

The Empire Club Presents



THE HONOURABLE CATHERINE MCKENNA

CANADA'S MINISTER OF ENVIRONMENT
AND CLIMATE CHANGE,

WITH TOM CLARK

Welcome Address, by Mr. Kent Emerson, Associate Vice President at the Municipal Property Assessment Corporation and President of the Empire Club of Canada

December 6, 2018

Good afternoon. Ladies and gentlemen, from the Arcadian Court in downtown Toronto, welcome, to the Empire Club of Canada. For those of you just joining us through either our webcast or our podcast, welcome, to the meeting.

Today, we present the Honourable Catherine McKenna in conversation with Tom Clark.

HEAD TABLE

Distinguished Guest Speakers:

The Honourable Catherine McKenna, Canada's Minister of Environment and Climate Change

Mr. Tom Clark, Chair, Public Affairs and Communication, Global Public Affairs; Former Chief Political Correspondent, Global Television Network; Host, The West Block

Guests:

Mr. Izzie Abrams, Vice President Government and External Affairs, Waste Connections of Canada

Ms. Megan Boyle, Director of Public Affairs, Red Bull Canada; Secretary, Empire Club of Canada

Mr. Noble Chummar, Partner, Cassels Brock & Blackwell LLP; Past President, Empire Club of Canada

Mr. Jim Goetz, President, Canadian Beverage Association

Ms. Jenna Hay, Head of Policy Development and Regulatory Affairs, Lending Loop; Director, Empire Club of Canada

Mr. Graeme Johnson, Project Manager for Century Gold Project, Goldcorp Inc.

Mr. Tiff Macklem, Dean, Rotman School of Management, University of Toronto; Former Senior Deputy Governor, Bank of Canada

Mr. John Mullally, Vice President, Corporate Affairs and Energy Regulation, Goldcorp Inc.

Mr. John Wilkinson, Senior Vice President, Sustainability, Greenfield Global Inc.; Former Ontario Minister of the Environment, Government of Ontario

We live in a sensitive time in a divisive world, experiencing unprecedented change, facing many defining issues as a country and as a continent. There are tensions on trade with the U.S., disagreements on pipelines in Canada.

Who would have guessed the most divisive word one can use is “carbon,” or should I say putting a price on pollution.

The differences between the approach to climate change are stark, and the debate has been intense where many federal and provincial leaders are divided in their championing of very different approaches to reducing greenhouse gas.

The Empire Club has been at the forefront of the greatest debates for Canadians since 1903, and here we are again.

As with countless other national debates of this magnitude, the Empire Club remains committed to offering its podium to different points of view to foster meaningful and engaging dialogue. This is why we have Minister McKenna speaking here, today. Minister, we appreciate you choosing our podium at such an important time. That is also why we had recently welcomed the Honourable Rod Phillips, Minister of Environment for Ontario. Presumably, you are going to say slightly different things than him, today, and that is why the audience is here.

I am sure that you are all aware that the national climate change plan developed by Catherine McKenna includes provisions to implement a federal solution to each province that has not met certain criteria. Those provinces are Ontario, Saskatchewan, Manitoba and New Brunswick.

Minister, you probably would not be surprised that Ontario’s Environment Minister has made some comments on your plan here at the Empire Club. He focused on why the new provincial government chose to overturn the for-

mer government's cap and trade system, why the Ontario government disagrees with the federal criteria, and why his government fundamentally opposed a plan for Ottawa to proceed with the carbon tax in Ontario and the other affected provinces, describing the federal solution as dogmatic. I think this might be one of those places that you will disagree.

Minister McKenna has been busy in the last few weeks coming forward with a two-part announcement specifying the pricing for carbon in each of the four affected provinces and committing the federal government to a tax rebate for all taxpayers in those jurisdictions where each taxpayer's annual rebate would come out higher than the carbon taxes accumulated. Also last week, the Ontario provincial government released details of their Made-in-Ontario Environment Plan, committing to \$400 million in government funding to develop clean tech with the private sector.

