

12 minutes with Brad Wall on energy, agriculture and Osler

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Osler Special Advisor <u>Brad Wall</u> says he is "optimistic" about the future prospects of Canada's energy sector and that we should be "very excited about Canadian agriculture." In a video interview, Brad, the former Premier of Saskatchewan, discussed a wide range of topics including Canada's energy and agricultural sectors; navigating the public consultation process; the Canada-United States-Mexico Agreement (CUSMA or USMCA) and more.

On energy, Brad explains the importance of Canada having a plan to get its oil to tide water and of Canadians becoming more engaged on the issue, particularly as oil demands are projected to increase.

"So if oil demand is growing, and Canada decides to not be a part of supplying it because we can't get a pipeline built, well the demand will be met, but it will be met by countries arguably that don't care as much about the environment as we do, whose industries aren't as responsible as ours," Brad says. "Some countries will meet that demand that don't even believe in basic human rights."

He adds that he believes the federal government understands how important this issue is to Canadians as support for pipelines increases, which is one of the reasons why he's "optimistic" for the energy sector.

Brad also says there is cause for optimism in Canada's agricultural sector, which he says can take advantage of the growing trend of plant-based protein, for example. He says that Saskatchewan, for instance, is a leader in pulse crops — which include plant-based proteins such as field peas, lentils and chick peas — which he says "don't just have a great potential for new markets and growing markets in Asia, but actually in the West as well, as people want more plant-based protein options.

"So that's just one segment of agriculture – of course there's cereals, which are very strong, there's diversification happening into other crops; soy bean, corn."

He says that Canadian agriculture, in part, is why free trade across North America is so "vital," as was coming to an agreement on the USMCA. "We have a large country with great resources, and not a huge population, and we need to trade," Brad says. "If you're right next door to a country that's got a huge population, it just makes sense to make sure you always are erring on the side of freer trade with that jurisdiction."

For more of Brad Wall's views on trade, energy, agriculture and Osler, watch Brad's full interview:



Video transcript

BRAD WALL: Here's the reasons why I'm hopeful. We saw, when the deadline was given by Kinder Morgan to the federal government in May, basically, you guys, we got to have some certainty around this pipeline or we're walking away. What happened at that point is that Canadians became more aware of the story of Canadian oil and the importance of getting it to Tidewater, the importance of having more than one customer, as we do now in the United States.

Canadians, I think, looked into the issue and became more aware of the fact that oil demand is forecast to grow by the International Energy Agency through to 2040, continuing to grow, and not at a small rate. And so if oil demand is growing and Canada decides to not be a part of supplying it because we can't get a pipeline built, well, the demand will be met, but it'll be met by countries, arguably, that don't care as much about the environment as we do whose industries aren't as responsible as ours. Some countries will meet that demand who don't really even believe in basic human rights.

So I think as Canadians became focused on the issue, we saw increasing support for pipelines. In fact, you can see it empirically in the polling. Right up until that end of May when the deadline ended, the polling got about 50%, closing in on 60%. The last poll in British Columbia, sort of ground zero of the opposition to that particular pipeline, was 53% support of British Colombians on an Angus Reid poll.

That's why I'm optimistic. When Canadians get focused on what our energy sector actually is all about and what it achieves, compared to any other country that's an oil producer, there's a pragmatism and even a pride that comes to the fore. And I think the federal government sense that, for Canadians, this pipeline, it's not even a new pipeline, right? TMX, it's the expansion of an existing one.

But I think the federal government even understood, all right, well, Canadians are engaged, and they view this as important. Why else would they actually take the step of, as I say, going full Venezuela, nationalizing the pipeline? A federal government obviously understood the importance of it to Canadians and the importance of it to a plan to get oil to Tidewater.

So that's one of the reasons that I'm optimistic. I think I'd be optimistic about even the government moving on certain legislation that's before it. And that's worth talking about, actually. Bill C-69 is interesting because as I understand it, it's one of the first bills, proposed legislation from the federal government, that actually caused our firm to prepare a submission to the House of Commons Committee, not a partisan submission.

And I met and know the lawyers. I'm proud to know them. They're colleagues now of mine in Calgary who helped draft that. They have no political axe to grind. They're not partisans. But they know the regulatory environment as exists today. And they know what their clients need in terms of certainty. They know the importance of environmental sustainability. And from that perspective, they were able to prepare a submission to the House of Commons Committee on Bill C-69 that basically points out it's significantly deficient.

We have the energy sector and the pipeline association saying, well, we'll never build another pipeline in this country if it passes. So the firm played a constructive role there, but I think Canadians need to get engaged on this issue. This would at least be a sign, absent anything



else, that the federal government understood how serious this is, that they would pause or withdraw on Bill C-69.

Well, I mean, that question has become increasingly more complicated as a result of the court ruling on Kinder Morgan. But the court ruling itself actually provides some answers. Whether or not every part of that panel's ruling I would agree with as a citizen of the country, or maybe– well, frankly lawyers who are more learned in the area might not agree with everything as well. It does help answer this question.

And I think it's a particular strength of Osler. We have within the firm in the various offices, but significantly in Calgary, lawyers with decades of experience– from hydro projects to pipelines, to you name it, to mines– decades of experience in being able to answer that question and advise clients, especially with current affairs as they've unfolded because the firm's been part of the development of those current affairs, part of working on those particular projects.

