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—
Chair

Mr. Bob Mills

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• (1105)

[English]

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

Members of the committee, my intention, just so everyone understands, is that we have two areas: the main estimates and “Turning the Corner”. Rather than my trying to referee keeping in the two areas, my hope would be that we simply have the minister make his presentation and then we literally open it up to questions—rather than trying to keep the two issues separate. I know members would have great difficulty doing that. I hope that fits with the minister's schedule.

We will begin with the minister's statement. I want to welcome you and your staff. We look forward to hearing your presentation, and then we'll go to questions.

Hon. John Baird (Minister of the Environment): Thank you very much, Mr. Chair.

Good morning and *bonjour*.

I'm very pleased to be here today, and I'm pleased to join you as always. I look forward to good collaboration with the committee.

[Translation]

Since I last appeared before this committee last March to speak to you about the department's achievements and main estimates for 2007-08, much has happened.

At my last appearance, I spoke about our spending commitments and I explained how the funds would be shared between Environment Canada, the Canadian Environmental Assessment Agency and the National Round Table on the Environment and the Economy.

I also mentioned at the time that the Government of Canada was about to unveil the most comprehensive environmental plan ever produced by a Canadian government to tackle climate change.

• (1110)

[English]

Climate change is an important issue and of great influence to all of us here in Canada. Indeed, as I've said before, it's one of the greatest threats, certainly the greatest ecological threat, facing our world today. Canada, perhaps more than any other country, has been impacted greatly already by the effects of climate change. You just have to look at some of the effects we see right across our great country. In British Columbia, the devastating impact of the pine beetle has created serious environmental problems and has severely

damaged our great forests. In the north, melting permafrost threatens important infrastructure causing roads to buckle and schools to slide off their foundations. In urban areas, more and more we are fighting smog days affecting the health of some of our most vulnerable citizens—Canadian children, the elderly, and those with respiratory problems. It also costs our economy greatly in the number of sick days and in lost productivity.

These examples help demonstrate that climate change is the challenge of our time, and it is why this government is making it its goal to take real, positive action against harmful greenhouse gases and air pollution. We're not only taking action at home but with our global partners as well. We will work in concert with the developed and developing countries around the world, as in the G-8 plus five.

Today I'd like to spend a few moments explaining some of the details of our plan announced last month. “Turning the Corner: An Action Plan to Reduce Greenhouse Gases and Air Pollution”, is about responsibility. It's about showing the world that when it comes to environmental protection, Canada can do more than just talk a good game. For the first time ever, Canada's national government is requiring the industrial community to reduce greenhouse gases and air pollution by implementing mandatory targets by which industry must abide. That's an unprecedented step in Canada, but I believe a necessary one.

For more than a decade in Canada, emissions have risen significantly. Greenhouse gases are now almost 33% above our Kyoto target. That's alarmingly high, although figures show that we are at least beginning to make small strides in the right direction. Data in our annual national greenhouse gas inventory for 2005, which last week we submitted to the United Nations Framework Convention on Climate Change, showed a marginal increase in Canada's emissions from 2003 to 2004 and no increase between 2004 and 2005. I'm sure the previous government was all about trying to prove it had green credentials, but the reality is the slowdown in emissions was the result of action taken by the provinces to reduce coal-fired generation and increase nuclear and hydroelectricity generation.

[Translation]

It is the intention of Canada's new government to continue in this direction with its ambitious action plan and to continue to collaborate with the provinces and the territories to reduce greenhouse gases and emissions into the atmosphere.

In fact, the most recent budget includes an extra \$5 billion for provincial clean air and climate change initiatives.

We are giving Canada a new direction and we are focussing on concrete progress. Our measures are balanced but rigorous and will translate into absolute reductions of greenhouse gas emissions in Canada and immediate health benefits for our citizens. Our plan will not only lead to significant progress in our fight against climate change and air pollution, but it will also put Canada on track to become a clean energy superpower.

[English]

Our industrial targets, combined with our new clean energy and clean transportation initiatives, as well as new infrastructure investments, such as carbon capture and storage, will bring down Canada's greenhouse gas emissions by 150 megatonnes from current levels by 2020. That's an absolute 20% reduction.

We chose 2006 as the base year because we want to measure real reduction from where we are today. Using 2006 as the starting point helps to provide accountability to Canadians, and it gives us a tangible baseline against which to measure our progress.

Although a 20% reduction is a realistic objective, it won't be easy to get there. Industry will obviously bear a heavy burden. That's only fair, as it accounts for half of Canada's greenhouse gas emissions and air pollution.

But we wouldn't set our targets without also setting up mechanisms to help industry comply. So they will have various options at their disposal. As I mentioned last month, in order to comply with our regulations, firms will be able to, most importantly, make in-house reductions, take advantage of domestic trading and offsets, use the Kyoto Protocol's clean development mechanism, and invest in a technology fund.

In the longer term, we will look at future linkages with emissions trading systems in the United States, particularly in California and the northeastern states, and quite possibly in Mexico too. But before we proceed down that path, we'll be making sure that an emissions trading system is first and foremost in the best interests of our country and its people.

From an air pollution perspective, we intend to set overall mixed emission caps for air pollutants that cause smog and acid rain, with the goal of cutting industrial air pollution by as much as 50% as early as 2012 and no later than 2015.

We are going to fight emissions that are produced by cars, trucks, and airplanes, which account for one quarter of our country's emissions.

We will reduce air emissions from consumer and commercial products by strengthening energy efficient standards and by taking action on products such as paints, coatings, cleaners, and personal care products that contain volatile organic matter that causes smog.

We will also set performance standards for all lighting that would phase out the use of inefficient incandescent light bulbs by 2012.

Our government will also make new regulations to limit the volatile organic compound contents of commercial and consumer products.

Strong environmental regulations to reduce greenhouse gases and air pollutants will inevitably come at a cost, a cost all Canadians will

help to bear. However, these costs, I believe, are manageable and can be offset by the health and environmental benefits that our plan will create in the medium term.

Our plan will generate significant new business opportunities, whether through the development and implementation of carbon capture and storage technologies, renewable energy, or the significant gains to be added in the areas of agriculture and landfill gas offset projects. Indeed, it will send market signals to encourage all businesses to become more energy efficient, improving the environment as a whole, as well as improving individual corporate bottom lines.

In addition, the plan provides businesses with the long-term certainty and time needed to adjust and align environmental investments with their capital turnover cycles.

Since I unveiled the "Turning the Corner" action plan, Canada's new government has faced some criticism. Our detractors say that the government doesn't understand the urgency of addressing climate change. I believe, Mr. Chair, that is nonsense.

Climate change is a serious threat to Canadians and to the Canadian way of life. That's why this government is the first to regulate mandatory reductions of greenhouse gas emissions. For the first time in Canada's history, greenhouse gas emissions will stop going up and will actually begin to go down.

We're embarking on an ambitious agenda to tackle climate change and to clean the air we breathe. Greenhouse gases and air pollution share many common sources. By coordinating regulations to reduce them both, Canadians will have a cleaner country both now and well into the future.

Some have suggested otherwise, but the fact is we're bringing forward tough regulations on all industries across the board. Canada's new government believes the polluter should pay, so we've set targets for all major industrial sectors regardless of their mandate and regardless of where they're located. Oil and gas, forest products, refining, smelting, mining—you name it, it's covered.

Our emission targets will be backed by the full force of the law, and now we are replacing voluntary agreements with mandatory reductions in key sectors. Remember when former Minister of the Environment, Stéphane Dion, said "We know that agreements can work when they are voluntary"? Mr. Chair, we need to move beyond voluntary agreements and reach mandatory reductions.

•(1115)

Failure by companies to meet our requirements will be an offence. The Canadian Environmental Protection Act has teeth to ensure compliance. If Canadian companies don't follow our plan, they'll do so at their own peril. Critics may say otherwise, but the fact is we're following the strategic environmental assessment process mandated.

First of all, in announcing our plan, we have provided an initial analysis of the economic, environmental, and health impacts of the proposed regulations. We will continue to refine that analysis as we work to consult on the framework and develop specific sectoral regulations.

Secondly, I believe critics are confused about the requirement for strategic environmental assessments for federal policy development and a cost-benefit analysis for federal regulations. I encourage members to read the related cabinet directives, but in the meantime I'm happy to clarify.

In assessing the environmental impacts of policy proposals, the cabinet directive on strategic environmental assessment requires that government decisions be informed by an understanding of the scope and nature of the likely environmental effects, the need for mitigation, and the likely importance of any adverse environmental effects. Our "Turning the Corner" plan is in full compliance with that directive.

We have gone further than that by publicly reporting the results of our assessment of the environmental impacts of our plan by releasing a detailed review of the associated economic costs and of the health impacts with our "Turning the Corner" materials.

We did not see such analysis with the Project Green plan. Further, this initiative has been developed in full compliance with a new cabinet directive on streamlining regulation. We are now in the process of finalizing the specific approach to implement our plan, including validating the air pollutant targets with industry.

Once we receive input from stakeholders and the regulations start being drafted, a full cost-benefit analysis, of course, will be undertaken as required under the federal government's regulatory process. The results of this analysis will be incorporated within the regulatory impact analysis statement that accompanies all federal regulation.

Before I go any further, let's look again at the 2005 Project Green and compare it to our plan. While we retain the emissions intensity approach to greenhouse gas targets that had been included in the Stéphane Dion plan, our targets are much more stringent. Just do the math. Project Green asks for a flat 12% reduction in emissions intensity from existing facilities. Our plan starts with an 18% reduction, increasing to 26% by 2015 and 33% by 2020.

As did Project Green, we exempted fixed process emissions from our emission reduction target. This is because these emissions are determined by the industrial process, which is often linked to the chemical relations, and there is no way of reducing them other than through cutbacks to production. Also, we considered it important to recognize those companies that had taken action beyond "business as usual" practices to reduce their emissions. We have therefore set aside 15 megatonnes for early action. Some will argue that 15

megatonnes is not enough. In response, I would make two points. First, it's 15 megatonnes more than what was included in Project Green. Second, I believe it represents a reasonable balance between recognizing good past action and ensuring we get the emissions reductions we need going forward.

Some of the financial commitments made in recent years also make a compelling case in favour of the government's environmental record. Between 1997 and 2003, the government announced \$3.7 billion in financial commitments to address climate change, while Budget 2005 set aside an additional \$2.46 billion. Of the initial \$3.7 billion, federal departments dispersed only \$1.35 billion from 1997 to 2003.

