



House of Commons
CANADA

Standing Committee on Environment and Sustainable Development

ENVI • NUMBER 048 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Thursday, March 22, 2007

—
Chair

Mr. Bob Mills

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• (1105)

[English]

The Chair (Mr. Bob Mills (Red Deer, CPC)): Order.

Members of the committee, first of all, I'd like to welcome the minister.

An item has been brought up to me by Mr. McGuinty. It's basically a procedural thing, and I'd like to address it very briefly.

I would just let you know that when we had the initial communiqué to members, we said we were going to deal with main estimates. The reason I put that in was the fact that the supplemental estimates had been reported back on Monday, March 19. Our meeting, of course, was on March 20. So my decision was simply to put that as main estimates. However, I should make it very clear that the minister had said he would talk about absolutely anything. If the members wanted to talk about the supplementary estimates, the main estimates, even the migration of turtles in the Galapagos Islands, he was prepared to talk about that. I did make that very clear.

I should also explain to the committee that I did attempt to talk to Mr. McGuinty about his motion. I sent a message to him in the House on Monday, March 19. I got a reply from Mr. McGuinty saying that he was too busy doing interviews and could not see me that day. At 9 o'clock on Tuesday morning, we contacted his office, and again I was told he was too busy to see me. I arrived at 10:45 for our meeting on Tuesday, and again, Mr. McGuinty was not here until after 11 o'clock. So I did have to do it through Mr. Regan, and did communicate that message. I'd just like to clarify that for members.

As a result of that, I asked the clerk to send out new information after that motion was passed, simply saying that we would deal with the main estimates, the supplementary estimates. But again, and I repeat, the minister has agreed to come back at any future time. We have until the end of May to deal with the main estimates, so today we can talk about the supplementary estimates.

I'm not vetting any opposition member's questions. Obviously you can ask whatever you want about whatever you want, however you want—all goes, because the minister has agreed.

Now, I must say that in my 14 years here, I haven't had the privilege of having a minister who has said he would answer anything about anything in his portfolio. I'm very pleased that he is here prepared to answer any questions you want. If the committee wants to talk about supplementary estimates right from now through the next two hours, I'm sure the minister is happy with that. If you want to talk about the main estimates, then that's what you're going to talk about.

That's just to clarify the air so that everyone understands that this meeting is open and the minister is prepared to answer any questions.

Mr. McGuinty.

Mr. David McGuinty (Ottawa South, Lib.): Thanks, Mr. Chair.

I am reluctant to continue this debate, but having heard your introductory remarks, I'm now in a position where I have no choice.

I'm deeply troubled by what's gone on here. I'm deeply troubled by the agenda before us here today.

And I apologize to the minister that he has to sit through this. I welcome him this morning.

I'm troubled, Mr. Chair, and I know that other members of the committee are as well. Let's try to clear things up, because you have opened this up from the get-go.

Not once, but twice, this committee voted by majority decision to study the fiscal performance of the government for 2006-07. Not once, but twice, the agenda, including for today's meeting, read this instead: "Main Estimates 2007-2008".

All of us—all of us—believe in accountability, Mr. Chair, but you know that we can't hold the government accountable for what hasn't happened yet. We have until May, as you rightly suggest, to study next year's estimates. My colleagues and I do not want to hear from the minister on that today. This has been brought to your attention several times, and I think now it's only fair that a request be made to you to withdraw the main estimates for 2007-08 from the orders of the day.

I'll take a moment just to recall, for example, the chronology that led to the invitation for the minister to appear in front of this committee today. Before the break, on Thursday, March 1, I put forward a motion in committee that read as follows: "That with regard to a Committee study of the Supplementary Estimates (B) for the fiscal year 2006-2007, the Minister of the Environment be invited to appear."

During that meeting, the parliamentary secretary, Mr. Warawa, suggested a friendly amendment—I'm sure he recalls doing so—to include the main estimates in the motion, which then would have read as follows: "That with regard to a Committee study of the Supplementary Estimates and Main Estimates for the fiscal year 2006-2007, the Minister of the Environment be invited to appear."

I refused at that time to allow this amendment. He recalls that. I explained to the committee very clearly at that time that we could and should invite the minister to come a second time to properly address the main estimates.

I said, and I quote, “My thinking was, let us at least have the minister come, in the first instance, before March 26 to talk about supplementary estimates (B).”

The Chair: Mr. McGuinty, I apologize for interrupting.

Mr. David McGuinty: This is important, Mr. Chair.

The Chair: I would suggest, so we can use the minister's time, why don't you move what you just said—that we go immediately to item two—and then we've solved the problem.

Mr. David McGuinty: Because that does not solve the problem, Mr. Chair. We've asked for a full two hours, and I think that something very, very troubling has occurred here—very troubling.

When I go back to the first motion we put to this committee, it was passed after Mr. Warawa withdrew his friendly amendment, after I explained that the motion was passed, voted on unanimously by all members of this committee—including the government MPs who sit on this committee—to do precisely what the motion asked for. After that motion was passed, a notice of meeting was sent out, and a unilateral decision was made to change the agenda to not reflect the decision of this committee.

In the wake of that decision to unilaterally change the decision about the agenda, we came back. The will of the committee hadn't been respected, so we came back with yet a second motion, which was debated openly on Tuesday of this week, just two days ago. We had another motion put, 48 hours ago, asking again for the minister to graciously come to be with us here for two hours to talk about last year—the year ending March 31—looking backwards, holding the government to account, as the minister knows. This is his job. Any minister of the Crown comes to do this sort of thing at committee.

Once again, I clearly explained that the motion was to call on the minister to testify exclusively on last year's expenditures, not on next year's predicted main estimates. Here's what I said last Tuesday to this committee before the vote on the motion, and I quote:

I think we're going to have plenty of time, Mr. Chair, until May, I believe, to do a proper review of this year's main estimates and I think the committee will want to follow through with a separate study when the time comes. But I think what we need and what the committee has asked for is a timely review of last year's performance, a reasonable request I think, last year's performance by the government.

The committee had a chance to debate the motion on Tuesday. At the end of the meeting, it was adopted seven to four—seven to four. So imagine my surprise when, an hour and a half later, I receive yet another revised notice of meeting that again mentions the minister will be discussing the main estimates for next year. For a second time, Mr. Chair, the will of the committee was not respected. I would even say that this was perhaps a premeditated act of defiance against the will of the committee.

So here we have a situation. I go to you on Tuesday afternoon after the votes. I explain to you my concern about this issue. I discuss it with you on Tuesday evening, Mr. Chair. You said to me that you were approached by the minister's office or by the minister

directly—I can't recall which one in fairness—and that he wanted to discuss instead the main estimates today.

Now, if that's not political interference in the work of this parliamentary committee, Mr. Chair, I don't know what it is. We invited the minister. He graciously accepted to come and testify. I thank him for his time. We want to get to the bottom of what happened in the last 12 months. That's our job. We are elected as members of Parliament to hold government to account, and estimates is the primary vehicle at parliamentary committees.

Now, committees are masters of their own destiny. This is a well-established practice in parliamentary practice. Members decide together which direction the committee will take, what issues will be discussed during meetings. No one but the members of this committee can take those decisions. No minister of the Crown of any department can come to a committee and tell the committee what he or she wishes to discuss. It doesn't work that way.

So before we go any further in this meeting, I need a clear explanation, and I'm asking for a correction. I'd like this order of the day to reflect two consecutive motions that were passed, the first unanimously with government members' support, and a second one on Tuesday that asked the minister to graciously attend and speak to the last fiscal year ending nine days from today, because that is how you conduct an estimates process review, by holding the government accountable for what has happened and not trying to hold the government accountable for what might happen in the future. I am strongly in support of having the minister come back, if he would graciously accept, some time before the end of May so we can review the main estimates.

I have a question for you, Mr. Chair, in closing. Why was the will of this committee simply ignored? Why did you attempt to attach our signatures to this agenda, which in no way reflects two open debates in this committee pursuant to two motions tabled by the official opposition?

Canadians would be forgiven for thinking that the minister doesn't want to be held accountable. I don't know if that's the case. I doubt it very much. I think he wants to be held accountable for the millions of dollars that were spent in the last fiscal year. We need two hours to be able to do this. We need two hours to be able to ask the probative and pertinent questions.

• (1110)

So before we go any further and without wasting any more of the minister's precious time, I'd like a clear explanation. Did you, for example, have any political pressure put on you from the minister's office or from the minister to change this agenda, without informing the members of this committee, without putting it back to a vote, without bringing a subsequent motion to the floor?

How did it come to be that twice in a row what we specifically asked for here in this committee has been changed unilaterally by the chair? This is something Canadians who are watching want to know. This is a subversion of a very well-established democratic process, right here on Parliament Hill: standing committees. I asked you the other day when we spoke, in your 14 years of distinguished service, had you ever seen this happen before, and your answer to me at that time was no, you had never seen an agenda move without the acquiescence and support of the committee members.

So I'm deeply troubled by this.

The Chair: Mr. McGuinty, first of all, had we been able to have that discussion on Monday when you were too busy to have that discussion, we probably could have solved this problem. I think right now you have a tempest in a teapot argument, because the minister is prepared to talk about anything. He is prepared to go back and talk about those. It was simply in discussion with the clerk that we decided government members want to talk about the main estimates and opposition members want to talk about the supplementary estimates. We put them both on there, and that was strictly a decision we made. There was no discussion. There was no discussion with the minister's office by me or my staff. We did talk to the members, and I didn't think this was a big deal.

Now that you seem to think it's a huge deal, obviously I am concerned we're wasting the minister's time. If you want to spend the next two hours discussing procedural things, we're getting used to that sort of thing and, I must say, getting fairly annoyed by it, because we have business to talk about.

Let's talk for one and three-quarter hours now about the supplementary estimates. Let's get on with it. That, I think, is the decision.

• (1115)

Mr. David McGuinty: Mr. Chair, if you're prepared to remove the main estimates from the agenda, you've got my support.

The Chair: You've got them removed.

Mr. David McGuinty: Great. So let's focus—

The Chair: I said that at the start. We could have saved 20 minutes.

Mr. David McGuinty: That's not what you said, Mr. Chair, whatsoever.

The Chair: I said we'd go immediately to item two.

Mr. David McGuinty: And so you're now saying that the agenda of this meeting has been formally changed to reflect the will of two motions passed by this committee. Is this yes?

The Chair: I'm sure the minister agrees with that, and I agree with that, and I think members agree with that.

Mr. Warawa, on a point of order.

Mr. Mark Warawa (Langley, CPC): I have a point of order. Thank you, Chair.

The motion that Mr. McGuinty is speaking to had no time limit. You have scheduled one hour to deal specifically with the supplementary estimates, which is the motion that Mr. McGuinty speaks to. There was an additional hour where the minister is willing

to speak about anything, and so Mr. McGuinty has used up 15 minutes of his supplementary motion time.

So the motions that he speaks to are appropriately dealt with, with the agenda that we have before us. We just had a committee meeting, Mr. Chair, where the Liberals tried to hijack Bill C-30, and now we see a continuing pattern where they're trying to hijack and delay this government moving forward.

Mr. Chair, we need to listen to the minister. He's here. I don't want the delay happening anymore, and procedurally what you have is accurate. There was one hour allotted to dealing with the supplementary estimates, which is totally in harmony with what the committee approved. But I will not allow, Mr. Chair, that—

The Chair: Mr. Warawa, we're now in debate.

