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Chair

Mr. Laurie Hawn

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● (0905)

[*English*]

The Chair (Mr. Laurie Hawn (Edmonton Centre, CPC)): We have quorum, so we will proceed.

[*Translation*]

Welcome to meeting No. 10 of the Legislative Committee on Bill C-30.

[*English*]

We have four presenters today. From the David Suzuki Foundation, we have Dale Marshall, who is the policy analyst for the climate change program,

[*Translation*]

and from the Montreal Public Health Authority, we have Louis Drouin, who heads up the Urban Environment and Health Department, and Norman King, Epidemiologist, Urban Environment and Health Department.

[*English*]

We have Aaron Freeman, director of policy for Environmental Defence Canada, and, on teleconference, Dee Parkinson-Marcoux, as an individual.

As witnesses may know, we're looking for about a 10-minute presentation. Please try to keep it to 10 minutes. Please try to keep your remarks and responses to the questions relative to Bill C-30 and with the aim that we are trying to make it a stronger piece of legislation to accomplish the objectives of dealing with climate change and greenhouse gases and pollution.

Without further ado, let's start off with the David Suzuki Foundation. Mr. Marshall, the floor is yours for up to 10 minutes.

Mr. Dale Marshall (Policy Analyst, Climate Change Program, David Suzuki Foundation): Thank you, Mr. Chair, and thank you for giving me the opportunity to talk to this committee.

Obviously air pollution is a serious problem in Canada. Smog has important health impacts. Everyone has seen the studies of thousands of Canadians who have died prematurely from smog in Canada. One of the primary ways we can address smog and air pollution and the health problems that come from that is to actually address climate change.

Fossil fuels are the major source of much of Canada's air pollution, and they are also the source of our greenhouse gases. When you address climate change, you automatically reduce the amount of fossil fuels you burn, either through efficiency or through moving toward cleaner forms of energy. Of course, this means you end up with less air pollution as well.

One of the three ingredients in smog is heat. The other important factor is that if we allow the globe to continue to warm and we allow our cities to continue to warm, we will have more smog. We've seen that already in certain places, most particularly southern Ontario, but other places in Canada as well, such as Montreal and the Lower Mainland.

This brings me to my first proposed amendment for Bill C-30, which is to include in the preamble a reference to the ultimate objective of the United Nations framework convention on climate change. That objective is to prevent dangerous anthropocentric interference with the climate system. Canada signed on to this in 1992. We ratified it, and of course we ratified the protocol that came from it, in 1997.

The second amendment goes to the first one, which is that in order to prevent dangerous climate change we need to include short-, medium-, and long-term greenhouse gas emission reduction targets as part of Bill C-30. They have to be written into the bill to ensure there is continuity with the objective of both dealing with climate change and addressing our urban air pollution problems.

These cannot be intensity targets. The only way to address climate change is to reduce absolute emissions. Using an intensity target basically takes away the transparency of what we're trying to do. We are trying to measure and reduce our greenhouse gases. By turning it into a ratio that has to do with economic activity, it essentially muddies the waters and does not allow us to focus on what the objective should be.

We talk about short-, medium-, and long-term targets. We already have a short-term target, which is the Kyoto Protocol.

All this discussion—should we or shouldn't we, can we or can't we—on the Kyoto Protocol, is actually absolutely inappropriate. Kyoto is international law. Canada is bound by it. We should be achieving those targets and those objectives. It is also an unnecessary distraction, because all the evidence shows that Canada can still meet its Kyoto targets. Absolutely. We need to get on with it. We need to stop this debate.

The people who have resisted the science of climate change have now moved on. They are now talking about how Kyoto is not achievable. This is not an accident. To overcome that we need to move toward reducing emissions and doing it now.

Kyoto is not the final destination, of course. Kyoto is one point along the path to addressing climate change in a meaningful way.

In order to avoid dangerous climate change, which is again the ultimate objective of the UNFCCC, the science is very clear that we have to start reducing. We have to stabilize concentrations in the atmosphere very quickly and reduce them by approximately 80% by 2050. Globally, it is in the range of 50% to 55%.

● (0910)

For Canada to take its fair share of that responsibility, given that our emissions per capita are much higher than those of the vast majority of the world—in fact we're close to the bottom in terms of our pollution per person—our emission targets should be 80% by 2050. Of course, working backwards from that, we get to a 25% reduction by 2020.

The EU has actually committed, pledged to reduce its emissions by 20% by 2020. It is starting at a spot where it uses half the energy we do, and it emits way fewer greenhouse gases per person. The EU is not only saying that it will do 20%, but that if it has partners—if it has Canada and others joining it—it is willing to go to 30% by 2020. That's the kind of leadership we need to follow. I'm not even asking for us to be leaders; I'm asking us to follow the leaders and not be laggards.

That brings me, of course, to my third amendment. In order to get to short-, medium-, and long-term targets, the Governor in Council needs to introduce limits on greenhouse gas emissions from industry. Industry makes up 50% of Canada's greenhouse gas emissions, and therefore it should take on 50% of the responsibility for reducing those emissions.

We need a cap and trade system that ensures that, in essence, industry meets its Kyoto targets: 6% below 1990 levels. What does this work out to? If you do the math, you look at the emissions from industry in 1990 and subtract 6%, and you compare them to the business-as-usual projections that we have for 2010, it amounts to 127 megatonnes per year for industry. That's the target that industry should be asked to take on, in order for it to share the responsibility for addressing climate change in Canada.

We use 1990 as the base year because that's the fairest way to do it. This gives credit for early action to those companies and those industries that have actually acted to reduce their emissions between 1990 and now. There are industries that have done it and there are companies that have done it.

Here is just one example of how it would be possible for industry to actually meet this target. The largest burden of that would be on the oil and gas sector, because its emissions have grown the most since 1990. An industry association, Petroleum Technology Alliance Canada, put out a report a couple of years ago that said that the oil and gas industry could actually reduce its emissions by 29 megatonnes per year every year, at no net cost. Every dollar invested in becoming more efficient would come back to them in the form of energy savings. That's close to half of the target for the oil and gas sector. There would be zero cost for reducing half of its emissions. This is absolutely doable. When you break it down by oil and gas, electricity, and manufacturing sector, the numbers are absolutely doable. And this is the biggest chunk of meeting Kyoto. Of course, we saw last night in the House that we now have a law that gives further evidence—it was already international law and supposedly Canadian law—that Parliament wants to get on with it, and Canadians want us to get on with it.

Canada will have to buy international credits to do that. We've unfortunately waited way too long to be able to do it all domestically. International credits have unfortunately all been painted as hot air, which is completely ridiculous. The clean development mechanism and the joint implementation are projects that produce certified emission reductions. They're third-party verified, and they're verified to be additional to what would have happened in a business-as-usual case. In other words, they are emission reductions. And of course we know that emissions anywhere contribute to climate change everywhere. So emission reductions anywhere else in the world will help to combat climate change.

There are also huge economic opportunities for doing this, of course. Canadian industries can export their clean energy through these mechanisms. Others are doing it. The EU is very engaged in this. Japan is engaged in this. As is the case for the other action on climate change, Canada is being left behind. Action on climate change, including international credits, is an opportunity that we are missing out on.

● (0915)

Getting back to the health aspects for our citizens and our ecosystems—and when we talk about air pollution, that is of course the concern—if we do care about the long-term health of Canadians and if we want to take global responsibility for the pollution we've created, then we need to tackle climate change head-on. That will have a huge impact on air pollution in our cities and on the health of Canadian citizens.

Thank you, Mr. Chair.

[*Translation*]

The Chair: Thank you, Mr. Marshall.

We will now go to Mr. Louis Drouin, from the Montreal Public Health Authority—

[*English*]

Mr. Warawa, you have a point of order?

Mr. Mark Warawa (Langley, CPC): Yes, I do have a point of order.

I didn't want to interrupt the witness, Mr. Chair, but I want to bring it to the attention of the witnesses that we have different topics. We have the topic of climate change, the topic of transportation, the topic of target setting, the topic of international input, and the topic of air pollution, which is today's topic. We have the topic of oil and gas and large industrial, and we have tools, energy, emissions, fiscal issues—all these topics.

We appreciate the testimony we just received, Mr. Chair, but the topic for this morning is pollution. Part of Bill C-30 deals with pollution levels, deals with air quality, both indoor and outdoor. I know that the witnesses are passionate about the issues, and they have provided good testimony, but the topic today is pollution.

So I'd ask the witnesses to please stay on topic. Thank you for the recommendations, but please stay on topic.

Thank you.

The Chair: Thank you, Mr. Warawa. That is a good point. Today's topic is air pollution, so let's try to focus on that.

Mr. Scarpaleggia.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Chair, I'm a little mystified. I thought the witness mentioned that there was a clear link between climate change and air pollution.

The Chair: No, I agree. Topics can touch extensively on other areas. That's going to happen. But this is just a reminder, as committee members have reminded me, that this is about Bill C-30 and changes to Bill C-30. Today, as part of that, we're primarily focused on air pollution.

So I'd just ask everybody, presenters and questioners, to try as much as possible to stay focused on that.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Chair, just for a point of clarity, then, perhaps you could tell us what portions of the presentation you thought didn't pertain to air pollution.

The Chair: Mr. Holland, let's not get into a discussion. We're trying to move on here and make some progress.

This is just a gentle reminder, as we've all been reminded at every meeting, that we are trying to stay focused on Bill C-30, and today's topic is air pollution. There inevitably will be some wandering. There always is, and that's fine. But let's try to remember that today's topic is primarily air pollution and stick to that.

Let's not waste any more time on that.

[*Translation*]

Mr. Drouin, from the Montreal Public Health Authority, you have ten minutes, please.

Dr. Louis Drouin (Unit head, Urban Environment and Health Department, Direction de santé publique de Montréal): Thank you for inviting us to present the position of the Montreal Public Health Authority.