To that, Minister McKenna's strongly worded response was, "They are going backwards on climate change that they are making it free to pollute." Of course, as residents of Ontario we are all interested in the dynamics of how everything is playing out, and everyone is always mesmerized with the political intrigue of how our leaders are getting along. As Canadians and citizens of the world, we have to recognize the bigger picture and understand how great this responsibility is. Just yesterday, Prime Minister Mulroney offered praise in a eulogy to President George H.W. Bush concerning a 1980s bilateral agreement on acid rain.

He called it, “a splendid gift for future generations of Americans and Canadians to savour.” Acid rain was the bilateral issue of the day.

While climate change is the global issue of today, Minister McKenna has a responsibility to all Canadians of every province to represent us in the international stage with governments around the world collaborating to address the problem.

That is why we asked her to speak at the Empire Club, today. Minister McKenna is on her way to COP24, a conference in Poland. Minister, you have a very challenging job, and not just for the obvious reasons. Many prominent ministers of political stripes have held the Environment portfolio before you. You are the first to hold the portfolio of the Environment and Climate Change, an important distinction. Arguably, your government, particularly, you as Minister, have raised the profile of climate change in an unprecedented way, truly placing it at the front and centre of our national discourse. For that, you should be recognized appropriately, so let us do it.

To moderate a discussion in all of this, we brought in the big guns, an individual who has almost 45 years at the most senior levels of Canadian journalism, including as Global TV’s Chief Political Correspondent and Host of The West Block. He actually only works at companies called Global.

He has Global TV, Global Public. I think we should get him a gig at Global Affairs. It will work out.

He has interviewed every Canadian prime minister since

John A. Macdonald—it says here Lester B. Pearson—and has covered every federal election campaign since 1974.

He has reported in active war zones and from over 33 countries. One of those war zones was moderating Empire Club evening debates. This is how we know and love Tom at the Empire Club of Canada. He has the ability to deal with important topics and treats them seriously while also having a bit of fun. That is why we love Tom.

He has a deep understanding of Canadians' positions in an increasingly complicated international dynamic.

He has won enough lifetime achievement awards for several lives and has been named one of the most influential journalists in Ottawa.

Ladies and gentlemen, please, welcome to the stage, a man who needs no introduction, the Chairman of Global Public Affairs, award-winning journalist, Tom Clark.

Our keynote speaker was elected the first female Member of Parliament in Ottawa in 2015. She was immediately promoted to cabinet in the new government of Prime Minister Justin Trudeau. Her first piece of business was substantial, having the responsibility of negotiating the Paris Agreement. She secured Canada's first-ever plan with provinces, territories and Indigenous peoples to address climate change and grow a clean economy.

Before entering politics, Catherine practiced trade law with leading firms in Canada and Indonesia and was a senior negotiator with the United Nations peacekeeping mission on the Timor Sea Treaty.

She co-founded Level Justice, a charity that levels the playing field and increases access to justice for marginalized communities worldwide. She served as the Executive Director of the Banff Forum, a public policy organization for young leaders. She taught at the Munk School of Global Affairs.

Catherine is a graduate of the University of Toronto, the London School of Economics, and McGill Law School; and was called to the Bars of Ontario and New York State.

Catherine and her husband live in Ottawa with their three children and their dog Skoki. During her free time, she can be found in the water—swimming, canoeing or kayaking.

Please, welcome, to the stage, Canada’s Minister of Environment and Climate Change, the Honourable Catherine McKenna.

The Honourable Catherine McKenna with Mr. Tom Clark

TC: Thank you very much. As to that crack about how I interviewed John A. Macdonald, the first one to use that joke was Wilfred Laurier. Welcome.

The one promise that we will make right off the bat is that at 1:30, you will be walking out those doors, so relax. Considering everything that is going on, you are looking pretty good.

CM: It is just the big guns. It is very exciting to be here.

TC: The last time I saw you was in the Paris airport.

You were at COP 21, I think it was, the now famous Paris Accord. I do not think it would be an exaggeration to say that when you looked at me, I think the question you asked is Where am I? And that underlines one thing. Just before we get going on climate, I want to ask this. You are in a job where you have to work anywhere, on a good day, 12 hours, or on a normal day, 16–18 hours. Your holidays are measured in hours, not in days and weeks. You work six to seven days a week, sometimes eight. We know exactly how much you paid for your orange juice last week, because it is in the public record. On a really good day, only 60% of Canadians think that you are Satan.