The current government has invested more than \$3.3 billion on clean air and climate change initiatives this fiscal year. I want to emphasize to the committee that with the pending budget and main estimates approvals, Canada's new government will spend more money addressing the concerns of Canadians about air pollution and greenhouse gases in 2007-08 than the last government did in any of their previous budgets.

Budget 2007 also demonstrated our commitment to the environment with an investment of \$4.5 billion to clean our air and water, to manage the legacy of chemical substances, to reduce greenhouse gas emissions, and to protect our natural environment. Combined with over \$4.7 billion in investments made since 2006, the resulting investments in the environment total over \$9 billion. Of that \$9 billion, \$7 billion will be spent on climate change alone, while the remaining money will go toward other important components of our plan, including clean water, our chemical and toxics strategy, and others.

Already, we have provided \$1.5 billion to the provinces and territories to support concrete energy efficiency technology and other projects they've identified to achieve real reductions in air pollutants and in greenhouse gases. Some provinces have already taken action. For example, just before we left government in Ontario, we moved to close the Lakeview Generating Station, one of the highest polluting sources in Canada. Why? Because Lakeview was outdated and it was the right thing to do.

•(1120)

We also supported bringing more nuclear power back online in a refurbishment of reactors like Bruce and Pickering. These plants had generated approximately 18,000 gigawatts of power back online to the Ontario power grid in 2006 alone. That's a marked improvement over the disappointing reign of our predecessors. Unfortunately, there is still work to be done, for example, with coal-fired plants. The five other remaining coal-fired plants in Ontario emitted approximately 29 megatonnes of greenhouse gases in 2005. That's up from 26.5 megatonnes in 2004.

Although we inherited a less than ideal situation when we were elected, I can't take responsibility for Liberal government inaction. All I can do is tell you that we're going forward. Canada's new government is assuming its responsibilities to the Kyoto Protocol, to the international community, and most importantly to Canadians.

Let me repeat once again, and hopefully once and for all, that our government still supports the protocol. Our issue is not with the treaty. Frankly, we don't even take issue with the targets. It's simply a question of timing. The previous government led us so far off the path that we can't possibly get online in time to meet our initial 2008-2012 obligation—that's it, that's all. Our issue isn't with Kyoto; our issue is with the fact that we cannot unfortunately turn back the hands of time, Mr. Chair.

To meet its Kyoto target through the 2008-2012 period, Canada would need to reduce its greenhouse gas emissions by an annual average of 33% beginning next year and for each of the following four years. There is no precedent for the pace of technological and economic changes that would be required for Canada to reduce emissions this quickly. Pursuing a balanced approach that recognizes the urgent need to act on the environment while also respecting a responsibility to keep Canadian families working is the most appropriate response to achieve real and meaningful greenhouse gas reductions.

If you read our plan, you will discover, as did the executive secretary of the United Nations Framework Convention on Climate Change, Mr. Yvo de Boer, that it's a balanced approach to meeting our climate change obligations.

In talking about our plan, Mr. de Boer said last week that

he now understands that Prime Minister Stephen Harper government wasn't rejecting the value of the Kyoto accord, but rather observed its objectives cannot be met within the target deadline. The current government's answer to that has been to put in place an ambitious policy package, which it expects to take it as far as it feasibly can.

That doesn't sound like much of an indictment of our plan. In fact, if the executive secretary of the United Nations Framework Convention on Climate Change can accept our rationale, then surely Parliament can too.

The fact is our regulatory framework will give Canada one of the world's toughest sets of regulated targets for greenhouse gases and air pollutants. We are the only country in the world to regulate greenhouse gases and air pollutants together to such an extent. No one else is doing as much as we are. No other jurisdiction has simultaneously introduced such a major regulatory initiative on greenhouse gases and air pollutants combined.

Our regulatory targets are as good or better than anyone's anywhere. Why? Because our air pollutant targets have been benchmarked against the best performers in the world. For each industrial sector we looked around the world to find the toughest regulatory standards in place and we applied those standards to Canadian industry, adjusting where appropriate to reflect work that has already been carried out in this country.

By definition, when we roll out these targets, up to give a national emissions cap, ours will be among the toughest in the world. This will be the first time in Canada that the federal government has taken

this type of leadership role with its plan to address both greenhouse gases and air pollution.

As I said earlier on in my remarks, we had committed to reduce greenhouse gas emissions by 150 megatonnes by 2020 and we will impose mandatory targets on industry so that air pollution emissions from industry are cut by half by 2015. Much has been made of the fact that our greenhouse gas targets require emissions intensity reduction rather than absolute caps. The World Resources Institute said it best when it stated last November that "for environmental performance, what matters overall is that targets are set at reasonably stringent levels and subsequently are met". I'm going to repeat this:

for environmental performance, what matters overall is that targets are set at reasonably stringent levels and subsequently are met. This may be achieved with absolute or intensity targets.

The bottom line is that an absolute cap has no impact if it is set too high. An emissions intensity target can lead to absolute reductions if it's demanding enough. Believe me, our emissions intensity targets are incredibly demanding, and they will be tougher each and every year. As I said earlier, our target starts at 18% by 2010 and then rises to 26% by 2015, reaching one-third by 2020.

● (1125)

These are aggressive yet achievable targets. In fact, our plan proves to the world that Canada is committed to the fight against climate change, and the leadership we've shown in setting some of the toughest targets on the planet also gives us credibility in dialogue with our other partners.

Mr. Chair, I hope my explanation of turning the corner has shed some light on how Canada's new government is working to address the climate change challenge that our country currently faces. As I said earlier, climate change is the big challenge of our time, and as Canadians we are blessed with a country filled with natural beauty and splendour, from the Pacific to the Atlantic, to the Arctic, and all points in between. As Canadians, I believe we have a special responsibility to protect and preserve our natural environment and to help the world fight climate change. We owe it to all of us and our future generations to make it happen.

I understand the committee may have some questions, and I would be pleased to discuss them.

Maybe I could ask each of my colleagues to introduce themselves and give their responsibilities within the department.

The Chair: Certainly. Would you like to begin?

Ms. Basia Ruta (Assistant Deputy Minister and Chief Financial Officer, Department of the Environment): I'm Basia Ruta. I'm the assistant deputy minister of finance and corporate and the chief financial officer at Environment Canada.

● (1130)

Mrs. Cécile Cléroux (Assistant Deputy Minister, Environment Stewardship Branch, Department of the Environment): I'm Cécile Cléroux. I'm the assistant deputy minister responsible for environmental stewardship at Environment Canada.

Mr. Ian Shugart (Associate Deputy Minister, Department of the Environment): I'm Ian Shugart, the associate deputy minister.

The Chair: Thank you very much.

We'll begin our first round for ten minutes. I'd ask you to keep the answers as brief as you can so we get the maximum number of our members.

We will begin with Mr. McGuinty.

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

Good morning, Minister. Thank you for being here this morning.

Minister, you're here today to address Parliament's questions about Environment Canada spending and your so-called "Turning the Corner" plan.

The parliamentary secretary has kindly assured us that you will take questions on all related matters, so thank you for that.

Minister, as you know, numbers released by your own department earlier this week confirm that this country turned the corner under the leadership of Stéphane Dion, not only stabilizing industrial greenhouse gas emissions but reducing overall emissions year over year from 2004 to 2005. Liberal leadership put this country back on track to have a national carbon budget in 2006. You will have received a copy of this document, which, as you know, was subsequently migrated into Bill C-30. The legislative committee has worked hundreds of hours, if not in fact thousands of hours, which your government has conveniently suppressed and censored. The bill has yet to see daylight.

Obviously, your government chose not to take on the responsibility of capping our carbon emissions. The subject of climate change, Minister, has never been more important, and Canadians have very high expectations. To be frank, Minister, your government's performance on this file has been, objectively, terribly disappointing. Internationally, last year our climate change negotiators were instructed to block the second round of Kyoto, acting as saboteurs within the process that we were chairing, as president, internationally.

Likewise, yesterday in the House the Prime Minister refused to take a proactive stand on Germany's strong post-Kyoto plan. Domestically, Parliament was handed a clean air act, as I said a moment ago, in need of serious repairs. When you were brought in, the all-party Bill C-30 committee made those repairs, but this plan has died, as I said, in the hands of your government.

Funding was cut, left, right, and centre, on climate change initiatives, from home retrofitting to wind power.

Let's get started, if I could, Minister, and I would really appreciate it if we could all follow the chair's advice on short questions and short answers.

My first question to you speaks directly to the main estimates, Minister. Can you tell us how much federal money will flow this fiscal year for climate change programming? That is for 2007-08.

Hon. John Baird: I feel compelled to respond to the first comments you made.

You have to look at the facts. In the 2005 numbers that were released to the United Nations last week, there were two principal reasons why emissions did not rise to any big extent. One is an abnormally warm winter that year. I'm excited to learn that Stéphane Dion was responsible for that and it led to less heating oil being used across the country. It also happened because more nuclear power was online in Ontario. You will recall, Mr. McGuinty, that Mike Harris privatized two nuclear reactors, and 1,500 megawatts were brought online in the last month of the previous Ontario government, an additional 500 megawatts at Pickering B, reactor number 4. That's 2,000 additional megawatts, plus, in addition, two natural gas-fired plants that were ordered constructed by the previous Ontario Conservative government—

Mr. David McGuinty: Minister, you'll forgive me if I don't want to look back, because if we want to talk about your participation and the record in Ontario and Mike Harris, we can talk about that.

Here's what I'd like to get from you, if you'd work with us, please, for Canadians who are watching. Can you tell us how much federal money will flow this fiscal year for climate change programming in 2007-08?

Hon. John Baird: You said you didn't want to go back, but you made some comments that are not factually correct, and I do feel the need to address those.

Mr. David McGuinty: I appreciate the need, Minister. You spoke for 30 minutes. Could you please answer the question for Canadians who are watching?

Hon. John Baird: I want to finish my point—

Mr. David McGuinty: How much is the budget for 2007-08 for this fiscal year?

Hon. John Baird: I will answer that question, but I did want to complete my thought—

The Chair: Mr. McGuinty, I do believe you took over two minutes in your statement, and I believe the minister is responding to your statement. If you didn't want him to respond, you possibly shouldn't have made that initial statement and should have just asked the question.

We're getting to the question. Let's proceed rather than wasting our time.

Minister, could you just...?

•(1135)

Hon. John Baird: We had about 3,000 megawatts of nuclear and high-efficiency natural gas, and that allowed the province, obviously, with nuclear power as its base load—So that clearly identifies that unless Hon. Stéphane Dion was responsible for the weather or was covertly working behind the scenes with Mike Harris in privatizing nuclear reactors, the fact is he had nothing to do with it. If anyone had something to do with it, it was me.