As physicians specializing in public health, we are very much involved in these issues in our region. The population of Montreal, as you probably know, is 1.8 million. Working in the area of public health, we are of the view that action must be taken now. In Montreal, air pollution and climate change is already causing very significant public health problems. The future of climate change will exacerbate the situation.

More specifically—and you already have these figures—there are nearly 1,540 premature deaths associated with air pollution. We have done studies, especially of people who live near freeways. The results revealed an increase of 30% in the number of hospitalizations among the 50,000 to 75,000 people living within 15 metres of a freeway in Montreal. Heatwaves also increase the number of deaths. There have been three severe heatwaves over the past 20 years. During those periods, between 100 and 150 more people died per day than usual. According to the forecasts of a Quebec research consortium called Ouranos, the severity and length of heatwaves is expected to increase very significantly within 20 years. So we can probably expect situations like what we saw in Europe in the summer of 2003.

My first message to you is that we need to act now.

We know the solutions. You just have to look at what is being implemented right now in the European Economic Community. The State of California is also taking action. However, to implement those solutions, we need a very integrated approach at the local, regional, national and international levels.

We now know that for every dollar invested in clean technology or effective strategies, we get three dollars back in health benefits. That is what the experts in California told us when we attended an international conference on this topic. It pays to invest in this: the return on investment is really very high.

We would like to see Canada's Clean Air Act include quantifiable objectives for ambient air as well as for emissions of air pollutants and greenhouse gases. A second step would be to develop a management plan and clear timetables for implementation. We also would like to see assessment criteria and accountability to the public. Those are the basic pillars of an effective law.

Concerning clause 103.07 of Bill C-30, we recommend instead the use of WHO criteria dealing with, among other things, breathable particles, nitrate oxides, ozone and sulfur dioxide. This information is contained in the document that was provided to you today. There is a consensus regarding these criteria at the international level, and we find it hard to understand why Canada would not support those objectives. We know that doing so would reduce mortality in Canada by 15%. That is very significant.

Turning to another point, clause 103.09 states that the government may regulate. We suggest that the word “may” should be replaced by the word “shall.” The word “may” is much weaker from a legal standpoint. The word “shall” creates an obligation.

● (0920)

With respect to the release of air pollutants from fixed and mobile sources, there are three key sources, which are transportation, the electrical sector and power plants. If we are talking about GHG emissions under the Kyoto Protocol, these sources are just about the same: transportation, power plants and the oil industry. Those sources account for over 60% of our emissions.

If we look at the situation in Quebec in particular, 85% of nitrate oxides and 38% of greenhouse gases come from transportation sources. In Montreal, we are looking at 50% of greenhouse gases from transportation. So that is a key sector.

In order to take an integrated approach, there need to be several strategies: legislation, financial incentives, education and empowerment, especially for community groups. These strategies would involve the local, regional, national and international levels and various sectors of government (energy, transport, industry, agriculture and land use development).

In the transport sector, the main objective is to decrease the number of trips and the number of kilometres travelled, as well as to increase the efficiency of vehicles. To do this, we need to increase funding for public transit. In Canada, 85% of the population live in eight cities. We recommend that the federal government adopt the equivalent of the Marshall plan for funding public transit. What is needed in large cities is what is called a modal shift from the use of single-occupant automobiles to public transit.

We need to improve urban planning and move to transit-oriented development, which means that people would use public transit as well as active transport such as bicycles and walking, which connects with the idea of walkable cities.

It is also important to develop other alternatives to single-occupant automobiles and to make automobiles more efficient through regulation. The European Economic Community, for example, has just adopted regulations that cap CO2 emissions at 120 grams per kilometre. That is now the norm in the European automobile industry. The limit in California is 128 grams of CO_2 per kilometre. I believe that the federal government can and should implement such provisions.

In order to influence consumer choices, it is also important to provide economic incentives to the public. The cost of public transit needs to be reduced significantly for students and low-income people, for example. In Perth, Australia, where I was two years ago, public transit was free in the downtown area. When that is the case, people use it.

Financial incentives can also be provided to encourage people to buy much more energy-efficient vehicles. Those kinds of incentives are very effective. These are what we call rebate programs. We need to slap heavy taxes on mega- horsepower vehicles and remove the taxes from small vehicles. I would go even further and say that we need to ban advertising of high-powered vehicles on TV. The anti-smoking strategies adopted by the federal government a few years ago worked along those lines. Financial incentives were increased and tobacco advertising was banned. It works, it is effective, and people do change their behaviour.

A number of European cities are in the process of adopting a transportation approach. It is clear that these types of measures produce health benefits, not only by improving air quality and reducing greenhouse gas emissions, but also by making people much more active.

Health Canada considers obesity to be the most important epidemic it is facing. Obesity is very closely associated with the increased use of private vehicles. If people take public transit, they walk more; so they are more physically fit as a result. That reduces the rate of cardiovascular disease.

In conclusion, we recommend that a new clause be added to the bill specifying that the Government of Canada must ensure that all federal departments adopt the necessary policies to reach the objectives set out in the act and its regulations.

This means that each department would have a sustainable development policy, which would mean that we would have sustainable transportation, sustainable agriculture and sustainable energy.

● (0925)

That should lead to sustainable solutions for Canada.

In summary, we need to set quantifiable objectives for air pollutants and emissions, develop an action plan with specific timeframes, develop an integrated approach at all levels, and inform the public about attainment of the objectives. Every dollar invested results in three dollars in health benefits.

We need to act now because the health of Canadians is at stake.

Thank you very much.

● (0930)

The Chair: Thank you very much, Mr. Drouin.

You will need to send us the other two documents that are not in both languages so that they can be translated.

Dr. Louis Drouin: We left at the back of the room the *WHO Guidelines*, which deal with standards. There is also the annual report of the Public Health Authority, entitled *Public Transit, a Question of Health*. It is written in French and English. We also provided you a copy of a study that we carried out of people living near freeways; we have given you a summary of that study.

Thank you.

[*English*]

The Chair: *Oui.* Do you have them electronically? It's easier for us to get them translated, that's all.

Dr. Norman King (Epidemiologist, Urban Environment and Health Department, Direction de santé publique de Montréal): In terms of the WHO report, there is an electronic address on page 5 where you can refer to a similar report. I didn't quite have the same format, but it's the same documentation. The report on the people living next to autoroutes is not yet available in English, and that is why we only brought it in French.

You want to get it translated.

The Clerk of the Committee (Mr. Chad Mariage): You can send it to me and I can have it translated.

Dr. Norman King: Give us your coordinates afterwards and we'll send it off to you.

The Chair: *Merci beaucoup.*

Okay, we'll turn to our third witness, from Environmental Defence, Mr. Aaron Freeman, director of policy.

Mr. Freeman, the floor is yours.

Mr. Aaron Freeman (Director, Policy, Environmental Defence Canada): Thank you, Mr. Chair.

I'd like to thank the committee for inviting me to appear on the air pollution sections of Bill C-30. I know the committee's time is short, so I'll focus my remarks on the changes that I feel are necessary to make Bill C-30 effective in dealing with air pollution in Canada.

I've tabled with the clerk a set of proposed amendments to the bill. These amendments are in line with what NGOs proposed early on to the committee, and I'm pleased to note the common ground we found on these amendments with other sectors. These sectors include the Canadian Chemical Producers Association, although we disagree on issues such as equivalency, which I'd be happy to elaborate on in today's discussion.

The amendments we see as necessary for Bill C-30 in addressing air pollution are as follows: first is the setting of mandatory ambient air quality standards; second is establishing emissions regulations to meet the ambient air standards; third is empowering the Minister of Environment to designate significant areas that are uniquely vulnerable to pollution or significant generators of pollution; fourth is introducing the principle of substitution, to ensure that the use of toxic substances is reduced; fifth is removing the equivalency provisions in Bill C-30; and sixth is providing a deadline for the coming into force of the act. I'll touch on each of these announcements, but I'll focus most of my time on how to go about setting air quality standards.

Currently there are generally no binding air quality standards at the federal level governing air pollution in Canada. We have what are called the Canada-wide standards, but these standards are purely voluntary. By contrast, the United States and many other industrialized countries have mandatory national standards that protect their citizens' health and the environment. In Canada we have the legal infrastructure to put in place such standards; what's been lacking so far is the political will.

As proposed, Bill C-30 does not introduce a comprehensive schedule for setting or achieving air quality objectives. Bill C-30's amendments to CEPA should require that national mandatory standards for ambient air quality be introduced to replace existing voluntary standards. These standards should be based on a review of standards in pure jurisdictions such as the United States, the European Union, and, as Monsieur Drouin just mentioned, the World Health Organization's standards. We should be aiming to meet or exceed the best practices among these jurisdictions.

The standards should be established and in place within six months of the Clean Air Act coming into force, and emission regulations to meet these ambient air standards should be established and in place within a further six months. Both ambient air quality standards and emission standards should be reviewed every five years with a view to ensuring they remain consistent with global best practices.

I would note that although the major problem with the Canada-wide standards is that they are not enforceable, they're also weaker than standards in other jurisdictions. The CWS ozone standard, just to take one example, is more than eight times weaker than the U.S. EPA standard.

To implement the new standards, the Minister of Environment would establish air quality zones and monitoring regimes for each zone. The zones may be based on county or municipality, as is the case in the United States, or census district. For each zone the minister would publicly report quarterly on air pollutant levels and on whether ambient air quality standards have been met in that zone.

The amendments to Bill C-30 should stipulate that if an area does not meet its ambient air quality standard because of pollution sources from international jurisdictions—in most cases for Canada that would be the United States—the emission standards for that area must nonetheless be in the most protective category of emission standards, even if this will not result in attainment of the ambient standard. In the case of pollution from a source in another province, if the two provinces cannot come to a bilateral agreement for addressing the pollution sources, the federal government should act as the arbitrator.