Mr. McGuinty, I have a suggestion. Would you move that we move directly to item two?

Mr. David McGuinty: Mr. Regan wants to speak.

The Chair: Mr. Regan, I'm sorry.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Chairman, with all due respect, this is a big deal. We're talking about the right of democratically elected members of Parliament to determine what this committee does.

The majority of this committee, in fact, this committee twice has passed a motion unanimously—was it unanimous on Tuesday? It was unanimous the first time, the second time by majority, and decided what to do. The members elected by the people of this country have the responsibility and the right in this place to hold the executive to account, to hold ministers to account. That's why Mr. Baird is here. That's why it's up to members to decide the agenda of this committee. It's not up to the minister to come and tell you what the agenda should be. It's not up to you to change the agenda after members of this committee have decided twice what we should discuss at this meeting.

Mr. Chairman, I want to tell you I don't believe this is the kind of thing you want to do. This is not like you, Mr. Chairman, to have subverted the will of the committee. I don't believe for one second that you believe in doing this, and I'm sure you regret the fact that you've taken the will of the committee, which was to have the minister here and discuss the last year, and change it to what he wants instead.

The Chair: Mr. Cullen. I know you've been trying to get in.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Chair, I'm going to suggest a way forward for this so we can get on with today's business in respect for the witnesses and the Canadian public, who are flipping the bill for this.

If Mr. McGuinty has some challenges to decisions that you did or did not make, it's actually available to him in other formats to make them. I respect his concerns, but I'm going to suggest for today, if the minister is in agreement with discussing the estimates, the previous government spending, that we proceed.

The Chair: We'll proceed on supplementary estimates. We'll skip the main estimates. Let's go right to supplementary estimates. You can ask whatever you want. The members can ask whatever they want. Let's get on with it. We have a witness here. It's time to move on.

Is everyone in agreement with that?

• (1120)

Mr. David McGuinty: The balance of the meeting, Mr. Chair, is the supplementary estimates ending March 31, 2007?

The Chair: It's whatever you want to ask, Mr. McGuinty.

Mr. David McGuinty: That's not the question.

The Chair: Ask about supplementary estimates.

Hon. Geoff Regan: Is it what the committee passed? Is the topic of this meeting what this committee agreed it would be, what we voted on, what we twice passed, or is it not? That's the question.

The Chair: It's about the supplementary estimates, if that's what you wanted to ask.

Hon. Geoff Regan: No, that's not my—you keep saying that we can ask about whatever we want. And that really means, Mr. Chairman, that the minister can talk about whatever he wants. We want him here to talk about his performance and the performance and spending of his department over the past year.

The Chair: Why don't you make that a motion?

Hon. Geoff Regan: Why don't I make it a motion, Mr. Chairman? We've done it twice before. Why should I need to?

The Chair: It will pass.

Hon. Geoff Regan: I don't have to make it a motion, Mr. Chairman; we've passed the motion twice already.

I just need you to confirm that the rest of this meeting will be held on supplementary estimates, ending March 31 of this year.

The Chair: The rest of this meeting will be held on item two, and that's exactly what I started out saying.

Hon. Geoff Regan: No, you didn't, but thank you very much for your clarity now.

The Chair: Mr. Warawa.

Mr. Mark Warawa: I want clarity from you, Mr. Chair. Will I be able to ask any question that I would like regarding the environment?

The Chair: You can ask about migrating turtles in the Galapagos Islands, if you want to.

Mr. Mark Warawa: Thank you so much, Mr. Chair.

The Chair: If you read item two, Mr. McGuinty's motion, that's what we'll be dealing with.

Mr. Baird, I apologize for taking your time. If you could be brief, make your presentation, then we'll get right to members' questions.

Mr. McGuinty.

Mr. David McGuinty: I'm sorry, I just heard two rulings from you, sir.

First you said to my colleague Mr. Regan that we would circumscribe this balance of time and the minister would hold his remarks to what he was convened here to speak about. And then in

response to Mr. Warawa, you told him he could ask any question on any fishing expedition he wants to talk about.

Did I get this wrong?

The Chair: Mr. McGuinty, I can't vet the questions of members.

Mr. David McGuinty: I understand. But will this next hour and 40 minutes actually deal with—?

The Chair: It will be on item two.

Mr. David McGuinty: It'll deal with the motion. Thank you very much, sir.

The Chair: Mr. Baird, Minister.

Hon. John Baird (Minister of the Environment): I can feel the love in this room.

Some hon members: Oh, oh!

Hon. John Baird: I'm very pleased to be here today. This is my sixth year as a minister, and every other appearance I've had on the estimates tends to be a two-hour question period on any issue that's of interest to members of the committee, whether it's supplementary estimates (B), whether it's the main estimates for next year—which obviously in short order the government will be presenting—or the reports on plans and priorities, which will be coming out shortly. The two principal vehicles with respect to accountability for how funds are spent are the DPR, which comes out in the fall—and that deals with the previous year's expenditures—and the public accounts, which will be tabled in the fall. And those, as well, follow up the main estimates from the previous year on how spending was conducted.

I'm pleased to be here so soon after the tabling of one of the most environmentally friendly budgets Canada has yet seen, a budget that responds to the number one concern of Canadians, which is cleaning up and protecting our environment.

This week, with \$4.5 billion in new environmental funding, Canada's new government has injected a substantial amount of new money to support our environment. We put forward a substantial amount of money to fight climate change, reduce smog, and attack air pollution. As well, we're investing in a clean water strategy and hiring more enforcement officers to ensure that our laws for environmental protection are enforced and that the health of Canadians is protected. And—this is what brings me here today—as Minister of the Environment, my comments will focus on a wide variety of issues in the portfolio, which includes Environment Canada, the Parks Canada Agency, the Canadian Environmental Assessment Agency, and the National Round Table on the Environment and the Economy.

I look forward to responding to your questions on these issues. I also understand that I'm appearing under Standing Order 108(2), which allows members to ask wide-ranging questions, and I look forward to those questions.

Joining me here at the table today are Ian Shugart, the associate deputy minister, and Basia Ruta, the assistant deputy minister, of Environment Canada. We also have with us here today folks from the department who may come forward and who are appropriate to answer questions requiring a more detailed or thorough response. As well, we have representatives from the Canadian Environmental Assessment Agency and Parks Canada.

Canada's new government is serious about our environment and particularly about the issue of climate change. In her 2006 report, the former environment commissioner said, and I quote: "Since 1997, the government has announced over \$6 billion in funding for initiatives on climate change. However, it does not yet have an effective government-wide system to track expenditures, performance, and results on its climate change programs." She contrasted that with what was actually spent, saying, and I quote, "federal spending on climate change totalled \$1.35 billion."

Our plan does not include announcing \$6 billion in environmental spending and only following through with \$1.6 billion. Instead, Canada's new government has invested more than \$3 billion on clean air and climate change initiatives in 2006-07.

In the last two and a half months since the Prime Minister asked me to take on this file, Canada's new government has made great headway in addressing some of our country's most pressing environmental concerns. Our actions have been driven by a focus on combating the devastating effects of climate change, cleaning the air that Canadians breathe, putting in place a better management regime for addressing chemicals, and delivering regulations that reduce the risks from pollution, while ensuring that our economy continues to grow.

As part of this government's environmental agenda, we have proposed legislation and gone ahead with several initiatives to take real action on climate change—the Clean Air Act, our chemicals management plan, the ecoEnergy, ecoTransport, and ecoTrust initiatives. These measures reflect the government's approach in addressing the environmental issues that Canadians and the global community are faced with today.

For example, we recently introduced the Canada ecoTrust for Clean Air and Climate Change, which includes more than \$1.5 billion in new national funding. This funding will give the provinces and territories the support they need to initiate or launch new programs to reduce both greenhouse gas emissions and smog and air pollution.

To date, we've announced projects in six provinces, two territories, and committed almost \$1.4 billion towards the development of new technologies, energy efficiency, and other projects that will give us real results in reducing both greenhouse gases and smog pollutants. I'm looking forward to continuing work with the other provinces—Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Yukon and Saskatchewan—in the coming hours, days, and weeks.

● (1125)

As I mentioned earlier, our government believes in actions that produce results. Actions we have recently undertaken and confirmed in this week's budget include an investment of \$2 billion in

ecoEnergy initiatives that will help Canadians use energy more efficiently, boost renewable energy supplies, and develop cleaner energy technologies.

The \$107 million being spent on an ecoTransport strategy includes a series of initiatives designed to reduce the environmental impacts of transportation by making our transportation system more economical and more environmental.

Finally, \$1.3 billion will support public transit infrastructure with our municipal partners.

For the first time in Canadian history, this government has introduced legislation that will enable us to regulate indoor air pollutants and outdoor air quality and greenhouse gases, establish national air quality objectives, and set standards for renewable fuel content and vehicle fuel consumption. This is a very important step for the health of Canadians. It's important because it will provide our government with the regulatory authority to reduce greenhouse gases, smog, and air pollution, and it will let us enforce it with the strict targets that are necessary for Canadians today and in future generations.

Members will recall that we committed last year to invest \$300 million in the chemicals management plan, a plan that will protect Canadians against harmful chemicals in our environment and will prevent their reintroduction.

We're also taking action to preserve our national heritage. Earlier this month, the Prime Minister announced \$225 million to protect half a million acres of ecologically sensitive lands in southern Canada.

As well, we've made significant contributions to help preserve and restore areas such as Stanley Park in Vancouver; the Great Bear Rainforest in British Columbia, in the great riding of the member for Skeena—Bulkley Valley; the Sydney Tar Ponds in Nova Scotia; and Point Pleasant Park in Halifax, the hometown of the member for Halifax West.

Among many initiatives of Parks Canada, most recently we took significant steps to protect a major national historic site in the north, on the coast of the Great Bear Lake, and we announced investments to restore the Pacific Rim National Park Reserve of Canada on Vancouver Island.

These initiatives, combined with tax incentives to landowners who donate ecologically sensitive land through the ecological gifts program, clearly demonstrate that our plan for the environment is all-encompassing.

The list I have cited is extensive. What we have achieved to date will bring Canadians significant environmental and health benefits, but we realize that more can be done and more must be done.

I've recently returned from a meeting of G8 environment ministers, where I participated in extensive discussions on both biodiversity and climate change with environment ministers not only from the Group of Eight but also from emerging industrialized economies such as Brazil, China, India, Mexico, and South Africa. When I spoke to my colleagues, I carried a message. In order to ensure global success in the protection of our planet for future generations, our actions must be guided by both environmental sustainability and economic prosperity.

It's why Canada is taking significant action in a variety of areas to protect our environment and to tackle greenhouse gas emissions. It is why our government is looking at technology such as carbon capture and storage and investing in energy efficiency, in order to find real solutions to climate change that will benefit both our environment and our economy.

It's critical that the world not wait until Kyoto ends in the year 2012 to start talking about a new deal, a deal where all countries are at the table addressing greenhouse gas emissions. Canada is not waiting until 2012. We are taking some of the most aggressive actions in the G8 to address climate change over the next five years.

Obviously we have accomplished a lot in only a few months. There is plenty more to do, and I can assure you that the funding set out in our financial documents will be critical to our ability to meet objectives.

Our ecoTrust for Clean Air and Climate Change is not here in the main estimates, but the ecoTrust will be voted on in the budget.

