NATURAL RESOURCES

The Hill Times
Policy Briefing
June 16, 2025

Energy superpower MEANS GOING CLEAN, IN 2025

CANADA NEEDS TO EMBRACE ITS RESOURCE ADVANTAGE

CANADA COULD BE A RESOURCE SUPERPOWER

Historic opportunity TO FAST-TRACK PROJECTS

TRUST CAN'T BE LEGISLATED

CANADA SHOULD BE A MINING SUPERPOWER, TOO

NEED TO MAKE SURE natural resources markets ACTUALLY WANT THEM

GIVE CANADIAN CRITICAL MINERALS 'A REASONABLE CHANCE'

Canada must DELIVER ON ITS NATURAL RESOURCES

NATURAL RESOURCES Policy Briefing

Bill to fast-track major projects could boost GDP, but raises environmental concerns

Minister for Intergovernmental Affairs and One Canadian Economy Dominic LeBlanc, left, joins Prime Minister Mark Carney at a press conference concerning Bill C-5, One Canadian Economy Act, in West Block on June 6, 2025. *The Hill Times photograph by Andrew Meade*

The One Canadian Economy Act seeks to to remove interprovincial trade barriers, ease labour mobility and streamline the federal regulatory processes for major projects.

BY JESSE CNOCKAERT

Economists argue that recently-tabled legislation to remove internal trade barriers in Canada and expedite major projects has significant potential to boost the economy, but critics are also wary of what projects will end up getting those speedier approvals.

The good news is that if the federal government is successful in unlocking this country's interprovincial barriers, doing so will "generate some considerable … gains" in gross domestic product, said Paul Smetanin, president and CEO of the Canadian Centre for Economic Analysis (CANCEA).

"In terms of Bill C-5, part of my concern would be major project accelerations," he continued. "While we might get excited about that, that assumes that the major projects in and of themselves are actually worth doing, because the federal government has not had a good track record … in understanding and properly evaluating major infrastructure projects."

Paul Smetanin, president and CEO of the Canadian Centre for Economic Analysis, says that it is 'exciting' that Ottawa is working on harmonizing requirements that will allow for the mobility of intellectual and capital resources. *Photograph courtesy of the CANCEA*

Daniel Schwanen, an economist and senior vice-president of the C.D. Howe Institute, says Bill C-5 is 'not about cutting corners' but about producing an 'efficient process.' *Photograph courtesy of the C.D. Howe Institute*

Bill C-5, or the "One Canadian Economy Act," was tabled by Canada-United States Trade and Intergovernmental Affairs Minister Dominic LeBlanc (Beauséjour, N.B.) on June 6. The bill would enact a Free Trade and Labour Mobility in Canada Act intended to remove interprovincial trade barriers and to ease labour mobility. The bill would also enact a Building Canada Act, intended to streamline the federal regulatory processes for major projects. Prime Minister Mark Carney (Nepean, Ont.) has said the bill is a top priority for his government, and "will do everything to get it passed before the summer."

In terms of free trade and labour mobility, the bill seeks to harmonize federal regulations with provincial and territorial standards. According to the bill, any goods produced, used, or distributed in accordance with a provincial or territorial requirement would be considered to have met any comparable federal provision, so long as the requirements respect the same aspect or element of the item; are intended to achieve a similar objective; and meet any conditions set out in the regulations. Likewise, any service meeting provincial or territorial standards would be treated as meeting federal standards if they meet those equivalent conditions.

A report from the Macdonald-Laurier Institute, released in September 2022, estimated that removing interprovincial trade barriers could grow this country's economy by $200-billion annually through the elimination of regulatory mismatches between provinces.

Smetanin told *The Hill Times* that he likes the intention behind Bill C-5.

"It is exciting that there is an intention here to try and create some harmony, and to try and create, internally, some mobility of our intellectual and capital resources because as a country … we can't keep acting like each province is a country on its own because we're not getting the economies of scale that's required to run a country of 40.1 million people," he said.

In regard to major project development, Bill C-5 aims to accelerate the regulatory process for infrastructure projects that the federal government designates as being in the "national interest."

The bill would empower the governor-in-council to decide if an infrastructure project is in the national interest by considering factors such as whether a project would strengthen Canadian autonomy, resilience and security; provide economic or other benefits to the country; have a high likelihood of successful execution; advance the interests of Indigenous Peoples; and contribute to clean growth and to meeting Canada's objectives with respect to climate change.

Smetanin described Canada as a very politicized country where "infrastructure is treated like a political football."

What projects would be considered of "national interest" is ambiguous, according to Smetanin.

"The thing about major project acceleration, that's on the assumption that these major projects have been properly evaluated," he said. "If things are hard to get off the ground from an infrastructure point of view—and the infrastructure is not worth doing—well, then, the friction or the barriers to getting the project going is a good thing because it will save us money in the long run and hopefully give rise to better planning, too."

Smetanin described Canada as displaying "volatility" when it comes to infrastructure decision-making.

A CANCEA report released on Jan. 16, 2022, stated that a "volatility of investment levels," or changes in said levels over the short term is potentially the nation's biggest barrier to export success, and that infrastructure investments should be part of a strategic long-term plan.

Daniel Schwanen, an economist and senior vice-president of the C.D. Howe Institute, described Bill C-5's project acceleration component as a good start, "but let's see what projects are actually listed that meet all those criteria."

He argued the bill is clear about the government's intention to streamline the approvals of certain projects, without removing or changing project approval criteria.

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NATURAL RESOURCES Policy Briefing

Governments and Indigenous communities have historic opportunity to fast track projects

John Desjarlais

Opinion

Governments, Indigenous Peoples, and private companies must unite to build national projects, counter American trade protectionism, and assert Canada's economic independence. However, fast-tracking key projects without addressing key Indigenous concerns risks failure.

Successful resource projects require Indigenous consultation and inclusion. An RBC study found that 73 per cent of Canada's 504 major resource and energy projects intersect or lie within 20 kilometres of Indigenous territories. Yet, these projects face opposition when governments bypass Indigenous groups. Many Indigenous communities support development and could accelerate projects further. However, barriers like limited capacity, limited opportunities to co-manage or co-govern, and access to affordable capital persist.

Indigenous communities often lack the resources to fully engage in the resource economy due to institutional challenges like the Indian Act, geographic isolation, and inadequate infrastructure. We can get to consent and support in appropriate timelines, but the capacity funding needs to reflect this. Consent models also need to be led by the community themselves, incentivized to be resilient, and can meet milestones without compromising rights.

Everyone needs to understand as well that we can hit timelines and avoid risk aversion. The permit process should not be absolute, and it should accommodate impacts on rights. A historic lack of government investment in Indigenous infrastructure compared to mainstream communities exacerbates these disadvantages.

The RBC study reported 85 per cent of projects on First Nations land—worth $83.6-billion—are at risk due to these capacity gaps. Addressing these issues could unlock significant economic potential and help Indigenous peoples overcome historical disadvantages.

Considerable progress has been made. Governments have introduced financial tools, including a loan guarantee program, to expand Indigenous access to capital markets. Moreover, institutions such as the First Nations Finance Authority, First Nations Bank of Canada, the Canada Infrastructure Bank, and Aboriginal capital corporations all offer remedies, but risk premiums still exist for many Indigenous parties.

Notable partnerships also offer examples of successful collaboration. Just look to any deals completed by any loan guarantee programs including Alberta Indigenous Opportunities Corporation, Saskatchewan Indigenous Investment Finance Corporation, and the new federal Canada Indigenous Loan Guarantee Program, which just offered its first guarantee to a major pipeline deal involving 36 Fist Nations in British Columbia. The deals not only provided economic benefits, but enhanced capacity within Indigenous communities.

Projects involving Indigenous equity participation are more resilient. RBC estimates Indigenous equity opportunities for resource projects could reach $98-billion over the next decade. Increasing Indigenous involvement, including co-management and co-ownership, ensures greater project success and benefits all parties. Legal trends also reflect this shift. Recent court rulings, such as in Kebaowek First Nation v. Canadian Nuclear Laboratories, indicate a growing emphasis on Free, Prior, and Informed Consent (FPIC), as outlined in the UN Declaration on the Rights of Indigenous Peoples. If upheld, this ruling could further elevate the legal standard for project approval.

Forward-thinking proponents already integrate FPIC-level engagement. For example, Taseko, Tsilhqot'in, and the B.C. government recently signed an accord granting an equity stake to Tsilhqot'in and requiring consent for new mining developments. Ongoing successful models of consent-based agreements are Cedar LNG, Eskay Creek, and Woodfibre LNG, all of which integrate Indigenous-led review processes.