Under our proposed amendments the Minister of Environment may provide exemptions from the emission standards for a particular zone, but only for cases of severe economic hardship and only on a time-limited basis.

The model we have provided may be overseen through the existing equivalency approach in CEPA. In practice, provinces will likely reach agreement with the federal government to meet the ambient air and emission standards.

This brings me to the equivalency provisions in Bill C-30. Section 10 of the bill allows the Governor in Council to grant provinces exemptions from federal regulation. Currently, if such an exemption is to be given to a province, CEPA requires that the province have a regulation that is equivalent to the federal regulation. Bill C-30 proposes a shift from equivalency of regulation to equivalency of effect. In other words, provinces would be able to win an exemption if they can show that their measures have the same effect as the federal measure. This is intended to allow provinces the flexibility to grant permits on a one-off, per facility basis, rather than ensuring that all facilities from a particular sector must meet the same standard.

● (0935)

These provisions of Bill C-30 should be deleted for two important reasons. First, this change would substantially weaken the regulatory authority of CEPA. It is critically important in dealing with pollution that we maintain consistent national standards. Pollution migrates across political boundaries, and the vague wording of “equivalency of effect” will likely lead to a patchwork of provincial measures to deal with transboundary pollutants that affect neighbouring jurisdictions. Ensuring equivalency of regulation is a far better means to achieve a uniform level of protection across the country. While I am aware of the industry's concern about having two regulators, watering down the equivalency provisions in the way proposed section 10 proposes would fail to ensure that we have one effective regulator.

The second reason to maintain equivalency of regulation is that this standard has been tested in the courts, and we know that it is constitutionally sound. The unfortunate history of environmental jurisprudence in this country suggests that when we wander into new territory with regard to separation of powers, litigation inevitably follows. Even if this litigation ultimately fails in the courts, it succeeds in hampering the administration of environmental law. Parliament has an equivalency model in the current CEPA that is tried and true. It should not risk a new model that will undoubtedly lead to costly lawsuits.

The most recent Supreme Court case in this area is the Hydro-Québec case. This case upheld the equivalency provisions of CEPA, but only by a narrow majority of the court. Under the federal government's criminal law power on which the Hydro-Québec case was based, the more flexibility that is built into a legal measure, the less likely it is that the measure will be viewed as valid under the criminal law power. In fact, in the Hydro-Québec case the existence of equivalency agreements was presented as an argument against the validity of CEPA. By providing regulatory authorities with more flexibility, the proposed change virtually guarantees litigation in this area.

Our third set of amendments deals with the power to designate significant areas. The preamble of CEPA recognizes the importance of an ecosystem-based approach. Particularly for air pollution, it is essential to first identify the most important ecosystems for the legislation to focus on.

For example, the Great Lakes-St. Lawrence basin is where 45% of Canada's toxic air pollution is generated and where 58% of the facilities under the national pollutant release inventory are located. A “significant area” designation could be used to match U.S. legislative commitments to deal with toxic pollution and other issues in the Great Lakes-St. Lawrence basin. Given recent Canadian election campaign promises from all four major political parties to clean up this area, identifying the basin as a significant area for attention under Canada's overarching pollution law would be a sensible starting point. Future areas that might be considered could include the Arctic, a highly sensitive ecosystem that is especially vulnerable to persistent and bioaccumulative pollutants.

I'd like to touch very briefly on two other important amendments. The first deals with the principle of substitution. In many cases, the most effective form of pollution control is to substitute harmful substances for more benign alternatives. Neither Bill C-30 nor CEPA currently deals adequately with substitution, nor does the government's recently announced chemicals management plan. In the amendments package I've provided, I've outlined the different legislative sections in which this principle should be implemented.

The final amendment I would recommend is to ensure accountability in the legislation by fixing the coming into force date at 90 days after the day on which Bill C-30 receives royal assent.

● (0940)

My written submission provides further details on all these amendments. I hope the committee will consider these amendments in order to provide a firm basis for protecting the health and environment of Canadians from the harmful effects of pollution.

Thank you very much.

The Chair: Thank you, Mr. Freeman.

We do have Mr. Freeman's presentation, but it's in English only, so we'll be getting it translated and distributed.

Finally, from beautiful British Columbia, we have Ms. Dee Parkinson-Marcoux, formerly of Suncor and the National Round Table on the Environment and the Economy.

Ms. Marcoux, thank you very much for joining us so early. The floor and the air waves are yours for ten minutes. Please proceed.

Mrs. Dee Parkinson-Marcoux (As an Individual): Thank you very much.

I have told you that it fis a privilege to be invited. I'm a citizen of Canada. I'm not here on anybody's behalf, and I'm not representing anyone or any organization, so it is a real privilege just to have a voice in front of this committee.

I have lived or worked in eight of the ten provinces and one of the territories and I have lived outside of Canada, so I think I can speak to our differences as well as to where we have a lot of similarities. It's about pollution today, but it's about everything. I want to say that everybody across Canada wants the same thing. They want clear air, clean water, clean food chains, and affordable energy. You cannot consider one thing without considering all elements. I heard one of the other speakers today use the word “integrated”. I think that's a word you should have written at the top of your page.

In some ways we've even come to think of air, water, and land as free goods, and we expect to have our energy nearly free. I think the reason we have that economic model, first of all, is that we inherited it from people who had continents that they once took full advantage of. We had the luxury of a new continent with an abundance of fresh air, fresh water, land for the taking, and energy resources at our feet, and we could afford to treat these resources as if they were free. That economic model doesn't work today. It was never appropriate, but it is absolutely not appropriate today.

I run my businesses as I have in the past when I ran Suncor. I used to tell people as early as the early nineties that there were five things we had to do well. If you did not do them all well, you failed. If you did four out of five things perfectly, you still had a failing mark. That was the only way we could think about the way we had to do business and the way we had to run our lives and our operations.

If you're interested, those top five were the health and safety of the employees; care for the environment and our communities; productivity, which is where we pay ourselves; quality and care for the customer; and profitability, which is where we have the ability to pay for our lenders. We had to be focused on achieving those things, and it became absolutely the way people did their work. They would no more think it was okay to put excess SO_2—sulphur dioxide—or any other air pollutant up our stacks than they would think it was okay to injure another employee or to not make a buck.

I found that if you got people thinking in integrated fashions, they started acting in integrated fashions. That's what I'm asking you to consider with this bill.

The thing that's missing the most here is, first of all, that we don't have clear objectives. We talk about targets, but what we really want to do is talk about what the objectives of this bill are so that we can rise above political differences and regional differences and be clear in our minds about where we're headed. Then, think about the long term, which does not mean that we don't act now.

Once you've set those objectives, you work with businesses and people to set the targets. Many of our targets are already out there. We have standards around the world that we can borrow, so we don't need to argue about them. We need to provide the framework in which people can actually behave and do what they need to do to meet those targets and meet the long-term objectives.

This is where I'm going to say to you that it's the framework that most often doesn't get the attention, because we treat the environment as if it was one of the items that we have to do and do well, as if it were separate from all the other systems that we have in place in our country. I don't think that's the right way.

It's important for you to realize, when you have these considerations, that you have to take a look at the systems we use in this country to run the country. The biggest system that impacts the way in which people use these resources, both business and personal, is our taxation system, our fiscal framework. It's important that we consider overhauling that framework and stop taxing the good things in life—known as income or savings and taxation on work—and that we start taxing those things in life that are called consumptions.

This is not a moral stand. It allows people who want to buy an SUV to buy an SUV. The only difference is that you pay for your SUV and you pay for it fully. You're aware and conscious, in your choices, that you are actually going to pay for the privilege of consuming more of the world's resources when you do so and that there isn't anything free in this life of ours.

● (0945)

When you go through this and consider it as just a passionate plea from a citizen, I would really say that you can't look at your objectives, targets, and the policies you want to put in place without simultaneously thinking about the way we actually run this country and how inappropriate it has become, full of perverse taxation methodologies that are not consistent with the kind of country we want to run.

I'm not going to take up more than 10 minutes, because you have many more experts than me. It's just a plea to think in an integrated fashion and to use this particular bill to start getting changes made in the way we think about our fiscal regime and our economic regime in Canada. That way, we'll have a successful country.

Thanks for your time. It's been a real privilege to make that statement. I look forward to your questions.

The Chair: Thank you very much, Ms. Marcoux. You're much more than an ordinary citizen. You have tremendous experience and we appreciate your input. I'm sure folks will get back to you in the question period, which we will start now with our seven-minute round, beginning with Mr. Holland, please.

Mr. Mark Holland: Thank you, Mr. Chair. My thanks to the witnesses.

I'll start with a point of order, which I think is part of the problem. It's important to establish—and important to keep in mind as we're working through this process—that there's an important link between climate change and pollution. Mr. Marshall made the point with respect to smog as an example of how global warming impacts issues. I do think it was very pertinent to what we're dealing with.

I'm wondering if I could start with you, Mr. Marshall. There were a couple of areas you didn't touch upon that other committee members have brought up. You listed the establishment of firm targets that are based on overall emissions, not intensity. You mentioned establishing a cap and trade system and utilizing international credits through mechanisms such as the clean development mechanism.

I'm wondering if you could comment on the importance and utility, in your mind, of subsidies; on federal investment in research and development; and also on, as others have suggested, a tax on greenhouse gas emissions—perhaps a revenue-neutral tax—and the importance and utility of those items.

Mr. Dale Marshall: With respect to financing for the development of technologies, in the past the OECD and the Commissioner of the Environment have said that those kinds of incentive financing options can play a part in dealing with climate change, but that Canada has relied much too heavily on them and needs to move toward regulations and financial disincentives as well.

The financing of technology development is important, but I would say it takes a back seat to the kinds of measures we actually need to reduce emissions.