I'm happy to share with you the clean air and climate change investments we're making in my department. In 2007-08 we're continuing through an interim strategy of \$88 million of spending through clean energy. In our clean air regulatory agenda we're spending \$68 million. Through eco-energy measures in support of the clean air agenda, we're spending \$145 million. On clean transportation, the transit pass tax credit, we're spending \$220 million. On the eco-transportation measures in support of the clean air agenda from prior to Budget 2007, we're spending \$20 million. We're investing in cleaner energy from Budget 2007 through the extension of the expansion of the accelerated capital cost allowance rate for renewable generation equipment of \$10 million. Through promoting cleaner transportation in Budget 2007 incentives for purchasing more fuel-efficient vehicles, we're spending \$80 million. Through the scrapping of older vehicles, we're spending \$13 million. And through funding for science, Sustainable Development Technology Canada, for the next generation of renewable fuels, \$200 million, for a total—

Mr. David McGuinty: Mr. Chair, Minister, could you work with the committee members? Could you give me a number, please, for 2007-08—the total number?

Hon. John Baird: I was just coming to that when you interrupted me, sir.

Government-wide it would be—

Mr. David McGuinty: What's the number for 2007?

Hon. John Baird: I was just coming to that, as I said, sir. The number total would be \$844 million.

Mr. David McGuinty: Thank you.

Can you tell us how much money flowed last year, 2006-07, for climate change programming, a global number, please, just one single number?

Hon. John Baird: It was \$3.336 billion. You will recall that the eco-trust announcements we made with the provinces accounted for \$1.519 billion, which was paid out on the last day of March, and then additional one-time expenditures.

Mr. David McGuinty: Thank you, Minister.

A minute ago you used the number \$9 billion. I think you've been using the number \$9.1 billion, and you've characterized this as new environmental spending from your government. Can you provide for the committee, say, by Thursday of this week, a detailed written breakdown of this so-called new environmental spending?

Hon. John Baird: I'll be happy to get everything we can for you.

Mr. David McGuinty: Could we see the \$9.1 billion broken down?

Hon. John Baird: I'll be happy to get as much as we can for you.

The Chair: Thank you. You can give it to the clerk and then we'll circulate it to members.

You're looking at two and a half minutes.

Mr. David McGuinty: Minister, two weeks ago officials from your department, Natural Resources, Health Canada, and Finance Canada gave evidence that key components of your plan had not yet been developed or analyzed—in fact, quite a bit of it.

They admitted that no one can accurately predict emissions levels under your plan because the plan's rules aren't set yet. For example, we have no details on domestic offset systems, no details on the clean fuel standard for new facilities, no details on how much greenhouse gases will be exempt in your 36-month new market entrant exemption. These are all expected to play major roles in your so-called 20% cut by 2020.

Just yesterday the Pembina Institute released a report that listed 18 other major loopholes in the plan. They say you're short on the science. They say you're short compared to leading countries' commitments. They say you're short on our legal obligations under Kyoto.

Can you tell us when, for example, you plan to announce the details for the domestic offset system and the clean fuel standard? Just give us an idea of when, so Canadians can expect it.

Hon. John Baird: I'd like to explain that. I think we came forward with the architecture of a regulatory regime when we announced our "Turning the Corner" document. We talked about the short term, the medium term, the long term, and various compliance options. What the provinces asked us, what industry asked us, what environmental groups asked us, and what health groups asked us was to work with them in putting the meat on the bone.

I'll speak directly about the domestic offset system. We would like to develop a domestic offset system in collaboration with all the groups I've mentioned, with municipalities. It will be a hard system. We will be coming forward with further details, as we committed to do.

I guess you are either blamed for not having all of the details from day one or you're criticized for not having enough consultation. I think the consultation with the provinces is absolutely imperative. All of the provinces have asked to actively participate in those consultations. I think a domestic offset system can have great advantages, whether it's capping the methane at municipal dumps or working cooperatively with real, hard, and tangible offsets. We'll be working on that in the days and months to come.

I do know the Pembina Institute is a very well-respected group with a lot of very smart people. I also know that they helped write the Liberal plan. They're naturally going to defer to the plan they helped author.

• (1140)

Mr. David McGuinty: Minister, could you disclose whether any independent third party has fully assessed your plan?

The Chair: Mr. McGuinty, your time is up. You'll have to do it in the second round.

We'll go to Mr. Bigras, please.

[Translation]

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

Welcome, minister, and thank you for coming to testify before the committee on the main estimates and the Climate Change Action Plan that you presented.

Over the past few weeks and months, we have heard criticism on the part of scientists, environmentalists and members of Parliament, and yesterday we heard more from the provincial environment ministers who said they were disappointed with their meeting with you. To say the least, things may be looking up for the Ottawa Senators but they are certainly not looking up right now for the Canadian Minister of the Environment.

In a few days an important G8 summit will be held in Germany. The positions of the participating countries are quite clear. On one hand, the United States does not wish to have clear greenhouse gas reduction targets nor does it want a timeline; on the other hand, Germany and Europe want firm commitments for 2020. Then there is Canada in between the two, which just continues to waffle.

My question is simple. What will your position be at the summit in Germany next week? Do you support binding greenhouse gas reduction targets? If so, are you on Europe's side or George Bush's side?

[English]

Hon. John Baird: If ever there was an example, Mr. Bigras, of someone who hadn't read our regulatory framework for emissions, it's in the question you just asked. It's very clear in here that we support short-term, medium-term, and long-term absolute reduction targets. It's right in our plan that we would like to see a 60% to 70% reduction in greenhouse gases by 2050. It's right there. I'd encourage you to read the plan, because it's very clear.

We also support a 20% reduction—an absolute 20% reduction—by 2020. We'll be cooperatively working with all members of the G-8 on that. We also would like to work with the “plus five” members, including China and India, to get them on board. I think it would be a tremendous failure for the G-8 and for the planet if we weren't able to develop long-term measures that include the United States, China, and India. We'll continue to work as a bridge—

[Translation]

Mr. Bernard Bigras: Of course there are long-term measures. I heard your speech. You want a commitment for 2050. That is clear and we have known that for a long time. What you are less clear on

are targets for 2020 and a clear timeframe. You have been silent on that.

We read your plan. I'll prove it to you minister. On page 15 you tell us that you now believe in clean development mechanisms. We, on this side of the committee, also believe in it.

How can you explain, then, that United Nations documents show once again, as your predecessor had indicated to this committee, that on May 4, 2007, you still had not paid the sum of \$1.5 million required for using the clean development mechanism. How can you claim to believe in a mechanism and include it in your plan when you refuse to pay the money required to make it work?

[English]

Hon. John Baird: I've certainly indicated very clearly to Yvo de Boer, the executive secretary of the United Nations framework group, that we have budgeted and are paying fully our contributions toward that. I think it's important. It's something that had fallen behind. As I said previously before the committee, we're committed to paying both our voluntary and our assessed contributions to the UN framework. I don't think there's any concern. I don't know whether the cheque has cleared or whether it's arrived. It's something we strongly support. We think it is important, obviously, from the fact that we have come forward with a clean development mechanism and have said we want to participate in it.

• (1145)

[Translation]

You asked me about our policy for 2020. Our regulatory framework for air emissions states clearly that we want to achieve absolute greenhouse gas reduction of 20% by 2020 in Canada.

Mr. Bernard Bigras: Minister, how can you mislead the public by solemnly stating before this committee and before the cameras that there will be a 20%-reduction in greenhouse gas emissions when you know perfectly well that your plan includes a series of loopholes for polluters, thereby making it impossible for Canada to achieve its Kyoto target?

Intensity base targets is the first factor and using 2006 as the base year and the technology fund that will undermine the creation of a future carbon market are two others. Mr. Chairman, can we ask the minister to be clear and honest, to look into the cameras and to say that if oil sands production is going to triple in Canada, then our 2020 target is unachievable? As Mr. de Boer said last week, not only will Canada be considered to be at the bottom of the class, but its plan will also be a failure.

This plan is an absolute failure. Not only will it prevent us from meeting the Kyoto targets but it also compromises the targets set out by the plan. How can there be a 20%-reduction when Canadian oil sands production is forecast to increase three-fold, if not five-fold?

Hon. John Baird: We were very clear and honest when we stated that it will be almost impossible to meet the Kyoto targets within the same timeframe if we were to begin in seven months. If you read our plan, you will see that investments for technology funds go down to zero by 2020. Our plan clearly states that technologies are a way of encouraging industry to make real investments. We won't get a 20%-reduction through industrial regulations alone. Our plan includes several other initiatives.

[English]

to find the 20% reduction. We've been very clear on that. A 20% intensity cut would not deliver that. In fact, there will be a third intensity cut by 2020. In that, we've looked at significant economic growth. We've also looked at, for the first time, involving the provinces.

Frankly, I think the Bloc Québécois has sold Quebec short. When it only asked for \$330 million, we came up with more than that in the Conservative Party to support Quebec in its efforts to reduce greenhouse gases. With great respect, I think we've been very clear. I can appreciate that the Bloc, for political reasons, doesn't agree, and that's fair game.

[Translation]

Mr. Bernard Bigras: Mr. Chairman, it's not the Bloc Québécois that doesn't agree, it's all of Quebec. Minister, did you hear the Quebec Minister of the Environment, Ms. Beauchamp, state yesterday that she refuses to use 2006 as a base year because that will penalize businesses that took early action in the past? Have you been deaf to the message that the Quebec Minister of the Environment has been sending you, that we do not accept this plan because it contains rules that have several unacceptable loopholes and that will penalize Quebec?

Will you accept what the Bloc Québécois has been asking for since 1997 in the House, that is to use 1990 as a base year, as set out in the Kyoto Protocol, in order to reduce greenhouse gas emissions? Will you not admit that using 2006 as a base year will not lead to true greenhouse gas emissions reductions, and that all you're doing is benefiting your oil friends, who are the economic basis of Canada?

• (1150)

Hon. John Baird: The Quebec Liberal Party obviously has a good spokesperson on Parliament Hill. I agree with you that the Premier of Quebec, Mr. Jean Charest, has a good spokesperson in Ms. Beauchamp, who has also said that she does not support independence. Do you also agree with her on that?

Mr. Bernard Bigras: I put the question back to you. Independence would probably be the best solution under the circumstances. We would probably be able to achieve our Kyoto targets without punishing Quebec businesses in the way you are.

Minister, Quebec businesses have reduced their greenhouse gas emissions at home by 7% since 1990. These businesses want their efforts recognized and they are asking for a carbon market in order to make greenhouse gas reductions more competitive.

