we pass these supplementary estimates through the House so we can continue the work that is critical, yes, to fighting climate change. It's also for the economic future of this country and to ensure we are not so dependent upon China.

Mrs. Shannon Stubbs: You've been in power for 10 years.

Ms. Viviane Lapointe: Minister, we spent a great amount of time at this committee and in the House of Commons working on and talking about the Canadian Sustainable Jobs Act. It's important that we include workers' voices and advocate for their future through the clean energy transformation. It's something I believe my colleague Charlie Angus has often talked about—the importance of the Canadian Sustainable Jobs Act.

Can you speak about what the jobs funding in the estimates is for?

Hon. Jonathan Wilkinson: Yes. As you folks know very well from conversations here, the Canadian Sustainable Jobs Act is a pretty straightforward piece of legislation that received a lot of support from industry and workers. It is to bring workers and industry to the table, along with government and indigenous organizations, to see how we can grow the economy and build a clean economy for the future, creating sustainable jobs in every province and territory in this country.

The money in here is to stand up a secretariat that will do a lot of the administrative work, and a council, which will have labour, industry, indigenous and environmental representatives to help provide advice to the Government of Canada. It is extremely important, and we need to be moving forward.

Again, the obstruction of the Conservative Party of Canada is delaying work getting done and wasting millions of dollars.

I will also make an appeal to the NDP leader. This was a bill Mr. Angus worked very hard on. He was an important part of it. My appeal is for the NDP leader to stand with workers and listen to them. They want to get this done.

The Chair: Thank you.

We'll now go to Mr. Simard.

Mr. Simard, you have two and a half minutes.

[*Translation*]

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

I'll come back to the Canada Growth Fund. Your earlier response didn't make sense to me. I'll explain why.

When you launched the clean electricity strategy, Minister Guilbeault kindly sent me a presentation that you were using. It talks about the government's ambitious plan set out in the 2023 budget. It describes a figure of \$40 billion and provides a type of breakdown. It refers to investment tax credits for hydrogen and carbon capture. It also refers to \$10 billion for the Canada Infrastructure Bank and \$3 billion for a renewable energy program. The \$40 billion figure also includes \$15 billion for the Canada Growth Fund.

This means that, in a way, the government must step in. For example, the Canada Growth Fund couldn't decide to invest in the forestry industry. If that were the case, it wouldn't pertain to the presentation in front of me. I also assume that, if the Canada Growth Fund had to decide whether to invest in energy-related strategies, it would turn to you, since you're the Minister of Energy and Natural Resources.

I'll repeat my question. Will the \$15 billion from the Canada Growth Fund be used to support the Pathways Alliance?

• (1720)

Hon. Jonathan Wilkinson: As I already said, we established the Canada Growth Fund. We contributed the \$15 billion and clarified the fund's mandate regarding projects to reduce greenhouse gas emissions and clean energy projects to grow the economy and make it strong for the future. However, the Canada Growth Fund and its investment experts are responsible for investment decisions. The fund operates independently from the government when it comes to investments.

Mr. Mario Simard: So there isn't any mandate. If the people at the Canada Growth Fund think they see an opportunity to invest in the automotive sector, they can decide to do so. If they see an opportunity to invest in the mining sector, they can decide to do so.

Why are we then told, in a presentation from the Department of the Environment, that this \$15 billion will be used for clean electricity, carbon capture—

[*English*]

The Chair: Mr. Simard, unfortunately, time is up. Thank you.

Now I'm going to go to Mr. Angus.

[*Translation*]

Mr. Mario Simard: You should be saying that fortunately my time is up, rather than unfortunately.

Some hon. members: Oh, oh!

[*English*]

The Chair: We're going to go to Mr. Angus for two and a half minutes.

Mr. Charlie Angus: Thank you, Chair.

It's always great having you here, Minister.

We've spoken many times about critical mineral projects that are ready to go ahead and other ones that will never go ahead. The difference is going to be on consultation and indigenous consent.

The BC First Nations Energy and Mining Council are really trying to work this through. They have a great plan here. They have 50 recommendations, but they tell me that they're frustrated. They say that the government's willing to talk about only two, and they feel that they're on the sidelines.

You have the ability to unlock these keys to get these doors open. Are you going to meet with them? Are you going to listen to indigenous issues on consent, cumulative impacts on the land and impacts on traditional ways of life? They have to be part of the discussion if we're going to get these projects off the ground.

Hon. Jonathan Wilkinson: I couldn't agree with you more.

If they have been endeavouring to contact me, I'm not aware of it, but I'm happy to meet with them.

They sit as an active member of the regional energy and resource table, which, in British Columbia, is a fully trilateral table that includes the forestry council and the energy and mining council. As you know, there are some first nations that are very welcoming of mining and much more used to it. The Tahltan, for example, have done a number of deals.

Certainly, yes, absolutely, I'd be very happy to meet with them.

Mr. Charlie Angus: I don't want to get into my backyard too much but, in my backyard, the Pentagon showed up the other day with a \$20-million cheque to get a cobalt refining plant off the ground, because Canada is still not putting the money up.

The Americans have been way out in front on this, but now we also have Trump coming in, and he's sending a signal that he cares even less about the climate than Mr. Poilievre.

Are you guys gaming out? What is going on? What is it going to mean for us to maintain a critical minerals economy if one of our main partners decides that they're going to backslide? Second, why is it that we're seeing the Pentagon coming in and buying up Canadian projects when we're not getting the money out the door to support them?

Hon. Jonathan Wilkinson: We certainly were aware of the DOD investment. In fact, we work quite closely with the DOD on that.

You may have seen that I was in that region just a couple of weeks before that, announcing money from the Government of Canada. The DOD money was in addition to money that the Government of Canada has put in.

Certainly, yes, we are gaming out all kinds of things in terms of how we move this forward. It's in terms of our relationship with the U.S., but it's also in terms of how we continue to supply others like the Japanese, who are making investments in Canada. The French have a fund to invest in Canada, and the U.K. is increasingly interested in doing that. Yes, we are doing that.