With respect to a carbon tax, a cap and trade system is the other side of the coin of a carbon tax. Instead of setting the price and not really knowing what emission reductions you're going to get, a cap and trade system sets the limits and you don't exactly know what the price of carbon will be.

We prefer to see a cap and trade system for Canada's industry because we know what the outcome is going to be. The cap is there. The number is there. We know what emissions reductions we're going to get.

It also allows for different industries to adjust differently. There are some that have a lot of low-hanging fruit, and I've mentioned one in terms of the petroleum industry. They have a lot of options to reduce emissions, and they are cost-effective and even cost-positive. Other industries will find it more difficult to reduce emissions as much as some industries that do have that low-hanging fruit. Therefore, the trading mechanism is very important.

All the economic analysis shows that a cap and trade system actually allows us to meet our objectives at the lowest economic cost.

● (0950)

Mr. Mark Holland: Okay, thank you. That's very helpful.

Mr. Drouin, I wonder if I could come to you next. On the issue of transportation, I wonder if you'd agree with me on a hierarchy of priorities, if you will, for dealing with public transit and trying to get more people using it. I agree with you. It should be a priority.

Would you agree that probably the first priority is how the community is structured? In other words, if you have a community that is built over an enormous distance without any particular centre, it's enormously difficult to provide transit. In fact, it's downright impractical to do so. So the first priority should be how the community is structured.

Secondly, even if you have the right urban forum, if you don't have the physical infrastructure, then there's nothing for anybody to use. So the second priority should be the physical infrastructure, in other words, the buses, the subways, the actual things that people can ride.

The third priority would be the actual cost of utilizing that system. Within that, there would even be a hierarchy to reduce upfront costs. So when somebody walks onto the system, it's either free or significantly reduced, as opposed to the person, say, in the lowest possible priority, getting some kind of tax credit a year later. That would be the lowest incentive you could provide.

One thing we haven't talked a lot about are ways, for example, through infrastructure funds or returning of gas tax money, to help with some of those highest priority needs of funding the infrastructure but also helping communities to develop in the right way.

If you agree with that hierarchy, do you think those should be the first priorities in driving an urban transit agenda?

Dr. Norman King: Thank you very much for your question.

It seems that you have already read our annual report on urban transportation and public health, because we definitely—that you use that approach.

I want to respond, actually, to the previous question in terms of the technological advancement. That's good, but if you don't have an integrated approach, to which Dr. Drouin referred, it isn't sufficient.

So yes, our towns and cities have to be planned in a way that people will want to use the public transit infrastructure. We totally agree with that whole approach.

In terms of the cost, Dr. Drouin talked about financial incentives and disincentives. Taxes on gas would be put into the public transit system, for example.

Having a lower-cost source, as opposed to getting a tax rebate a year later, would clearly be a much stronger incentive for people to use the public transportation system.

I think the urban planning you mentioned, which is centred around public transportation, is the key to the future.

● (0955)

Mr. Mark Holland: What are the best actions the government could take, at a federal level obviously, respecting jurisdiction on provincial and municipal land-use policy to incent that type of development?

The Chair: A short answer, please.

Dr. Louis Drouin: We have had a lot of debate on that in Montreal. The major issue is how to finance public transit.

If you look at Europe, or even in the States, the major funds come from upper government. In Europe, at least 85% of the cost for subways, trains, comes from the states' upper levels.

We had a lot of discussion with people in Montreal with respect to this report. We presented each part of Montreal. What did people tell us? They said they want to be on public transit if it's accessible, secure, comfortable, and on time.

We don't have this system on the west island of Montreal or in the east part of Montreal. We've started to build trains in Laval, but the major issue is always money, money, money. As you know, the municipal *fiscalité* is insufficient to finance that.

When you do that, we also have to control who runs—

The Chair: You need to wrap it up, Monsieur Drouin.

Dr. Louis Drouin: So we have to do that at the same time.

The Chair: Okay. Thank you very much.

Sorry, we will have to move on.

[*Translation*]

Mr. Bigras, you have seven minutes, please.

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

Mr. Drouin, I have read your brief. What I took from it is that you are proposing what amounts to a change in philosophy in all areas. And I applaud you for that.

I am going to focus on the transportation sector, since that is where you put most of your emphasis in the presentation. In the government's notice of intent concerning Bill C-30, I read that:

> Canada's new government will continue to develop and implement regulations to reduce smog- and acid rain-forming emissions from vehicles, engines and fuels in alignment with the standards of the US Environmental Protection Agency (EPA).

Here is my question. You talked throughout your presentation about standards adopted by the European Community. Do you feel that the EPA standards are adequate to deal effectively with smog, among other things?

Dr. Louis Drouin: I am not aware of the specifics of the EPA standards, but I do know that they are stricter than what currently exists in Canada. I would recommend the California Air Resources Board standards for motor vehicles. I think Canada should follow that model. The standards control nitrous oxide emissions, the NOx, breathable particle emissions, and some volatile organic compounds, to name a few. These three constituents are mainly responsible for smog in the summer. In summer, smog is photochemical, associated with nitrous oxides mixed with volatile organic compounds, the sun, and heat. That is how ozone is produced. In the winter, smog is not made up of ozone, but fine particulate matter, the 2.5s.

What must be added—and what I read in Bill C-30 will allow this—is that we can also regulate greenhouse gas emissions. That is what we must do, as California did by adopting the 128 gram per kilometre standard, and as the European Economic Community did last week, by adopting the 120 grams of CO2 per kilometre standard.

That will help, but it is not enough. Why? Every year, in Montreal for example, 40,000 vehicles are added to the metropolitan vehicle fleet. In five years, that will represent 200,000 additional vehicles. So, yes, work must be done on vehicle technology, but also on the means of transportation. People must be encouraged to use other means than theirs car to go to work, especially in large urban centres that are densely populated. I am thinking namely about the 10 Canadian cities where 85% of the population is concentrated. That is what we explained a little earlier. So there must be action on both levels at the same time.

● (1000)

Mr. Bernard Bigras: Excellent. On page 6 of your document, you say that it is necessary to "set quantifiable objectives for ambient air and for the release of air pollutants and GHG into the air." You also say we need specific timelines. The only timeline I see in Bill C-30 is one that takes us to the year 2050.

Do you think there should be quantifiable objectives in the shorter term, especially regarding GHG reduction?

Dr. Louis Drouin: Absolutely. What we studied were the best international approaches and I will repeat the two examples: California, and the European Economic Community. We heard from experts who presented all of that in Vancouver, as part of NERAM, the Network for Environmental Risk Assessment and Management. What we are seeing globally are three- or five-year targets, step by step, with the obligation to achieve results, I think that is much more concrete for Canadians, because we see a real political will to take action and achieve results. A timeline spread over 50 years is quite long.

Mr. Bernard Bigras: Does Quebec have regulations on air quality, and since when has it had them?

Dr. Louis Drouin: Yes, Quebec has regulations, which are currently under review.

Mr. Bernard Bigras: Okay. In what year, approximately, were the first regulations adopted?

Dr. Louis Drouin: In the late 1970s, or the early 1980s. We also have regulations for the community of Montreal, the Communauté urbaine de Montréal.

Mr. Bernard Bigras: Mr. Freeman, you mentioned equivalency of regulations, a topic that comes up often in your brief.

Here is my initial question for you. Within your group, is there any disagreement, in Quebec, regarding changes to this equivalency system? If that is the case, I would like you to name the dissenting groups.

[*English*]

Mr. Aaron Freeman: My organization is Environmental Defence Canada, and I represent the views of my organization. I'm not sure if that answers your question.

There is an existing model that works in CEPA, which is tried and true in the courts—it's the equivalency model—and I don't see any reason to change that model. It's a model that can be very effective for implementing air quality objectives in this country.

[*Translation*]

Mr. Bernard Bigras: Suppose we were to call for an amendment to the act to force the federal government to comply with stricter regulations in force in one province or another. Do you think this equivalency principle could work in both directions?

Mr. Drouin just said that Quebec adopted a clean air act in the late 1970s. The act's regulations are currently under review. So they are reviewing existing regulations. Do you think that Canada could draw some inspiration from that? It is not simply a case of saying: "Canada knows best."

A clean air act is being reviewed some 30 years after its initial adoption. Do you think the principle of equivalency should work both ways?

[*English*]

Mr. Aaron Freeman: You are thinking of a pull-up fashion. Absolutely, and under the equivalency model in CEPA, provinces are free to have more stringent standards. Any jurisdiction in Canada is free to have a more stringent standard than the federal standard. What the equivalency model ensures is that no provincial jurisdiction falls below a certain standard. But certainly those jurisdictions are free.

[*Translation*]

Mr. Bernard Bigras: Should the federal act include standards that are as high as those in a province where the standards are enforced? Do you understand what I mean?

● (1005)

[*English*]

Mr. Aaron Freeman: We would certainly advocate that standards be reviewed every five years, both emission standards and ambient air quality standards, with a view to maintaining the leading standards globally, and certainly the leading standards in North America. Those would include provincial standards. There is certainly that potential for a provincial jurisdiction with a higher standard, as you are describing, to pull up the federal standard.

The Chair: Thank you very much for that.

We'll have Mr. Cullen for seven minutes, please.

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

I have a question for Mr. Freeman.

There has been much talk about cleaning up the air by the government under Bill C-30, yet when we look through the bill and through the notice of intent, I can't really find the specifics of the actual standards that will be implemented. Am I missing something? How clear is this bill, as it is presented right now—and Dr. Drouin has made a good case for the need to have better air quality standards in terms of health costs and benefits and the rest—on the standards that are being set?

Mr. Aaron Freeman: The bill, in proposed section 103.07, which is on page 13 of the bill, sets air quality objectives within three years after the coming into force of the act.