CM: One hundred percent of my Twitter feed.

TC: How is this politics thing going for you?

CM: It is great. I really mean that. I look at John Wilkinson. He was former minister of the environment.

I am super-honoured to be in this job. We live in a great country, and I am really proud to be doing a really important job in a really complex country.

The First Ministers' meeting is happening tomorrow, and it is going to be sparky, I guess.

TC: They are already saying that they may walk out.

CM: That has happened to me in meetings. It is a real honour. It is a challenging job. You never stop thinking about it. In the middle of the night, I will wake up, and I will think, “Okay, that one problem that we had—what if we tried this differently?” The thing about my portfolio—and we will probably get into this—is it is actually as much an economic portfolio as an environment portfolio. There is an economic rationale for what we are trying to do such that in fact, if you do not take action on climate change, it is the biggest risk you could ever have. If you ran a business, and you did not think about the risks, or if you had a house and the ceiling was leaking, and you did not take action, the impact would be so huge. The thing is, I think that the hardest thing at my job, beyond being away from my kids, is actually thinking about how it really matters what we do right now.

It matters to all of us here. We have got a generation to take serious action or else we will feel the huge impacts of climate change that we do not want to see.

We do not want to see mass migrations. We do not want to see food shortages. We do not want to see our Arctic literally disappear. We can do it. I am looking at Tiff Macklem. He is on our Sustainable Finance Task Force. Luckily, we have the smartest people who are really helping us map this out. How do you get the environment and the economy to go together? How do

you take advantage of the \$26-trillion opportunity—not coming from me but from our best expert, Mark Carney? There is this opportunity, but it is hard.

The politics—is unfortunate that there are these issues that, sadly, should not be partisan issues, that we should be getting our act together as a country, that we should be really serious about tackling the biggest risk that we face, but also the biggest economic opportunity, and then we should be selling Canada. The world needs more Canada. It does.

We can be a model for what a natural resource-based economy should be, and we are broader than that in terms of how you can transition and how you can do it in a way that you bring everyone together. I am from the Hammer, Hamilton. People of Hamilton have to be part of this. People in Alberta and the energy sector have to be part of this. We can figure it out. I have a little button; my daughter has stolen it; but it says “No drama.” I try to minimize the drama. There is a lot of drama going around. Sometimes that is hard. It just stands in the way of progress.

TC: Let us bring some drama into this because you have been away from it too long. There is a lot going on.

We have got COP 24 taking place in Poland, as was mentioned. The United Nations has just come out with a study saying that the price on pollution should be closer to \$300 a ton as opposed to the \$30–\$50 that

you are recommending. We have got another report out just 24 hours ago saying that there are more greenhouse gases in the atmosphere now than at any other time in human history. That is an increase of almost 3% over last year. Despite all that has been going on, we are still headed in the wrong direction. Let us deal with all of that, but start here at home. You mentioned partisanship. This issue of how you price pollution or your approach to climate change has fractured the political landscape in this country, as it has in a couple of other countries, but I think particularly here. It is a divide that is not only seemingly generational, but it also seems to be geographical, east versus west, to some degree. How do you take the partisanship out of this? Is it really, in the end, a zero-sum game?

CM: Is it a zero-sum game if we do not take serious action on climate change? Yes. There is a basic principle that if it is free to pollute, there will be more pollution.

You can look at what we have seen works, so you can look at the example of British Columbia; look at the example of Quebec; look at the example of California.

China now has a price on pollution. If you put a price on something you do not want, you are going to get less of it. The reason you put a price on pollution is also the innovation piece.

You talked about—actually, it was the intro that mentioned George Bush, Sr., and Brian Mulroney. Acid rain

was the biggest issue when I was growing up. Does anyone remember that? We were just worried about what was going to happen to all our lakes. It was a really tough issue.

TC: Ronald Reagan said it was because of bees.

CM: I actually have a lot of conversations with Brian Mulroney. It might surprise folks. He and I chat a lot.

I said to him—originally, it was about how to deal with President Trump, but then it was just like how do you convince people to do the right thing? He talked about Ronald Reagan. We are starting on a low base on what the problem was. Then it was really George Bush, Sr. With George Bush, Sr., people did not want to put a price on pollution to tackle acid rain. They did not. There were not a huge number of people jumping up and down for this, but they realized that this is what they needed to do. This was based on good science.