Secondly, if you compare Environment Canada's 2007-08 estimates to the previous estimates, it might seem that Environment Canada's climate change programs have been eliminated. Mr. Chair, this is not the case. Climate change programs appeared under their own strategic outcome in 2006-07. In our current 2007-08 estimates, climate change programs have been integrated with the work of other areas of the department.

Because air pollutants and greenhouse gases share many common sources, the government is taking an integrated approach to reduce these types of emissions. As a result, the majority of Environment Canada's climate change work is now part of the department's broader efforts to protect Canadians and the environment from the effects of pollution and waste.

I want to emphasize to this committee that Canada's new government will spend more money addressing the concerns of Canadians about both air pollutants and greenhouse gas emissions in 2007-08 than the last government did in any of their previous budgets.

• (1130)

The last significant change in the estimates I'd like to mention is the apparent \$55 million decrease in funding for the department's programs that deal with toxic substances. Though it appears the department receives significantly less funding for programs to address toxic substances in 2007-08, again Mr. Chair, this is not true. In 2006-07, funding for Environment Canada's air pollution was combined with funding to address toxic substances. In 2007-08, funding for Environment Canada's air pollution program was aligned with funding for climate change, again reflecting our integrated

approach. The shift to align air pollution money with climate change money is why it seems that the department receives less funding to address toxic substances. In fact, together, the funding to address toxic substances and funding for air pollution programs is just under \$0.25 billion a year, which works out to an increase of about \$51.3 million from last year.

In the interest of time, I'll skip over the comments I was to make on the National Round Table on the Environment and the Economy, the Canadian Environmental Assessment Agency, and Parks Canada. But I would underline that they form critically important parts of my mandate as Minister of the Environment.

As Minister of the Environment, I'm guided by one fundamental principle: protecting and improving our natural environment. These estimates will help the Department of the Environment and its portfolio agencies do their part to make our country and our world greener. Together with new spending in the budget, we will promote real action on issues that matter most to Canadians: environmentally healthy and sustainable communities, energy efficiency, and continuing sustainable economic growth.

Mr. Chair, I hope this summary of Environment Canada's accomplishments and clarification of some financial issues provides the committee with the insight they have been seeking in areas of concern to the Department of the Environment.

I'd be happy to respond to questions that you or the rest of the committee may have.

Thank you.

The Chair: Thank you very much, Mr. Minister. I should have warned you that I have a little grey box here for timing. You were 11 minutes and 11 seconds. We'll try to keep on time as much as we can.

We'll go directly to Mr. McGuinty for 10 minutes.

Mr. David McGuinty: Thanks very much, Mr. Chair. Ten minutes: keep me on track.

Thank you very much, Minister, for coming. Again, apologies for the opening, but it is an important matter of democratic principle that we were discussing.

Minister, I think I heard you say this in your opening remarks; maybe I didn't catch it. I think you have the answers to this, and I congratulate you in advance if you do. For Canadians who are watching, could you let us know how much money your department spent in 2006-07, ending on March 31?

• (1135)

Hon. John Baird: Well, it's not March 31, so we haven't spent it all.

Mr. David McGuinty: Well, roughly.

So you're here to talk about last year's economics. Can you tell us? Can you give us the estimate?

Hon. John Baird: We're here to discuss supplements (B). I assume last year's numbers will be discussed with the DPR and the public accounts, which are published at the end of the initiative, in 2006-07.

I think Environment Canada has received about \$25 million with respect to climate change. This is part of the \$3.336 billion we'll spend on the climate change and clean air files, something that I think is crucially important.

Mr. David McGuinty: I'm sorry, the total budget number again for the year is what?

Hon. John Baird: For Environment Canada specifically?

Mr. David McGuinty: Yes.

Hon. John Baird: With respect to programs, it's about \$25 million. With respect to—

Mr. David McGuinty: The entire department's budget is \$25 million?

Hon. John Baird: No, that's on climate change. The entire department's budget can't be confirmed until supplementary estimates (B) is passed, because obviously Parliament hasn't authorized that funding. You're asking me to predict what the House of Commons will do in the coming week or two.

Mr. David McGuinty: Thank you very much. That's very helpful.

Minister, I want to go to what I call a number of clarity questions for Canadians.

You mentioned you were in Potsdam last week. At the time you stated that Canada has a plan for climate change. You said that Canada wants to join international talks on measures that go beyond Kyoto. Can you help us by letting us know what plan you tabled in Potsdam for the G8+5 meeting? What did you put forward as Canada's plan for climate change?

Hon. John Baird: No country tabled plans with respect to climate change. What I did outline was a comprehensive strategy to help reduce greenhouse gas emissions and reduce pollutants in our air. What I talked about was a major industrial initiative that would deal with just under 50% of the emissions that we generate in this country from greenhouse gas. I talked to them about the significant reductions we would see across industry with our plan to regulate. I spoke at great length about our notice of intent to regulate and the significant amount of consultations we've had with environmental groups, with industry, and with our provincial counterparts on greenhouse gas emissions. I was able to speak about other aspects of the plan that had been or would be announced with respect to transportation, vehicle fuel efficiency, renewables, and energy efficiency. I spoke to them—

Mr. David McGuinty: Mr. Minister, thank you.

Hon. John Baird: Well, you asked me a question, and I'd like to answer it.

Mr. David McGuinty: But in the interests of time, you need to be fair. Be fair. We have 10 minutes here.

Hon. John Baird: You asked me about our comprehensive plan.

Mr. David McGuinty: It's my time to ask the questions. Thanks very much.

I want to know, in all the elements you put forward, then, you simply describe them to your G8+5 counterparts as elements of a potential plan coming forward. Is that right?

Hon. John Baird: No.

Mr. David McGuinty: So you didn't table a plan, but yet you said here, and I quote you: "Canada has a plan for climate change, and we want to join international talks on measures that go beyond Kyoto."

Hon. John Baird: Yes. Well, I didn't answer the first question you asked.

What I said was that Canada has a comprehensive plan and that many initiatives have been fully put forward. On other initiatives, a significant amount has been put forward, and we're following additional efforts.

Mr. David McGuinty: Okay, that's not been an issue. This country did not table a plan at the G8+5. Is that right?

Hon. John Baird: No country did.

Mr. David McGuinty: I understand that, but this country did not table a plan?

Hon. John Baird: At the G8?

Mr. David McGuinty: That's right.

Hon. John Baird: No. No country has.

Mr. David McGuinty: I'd like to clarify, Minister, if I could, what you mean by "beyond Kyoto". When you say we're going to join international talks and measures that go beyond Kyoto, are you proposing that Canada achieve deeper greenhouse gas reductions than the Kyoto targets for the 2008 to 2012 period?

Hon. John Baird: When we say "beyond Kyoto", I think we mean that at the end of 2012 there won't be an international convention on climate change. Certainly it was strongly Canada's view that we shouldn't wait until 2012 and then begin to have discussions that would lead to negotiations.

I think Canada is very engaged with the Gleneagles dialogue that began when the United Kingdom had the presidency of the G8. They invited the other five emerging economies in. I think there'll be a significant amount of work done between the meetings that were held in Gleneagles, chaired by Prime Minister Blair, to the discussions we had in Potsdam. That will lead up to the G8 summit in Germany later this spring.

I think many people are optimistic and hope to see some fruition, some continuation of those G8 dialogues leading up to the Japanese presidency.

We're not the only act in town. The United Kingdom takes some action; the European Union takes some action. I think the G8 Gleneagles dialogue, with G8+5, is probably the greatest potential for bridging the gap between the industrialized nations and the emerging economies.

• (1140)

Mr. David McGuinty: So when you say “beyond Kyoto”, then, Minister, what you really mean is that the government plans to go entirely beyond Kyoto, as in skip over the 2008 to 2012 period and not require a reduction in total greenhouse gas emissions until some time after 2012. Is that what you mean?

Hon. John Baird: Not at all.

Mr. David McGuinty: So let me clarify, then. Can you tell the committee and Canadians who are watching—other than repeating the phrase “beyond Kyoto”—whether or not you support meeting Canada's Kyoto greenhouse gas reduction obligations?

Hon. John Baird: I believe the Kyoto Protocol was an initial first step on reducing greenhouse gas emissions globally. I think—

Mr. David McGuinty: So you do support it?

Hon. John Baird: Let me answer the question.

Mr. David McGuinty: But you do or you don't?

Hon. John Baird: Let me answer the question.

Mr. David McGuinty: Well, I need an answer; I don't need words.

Hon. John Baird: Well, you keep throwing questions at me, sir. I'm prepared to answer the questions. You get to ask the questions; I get to answer them.

Mr. David McGuinty: Fair enough, give me the answer.

Hon. John Baird: I think there was unanimity at the G8+5 that we need a protocol, an international global plan, that goes beyond 2012, both in timeline and in emissions reductions. Canada strongly supports that, and we want to work with the developing countries and the industrialized economies on a process that will lead to further greenhouse gas reductions beyond the Kyoto Protocol. It's very important for Canada—

Mr. David McGuinty: You'll forgive me, Minister, I can't get an answer from the question I put to you. Do you support meeting Canada's Kyoto greenhouse gas reduction obligations? Maybe this way—yes or no?

Hon. John Baird: I support continuing efforts to reduce greenhouse gas emissions, you bet your boots I do.

Mr. David McGuinty: Okay. That's a no.

Hon. John Baird: Well, why do I have to answer the questions here? I'll just let you answer them.

Mr. David McGuinty: Let me give you this quote from the *Toronto Star*. You said, “the initiatives we're going to roll out are going to be among the strongest in the world for the next five years”. That was March 18. Can you offer us a brief list of those countries you feel the initiatives you are about to announce will better when it comes to the fight against climate change? Because you said it.

Hon. John Baird: On a five-year calendar, on the 2007 to 2012 compartmentalized plans, I know that in Canada, like many countries, we're playing catch-up. Many countries, while signatories to Kyoto, didn't have a substantial amount of megatonnes of greenhouse gases to reduce. For example, for Germany, going back to 1990, the east joined the west, so therefore there wasn't actually a significant number of megatonnes required to be reduced. Decisions made in France with respect to nuclear energy, obviously, were very

positive for France. Decisions to close down coal mines made in the 1980s certainly yielded not insignificant opportunities for Britain in this.

What I see is that between 2007 and 2012, under the plans that we're putting the final touches on with respect to industrial regulations, Canada will be reducing more megatonnes actively in our plan than I suspect most countries in the world.

Mr. David McGuinty: You're not able to tell us which countries you're actually comparing us to when you say that we're going to be among the strongest in the next five years.

Just shifting gears for a second, can you tell us, because you've often spoken about trading systems—it's a specific question, but you've had many months now to get on top of this—in your view, how effectively can a domestic greenhouse gas trading system work? How well can it function in the absence of hard, absolute caps for reductions in greenhouse gases?

Hon. John Baird: We're going to be coming forward in short order with our plan on industrial regulations. I think trading can play a role in that.

Mr. David McGuinty: Can we do it without hard caps?

Hon. John Baird: I think I'll leave the announcement on those industrial regulations to when we make it. It will be coming forward in short order.

I do think that certainly domestic trading or trading within the same airshed so we can reduce greenhouse gas emissions and ensure cleaner air would be more profitable to Canadians. I do have a concern that if we are sending billions of dollars of taxpayers' money to Russia and other countries, Canada will be left behind in the green economy. That concerns me.