Mr. Nathan Cullen: So three years after the act comes into force —

Mr. Aaron Freeman: We get air quality objectives, but there is nothing in the bill that talks about the enforcement of those objectives. There is nothing in the bill that talks about what kinds of emissions standards will go into meeting those objectives. So what we're in essence left with is some kind of statutory recognition of what will probably be something along the lines of the Canada-wide standards.

Mr. Nathan Cullen: That is not written into the bill. It's a bit of a faith exercise, then. As the bill is written right now, three years out there will be an objective, but we don't know how it will be enforced, what the objective will be, and so on.

Mr. Aaron Freeman: There are no compliance measures.

Mr. Nathan Cullen: We will leave that for a second.

Mr. Marshall, as my colleagues have said, you've made the connection between emissions in general and the two issues of air quality and climate change, and there's some debate as to which one to do first. Or do you do both at the same time?

Let's take the issue of intensity for a moment. The government is currently suggesting some intensity standards for the amount of pollution that's allowed out, as a way to measure it; that is, we'll go by intensity rather than say there's a cap on it.

Natural Resources Canada has said that within the oil and gas sector over the next 10 years there will be an improvement of 30% in intensity, just doing business as usual, but with projections of quadrupling, or more, production. What does this do for overall emissions, both of greenhouse gases and air pollutants, using intensity as your guideline?

Mr. Dale Marshall: Using those numbers, if you improve your intensity by 30% but have even a doubling of production from the tar sands, you have an increase in greenhouse gas emissions. If you go to three, four, or five times what it is now, then you have a significant increase in greenhouse gas emissions.

Mr. Nathan Cullen: I would assume this includes cancer-causing air contaminants as well, and so on.

Mr. Dale Marshall: Absolutely, yes.

Mr. Nathan Cullen: You referred to a study by part of the oil and gas sector, claiming to have 29 megatonnes available. Why would a company not make those investments to reduce greenhouse gases and air contaminants if it is available to them at what they claim to be no cost?

Mr. Dale Marshall: There are two answers to that. One is that they are not forced to. So when a company looks at what it's going to invest in, is it going to invest in revenue-neutral emission reductions or in the production of more oil and gas that will produce profits? From a business point of view, from a bottom-line point of view, it makes more sense if there are no constraints on its operations from a climate change perspective to continue to invest in greater production.

● (1010)

Mr. Nathan Cullen: This is a question for Ms. Parkinson-Marcoux.

I suppose this leads me to the question—you've worked in this sector and gained experience—regarding the cost of pollution as it stands right now, which you spoke about in your initial statement. What is the actual cost of greenhouse gas or other air contaminant pollution right now for large industry?

Mrs. Dee Parkinson-Marcoux: You meet your environmental standard; you exceed that standard voluntarily at a cost to you. This is always a consideration for any business. So you have to find some other reason why you'd go beyond any standard that has been set for you, which is the level playing field—[*Technical difficulty—Editor*]

I don't really care; it's just not acceptable. So we're going to find a way to do it so that in fact it creates profit for us. It does not create a cost for us, causing us to think innovatively and beyond what was a legislated requirement. But most people are not going to think that way, because it actually penalizes them.

Mr. Nathan Cullen: So in cases not like yours—you might be a bit more of an exception than the rule, in terms of the five priorities you listed. I am trying to find some sort of analogy that works for what the system is right now.

In days gone by, for business, there were no health and safety standards, so the cost of an injured employee was virtually nothing, other than replacing the employee, until lawsuits started coming forward. Then it seemed to make business sense to invest in health and safety standards, and in training employees to avoid those costs.

Are we not essentially talking about internalizing the costs of pollution into the bottom line of companies that are involved in both the creation of wealth and pollution?

Mrs. Dee Parkinson-Marcoux: That's the way to internalize those costs. This is what I'm trying to encourage you to think about when you put a framework in place for the use of the airshed, just as there are penalties in place for the use of the watershed or lands. You have to pay for it.

The person who should ultimately pay for it is the consumer. This cost should flow through. That's why I believe we should be taxing consumption, so people actually know that when they make the choice to buy a certain energy source or whatever, the full cost they're paying reflects the resource user's use of the natural resources of our world, which include air and water, not just the minerals and the lands.

Mr. Nathan Cullen: Trying to find a way to cost this out is interesting.

My last question is for Dr. Drouin. You just said $1 spent in efficiency produces $3 in health benefits. To be very clear, when a company puts pollution up in the atmosphere that causes a health cost, who picks up the health care cost right now?

Dr. Norman King: The notion that $1 gives $3 is not just $1 of an industrial investment. It is $1 of incentives, government planning, and government cost, because the health care costs are picked up. They are calculated in many ways, but the first health care cost is picked up by the state, by our medicare plans, and so on. It is also the loss of productivity and loss of life. All those elements are factored in, so it is an overall global perspective that even from an economic perspective it pays to invest in.

Mr. Nathan Cullen: Thank you.

The Chair: Thank you very much.

Mr. Warawa for seven minutes, please.

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

Thank you to the witness for being here.

Ms. Parkinson-Marcoux, you shared five things that need to be done well. I've missed one of them. I've got the health of the employees, care of the environment, productivity, profitability. What was the other one?

Mrs. Dee Parkinson-Marcoux: Quality—in other words, care for your consumer. That, in your case, is the citizens of Canada. The government's consumers of your product are us, as the citizens.

Mr. Mark Warawa: Thank you.

Do you have some technologies that you believe are essential to developing a cleaner environment, specific technologies that either need to be developed or that people are encouraged to use?

Mrs. Dee Parkinson-Marcoux: There's no question that if you set out a target and a framework in which people can work effectively, knowing that we want to achieve the long-term objective —say, closed-loop engineering—one of the things you can do in your taxation system, the things that support doing the right things, is to look for supporting innovative technologies, much as the government has combined forces with the Canada Foundation for Innovation or with Sustainable Development Technology Canada. That's all about finding technologies that help us meet long-term objectives by acting now.

So we set up tax frameworks or grants that let people get on with it. At the moment, we don't have an economic system that supports what I consider to be high-risk and ultimately high-return projects when they're in the high-risk, low-return stage. So the government's financing system, that very backbone of how we view economic profitability, can be used to achieve this objective of clean air. But it means overhauling the way we think about what we tax and how we tax it. If you want these objectives to be achieved, I'm pleading with you to try to integrate your thinking with what the barriers are in our fiscal system that are preventing people from making the right choices. Everybody will make the right choice if they have the framework in which to make it. We have a framework that's perverse.

There are many technologies out there. Probably some of them are going to be groundbreaking. But I would say they're 20 years away from becoming commercial activity. So we need things that bridge us to using those new technologies to get into a low-carbon world. Forget the low carbon. We need a world that works on closing its loops, so we don't use the airshed and the watershed and our land as sewage systems.

● (1015)

Mr. Mark Warawa: You recommended a tax based on consumption. Could you elaborate on that? The comparative you used was the real cost of driving a gas-guzzling SUV. How would that tax structure—? Would it be annually? At point of sale? Ongoing? What are you recommending?

Mrs. Dee Parkinson-Marcoux: I'm recommending something that's been implemented in other countries. In at least one I know of, Iceland, which has no income tax—God forbid! That just shatters most government thinkers. They don't tax income and they don't tax work. But they do tax consumption. So at the point of sale, the cost of that SUV in the manufacturing of it, which includes all the resources that went into it, plus its running costs, meaning it's going to use more of the world's natural resources running, because it uses more energy, it uses more air—You know, cars don't combust without the use of the airshed. Then they use the airshed as a sewage system because it's not a closed-loop system. At the point of sale, you pay for that. And at the point of sale of your then subsequent purchases of gasoline to run that SUV, you pay, but you don't pay income tax. So for people who are trying to do—

This isn't a moral argument. If I want to run an SUV and I can afford to do it and I pay for it fully, I should be allowed to have one. If I'm not paying for it fully and I'm being subsidized by other Canadians who are driving their Smart cars and doing all the rest of it, but they save money and then get taxed on the savings, being efficient in their use of resources for themselves and others, I consider that a perverse system. It will not change the fundamental behaviour of consumers. In the consumer's mind, it doesn't link the impact they're having on their own environment that they live and breathe. And it doesn't allow business to make good decisions either.

This isn't about foisting the cost on the manufacturers; this is about all of us who want to use the resources of the world to use them. That's all it is.

It's very hard to overhaul our systems, but I'm really pleading with the government to think in a much more—[*Technical difficulty—Editor*]

Mr. Mark Warawa: Thank you.

I have a question for Dr. Drouin.

It's changing the way we think. The more dense the population in the urban area, the more realistic the use of public transit is—the actual providing of the cost. Our past is big lots and spreading out instead of densification. It's a change of mindset.

It was the way I grew up, on acreage and enjoying a large-sized lot, but the community I live in is becoming much more dense and therefore public transit is usable.

We've made announcements on $1.4 billion for providing capital costs for public transit. We have, of course, the tax benefit to encourage people to use public transit. We've announced $1.5 billion for the provinces, to work with the provinces. We've announced our clean energy, renewable fuels, and so on. Are we on the right track there with the goal to clean up the air we breathe and to encourage people to use public transit, cleaner fuels? Are we on the right track in that respect?

● (1020)

Dr. Louis Drouin: Yes, we are on the right track on these two aspects. You have to realize that in Montreal and Toronto the major source of smog comes from transport. We're on the right track, and we have to push much further for clean energy on cars and also on public transit.

The Chair: Thank you, sir.

We'll have to move on, and we'll have to be really tight on these five-minute rounds.

Mr. McGuinty, please.

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

Ms. Parkinson-Marcoux, it's good to hear from you again. I was pleased to hear your comments about consumption taxes. A lot of Canadians hadn't connected the environmental aspects of a consumption tax. It's interesting, because in the debate that surrounded the government's decision to reduce GST by a point, what we heard mostly was not on the question of environmental impact but on the question of cutting a consumption tax, and its negative effect on savings levels, investment, and productivity in the country. It would have been a more productive thing to cut income taxes. It's interesting how you're talking about the shifting here. I just wanted to remark on that.