You also need good science. We need to make decisions based on evidence and science. They knew the science said we had to do something. They knew the evidence said putting a price on it would work.

Guess what? They were able to reduce pollution faster and cheaper than ever before, because people innovated; they found clean solutions. Those are clean solutions—when you find them, you can export them.

That is the same logic behind putting a price on pol-

lution. It is the most efficient way to reduce emissions and get to the innovation we need. I am not doing this because I am an ideologue; I am doing this because it is practical. I am a practical person. This is a policy that works. When you ask how high the price has to go, we are doing a range of other measures.

Affordability is huge. In my job I have to be able to go talk to someone in Hamilton and make sure that they are not going to feel like they will not be able to afford to have their kids go to after-school activities. That is not what I am in the business of doing. I am in the business of making sure that there are health benefits of climate action that we know. With phased out coal, we went from over 50 smog days to zero—less hospital visits, less kids with asthma, huge savings on the health side, and that also life is affordable.

With our Climate Action Incentive—you can go to our website to learn about it—what we are doing is being very transparent. We are taking the revenues from pricing, and all is going back to Ontario, 90% will be going back to people directly and 10% of the revenues are going to support small- and medium-sized enterprises, municipalities, universities, schools, hospitals, Indigenous peoples. That is a smart approach.

People will have more money in their pockets, but the incentive is still there, and people will choose clean solutions, and then we will be creating more jobs.

That is one of the fastest growing sectors. I do not want fights. I am not looking for fights. I want to fight climate change. I want to fight for more jobs.

I want to fight for more investment. I want to fight for Canada being the model for the world about how you can transition to a cleaner economy while using the resources that we have. I was talking to John from Goldcorp. I find all these stories. Goldcorp is going to have the first underground electric mine. Guess what?

That is an economic opportunity. They are going to find solutions that other companies can use, but also there was a health angle that I did not even know, and that is that it is cleaner; it is better. It is better for their employees. There is a business case for all of this.

There is a moral case. There is a health case. There is an economic case. I just wish we could have those discussions. I am in politics. My dad is Irish, and I am from the Hammer, so I am tough if I have to be, but we just have to get things done.

TC: Let us look at what, particularly, the blue team is coming at you with, and we are in an election cycle now, and they have already sort of put the money down on saying what one of the big issues is going to be in this campaign. It is going to be over-pricing pollution and carbon tax, call it what you will.

One of their complaints—and you hear this particu-

larly out west. People are saying, “Wait a minute; it is great for giving that money back to the residents of the province from which you take it—and more than they paid in. Got it. What about the companies that have to pay?”

They are saying, “Look, that puts our companies, our industries at a competitive disadvantage, because we are paying a tax; we are paying a price—however you want to term it—that has not existed before, and therefore, it puts us further back in a competitive sense, especially in the North American market.” What do you say to that?

CM: Competitiveness is key. That is why when I started this job, we created what is called the Carbon Pricing Leadership Coalition. I am looking: Many of the businesses represented here are members. These are businesses that understand that you need certainty, that you need to use tools that make sense. Many companies across the globe already internally price carbon.

It changes your decisions. You make cleaner decisions, also energy efficient decisions. You need to do things in a smart way. Our approach with heavy emitters has been competitiveness up front. What do we want? We want everyone to have the incentive to choose cleaner solutions, so we reduce emissions.

With heavy emitters, we want to make sure that we

create the incentive for them to be best in class, to be top in the world, but recognizing that they are competing in a global marketplace where there is not a price of pollution across the board. That is how you do it.

It is a lot of hard work. We sit down sector by sector, understanding what would be best in class.

What does it mean to be trade exposed? You can do this in a way that is thoughtful, in a way that makes sense.

The reality is the cost of inaction is so much greater than the cost of action. Businesses know this, that the risks—imagine the risk to your business if we have food shortages, if we have mass migration, if we have floods, droughts. Extreme heat this summer killed over 90 people that we know of. We do not keep the same stats in Ontario. There are huge costs. We know the solutions. That is the thing; we need to use the tools that we have that are smart, that always keep in mind that life needs to be affordable for people; everyone needs to be part of the solution. As I say, I am the Minister of Environment as much for people in Alberta that work in the oilsands as I am for people who live downtown Toronto. That is good. That is the way it should be. We need to try and bring people together.