The federal government's new One Canadian Economy Act and its Major Federal Projects Office show positive movement. However, Ottawa must avoid mistakes in Ontario, B.C., and other jurisdictions where rushed processes faced Indigenous opposition. Indigenous groups will not compromise rights or environmental concerns. Encouragingly, the office includes an Indigenous Advisory Council to guide decisions, but its role and membership remain unclear, creating regulatory uncertainty.

Finally, the projects office and the new government will face the challenge of prioritizing projects. The government must demonstrate it has abandoned unhelpful animus toward oil and gas projects, and reward efforts where industry and Indigenous communities have already done the demanding work of getting to consent, agreement, or equity, or some combination thereof.

The RBC study identified the Indigenous equity opportunity in oil and gas as $57.6-billion, far surpassing critical minerals, which ranked second at $9.2-billion. The government must recognize Indigenous opportunity thrives in the energy sector and respect the many Indigenous groups envisioning their future in this development. Ottawa must honour Indigenous economic self-determination.

Governments and proponents must grasp this reality: Indigenous groups, while enthusiastic about development, need fair access and meaningful participation. Crafting balanced fast-track legislation that respects Indigenous rights is essential. Without these measures, Canada risks missing the opportunity to unlock its resource potential and fostering conflict with Indigenous communities.

John Desjarlais is executive director of the Indigenous Resource Network.

The Hill Times

The generational imperative for Canada to embrace its resource advantage

Margareta Dovgal

Opinion

When Energy and Natural Resources Minister Minister Tim Hodgson told a Calgary crowd on May 23 that Canada should lean into its role as "a conventional and clean energy superpower," he wasn't making a bold claim. He was stating the obvious.

Canada is leaving a trillion-dollar opportunity on the table by not mobilizing our natural resource advantage. That's a lost chance for GDP growth and to resource the future Canadians have been promised.

To deliver on affordability, decarbonization, housing, and long-term national security, the federal government must frame the responsible development of our minerals and metals, oil and gas, and forest products as central to the public good, not as trade-offs to be negotiated behind closed doors.

Let's be clear: resource revenues are what allow us to underwrite the ambitions we hold as a society. They are not incidental to affordable housing or a just energy transition. They are the funding mechanism. If we want transformation, we need to finance it. And if we want to finance it without punishing working people, we must unlock investment in our most capital-intensive, high-output sectors.

But we're stuck. Between 2015 and 2023, labour productivity grew at a meagre 0.5 per cent per year. In 2023, it fell sharply. The result: Canadians are working harder, producing less, and feeling poorer for it. The root problem is not just policy drift. It's not fully leveraging the capital-intense industries that drive real wealth creation.

That's where resource development comes in, not as a nostalgic throwback, but as the most powerful, controllable lever available to modernize our economy and restore generational progress. These are the industries that invest at scale, lift wages, and make our country matter in global supply chains.

The Public Policy Forum recently laid it out: get the 500 major resource projects already in the queue to final investment decision with faster approvals and Indigenous-partnered delivery models, and Canada can catalyze $600-billion in private capital and unlock up to $1.1-trillion in GDP by 2035.

This isn't a pipe dream. It is what happens when policy shifts from "maybe, someday" to "yes, and how."

The stakes aren't abstract. Nearly 60 per cent of Canadians under the age of 35 report being seriously worried about housing affordability. That number doesn't represent economic frustration: it signals economic immobility. My generation is ready to build lives, families, and futures. But we're stuck in place because the fundamentals—income growth, access to housing, economic certainty—aren't there.

Unlocking investment in our resource economy is also mainstream Canadian consensus. April polling by Ipsos found that 69 per cent of Canadians want faster progress on energy and resource projects. In a country as diverse and politically dispersed as ours, that kind of agreement is rare and precious.

But here's the catch: public support means little without political will. For years, federal policy has tried to placate the most vocal opponents of development. The result is a policy limbo that satisfies no one and delivers nothing. It is not principled compromise—it is paralysis.

True leadership means advancing the national interest even when it's contested. That's how institutions earn trust. And right now, Canadians are watching closely to see whether this government is still capable of delivering prosperity.

So, let me say it plainly: Liberals cannot afford to simply tolerate Canada's resource economy. They must champion it. Champion it not for corporate stakeholders, but for renters in Vancouver, young workers in Thunder Bay, and families in Halifax who need a functioning, ambitious, wealth-generating economy.

That means aligning policy levers. Streamlining permitting. Setting clocks, not question marks. Championing Indigenous partnerships not just in words, but in commercial outcomes.

Our window to act and to match aspiration with the economic capacity to achieve it is narrow. The alternative is a generation adrift, a climate transition unfunded, and a nation that shrinks from its own potential.

Embrace our natural resource advantage. Articulate it as a generational imperative. Anything less is both poor policy and a failure to lead.

Margareta Dovgal is the managing director of Resource Works Society where she oversees programs and research on responsible natural resource development. A lifelong Vancouverite, she sits on the city's Renters' Advisory Committee. She holds a master's of public administration in energy, technology and climate policy from University College London.

The Hill Times

PIONEERING SMALL MODULAR REACTORS IN WESTERN CANADA

SECOND EDITION

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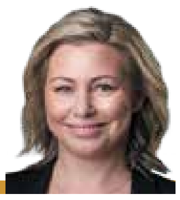
Canada should be a mining superpower, too

Being a mining superpower isn't just about mining the most. It's also about having the ability to supply the material needs of our allies in a reliable and secure manner.

Heather Exner-Pirot



Opinion

As the world's second-largest country, Canada, in theory, has the world's second-largest mineral bounty. But we also have difficult geography and burdensome processes.

In the past few decades, we've punched well below our weight, losing market share across a variety of critical minerals and products. Canada has unfulfilled mining potential.

The silver lining is that as our allies and trading partners look to secure their raw material needs—for the digital economy, the energy transition, defence supply chains, you name it—Canada still has vast untapped reserves that it can develop to satisfy those needs. With just 41 million people, we have more than we could ever use ourselves. We can be that arsenal of democracy, providing the critical minerals needed for our allies' supply chains.

This begs the question: why aren't we a bigger player already?

Growing the mining sector is not as easy as deciding to dig up more rocks. The industry is highly competitive and mining is capital intensive, often requiring long timelines to realize returns. The past decade has seen relatively low investment into the sector: global capital expenditures in mining are still well off their 2013 record, even though the world's population has grown by over a billion humans since.

Suppressed commodity prices, high regulatory burdens, and geopolitical volatility have spooked many investors. According to S&P Global, the average time to build new mines around the world increased to 17.9 years for new mines coming online in 2020-23—a significant jump of more than five years for mine projects started 15 years ago. Canada is not the slowest jurisdiction, but it's close. At any rate, the biggest competition for capital is from other sectors, not other mining jurisdictions.

In some commodities, where the market is healthy, Canada is attracting investment and is growing. While Canada produces more than 60 minerals and metals in almost 200 mines across the country, the value is disproportionately in a handful of commodities. Gold, potash, and coal lead the way, with iron ore, copper, and nickel coming in behind. Diamonds and uranium fill in much of the rest. We could expand market share by improving the regulatory and tax competitiveness for these products, and ensuring fair benefits for Indigenous nations impacted by development.

These GDP-driving commodities are not the critical minerals we focus on politically; battery and defence metals are more likely to preoccupy bureaucrats and politicians. In fact, most of the mineral products with supply chain risk have small global markets. In many cases, China has been able to secure market dominance through export restrictions, price controls, strategic investments, and predatory pricing.

China's greatest leverage is not on the production of critical minerals, but on their processing. And that is a gap Canada should seek to fill proactively.

Securing supply chains for niche metals may not be economic drivers. They may even require the government to offer price supports. But where they are essential to our and our allies' supply chain needs, we should fill the gap where we are able to do so. Amongst NATO's list of defence-critical raw materials, Canada is well positioned to fill almost all of them, in particular aluminum, cobalt, germanium, gallium, tungsten, titanium, graphite, platinum, and some rare earths. Either we are already a producer, or we produced them in the past, or they are by-products of things we produce today.

The most important place for Canadian governments to intervene is midstream processing, where the market is most manipulated and where our supply chains are most vulnerable. Strategies such as equity, subsidies, contracts for difference, feed-in tariffs, and stockpiles have all been proposed, and in some cases applied. The right tool will vary depending on the market and the stage of the product required (e.g. raw, processed, intermediate, finished). As such, we should develop many tools, and industry and government should work together to apply them most efficiently.