Perhaps I could turn to our colleague from the Suzuki Foundation, Mr. Marshall.

Mr. Marshall, I was really happy to hear that there is a study from the oil and gas sector. I think all of us would benefit from hearing more about the ability to reduce greenhouse gases. I know the forest products sector of Canada has already reduced its greenhouse gases with strong related air pollution reductions. They have reduced their greenhouse gases by 44%, using 1990 as a baseline in this country. It's interesting to see there's another success story and sector out there that could achieve—with some effort.

Mr. Freeman, I'd like to turn to your specific recommendation. I want to thank you for your notes, your comments, and your recommendations, because they're highly specific. They're good for us to work with. You mentioned the idea of creating new air quality zones. For Canadians who are watching or listening, I guess you're talking about dividing up the country into zones. You mentioned the specific areas where you have high pollution levels and high population levels.

The country is urbanizing much faster than we ever thought it was going to, to the point where we now know—I think it was Mr. Drouin who said this—that roughly 80% of the population lives in 12 or 14 cities.

Then you went on say that the emissions standards for those areas must nonetheless be in the most protective category of emissions standards. I didn't understand what you meant by that. Could you help us understand this? If we divide the country into these air quality zones and set standards, how would this work where there are areas that are more polluted than others, for example?

Mr. Aaron Freeman: You would have a set of ambient air quality standards, so those would use the same type of measurement as do our current Canada-wide standards, although hopefully they'd be stronger than the CWS's. You would have ambient air quality standards and measuring stations in different parts of the country. We already have these for the most part to measure air pollution with. If a certain zone fell below the ambient air quality standard—so below the standard that is in the air—you would have a set of emission standards that would be associated with the ambient air quality standards. So if you fell below the ambient standard, that zone would have to adhere to a particular emission standard from the facilities that are emitting pollution in that area.

The United States works roughly on this basis. They have a county basis. They're called attainment zones. The federal government puts out ambient standards. Each state has to come up with plans in order to meet those standards. If the plans are inadequate, the EPA steps in and says the plans are inadequate. The enforcement mechanism would be quite different in Canada. In the United States, the enforcement mechanism is, in essence, infrastructure funds. In Canada, I think there are different mechanisms we can use to have the provinces run things from that perspective. Then you have the federal government in more of a backstop role.

Does that answer your question?

● (1025)

Mr. David McGuinty: Yes, it does.

I think you also said something about having the Minister of the Environment report on a quarterly basis whether and how these zones are actually achieving their targets or not achieving their targets. Is part of the thinking behind that call for the minister to report publicly on a quarterly basis what you said? Is part of your thinking that as a country, as a nation, we have to start communicating with Canadians as a government, in a way that—the way I like to put it—stops a fundamental fiction, which is that we can continue to operate our economy and measure how well our economy is doing while, as Dee Parkinson-Marcoux said, continuing to use our ecosystems as receptacles for waste, without putting a value on that?

The Chair: Could we have a very short answer, please?

Mr. David McGuinty: Is part of your thinking there that we want to sensitive Canadians to the idea that nature is inherently linked to the economy?

Mr. Aaron Freeman: I think that's a really key part of it. I think another part of it is that there is simply a right-to-know basis. I have a right to know whether the air I'm breathing meets a basic standard for human health and the environment. So I think it's a combination of both of those things.

The Chair: We'll move on to Mr. Jean for five minutes, please.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you, Mr. Chair. Thank you, witnesses, for appearing today.

I have to say that I was very impressed with your presentation, Mr. Drouin. It was very impressive. I've listened to many experts over the years on the environment, and for 18 months when I sat on this committee, and I find your suggestion on how we can tackle this issue very refreshing. But I don't have any questions for you.

Mr. Marshall, you suggested that we should look towards industry's reducing emissions by 127 megatonnes per year. Is that the total suggested reduction that we should make, or what's the target you're suggesting?

Mr. Dale Marshall: That is the target I'm suggesting for industry. That is the target, based on simple math. You look at their 1990 emissions and subtract 6%, and you compare that to business as usual and you get 127 megatonnes for the industrial sector as a whole.

Mr. Brian Jean: And the total number of megatonnes we have to cut, not just in industry but overall—what is that number?

Mr. Dale Marshall: The latest projections I've seen show that the Kyoto gap is about 270 megatonnes.

Mr. Brian Jean: But how are we going to meet the 2020 targets that you're suggesting? How much are we going to have to cut? By my calculations, it looked like about 800 megatonnes per year.

Mr. Dale Marshall: Sorry, by your calculations—?

Mr. Brian Jean: It looked like about 800 megatonnes per year.

Mr. Dale Marshall: No. The Kyoto gap is approximately 270 megatonnes.

Mr. Brian Jean: Okay, so we have to cut 270 megatonnes per year to reach our targets in 2020?

Mr. Dale Marshall: That's during the 2008 to 2012 period.

Mr. Brian Jean: Okay. And you've said we have to buy international credits in order to meet our projections. What kind of cost would that mean for taxpayers?

Mr. Dale Marshall: It depends completely on how much we do domestically. If we have a really strong domestic program that reduces emissions—Obviously the industrial sector is a big component, but it also involves vehicles. It also involves working with the provinces for buildings and urban land use, agriculture, waste. If we can do a lot domestically, then the amount we have to buy internationally shrinks quite considerably.

Mr. Brian Jean: Okay. Have you or your association looked at the cost of implementing the Kyoto strategy and cutting 270 megatonnes per year until 2012?

Mr. Dale Marshall: The cost to whom?

Mr. Brian Jean: To the taxpayers. Ultimately, it's going to cost—I mean, I look at your background. You do have some background in policy solution for jobs in environmental sustainability. You've written a book on running on empty, shifting to a sustainable energy plan for British Columbia.

Have you had it costed professionally, what it would cost our economy?

Mr. Dale Marshall: In terms of cost to government, again, it depends on how much we do domestically. If we have reasonably aggressive policies to reduce emissions domestically, then we'd probably have to buy somewhere in the order of 100 megatonnes a year internationally, which, depending on where these credits come from, could be somewhere between $1 billion a year to possibly as much as $2 billion a year.

● (1030)

Mr. Brian Jean: In fact, some experts have suggested $30 billion over a seven-year period, but the range is all over the place—$2 billion a year to—I've heard different figures and I've read them, but —

Mr. Dale Marshall: It's a five-year period, and $30 billion is way inflated. I mean, the cost of credits on the international market revolves around $10 a tonne, possibly a little bit more.

Mr. Brian Jean: It's gone up and down, all over the place, actually. In fact, if the Kyoto Protocol is implemented by a lot of countries, the cost is going to go up on the trading scheme because there's going to be more of a demand, right?

Mr. Dale Marshall: No, not necessarily, actually. If you look at the clean development mechanism and the joint implementation, there are all kinds of opportunities there that are not being seized right now, partly because the market is not getting the right signals from our government and others that there's actually going to be investment, that there's going to be a demand for those credits.

When that signal gets sent that we are in fact going to be participating in the international credit market, there will be a lot of other projects that will come on stream. And we're not talking about buying EU emissions trading. We're looking at the average cost for, for example, CDM projects or JI projects, and that cost, as I said, is somewhere in the order of $1 billion to $2 billion a year. And I have to put that into perspective a little bit.

Just last year alone, in one budget, the amount of money that was spent on the military was much more than that. On a per year basis, this is a small fraction of what the government paid in tax expenditures with respect to the GST cut, which is $5 billion a year. And in my mind, it obviously comes down to priorities. If it were up to me, though, my priority would be conforming with international law and dealing with the most important challenge that is in front of us, rather than getting a penny back on the daily newspaper I buy every day.

The Chair: Okay. Thank you very much. We're going to have to move on.

Mr. Lussier for five, please.

[*Translation*]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Drouin, I am quite impressed by your report, which is very complete, and I approve it, as the government members do.

As regards your integrated transit approach, I think you were praised, earlier, by the government's members, and you replied that the government was on the right track. However, I have studied your integrated approach list, and I think that there are many aspects in which the government has not yet shown an interest.

Earlier on, you mentioned the city of Perth, Australia, that has chosen an approach based on free public transit. Is favouring free public transit a potential solution for the Canadian government? Has the tax credit on the monthly pass that the government gives users of public transit had an effect to date?

Dr. Louis Drouin: The ultimate objective is to get people to leave their cars behind and use public transit in order to reduce the number of vehicles and the number of kilometres driven in a densely populated urban area.

I will as an aside, say this: For three months, in Atlanta, during the 1996 Olympic Games, people were all redirected to public transit. The incidence of smog and hospitalization for asthma were reduced by 40%, because there were fewer vehicles on the road. It had a major impact.

Having said that, the federal, provincial and local governments must work together to produce the greatest impact possible. The current government has recommended a tax deduction for the cost of public transit. That measure is insufficient for the simple reason that the cost of the pass in Montreal has increased. It increases faster than inflation, because the city no longer has the means to maintain its own subway system. Funding is a major issue. Again, municipal taxes, be it in Montreal or Toronto, are no longer enough to maintain, fund and increase the transportation network. We need to know where the money is that could help us.

Let's look what is happening in Copenhagen and in France. I met our French colleagues. Paris is currently building a tramway system. The French government is funding 85% of the system. We are on the right track, but funding must be increased a lot more than what was mentioned earlier.

The annual report we presented talks about an effort, in terms of public transit infrastructure, of 8 billion dollars over 10 years, for the Montreal metropolitan region alone. Those figures come from the Agence métropolitaine de transport. That means the engineers, the light train transit system, or the LRT, the extension of the metro on the Anjou side, the rail link between Dorval and downtown Montreal. It makes no sense, in 2007, that we do not have a rail link between the city and—

The AMT studies showed that we could move 500,000 vehicles on a yearly basis if a rail link between the main train station and the Pierre-Elliott-Trudeau International Airport were built. There again, more funding is needed, and the federal government has a major role to play in that regard.