The Chair: Thank you, Minister Wilkinson and Mr. Angus.

We will now go to Ms. Stubbs.

I am going to, unfortunately, have to cut back the last two rounds of questions to three minutes each in light of time.

Ms. Stubbs, I'm going to give you the floor for three minutes, and then our colleague across will have three as well.

Please go ahead.

Mrs. Shannon Stubbs: Thanks, Chair.

Thanks again, Minister.

After nine years and three presidents, your government still hasn't reached a softwood lumber agreement with the United States. It's resulted in softwood lumber tariffs on Canada doubling to over 14%. Now there's a possibility that there could be a further 11% increase.

What do you have to say to the hundreds of workers, particularly in Quebec and B.C. but also right across the country, who have already lost their jobs?

• (1725)

Hon. Jonathan Wilkinson: I would say that it's obviously a very difficult and very challenging set of issues. The U.S. administration, Republican or Democrat, has been very challenging to deal with on this file for a whole range of different reasons. We continue to look for a negotiated agreement with the Americans, and we will continue to do that.

We have put in place measures, including, in the last budget, about \$350 million to actually support the forest sector, and we're looking at what more we can do. I certainly have met with all of the major companies, and the Minister of International Trade, who leads on this, is also doing that.

Mrs. Shannon Stubbs: Minister, it is wild, of course, given that the former Conservative government got a softwood lumber deal done within months and actually, in fact, right before you took over, got an extension done.

The committee next door is actually doing a study on softwood lumber, so since you don't seem to have anything to say to the workers who are losing their jobs, let me tell you what they're actually saying.

The United Steelworkers says the impact of the last eight years has been "far-reaching, wide and...devastating". In terms of our sector—steelworkers—"2,500 to 3,000...jobs have been impacted". They say they haven't been feeling that softwood lumber is a priority for your government.

Groupe Lebel says that since hearing news on the tariffs, they looked at their client base and what they thought was acceptable to them. Guess what? Just as is the pattern of your government of driving money, jobs and businesses into the United States at the expense of Canadians, they say American clients are 50% of their business, and, if things don't work out on the market side, they could lose much of that. For their company alone, Groupe Lebel, 800 workers could be affected by these tariffs.

What are you actually going to do, and, really, what do you have to say to all the Canadians and to our entire country, which you have made so vulnerable to the United States?

Hon. Jonathan Wilkinson: Oh, where to start? I mean, with the ridiculous nature of the questions you've been posing today, I just have a hard time even beginning to respond to them.

Mrs. Shannon Stubbs: I don't think this is cause for laughing, smiling or chuckling from your Liberal colleagues at all.

Hon. Jonathan Wilkinson: At the end of the day, this is an important issue for folks who work in the forestry industry, and it's an important issue for the companies in the forestry sector.

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): On a point of order, I think the record shows that Mr. Wilkinson thinks the United Steelworkers are a joke, which is crazy.

Ms. Julie Dabrusin: I have a point of order.

The Chair: Mr. Patzer, that's not a point of order. That's a point of debate, and you do not have the floor to debate right now.

Go ahead, Ms. Dabrusin.

Ms. Julie Dabrusin: I think that was an inappropriate use of a point of order, and just to be clear, the record does not show that at all. Let's be clear. That is not what happened.

The Chair: Thank you, Ms. Dabrusin—

Mrs. Shannon Stubbs: He started laughing, and so did you guys.

The Chair: —for your point of order. That was not a point of order, and thank you for recognizing that it wasn't.

Mrs. Shannon Stubbs: Actions versus words....

The Chair: I going to go to you, Minister Wilkinson. We have 15 or 20 seconds left, so you can finish off your answer to that.

Hon. Jonathan Wilkinson: The forestry sector is obviously a very important sector, and there are many communities, certainly many in the province that I come from, British Columbia, that actually have been suffering because of the softwood lumber issue. As I say, the Government of Canada has put in place a number of programs, including value-added forestry work—

Mrs. Shannon Stubbs: We don't need your blabber. You don't have a deal, and none of your spin jobs here matter.

Hon. Jonathan Wilkinson: —to try to ensure that we are moving forward and engaging the Americans. We will continue to work—

Mrs. Shannon Stubbs: While Canada faces unprecedented threats of tariffs—

Hon. Jonathan Wilkinson: —as hard as we possibly can to get a deal with the United States that's a good deal for Canada.

Mrs. Shannon Stubbs: —from the United States—

The Chair: Thank you, Minister Wilkinson—

Mrs. Shannon Stubbs: —are you still actually going to quadruple the carbon tax on Canadians in April?

The Chair: —and thank you, Ms. Stubbs, for your round of questioning.

We will now go to Mr. Jowhari.

Mr. Jowhari, you have three minutes to finish this off.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

Welcome, Minister.

Let's talk about something that's important, and it is within the estimates.

This committee has undertaken a very comprehensive study on the Trans Mountain expansion. We just finished hearing from witnesses. As I was looking at the supplementary estimates (B), I was quite surprised to hear that the measure that keeps communities safe, especially indigenous communities, along the route of the project, the indigenous advisory and monitoring committee, is actually at risk.

Can you speak to that and indicate what this funding is and what it's estimated for?

Hon. Jonathan Wilkinson: This funding is extremely important. It's about \$13 million for the indigenous advisory monitoring committee. That's an important part of the safe operation of both Line 3 and the Trans Mountain pipeline. Indigenous monitors are full participants on the ground in terms of compliance verification, safety management expansions, environmental protection inspections, emergency management exercise audits and verifying that the Fisheries Act and the Species at Risk Act are complied with.

The funding will ensure that the indigenous advisory and monitoring committee is able to continue its operations, conduct training and build capacity further. I have met with this committee on a number of bases. They do enormously good work. To be honest, I think they and many Canadians are shocked about the fact that the Conservative leader's legislative vandalism is blocking their ability to continue their good work.

• (1730)

Mr. Majid Jowhari: Thank you.

The Chair: Thank you, Mr. Jowhari.