Being a mining superpower isn't just about mining the most. It's also about having the ability to supply the material needs of our allies in a reliable and secure manner.

Canada is lucky that it has the choice to be able to produce, process, and sell more critical minerals. But it still needs to choose to do so.

Heather Exner-Pirot is director of energy, natural resources, and environment at the Macdonald-Laurier Institute.

The Hill Times

Being an energy superpower in 2025 means going clean

Investing in clean technologies and supply chains is now an economic imperative globally. Of Canada's 10 largest non-U.S. trade partners, all have net-zero commitments and carbon pricing systems, and roughly half apply carbon border adjustments on imports and have domestic EV requirements.

Rachel Doran & Mark Zacharias

Opinion

Canada's new government has been clear that, in addition to building our clean energy sector, building the nation's conventional energy sector (read oil and gas) is a priority.

But how much effort should Canada be putting into further building out its fossil fuel versus clean energy industries? Also, is this even possible given where global energy markets are headed?

The evidence continues to pile up that we should look before we leap into betting this country's future on fossil fuels, which are globally fast becoming the highest-cost option and energy source of last resort.

Consider natural gas. Last year, the European Union's demand was at its lowest level since 1996. United Kingdom gas demand was down 10 per cent between 2022 and 2023, and is now at the lowest level since 1992. To the east, Japan's LNG imports are at the lowest level in 14 years. Even China, a perennial growth market for gas, is slowing as it builds out renewables. Last year, the country installed 356 gigawatts of solar and wind power, equivalent to 320 Site C dams or 64 Bruce Power nuclear plants.

Global oil markets are no less certain. OPEC+ members, including the United Arab Emirates, are breaking ranks on production caps as they liquidate reserves in the expectation that oil demand peaks in the coming decade. The International Energy Agency forecasts that this peak will happen around 2030, leading to surplus capacity in production and refining globally. This is already leading to challenges in fiscal planning here at home. At around US$63 at the time of writing, the price of West Texas Intermediate is well below the US$68 the Alberta government used for its Budget 2025 forecast, creating a $5.2-billion provincial budget deficit.

Why? The global energy transition is underway. Quite simply, electrons are winning because they are better and more efficient at producing and delivering the energy we need. As fossil fuels lose almost two-thirds of their primary energy before producing any benefit, and are the most volatile component of Canada's overall inflation—accounting for a third of inflation during the period between February 2021 and June 2022— electricity is moving markets primarily for practical, not ideological reasons.

Investing in clean technologies and supply chains is now an economic imperative globally. Of Canada's 10 largest non-American trade partners, all have net-zero commitments and carbon pricing systems, and roughly half apply carbon border adjustments on imports and have domestic EV requirements. The world has changed, and so, too, must Canada's approach to its industrial strategy.

Public dollars that can be used to spur innovation and build new infrastructure are finite. Competing head-to-head with the Gulf states, Russia, and the United States to produce commodities that economies are trying to use less of is not a proposition that sets our economy up for future success. With investment in clean technologies on track to be 50 per cent higher globally this year than the total amount spent bringing oil, natural gas, and coal to market, our first order of business should be generating and transmitting more clean energy, to increase competitiveness, and to insulate ourselves against uncertainties in the U.S. electricity market.

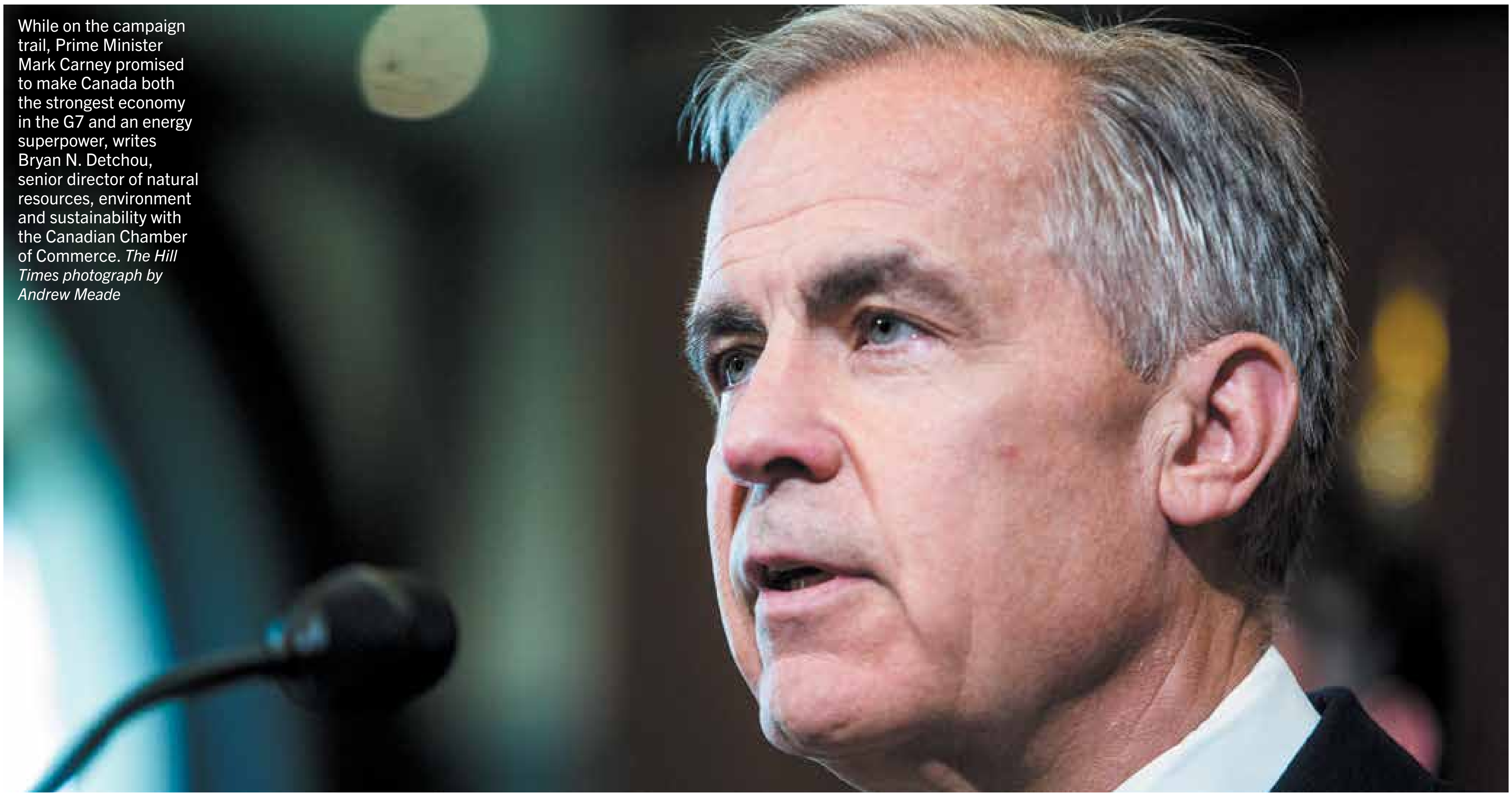
Take Alberta—while volatile oil prices created fiscal challenges, renewables were poised to help fill the gap. Pre-2024, the province had attracted $6.4-billion in renewable energy capital investment, creating 6,200 jobs, and enough energy to power 1.7 million homes. However, policy choices are important, and Premier Danielle Smith's have created uncertainty and reduced investor confidence in the market.

In a world increasingly powered by critical minerals, and where production is increasingly centralized in a few states, Canada has the potential to anchor innovation and investment in the upstream production of things like EVs, batteries and other applications by strategically and thoughtfully producing and deploying new resources.

We look wistfully at countries like Norway that have exploited their resource wealth to decarbonize their own economies, boosting wealth and well-being. But we can't recycle a playbook from the era of landlines in the age of AI and expect the same outcome. As Warren Buffett once put it, "If past history was all that is needed to play the game of money, the richest people would be librarians."

Rachel Doran is the executive director of Clean Energy Canada, a think tank at Simon Fraser University's Morris J. Wosk Centre for Dialogue. Doran previously led the organization's policy work, and has been a frequent commentator on all aspects of the energy transition. Mark Zacharias is a fellow at Simon Fraser University's Centre for Dialogue, and a special adviser for Clean Energy Canada.

The Hill Times



While on the campaign trail, Prime Minister Mark Carney promised to make Canada both the strongest economy in the G7 and an energy superpower, writes Bryan N. Detchou, senior director of natural resources, environment and sustainability with the Canadian Chamber of Commerce. *The Hill Times photograph by Andrew Meade*

The stars are aligned: now Canada must deliver on its natural resources

If we don't seize this moment, we may not get another. Because if Canada doesn't step up, others will.