Are you willing to support us in developing our own approach in Quebec, in order to have a common approach in Canada but one that is unique to each province? That is my question.

Hon. John Baird: Our plan recognizes industry efforts to reduce greenhouse gas emissions. I told my colleague from Quebec that I would send her the list of the 700 businesses in Quebec that fall under the regulations. When she is ready, we will be able to look together at action taken by those businesses to reduce emissions.

I will explain this in English.

[English]

What I've said to my friend from Quebec is that we'll give the list of the companies in Quebec that we'll be regulating. I'm happy to go over it with her, one by one, and look at the decisions they've made to reduce greenhouse gases. Alcan is an example, which has been a tremendous leader. But I think it would be unfair to say categorically that the global number on industry was all made for reductions. For example, if decisions were made between 1990 and 1992 before there was any global action even proposed, I would be prepared to look at it, but I would be skeptical, let alone actions before 1997.

If a number of pulp and paper mills closed in Quebec for economic reasons that had nothing to do with the environment, surely you wouldn't want to suggest that they were done for environmental reasons. I have said I'm prepared to go over the numbers, company by company, in Quebec, as I am in other areas.

I know one company well in my province where someone talks about how they've reduced their greenhouse gases and should get all sorts of credits. It's because they closed plants that had finished their useful life. They closed the coal-fired generating station at Lakeview. If we think we're going to give the Ontario government credit for closing that environmentally, they're wrong. It was a plant that was supposed to last 40 years and was open for 51. We're not going to give anyone credit for doing anything environmental when an asset has reached the end of its life.

If in Quebec enterprises make meaningful reductions for environmental reasons, we are more than prepared to work with each and every one of them to ensure that those successes are acknowledged and recognized within our regulatory regime. We want to reward people who act well for the environment, but we're not going to create some accounting scheme so that every time an industry closed, they think they're going to get a big fat cheque from the government. That's not the way.

We do envisage credit for early action, something that was absent from Project Green.

The Chair: Thank you, Mr. Baird.

Thank you, Mr. Bigras. We did go over time.

We'll go to Mr. Cullen, please.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thank you, Chair.

Thank you, Minister, for being here.

I have a series of detailed policy questions for you, but there's one that strikes me in watching your performance this morning as perhaps a place to start. How would you assess your performance in the portfolio of environment minister, to this point?

Hon. John Baird: I'll leave that for others.

Mr. Nathan Cullen: The Federation of Canadian Municipalities has told some of their members that they should get on with doing their own plans in the absence of federal leadership. The provinces are contesting your intensity-based targets over a hard cap. Environmental groups are suing you in court. The plan you put forward has been called a fraud. You've won more "fossil" awards at the last international meeting. These awards are given out to the country that is working against the efforts of the international community on climate change. Canada won more of those awards than all other countries combined.

I think the assessments are being made in terms of your performance, but more generally your government's performance on this most critical issue.

You mentioned in your opening statements that you're bringing in the best of the world's standards and also that this issue is one of the greatest threats facing Canada today, if not the greatest threat. It's often put on par with the threats of terrorism globally, threats to our economy and to our societies. How can your government then justify an increase of more than 45% in defence spending and less than a 3% increase in your efforts towards the environment?

• (1155)

Hon. John Baird: I believe in a "polluter pays" approach. I don't believe we should ask hard-working, middle-class taxpayers to subsidize big business to reduce their pollution. That's why we're going to require industry to make billions of dollars in investments to reduce greenhouse gases to make the air cleaner. I think they should properly take that leadership role.

We did come forward with support for provincial governments, something that had never happened before. Premier Doer—

Mr. Nathan Cullen: Let's take a moment with this "polluter pays" principle. Do you support the initiative of the tripling of the tar sands in northern Alberta as both an economic...and part of Canada's environmental performance?

Hon. John Baird: I want to complete the comment I was making about Premier Gary Doer, an NDP premier.

Mr. Nathan Cullen: Premier Doer, as successful again in his election, is someone to look to, but my question to you is this. If you believe in the "polluter pays" principle....

Here's a very specific one. Your departments have figured out that in the plan that's quoted here, on page 27, you'll save \$6.4 billion a year in health benefits. Is that true?

Hon. John Baird: Yes, but I want to come back to the comment by Gary Doer. He said that he had never gotten a dime from the federal government—

Mr. Nathan Cullen: I'm sure you do, but allow me to—

Hon. John Baird: Well, you mentioned the provinces, and I think I have a right to respond. I respectfully listened to your question. You raised the provinces' lack of support. We are, for the first time

ever, working with provinces, providing funds to help build the hydrogen highway, to help build a national electricity grid, to help, finally, my premier, Premier McGuinty, to close the coal-fired plants he promised to close by 2007. We're working hard on initiatives right across the country with provinces, something that never happened before.

With respect to a "polluter pays" principle, I think it is important. I think the investments are going to have to be made in every single industry, whether it's pulp and paper, oil and gas, chemicals, or smelting. All are important. Everyone has to play their part.

Mr. Nathan Cullen: You've agreed to this \$6.4 billion figure. Your government assesses the value of a Canadian life at \$5 million, in the economic models you use. When I'm looking at your sectoral charts here, Minister—this is important, and you might want to listen to it—there's an exemption made for the oil sands, whereby they are allowed to increase smog pollution by 60%.

Has your government factored in the cost in human life, or the cost to taxpayers in health costs, to allow the oil sands to expand at that rate and to allow the pollution from those projects to expand at that rate?

Hon. John Baird: Every sector is participating in the reduction of pollution. We're going to see a massive reduction in the amount of pollution in this country as a result of the plan we've come forward with. I think you're confusing the reduced health costs from air pollution and greenhouse gases and global warming, though.

Mr. Nathan Cullen: Minister, these are from your own data. You take credit for and claim a \$6.4 billion savings because of the reduction of things that cause smog and cause detriments to human health. You then allow—the only exemption in the country that we can find—one sector, in northern Alberta, the oil sands project, to increase their pollution of those very same chemicals that cause people to die and cause an increase in spending to taxpayers.

Has your department figured out what the cost is to allow the oil sands to triple their expansion plans?

Hon. John Baird: No sector is exempt from the regulations we brought forward. I know, sir, that you voted for an amendment to Bill C-30 that would allow the minister, with the stroke of a pen, to exempt certain areas. So I'd ask you, did you conduct that same thing?

Mr. Nathan Cullen: You have not taken any costing; you have not factored in the impacts on human health, people's health, not just in northern Alberta but across the country, of allowing this.

You've done a noble thing in having an E85 vehicle—is that true, your minivan? How many times have you filled up with the E85?

•(1200)

Hon. John Baird: Whenever we can, and if we're in Ottawa, every time, at Natural Resources.

There's a new plant opening; there's a new gas station in Guelph open providing 85% ethanol. I spoke to the owner the other day. We hope it expands in a major way.

Mr. Nathan Cullen: Do you agree with the continuing subsidization of the oil sands in northern Alberta? The Canadian taxpayers are subsidizing this project. It seems somehow counter-intuitive to a lot of Canadians—allow me to finish my question—that on the one hand you make great claims of being new devotees of trying to reduce greenhouse gas emissions while on the other hand taking taxpayer dollars, subsidizing the oil sands, and then suggesting that we should subsidize carbon capture and sequestration for pretty much the most profitable companies in the world right now.

Why should Canadians be contributing to that bottom line?

Hon. John Baird: Let me say two things. One is, I thought it was rather indefensible to be providing tax subsidies through the accelerated capital cost allowance to the oil sector. We're phasing those out. I think we spoke very clearly of that in the budget; it's laid out in the budget document.

I can tell you that the partnership we have with Alberta on carbon capture and storage would not build a pipeline. What that is, is to set up the regime that it would require, whether it's legal, whether it's regulatory, whether it's liability, whether it's technology, whether it's how people would get access to it. The Government of Canada has made no commitment to help fund a pipeline.

Mr. Nathan Cullen: You have made commitments to help fund carbon capture and sequestration. On the spending to sell this plan, your department will spend close to \$1 million pitching this to Canadians. Is that true?

Hon. John Baird: We did have a radio campaign of about \$1 million.

Mr. Nathan Cullen: How many greenhouse gas emission reductions are you expecting out of that expenditure?

Hon. John Baird: Out of reporting to the public? I think we have an important responsibility to report to the public. To put it in context, the previous government spent \$1.6 million promoting the big environmental meeting in Montreal. I think we have an important responsibility.

Mr. Nathan Cullen: It's an interesting reaction from you, only because it seems to me that the standard by which you are judging yourself and your government's performance is on the failed experience of the previous government. It seems strange to Canadians to take an example of failure under Mr. Dion as an excuse to allow the next government to say, "We will only do slightly better than failure." That doesn't seem acceptable.

My question to you is this. You'll be having Mr. Schwarzenegger come to this country and sign some memorandums. Will you agree to California's proposed auto standards? Your committee members in the Conservative caucus have suggested that auto jobs have been saved by not making efforts towards Kyoto. Do you believe in that statement?

I'll quote from Mr. Watson here that a major protection for the auto industry is to not meet the Kyoto targets. Is that an official position of the government?

Hon. John Baird: You asked about five different questions. I'd like to—

Mr. Nathan Cullen: There were two, by my count.

Hon. John Baird: Well, I counted five. So could I get chart number 12 up? You said that we were using the record of the previous government, which failed. The previous government spent \$1.6 million on advertising the United Nations conference on climate change in Montreal. I didn't support that. You voted for the budget that paid for that. So I'm saying that we're not only better than the Liberals, we're better than you, because you supported the Liberal budget. You voted for that.

Mr. Nathan Cullen: The government has done no economic analysis of the impacts of climate change on the Canadian economy, what you have called one of the greatest threats facing our country. How can you possibly justify not understanding what the impacts of this threat are to our well-being in this country?

Hon. John Baird: I think if you look at the report commissioned by the Prime Minister of the United Kingdom, Tony Blair, the Stern...if you could hear me out, I'd tell you the rest of it. The Stern report talked about the global effect of climate change, and I think made a very powerful business case.

If the desire of the New Democratic Party is that we go on and have more studies and more debates—we are sold on the need to act, and we are acting. I am not in the mood to commission more major reports to study this problem. Canadians want to see real action to reduce greenhouse gases, not another talkfest or another study. We're focusing all of our efforts on reducing greenhouse gas emissions and not embarking on any more major studies.

The Chair: Mr. Warawa, please.

•(1205)

Mr. Mark Warawa (Langley, CPC): Thank you, Chair.

Thank you, Minister, for being here, and the people from the department.