Thank you, Minister Wilkinson, for joining us today on supplementary estimates. We appreciate your taking the time and answering questions at our committee.

We'll now suspend to be set up for the next hour.

We're suspended.

• (1730)

(Pause)

• (1735)

The Chair: Thank you. We are resuming our committee meeting for this evening. I want to thank the officials for joining us. Thank you.

We're going to go right into our first round of questioning for the second hour.

Mr. Falk, you have the opportunity to lead us off. You have six minutes.

Mr. Ted Falk: Thank you, Mr. Chair, and thank you to our officials for joining us here this evening. It's good to have you here to talk about the supplementary estimates.

Your department is committed to planting 2 billion trees. How's that going?

Mr. Michael Vandergrift (Deputy Minister, Department of Natural Resources): We're committed to this objective, and we've made a lot of progress in the last year. We've now reached 716 million trees that have been committed to. The planting program is

progressing. It's obviously a very ambitious program. We have seven years left in it.

To give the committee the extent of the work to date, we're planting at 2,500 sites across the country, for example, working with partners across the country. We're reliant on provinces and territories, which are responsible for the vast majority of forests in the country, the private sector and others, so we're making progress on it.

• (1740)

Mr. Ted Falk: In the supplementary estimates, there are some transfers between the DND and your department, about \$1.4 million. Are they planting trees for you, or are you planting trees for them? Who's doing what?

Mr. Glenn Hargrove (Assistant Deputy Minister, Canadian Forest Service, Department of Natural Resources): Yes, one of the streams under the 2 billion trees program is a federal stream, so we're working with federal departments where they want to plant trees on federal lands, and DND is one of those. We're working with them, and they're planting about 14,500 trees for areas where military personnel are living, to increase the tree cover and all the benefits that come along with that.

Mr. Ted Falk: Are these trees primarily being planted in areas that have been harvested, or is this virgin territory?

Mr. Glenn Hargrove: There's a range. Generally it's not where trees have been harvested, because usually in Canada, where trees have been harvested, there's a regulatory requirement for those to be replanted. What we're—

Mr. Ted Falk: Do you monitor whether or not they're actually being replanted? I think they're supposed to plant three for one. Is that correct?

Mr. Glenn Hargrove: It depends on the province. Those are provincial regulations, so it's not something that we directly monitor when areas are harvested. That's provincial jurisdiction.

What we're looking at is incremental to regulatory and other sorts of legal requirements. In areas, for instance, that have been affected by forest fires, or areas that have not been forested, like afforestation-type projects and things like that, or in urban settings, there is quite a range.

Mr. Ted Falk: Okay, very good.

Were you involved at all in providing advice to the minister about all the kindling around the Jasper area prior to the fire there?

Mr. Glenn Hargrove: I'm sorry, but when you say, providing advice to the minister about kindling, could you be...?

Mr. Ted Falk: Did the natural resources department provide advice about what to do about the dry kindling that surrounded Jasper prior to the fire?

Mr. Glenn Hargrove: We did work with Parks Canada on a study around fire conditions and things like that.

Mr. Ted Falk: Was your advice heeded?

Mr. Glenn Hargrove: It wasn't specifically focused on Jasper. We were at the environment committee a little while back with Dr. Dan Thompson, who's one of our leading fire experts, and his view was.... We've actually been working on a study—Parks Canada invited us in the immediate aftermath of the fire to look at the fire spread and do a forensic analysis and things like that, and his view—

Mr. Ted Falk: Several years ago, indigenous leaders told this committee that this was a potential hazard, and that there should be controlled burns. Your department would have been aware of that, and I would hope that you would have advised the minister. I'm sure there's a record of your department doing that, and that the minister did nothing about it.

I want to change gears a little bit....

Mr. Glenn Hargrove: I'm not aware of any such advice to the minister.

Mr. Ted Falk: Okay. In regard to the emissions cap that is being talked about, Deloitte produced a study. Have you had an opportunity to review the study?

Mr. Michael Vandergrift: We have seen the study, and other studies as well.

Mr. Ted Falk: Are you in general agreement with the analysis of that study?

Mr. Michael Vandergrift: There is a range of studies around the proposals. They all use different assumptions, starting points and methodologies.

I think colleagues in Environment and Climate Change Canada are responsible, overall, for doing the economic analysis around the proposal. They'd be able to provide more information about that and compare it to other studies.

Mr. Ted Falk: The studies are fairly consistent in their conclusion that an oil and gas emissions cap will cap production.

Would you agree with that?

Mr. Michael Vandergrift: As the minister indicated earlier, the cap was designed in a way that caps emissions but not production.

• (1745)

Mr. Ted Falk: The studies suggest production will be capped.

My question is, do you agree with that assumption?

Mr. Michael Vandergrift: The regulation is currently out for consultation. In that regulation, there is a regulatory impact assessment statement that lays out the analysis behind the regulation—the analysis leading to the conclusions I just mentioned.

The Chair: Thank you, Mr. Falk. The time is up.

Mr. Ted Falk: Is that it? Oh. I wasn't done.

The Chair: You have another round, or you can get more time from one of your colleagues. Thank you.

We'll now go to Mr. Jowhari.

Mr. Jowhari, you have six minutes.

Mr. Majid Jowhari: Thank you, Mr. Chair.

Once again, welcome to the officials, and thank you for staying back.

I asked the minister about one of the studies we're doing. There is another study we completed. We're going to start drafting the report. It's one on the future of Canada's electricity grid. What we heard is that there is a 25-year road map and \$2 trillion to \$3 trillion in investment. We also heard that various jurisdictions and provinces will be looking at different energy mixes. It's going to be a combination of a renewable energy project and a clean energy project. This is a cornerstone clean energy project in Ontario, where I'm from. It's going to be nuclear power and nuclear energy.

I wonder if you could expand on what the government is doing to support nuclear energy, both within Canada, across jurisdictions that see fit to do so, and internationally.