Bryan N. Detchou

Opinion

For too long, Canada has been a modest contributor on the global economic stage. But modesty is no longer a virtue in a world demanding bold leadership. While on the campaign trail, Prime Minister Mark Carney promised to make Canada both the strongest economy in the G7 and an energy superpower. That ambitious goal is not only necessary, it is also within reach—if we are willing to unleash the full potential of Canada's natural resources sector, including responsibly expanding our energy and critical minerals industries.

This isn't about nostalgia or propping up legacy industries. It's about strategic economic renewal rooted in reality. Our economy is stagnating. Much of our recent GDP growth has come from population increase through immigration, and not from productivity gains or rising wages. While newcomers bring immense value, we cannot build a prosperous future on demographics alone. We must grow the economic pie, not just slice it thinner.

If Canada is to become the strongest economy in the G7, it must deliver not just for global partners, but also for its own people. It must deliver for young Canadians who are losing hope, for families squeezed by rising costs, and for workers who want to build meaningful careers in industries that matter. Energy and critical minerals are the industries of Canada's future. Low-emission oil and gas, hydrogen, liquified natural gas, uranium, lithium, copper, nickel, rare earth elements: these are the ingredients of the 21st-century economy. And Canada has them in abundance.

After years of policy inertia and handwringing, the world has changed. The provocations of United States President Donald Trump were a wakeup call.

For the first time in decades, natural resources development was a significant issue during a federal election campaign. Canadians seem to better understand how trade dependent we are, and how valuable our resources are to a world desperate for secure, reliable and responsibly sourced inputs. We've elected a new government—one with a minority mandate, but arguably with more freedom to act boldly than any in modern Canadian history.

Even public opinion in Quebec—long seen as a barrier to major energy infrastructure—is shifting. Many Quebecers are now open to pipelines and energy projects that could ease the chronic energy insecurity of eastern Canada, while unlocking massive economic benefits.

When B7 leaders gathered in Ottawa earlier in May, they acknowledged what many of us already know: Canada has a pivotal role to play in the future of global energy, critical minerals, and clean economic growth. This is a generational opportunity to reshape the trajectory of our country for the next century. We must act boldly—and swiftly. This message has been shared with G7 leaders in advance of their summit, which Canada will chair in Kananaskis, Alta., this month.

Early signs give reason for cautious optimism. The appointment of Tim Hodgson at the new minister of energy and natural resources was welcomed across the sector, and his first major speech in Calgary struck the right tone, declaring Canada would be "defined by delivery." Prime Minister Carney's recent mandate letter to his ministers also reflects a sense of urgency and seriousness about the economic promise of this country's natural resources. But let's not mistake intention for action.

And to be clear, a push for urgency does not absolve us of our constitutional responsibilities to Indigenous Peoples, or give us license to trample on provincial jurisdiction, or grant us permission to abandon our commitment to environmental stewardship. What it does require is a co-ordinated, respectful, and united "Team Canada" approach—for the good of Canadians and our global partners.

We must also come to terms with another truth: not every bet will pay off. Some investments may underdeliver. Some projects may fail. It's a reality we should work diligently to minimize—especially when taxpayer dollars are on the line—but we must accept that the far greater risk lies in doing nothing at all. The cost of inaction, delay, and missed opportunity will be paid in lost jobs, growth, relevance, and a diminished ability to meet global demand.

Canada needs to break the cycle, and stop undermining our most productive sector—whether through a thousand cuts of poor policy, or by trapping it in a never-ending labyrinth of government consultations.

The window of opportunity won't stay open forever. Major projects take years—even decades—to complete, and governments and public opinions change.

Canadians are watching closely, and many are beginning to ask: if the potential loss of our sovereignty, prosperity, and future is not sufficient to compel us to act, then what will it take—and will we ever rise to the occasion?

If we don't seize this moment, we may not get another. Because if Canada doesn't step up, others will.

Bryan N. Detchou is the senior director of natural resources, environment and sustainability with the Canadian Chamber of Commerce.

The Hill Times

NATURAL RESOURCES Policy Briefing

Giving Canadian critical minerals 'a reasonable chance'

While Canada has long been a major producer of copper, nickel, zinc and others on the critical minerals list, our path to getting other high priority critical minerals—like lithium and rare earth elements—'produced in Canada' may be a rocky one.

Charlotte Gibson

Opinion

Critical minerals are the backbone of modern technology, crucial for products like mobile phones, solar panels, electric vehicle batteries, medical devices, and defence applications shaping our future and security.

In the Government of Canada's definition of what makes a critical mineral, one line stands out: "There is a reasonable chance of the mineral being produced in Canada." No other country's critical minerals definition specifies anything like this, not the United States, the United Kingdom, Japan, nor any member of the European Union. This line is Canada's critical minerals differentiator—the phrase alludes to our country's biggest opportunity, but also its greatest risk. As Canada advances its Critical Minerals Strategy, amidst the excitement of investing millions of dollars in critical minerals projects, we can't forget to invest in the people and knowledge required to make these projects work.

Despite our long-standing status as a resource-rich nation, many of Canada's identified 34 critical minerals are not those we're experienced in producing. While Canada has long been a major producer of copper, nickel, zinc, and others on the critical minerals list, our path to getting other high priority critical minerals—like lithium and rare earth elements—'produced in Canada' may be a rocky one.

According to the United States Geological Survey, Canada only produced about 4,300 tonnes of lithium in 2024, despite reporting reserves of 1.2 million tonnes. Over the past decade, this country's lithium production has been mostly limited to the on-and-off operation of two mines which produce and export lithium mineral concentrate. In other words: although we produce lithium raw materials here at home, we do not currently make the materials required to build things like lithium-ion batteries. Likewise, Canada claims 830,000 tonnes of rare earth reserves, but produced zero rare earths in 2024. While this may change with the newly commissioned Rare Earth Processing Facility in Saskatchewan, the facility was reportedly tested by treating material from "several international clients" with no mention of the plant treating material from Canadian mines.

The value chain is currently disjointed. Our struggle in end-to-end production of some of these minerals, despite their abundance, is ultimately an economic one. Investment in critical minerals projects hinges on volatile and often opaque prices, influenced by geopolitics and global economic shifts. Price drops discourage investment in domestic projects, where high costs and strict regulations already result in tight margins and long implementation timelines.

The government has made efforts to mitigate this struggle. Ontario's 2025 budget committed $500-million to a new critical minerals processing fund aimed at attracting investors to the sector. This past March, the federal government and province of Ontario announced conditional funding of up to $120-million to help construct a lithium midstream processing facility. These cash commitments, along with other industry-targeted funding programs, are tangible steps towards building end-to-end production capacity. However, on their own, new processing facilities will struggle to ramp up production and profit, failing to bring us any closer to our ambitions of producing critical minerals in Canada.

For our critical minerals facilities to survive the inevitable boom-and-bust price cycle, we need innovation and expertise in critical minerals processing. If cost and performance can be improved, projects will stand a chance at operating even in low-price environments. Deep technical expertise, founded on fundamental understanding of the processes we have built, is required for smooth project commissioning and continuous operation without serious technical disruption. For many critical minerals—like lithium and rare earths—this expertise is lacking.

Unfortunately, mineral processing and extractive metallurgy undergraduate programs are a dying breed at most Canadian universities, resulting in few fit-to-purpose degree programs related to critical minerals processing. This pushes training to graduate studies, where master's and PhD students effectively apply multi-disciplinary learnings from other degrees to the minerals sector. The problem is that graduate programs are small and the number of professors conducting research in this space is limited. Canadian universities need long-term government support to build critical minerals research and training capacity.

It is insufficient for Canada to invest in building projects and infrastructure; we need to invest in building knowledge. By establishing research centers at this country's universities—where academics and industry professionals work together on real-world industrial challenges—we can create the training grounds for the next generation of critical minerals experts. The race to lead the work in the responsible production of critical minerals is ours to lose; now is the time to give the Canadian critical minerals industry 'a reasonable chance.'

Dr. Charlotte Gibson is an assistant professor and associate head of the Robert M. Buchan Department of Mining and director of the Critical Minerals Processing Lab at Queen's University.

The Hill Times

Canada can be a resource superpower if we build the road to get goods to market

What we need is a co-ordinated, long-range strategy, a national trade corridor plan that links the country's productive zones to its export gateways through reliable, resilient, multimodal infrastructure.