There were some questions about the premiers. I have a quote I'd like to read here from Premier Doer when he was interviewed on the environment and the funding from the previous Liberal government. Premier Doer said:

Well it's very significant to have a federal partner. The last ten years everybody has been talking about this but you know to quote an old commercial "Where's the beef?" we had nothing from the national government

—referring to the former Liberal government.

Question: What about money provided by the previous liberal government? How does that compare?

Gary Doer: We didn't get any.

Question: You didn't get any?

Gary Doer: No. Nada.

So obviously he was quite concerned about the funding from the previous government.

I would like to ask you, Minister, what's the status that Canada finds itself in right now? What is the percentage? You touched on this in your presentation—and thank you for that—but what was the percentage of increase in greenhouse gases since 1990 under the previous Liberal government? Where do we find ourselves right now in Canada?

Hon. John Baird: Just under 33% above the Kyoto target. This is extraordinarily high. When the previous government went around the world lecturing others on taking action, and they looked at Canada's lack of progress and lack of success and lack of efforts to reduce greenhouse gases, it was a source of embarrassment for this country.

I'm excited that the Prime Minister will be able to go to the G-8 meeting next week as the first Prime Minister of Canada to go with a significant, detailed, meaningful plan to reduce greenhouse gases, a plan that will deliver the goods. That's something they were used to: great speeches by Canadian prime ministers and Canadian ministers of the environment, but they never saw any action. We hope to change that. We hope to regain the credibility that Canada once had on the environment.

Mr. Mark Warawa: Minister, you're saying that emissions didn't go down under the previous Liberal government; they went up and up. In spite of spending billions of dollars, greenhouse gases continued to rise, and their so-called plan did nothing.

Hon. John Baird: You're correct. Do you want to talk about it or do you want to do it?

The previous government loved to talk about it. It's kind of like talk the talk or walk the walk. I suspect Brian Mulroney didn't expect the kudos he received later.

I think we will deliver on reducing greenhouse gas emissions.

The previous government had four terms, and they were just getting around to it after 13 years in power. This was a priority from the Earth Summit in 1992. Apparently, under Stéphane Dion, after 13 long years, this finally made it to the priority list and they still didn't deliver.

Stéphane Dion worked with Mother Nature to cause a warmer winter and worked privately with Mike Harris on the privatization of Bruce nuclear reactors, which I was unaware of until I learned of it this morning.

Mr. Mark Warawa: Minister, you talked about the targets that were used by the previous Liberal government in their so-called green plan. What were they based on? They were voluntary, but could you elaborate?

Our targets are intensity based, with absolute reductions.

Hon. John Baird: We have a slide that I think gives some explanation. My friend, Mr. Godfrey, is talking about industrial targets. These aren't from 13 years ago; these are from this year and last year, last fall and last winter.

It makes Canadians cynical when people say one thing and then do another. People may not agree with my position, but we're being honest, up front, and consistent.

● (1210)

Mr. Mark Warawa: Can you read the quote for us?

Hon. John Baird: I'll read the quote to you from John Godfrey, Stéphane Dion's chairman of the environment committee, in the inner cabinet. He said, "Well, 'intensity-based' isn't bad, in and of itself—it's better to be doing more with less energy."

Not long ago in the House of Commons, he then said, on the intensity target, it is recognized that Stéphane Dion's 2005 project green "was intensity based when it came to large final emitters".

The difference is they had a 12% intensity target and we have a 33% intensity target. It's a target that is so tough it will break the back of the rise in greenhouse gas emissions, and, as part of a comprehensive plan, it will help us to have an absolute 20% reduction in greenhouse gas emissions. Twelve percent wouldn't cut it.

When people criticize intensity emissions, I agree that a 12% cut doesn't deliver the goods, but a 33% cut will lead to meaningful reductions in greenhouse gases.

Mr. Mark Warawa: Minister, when we had numerous witnesses at the committee, it was a question that was often asked. We were clearly told that if it was very stringent and intensity based, we would have reductions of greenhouse gases. But if it's very loosely intensity based, it would have the opposite effect. I thank you for that answer.

You've talked about turning the corner, meaning that instead of emissions going up, emissions will be coming down. Are those absolute reductions?

Hon. John Baird: They're absolute.

Mr. Mark Warawa: They're absolute.

Minister, one of my favourite quotes is from Mr. David Suzuki, who is someone I respect. His foundation did a study. There was a report, called "The Air We Breathe", and he had a very important introduction.

It says:

There is strong evidence that air pollution is the most harmful environmental problem in Canada in terms of human health effects, causing thousands of deaths, millions of illnesses, billions of dollars in health care expenses, and tens of billions of dollars in lost productivity every year.

Your plan on turning the corner deals with greenhouse gas emissions, but it also deals with pollution, air pollution. We heard from department officials that there are direct savings in reducing the amount of pollution in the air. Is Canada unique in the world? Actually, is this government unique in Canada in providing absolute reductions of pollution, along with absolute reductions in greenhouse gas emissions?

Hon. John Baird: We're the only country with a tough approach to both for industrial large final emitters, which I think is important. We're trying to expand the Canada-United States clean air regulations. When the head of the United States Environmental Protection Agency found out that we don't have any national regulations on NOx, on SOx, on organic compounds, and on particulate matter, he was stunned. They've had those in the United States since the years when Nixon was in the White House. So we're playing catch-up.

Mr. Mark Warawa: How much time do I have?

The Chair: You have two minutes.

Mr. Mark Warawa: Thank you.

Minister, you mentioned that you had talked with Mr. de Boer, I believe in Montreal last week. Could you share a little bit more about what was discussed with him regarding Canada's plan?

Hon. John Baird: We indicated to him our plan and our commitment for global action, working with other countries. I said to him that I thought Canada could have a constructive role as a country that is a recent convert to actually reducing greenhouse gases and that we were prepared to work with countries like the United States, like China, and like India to encourage them to join international action on reducing greenhouse gases.

I think we both agreed that as a successful next step, post-Kyoto, we had to involve all the major emitters in the world in a coordinated action. I told him that I was supportive of the G-8 plus five, the Gleneagles dialogue that Prime Minister Blair started when he was chair of the G-8, by bringing China, India, Mexico, and South Africa into the equation. I think there are other countries, like Brazil.

There are other countries that are not included, like South Korea, which is a major emerging economy. I think it would be helpful to get them as part of the equation. We will have failed if we don't deliver coordinated action involving all the big emitters. There are 15 or 16 countries—depending on whether you count Europe as one body, because they do establish policy collectively—that are responsible for 85% of the emissions, and we need to get as many of those, if not all of them, on board for reductions.

Mr. de Boer said publicly that he thought Europe might not meet its targets. I know that Spain and Japan and Poland are struggling with their targets. I know that Japan is struggling to meet its targets. I know that most of the countries I've just named don't have any targets or any responsibilities. I think where Kyoto failed was that we didn't get those other countries in the tent.

This isn't going to end next week at the G-8. It isn't going to end in Bali this fall. It's going to require a sustained effort to bring more and more people on board. I think it's absolutely critical. The one great thing about Europe is that they have everybody on board. So the major trading partners of European countries are all rowing together, and if we can get the Americans rowing with us...

When I go and talk about global warming in the United States, they ask how much in emissions we are over Kyoto. I say that we're 33% above Kyoto and they say that they're only 18% above Kyoto. So we don't really have much credibility in trying to get them to take action, since we've done such a bad job over the last 10 years.

These are the facts. These aren't the facts according to John Baird. If you ask Christine Stewart, the Liberal environment minister, if you ask Sheila Copps, the Liberal environment minister, if you ask David Anderson, the Liberal environment minister, if you look at the quotes of the deputy leader of the Liberal Party, Michael Ignatieff, if you listen to the quotes of Eddie Goldenberg, Jean Chrétien's right-hand man, they acknowledge that they didn't get the job done.

We are committed in this country to finally taking action, and we are taking action. We are moving forward. The time for debate and haggling and study and hosting expensive conferences is over. Canadians want to see us actually begin to reduce greenhouse gases, and we are committed to doing that.

It's easy for people—the has-beens, the people who were there and didn't get the job done—to sit on the sidelines and throw peanuts. They had their chance. They had 13 years. They failed. Canadians have elected a new team to lead change on the environment.

● (1215)

The Chair: Thank you, Mr. Minister.

We're now going to the second round, which is five minutes. I'll try to keep members as tight as I can.

I will go to Mr. Godfrey.

Hon. John Godfrey (Don Valley West, Lib.): I'll be sharing my time with Mr. Regan.

Thank you for the publicity, Minister.

I find the problem with the scenario you have presented us in your plan is that it is completely unbelievable because it starts with false assumptions.

We cannot get to the 2020 target of minus 20% for the following reasons.

Take the first year you speak of, which is 2010. In your plan—and this was agreed to by your departmental officials—where you indicate that you expect reductions of 49 megatonnes, if you go to page 13 of your plan, you can get rid of that obligation. You have to subtract 34 of those megatonnes because you can pay up to 70% of your obligation in the first year into a technology fund. You can then subtract another 5 megatonnes because you get special credit in an R and D fund. You can then subtract another 5 megatonnes for early action. So from a projection of a 49-megatonne reduction, which you've talked about, you're now down to a residual of 5 megatonnes. When I asked your officials, was this a credible scenario, an alternative scenario, they agreed.

If you then use the same calculations for 2011 and 2012 and do the math, you say that you can be at a 161-megatonne reduction. Under your own plan, on pages 13 and 16, you could be as low as 27 megatonnes. That's the base on which you're building.

If the opening years are that bad in terms of the real way of the loopholes to avoid your obligations, why should we trust your figure for 2020?

Hon. John Baird: Let me speak very directly to that.

We do believe that technology is a major component in helping us reduce greenhouse gases. So does the Liberal carbon budget proposal. It has this technology fund, these green accounts, which are not compliant with Kyoto and won't deliver anything, as you've suggested either, immediately.

So here's what we've done. With our technology fund, we're capping it at 70%. You can only put up to 70% of your investments into technology, and it goes down each and every year. By 2020, no contributions can be made to technology. It is capped and it goes down, and it gets stronger and tougher and better each and every year.

What we hope is that those investments in technology will begin to yield real reductions in greenhouse gases, things like carbon capture and storage, things like more renewable power, things like different industrial processes and harnessing that.

Bill C-30, which you voted for, had an unlimited licence to pollute. I don't agree with that. I think it's wrong. That's why our plan is tougher.

• (1220)

The Chair: We are splitting the time, so we will go to Mr. Regan, please.

Hon. Geoff Regan (Halifax West, Lib.): Thank you very much, Mr. Chairman.