● (1035)

Mr. Marcel Lussier: Thank you very much.

[*English*]

The Chair: Sorry, Mr. Lussier, we're at five minutes.

Monsieur Paradis, pour cinq minutes.

[*Translation*]

Hon. Christian Paradis (Mégantic—L'Érable, CPC): Good morning, Mr. Drouin. I greatly appreciated your statement and the notion of an integrated approach. You identify different departments, be it Agriculture and Agri food Canada, Natural Resources, or others.

You raised an interesting point. During the international conference that you attended, experts from California said that a dollar spent equals three dollars in health benefits. You are sending us a message, we must invest in sustainable or other technology.

Mr. Marshall talked about certain costs of enforcing the Kyoto Protocol. He said that to meet the 2008 to 2012 targets, we will have to earmark one or two billion dollars a year to buying carbon credits. But it all depends on how we invest in the country. Moreover, some say that if we were to invest over a certain period in Montreal, that would reduce—

How can we strike a balance? I think our investments are urgently required to update things on greenhouse gas emissions. How do you see things?

Dr. Louis Drouin: I am not an economist, nor an engineer, but I am lucky enough to have a twin brother who is an engineer and who does a great deal of work in the field of environmental technology. I know that we can currently do a lot using existing technology to reduce our greenhouse gas emissions.

I will give you a concrete example. A program was set up in Montreal with the Agence de la santé et des services sociaux to replace furnaces in the city's hospitals using much more efficient heating technology. By doing that, they achieved a 20% reduction in the use of natural gas or fuel oil. Focusing on those approaches would be extremely beneficial.

Earlier on, we talked about the mechanism for carbon credits designed to compensate those who take steps to reduce emissions. If there were a carbon credit market, the Montreal greenhouse gas reduction program with the heating system in the hospitals should be credited. We should be compensated for that program. It would become a very attractive economic incentive. The engineer in charge of the program told me that they did it at their own expense, but that after eight years, the initial cost would be recovered through lower heating bills.

● (1040)

Hon. Christian Paradis: I am following you clearly, but earlier I was talking about investments in transportation infrastructure. Perhaps I misunderstood your message.

Major investments are being sought just for the Communauté métropolitaine de Montréal, and those investments are necessary. You talk about a Marshall plan for transportation—

Dr. Louis Drouin: I spoke to the person in charge of the California Air Resources Board at the international conference had took place in Vancouver. I do not have all of the cost-benefit studies that they did, but according to what he told me, a dollar spent on clean technology, be it at the industrial level or by putting in place public transit systems in large cities in California, would systematically provide a return of three dollars in health benefits. So it is no longer a question of costs, but a question of benefits.

There is currently a lot of talk about improving the health of Canadians by reducing smog in the cities. In Montreal, 80% of greenhouse gas emissions are caused by transportation. Those emissions must therefore be controlled. Toronto has the same problem. What is $10 billion over 10 years, when there is a 30-billion-dollar-return in health and a reduction of greenhouse gas emissions at the same time?

In my opinion, the equation is crystal clear.

The Chair: Thank you very much, Mr. Drouin.

[*English*]

We'll have to move on to Mr. Scarpaleggia for five minutes, please.

[*Translation*]

Mr. Francis Scarpaleggia: Thank you, Mr. Chairman.

Dr. Drouin, you are asking much of the federal government, and this is normal, because air pollution is a cross-border problem.

Bill C-30 removes the six greenhouse gases that the Liberal government had included in the list of toxic substances, and places them on another list that may not be clearly defined at this time.

Do you think that this transfer has taken away the federal government's legal and constitutional authority to regulate greenhouse gases? Have you had time to think about this?

Dr. Louis Drouin: The meaning of your question is not clear to me. According to proposed section 103.09, greenhouse gases are included among the items that can be regulated.

Mr. Francis Scarpaleggia: Other witnesses told us that they saw a potential problem with the federal government's legal authority to regulate greenhouse gases. However, let us go on to another subject.

Yes, go ahead.

Dr. Norman King: In fact, I did read that. I think that our colleagues from the Canadian Lung Association voiced this concern. We are not legal experts.

Clearly, removing certain products from a list of toxic substances that the government has the power to regulate can create problems. The problems could be avoided by substituting another regulatory mechanism. This is why we have not specified any particular mechanism.

● (1045)

Mr. Francis Scarpaleggia: I understand.

Dr. Norman King: For the same reason, our brief states that the government "must" regulate these items, and not that the government may regulate them. It does not matter whether the government chooses to regulate them by using an appended list or by providing a section in the legislation. Above all, we must have regulations with clear objectives that are to be attained within a specific and brief timeline.

Mr. Francis Scarpaleggia: If I understand correctly, the text of Bill C-30 says that the government "may" regulate—

Dr. Norman King: There you are.

Mr. Francis Scarpaleggia: —instead of "must" regulate.

Dr Norman King: This is the point that we raised in our brief.

Mr. Francis Scarpaleggia: Why do you think that the government was not more strict in drafting its bill?

Dr. Norman King: You are asking for our opinion on a matter that is outside of our field of expertise.

Mr. Francis Scarpaleggia: Let me put this question to Mr. Marshall. I was about to speak to him in any case.

[*English*]

Why do you think the government says in its bill that the government may regulate as opposed to must regulate?

Mr. Dale Marshall: Well, like my friend here—

Mr. Francis Scarpaleggia: It seems to me that if you really want to do something about greenhouse gases—if you're serious—you first of all leave the six greenhouse gases on the toxic substances list. Then you write it in the law that the government must regulate.

What's your opinion on that?

Mr. Dale Marshall: I would agree. But you're asking me to ascribe motives to what the government has done, and I obviously—

Mr. Francis Scarpaleggia: But you agree. Okay, that's all I need.

Now, let's say, Mr. Marshall, you had the opportunity to meet Premier Stelmach and you told him, look, you can reach targets, greenhouse gas caps. Then let's say he told you, well, it would hurt my economy; slowing down the tar sands would hurt the GDP of the province of Alberta.

What would you tell him?

Mr. Dale Marshall: I'm going to continue to point to what the industry itself is saying, and cite again the report by Petroleum Technology Alliance Canada: there are emission reduction possibilities within the oil and gas sector—not just in Alberta, but obviously in other provinces that have an oil and gas sector—that would cost them nothing.

In the end, we are moving toward a world where we're going to have to reduce our emissions at one point or another. The longer we wait, the more it costs.

I'll point to another study. Sir Nicholas Stern put out an economic report on climate change. He found that the cost of not acting is much higher, at least five times higher, than the cost of dealing with climate change.

The Chair: Thank you.

We're going to have to move on.

Mr. Manning, five minutes, please.

Mr. Fabian Manning (Avalon, CPC): Thank you, Mr. Chair.

First, to Mr. Freeman, during our discussions this morning and throughout our hearings we have heard about the desire, I guess, within Canada to address the environmental concerns we have, but also about the price tag that comes with it. Certainly we're not talking about hundreds of dollars; in some cases we're talking about billions of dollars.

In your comments you made the point that we had the legal route, I think you said, but not the political will over the past to address some of those concerns.

Mr. Aaron Freeman: I'm sorry, I didn't catch that last part.

Mr. Fabian Manning: In your comments you put it forward that we had the legal route under CEPA but not the political will. Would that be correct?

I'm just wondering, in regard to the Clean Air Act and moving forward with some political will—and you put forward some amendments. Thank you for those. I think you put forward some excellent amendments.

I'm just trying to find out how we address the concerns that Canadians have, in your view, of addressing the environmental issue and at the same time being able to provide an opportunity for people to work and provide a living for their families and so on. There seems to be a disconnect within Canada. The number one concern is the environment, but immediately after that people are also very concerned about the impact it has on them individually, as persons living in Canada.

I'd just like you to elaborate on that, if you could.

Mr. Aaron Freeman: I don't accept the dichotomy and I don't think Canadians accept the dichotomy. According to government estimates, 16,000 Canadians die each year from urban air pollution. Ontario Medical Association studies came up with similar estimates on the same scale.

There are severe respiratory illness effects of air pollution that you heard about yesterday and have heard in various standing committees over the years. So I don't accept that Canadians believe there is a dichotomy between the quality of the air they breathe and the association this has with their quality of life.

There are going to be extreme cases where there will be severe economic hardships to meeting air pollution standards. I think those cases will be remarkably rare, but for those cases there should be an exemptions provision built into the legislation. Those exemptions should be only in cases of severe economic hardship, they should be time-limited to 12 months, and if the area wishes to receive a subsequent exemption, they will have to show demonstrable progress toward meeting the ambient air quality objectives. And those exemptions have to be transparent. There have to be reasons provided publicly for them.

So in those very rare cases where there is severe economic hardship to meeting the standards, there should be exemptions.

● (1050)

Mr. Fabian Manning: What do you believe should be the process of requesting that exemption? Should that be the decision of the minister, the granting of the exemption? I think it's important.

Mr. Aaron Freeman: Those would be exemptions granted by the minister.

Mr. Fabian Manning: Mr. Marshall, many would lead us to believe—we've heard several presenters here say this—that it's Kyoto or nothing, but when we look at the track record, we're 35% above where we need to be. What's your opinion on that? We had this protocol that we're supposed to be following, but we've had years of inaction and now we're at 35% of where we're supposed to be. There's got to be a better way of addressing the concerns that we as Canadians have, wouldn't you think?

Mr. Dale Marshall: Better than throwing our arms in the air and saying we're at 35%? We have an international obligation to meet this. It's in our best economic interest to meet this, and it will propel momentum in the global community toward a climate change regime that adequately addresses this very important problem.