I actually spend a lot of time in policy, but I also spend a lot of time on comms. How do I talk to a normal person to people that are worried about climate

change? Canadians are worried about climate change, but they are also worried about jobs. They are also worried about the economy. They are also worried about their kids. They are worried about their health.

You have to pull all these pieces together, and you have to do it in very short ways. It is good. We have an audience here for a while, but often I am on Twitter, and you do not have a lot of time to get out your message. I think it is actually Canadians who are reasonable. Jean Chrétien said that to me. He has also served as a mentor. Canadians are reasonable. Talk to them like reasonable people. Talk to them about the challenges and talk to them about the opportunities.

Do not oversell what you are doing; just be reasonable; and they are reasonable; and they will respect you for it.

TC: I get two competing messages, though. I get one from you and your government, which basically, if I can encapsulate it, says that environment and economy go hand in hand. You can have progress on both, and it moves ahead. Then, I listen to the United Nations and the Climate Change Panel of the United Nations who are saying that this is our last chance. We are the last generation that can actually mitigate this. We cannot stop it; we can mitigate it. The timelines are incredibly short. I am wondering whether politics gets in the way, because, let us face it: To implement the policies

you want to implement, you have got to get elected.

You are not going to get elected if you are going to be on the extreme. Yet, the messages that the world is getting right now is that this is not a normal situation where we can have the solution without any pain, and everybody is going to be just fine. How close are we, really, worldwide to sort of say, “Okay, if we want to save our civilization, if we want to save humankind, we actually have to do something incredibly dramatic, and it is going to hurt like hell?”

CM: Is this situation extremely serious? Yes. We know that. The UN report laid it out. This is a discussion.

It is kind of weird when you go into my job, because you realize the same discussion has been happening for 40 years, and that, after too long, too many politicians have done too little; it is too politicized, too hard; our timelines are too short; we have got to get re-elected. The first thing you need to do is have a plan. Then, you have to implement your plan. In the Paris Agreement context, you have to be more ambitious. Every five years, everyone has to go and be more ambitious.

Then, you have to look at what can you do. We are doing internationally; we are also doing the Powering Past Coal Coalition. There are other countries that seem to think that there is going to be a renaissance of coal. There is not. It is called cheap, natural gas.

It is an opportunity to get countries to do what we are doing in Canada: Set a date for coal phase out.

That provides certainty for business, and figure out the transition. We have a Just Transition workforce, because you have got to worry about communities; you have got to worry about workers. We are doing that with the UK. Putting a price on pollution—90% of our electricity is going to be, according to our goal, 90% renewables. Why am I telling you this? Because, if every country in the world did this, which we can do, we would be in such a better place. You have to start somewhere. Sure, people have called for my resignation. How is that going to help anyone? Thank you, David Suzuki. The reality is you have got to put one foot in front of the other, and you have got to demonstrate that you can do this. I actually think the biggest opportunity—and we talk about it with the Sustainable Finance Task Force—is just getting the money flowing. All of these are really important tools. When you turn the billions to trillions, that is when you are going to see the acceleration. I am also a realistic optimist. Some days I am an optimistic realist. It just depends, but we can get this done, but we need the key tools.

Putting a price on pollution is a key tool. We need to phase out coal; we need to invest in renewables; we have an infrastructure bank; we need to leverage private finance. There are all these things you can do.

I think that sometimes you just have to—you can go from one side to the other. You can do nothing because it is too expensive, or you do not care about people. The other side: Do everything now; shut everything down. That is not where I am at. That is not where Canadians are at. That is not realistic. One foot in front of the other. You have got to plan. Implement the plan. Do it like you would in a business. You have a plan; implement your plan. You adjust if you have to adjust. You get more ambitious. You see the opportunity. You continue driving; get other people on board. They see the opportunity, the 20% tipping point.

Everyone is going to get on board. We have got to be serious. That is why I am so committed to this, because I just really think that we have this opportunity, but it is a window now. Forty years ago, 30 years ago, 20 years ago, 10 years, and we are here, generation, so let us just get on with it.