• (1145)

Mr. David McGuinty: Finally, Mr. Minister, then, just to confirm, your government prefers intensity caps. Correct?

The Chair: Mr. McGuinty, you're at 10 and a half minutes.

We'll go on to Mr. Bigras, please.

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Thank you very much, Mr. Chairman.

Mr. Minister, given that you very rarely come before this committee, we had expected that you would be giving us good news with regard to the campaign against climate change. It is however clear that, in this area, you are dragging your feet as much as your predecessor, Ms. Ambrose.

She had promised us greenhouse gas emission reductions for large industrial emitters before the end of 2006. That was a first broken promise. Upon your appointment, you made a commitment to quickly announce targets. And here we are on March 22nd and no target has been brought forward, Mr. Minister.

My question is a simple one: are you not here today in fact proving to us that in the area of greenhouse gas reduction, particularly on the part of the large industrial emitters, you are dragging your feet as much as your predecessor?

Hon. John Baird: I will not comment upon my colleague.

You stated at the beginning of your intervention that I did not come often before the committee. However, I have only been minister for 70 days and I believe that this is the first time I have been invited. It can therefore be said that my response was 100% positive. This is fantastic. If I had been invited earlier, I would have come.

Mr. Bernard Bigras: We could invite you every day, Mr. Minister. We would be most happy to do so.

Hon. John Baird: You say that I do not come to the committee very often, but you sent me an invitation and I responded by saying that I would be pleased to come and answer your questions. This is the first time that you have invited me to appear over the course of these 70 days, and here I am. That is not bad.

Mr. Bernard Bigras: I would not say that. We had to discuss your availability with the parliamentary secretary many times. Oddly, your availability never matched that of the committee.

That being said, answer the question. When are you going to announce targets for the larger industrial emitters?

Hon. John Baird: You made a few comments in the beginning, and I would like to respond to them. As I said, I have only been minister for 70 days. I very clearly stated that my priority was greenhouse gas reductions and that I would be tabling as quickly as possible a regulatory plan for the industrial sector.

We have worked very hard. Department officials and colleagues from the Council of Ministers have participated in this effort. It will not be long before we present an industrial regulations plan for greenhouse gas reductions, and it will be a good plan. In any event, 70 days is not very long, sir.

Mr. Bernard Bigras: It is not long, but for a new government that made a commitment to dealing with climate change and the environment, it is a lot of time.

Hon. John Baird: I devoted a lot of time—

Mr. Bernard Bigras: Let us move on to another issue, Mr. Minister. Let us come back to the matter of targets. You have chosen, and you stated this publicly, to base greenhouse gas emissions reductions on intensity rather than on a hard cap.

Do you realize that within your own department, the scenarios that are circulating indicate that a 15% reduction in emission intensity, for example in the tar sands sector, corresponds to a 179% increase in absolute greenhouse gas emissions? Do you not see that by implementing a system based upon intensity, you will be fooling people into believing that you are asking industry to reduce its greenhouse gas emissions whereas you are in fact allowing it to increase them while at the same time in fact moving even further away from the Kyoto Protocol targets?

• (1150)

Hon. John Baird: My aim is to achieve a true reduction in greenhouse gas emissions.

Mr. Bernard Bigras: Do you recognize that you have been presented with scenarios indicating that a 15% reduction of greenhouse gas emissions from the oil and gas industry would bring about a 46% increase in greenhouse gas emissions for the period beginning in 2000 and ending in 2010? The approach that you are about to present to Canadians will not result in a reduction of greenhouse gas emissions: much to the contrary, it will lead to an increase in these emissions. Are you prepared to admit at least that much today?

Hon. John Baird: Before drawing conclusions, it would perhaps be wise that you read the plan that is on the verge of being made public. I stated that, as Minister for the Environment, my objective was to achieve a true reduction in greenhouse gases. This is important.

Mr. Bernard Bigras: I have listened to you over the last few weeks. You travelled a lot throughout Canada rather than making your announcements on Parliament Hill.

Hon. John Baird: And we granted Quebec more money than it had asked for.

Mr. Bernard Bigras: I wish to take this opportunity to relay to you the following message. I hope that with the system and the approach you are adopting, Quebec will finally come out of this a winner. It is not the 350 million dollars that Quebec has received that will prevent Quebec's industrial sectors from becoming the losers. Quebec has made efforts in the past. Quebec's industrial sectors have reduced their greenhouse gas emissions by 7%. It is wrong to say that Quebec and its industrial sectors will be satisfied with 350 million dollars if the approach that you are in the process of implementing penalizes them.

I come back to my question. You travelled throughout Canada, outside of Quebec of course, to make announcements. What I see is that you have made virtually the same commitments as those made in years past, by the previous government. You have simply recycled the Liberals' former programs.

How can you convince us today that the good old method followed by the Liberals and which brought about a 27% increase in greenhouse gas emissions will as of now aim Canada towards a real reduction in greenhouse gas emissions?

I know that the Liberals will brag about now outlining absolute reduction caps. Your measures are exactly the same as those taken by Mr. Dion when he was Environment Minister. All you are doing is copying the Liberal Party's program. Do you acknowledge that?

Hon. John Baird: Not at all. You talk of recycling, but with our ecoTrust Canada program, this is the first time that a province will be receiving funding from the government of Canada for provincial initiatives aimed at reducing greenhouse gas emissions. Provincial premiers made announcements on two occasions, and one of them stated that he had never received a cent for this type of initiative. We are ready, with your support, Mr. Bigras, to spend this money as soon as possible, in other words before the end of the current fiscal year.

I have taken into consideration the needs of the government of Quebec and those that were outlined in the House of Commons. The government of Canada will be working with the provinces and I am absolutely convinced that this is the right way to do things. Furthermore, we have allocated more money to Quebec than it had asked for.

Mr. Bernard Bigras: You are well aware, Mr. Minister, that money alone will not be enough for us to reach our Kyoto targets. The Liberals have shown us that misdirected spending can lead to a 27% increase in emissions. It is also a matter of the approach taken. Will the intensity-based targets that you are setting not favour, first and foremost, the oil companies?

Furthermore, you will be jeopardizing an emissions credit trading system if you do not set hard targets. The Europeans have already stated that a large number of agreements between emissions credit trading systems were required. With these intensity-based targets, are you not favouring the large polluters while at the same time jeopardizing the carbon credit trading system in Canada, which is fundamental if we want to reach our Kyoto targets?

Hon. John Baird: I have already answered your question in stating that my personal goal is to bring about real greenhouse gas emission reductions in Canada. This is important. It is not simply a matter of money.

In the beginning, when our Government was elected, we made a commitment to the provinces. We have responded to the funding requests made by the province of Quebec and the Premier of Ontario. That is just one part. We are presently working on the drafting of the regulations and the development of programs and initiatives, many of which have already been made public. But there are still many more to come.

•(1155)

[English]

The Chair: Thank you, Mr. Bigras.

I would remind members that it's fairly lonesome up here when you don't come through the chair, and rather than getting into a one-on-one with the minister, could you come through the chair just to make us feel part of these hearings?

Mr. Cullen is next.

Mr. Nathan Cullen: Through the chair to you, Minister, welcome. Thank you for being here.

I have a question around effectiveness and accountability. How much money in these estimates was spent on fighting the growth of greenhouse gas emissions in Canada?

Hon. John Baird: This year the Government of Canada will spend about \$3.336 billion on climate change and clean air.

Mr. Nathan Cullen: Do you mean this year coming or the previous year?

Hon. John Baird: It's this year.

Mr. Nathan Cullen: What has been the total reduction in greenhouse gas emissions in Canada due to that spending?

Hon. John Baird: The year hasn't ended, and it normally takes a year or two after that for that information to be compiled. That's the system everywhere in the world, and it's no different here in Canada.

Mr. Nathan Cullen: Do you have any estimations as to how much your department was hoping to cut in greenhouse gas emissions for Canada? Did you set yourselves a goal in total tonnes of carbon dioxide?

Hon. John Baird: We'll be coming forward with our regulatory initiative; it will speak to that question.

Mr. Nathan Cullen: Just to be clear, though, your government has been in office for more than 13 months. When you initiated these programs, did Environment Canada or the Conservative Party in office set a goal for the number of tonnes you hope to reduce?

Hon. John Baird: Which program do you mean?

Mr. Nathan Cullen: I am referring to the combined programs.

Hon. John Baird: Well, if you want to speak to the Minister of Natural Resources with respect to the programs that fall under his responsibility, or the Minister of Transport—As I said, we'll be coming forward with the industrial strategy, and it will speak to reductions.

Mr. Nathan Cullen: Your government did not set a goal in terms of total emissions to be reduced in this past year since taking office.

Hon. John Baird: We'll be coming forward with our initiative, which will speak to targets.

Mr. Nathan Cullen: Setting a goal after the fact is a strange way to go about things. But in not having—

Hon. John Baird: Well, I think we operate from the assumption that it's common sense that if we get more people out of the cars and onto public transit and if that's assisted with financial dollars from the federal government to help make the expansion of public transit, that is good news. If we can encourage transit users themselves to do that, that can be seen as good news. We listened to the Green Budget Coalition on vehicle scrappage programs, on vehicle rebates for energy-efficient vehicles, so—

Mr. Nathan Cullen: Thank you very much, Minister.

Mr. Chair, I can recall not so fondly that when Mr. Dion was in your place and I asked for effectiveness of dollars spent per tonne, the government of the day was never able to produce that result. Canadians were never made aware of how much it was costing or how effective one dollar was versus another.

Your government issued a transit pass as one of your main initiatives in the previous year. The estimations were that it was costing \$2,000 per tonne. I don't even know if the government is capturing the estimates on how many riders actually picked up on that program.

In terms of industrial regulations, in terms of limiting the amount that the largest polluters in this country are allowed to emit, does your government believe in a hard cap on the biggest polluters in this country?

Hon. John Baird: We'll be coming forward with our industrial regulation in short order. I can tell you that it's my goal to see a reduction in greenhouse gases.

Mr. Nathan Cullen: Do you mean an absolute reduction?

Hon. John Baird: Yes.

Mr. Nathan Cullen: You mean an absolute reduction.

Hon. John Baird: Yes.

Mr. Nathan Cullen: By when?

Hon. John Baird: We'll come forward with that.

Mr. Nathan Cullen: No, no, I don't need to know the date of when you're going to come forward, but when is your government estimating an absolute reduction in total pollution?

Hon. John Baird: We'll be coming forward with our plan on industrial regulation and we'll announce it at that time.

Mr. Nathan Cullen: From what I'm understanding in your testimony today, you will be moving away from intensity targets to a hard absolute cap.

Hon. John Baird: No, what I'm saying is that my goal is to see an absolute reduction in greenhouse gases.

Mr. Nathan Cullen: A number of witnesses who have come before the clean air committee from the industrial sector have been able to reduce their emissions to far below 1990 levels. Do you believe it's fair that the industrial sector, the large polluters in this country, commit as a group to going 6% below their emissions in 1990 levels by the 2008 to 2012 period?

Hon. John Baird: If only life were so simple. When you do meet with industry, it's remarkable that virtually everyone around the table acknowledges that they have reduced theirs by 50%, by 25%, by 10%, yet greenhouse gases have continued to go up.

• (1200)

Mr. Nathan Cullen: You know why, though.

Hon. John Baird: Everyone likes to blame it on the oil sands. But I look at the facts, and they suggest that only 2% or 3% of the emissions in this country are from the oil sands.