Gary Mar

Opinion

Canada's new Minister of Energy and Natural Resources, Tim Hodgson, has a vision: make Canada the global leader in energy and resource exports. It's dynamic, timely, ambitious, and entirely within reach. We have the goods, now we need the delivery. If you can't move it, you can't sell it.

Canada has the natural resource endowment many countries envy: world-class energy reserves, critical minerals, forests, and vast agricultural capacity. We are the world's leading producer of potash; we can feed the world with our abundance of wheat, canola and pulses; and we are an emerging player in hydrogen and biofuels. The world wants what we have, and more of it. But our ability to compete on the global stage is constrained by a logistics system that still fails to match the scale and complexity of our potential. Our biggest obstacle isn't lack of demand—it's infrastructure.

At first glance, the picture looks good. In the World Bank's 2023 Logistics Performance Index, Canada ranked seventh overall—a solid position globally. But the details tell a different story. While we scored high in infrastructure quality and tracking systems, we lagged in a critical area: international shipments—where we scored just 3.6 out of five, far below our potential. That metric captures how efficiently and affordably exporters can arrange transport to foreign markets. In other words, even if the highways and rails exist, the overall system isn't working fast or predictably enough to get goods where they need to go.

So, what's holding us back?

Start with our ports—the gateways to global markets. From Vancouver to Halifax, key ports operate either at or near capacity with limited flexibility to scale. Rail and road links are vulnerable to weather and disruption, as the 2021 British Columbia floods made painfully clear. Co-ordination between jurisdictions and infrastructure modes is weak, and planning is often reactive instead of strategic. There's also the challenge of moving goods from inland production regions—like the Prairies—to the coast. And while Canada's customs system is getting better, our exporters still struggle with high costs and unreliable shipping logistics.

This isn't just an inconvenience—it's a national liability. Our competitors are investing in trade infrastructure with long-term strategies in mind. Australia, the United States, and the European Union are aligning capital to build resilient corridors, intermodal hubs, and next-generation logistics networks. Canada, by contrast, is still stuck in a fragmented approach where provinces, municipalities, and federal departments often pull in different directions.

What we need is a coordinated, long-range strategy—a national trade corridor plan that links the country's productive zones to its export gateways through reliable, resilient, multimodal infrastructure. That means not just laying track or pouring asphalt, but building a logistics system that integrates rail, road, port and pipeline, supported by digital technology and faster permitting.

Hodgson has recognized the urgency. In his first public statements, he emphasized accelerating major project approvals and cutting red tape—aiming for decisions within two years. That's a good start. But even quick wins won't mean much without a broader vision to guide long-term investment and private sector confidence.

Such a plan must also address domestic bottlenecks. Canada lacks an "interstate"-style approach to building infrastructure between provinces, which leads to missed opportunities and weak links in our economic chain. We don't just need more investment—we need smarter, better-targeted investment in high-value corridors. That means fixing rural access roads, revitalizing short-line rail and expanding port capacity in tandem with inland logistics hubs.

Fortunately, there's momentum. In 2023, all 13 premiers unanimously backed the need for a national infrastructure strategy focused on trade. That consensus was reaffirmed this month, with first ministers recognizing that productivity, competitiveness and energy security all depend on how well we can move what we make.

This is a genuine nation-building opportunity—a Team Canada moment that brings together provinces, Indigenous communities, industry and the federal government around a shared goal: connecting Canadian goods to global markets, reliably and at scale.

Canada's trade dream needs a nation-building infrastructure reset. Born on a railway, stalled on the sidetrack, because if you can't move it, you can't sell it.

Gary Mar is a respected leader with expertise in the Canada West Foundation's key focus areas of resources, economy, trade and trade infrastructure and workforce innovation. He was a member of Alberta's Legislative Assembly where he held several cabinet portfolios and was Alberta's Official Representative at the Canadian Embassy in Washington D.C., and in Asia.

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Prime Minister Mark Carney arrives for the Liberal caucus meeting in West Block on May 25, 2025. While climate change policy appears to have receded as a priority for the Carney government, the urgency of confronting a warming world remains, writes Shawn McCarthy. *The Hill Times photograph by Andrew Meade*

The urgency of confronting a warming world remains

As Mark Carney battles Donald Trump's trade wars and confronts western alienation, he will also have to lead Canada's heighten effort in the energy transition and prepare the country for the baked-in impacts of climate change.

Shawn McCarthy

Opinion

Prime Minister Mark Carney and Alberta Premier Danielle Smith emerged from the June 2 first ministers' conference touting a "grand bargain" to fast-track new oil and gas infrastructure.

But while the new Liberal prime minister envisages nation-building energy development consistent with federal climate goals, his western counterpart sees Ottawa's carbon policy as a problem to be rid of.

Smith is less interested in a give-and-take bargain than seeing the Liberal government's total renunciation of Justin Trudeau's climate agenda. The question remains: to what degree will Carney uphold it?

The phrase "grand bargain" evokes memories of a past effort between Ottawa and Edmonton to tie federal support for new fossil fuel infrastructure to provincial action to curb greenhouse gas emissions.

In 2016, Alberta's then-NDP Premier Rachel Notley made a concerted effort to keep up her end of the implicit deal. Among other actions, Notley's government backed Trudeau's carbon pricing plan by adopting a comparable provincial version; introduced regulations to reduce the industry's methane emissions, and spent billions of dollars to speed up the province's phase-out of coal-fired power.

In contrast, Smith is offering only a retreat on climate. She has echoed demands by industry that Carney gut the federal environmental assessment regime that includes a climate test; give short-shrift to Indigenous consultations; scrap a proposed emission cap on the oil sector, and end Ottawa's industrial carbon price regime in order to allow the province to rely on its own—much weaker—version.

At an energy show in Calgary, the premier said that, in return for a pipeline, the province and industry would ensure construction of the Pathways Alliance project. Under proposal, companies are demanding large federal subsidies in order to capture and sequester emissions in the oilsands.

Such a "bargain" would seriously weaken Canada's contribution to the international effort to mitigate climate change.

Regardless of Smith's demands, Carney and his Energy Minister Tim Hodgson have their own rationale for backing new oil and gas export infrastructure, including the economic activity it would bring.

On June 6, the prime minister unveiled the One Canadian Economy Act, which aims to speed up environmental assessments of energy facilities, including pipelines, liquified natural gas terminals, and electricity transmission projects.

The legislation also reflects Carney's determination to make this country an "energy superpower"—a goal that would make this nation less dependent on the United States for trade markets, while positioning this country as a stable, secure, democratic energy supplier for potential customers in Asia and Europe.

Priority projects under the One Canadian Economy Act will be assessed against several factors, including whether they are consistent with federal climate goals. Canada has committed to reduce emissions by 40 per cent to 45 per cent by 2030, and to net zero by 2050.

Smith and industry executives argue that the private sector would not risk its time and money to pursue pipelines and other infrastructure unless and until Ottawa clears away the regulatory thicket they say is impeding the industry.

That point was made in an open letter signed by 38 senior executives two days after Carney won the April 28 election. They encouraged the Liberal prime minister to work with them "to achieve our energy sector's potential and our shared goal to position our country as a global energy superpower."

However, they insisted that the necessary investment won't happen without big changes in federal policy.

"Over the last decade, the layering and complexity of energy policies has resulted in a lack of investor confidence and consequently, a barrier to investment—especially when compared to the United States, which is taking steps to simplify its permitting process," their letter stated.

Their targets are the same as Smith's: the federal environmental assessment regime, the proposed emissions cap on oil sands producers, and the federal industrial carbon levy.

Carney and his ministers have some fundamental decisions to make on energy and environment. One of the biggest is whether they maintain the Trudeau government targets which are already stretch goals and will be even more so if western Canada ramps up exports of oil and gas via new pipelines.

If the Liberal government does recommit to 2030 and 2035 targets, they must outline how they plan to get there.

Under the Canadian Net-Zero Emissions Accountability Act, Environment Minister Julie Dabrusin must release a report this year that assesses progress towards the target of a 30 to 35-per-cent reduction in emissions from 2005 levels by 2030. She can also amend the target.

Trudeau's climate plan has already faced major challenges from provinces and industry, especially with the short time frame to achieve promised reductions. Carney has not made climate change a key priority either in the recent Throne Speech delivered by King Charles III, or in his mandate letter to ministers.

The large-emitter pricing system, which is under attack from Alberta and the oil executives, is a cornerstone of the federal climate plan. It applies directly in some jurisdictions while setting the standard for stringency in provinces that use their own pricing systems like Alberta.

The Canadian Climate Institute said in a 2024 report that the industrial carbon price would deliver between one quarter and 40 per cent of emission reductions expected from federal policies in place at that point. Carney's decision in March to scrap the consumer carbon tax only heightens the importance of the industrial levy.