TC: Just going back to people calling for your resignation, I do not think you really have to worry, unless that person is Justin Trudeau.

CM: I know. That is good.

TC: Just a little protest.

CM: Marlo, my chief, has he said anything yet? No? Okay, we are good for now.

TC: Are we going to meet our Paris targets?

CM: We are going to meet our Paris targets.

TC: How?

CM: We have already laid out a number of the measures. The one thing that is going to make it really hard—let us just be 100% clear—is when provincial governments backtrack on what they have met, what they said they were going to do. Ontario, I know you have heard the Minister. We had a good meeting. We talked about lots of things. Zero plastic waste—I know lots of people here care about that. Working on that.

Great Lakes, lots of things we can do. I am sorry that government, besides causing havoc for business and for municipalities, universities, schools, hospitals, all that had these programs, energy efficiency saving money, reinvesting into people, patients, students, they have increased the emissions by one-third. That is a lot. That is one-third all of Canada now needs to do.

I am absolutely committed, and I am convinced we will. We have already mapped out a bunch of the measures. We are getting the largest reduction ever in Canada's history. We have got more work to do.

We know that zero plastic waste we have modeled. We will get more emissions reductions there. With the innovation piece, we are going to get more reductions

there. With all of the investments we are making in public transit and green infrastructure, we will get the investments there. We have to continue to work, and we need to work together. That is critically important. That is why I hope tomorrow's meeting—climate change is not just a nice thing to have in the discussion. There are 195 countries in the world that said we have got to get together. We got the Paris Agreement.

Everyone worked really hard. Now, every country is called to implement, and that is including Canada.

Back to if you were a business and you had your board getting together, and you did not talk about the biggest economic risk to your business, and you did not talk about the biggest economic opportunity.

You would say that was the worst board meeting ever. I am hoping that there will be a conversation.

We need a conversation, also about Alberta getting resources to market. That is critically important.

This is a transition. We are not transitioning overnight. Alberta has taken very serious climate measures, which are great, but they need to get their resources to market. We have invested in TMX, and we are committed to a proper process, but we still need to talk about climate change and the opportunity of clean growth.

TC: You mentioned the First Ministers' meeting starting

tomorrow. By all accounts, what I have been reading in the past couple of hours is it may be the shortest First Ministers' meeting in Canadian history, because everybody is saying they are going to walk out of the thing. When you take a look—and there was that famous picture on the cover of Maclean's magazine—it sort of looked like *The Sopranos*, but it was the resistance. When you came in, you had virtually all the provinces save for one. That was Saskatchewan, Brad Wall, who was opposed to what you want to do. Now, it has switched the other way around. You have got a majority of the provinces who are saying that they are going to do everything they possibly can to stop the central part of your program from being implemented.

They are going to take it to the Supreme Court, if the Supreme Court will hear the case. I am wondering what that does when you are talking about how we all have to pull together. But the political dynamic, now is that it is all pulling apart, that there is no agreement.

There is the political element, which is becoming very hot, especially in some election cycles that are coming up in Alberta and then federally, after that. How do you overcome that?

CM: You hope you can, and you hope you can have rational conversations, which gets back to my hope that there can be a good conversation at the table tomorrow.

We have got to live this in the U.S. context with President Trump. He took a very different approach.

We tried really hard to make the business case, the jobs case for climate action. *[We said]* that U.S. leadership was needed. The U.S. had all these companies who are benefiting from the cleaner economy. It did not work. What did we do? We went and worked directly with people that wanted to work together.

We have an agreement with the States representing almost 50% of the U.S. economy. We are working with California, which is not just a state; it is the sixth largest economy in the world. We are working with U.S. businesses. We are working with U.S. mayors. I was with the mayor of Houston. You might think, “Houston: Just oil and gas.” No. He is a leading climate champion. He sees that we are moving to a cleaner future.

Yes, sure they are still relying on oil and gas, but he is part of this. The goal is to work with people who want to get things done. Actually, it is interesting.

When you look at your emissions, 40% are within the control of cities.

We are working with cities. Cities are on the frontlines of climate change. When you have floods or droughts or extreme heat or forest fires, who has to deal with it? Cities. They all want to work together.