What I can say is that I think we need a comprehensive industrial strategy to reduce greenhouse gas emissions, to push people to do better, to show constant improvement. I think that's important.

At the same time, I think there is a role...you have come forward, and I appreciate your counsel and advice with respect to credit for early action. I agree that has to be a part. I'm not prepared to say today how big, but I accept your notion that there should be some credit for past action.

Mr. Nathan Cullen: One of your party's greatest criticisms of the Kyoto process undertaken by the previous government was that there was not a proper assessment of the economic consequences of decisions made. We heard this even from a senior Liberal just recently in the newspapers, who said that there wasn't really a sound assessment of some of the decisions made by government.

When you recently introduced—I know you won't call it this, but it's essentially what it is—a carbon tax on cars with larger engines, the bigger polluting cars, did you have a list of which cars would be penalized by your new initiative?

Hon. John Baird: I can get you the efficiency standards that will be used to establish which cars.

Mr. Nathan Cullen: But can consumers go online or ask you or ask any of us—

Hon. John Baird: On the budget website and the budget hotline, there is a good deal of information available on that, but I can get you the science and the standards we used.

Mr. Nathan Cullen: Have we looked at the economic impacts on the Canadian auto sector in terms of the cars that will be penalized? Has anyone in your department or in the government done an assessment of the impact of penalizing such and such a line of vehicles, some of which are made in Canada?

Hon. John Baird: I do know that if you look at the fleets that are manufactured in Canada, there are some gas guzzlers built in this country. I don't hesitate to acknowledge for a moment that there is an economic cost to reducing greenhouse gases in many areas. What we want to ensure is that it's balanced and fair.

Mr. Nathan Cullen: So in fairness and balance, why did you go after the minivan, for heaven's sake? There are a few minivans made in Canada that are on your hot list, the list of cars that are going to be taxed.

Hon. John Baird: We'll give you the fuel efficiency standards that we used.

Mr. Nathan Cullen: Will those fuel efficiency standards be applied to some minivans that Canadians are currently purchasing in that—

Hon. John Baird: You have to draw a line somewhere, and I appreciate that's always a difficult line. We'll get to the standards, and I'd welcome your input.

Mr. Nathan Cullen: I just want clarity so Canadians can understand. Are there minivans that Canadians buy, that Canadians manufacture, that will be penalized under your system?

Hon. John Baird: I'll get the numbers for you.

Mr. Nathan Cullen: So you don't know, or you know but—

Hon. John Baird: I have a minivan that's in the 85, that uses ethanol, cellulosic ethanol.

Mr. Nathan Cullen: Yes, I'm sure you do, and congratulations for the purchase. The question is around—

Hon. John Baird: Actually, Mr. Alcock purchased it.

Mr. Nathan Cullen: Oh, Mr. Alcock purchased it. Well, we'll thank him when we see him.

I'm not one to be superstitious, but there were 13 years of Liberal government, and emissions went through the roof. There have been 13 months of your government, and I'm growing in my wariness of these numbers. What were the total cuts? I know you're going to talk about repackaging and all the rest that your government did when it came into office with climate change programs in this country.

Hon. John Baird: Well, I can tell you that this year, the 2006-07 year, we'll spend more than \$3 billion, which is substantially higher than has ever been spent on climate change programs. There were often differences between what was announced and what was actually expended. And those numbers were obviously reflected in estimates, supplementary estimates (A) and (B), and will be reflected in the public accounts and the budget documents, and you'll be able to see for yourself.

Mr. Nathan Cullen: So going by some of these estimates—I'm only talking about cuts now—\$9 million for climate change initiatives, \$39 million for the opportunities fund, \$35 million cut for the ethanol expansion program, \$10 million for the green energy support, close to \$10 million for EnerGuide, and the cancelling of the climate change policy directorate, were those seen as initiatives that Canadians should celebrate?

Hon. John Baird: No. The only one you mentioned there that falls within my own department had no financial savings. There was some reorganization done by the public service that did not yield any budget savings. I'm happy to ask my deputy to speak to it, if you'd like.

Mr. Nathan Cullen: No. Canada's commitments under the Kyoto Protocol require that we, on a specific calendar, produce a report to the United Nations and to the world body of what we have done to a certain point and what our projections are in the future to reduce our impact on the planet. Have we produced that report for the United Nations under your watch?

Hon. John Baird: Yes.

Mr. Nathan Cullen: Has that report been made public?

Hon. John Baird: It's been tabled with the United Nations. I don't know if it's been posted on the Internet, but we're—I'm the first Minister of the Environment who can say that Canada is fully compliant in our filings with the United Nations.

Mr. Nathan Cullen: Congratulations. How late were we in filing that report?

Hon. John Baird: Mr. Dion was to table one on January 1, 2006, in the middle of the election, and he didn't. There was one that was supposed to be tabled on January 1, 2007, and it was a few months late, but they're both tabled now.

• (1205)

Mr. Nathan Cullen: In developing your so-called ecoTrust program, did you consult with the organization that's actually named Ecotrust before you did it?

Hon. John Baird: I think there was a bit of confusion. We weren't aware of it. I'll be meeting later this week or next week with Ecotrust Canada. They, I think, personify the kind of initiative that was demonstrated in our funding of the Great Bear Rainforest. They work with business, with the aboriginal community, and with hosting the environment—

Mr. Nathan Cullen: I know the group well. They were quite surprised to find out that the government launched a major environmental program with a name exactly like their name, without...and this is a major group. They have been around 14 years or more in British Columbia. The government didn't have its act together enough to check out the name, do a little Google search maybe, before you launched your major initiative.

Hon. John Baird: I had a very constructive and productive discussion with the board chair and I'll be meeting with her shortly.

Mr. Nathan Cullen: You're aware of Google.

The Chair: Mr. Cullen, your time is up.

Hon. John Baird: I apologize. Both our reports are on our website. I appreciate congratulations on my being the first minister in many years to be fully compliant with Kyoto. The report will be tabled.

The Chair: Thank you, Mr. Minister.

Mr. Warawa.

Mr. Mark Warawa: Thank you, Chair.

I want to thank the minister for being here. I found it interesting that for the first 22 minutes there was a lot of bluster, and time was unfortunately wasted on making sure that the only topic, according to the Liberals, was questions on the supplementary estimates, yet there were no questions on that, which is quite ironic.

So here we are, and we thank you for being here, Minister. I was extremely pleased when the budget was introduced on Monday, March 19.

When the Commissioner of the Environment came to speak to the committee we heard that the previous Liberal government had announced \$6 billion for the environment but provided funding of only \$1.3 billion. So there was a phony announcement of \$4.7 billion.

You've provided \$4.5 billion in this budget relating to the environment. How does this budget improve on the Liberal plan?

Hon. John Baird: A lot was talked about, but very little rubber actually hit the road. I think the exciting thing about this year's budget is that it gives us substantial resources, particularly to engage with the provinces. One of the challenges with Kyoto has been the lack of engagement with the provinces. The provinces have a co-shared responsibility on the environment. They by and large have responsibility for electricity, which is one of the biggest fossil fuel generators—one of the biggest emitters of both greenhouse gases and air pollutants.

I think this ecoTrust of \$1.5 billion is a signal that we want to work cooperatively with the provinces. I know that both David Anderson, the former Liberal minister, and Christine Stewart, the former Liberal environment minister, have said that the former Minister of Intergovernmental Affairs was always very cautious and didn't want to push Kyoto because he didn't want to disrupt relations with the provinces. That was, of course, Stéphane Dion.

Rather than not move forward on Kyoto because we didn't want to rock the boat with the provinces, we have a pretty active, exciting engagement with the provinces that reflects the differences in all their jurisdictions. In Quebec they're doing some work with geothermal. In British Columbia they're doing some work with the hydrogen highway, which is very exciting. In Ontario, they're looking at a national electricity grid, working with the Province of Manitoba. In Alberta they're looking at carbon capture and storage, amongst a number of things. So I think you can see some innovation provincially that will be exciting and will be constructive in the effort to reduce greenhouse gases.

Mr. Mark Warawa: Minister, how much did the Liberals spend in 2005 on the environment? The figure I have is only \$500 million. Are you familiar with that figure?

• (1210)

Hon. John Baird: It was very modest.

Ms. Basia Ruta (Assistant Deputy Minister and Chief Financial Officer, Department of the Environment): For 2005-06 we had \$512 million for climate change programs. So that was for one year.

Mr. Mark Warawa: Thank you.

To reconfirm, the Kyoto target that the Liberal government signed Canada to was 6% below 1990 levels, and it's now approximately 35% above that target. Is that correct?

Hon. John Baird: That's correct.

Mr. Mark Warawa: So what concrete action is the government taking to reduce greenhouse gas emissions? You've already announced many programs, but what are your favourite programs that you'd like to share?

Hon. John Baird: I think the biggest initiative will be the industrial regulations. We've put out the notice of intent, which in broad terms lays out where we intend to go. We'll be following through with specific industrial targets for the short term, and I think they will be very aggressive.

I'm not aware of any country that's going as far as we are, at least in the sphere we're looking at. I think as well, though, that the engagement with the provinces is absolutely key. I think it's a constructive and open federalism, which I think is good, and I think it acknowledges that what Quebec needs is different from what Ontario needs. What Nova Scotia needs will be different from what British Columbia needs. It allows some flexibility.

Mr. Mark Warawa: Minister, you've been able to accomplish in 13 months far more than the previous government did in 13 years.

My question is about how we get that balance in reducing greenhouse gas emissions and pollution levels. The Clean Air Act deals with both greenhouse gas emissions and pollution levels, both indoor and outdoor. How important is technology? What is the balance? To reduce greenhouse gas emissions for a cleaner environment, some have suggested that we slow down the economy. My understanding is that you're not supportive of that.

How important is technology to—?

Hon. John Baird: I think it was acknowledged that one big consensus that came out of the G8+5 meetings was that technology

offers the very best hope for lowering carbon emissions around the world, of lowering greenhouse gas emissions around the world. And there was a second consensus with respect to the science, obviously.

I think where Canada can provide some real leadership is on carbon capture and storage. What's going on in Weyburn, Saskatchewan, with NRCan is exciting. The carbon capture and storage task force we've established will very much be focused on how to deploy. And I indicated to other countries, particularly the Americans and the Chinese, that we're very keen to work with them on what we can do to share that technology. We have to deal substantively with intellectual property rights, but I think it would be a great role for Canada to play in carbon capture and storage deployment.

Here in Ontario, my home province, we have four coal-fired generating stations. In China now there are 134 being constructed. I believe it's important for the industrialized world to show some leadership in reducing greenhouse gases. But if we can help, on the technology side, an economy like China's, which needs 7%, 8%, 9% growth just to feed its population growth and people entering the workforce—With those 134 coal-fired generating stations that are being constructed, technology will be absolutely key.

I think Canada can play a constructive role, with others, on issues like technology and carbon capture and storage. And that's certainly an area where I have indicated our willingness to work not just with China but with the global community.

Mr. Mark Warawa: Thank you, Minister.

I'd like you to comment a little bit more on the fuel-efficient vehicle initiatives. I think it's very important. We've heard from witnesses that about 50% of the greenhouse gas emissions are coming from consumer use, and now there's an incentive so people can drive more fuel-efficient vehicles. The lower the fuel consumption, of course, the lower the amount of greenhouse gas emissions that are coming out.