Mr. Michael Vandergrift: That is an important question. Nuclear energy is a very important part of the energy mix as Canada moves forward on producing clean electricity. As this committee knows well, Canada will need much more electricity as we further electrify the economy. Clean sources of that electricity and nuclear energy are clearly a major part of that.

The government is investing significantly in that area. The clean economy investment tax credits will make significant resources available for the development of nuclear projects. Our department has provided predevelopment funding to specific projects to assist in moving them forward. Most recently, in Ontario, there was funding for Bruce Power to develop its nuclear project there. The Canada Infrastructure Bank has provided significant funding—over \$900 million in loans to Darlington Ontario Power for the Darlington small modular reactor project.

Internationally, the honourable member mentioned that Canada played a major role in Romania's decision to construct two CANDU reactors. We provided export financing. It's providing jobs for Canadians and the Canadian supply chain. That is an important part, too: exporting Canadian technology for use internationally.

Mr. Majid Jowhari: I have a follow-up question. It will be a short one, and I may be putting you in an uncomfortable position.

We know the big infrastructure projects.... I mean, the \$3 trillion dollars we have to invest is almost the same as Canada's GDP per year. Is there any strategy being considered around much smaller nuclear reactors, such as microreactors? Westinghouse is developing one. Could we put it more in private sector hands, where they set up clean energy and renewable energy farms? For example, a combination of geothermal, wind, solar and microreactors could be used for whatever they need, such as vertical farming, and the rest given back to the grid. That way, we could probably see our way through the 25 years and the \$3 trillion.

Mr. Michael Vandergrift: That's a very interesting question.

Certainly, we're starting to see more trends of private industry looking at developing their own energy sources, electricity sources, whereby they can source their own industrial processes, decarbonize their industrial processes and also be able to give back to the grid. There's talk, for example, of small modular reactors being used in more industrial settings.

The Saskatchewan Research Council is experimenting with a microreactor, as you referenced, for example, as potential technology that could be deployed more readily in those kinds of settings.

The department, Natural Resources Canada, through its energy innovation program, is funding work in geothermal, for example, to try to develop that technology and show how it can be used. There may be potential in that as well.

I think that's a really interesting concept—how you can both decarbonize industrial processes and also contribute to the grid.

• (1750)

Mr. Majid Jowhari: Thank you.

With about a minute left, I'm going to go back to the supplementary estimates (B).

NRCan is requesting funds under three voted appropriations worth over \$5 million. The minister talked about the \$13.3 million for grants and contributions funding to support the indigenous advisory and monitoring committee. Can you expand on the other two? One is the \$15 million for grants and contributions for the smart renewables and electrification pathways program. If you have time, can you also talk about the \$7.5 million for the polar continental shelf program?

Mr. Michael Vandergrift: I'll invite my colleague, Rinaldo Jeanty, to speak to the polar continental shelf program, since he lives that program every day.

Mr. Rinaldo Jeanty (Assistant Deputy Minister, Lands and Minerals Sector, Department of Natural Resources): The polar continental shelf program receives \$7.5 million. The program itself supports logistics and provides logistics support to a number of folks, especially in the research community, to our colleagues from DND and to academia.

That \$7.5 million goes towards providing the logistical support that is needed for aircraft, as an example, and to acquire some of the goods that are needed.

Mr. Majid Jowhari: I've run out of time. Thank you very much.

The Chair: Thank you.

We'll now go to Monsieur Simard.

Monsieur Simard, you have six minutes.

[*Translation*]

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

I recall that the hydrogen strategy that you tabled four years ago identified a potential market of \$11,000 billion. I touched on this with the minister earlier. However, in April, Natural Resources Canada changed its mind and said that the potential was actually \$2,000 billion. When you're establishing a broad industrial strat-

egy, I suppose that seeing that potential reduced by 80% changes many things.

You and I both know that there were meant to be tax credits for hydrogen production. You may also have kept track of the development of Bill C-49 and everything that ensued.

These days, I get the impression that the hydrogen bubble is deflating. I wonder whether the department has reviewed the strategy and the financial support that this sector should receive.

[*English*]

Ms. Erin O'Brien (Assistant Deputy Minister, Fuels Sector, Department of Natural Resources): You're right. Back in 2020, the government did publish an initial hydrogen strategy for the country. As you can appreciate, this is a new industry that is developing globally, and its development is certainly not linear.

Just a few months ago, we published a progress report. You're right that the forecasts in that report have been revised significantly, partially in response to market developments, but also there were changes in terms of the methodology used.

In terms of the potential for hydrogen, we see continued potential as a low-carbon pathway as part of the energy transition. There's significant potential, for instance, for hydrogen to help decarbonize hard-to-abate sectors, notably heavy transport, for instance.

Our forecasts would indicate there are projects in development that are worth up to \$100 billion across the country. The potential of hydrogen, I think, is also supported by the IEA's most recent WEO study, which also indicates that it will be an important pathway to the energy transition.

• (1755)

[*Translation*]

Mr. Mario Simard: Even McKinsey, a firm that I don't particularly like, thinks that the hydrogen sector's potential is 70% lower than originally estimated.

Yet a number of people have sounded the alarm. I spoke with people from the Institut de l'énergie Trottier. They were already telling us, in 2021 or 2022, that hydrogen was a bubble and that there wouldn't be any market for this fuel. It cost too much to produce and the market development seemed shaky.

The federal government now has a whole hydrogen strategy and is spending money on it. Yet when I look at the current literature on hydrogen, I can see that the market doesn't exist.

Are you planning to reassess your strategies? I don't think that it would be wise to let developers believe that they can count on funding to develop hydrogen projects. We know full well that these projects will never come to fruition given the non-existent market and excessive production costs.

Does the department have a strategy for reviewing the mechanisms and directions for government financial support given that the hydrogen bubble is slowly deflating?

[English]

Ms. Erin O'Brien: Thank you for the follow-up.

There are a number of different aspects, I think, involved in terms of the development of the hydrogen sector and different ways or methods in terms of creating low-carbon hydrogen.