However, the system is currently in serious jeopardy and needs to be fixed to ensure companies that invest in emission reductions can realize revenue by selling excess credits in the market, the Climate Institute said in a report released June 4.

That large-emitter pricing underpins the oil industry's Pathway Alliance project in which companies proposed to capture and sequester carbon emissions from the oilsands. Carney points to the pathways project as an important tool to reduce emission from oilsands production. Smith announced in May that her government was freezing the industrial price at $95 per tonne of CO_2. The move puts her at odds with the federal government plan, which will raise the levy to $110 next year and to $170 by 2030.

The levy also applies to other industrial sectors—including steel—that are under pressure due to U.S. President Donald Trump's tariff war. To be effective in the future, it needs to be more stringent.

While climate change policy appears to have receded as a priority for the Carney government, the urgency of confronting a warming world remains.

Just one example of its impacts: Canada is literally burning with forest fires. Climate change has exacerbated conditions that result in larger, more frequent fires.

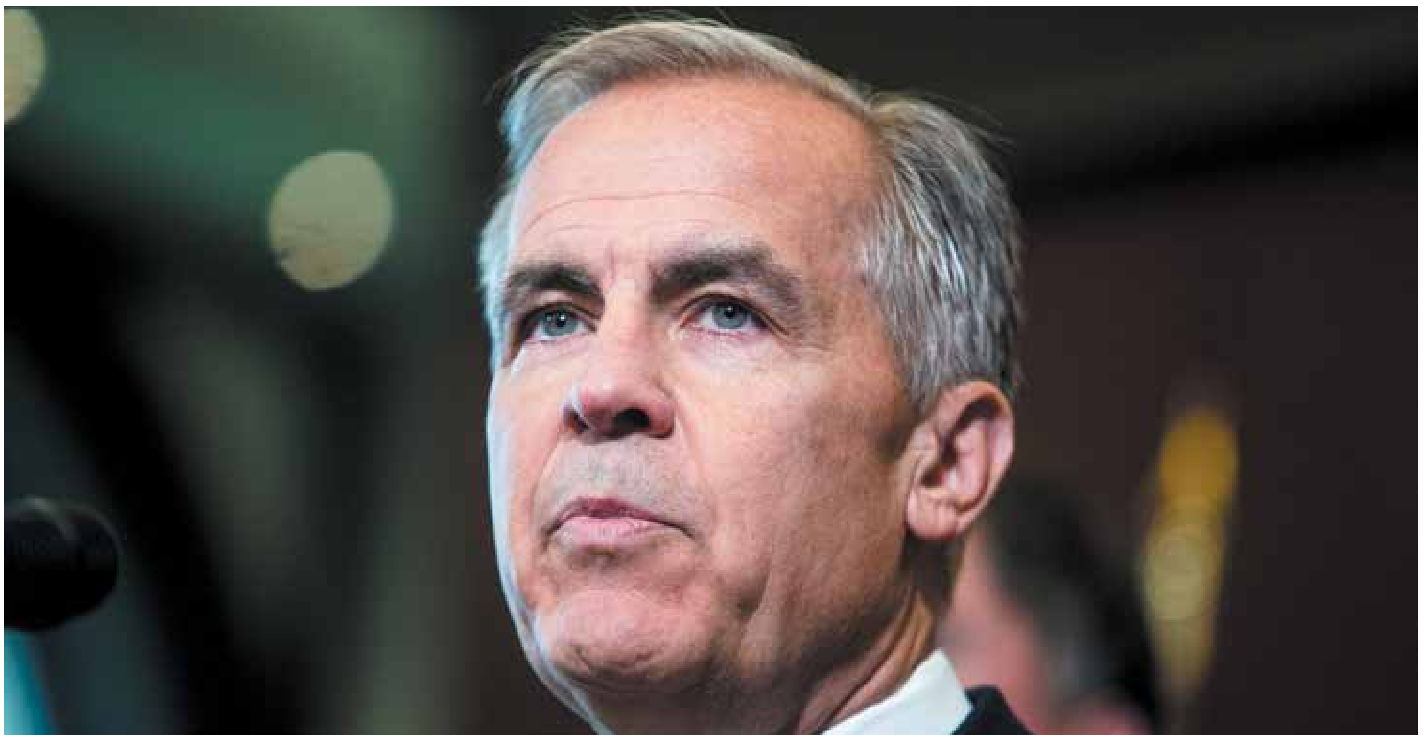
In the long term, energy security—whether for Canada or for other countries—cannot be gained by relying on unsustainable use of fossil fuels.

As he battles Trump's trade wars and confronts western alienation, Carney will also have to lead Canada's heighten effort in the energy transition and prepare the country for the baked-in impacts of climate change.

Shawn McCarthy is a senior counsel at Sussex Strategy, and is a former national business reporter covering global energy for The Globe and Mail. *He's also the past president of the World Press Freedom Canada, a volunteer advocacy group based in Ottawa.*

The Hill Times

How will the Carney government navigate between fighting climate change and bending to corporate priorities? Only time will tell



Prime Minister Mark Carney holds a press conference in West Block on June 6, 2025, to speak about his government's One Canadian Economy: An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act. *The Hill Times photograph by Andrew Meade*

A 2024 UN Environment Program report concluded, under a *status quo* scenario, Earth is on track to reach an approximate 2.7°C increase in planetary warming by 2100. There is a possibility that the world could experience 2°C before the end of this decade according to the World Meteorological Association.

Bruce Campbell

Opinion

How will the Carney government navigate between "fighting climate change" and bending to corporate priorities—notably the petroleum sector—and their political enablers?

State of the planet

A 2024 UN Environment Program report concluded, under a *status quo* scenario, Earth is on track to reach an approximate 2.7°C increase in planetary warming by 2100. There is a possibility that the world could experience 2°C before the end of this decade, according to the World Meteorological Association.

A study by leading climate scientists published in the journal *Oxford Academic* warned: "We are on the brink of an irreversible climate disaster. This is a global emergency beyond any doubt. Much of the very fabric of life on Earth is imperilled. …We have now brought the planet into climatic conditions never witnessed by us or our prehistoric relatives."

We are currently seeing devastating wildfires and emergency evacuations across Western Canada.

Carney's history on the climate crisis

Prime Minister Mark Carney has long been an authority on the risks posed by climate change. In 2015, as Bank of England governor, he gave the "tragedy of the horizon" speech which introduced climate change to bankers as a threat to international financial stability.

In his 2021 book *Value(s)*, Carney critiques free-market fundamentalism for its disregard of the human condition. The existential threat of climate change, state of inequality, etc., all stem from a common crisis in values. A practising Catholic, Carney sat on the Committee of the Council for Inclusive Capitalism launched at the Vatican in 2020.

In an interview shortly after he was appointed UN Special Envoy on Climate Action and Finance in December 2019, Carney described climate change as the world's greatest existential threat. He urged people everywhere to keep up the pressure in calling for climate action.

Canada's GHG emissions reduction record

Canada's Nationally Determined Contributions represent our commitment under the Paris Agreement to reduce emissions by 45 to 50 per cent below 2005 levels by 2035 building on its emissions reduction plan of 40 to 45 per cent by 2030. Canada's commitment to reach net zero by 2050 is codified in law through the Canadian Net-Zero Emissions Accountability Act.

This country has been a laggard in meeting its emissions reduction targets.

In his 2024 report, commissioner of the environment and sustainable development Jerry V. DeMarco warned that since 2005, Canada's emissions have declined by 7.1 per cent, still a long way off from reaching the reduction of at least 40 per cent required by 2030.

Fossil-fuel development projects cannot not proceed without financing from banks and other financial institutions. The Net-Zero Banking Alliance, a global member-led initiative supporting banks to lead on climate mitigation in line with the Paris Agreement goals, has seen more than 140 banks—including Canada's big banks—leave the alliance since the election of Donald Trump as United States president. The Canada Pension Plan dropped its commitment to invest in line with the country's net-zero action targets.

Carney government climate-related actions to date

In his election victory speech, Carney said, "it's time to build an industrial strategy that makes Canada more competitive while fighting climate change." He also promised action to increase clean energy infrastructure, particularly interprovincial transmission ties that will help decarbonize and electrify the economy.

Carney appointed Tim Hodgson—former chair at Ontario Hydro One, and formerly on the board of fossil-fuel company MEG Energy—to serve as energy and natural resources minister. Hodgson is also a former Goldman Sachs banker, and worked alongside Carney at the Bank of Canada.