So I love the idea. I drive a hybrid. I wish we had had a Conservative government when I bought mine.

Anyway, can you just elaborate a little bit more on the initiative?

• (1215)

Hon. John Baird: The initiatives we came forward with in the budget, the rebate for a hybrid or for an E85 ethanol car or van, certainly were not the first. This idea was from the Green Budget Coalition, a number of environmental groups that came forward to the government with the idea, and we said yes.

They're doing it in Manitoba. Gary Doer's NDP government is doing it in Manitoba. I think it's done in British Columbia as well, by the Liberal government there. And my only view is that, again rowing together, we can really get some steam behind our actions if we can pile on. So hopefully in Manitoba they'll have twice the incentive because the federal and provincial governments are working together.

Mr. Mark Warawa: There's another \$36 million for old vehicles under the scrap-it program.

Hon. John Baird: Yes, I think the scrap-it program was again an idea brought forward by the Green Budget Coalition and the Clean Air Foundation. It actually provides quick and immediate gratification for reducing greenhouse gases.

When we met with the auto industry and the union, in some of the meetings, the Canadian Auto Workers' president, Buzz Hargrove, told me it takes 37 new cars built today to equal the emissions of one car from 25 years ago. We can have a program that will assist in getting those old cars off the road, and that will encourage and provide an incentive for that type of behaviour.

Some in the industry are already doing it through the car heaven program, and GM has signed on. The Clean Air Foundation has some great ideas, which they're already doing now, on what we can do to partner with them so that we don't have to reinvent the wheel and we can go farther and faster.

Of course, the great benefit is that you get twin benefits for greenhouse gases and air pollutants, which represents the integrated approach that we like.

The Chair: Thank you, Mr. Warawa.

Mr. Godfrey, for five minutes, in the second round.

Hon. John Godfrey (Don Valley West, Lib.): Thank you.

Welcome, Minister.

We're here this morning to talk about the environmental record of the Conservative government for the first year. We're using the mechanism of supplementary estimates to do so.

Mr. Warawa has suggested this has been a splendid record of 13 months, but I can't help making this observation before I ask my first question. Every time you suggest that you've only had 70 days to do something, it rather suggests that your predecessor didn't do much in all of the preceding days before the last 70.

Let me go to my question about the Canada Emissions Reductions Incentives Agency.

In your opening comments, you criticized the previous Liberal government for not making money available and not spending it. Last year this agency had available to it \$25 million for the purchase of domestic credits generated in Canada by an offset system and \$25 million for international credits generated in other countries that are parties to the Kyoto Protocol. In the spirit of vigorous spending and vigorous activity over the last 13 months, for each of the \$25 million, how much money has been spent?

Ms. Basia Ruta: Mr. Chair, with regard to that particular agency, if that was the question, the decision of the government was to not spend any money. Essentially the whole organization was being

wound down. We discussed this at the standing committee in October of last year.

The reason they're presented in the estimates is to provide a crosswalk, if you like, of what would have been spent had there been permission to go forward, but there was no permission.

Hon. John Godfrey: To summarize then, \$50 million was set aside to reduce greenhouse gas emissions or to purchase credits, and no money was spent.

This brings me, Minister, to your general view on purchasing international emissions. In an interview you gave this week at the G8, I understand that you now seem to be changing your mind. Let me quite directly ask directly this question. Will Canada now participate in an international emissions trading system?

Hon. John Baird: No.

• (1220)

Hon. John Godfrey: It will not.

What were you trying to say?

Hon. John Baird: I think there are three different ideas, two are emissions based and one is non-emissions based.

One, I think the Russian hot air credits, which I've spoken extensively about, are not good enough for Canada.

Two, I have concerns about international trading. By taking taxpayers dollars, in the end we'd deal with the one challenge of greenhouse gas reductions and not the twin challenges of reducing smog and pollution, which I have concerns about. As well, Canada would be left behind in the green economy if all of our money went offshore. I prefer the same airshed.

I suppose the third area that could be related, but not quite as much, is the clean development mechanism that some people have asked me to consider. I've agreed to look at it, and I have looked at it. Only a very small number of megatonnes around the world are available in the ODA 2012 figure, and it really doesn't offer much for Canada.

Hon. John Godfrey: You're not ruling that out.

Hon. John Baird: I wouldn't rule it out. Mr. Layton spoke to me about this and asked me to consider it a number of months ago, and I said I would, but I haven't reached a conclusion on it.

The CDM would represent more of a foreign aid approach, where there would be a noble public policy. If a different agricultural process in an African country could yield a reduction of greenhouse gases but also provide better agricultural output, that would have its own—it wouldn't be ODA-able, and it wouldn't come through CIDA, obviously.

Hon. John Godfrey: I just want to be clear, because you always seem to return to these hot air credits. Yet the Commissioner of the Environment reports that in the 2005 plan the federal government acknowledged this and specified that it would recognize only green credits, requiring that all proceeds from the sale of surplus credits be reinvested in emission reduction activities. In other words, the previous government ruled out specifically the purchase of Russian hot air credits.

Why is it that you keep going on about something that was never planned in the first place?

Hon. John Baird: Well, Canada signed the Kyoto Protocol. You voted for it, sir, and it specifically contemplated that. Canada's signature—

Hon. John Godfrey: We explicitly said we would not do so, and you keep repeating it.

Hon. John Baird: Your signature was explicitly on the document that said you wanted to do it. If you didn't agree with it, why did you sign it?

The Chair: Thank you, Mr. Godfrey.

We'll go on to Mr. Harvey, please.

[*Translation*]

Mr. Luc Harvey (Louis-Hébert, CPC): I find it unfortunate that we lost 22 minutes at the beginning of the meeting in an attempt to limit debate on this issue, and here we are, discussing all kinds of issues other than that which was to be our topic. That being said, I will mainly endeavour to ask questions and to listen to the answers given.

I was surprised to learn that the final amount spent by the previous Liberal government was 512 million dollars in the best year. Did I get it right?

Ms. Basia Ruta: More specifically, in 2005-2006, the expenditures relating to climate change initiatives amounted to approximately 512 million dollars.

Mr. Luc Harvey: Was that the best or the worst year?

Ms. Basia Ruta: We did not do an analysis for all of the previous years, but we did do one for the last three years. In 2005-2006, the amount was of 512 million dollars and it involved approximately four programs aimed at emissions, reductions for climate change, incentives for wind energy and partnerships. All of that is included in the estimates.

Mr. Luc Harvey: I was also surprised to hear the minister remark upon the fact that certain provincial premiers are saying that this is the first time that they have seen a single dollar. Is that the case? Is this the first time that they are seeing money come from the federal government for the environment?

Hon. John Baird: I made an announcement in Winnipeg alongside the Premier of Manitoba, who is not really a Conservative. A reporter asked him if all that was being announced simply amounted to the recycling of old programs, etc. His response was that he had never received a single dollar from previous governments. Those were his comments.

I also made an announcement the other day in the company of another premier, and he said the same thing, in other words that he

was very happy because he had never received anything whatsoever from the federal government.

This served to underscore this Government's commitment to ensuring that there will be a much more open federalism in areas of shared jurisdiction between the federal government and the provinces. This is working in Manitoba, in Quebec, everywhere. This is working very well in my province. In fact, premier McGuinty was very pleased to be getting all of this money.

• (1225)

Mr. Luc Harvey: What is the amount that is really being invested in the environment?

[*English*]

Hon. John Baird: I'll preface the comments and I'll ask the ADM to respond.

The Environment, capital *E*, is a department; the environment, small *e*, is an important responsibility that is shared across the board, particularly with the Department of Health, the Department of Transport, Parks Canada, the Canadian Environmental Assessment Agency. It's also with Infrastructure, when we look at public transit. It's also with Natural Resources, which plays a huge role—obviously energy and the environment have a huge correlation. I can go on. It's incredible. Fisheries and Oceans obviously has a very strong environmental mandate, as does Agriculture.

[*Translation*]

Mr. Luc Harvey: I do not believe you understood my question.

What investments have been made in the improvement of Canada's environmental situation? What announcements have been made? What is the true amount of money that is on the table for the environment?

Ms. Basia Ruta: The Main Estimates announce initiatives relating to climate change. The total amount is of some 850 million dollars. As the minister mentioned, for Environment Canada, the Main Estimates provide for about 67.3 million dollars for these initiatives for the 2007-2008 fiscal year.

Mr. Luc Harvey: Very well. In which budget would one find the ecoEnergy initiative?

L'hon. John Baird: It is contained in the budget for the Department of Natural Resources.

Ms. Basia Ruta: Indeed.

Mr. Luc Harvey: Very well.

Hon. John Baird: This is why the Prime Minister made the decision he did, and I was pleased to see that the official opposition had adopted a similar system, in other words a committee of the Council of Ministers dealing with both the environment file and that of energy security, and including all of the ministers who are major players in the environment dossier. It is good that they be able to all work together.

[*English*]

The Chair: Thank you, Mr. Harvey.

Mr. Lussier.

[Translation]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Thank you, Mr. Chairman.

Mr. Minister, I will begin with some good news. The Canadian Press has just informed us that you will be announcing targets for big polluters. Were you aware of this? What is your reaction to this news? It is Mr. Harper who announced this to us a few minutes ago.

[English]

Hon. John Baird: We have been working very hard on the target plan. As I said, it will be coming in short order.

[Translation]

Mr. Marcel Lussier: I have a second question, Mr. Chairman.

Hon. John Baird: My job is to draft policy. I do not deal with the communications aspect.

Mr. Marcel Lussier: I recognize, Mr. Minister, that wind energy falls under the Department of Natural Resources. You have made cuts to the wind energy budget. Does the 2007-2008 budget contain funds for wind energy? Have you increased this program after having abolished it?

[English]

Hon. John Baird: Improved.

[Translation]

Mr. Marcel Lussier: By how many million?

Hon. John Baird: This is a program of my colleague, the minister for Natural Resources, and he would be very pleased to provide you with the precise numbers. I could also ask him the question on your behalf.

Mr. Marcel Lussier: And what is the situation with regard to the power line connections between the provinces? Does this also come under the Department of Natural Resources?

Hon. John Baird: No, that falls under my jurisdiction.

Mr. Marcel Lussier: Are there draft agreements between the provinces?

Hon. John Baird: Draft agreements?

Mr. Marcel Lussier: Agreement proposals aimed at connecting the electrical power grids funded by the federal government.

Hon. John Baird: We are working with the provinces. There are four or five agreements that have not yet been signed or four or five provinces with which we have not yet come to an agreement. We do not want to tell the provinces what to do. I will take Quebec as an example because it was the first province about which an announcement was made. The government of Quebec does not have to report to us; it is the federal government that must report to Quebecers.

Before the launching of the initiative, the government of Quebec had a plan that outlined certain priorities. The minister from Quebec came to see me and relayed to me his government's plan. I was very pleased to see what his initiatives and intentions were. He told us that he wanted a greater commitment to the provinces on our part and funding from us. The provinces will then be accountable to their voters and not to the federal government.

I hope that you will be pleased with this federalist overture.

● (1230)

Mr. Marcel Lussier: In the 2007-2008 budget, have funds been allocated for the connection of the provinces' electrical grids? Is it an amount of 100 million dollars or of \$200,000?

Hon. John Baird: I will answer in English, because it will be easier.