You're right, to the extent that we're developing supply chains globally, particularly to address what the market typically calls "green hydrogen". We have a number of projects that are under development on Canada's Atlantic coast that would, or that are preparing to, supply markets in Europe, notably with Germany. We're currently negotiating a co-financing window with Germany.

That continues to advance apace, although, as I said, there's complexity in terms of the supply chains and making sure we're ready to ship the hydrogen from our shores and Germany, for instance, is ready to receive. There are a number of moving parts, but there is a real commitment on behalf of government and industry to make that happen.

On Canada's west coast, we're looking at developing hydrogen from natural gas stocks. The economics of that market are very different. We feel that Canada can be very competitive in that market and in fact are looking to pursue export opportunities in Asia, notably Japan and South Korea, which—

[Translation]

Mr. Mario Simard: Thank you.

[English]

The Chair: Thank you. The time is up.

We'll now go to Mr. Angus.

Mr. Angus, you have six minutes.

Mr. Charlie Angus: Thank you.

It has been two years since the finance minister announced the investment tax credits in order to kick-start a clean energy economy. Which tax credits are available, and which ones are still waiting to launch?

Mr. Michael Vandergrift: The carbon capture, utilization and storage tax credit is available. The clean hydrogen tax credit is available. The clean technology tax credit is available. The clean electricity income tax credit is expected this fall.

Mr. Charlie Angus: Okay. What about the critical minerals investment tax credit?

Mr. Michael Vandergrift: Yes, that is available. Well, the clean manufacturing income tax credit is the one that's—

Mr. Charlie Angus: Is that what it's going to be?

Mr. Michael Vandergrift: It's clean manufacturing, yes.

Mr. Charlie Angus: Okay.

Again, I'll say my frustration.... When it comes to whatever big oil wants, on carbon capture they were all pronouncing for clean

energy. We're still waiting, but that's not your responsibility. That's for the elected officials.

I'm concerned about the critical minerals tax credit, because what I've been told by people in the industry is that you need a 90%. That's the threshold. Ore bodies don't exist in isolation. Critical minerals are usually found in base metal deposits. You're going to have copper. You're going to have zinc. You're going to have a whole variety of ore that you're going to go to.

The benefit of all of that is that some of those ores are going to pay your freight to make your mine operable. At a 90% threshold, many of our critical mineral deposits are not going to be eligible for the tax credit.

• (1800)

Mr. Michael Vandergrift: We're very aware of that issue. That has been brought to our awareness by stakeholders and the Department of Finance. Our understanding of that issue is that it's going to be addressed through amendments.

Mr. Charlie Angus: Do you have a sense of where you'd put that threshold for eligibility?

Mr. Rinaldo Jeanty: It would be at 50%.

Mr. Charlie Angus: Thank you.

One of the other things that were raised—and God forgive me for ever saying that some big companies should get government money when they should be paying for it themselves—is that we have many projects that will take years to go through permitting, but we have other projects that are on sites, in traditional mining areas, where we have the ore bodies. Getting environmental licences in first nations is going to be pretty straightforward, but the costs are going to be in the development mining, shaft sinking and drift mining. That's expensive, and that is something I think companies should pay for themselves. However, in order to get us into the game, has there been discussion about a window of tax credits to kick-start things in certain areas? For example, in Thompson, Manitoba, there are deposits that would run that community for another 40 years. It would be a benefit that would pay back. Have you looked at whether or not to give a two-, three- or four-year window for companies to access that, so that we're getting these minerals to put into the economy now?

Mr. Michael Vandergrift: The Department of Finance, obviously, is responsible for tax policy, so we certainly have discussions with them all the time about opportunities that we see, where there can be additional benefits and opportunities for growth in the mining sector. Like you, we hear where there are areas of opportunity. We do talk to the Department of Finance about that, and, ultimately, it's their decision in terms of tax policy and rules.

Mr. Charlie Angus: Yes, I get that. I think it's just that, in actually knowing the industry—because it's a very particular industry in terms of what we could get—we could bring up copper production dramatically if we had certain tools. That may not be something that Finance pays attention to, so I am trusting you to do this job for us.

I want to ask a bit about the 2 billion trees. There have been a lot of questions about it, but a tree is not a tree is not a tree, and planting 2 billion trees may make a little difference or not much, unless it's done strategically. For example, the industry loves its conifers. It makes money on them but, also, they burn. Deciduous trees are climate-friendly, but they don't have an economic value in the same way that a pine forest does. Have you planned out with foresters the kinds of trees, the mixes of trees and where those trees are going to be planted, or is it just about trying to hit those numbers so that you can get a press release out?

Mr. Michael Vandergrift: This is very much part of planning and making sure that the right tree is planted in the right place.

Glenn, why don't I ask you to elaborate on that?

Mr. Glenn Hargrove: Yes, it's a great question. When projects are being proposed, we have review committees with experts who take a look at these things to make sure that the right tree is planted in the right place at the right time.

You mentioned industry interests. Again I'll just repeat, these aren't commercially driven projects, and we are looking at things like fire resistance and things like that when we're reviewing projects.

Also, I would just say that 92% of the projects to date have been multispecies projects. I know there has been some criticism of the program of planting all kinds of monocultures, but that's not the reality on the ground: 92% of our projects have at least two species. Throughout the course of the program so far, we've planted about 250 different species of tree.

Mr. Charlie Angus: Thanks. I'm pretty much done, and I thank you for that, but it's really important—if the government's going to be doing this, and not industry—that we look at having mixed forests. Again, industry is making money off much more plantation styles, but those are also fire corridors now. We're seeing, in the boreal, the need to return to the fire breaks of having mixed aspen and birch in with the pine and the others. We need to have that balance, so I think that has to be the frame that you're looking at.

• (1805)

The Chair: Thank you, Mr. Angus.

I now go to Mr. Patzer. Mr. Patzer, you have five minutes.

Mr. Jeremy Patzer: Thank you very much, Chair.

Thank you to the officials for being here.

I'm just wondering, how much money has the federal government spent on orphan well cleanup on indigenous lands, on treaty lands?