The minister will understand that he clearly has time for rebuttal when his members on his side ask questions. As we've seen, he had a half hour to speak at the opening. This really is our time, members of the committee, and it's a chance for us to ask questions. So I'd ask that he get to the answers once we pose our questions.

First of all, I'm going to ask that he table the slide show that he has on the screen today, which we don't have copies of. So I would appreciate it if you'd provide the committee this week, perhaps as early as today, with copies of the slide show.

Now, the big claims you're making in your plan—so called—is that you'll stabilize emissions by 2012. Well, the fact is we now know that emissions have been stable in Canada for the last three years. So that's achieving nothing whatsoever in that claim.

Secondly, you're claiming that you will have absolute reductions in emissions by the year 2020. But your officials, your own officials, admit that these claims cannot be made because of all the unknown pieces. They can't verify. They can't substantiate how the basis of these claims is founded. Meanwhile, you have no credible third party—scientists, environmentalists, or economists alike—who have stated that your claims can be achieved. Your own officials said before this committee that it's a target. In other words, it's not really precise, we can't really measure it, we can't back it up; it's a target.

Will you disclose the details that will let independent third parties fully assess whether your numbers even come close to your claims? So far, you have refused repeated requests to disclose the details—the basis, the analysis—that supposedly back up your plan.

Hon. John Baird: Earlier, one of your colleague cited the Pembina Institute, which I think is a very well-respected body. Matthew Bramley is one of the authors of the carbon budget plan, so I don't think....

Are you denying he's had any role in that?

Oh, so he's refusing to answer on the record. He nods his—

Hon. Geoff Regan: [*Inaudible—Editor*]...should not consult environmentalists and he should simply ignore them? Is that what he is suggesting?

The Chair: Mr. Regan, you'll have to wait for the answer.

Hon. Geoff Regan: But he's asking me a question. I think what he's suggesting is that even though he ignores environmentalists, even though he does no consultation, we shouldn't do it when we're preparing a plan. In fact, we consulted widely.

Thank you, Mr. Chair.

Hon. John Baird: If you just asked the question without a preamble, you'd probably get an answer without a preamble as well.

Greenhouse gas emission reductions in our plan, our strategy, would yield 150 megatonnes of reduction from 2006. That's 20%. We believe 60 megatonnes can come from the industrial sector, from those 700 large emitters. We're bringing forward a package of other initiatives, which we've spoken to at great length today and over the last three months.

I know that the best forecast for the future is to look at past results, because past results are the very best predictor of future results. The result was that the Liberal government didn't get the job done.

Hon. Geoff Regan: Again, to the minister—

The Chair: I'm sorry, your time is way over.

Mr. Vellacott, please.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Thank you, Mr. Chair.

I know that the premier of the province of Ontario, Minister, has made some promises on coal-fired electricity plants that haven't been kept. Liberal Premier Dalton McGuinty is actually brother to the Liberal lead critic here, David McGuinty, on this committee. He made some promises there on behalf of the Province of Ontario. Could you tell us about how those affect our overall greenhouse gas emissions levels?

Hon. John Baird: This is actually a key issue, because it talks about making promises you can't keep.

Let me just find a slide.

Let's go to slide 5. It's easy to make promises on the environment. When a Liberal named McGuinty makes promises on the environment, people in my province are a little skeptical. I want to tell you a story, and this I think underlines the approach we're trying to take. We're trying to be honest and to be realistic about what we can accomplish. We're not going to tell people what they want to hear to get votes.

I was Minister of Energy in Ontario. We had five coal-fired generating stations. We said yes, you could close one immediately. It was convenient that it had four units, and on most days three of the units were down because it was so old and dilapidated. It was a plant to last 40 years; it had been operating for more than 50. We said, "Yes, you can close that one down, but you can't close the other four down like that." And a Liberal named McGuinty promised that by 2007 you could close all the coal-fired plants. Now, when that promise was made, he did it with all this dirty coal all over his desk. And here's the promise he made, so it's unequivocal.

I am not going to make a promise I can't keep. I'm not going to make a promise that I know I can't keep when it's coming out of my mouth. And this is a perfect example of another Liberal making a promise on greenhouse gases and on reducing smog and pollution that can't be delivered. Not a single person in the world believed it was physically possible; yet they ran an election to do it.

The Liberal Party of Canada, when I became environment minister, actually put out a press release, one of whose parts, in the talking points to media, was that John Baird fought closing Nanticoke, which is the largest polluter in North America. I didn't fight closing Nanticoke. I said you could close it by 2015, but it wasn't possible to close it by 2007.

Here's a perfect example of a politician wanting to get elected who was prepared to promise the world and to lie to voters. And I am not prepared to do that. I am going to be open; I'm going to be honest. I believe global warming is one of the biggest challenges of our time; it's the biggest ecological threat. I think it demands real action, but achievable action, action in which the rubber will actually hit the road.

That's what we're trying to do in this country, to regain...The public sees this type of commitment and thinks all politicians are liars, and I'm tired of that. I think in Canada we have to rebuild our international image and make commitments that we can deliver on. That may be the approach some people take in this country, but it's not mine.

•(1225)

The Chair: Excuse me, Mr. Minister.

Mr. Rota has a point of order.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Just as a point of order, can I ask the relevance of this? It sounds very good, but I'm just wondering what the relevance is.

Hon. John Baird: It's about Liberal politicians named McGuinty who lie and break promises.

The Chair: Mr. Minister, not to take Mr. Vellacott's time, could you table in both official languages the copies of the slide presentation? We are having difficulty reading it. If we could have it all to the clerk, he'll distribute it to the members.

Mr. Vellacott.

Mr. Maurice Vellacott: I did appreciate that because it does get me a little nervous. Breaking promises runs in the family, and we wouldn't want to have a repeat of that at the federal level here.

I have another question. I'm keen about nuclear power, particularly in my own province. There's great potential in

Saskatchewan for producing safe nuclear power. Tell us about the impact that nuclear power in Ontario has had on reducing greenhouse gases, another step taken by the previous Conservative government under which you served in Ontario.

Hon. John Baird: I think nuclear power is a big part of the solution. Although as a federal minister I should underline that these will be provincially led decisions. These will be provinces making their own decisions about what's best for their jurisdictions, and we respect that.

We saw, with increased nuclear capacity coming online, a reduction of 15 megatonnes because nuclear is baseline, so it's on 24 hours a day, whereas in many parts of the country coal is used to provide power at peak times. So I think nuclear power is a big one, but that decision will be made by the provinces.

My premier in Ontario wants to expand nuclear power, and frankly, I support him in that. It's a good idea, but we're not going to impose our views on others. Obviously we have a federal crown corporation that is in the nuclear build business, but I think each province should decide what's best for them. That's how France has been successful at its greenhouse gas numbers.

While there is the problem of nuclear waste, at least it's contained, rather than spewing smog and harmful greenhouse gases into the atmosphere.

The Chair: Thank you, Mr. Vellacott.

Mr. Lussier.

[Translation]

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

Minister, you will soon be involved in G8 discussions. Have the premiers of Quebec and Ontario told you that exports from Canada will be taxed by France or other countries if we do not comply with Kyoto? Has that been discussed with the provincial premiers recently?

•(1230)

[English]

Hon. John Baird: No, nor has the Government of France discussed that with us.

[Translation]

Mr. Marcel Lussier: Do you have a strategy in the event that European countries decide to levy taxes in the future?

[English]

Hon. John Baird: No. I'm going to put all of my energy into actually reducing greenhouse gases, rather than anticipating Canada being punished for the Liberal's inaction on climate change.

[Translation]

Mr. Marcel Lussier: So the provinces are not concerned and you have no strategy to prevent those potential international measures.

Page 25 of your regulatory framework for air emissions contains a graph on the overall health benefits. The health benefits in Quebec will be approximately \$2.2 billion whereas those in Ontario will be approximately \$1.7 billion, therefore there is a difference of \$500 million. Saskatchewan and Alberta also show the same \$500 million discrepancy.

How do you explain such a significant gap between two neighbouring provinces?

[English]

Hon. John Baird: When you talk about health benefits, Quebec's abundant hydroelectricity resources have obviously been a source not just of great economic pride for the province but also of better human health because they don't emit smog and pollution.

[Translation]

Mr. Marcel Lussier: Would you admit that the smog in Quebec is caused by pollution from Ontario?

[English]

Hon. John Baird: I can't speak about the Quebec airshed because it's not something I'm familiar with, but I can say that I know there are 160 coal-fired generating stations in southern Ontario's airshed, in addition to the four that are operated elsewhere in Ontario, that do have a huge effect on smog and pollution.

I've already begun formal negotiations with the United States to reduce emissions. I think some of Quebec's neighbours—namely, Vermont, New Hampshire, and Maine—have better environmental track records than other U.S. states. Southern Ontario is in the same airshed as the Ohio valley. I don't know the air patterns for southern Quebec or your constituency, for example.

I can tell you that smog does not know borders, and that's why it's so important that we get the Americans and the Chinese and the Indians on side on global action on greenhouse gases, because you also have a twin effect of reducing smog and pollution.

[Translation]

Mr. Marcel Lussier: I am concerned about the methods used by the Health Department to calculate these benefits. I don't know if Ms. Cl  roux was involved in those discussions and calculations. A mathematical model was raised as well as a number for mortalities.

Regardless, a \$500 million discrepancy between two provinces is enormous. Given that it is such a huge amount, could there be grounds for legal action? Could a province that is being polluted by its neighbour take action on the grounds that those emissions are having an impact on human health?

[English]

Hon. John Baird: The provinces obviously are free to do that; I think it's incumbent upon us in Canada to clean up our own act. My job as Minister of the Environment is to clean up our act. In my first three months on the job, we have begun negotiations to expand the Canada-U.S. environmental accords, particularly on particulate matter, which is one of the most harmful ones.

There is no doubt that coal-fired generation is bad for human health. There's no argument with you on that. That's why we're clamping down on it with the Clean Air Act and with our regulatory package on industrial smog and pollutants.

[Translation]

Mr. Marcel Lussier: Ms. Ruta, did one of your colleagues attending the meeting participate in those economic studies, given that finances appear in her description of responsibilities?

Did you participate in those calculations?

Ms. Basia Ruta: No, I did not, Ms. Cl  roux did.

Mr. Marcel Lussier: Ms. Cl  roux.

Mrs. C  cile Cl  roux: All assessments of health impacts were undertaken by our colleagues of Health Canada. Last week, or two weeks ago, Ms. Fletcher from Health Canada came before the committee to report on the studies that were done.