[English]

We front-end loaded our commitment to the provinces, so it's all front-end loaded. That money will go into the ecoTrust, with your help, in the coming week or week and a half. The national grid has been identified as a priority for Ontario and Manitoba. I'm not sure where Quebec stands on that. I know they had an initiative to expand the grid between Ontario, but that preceded the ecoTrust initiative.

[Translation]

Mr. Marcel Lussier: It is therefore included in the billion and a half dollars of the ecoTrust.

Hon. John Baird: Those are the priorities of the governments of Manitoba and Ontario.

Mr. Marcel Lussier: Very well.

Hon. John Baird: They used the money for that, yes.

Mr. Marcel Lussier: Very well.

Let us come back to the matter of vehicles. You mentioned your \$2,000 program. Could we have a special bill so as to make this \$2,000 rebate to purchasers of hybrid cars retroactive, so as to include people such as Mr. Warawa?

Hon. John Baird: No.

Mr. Marcel Lussier: It is impossible?

Hon. John Baird: Unfortunately, the answer is no. I spoke with the mayor of Brandon, Manitoba. He purchased his car three days before the provincial announcement and he will not be getting any money either.

Mr. Marcel Lussier: It would have been better to wait.

Hon. John Baird: It would have been better to wait.

Mr. Marcel Lussier: It would have been better to wait!

[English]

The Chair: Mr. Allen.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

Thank you, Mr. Minister, for coming here today.

I want to follow a bit of the line of questioning on the provincial side, in the relationship with the provinces. Looking at the supplementary estimates for 2006-07, I see that we don't have a lot of integration and work with the provinces in that time, but I'm sure there has been a lot of work done in 2006-07.

So my first question is on the amount of effort leading up to this year's budget in working with the provinces. As a second part of that, I know that for provinces I sure like to see money get to the level where people are better equipped and more nimble to deal with the problem, so I think these transfers to the provinces are certainly effective.

So based on the recent announcements that we've made on transit, on lessons learned between 2006-07, the budget for this year, and certainly the announcements we've made for Ontario and the ecoTrust, could you comment with respect to the provinces' reaction to this change for the ecoTrust this year? How are the premiers reacting to this announcement?

Hon. John Baird: I think it's a welcome engagement with the provinces. I hope we can extend it further to talk about what we can do. Energy, particularly electricity, is by and large a provincial responsibility. So now that we've put some money on the table to show that we operate differently, I hope there can be greater engagement with the provinces on a variety of initiatives, not just on climate change but also on other issues.

There also has to be a real acknowledgement that the provinces are all at very different places. New Brunswick's energy mix, in terms of their fleet, is very different from Nova Scotia's. Quebec's is very different from Saskatchewan's. So we have to keep that in mind. I've had very constructive meetings with a good number of my provincial colleagues, not all of them in the first 70 days, but I'm looking forward to, for example, meeting the new minister in your province.

• (1235)

Mr. Mike Allen: Thank you, Mr. Minister.

In the interest of some of the discussion that we've had before about making sure this money flows and is not just announced, can you give me a timetable for when we anticipate that we'll be completing the rest of these provincial announcements and we have all our ducks in order, so that the money will be spent?

Hon. John Baird: We're working very hard on that. We successfully concluded discussions with New Brunswick recently. It was announced, I believe, last week by our colleague the Minister of Veterans Affairs. I would hope in the coming days there are just a few left.

Mr. Mike Allen: I have a final question, Mr. Minister.

With respect to some of the lessons learned from the Commissioner of the Environment's report that we saw in 2006-07, when we saw, between 1998 and 2004, a lot of money announced, nothing done, and we saw the emissions go up, one of the things that she talked about was coordination of the departments. Would you share, based on this past year, recognizing that you've only been the minister for 70 days, what kinds of things you are doing to make sure that you and the Minister of Natural Resources and what not are all on the same page and that we're going in the same area, including the Minister of Agriculture, who has a lot of responsibility for the fuels file?

Hon. John Baird: I think the creation of the cabinet committee on the environment and energy security does allow a forum where you can have a group of ministers with a significant overlap, where their responsibilities have shared interests, to collaborate together is

productive. The Minister of Industry is obviously at that table, because we're doing industrial regulations. That's a big issue. The Minister of Transport, Infrastructure and Communities obviously has a significant role to play.

So I think that's a principal policy- or decision-making vehicle. The horizontal management and the accountability framework are important as well.

The Chair: Mr. Cullen.

Mr. Nathan Cullen: Thank you, Chair.

The press are reporting that your boss today announced that in two weeks we will have targets announced in this country. The question I have is about the process that the NDP created around Bill C-30, the so-called Clean Air Act. All parties in this Parliament agreed to a process to move forward and to put our best ideas on the table, the ones we can most support, and then put that back to Canadians and at long last perhaps make Canadians proud of the work MPs are doing on the environment for a change.

Does the announcement by your government that you're coming forward with targets not supercede some of the good work some of us here entered into in good faith as members of Parliament, to set targets and timelines for Canada, which is what the Clean Air Act is being rewritten to do?

Hon. John Baird: I would appreciate and acknowledge that the New Democratic Party, your leader, and you as critic have certainly, with the idea of having a special legislative committee that this would go to before second reading, introduced a constructive initiative. I appreciate the ideas and suggestions that have come forward, whether, as I mentioned earlier, on early action or in Mr. Layton's talking about CDMs. We're following through with the commitment we made when we released the notice of intent to regulate concurrently with the Clean Air Act and the policy. It certainly does put more meat on the bone to supercede. I hope it complements.

Mr. Nathan Cullen: It can almost be guaranteed that the targets the NDP have proposed to change your government's bill will be more strenuous than the ones your government will be proposing in a couple of weeks. Will you accept the work of the committee in setting targets and timelines for this country to get back on track with our Kyoto obligations?

Hon. John Baird: I'll certainly accord full and due respect to the committee's wise counsel. I'd like to see their conclusions before I sign on. This would be—

Mr. Nathan Cullen: My goodness, this is going to be a bill of Parliament. This will be passed hopefully with a majority of the votes on that committee, and then eventually by Parliament. I don't know why that would be due to your consideration; that's just the law. Shouldn't you accept the law, if you were to respect Parliament and the work of Parliament?

Hon. John Baird: It's not a law until it's passed, but the bill hasn't even been voted on in the House of Commons, I would say.

I could ask you, if the Conservatives, Bloc Québécois, and Liberals pass a bill that the NDP don't like, would you agree to support it?

Mr. Nathan Cullen: Thankfully we're in a process right now where I get to ask you questions. It's a great fortune of mine.

On the question of a national retrofit program, particularly for low-income Canadians, there are a number of people living on the lower end of the economic scale who simply can't afford to make such changes to their homes and, as a consequence, disproportionately pay more for energy as energy prices rise. Will you reintroduce a program that will allow Canadians who don't have the means to fund this themselves to gain access to these types of changes?

• (1240)

Hon. John Baird: There is an initiative at Natural Resources with respect to energy efficiency. I think that engagement is probably best sought from my colleague the Minister of Natural Resources.

I can say that we came forward with the budget the other day, and we'll be coming forward in short order with industrial targets. There's the issue of climate change, efforts to reduce greenhouse gases, efforts to reduce air-pollutant smog and pollution. There will never be the final plan tabled. There will be the need for constant, continuing action to hear good ideas, see best practices, and come forward with additional initiatives—not just today but tomorrow, next week, next month, next year, 10 years, 30 years from now. The next generation and the next generation's generation will continue to work on this.

I've heard those ideas, and there certainly are benefits to them.

Mr. Nathan Cullen: Will you support our call for a just transition fund for workers who are affected by some of the policies brought forward by the opposition or by your own government when their places of employment are affected by government policies?

Hon. John Baird: It's certainly an issue the NDP has come forward with. I don't want to see a big subsidy to one particular sector. Obviously when we come forward with industrial regulation, there is an impact. We need to take a balanced approach. I know the New Democrats have come forward with this, and I'm always interested in hearing what the New Democrats have to say.

Mr. Nathan Cullen: Your government committed \$200 million for perhaps the most devastating effects of climate change we've seen so far last year, the mountain pine beetle in western Canada. Of that \$200 million, approximately \$11 million in total was spent for an airport improvement.

How am I meant to go back to my communities in northwestern British Columbia and say that your government is doing what it takes to make the transitions necessary for their economies, when they are on the front edge of what is being described as the biggest ecological and perhaps economic devastation that rural northern British Columbia has ever seen?

Hon. John Baird: Outside of the Arctic, it's certainly probably the best example of the huge effects of climate change. My colleague

the Minister of Natural Resources will probably be best able to talk to the specifics of the forestry industry and the pine beetle.

The Chair: Mr. Vellacott.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Thank you for being here, Mr. Minister. I appreciate it.

It was a big celebration day for farmers, for rural people out in my province of Saskatchewan, particularly the homegrown biofuels producers. It was a great boost for us, and a real milestone day.

I'd like your comment particularly on the comparison, I guess, of these renewable fuels initiatives. How does this compare with the previous government and the Liberal record?

What I like is that for my province of Saskatchewan and the moneys that may in fact be available as people come forward, Iogen may be one of those in terms of that \$500 million fund for renewables. Some \$1.5 billion over seven years was major good news for the province of Saskatchewan and for rural communities all across the country, of course. As we commercialize for the next generation, I do commend you for that.

I would appreciate a quick comment with respect to the whole Canadian biofuels strategy. If you have any, please provide estimates in terms of numbers of jobs as well. Growing bushels of grain may not be your area of expertise, so I'll maybe go to the Minister of Agriculture on that, but do you have any sense of that? To me, it's huge in terms of my backyard, Saskatchewan.

I would appreciate your comment in respect of how that compares with the previous government, particularly on the Liberal record with respect to biofuels initiatives.

Hon. John Baird: There is obviously great capacity for rural economic development in biofuels. It's a very exciting initiative from Iogen Corporation, a company that's located in the great riding of Ottawa South. Iogen is really a world leader in cellulosic ethanol production. They have a great demonstration plant in Ottawa, and they want to build one just south of Prince Albert, Saskatchewan.

One of the things that I think are important is the new technology and how we can make it benefit Canada and the Canadian economy, particularly in the agricultural sector. There are great opportunities there. The cellulosic ethanol is really cutting-edge, and I'm very excited about it. I've toured the Iogen facility three or four times over the years, since I was a newly elected member of the provincial parliament. There is a real potential there for Canada to play a lead role.

You literally have countries like the United States and Germany fighting to attract Iogen, and we're going to work hard to make that part of the initiative if we can. We cited Iogen as a great example in the budget, and it's one I'm very excited about.

The real benefit there is that it doesn't just take the corn, it deals with the whole stock. But whether it's whole-stock corn or whether it's canola, there is a variety of options there, and we're excited about them.

My colleague the Minister of Agriculture has the lead on the file, but obviously the Minister of Natural Resources and I are actively engaged on it and are pushing it hard. I believe in ethanol, particularly cellulosic ethanol. It's very exciting. I'd like to make a big investment in the riding of Ottawa South.

• (1245)

The Chair: Are you finished, Mr. Vellacott?

Mr. Maurice Vellacott: Yes.

Hon. John Baird: You didn't hear all the great things I was saying about Ottawa South and Iogen.

The Chair: Mr. Regan.

Hon. Geoff Regan: Mr. Chairman, if you'll allow me, thank you. It's nice to have the minister here today.