Mr. Aaron Freeman: If I can make a suggestion on this point, in my view, the issue of whether or not we're going to meet that level is really beyond the scope of this bill. I think whether or not we're going to meet our Kyoto obligations is an important question, but the purpose of Bill C-30 and the scope of Bill C-30 is to achieve the deepest domestic reductions that we can in this country. Once we've achieved those reductions we can then have that debate, and obviously we've been having that debate in other venues, but we can have the debate about how we're going to meet those targets, whether we're going to meet them through offsets, whether we're going to take the penalty in the second Kyoto period. Those are all relevant questions, but the scope of this bill deals with the deepest domestic reductions that we can achieve.

The Chair: We'll have to move on.

Mr. Godfrey for five, please.

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

I would like to congratulate both Mr. Manning and Mr. Jean for ignoring Mr. Warawa and continuing to ask questions about greenhouse gases and Kyoto. Thank you.

I want to talk about proposed sections 103.07 and 103.09, which two witnesses referred to precisely, Mr. Drouin and Mr. Freeman. As far as I can make out, they're both on the same page in terms of having mandatory air quality standards, and Mr. Freeman sets out the kind of detail we're looking for.

I want to understand something, just for the purposes of looking at an amendment. Proposed section 103.07 is all about issuing objectives and assessing effectiveness, and consulting, publishing, and preparing—that's what it's all about. But 103.09 seems to be about regulating air pollutants and greenhouse gases, the quantity and concentration of air pollutants in greenhouse gases.

Can you explain to us, Mr. Freeman, what the difference is between going after specific substances in proposed section 103.09, which might seem to have something to do with air quality, and actual air quality standards with enforcement?

● (1055)

Mr. Aaron Freeman: Sure. I'll draw the distinction between ambient air quality standards and emission standards.

Ambient air quality standards—and in the way you're following the legislation, this would be in proposed section 103.07—set the standard of the air we breathe, in essence. We want a basic standard that meets human health and environmental criteria that ensure the ambient air around us is of a certain quality. So that's 103.07.

Then proposed section 103.09 deals with how you get there. How do you get to achieving those ambient air quality objectives? And that's about air emissions. That's about the facilities that are emitting pollution, what kinds of standards they will have to adhere to.

They're both key elements. The problem with the Clean Air Act as it's currently worded is the setting of ambient air quality standards. One of the problems is they don't talk about the quality of those standards, but setting that issue aside, they do set ambient air quality standards. It's within three years, it should be shorter, the standards should be strong, and there's no mention of how strong.

Then when you move to proposed section 103.09, the setting of the emission standards in order to reach those ambient standards, the key word there is “may”. So if you look at 103.09(1), it says “The Governor in Council may, on the recommendation of the Ministers, make regulations”. If you look at subsection (2), it says again, “The Governor in Council may—make regulations”, and then there's a long list of powers that parallel the powers that are existing in CEPA that the minister may choose from.

So the problem here is that we have a setting of the quality of the air we breathe. We don't have a mandatory setting of how we're going to achieve those standards.

Hon. John Godfrey: Very helpful, thank you. I think that's good.

One very quick question is. this. In the joint submission, which you took part in, from the NGO community, there's a reference to international air pollution, and something here says, “Through Bill C-30, CEPA should be amended so as to clarify and strengthen the federal government's authority to regulate sources of international air pollution in Canada.”

I read this. It is totally baffling. I have no idea whether you're trying to regulate outside the country, which is not possible, or—what does that mean?

Mr. Aaron Freeman: This really is a climate change issue. The international air pollutants they're talking about are pollutants that cross an international boundary. So for the most part, that's going to be greenhouse gas emissions—

Hon. John Godfrey: The pollutants created in Canada that go across the boundary.

Mr. Aaron Freeman: They could be created in Canada. In the context of this legislation, we're talking about regulating greenhouse gases that are emitted. I'll refer to legislative drafters, if they have a better interpretation of this, but I think what that section deals with is pollutants that cross international boundaries. We only have the authority to regulate sources within Canada, so I think what we're talking about there are, for the most part, greenhouse gases emitted in Canada.

The Chair: Okay. Thank you. We'll have to move on. You're over five now.

I'll just beg the committee's indulgence to go over a couple or three minutes, so we can get Mr. Watson his full five.

Hearing no objections, Mr. Watson for five, please.

Mr. Jeff Watson (Essex, CPC): Thank you, Mr. Chair.

Monsieur Drouin, you said, "Don't look at the cost, look at the benefits." Is that a statement I heard you say correctly, that we should be looking at the benefits, not just at the cost? You said, "Don't look at the cost, look at the benefits." That's what I heard in translation, anyway.

Dr. Louis Drouin: Yes, the benefits are much higher than the cost, and—

Mr. Jeff Watson: Is that a position shared by other members? Would you caution us to feel the same way, as MPs: don't look at the cost, look at the benefits?

Mr. Aaron Freeman: No, I think you should look at both. I think if you look at the costs of urban air pollution, for example—and I'll let my colleagues who have an equally strong case to be made on climate change, on greenhouse gases—it's a no-brainer if you look at the costs of urban air pollution.

What's the cost of a human life? While 16,000 people prematurely die from air pollution in Canada every year, who's bearing the cost of that? Who bears the personal cost of that, and who bears the health care cost of that? Well, we do. What's the cost of an asthma attack? What's the cost of increased respiratory illnesses?

I think costs are extremely relevant to this debate.

● (1100)

Mr. Jeff Watson: In the short-term transition toward medium- and long-term targets, there's the potential for a lot of dislocation, which is a term for some very painful costs along the way: job loss; anxiety; depression; bankruptcy; domestic violence; costs for employment insurance or retraining; loss of charitable dollars in communities from people who used to have high-paying jobs but don't anymore and the social services that are funded by those; and, in rare instances, suicide.

I'm in a community right now with 9.7% unemployment. That's in the auto industry. There were major layoffs announced recently. Those are costs that MPs are also concerned about. Is it fair enough to say that we should be concerned about those as MPs when we make decisions about what to do with climate change and what to do with pollution reduction?

I'll ask the panel. Does anybody want to answer that?

Dr. Norman King: When we say don't look at the costs, we're not saying to just spend billions and billions without thinking about it. We're saying, don't look at the costs alone, because that's misleading. No one is talking about closing down the automotive industry in Canada. No one is talking about creating unemployment. On the contrary, I think during the international conference in Montreal in December 2005 there were many speakers who showed that working on the environment creates jobs and creates economic benefits, while at the same time it creates better air quality and better health.

It's not logical, in my mind, to put one in opposition to the other. If you work on the environment, we create unemployment and—

Mr. Jeff Watson: Mr. King, fair enough, but if I lose an auto job today, I don't have a job to walk into in the future either.

Dr. Norman King: But you're creating a public transportation job.

I'll give you the example of the tobacco industry. People have argued that we shouldn't be too harsh on tobacco because we're losing jobs. That is incorrect. We must make sure that the tobacco industry disappears eventually and that those jobs are replaced by others in the agricultural field. We're not talking about just blindly eliminating jobs. We're saying those jobs that....

Mr. Jeff Watson: Here's the question I'd like to ask the panellists, then. It's not the same to lose a $30-an-hour job with benefits to get a $10-an-hour job. There are costs for people and how they will have to live their lives because of that. Should the government, or should members of Parliament, be concerned about mitigating such costs, even if it means we don't get maximum GHG or pollution reduction? That's the question I wanted to ask.

Mr. Dale Marshall: Sorry, can you ask that question again?

Mr. Jeff Watson: Should MPs and should the government be concerned about mitigating these types of costs, even if it means we don't get the absolute maximum GHG reduction or pollution reduction?

Mr. Dale Marshall: Listen, for every policy that's put into place, you have to consider costs and benefits, but I reject the premise that dealing with climate change means economic collapse.

Mr. Jeff Watson: I didn't say it means economic collapse.

Mr. Dale Marshall: I did a report—

Mr. Jeff Watson: It means real dislocation for real people.

Mr. Dale Marshall: —that Mr. Jean cited before that looked at the impact of meeting Kyoto on jobs in the energy sector, and it found that there would be a positive impact on jobs in Canada in the energy sector, which is supposedly the sector that's going to be hardest hit.

The Chair: Okay, we're going to have to wrap it up, Mr. Marshall.

Mr. Dale Marshall: Sir Nicholas Stern said the same thing. The costs of not acting are higher than the costs of acting.

The Chair: Mr. Marshall, you're done.

Mr. Freeman, you can make a short comment, and then we're done.

Mr. Aaron Freeman: I want to speak specifically to the auto sector. I find it very interesting that yesterday the Government of British Columbia said it is going to follow the California standard for auto emissions, along with 10 northern states. What you're now seeing in North America is a very clear trend. For automobiles that are more efficient, that have lower emissions, the market is growing. The other market is shrinking. Canada has to choose which of those markets it wants to join.

Economically, in terms of our economic policy, our auto industry has to make that decision as well. And we have to be investing in the technologies that are going to take us in the right direction environmentally, or we will be left behind and the dislocation costs you're describing will be there in spades.

● (1105)

The Chair: We're going to have to cut it off there.

Mr. Paradis, you have a point of order.

[*Translation*]

Hon. Christian Paradis: Mr. Chairman, I have a point of order. I gathered from Mr. Drouin's presentation that there are extra documents about the benefits and risks approach that could be very useful to the committee.

If possible, I would like to request that the said documents be duly tabled. Thank you.

[*English*]

The Chair: Yes, they will be translated and distributed.

Thank you very much for your indulgence.

Ms. Parkinson-Marcoux, thank you very much for joining us from so far away. I'm sure Starbucks is open now, so please go and have a great day.

Thank you to all the witnesses and everybody else.

The meeting is adjourned.

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