Environment Canada provides information on various aspects of pollution, but it is Health Canada's model that is used because they are the department that has the federal expertise required for undertaking that type of assessment.

• (1235)

[English]

The Chair: Thank you, Monsieur Lussier.

We'll go to Mr. Harvey.

[Translation]

Mr. Luc Harvey (Louis-H  bert, CPC): People have spoken about broken promises. To some people here, the Kyoto Protocol was so important that it had to be drafted on a napkin. Two weeks ago, to everyone's surprise, officials from the Finance Department told us that an analysis had been undertaken in 1992 with respect to the potential costs of reducing CO₂. Then nothing more was done until 2007. There were no consultations with industry, nothing was done and a magic number was pulled out.

Furthermore, just before Christmas, within our study on Bill C-288, there were some discussions about how long it takes to develop new technologies. All the witnesses told us that at least four, five or six years were required to develop these technologies.

The Kyoto targets focus on the year 2008. How could we build a nuclear power plant in eight months? Is that possible?

Hon. John Baird: With your permission I will answer in English.

[English]

When we talk about technology, it's not exclusively about inventing new systems or new processes; it's about deploying, in many cases, the technology that already exists.

For example, there are alternatives to dirty coal in terms of generation. You can bring in demand-side management initiatives. You can bring in energy efficiency and conservation initiatives. You can bring in renewable power. You can bring in nuclear power. You can bring in micro-hydro, biomass, and large-scale hydro.

There is so much that can be done that exists today, but it does take time to do it. For example, a new nuclear plant will take 10 years to build, 10 to go through all the processes. And that's not unique to Canada. That's why the coal-fired plants...there's no nuclear plant being built in Ontario, so they actually won't be able to close them before 2014. It could be 2017, if the starting pistol went off today.

A high-efficiency natural-gas-fired plant can take five years to build. In northern Manitoba, the Conawapa expansion, which I am very supportive of, could take 10 or 12 years before it is fully up and running. The tidal power off the coasts of New Brunswick and Nova Scotia...you can't just flick a switch and turn it on today. If New Brunswick chose to put another reactor by Point Lepreau, again, it's 10 years.

Rehabilitation of nuclear takes a substantial amount of time, and many of these can be very costly. We hope the technology fund would help to enable investments to be made, to actually lead to real reductions. And if we just buy all the credits today, we're going to have that same problem on January 1, 2013.

I think one of the fundamental principles of Kyoto is that action should be based domestically. The European Union, for example, is saying to one member country, I understand, that they shouldn't look at any more than 30% from international credits. The object of the game here is to reduce greenhouse gas emissions at home. And we can get a great advantage, a great economic response, by making those investments here.

But it isn't going to come in eight months. A carbon capture and storage pipeline, for example, would not be up and running, and we wouldn't see the economic benefits of it for at least five years. The economic benefits of expanding other energy sources don't happen overnight. I wish you could just flick a switch. That's why it's essential that we get started, that we get these new technologies deployed. I think what's good about the technology fund is that it's capped and it goes down. It's not an unlimited amount. It's essential that we get on with it and get those investments made so that we can clean up our act.

• (1240)

[Translation]

Mr. Luc Harvey: How much time do I have left Mr. Chairman?

[English]

The Chair: One really brief question.

[Translation]

Mr. Luc Harvey: Once again, the Liberals are making up stories and telling us that there will be no limits on greenhouse gas emissions coming from oil sands production. What exactly is the situation?

[English]

Hon. John Baird: We're going to require every industry in this country to reduce their intensity of greenhouse gases. That is absolutely essential. The 33% reduction in intensity will break the back of the continuing cycle of us not going down. They will actually begin to see real reductions in conjunction with the many other initiatives we're following, whether it's on eco-transportation,

on energy efficiency, on renewable power, or whether it's on important investments with the provinces. It's absolutely essential.

The Chair: Mr. Cullen.

Mr. Nathan Cullen: Mr. Minister, are you aware of any other ratifier to Kyoto that is using the baseline that you've suggested of 2006?

Hon. John Baird: I'm just not familiar with what other countries are doing.

Mr. Nathan Cullen: Can any of your officials respond to that?

Hon. John Baird: I know that many countries are struggling to meet their Kyoto targets. I'm not responsible for other countries; I'm responsible for Canada. And I'm responsible for the situation I find Canada in today.

Mr. Nathan Cullen: When we show up at international meetings...I recall the last minister, your predecessor, talking to other environment ministers around the world about our targets and not referring to the actual baseline that she was using at the time, which was 2003. You've now moved it to 2006. There is no other country—I'll inform you if you don't know—that is a ratifier to the Kyoto Protocol using the baseline that your government has suggested.

When this breaks down to a question—you've talked about accountability and trust on such an important issue—you are asking Canadians to trust your government when it has not received a single validation from any of the environmental groups working in this country on this issue, not one on this plan. Your suggestion is that your government, a new convert, as you say, to the issue of climate change...to trust you over that, using baselines and showing up at international events trying to push other countries. And as you've said, Canada will not have a leg to stand on if it continues to fail and to mislead.

When your government brought forward the Clean Air and Climate Change Act, it was sent to committee. Many Canadians looked at this as a way for Parliament to attempt to work together. Amendments were moved by members from your party and accepted, by members from all of the opposition parties and accepted, and some failed. I assume you didn't have the expectation that you were going to get everything you wanted out of that negotiation, did you?

Hon. John Baird: Certainly not.

Mr. Nathan Cullen: In the spirit—as Mr. Harper called for it on election night—in a minority Parliament of working together to try to achieve results for this country, why will you not bring back a bill that was constructed by all parties in this place and that I would contest meets the standard for Canadians, which is a Parliament working to improve the environment, rather than continuing this Hatfield and McCoy show you have running here between you and the McGuinty family?

Hon. John Baird: I genuinely had hoped that we could have found a balanced approach with Bill C-30. I think you know that. I think you know I made best efforts to try to find a bridge to get a bill that all parties could support. We didn't find that consensus.

The premiers—

Mr. Nathan Cullen: Excuse me, I just want to understand the—

Hon. John Baird: I'd like to finish this.

We didn't find a consensus. We did that on the Federal Accountability Act, and I think it was a tough one but a good collaborative effort. It does disappoint me that the government and the opposition parties weren't able to find consensus on that bill.

I do know that the provincial premiers can't find consensus. I do know that the provincial ministers of the environment can't find consensus. I do know that industry and environmentalists can't find consensus. It is a tough issue to find consensus on, and that is why it is absolutely essential that we take action and Canada's new government prepares to lead—

Mr. Nathan Cullen: Here's an offer for you.

You dislike certain aspects of the rewritten climate change bill. You've said you like other aspects of the bill. Is that true?

Hon. John Baird: Yes, there are some things. I like the energy efficiency, I like the biofuels, I like the indoor air pollutant stuff, but I don't like the unlimited licence to pollute. I don't like the fact that the Minister of the Environment, with the stroke of a pen, could exempt a particular area from the clean air portions of the act.

Mr. Nathan Cullen: You have the opportunity to bring this bill back to Parliament and make amendments. Will you do this, sir?

Hon. John Baird: I have certainly signalled that I am willing to work with anyone who wants to be constructive on that, and I've indicated that to you and your party.

•(1245)

Mr. Nathan Cullen: There is a specific action you can take, your government, to bring this bill back, make the suggestions you wish to make by amending the bill as you see fit, and put it to the will and test of the Canadian Parliament. Will you do this?

Hon. John Baird: Part of our parliamentary process is that on government bills the government does have the capacity and a responsibility to be involved and to have an element of leadership. I think we were shown a degree of good faith, and I really regret that it didn't work out. I'm not going to allow—

Mr. Nathan Cullen: You refused to take that moment of leadership to reintroduce a bill and allow the changes you wish.

On a question about legitimacy and trust—

The Chair: Last question, Mr. Cullen, please.

Mr. Nathan Cullen: —as you've set this piece up, it's done by regulation. Is it not true that by the stroke of a pen some future minister or some future government can eliminate this entire package by not seeking the will of Parliament?

Hon. John Baird: [*Inaudible—Editor*]...put it all in legislation.

Mr. Nathan Cullen: But you didn't, sir.

Hon. John Baird: Because we worked with the opposition parties and weren't able to find a consensus.

There has not been a consensus developed anywhere on this issue in this country. Environmentalists and industry disagree. The premiers can't come to agreement.

I met with the ministers of environment yesterday. Half of them wanted credit for having a big forest. It came down to a discussion of who was going to get credit for what.

Mr. Nathan Cullen: Don't pass the buck to the ministers.

Hon. John Baird: I'm not passing the buck. I am telling you I am not. That's why we're acting. We're the national government; the time has come to act, and we are acting.

The Chair: Mr. Allen, please.

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

Thank you, Mr. Minister, for attending.

I don't like to pick on Mr. McGuinty, but it was kind of fun when you opened up the meeting today by saying you were objectively disappointed. I find that amusing. I'm sure if we took a poll around here, everybody would find you completely objective on our plan.

First, we've talked about the base year, 2006 versus 1990, and last week there was some evidence given. When we talked about 2006 and 1990, there was no detailed information going back to 1990. We had only 2004. We had some national...

I just want to clarify that. I think, Ms. Cléroux, you gave us evidence last week.

Since I'm a firm believer that you can't manage it unless you can measure it, do we have the segments or numbers by industry from back in 1990?

Mrs. Cécile Cléroux: The detailed information at our disposal goes back to 2004. We don't have detailed information from 1990 to 2003. What we have is estimates that have been done on different occasions for different attendance at international meetings, but a national inventory for Canada goes to 2004-05 and after.

Mr. Mike Allen: Okay. So basically, in order to come up with a comprehensive plan and for it to be effective, choosing a year like 2006 is much better from an industrial standpoint if we're going to set targets on industry right down to the facility bases. Is that true? Would you agree?

Mrs. Cécile Cléroux: What it means is that you have a reference base that is an informed, detailed inventory, compared to an estimation, so it's a lot more equitable and it's a lot more reliable.

Mr. Mike Allen: A lot has come up on the oil sands in discussions today, and in the study we did in the natural resources committee as well. Certain claims of how the oil sands could grow by three times, five times...and considering the labour issues associated with that, I question whether we could get that much anyway.

There was also a comment on the news this morning about Alberta. It has more of a problem with its electricity generation sector than it may have from an oil sands perspective. Also, the Premier of New Brunswick has suggested some serious concerns about going down the Kyoto path too quickly, from an electricity generation sector.

Can we talk a little bit about the dollars that are going to be invested from an energy perspective in the electricity sector?