Hodgson's speech at a Calgary gathering on May 23 pressed for the Pathways Alliance project to proceed with a proposed carbon-capture facility in the oilsands region of northern Alberta. Negotiations are currently underway which suggest that the carbon emissions cap could be changed if there are meaningful advances towards the realization of its carbon capture and storage project. Many questions remain about carbon capture and storage feasibility.

Carney's mandate letter to his cabinet, published prior to the Speech from the Throne, stated the government's intention for Canada to become an energy superpower in both clean and conventional energies. The letter outlined seven priorities—none of which explicitly mentioned climate. It simply stated: "We will fight climate change."

The Speech from the Throne, delivered by King Charles III, opened the 45th session of Parliament on May 27. It mentioned the creation of a new Major Federal Project Office committed to building an industrial strategy to make Canada more globally competitive, while fighting climate change.

At the June 2 meeting between the federal government and premiers in Saskatoon, a joint statement was issued reading in part, "First ministers agreed that Canada must work urgently to get Canadian natural resources and commodities to domestic and international markets, such as critical minerals and decarbonized Canadian oil and gas by pipelines…" Alberta Premier Danielle Smith said she is "encouraged" by the federal government's change of tone when discussing energy, suggesting that there is a "grand bargain "to be made.

Going forward: navigating corporate interests and the planet's health

It is still too early to judge the effectiveness of the Carney government's actions to address the climate crisis. Will it implement measures necessary to ensure the government meets its Paris Agreement commitments? What changes will it make to its emissions cap on fossil-fuel company emissions? Will it finalize methane regulations for oil and gas, finalize the clean electricity investment tax credit, establish a made-in-Canada climate taxonomy, mandate the Canadian Sustainability Standards Board to provide binding obligations for public companies, adopt ISG Senator Rosa Galvez's Climate-Aligned Finance Act—a bill to ensure that financial institutions align their activities with Canada's climate commitments under the Paris Agreement.

How will the Carney government navigate the turbulent waters between "fighting climate change" and bending to the priorities of large corporations, notably petroleum companies and their political enablers? Only time will tell.

Bruce Campbell is adjunct professor at York University in the faculty of environmental and urban change; a senior fellow at Toronto Metropolitan University's Centre for Free Expression; and a former executive director of the Canadian Centre for Policy Alternatives. He was awarded the King Charles III Coronation Medal.

The Hill Times

Policy Briefing **NATURAL RESOURCES**

Trust can't be legislated, but it can be built

First Nations must be included as business partners from the outset, and it's a question of laying out a framework for how to move projects forward with their involvement.

Karen Restoule

Opinion

Canada is under pressure to build, and to do it fast. With this comes an historical opportunity: First Nations, industry, and government have a chance to come together through business partnerships and reposition the Canadian economy.

Historically, major project development has forged tensions between these three groups. But in recent years we've seen business-focused partnerships formed through equity, royalties, and other financial-based solutions. This has happened for projects of varying sizes, across various sectors, and in regions throughout the country. With this approach there has been growth. We are now seeing a shift in the relationship: from one of chaos and adversity to one of mutual benefit and shared jurisdiction.

The current moment presents an opportunity to grow that foundation. Many First Nations from coast to coast to coast are keen to partner in resource development within their respective territories and proactive partners. Over the past decade or so, we have witnessed several First Nations secure equity in major projects, create investments arms, and shape development to limit its impact and secure a constitutionally protected way of life.

When we talk about economic reconciliation, this is it. This is the stuff that moves beyond virtue signaling and towards nation building. Through these kinds of business partnerships, projects are developed in a way that respects First Nations' territories, laws, and rights. All of this is only made possible by the time and effort invested in talking and listening to one another, and a willingness to share a vision.

In the Liberal government's new bill, C-5, the One Canadian Economy Act, Ottawa seeks to create a federal Major Projects Office to reduce project approval timelines from five to two years. This, at face value, seems to be the appropriate solution for the challenges currently facing this country: lagging productivity and a heightened demand for infrastructure development.

First Nations men and boys drumming on the Hill during the gathering of the Assembly of First Nations Special Chiefs Assembly in Ottawa on Dec. 4, 2018. *The Hill Times photograph by Andrew Meade*

However, in assessing the office's potential, we must consider a factor that has had significant impacts on project timeliness: consultation and accommodation with First Nations.

The reality is that streamlining processes around major infrastructure development can't come at the expense of constitutional obligations. The duty to consult—and, where appropriate, accommodate—is a requirement held by the Crown. It is mandatory in matters relating to First Nations where projects run the risk of impacting their rights—inherent, Treaty, and jurisdictional. It's not a duty that can be outsourced to industry, nor can it be rushed or minimized to general conversation. It must be exercised with First Nations rights-holders in good faith.

As such, it's important to recognize that any advice received from Indigenous Peoples within the Major Projects Office is just that: advice. To be clear, the legally required duty to consult cannot be fulfilled through the activities of this office. The legislation does include plans for an Indigenous Advisory Council in the office, but it's unclear exactly how it will function. While their insights may assist the federal government in organizing itself, only the actual rights-holders speak on behalf of First Nations governments. The Crown's obligation rests with the elected leadership of First Nations whose lands and rights run the risk of being impacted by a project.

That said, there are some key ways the office could make an impact. It could work to ensure that engagement is prioritized, done well, and done consistently. It could help shift negative perceptions of consultation, and show how a proactive approach often improves timelines, reduces litigation risk, and ultimately builds certainty—the kind investors look for when considering opportunities in Canada.

Further, the federal government needs a shift in mindset—from regulation to relationship. Streamlining approvals should not look like a checklist. It should front-load direct engagement so that First Nations protocols are upheld and parties are aligned before the permitting process begins. Big investment in co-ordination, time, and resources on the front-end is required here, and shortcuts should be avoided. What appears to be time intensive at the beginning will exponentially move things along on the back end of the process. It will also lay a foundation of trust, which is vital for relationships to advance.

Resource development has been central to Canada's economy. The reality is that it will continue to be. The question is no longer whether First Nations should be included, or a choice between timeliness and First Nations rights. First Nations must be included as business partners from the outset, and it's a question of laying out a framework for how to move projects forward with their involvement.

The bottom line: trust can't be legislated, but it can be built.

Karen Restoule, director of Indigenous affairs and a senior fellow at the Macdonald-Laurier Institute, is a strategic adviser on complex public affairs issues, and is Ojibwe from the Dokis First Nation.

The Hill Times

Before we get our resources to market, we need to make sure those markets actually want them

Canada was built on forestry, but if we want to ensure that that industry and the over 200,000 people employed in it can continue to thrive, things are going to have to change.

David Wallis

Opinion

Prime Minister Mark Carney has set forth an ambitious agenda to reshape the Canadian economy in order to stand up to economic aggression from the United States through large-scale "nation-building projects." These projects will get our goods and resources to new markets, and reduce our dependence on our largest customer to the south through new infrastructure such as railways, ports, pipelines, and highways. While these will doubtless help get our resources to market, there is still something Carney's government is forgetting. Before we can get our resources to market, we need to make sure that those markets actually want them.

In 2023, the European Union passed the European Union Deforestation Regulations which require any companies selling forest products in the EU to prove that those products are not tied to deforestation or forest degradation, a move then-prime minister Justin Trudeau's government recognized as implicating Canada's forest industry when they lobbied against the regulations in the EU. This should have been a wake-up call to the government. Continuing to operate a logging sector that is based primarily on clear-cutting primary and old-growth boreal forest and replacing it with monocultures of spruce that are all the same age is not only bad for the forest, but also bad for trade. They should have taken this as an opportunity to update this country's own regulations to end forest degradation but instead engaged in Orwellian Newspeak and changed Canada's definition of forest degradation to try to get around the regulations.

This is emblematic of a longstanding Canadian tradition of greenwashing our logging practices. This country has long portrayed the logging industry as carbon-neutral, despite the fact that a report by Nature Canada, backed by a peer-reviewed study using the federal government's own data, shows it to be the third-highest emitting sector in Canada at 147 megatonnes (Mt) of carbon dioxide after oil and gas at 217Mt and transportation at 156Mt in 2022. These emissions are not accounted for in the government's National Inventory Report or in the Emissions Reduction Plan, and they seriously hamper our efforts to fight climate change and meet our international commitments to our allies.