So I mean, at the end of the day, getting that final approval is vital for companies and for clients. And at the end of the day, the answer to your question is, get the best advice you can. And get the best advice in terms of, what are all the boxes you need to check off on the consultative process? And I'm completely biased, but I don't think you have to look much further than our team to get that kind of advice.

Well, first of all, we should all be very excited about Canadian agriculture. Certainly I'm from Saskatchewan, so our province is home to about 40% of all of the arable acres in Canada. And some of the crop production numbers from Saskatchewan are staggering, especially in the area of plant-based proteins, which, of course, we know are trending, right? I mean, first of all, as more and more people join the middle class in Asian countries—and this is a bit of a generalization, but it's certainly true—their demand for protein intensity increases in their diet is also manifest.

But a lot of those countries, they're happy and sometimes more than happy. They simply request or demand a plant-based protein. Well, Saskatchewan is a leader in pulse crops, field peas and lentils and chickpeas. Saskatchewan alone is responsible for between 50% and 60% of the world exports in lentils. Roughly the same number in field peas. Not quite as high in chickpeas. But these are all plant-based proteins that don't just have a great potential for new markets and growing markets in Asia, but actually in the west as well as people want more plant-based protein options.

So that's just one segment of agriculture. Of course, there's cereals, which are very strong. There's diversification happening in other crops, soybean, corn. Our cattle industry, our pork industry are solid. We have a great track record in terms of food safety. We have a good brand. And I just think there's a lot of opportunity going forward.

There are risks as well. Modern agriculture needs to learn from the oil industry about being proactive on branding. Here's why I would say that. Let's just talk about GMO for just a moment. GMO is a brand. I mean, lots of people who would say they're concerned about GMO may or may not even know what it stands for. There's just been some great marketing done around it.

Genetically modified organism is really just a word, an unfortunate descriptor, I think, for crop science, which has been a hallmark of the Canadian agriculture sector since we started with the support of government. And it allows for greater production of secure and safe food. And 90% of scientists who would be lettered, who would be studied in this particular area have said– [INAUDIBLE] and that's roughly the percentage [INAUDIBLE] have said GMOs are not only completely safe, they're essential if we're going to feed the world because they



increase production.

But there are those, sometimes, who would have a lot of similarity with those who branded Canadian oil as dirty when it wasn't, who used this brand as a negative. And you can tell that because my understanding is you can buy a brand of salt in the United States with a label that says GMO-free. Well, salt is a mineral. It doesn't have any DNA. There's nothing to modify. And yet that's how powerful that label has become.

So there are risks not dissimilar to what the oil industry faced 10 years ago. And we can learn a lesson because we were all a bit flat-footed years ago in terms of being proactively ready for what was coming in oil. And I would say, let's be ready to properly resource education campaigns that are about the truth, and agriculture would be well-served by that.

But it's a sector that doesn't really get a lot of talk, maybe, and maybe it should get more because this world wants food security, and good food. And Canada, that's right in our wheelhouse. And it's in the wheelhouse of clients that we have now and we would like to have, and we'd like to serve.

So the USMCA, as we're calling it now– not NAFTA– is vital. It's overall a very good thing that we came to an agreement with the Americans and our friends in Mexico to hammer out a deal. It's not optimal. Is it better than NAFTA? I would say probably not in terms of Canada's interest because it comes with tariffs. We signed a trade deal even as tariffs still hang over aluminum and steel.

But I don't really have any criticism for the federal government going ahead and getting the deal when they can. We need to. There's a volatile situation on the US side. And it's still, overall, it's very positive. And these other elements that didn't go exactly the way we probably would write them up, it's not worth losing the potential to have that agreement.

The free trade across North America is vital for us. Earlier on in our chat today, I talked about how Saskatchewan farmers, about 17,000 of them, maybe less, grow roughly 50% to 60% of all the world's exports in lentils.

There's only 35 million Canadians, or 38 million Canadians. No matter how hungry we are or how delicious they are, we're not going to eat all those lentils. We have to trade. We have a large country with great resources and not a huge population, and we need to trade. And if you're right next door to a country that's got a huge population, it just makes sense to make sure you always are erring on the side of freer trade with that jurisdiction.

Well, first of all, I'm very grateful for the chance to have a role with Osler. It's a great team across the country. The firm obviously has so much history in Canada. And I can tell you it has a great reputation. After the announcement was made, I was getting calls from retired justices from my own province and others who practice law, even though Osler does not yet have an office in Saskatchewan, although maybe Swift Current counts.

But I was hearing from retired justices and people in the legal community who just said, look, that's a great choice. You're joining an outstanding firm and one with a great reputation, which feels good. I'd already said yes.

That's the other encouraging thing in terms of joining Osler, is that the clients are universally really happy with the group of people they're getting to work with in our firm. Whether it's corporate, or employment, or real estate, obviously in the energy sector, on the regulatory side, I think it's the leading firm in the country.

And all the senior leadership of the firm has this vision of continuing to build out the brand,



the reputation, the capacity right across the country, but also to back that up with advice across the spectrum, across the practice spectrum, and now maybe even some political or government relations counseling and advice as well, or input that I'm happy to provide for whatever that's worth, whenever asked.