Ms. Erin O'Brien: Funding for the cleanup of orphan wells was provided by the Department of Finance. I would suggest that the question would be best answered by those officials.

Mr. Jeremy Patzer: Great.

As you know, natural resource development on reserve land is a federal responsibility for the department. On the back side of that, and on the cleanup side of it as well, do you think you'd be able to come back with that information and table with the committee a document that would have that broken down by province? Would that be possible?

The Chair: Mr. Patzer, we have a point of order.

Ms. Dabrusin.

Ms. Julie Dabrusin: Perhaps it's a point of clarification.

Mr. Patzer is showing an interest in this motion. Is that expressing his interest in actually supporting our motion on orphaned and abandoned wells?

The Chair: Thank you for your point of order, Ms. Dabrusin. As you also said, it's not a point of order but maybe a point of clarification. We don't use points of clarification on that. I appreciate your raising it, but it is not a point of order.

Mr. Patzer, I will go back to you so that you can continue.

Mr. Jeremy Patzer: Thank you, Mr. Chair.

I know it's a sore point for the government, seeing as how they forced the Province of Alberta to return the \$137 million they were intending to use to clean up orphaned wells on reserve lands.

If the government is actually serious about it, I'm just curious to know whether any effort has been put into doing it. Again, is it possible to get that information and have it tabled with this committee? Natural resource development is a federal responsibility on indigenous lands.

Mr. Michael Vandergrift: We could follow up with the Department of Finance on behalf of the committee.

Mr. Jeremy Patzer: Thank you very much. I would really appreciate that.

When the minister was here earlier, he was talking about carbon capture, utilization and storage facilities. I mean, I don't believe his assertion on all the jobs being created here, but I'll play ball for a second. Let's say there will be tens of thousands of jobs created. How many carbon capture facilities will have to be built in order to create tens of thousands of jobs?

There must be some data out there somewhere for him to make that claim. There must be some information available to back that up.

Mr. Michael Vandergrift: I think the minister was referring to the full range of activities involved in decarbonizing the industrial sector and decarbonizing the gas sector, one of which is carbon capture and storage. There are methane reductions. A large number of technologies can be put in place in terms of reducing emissions.

I think the minister was referring generally to those types of projects. Those types of projects require engineers and all sorts of trades to implement what are pretty significant, large and technically challenging projects.

Mr. Jeremy Patzer: Okay. On a lot of these large projects, he'll be trying to lump construction jobs in there as well, right? I mean, construction jobs are important, but on one facility they're there for only a couple of years. Then they're off to the next project. In order to replace the hundreds of thousands of jobs that have already been lost, and also the 100,000 jobs that are projected to be lost with the emissions cap, again, he must have some actual hard data, and I would assume the department would have that data on the number of carbon capture units.

Again, on the supplementary estimates, he said there are provisions within them to build for carbon capture. How many carbon capture units will have to be built in order to create the tens of thousands of jobs he was referencing?

Mr. Michael Vandergrift: There is an analysis of the employment impacts of the proposed regulations in the regulatory impact assessment statement that was tabled with the regulation by Environment and Climate Change Canada. I'd refer the committee to that for analyzing the impact of the regulation.

Mr. Jeremy Patzer: Okay.

I'm just wondering, for the department here, if it's standard practice for the government to invest in companies on the verge of bankruptcy.

• (1810)

Mr. Michael Vandergrift: I think every investment decision has a full and detailed set of calculations behind it, looking at the business case before making an investment decision.

Mr. Jeremy Patzer: Shortly after getting the big announcement on the amount of money that was going to be spent on the battery plant in Quebec with Northvolt, the parent company in Sweden filed for bankruptcy protection. They went bankrupt. Now, I know they're claiming that it won't impact the Quebec plant, but Premier Legault is already up in arms about some of the details here about the securities being demanded to try to bail out the parent company.

What provisions do we have in order to make sure that Canadian taxpayers' money isn't simply being used to bail out a foreign company?

Mr. Michael Vandergrift: My understanding is that no fines have been allocated to that company under that proposed transaction, but we are not directly involved in that.

I would suggest talking to Innovation, Science and Economic Development Canada, for example, which has been leading that project.

The Chair: The time is up. Thank you for your questions and answers.

We'll now go to Ms. Lapointe. You have five minutes.

Ms. Viviane Lapointe: Thank you, Chair.

I also have some questions about the 2 billion trees program. A few weeks ago, the commissioner reviewed the program and weighed in on the progress that was being made. I believe he expressed some concerns about the targets.

Can you please provide an update to us on how we are doing with the program? Where are we with targets? Do we expect to achieve the overall goal of 2 billion that we established?

Mr. Glenn Hargrove: We've made really significant progress since the commissioner did his study of the program. Right now, we have agreements in place or under negotiation to plant 716 million trees. That's nearly triple what it was a year ago. There's been a lot of progress.

We have about 200 agreements. In the first three years of the program, partners planted 157 million trees toward the target of 2 billion. That includes trees planted under the low-carbon economy fund and the 2 billion trees program. We've co-developed an indigenous funding stream. We're exceeding targets in the federal and urban streams. We're at nearly half in the indigenous stream and the private lands stream. We have agreements with nearly every province and territory across the country. There's a lot of great progress.

It is an ambitious goal, though, and there are lots of challenges in ramping up supply chains and working through partners. Provinces and territories have to find their matching funds, as do other kinds of partners, as well as the land to plant. We've had some really challenging fire seasons that overlapped with planting season. There are a lot of complications that run into a very complex supply chain.

We're making really good progress, in my view, and we're committed to the goal.

Ms. Viviane Lapointe: Are there best practice models that we can look to in other regions or parts of the world?

Mr. Glenn Hargrove: There aren't any that I'm aware of that have similar circumstances to Canada's. Part of it is that 90% of our forests are owned and managed by provinces and territories. In order for us to deliver on a really ambitious goal like this in the Canadian forestry context, we need to work very closely with our provincial and territorial colleagues, and that's what we're doing.

We knew going in that it was going to take some time to ramp up those supply chains. What we have really been focused on is working with partners to develop the long-term agreements that will drive the demand and help to build supply chains so that we are getting the right seeds and developing saplings.