They need to work together to adapt to the impacts of climate change. They need the modeling to understand what the future is going to look like, so how they build, how people get around is factored in, and they want to be part of the solution. I am going to continue working with everyone. To be honest, we are working on a bunch of other things. Saskatchewan always surprises people. We are working with them on coal phase out. When I was in China, I had the Boundary Dam folks' Carbon Capture and Storage; I was saying to China, "You need this technology, because you have got a problem with coal." I just wish it was easier.

Sadly, it is the new generation of conservative politicians. This was not what happened with George Bush, Sr. This is not what happened with Brian Mulroney.

This is not where Joe Clark is. This is, unfortunately, for some reason, climate change has become this really strange issue where you should just look at it as a risk and an opportunity, as a health issue, an issue for your kids, a jobs issue, a growing-your-economy issue. We do not have that frame.

That is really unfortunate, because who are the losers? Everyone. All of us are losers. I think everyone is sick of it. This whole fighting thing, it is unfortunate. We are a great country. We are big in size, but, on the world stage, we are not that big. We just are not.

We can punch above our weight. I think we sometimes do. We can be better. We can leverage our pension funds. We are doing amazing things: sustainable finance, the jobs, the businesses that I see around the world. We have got to get our act together. That is why I really try to have these conversations, talk to as many people as I can, go to different provinces, whether they like me or not. You have got to go talk to people and also have real conversations, honest conversations. We were just talking about this—our bringing in risk. We really underestimate risk. This is a really bad thing to underestimate risk on.

TC: You mentioned the United States and, of course, Donald Trump has pulled out of the Paris Accord.

Yet, when you read through the literature from the United Nations, the emissions of the United States have actually gone down by 1.2% or 1.3%. It is not as if nothing is happening. Perhaps that is a more state-oriented result than anything else. Canada remains in the top ten of greenhouse gas emitters in the world. I know there is an argument that says we are so small, and we do not matter. Well, in fact, we are pretty robust in terms of where we are, not only in per capita, but in terms of total amount of output. You brought up something interesting and that is the international part, because greenhouse gases do not recognize national borders, obviously.

When you take a look at those numbers, at those graphs and charts that come out, you realize that India and China are continuing their upward march in terms of what they are putting into the air. Again, going back to all the nice talk and all the wonderful things that China says it is doing, it is actually compounding the problem second by second, minute by minute. How do you deal with that and, specifically, how do you deal with that domestically here in Canada, when somebody says to you, “Listen, Minister, what the hell are you telling me that I have got to invest a lot of money to clean up my smokestack when China is opening up five new coal-fired plants every single day?”

CM: Someone gave me a good analogy. You go to a McDonald’s drive-thru; you get your McDonald’s; you eat your McDonald’s, and you just throw out the garbage out the window. You say, “Why is someone mad?” If someone stops you and says, “Why did you throw your McDonald’s out the window? That is not very cool,” then, you say, “Well, I am 0.00000001% of the garbage, so why do you care?” That is a terrible argument.

That is a terrible, terrible argument. I could give you the health case. I just gave you the health benefits of Ontario when you got out of coal.

You would do that anyway, because pollution has an impact in terms of the number of people it kills, but

also we all are part of this. Imagine you are a country like Canada. Who has benefitted from fossil fuels?

We have all benefitted. You are saying, “Too bad, we are not going to do anything; you go do it.” It is not going to work, folks. This is not how the world works. It is not how the international system works.

That is not what leadership looks like. I have already said the economic case. I am not going to go on why there is economic case like free trade. Some people do not want to believe free trade is good. I actually really believe free trade is good. If you think that there is an economic opportunity to tackle climate change, there is that. We need to be there. We need to be credible.

By the way, that is what the Paris Agreement was. Everyone in the House of Commons, save one conservative member of parliament, voted to support the Paris Agreement. That meant that every country had to do their part. They had to have a target, and they had to achieve it. Then, every five years, everyone has to be more ambitious. That is the deal. This thing that Too bad, why should we do it? is nonsense. We are a huge emitter per capita, huge. If you look at that, we are one of the top in the world. I will say on China, China is working really hard.