Mr. Chairman, through you to the minister, on December 21 you received a letter from the CEO of the Toronto Stock Exchange, Mr. Richard Nesbitt. It was a ten-page memo, in fact, in which he pleaded with you to keep Canada in the international emissions trading system for several reasons: first, because it will lower the cost of compliance for Canadian companies, Canadian emitters; second, because it will lower global greenhouse gas emissions; third, because it will help Canada to participate immediately in the global carbon trading system, in the market; and fourth, because Canada's market alone is too small.

So you've been forewarned on this issue by Mr. Nesbitt, CEO of the Toronto Stock Exchange, and every expert on climate change or on emissions trading that this committee or the Bill C-30 committee has heard from has told us it would be foolish, in fact, for Canada to withdraw and not take part in the global carbon market.

Just hours ago, the Prime Minister ruled out completely Canada's participation in international emissions trading systems. You just said you're considering participating in the clean development mechanism under Kyoto. How can you participate in something the Prime Minister has ruled out?

Hon. John Baird: First of all, you say I received a letter on December 21. On December 21, I was the President of the Treasury Board and I was sleeping in a tent in the desert in Afghanistan, so I don't recall receiving such a letter.

I do know the Toronto Stock Exchange would very much like us to be involved in the international trading system, but what's good for Bay Street isn't always good for Main Street. We don't take all of our orders from Bay Street.

Hon. Geoff Regan: But if you say you're going to take part in the clean development mechanism under Kyoto, how do you do that when the Prime Minister has just ruled it out?

Hon. John Baird: Earlier in the committee meeting, I think I said I see the hot air credits in Russia—or in Ukraine, I suppose—the international trading system, and CDMs as three different things. We've made no decision with respect to clean development mechanisms. Only a very modest amount is available to the entire world.

Hon. Geoff Regan: What will the cost be to Canadian companies if Canada is not trading, if they're not able to trade internationally? You know about Mr. Nesbitt—

Hon. John Baird: We'll come forward with our industrial regulation package.

I have spoken with some people in other countries on this issue who say that with this market, it will go to the cheapest available option to reduce greenhouse gas emissions, wherever that option may be in the world. It's not all about that. It's about reducing greenhouse gases. It's also about cleaner air and reducing smog and pollution.

It's also about the integrity of those markets. Are they actually reducing greenhouse gas emissions? Some of the suggestions for those markets are shaky.

Hon. Geoff Regan: But do you understand that the cost of compliance will go up for Canadian companies because you're refusing to take part in international markets?

Hon. John Baird: I acknowledge that it would be a lot easier to send tens of billions of dollars abroad.

Hon. Geoff Regan: You obviously don't understand the system.

Mr. Chairman, if I may, it's going back to what we used to hear from this minister and others in his government. They said climate change wasn't really a problem, that the problem is smog. We all acknowledge that smog is a problem, but we're hearing more and more that the number one environmental challenge we face is in fact climate change. We know the air moves around the world. It doesn't stop at international borders, the borders of any particular country. We know it requires an international effort to combat it.

People understand all of that, so why would you pretend otherwise?

• (1250)

Hon. John Baird: Let me respond.

I believe climate change is the biggest ecological challenge facing the earth for my generation and generations to come. I want to see Canada play a major role domestically and abroad to reduce greenhouse gas emissions.

What I do know is that if we spend tens of billions of dollars of taxpayers' money on the other side of the earth, while it would reduce greenhouse gases if there was integrity to the exchange system, it would do zero or close to zero to reduce smog emissions and pollution—whether it's NOx, SOx, particulate matter, or VOCs—here in Canada, because we share the same airshed just with our neighbouring—

Hon. Geoff Regan: Is the president of Shell wrong, then?

Hon. John Baird: I disagree with the president of Shell. We know the Liberals love to get in bed with big oil. You gave them that big tax break for the oil sands.

The Chair: Mr. Harvey.

[Translation]

Mr. Luc Harvey: Mr. Minister, a little earlier, the answer that I was given was that the announcements amount to approximately 800 million dollars, but if I take into account the ecoTrust, the investments with regard to methane, and all of the rest, I come to an amount of more than 3.3 billion dollars. Are my numbers correct?

[English]

Hon. John Baird: There's the existing budget. In the budget, there is obviously support for the Canada ecoTrust at, I think, just over \$1.5 billion.

There is also the funding for the Nature Conservancy of Canada partnership that we announced north of Toronto, on preserving about half a billion acres of ecologically sensitive land in southern Canada.

There are also initiatives with respect to the Great Bear Rainforest, where we're working with the Province of British Columbia. There is \$60 million of privately raised money, much of it from outside this country, to protect a significant ecologically sensitive land. I believe it's in the constituency of our colleague Mr. Cullen.

So there are all kinds of initiatives, and they're making a real difference.

[Translation]

Mr. Luc Harvey: With regard to recycling, what is the difference between the initiatives under the ecoEnergy program and the previous program?

[English]

Hon. John Baird: There wasn't one, period. Don't believe me; ask Gary Doer. Ask Quebec. Did Stéphane Dion ever give any money to Quebec? Nada.

[Translation]

Mr. Luc Harvey: I am not talking about the ecoTrust program, but rather about the ecoEnergy initiatives.

[English]

Hon. John Baird: We do know that of the \$6 billion highlighted by the environment commissioner, of the \$6 billion-odd budgeted, only about \$1.35 billion was ever spent, and that obviously is a concern to Canadians.

[Translation]

Mr. Luc Harvey: With regard to the funds allocated for families and businesses for energy efficiency improvements to their home or

facilities, what is the difference compared with the previous program?

[English]

Hon. John Baird: I think a significantly lower percentage will be spent on administration and more good work will actually be done on a dollar basis. My colleague the Minister of Natural Resources could give you more information on that.

[Translation]

Mr. Luc Harvey: Indeed, that does not come under your department.

And what is the situation with regard to the announcements of investments in the development of new technologies?

[English]

Hon. John Baird: We're very much a science department at Environment Canada. My colleague Gary Lunn, the Minister of Natural Resources, did announce in early January significant investments in research and development and in science and technology.

Obviously there's also Sustainable Development Technology Canada, which has a significant amount of public resources in it as well. There are a variety of departments. Transport Canada does a bit also.

• (1255)

The Chair: You have one minute left, Mr. Harvey.

[Translation]

Hon. John Baird: I could give you another example. We recently announced the establishment of a task force on carbon capture in Alberta. This will be very beneficial not only to Alberta, but perhaps also to Saskatchewan. It could also be worthwhile in the case of Ontario; it all depends on the geography of the province. This involves not only research and development, but also looking at how this technology might be marketed. There are also matters of regulation, accountability and funding mechanisms. We are presently studying all of these aspects.

[English]

The Chair: Thank you, Mr. Harvey.

Go ahead, Mr. Bigras.

[Translation]

Mr. Bernard Bigras: I would like to re-establish certain facts. There are limits to anything, Mr. Chairman. I remember the EnerGuide Program that used to be in place and that there was an agreement with the Agence de l'efficacité énergétique du Québec. Proof that Quebec benefited from this is provided by the fact that organizations such as Équiterre, that you are probably familiar with, were responsible for its implementation throughout Quebec. That is another issue.

The Montreal Exchange came to see us to ask that rules and hard caps for an emissions trading system be announced as quickly as possible. Europe has clearly told us that this market could be worth close to 70 billion dollars, which is why Europe was able to move closer to its Kyoto targets despite an impact on its gross domestic product of less than 1%.

Mr. Minister, we are at a loss as to what to do to convince you that this strong instrument provided to us under the framework of the Kyoto Protocol, which is the joint enforcement mechanism, could help Canada improve its greenhouse gas emission reduction record and perhaps even at some point in time reach its Kyoto targets.

Do you acknowledge that such exchanges have been set up elsewhere and have allowed others to reach their Kyoto targets while at the same time reducing the impact on the economy of their communities? A less than 1% impact on the European economy! Is that not proof that there is a way of setting up such a system while respecting the Kyoto Protocol and minimizing the costs for our economy?

[*English*]

Hon. John Baird: Many European countries have rather modest actual GHG emission targets today...than certainly Canada does. As I said, I believe greenhouse gas reductions are best done so that we get the twin benefits of clean air, reducing air pollutants, which I think is a priority for Canadians, as well as addressing climate change. Plus we get the benefit of the green economy.

I think what Canadians want to see is a real effort to reduce greenhouse gas emissions, not an exclusive effort to simply send taxpayers' money abroad.

I can appreciate that there's an honest difference of opinion—

Mr. Bernard Bigras: No, it's not what—

Hon. John Baird: —but in our notice of intent to regulate, we spoke to one of the compliance mechanisms. It could be a domestic system. I've spoken publicly on that. If we could do it with the same airshed, there'd be a great benefit in that. We see many states in the northeast of the United States wanting to go to a system.

So I think there's great potential there.

[*Translation*]

Mr. Bernard Bigras: Mr. Chairman, I would not want the minister to mislead the people. The opposition has never stated that it wanted the government to buy hot air.

On our side, we have never said that we should be sending the money provided by taxation and the taxes paid by our citizens to other countries. However, could you implement regulations based upon absolute reductions and establish a system that would allow Canadian businesses to take advantage of foreign markets? By establishing intensity targets, not only are you granting a considerable advantage to the large oil companies, but you are also compromising an important mechanism that would allow Canadian businesses to take advantage of foreign markets while at the same time helping Canada move in the direction of its Kyoto targets.

We are not asking you to buy hot air. We are not asking you to use taxpayers' money. We are simply asking you to put in place a system that would allow companies to benefit from this.

● (1300)

Hon. John Baird: Mr. Bigras, you voted in favour of the Kyoto Protocol. You are persevering. You are defending the same viewpoint. These are mechanisms, that is true!

[*English*]

In the Kyoto Protocol, which you supported, which you signed on to, intellectually, these mechanisms were part of it. So I don't think it's unfair to say that at all.

I've acknowledged at this committee, I think very clearly, that personally I would like to see real reductions in greenhouse gas emissions. I've also said...and you say the opposition "parties"—in plural—in your response. Mr. Dion had a plan where he was guaranteeing the price of carbon at \$15, and taxpayers would subsidize it if it were above \$15. That was exactly in Stéphane Dion's plan. Stéphane Dion had a plan that the polluter did not pay, the taxpayers paid for the big polluters. And I disagree with that.

[*Translation*]

Mr. Bernard Bigras: Mr. Minister, are you telling us that if a country is unable to reach its Kyoto targets — and you know it —, these reductions will be able to be put off to the second reduction period? Are you telling us that because it supported the Kyoto Protocol, the opposition wants to see the government carry forward its reduction targets?

Let us be serious. You have golden mechanisms and powerful instruments at your disposal in order to respect the Kyoto Protocol, and you are killing and butchering the Protocol through inadequate decisions made by your government.

Would you at least recognize that not only do you not believe in the Kyoto objectives, but that you do not place any trust in the instruments provided for under the Protocol?

[*English*]

The Chair: Mr. Minister, very quickly.

Hon. John Baird: I don't believe in the hot air credits contained in the Kyoto Protocol. No sir, I do not.

The Chair: Thank you, Mr. Bigras.

I would like to thank the minister and his people for appearing.

I would remind members that if you want any amendments for the private members' bills, we need those. We have to get that completed and reported back before the end of this term.

I apologize to you, Mr. Rota, for not getting you on—I think you were the only one—but possibly it was because of what happened at the start of this.

Anyway, thank you very much.

We are adjourned.

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

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

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