Hon. John Baird: I think the Premier of New Brunswick has been a voice of reason in all of these discussions, recognizing the reality that it's going to be hard to meet the Kyoto commitments in the Kyoto timeframe. I think coal-fired electricity generation will undoubtedly be one of the biggest challenges we face in dealing with climate change. It's not easy, as my premier has discovered.

I think for some provinces, like Alberta and Saskatchewan, like Nova Scotia, and I think there is a coal-fired plant or two in New Brunswick, it is going to be a challenge—even in Ontario it's going to be a challenge—under these regulations, in order to meet them.

I think carbon capture and storage in some parts of the country is a big part of the solution. I do believe, though, that where that's not an option, it's going to be very tough unless new technologies are developed and deployed. That's a big concern, particularly for the competitiveness of our industry.

What I don't want to see is any perverse environmental effects. We can close down the coal-fired plant in Lambton, Ontario, but if we're going to import dirty, coal-fired-generated electricity from Michigan, we won't have accomplished anything, for clean air or for climate change.

I think technology has to be our friend in this. I think it's also an area in which Canada can, hopefully, provide some leadership around the world, to developing countries, for the use of carbon capture and storage. I don't know enough about the geology and geography of New Brunswick to know whether that's an option for them.

• (1250)

The Chair: Very briefly, half a minute.

Mr. Mike Allen: Really quickly, on the comment that was made, the \$844 million that we're to be spending in 2007-08 on climate change or the environmental file versus \$1.5 billion in the last six

years, do we see that escalating quickly, because we've heard a \$9 billion figure given as well?

Ms. Basia Rota: The \$9 billion comes as a result of initiatives announced prior to Budget 2007 and also Budget 2007 initiatives, and they extend for many years. The 2006-07 one deals with clean transportation, other environmental measures in the order of about \$2.9 million, as well as investing in cleaner energy, \$1.5 million, and \$255 million protecting Canada's natural heritage and national water strategy. This continues on in the order of—from Budget 2007—about \$1 billion, 2007-08; in 2008-09 about another \$1 billion; and then it goes on for many years, up to about 2016-17.

I think, Mr. Chair, you asked that we provide details of this, and we can make this available to the committee.

The Chair: Thank you.

We will go to Mr. Rota and Mr. Scarpaleggia. Are you splitting your time?

Mr. Anthony Rota: Yes. Thank you, Mr. Chair.

Mr. Minister, we spoke of the Pembina Institute earlier, and you think very highly of them, as all of us do. They put out a report dated May 28. In that report they identified 20 important design details that allow for loopholes to be widened and new ones to be created. In listening to you this morning, your plan is...you say perfect, but I'll simply say you say it'll work.

Now, there's a significant discrepancy between saying that something works and that there are significant problems with it. My question to you is, who is misleading Canadians? Is it the Pembina Institute or is it you?

Hon. John Baird: I think Mr. McGuinty or Mr. Godfrey already spoke about people who are independent and objective. While well respected, if you offer the competing plan...you know, Coca-Cola isn't going to say anything good about Pepsi.

I can tell you that we made a conscious decision on these various design elements to actually work with provinces. We respect that this is a shared jurisdiction. We want to work with industry. The offset system was one thing we spoke about. We haven't come forward with all the mechanics of it because we do want to consult, and the consultations began the week after we tabled our plan. We've come forward with the targets; we've come forward with the architecture of the regulations—

Mr. Anthony Rota: How do you answer to this report then? Maybe if you can just—

Hon. John Baird: We're going to consult. That's why we're actively consulting. We've already begun. We began that the week after we tabled the plan in Toronto.

You face a choice: either you're accused of not consulting and ramming everything through or you're accused of not having all the details. I think having a period of several weeks or several months of consultation with environmental groups, with industry, and with the provinces is worthwhile. The provinces actually asked for expanded involvement in the consultations, which I was happy to do with the department just yesterday.

Mr. Anthony Rota: Let me move on to another question then.

Over the weekend you stated that the main reason for the reduction in greenhouse gas emissions in Canada between 2004 and 2005 was the reduced reliance on Ontario coal-fired electricity. In particular, you pointed out that nuclear power production increased that year, and as a result of that decision made by the Ontario government, the summary of emissions report states that:

The flattening of the growth curve between 2003 and 2005 is due primarily to a significant reduction in emissions from electricity production—coupled with reduced demand for heating fuels due to warmer winters and a reduced rate of increase in fossil fuel production.

I want to ask you why the department attributed the reduction of greenhouse gases in Canada to reduced reliance on coal-fired electricity when in fact there was a 10.5% increase in emissions from Ontario's plants in 2005. Are you aware that the whole of Canada's 23 largest coal-fired electric stations increased their emissions by 3.7%, or 3.8 megatonnes? How did that benefit Canada's emissions?

• (1255)

Hon. John Baird: What we did was point out the facts as the department presented them to me with respect to the warmer winter and with respect to increased nuclear generation in Canada.

I'd be happy to ask my senior associate deputy minister or assistant deputy minister to explain that. Those are the facts as they presented them to me.

The Chair: Do you want the answer, Mr. Scarpaleggia, or your time?

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): You can give the answer—well, I'd like my time. I'd like both, in fact, but I can't have both; okay.

The Chair: Go ahead, Mr. Scarpaleggia.

Mr. Francis Scarpaleggia: Thank you.

I want to clarify something. Is there money in the 2006-2007 estimates for the eco-trust?

Hon. John Baird: Those were passed by Parliament before the end of March, and that money has left the federal treasury. That was paid for out of last year's budget, and it has already left the federal treasury, so the cheque is more than in the mail; the cheque has actually been cashed. It was \$1.519 billion.

Mr. Francis Scarpaleggia: You mentioned signals. I'd like to talk about market signals and other signals. Obviously, you must believe that businesses react to signals, that business and industry react to signals. I imagine that's pretty much a basic idea. Do you believe that, yes or no?

Hon. John Baird: As a general concept, and maybe not in every case, but I think it's important that we send—

Mr. Francis Scarpaleggia: Yes, you do, obviously, as a general concept.

It's been said that emissions intensity improved 47% between 1990 and 2004, correct?

Hon. John Baird: I'd have to turn that over to my officials.

Mr. Francis Scarpaleggia: It's been in the newspapers. I think it's been in the *National Post*. It's been in *Le Devoir*.

Hon. John Baird: I don't take as gospel everything I read in the newspapers.

Mr. Francis Scarpaleggia: You use quotes from newspapers all the time as gospel in question period.

Anyway, I'm not asking you for a categorical yes or no, but would you not say it's possible that the emissions intensity improvements made between 1990 and 2004 were a result of Canadian industry's reading the signals the Liberal government was giving, which were that we were going to do something about climate change? Would you not agree that it's possible?

We signed the Kyoto agreement; we talked a lot about the Kyoto agreement; we were putting a plan together. Against the wishes of your party, which was threatening to bring down the government, we said we would regulate greenhouse gas emissions under CEPA, and now you're using that tool for your plan, so would you not say that perhaps business was reading the signals and making those emissions intensity reductions? Would you not say it's a possibility? Is it not even in the realm of possibility?

The Chair: I'm being really generous to you, Mr. Scarpaleggia.

Hon. John Baird: Absolutely not. I don't think there was any business leader out there who was scared about the Liberals getting tough on the environment. I have to be honest with you. Maybe I'm wrong. If you can name me one, I'm all ears.

I think Alcan has good corporate responsibility. I don't think they did it because they were afraid of Stéphane Dion. Elizabeth May said the Liberal government in 1997 had the worst environmental record of any government in 20 years.

The Chair: Thank you, Mr. Minister and staff, for attending. I think it's been very informative. There weren't many questions on the main estimates. As members know, we will be reporting these back to the House—

Mr. Warawa.

Mr. Mark Warawa: We've heard from the minister twice, once on the supplementary estimates and now on the main estimates, as the committee requested. The time is short, and I'd like to move that we report back the main estimates without changes.

The Chair: Mr. McGuinty.

Mr. David McGuinty: Thanks, Mr. Chair.

As committee members know—and as the parliamentary secretary knows, which is why he just spoke to it—it's clear that in light of my leader giving notice pursuant to the Standing Orders to extend consideration of these estimates by our committee, I suggest we leave consideration of the main estimates to a future meeting. We can take it up on Thursday, or potentially next week.

Notice has been given in the House pursuant to the Standing Orders, which is the privilege of the official opposition. So I'm asking that we hold this in abeyance until future meetings.

• (1300)

The Chair: Are there any other comments?

Mr. Warawa.

Mr. Mark Warawa: This is one of many times that the Liberals have attempted to change the decision of the committee. We have an agenda. We were going to deal with the issue of looking at practical solutions on how to deal with reducing greenhouse gas emissions and pollution, carbon sequestration, coal-bed methane, and gasification. Those are the three we sidetracked to deal with in Bill C-377. Now again there's an attempt to take us off the agenda, to change the agenda at the last minute.

We've had a good discussion. The main estimates are before us. We need to deal with them and vote to return the main estimates to the House without changes.

The Chair: Are there other comments?

Mr. Cullen.

Mr. Nathan Cullen: I'm attempting to understand this procedure as we go. Is this something the official opposition can do once?

The Chair: This might clarify it. Paragraph 81(4)(b) states:

(b) not later than the third sitting day prior to May 31, the Leader of the Opposition may give notice during the time specified in Standing Order 54 of a motion to extend consideration of the main estimates of a named department or agency and the said motion shall be deemed adopted when called on "Motions" on the last sitting day prior to May 31;

(c) on the sitting day immediately preceding the final allotted day

I don't believe that allotted day has been assigned yet.

but in any case not later than ten sitting days following the day on which any motion made pursuant to paragraph (b) of this section is adopted, at not later than

the ordinary hour of daily adjournment, the said committee shall report, or shall be deemed to have reported, the main estimates for the said department or agency;

Then it goes on. But I think those are the two pertinent sections that apply to this.

So I believe we could take Mr. Warawa's motion, vote on it, amend it—whatever we so choose—and then move forward.

Mr. Warawa, just repeat your motion quickly.

Mr. Mark Warawa: It's to report back the main estimates to the House without changes.

The Chair: Has everybody heard the motion?

Mr. Cullen.

Mr. Nathan Cullen: Was there a notice of motion, or was this presented just now?

The Chair: It's on the subject of today's meeting, which is the main estimates. So it's legitimate to....

Mr. Nathan Cullen: I'm not contesting whether it's legitimate. I just want to make sure we haven't seen it before.

The Chair: No.

(Motion negated)

The Chair: The meeting is adjourned.

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