That whole planting cycle all the way through to monitoring is in place.

Ms. Viviane Lapointe: I'll move on to critical minerals now. I think our government has done a good job of anticipating the ramp-up of global demand for critical minerals. We launched a critical minerals strategy. In the 2022 budget, we allocated \$3.9 billion, I think, for critical minerals.

Can you give us an update on where we are in terms of the number of projects we've approved and the funding that has flowed? I'm interested not only in the sourcing of critical minerals, but also in the development of the value chains. That's a really key part of the critical minerals strategy in creating generational wealth for our country and communities.

• (1815)

Mr. Michael Vandergrift: Thank you, Mr. Chair.

To date, we've announced over \$288 million in funding to support 59 critical minerals projects under the strategy. I note for the committee the critical minerals infrastructure fund, which was opened earlier in 2024. We're now starting to advance projects and agreements under it. This includes \$182 million in conditionally-approved contribution funding for 14 different projects.

What's really important about these is creating the enabling infrastructure to open up mining regions and mining areas—in north-western British Columbia, for example, and in Ontario, in the Sudbury, Timmins and Thunder Bay areas. It's important to open up those areas further for mining activity and to create that really important enabling infrastructure.

With our colleagues who run the strategic innovation fund, we need to look at supporting projects on the processing side, the value-added side, for example. There is a Vale project in Quebec that has now received funding to advance on producing nickel sulfate in Canada. It's trying to build that supply chain in the country, which is really important, as you know.

The Chair: Thank you. The time is up. I know there's lots more to ask.

Now we'll go to Mr. Simard for two and a half minutes.

Go ahead.

[*Translation*]

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

I would like to briefly discuss the 2 billion trees program.

Initially, I gathered that the program wasn't working because of concerns that the trees would be harvested. These concerns were perhaps more prevalent at Global Affairs Canada than in your department.

I know that negotiations are currently under way with the Quebec government and that this hurdle may have been avoided. However, I want to hear your thoughts on this. It seems rather nonsensical that people are worried about planting trees because they want to avoid violating current trade agreements, when they know full well that it will take 70 years for these trees to be ready for harvesting. I don't know about you. I personally believe that, in 70 years,

our trade agreements will look inherently different from today's agreements.

I would like you to confirm or deny the following. Has the tree-planting program been delayed because of a minor dispute with Global Affairs Canada, which expressed concern that some of the planted trees might be harvested?

Mr. Glenn Hargrove: Thank you for the question.

[*English*]

No, I'm not aware of any major concerns from Global Affairs. I think what's been challenging with the program has been the ramping up of such a complex supply chain, and working with partners. That's why we've been focusing on those areas, to get long-term agreements to ramp up the production that's needed, and to ramp up the planting through those long-term agreements.

I can speak to the question about trees being harvested. You're right; in most regions of the country, trees aren't harvested for a minimum of 60 to 70 years. What we're looking at, however, is making sure that the trees that are planted are incremental to normal activities and to any regulatory requirements. In doing so, we're making sure that we're permanently increasing forest cover and getting those long-term benefits.

[*Translation*]

Mr. Mario Simard: I find it worth noting that—

[*English*]

The Chair: Mr. Simard, unfortunately, the time is up, thank you.

We will go now to Mr. Angus for two and a half minutes.

Mr. Angus, you have the floor.

Mr. Charlie Angus: Thank you.

Mr. DeMarco, our environment commissioner, says that the 2 billion tree plan is based on a lot of creative accounting. Have you done any audits on the survival rates of the tree settlements, the tree plantations? Do you have a sense of what's actually getting out the door and what the survival rates are?

• (1820)

Mr. Glenn Hargrove: When Mr. DeMarco was talking about creative accounting, I think he was mainly referring to the inclusion of the trees planted under the low carbon economy fund in the totals. I'll just say that that was always part of the design of the 2 billion trees commitment.

To your question about survival rates, we have a long-term monitoring plan, which is actually one of the follow-ups to Mr. DeMarco's audit. Part of it is site visits that we would normally do, at least under most contribution programs. We're also looking at monitoring through remote sensing and the use of drones and things like that, and we also get reports from companies.

Mr. Charlie Angus: Have you done an audit?

Mr. Glenn Hargrove: We've not yet done an audit on survival rates, but we're gathering data to help inform that kind of analysis.

Mr. Charlie Angus: I guess my question, and I—

Mr. Glenn Hargrove: Mr. Angus, it's still pretty early in the program.

Mr. Charlie Angus: Yes, I totally understand, and tree life is much longer than we tend to exist as politicians.

I guess one of the complexities is that, again, so much of this is under the province and, in Ontario, the province puts it under the various forestry alliances. In my region, the Abitibi forest alliance and the Timiskaming Forest Alliance do the planning of the forest.

Are you doing this on Crown land, provincial land or private lands? Who are your partners? How do you do this? Are you hiring tree planters, those hippie kids coming up from Guelph in the summer? Are they working for the feds? How does this happen?

Mr. Glenn Hargrove: That's a great question. When we're working with provinces and territories, we provide funding to them based on their plans and that sort of thing. For instance, in the case of Ontario, they have their own kind of process for determining those—

Mr. Charlie Angus: I'm sorry; I'm running out of time.

The Chair: You're actually—

Mr. Charlie Angus: How do you know that you're not just paying them for something they had to do anyway? Are these 2 billion new trees as opposed to—

The Chair: Mr. Angus, you're out of time, unfortunately. I think you got the question in.

Could you answer very quickly?

Mr. Glenn Hargrove: Sure. We have experts who review proposals, and we do follow-up monitoring, and those sorts of things are part of the agreements. As well, we have, for instance, an agreement in principle with Ontario and other provinces that talks about the goals of the program, the incrementality and the goal of permanently increasing forest cover.

The Chair: Thank you.

We'll now go to Mr. McLean.