It would be a mistake to assume that our allies don't notice what's happening in our forests. They know that the government has been cooking the books. Last year, the United Nations also took issue with the way Canada has been accounting for emissions from forests, particularly when it comes to our ever increasing wildfires. We are unique among nations in not counting the emissions from wildfires on managed lands as part of the logging sector's total. However, Canada does count the carbon sequestration from those same forests' natural regrowth and credits it to the logging industry, essentially turning catastrophic emissions events like wildfires into a massive carbon credit. If those emissions were counted, they would rival those of the world's largest nations, with the 2023 wildfires alone causing more emissions than any country other than India, China, and the U.S.

Canada was built on forestry. We have always had a logging sector, and we likely always will. But, if we want to ensure that that industry and the over 200,000 people it employed can continue to thrive, things are going to have to change. We need to come to terms with the sector's massive emissions, and we need to be open and transparent in reporting them accurately. We need to reckon with the ecological harm caused by clear cutting old-growth and primary boreal forest, and recognize that planting a monoculture in its place does not replace the ecosystem that used to be there. And most of all we need to respect our allies and trading partners when they engage in good faith efforts to ensure that they don't import forest products tied to deforestation and forest degradation, and not try to hoodwink them by changing the definition of words to get around their laws.

If Carney wants to bolster our relationships with our allies and find new markets for our forest products he's going to have to embark on a different sort of nation building project, one that reshapes logging into a truly sustainable industry—where sustainability means both economic viability and ecological integrity.

David Wallis is the policy manager for reforestation at Nature Canada.

The Hill Times

NATURAL RESOURCES Policy Briefing

Bill to fast-track major projects could boost GDP, but raises environmental concerns

Continued from page 16

Pedro Antunes, chief economist at the Conference Board of Canada, says, 'I'm holding back a little bit on a lot of glee around the interprovincial trade barriers and labour mobility. I think there's a lot that has to come from the provinces on that front.' *Photograph courtesy of Pedro Antunes*

Keith Brooks, program director for Environmental Defence, says Bill C-5 'gives the government powers to override pretty much every piece of federal environmental legislation.' *Photograph courtesy of Keith Brooks*

"The environmental criteria is there. The Indigenous consultation criteria is there," he said. "It's not about cutting corners. It's about … having an efficient process [with] less overlap."

Energy Minister Tim Hodgson (Markham-Thornhill, Ont.), said on May 23 at an event in Calgary that the government would establish a Major Federal Projects Office that would reduce approval schedules for nationally significant projects from five years to two.

A C.D. Howe Institute report released on June 18, 2024, argued large infrastructure projects in Canada—such as mines, electricity generation, ports and oil or natural gas pipelines—often involve multiple levels of jurisdiction and are slow to gain government approval.

"Perhaps less obvious are costs driven by time or uncertainty. The longer the approval process takes, the higher the profitability bar must be raised to offset the costs incurred by paying staff prior to receiving revenue and forgoing investments should funds be needed to be kept liquid. Further, if a proponent considering an investment is unsure whether a project will receive approval at all, it is less likely to even start the approval process," reads the report.

In regard to Bill C-5, Schwanen said that "on its face and in the intention, it's really good news," but added that the proof would be in the pudding.

"The processes are still in place, but this will accelerate them and make sure that the answer that project promoters get about whether it meets the criteria or not, instead of taking five years … will take two years, and that will encourage investors to actually submit ideas and submit projects. It doesn't mean that they get an automatic approval. I think, far from it," he said.

"Other countries are doing a lot better than us, and we're not talking countries that just deregulate willy-nilly. It's just that they have just a more streamlined process so that investors that … want to put money in major projects get an answer more quickly."

Pedro Antunes, chief economist at the Conference Board of Canada, said the bill is possibly a good thing, but time will tell if it's a success.

"I'm holding back a little bit on a lot of glee around the interprovincial trade barriers and labour mobility. I think there's a lot that has to come from the provinces on that front. I'm not convinced yet that this is going to make major changes there," he said.

"But certainly on the [Building Canada Act], I think there's a lot to be said there that we need to do better on that, for sure, and hopefully this pushes us in the right direction."

Since Bill C-5 was tabled, some critics with environmental concerns have raised the alarm about the expedited project approval plans outlined in the legislation.

Ecojustice referred to the bill as a threat to democracy and the environment in a June 6 press release, and argued that the feds would risk "silencing communities, sidelining science, and undermining the law," by fast-tracking national interest projects.

"The newly tabled Bill C-5 will give the government extraordinary powers once it has designated a project as in the 'national interest', including the ability to authorize it despite potential negative environmental impacts—on species, ecosystems, and communities—that would not otherwise be permitted," said Charlie Hatt, Ecojustice's climate program director, in the press release.

"On top of the compressed process set out in Bill C-5, it also gives the governor-in-council the ability to fully exempt a national interest project from the application of any federal law. We've never seen a federal law that gives this much unchecked executive power before in the history of modern Canadian environmental law."

Carney said on June 6 that his government will not impose a project on a province that doesn't want it, as reported by Radio Canada International.

Green Party Leader Elizabeth May (Saanich-Gulf Islands, B.C.), described the bill as "a blank cheque for cabinet to push through projects without proper oversight," in a statement on June 6.

"The bill also sidelines Indigenous rights. Even where Indigenous communities' constitutionally protected rights may be harmed, the bill requires only that they 'must be consulted'—while giving full veto power to the Canadian Energy Regulator over pipeline approvals," reads the statement.

"That is an appalling double standard," May added.

Keith Brooks, program director for Environmental Defence, told *The Hill Times* the bill is potentially very problematic from an environmental perspective.

"This bill gives the government powers to override pretty much every piece of federal environmental legislation. That seems very risky, because all that legislation has been put in place for a reason, and just ignoring it, I think, opens up potential for serious harm," said Brooks.

"I think the real risk is that it's politicized decision-making and not giving us a robust framework to understand how the assessment of national interest will be done, and for people to weigh in on whether we agree that these projects are of the national interest and should be expedited."

Brooks argued that there are many possible major projects that could be worth doing, but it should be clear if those projects advance Canada's economic interest, advance a clean economy, and also include high levels of support from Indigenous Peoples.

"We'd love to see good projects move forward more quickly. I just think we really need to make sure that we've got really good guardrails in place, and we have a robust conversation about what nation-building is," he said. "Why don't we expedite getting clean drinking water and housing for all Indigenous and First Nation communities? That doesn't seem like a contentious thing to me.

"I think we could get behind the notion of high-speed rail … intercity rail between Edmonton and Calgary, and we can get behind the notion of a clean electricity grid as well," Brooks added.

The Assembly of First Nations (AFN) will hold a virtual forum for chiefs from across the country on June 16 to discuss Bill C-5, said AFN National Chief Cindy Woodhouse Nepinak in a statement released on June 10.

She said First Nations want to open new economic development opportunities and address economic threats, but "we also have rights that cannot be ignored."

"Unfortunately, the government provided First Nations only seven days to respond to an outline of the bill and did not provide the full text (a consultative draft) in advance. Compounding this, the parliamentary process is not well-suited to the depth of consultation such complex legal matters require," said Woodhouse Nepinak in the statement.

"An enormous responsibility now rests on the shoulders of each Member of the House of Commons and the Senate to uphold the Honour of the Crown and to protect First Nations rights during their consideration of this bill. The AFN expects the House and Senate Committees to do everything within their power to accommodate First Nations and to meet their concerns."

jcnockaert@hilltimes.com
The Hill Times

Canada Natural Resources Statistics (2023)

Image courtesy Pixabay.com

- Energy resources accounted for more than half (61 per cent) of the value of all natural resource assets in 2023, followed by mineral resources (24 per cent) and timber (16 per cent). These shares of resources were similar to those of 2022.
- Energy resources totalled $1.038-billion in 2023, a decrease of $575-billion from 2022, as lower energy prices offset an increase in oil production.
- The value of crude bitumen totalled $608-billion in 2023, down by $248-billion from 2022. Despite this decrease, crude bitumen remained Canada's top natural wealth contributor in 2023, making up more than one-third of the total natural resource value.
- Crude oil and natural gas contributed to 13 per cent of the total natural resource wealth in 2023, which is less than the 22 per cent of 2022. Conversely, bituminous coal increased in contribution to the total resource value in 2023 (12 per cent) from 2022 (eight per cent).
- Though mineral prices remained high in 2023, they overall trended downward compared with 2022. In 2023, mineral resources decreased in value by more than one-quarter (28 per cent) to $406-billion. Potash (35 per cent) was the top contributor to the mineral resource value, followed by iron (30 per cent), gold (13 per cent) and nickel-copper (12 per cent). These resources have been the top contributors for the past six years.
- The value of timber assets was $267-billion in 2023, a 29-per-cent decline from the previous year.

Source: Statistics Canada data released on Nov. 20, 2024