Yes, coal is a huge issue. That is a pollution issue that has been a large driver, but they also see the

huge economic opportunity. Do you know in the last few years they have gone from 500,000 electric vehicles to 1.5 million? I do not need to tell you about what a leader they are in solar. When I go there, they are disrupting so many areas: transportation, across the board. I have had conversations with my Chinese counterpart. I was just in China a few months ago.

Belt and Road has to be green, so they are making all of these investments, infrastructure investments.

We cannot go have China—and they are taking action at home, by take action on home and then at the same time, export emissions by building coal, we cannot do that. They have a huge opportunity to be a leader and support renewables. It is hard. It is hard for every country. I do not need to tell you that. You look in the papers, so you can see what is going on in different countries who are trying to take climate action.

Once again, it is because of the short-termism and also politics. Sometimes politics actually just requires leadership. It requires looking past the next election.

I am really in politics. I know everyone says this, and it is true, but I do not know how people get to the different outcomes, but I am in politics because I want to make a difference. This is not the easiest job, but I really believe in Canada.

I really believe in public service. I really believe in

building a country and tackling the big challenges we have. That is why we have to do this. I think Canada has an opportunity to show the world, as I said before, that this is how you can transition to a cleaner future.

It does not happen overnight. You do not shut everything down, but you figure out how you move forward, how you create opportunities, how you create jobs, how you create businesses, and how we give what we want to give to our kids and grandkids.

TC: I certainly believe in honouring commitments and promises. I made everybody a promise that we would be walking out the door at 1:30. If you all would just adjust your watches, we can meet that target.

Catherine McKenna, thank you very much for a long and good conversation. Thank you.

KE: To give the thank you remarks, we are going to invite John Mullally, who is the Vice President of Government Relations and Energy and everything at Goldcorp. Thank you.

Note of Appreciation, by Mr. John Mullally, Vice President, Government Relations and Energy, Goldcorp.

Thanks, Kent. Thanks very much for that tremendous conversation, Tom and Minister McKenna. I think we can all agree that maybe no drama, Minister McKenna, but lots of passion for the subject matter here at hand. We certainly all felt that. A true Canadian champ in terms of fighting climate change.

I wish you all the best at the upcoming COP24. In fact, the Minister does say, as she referenced, her job is not that easy and she says that at COP24, the negotiations can, in fact, go on all night.

This is not United Nations tourism or anything like that. I understand you guys are really going for it, so good luck with that. You have also frequently stressed that environmental initiatives make economic sense.

We heard that today that pricing carbon will induce more investment in clean technology and lead to opportunities for many Canadians.

With some of our investments at Goldcorp, we are moving ahead. I have got a couple of colleagues from our Coffee Gold Project in the Yukon with the project. It is the largest investment in the Yukon.

We are working in other communities like Red Lake and Thunder Bay, Timmins. We are in Noranda—26 First Nations across the country as well.

We are also making a significant investment in Timmins called the Century Gold Project, with my colleague, Graeme Johnson, here today and Stephanie Thibeault.

That is a \$1.4 billion investment in Timmins, so we are clearly perpetuating our operations and continuing to employ in northern and remote communities. We are really proud of that work and competitiveness and regulatory certainty, the work that you have been doing on the Impact Assessment Act.

These are issues that we are watching very, very closely. We are absolutely looking and continuing to invest in Canada. While being an older industry, mining, we are still on top of innovation and investing in that area as well. You mentioned our Borden Gold Project.

We are extremely proud that this will be the first all-electric underground mine.

Now, Tom is glaring at me. You are adjusting your watches again, so I am going to step aside. I am just going to say thanks, again, Minister McKenna.

Thank you to the Empire Club for the opportunity to sponsor what was a wonderful lunch. Thanks, Kent.

Concluding Remarks, by Kent Emerson

Next week is our 16th event since September, our final event with the Honourable Ralph Goodale, a colleague of Minister McKenna. He will be speaking at the One King West. Please, come.

There are some tickets available for that. Then, we start into the next, the last part, of the season.

We will start in January. We have some wonderful events there. We have an economic lunch at the beginning of January, and we have a couple of sports events coming up. It is going to be a great season, and we hope to see you all there. Happy New Year, everyone.

Thank you.