Mr. McLean, I'm going to give you four minutes, and then we'll finish off with—

Mr. Greg McLean (Calgary Centre, CPC): Mr. Deputy Minister, oil sands emissions have been reduced by 26% per barrel in the last 20 years. Do you agree?

Mr. Michael Vandergrift: I don't have the exact figure in front of me, but I know that emissions intensity has reduced.

Mr. Greg McLean: Thank you.

When you set the emissions cap, you were looking at 250 organizations that gave you input over the past year on how these emissions caps would roll out. It seems as though everybody that was involved, the oil and gas production industry and the financial industry, is telling you that this is unattainable unless you cut production by 1,000,000 barrels a day. Of the 250 organizations, how many of the rest of them were environmental organizations or NGOs that you listened to?

Mr. Michael Vandergrift: If I could just clarify for the committee, this regulation is produced by Environment and Climate Change Canada, not by Natural Resources Canada. Our role in it was to provide advice on technical—

Mr. Greg McLean: Your minister was at the announcement, so I think it's relevant how many of these people are...because you fund some of the organizations that give this input.

Can you tell us if anybody, of all these organizations that gave input here, are NGOs, environmental NGOs, that have misled your department so far, including on the hydrogen study, where they overestimated even the Department of Environment's impact on the decarbonization associated with hydrogen by a factor of 3:1 in the initial report but now by a factor of 21:1, so 14% of the Department of the Environment's study but three times that.

What I'm suggesting here is that you're basing your input on organizations that are paid by you that have provided you with nothing of any substance so far.

• (1825)

Mr. Michael Vandergrift: I'm not sure I'm entirely following the question.

Mr. Greg McLean: Let me quote the commissioner of the environment and sustainable development on some of his input on what you've accomplished so far with these organizations, because he presented this to Parliament just a couple of weeks ago.

He says, "a lack of reliability in projections hindered the credibility of the plan." In fact, the recent decreases to projected 2030 emissions were not due to climate actions taken by governments but were, instead, because of revisions to the data or methods used in modelling.

In short, you're spending a lot of money in all these programs, including the 2 billion trees program, and you're accomplishing absolutely nothing. You're just monkeying around with the numbers. These are the organizations that your department and the Department of Environment are funding to give you false data points. Do you understand my question now?

Mr. Michael Vandergrift: I'm just not sure what organizations you're referring to. I don't know.

Mr. Greg McLean: Seriously? You've given \$8 million to the Pembina Institute over the last number of years.

Are they one of the organizations giving you the information that says this emissions cap is actually possible?

Mr. Michael Vandergrift: The input on the emissions cap was to Environment and Climate Change Canada, which is responsible for developing the regulation.

In NRCan, we did work on what would be technically feasible in terms of methane reductions and carbon capture and storage as input into that regulation. The regulation is now out for consultation. We invite Canadians to participate in that consultation. Please provide views on this regulation—

Mr. Greg McLean: Thank you very much, Mr. Deputy Minister.

The Chair: Thank you, Mr. McLean.

Now we'll go to Mr. Schiefke for the final few minutes today.

The floor is yours, sir.

Mr. Peter Schiefke: Thank you very much, Chair. I'd like to add my thanks to our witnesses and department officials for being here.

I think I'm going to continue with the line of questioning on the 2 billion trees program.

Contrary to my Conservative colleague, I have seen the fruits of this program right here in my community of Vaudreuil-Soulanges, with over 10,000 trees being planted by the City of Vaudreuil-Dorion, which received half of the funding through the program. They covered the other half. In response to some of the questions from opposition members, the trees were actually planted by the city officials themselves—by the city.

Along those lines, I'm wondering if you could perhaps elaborate on the split between rural and urban tree planting. How effective is our push to get those trees planted in urban settings?

Mr. Glenn Hargrove: I think our urban stream under the program has been very successful. As I mentioned earlier, we're exceeding the targets on urban planting.

Urban trees provide a range of benefits. They provide mental health and physical health benefits to communities. They help to cool urban spaces. They give folks places to relax and connect to nature, and there are climate benefits. I think that's been a really successful stream of the program.

Of course, planting in urban settings costs more than in other settings. That's why we had these different streams. I'd also say that we have a great project with the Federation of Canadian Municipalities whereby they're going to be working with about 300 communities to plant 1.2 million trees in those communities. That'll create about 2,000 jobs every year in those communities. We're really rolling that out right across the country.

Mr. Peter Schiefke: That's fantastic.

Would you be able to share that information with the committee? I'd actually love to see a bit more about that program with the Canadian Federation of Municipalities. Perhaps I'll even share it with some of the municipalities in my community of Vaudreuil-Soulanges.

I agree with you a hundred per cent. The benefits of planting trees in urban settings are incredible. We're experiencing that already in my community of Vaudreuil-Soulanges, where we've experienced significant urban sprawl over the last 10 years. We're looking to recapture some of the green spaces that have unfortunately been taken over by development, restore some of those green spaces where people can go to get more temperate temperatures, and ensure that we have cleaner air in our community. It's been very successful.

I have only two minutes left, and the chair is probably going to cut me off—

• (1830)

The Chair: You have about 30 seconds.

Mr. Peter Schiefke: Oh, darn.

Could you speak a little about how effective the partnerships with our indigenous partners have been in putting this forward?

I know that's an important relationship that we have to foster to get this done.

Mr. Glenn Hargrove: Thanks very much. I'll try to be quick.

In the first two years, I believe, of the program, 20% of the projects had an indigenous lead. There's a lot of interest in the program.

We also co-developed an indigenous funding stream with a distinctions-based approach, whereby we're working with first nations and Métis groups to work on their priorities and objectives in terms of tree planting. One example we have is Nekoté Limited, which is planting trees to restore fire-damaged lands in Manitoba.

There are examples across the country of the excellent work that indigenous groups are doing in terms of planting through the program.

The Chair: Thank you.

I want to thank officials for joining us today and providing detailed answers to the questions by committee members.

Colleagues, do we have agreement to adjourn for this evening?

Some hon. members: Yes.

The Chair: Have a great evening. The meeting is adjourned.

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