

**LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON
PUBLIC UTILITIES AND NATURAL RESOURCES
Thursday, March 1, 1990**

TIME — 10 a.m.

LOCATION — Winnipeg, Manitoba

CHAIRMAN — Mr. Harold Gilleshammer (Minnedosa)

ATTENDANCE - 10 — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Cummings, Downey, Enns,
Neufeld

Mrs. Charles, Messrs. Leonard Evans,
Gilleshammer, Roch, Storie, Taylor

WITNESSES:

Mr. Lance Morrison, Manitoba Soft Drink
Recycling

Ms. Jennifer Hillard, Consumers' Association
of Canada (Manitoba)

Mr. Harvey Stevens, Manitoba Recycling
Council

Dr. Robert Fenton, The Recycling Action
Committee

APPEARING:

Mr. Harry Harapiak (The Pas)

MATTERS UNDER DISCUSSION:

Bill No. 84—The Waste Reduction and
Prevention and Consequential Amendments
Act

Bill No. 8—The Endangered Species Act

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Mr. Chairman: The Committee on Public Utilities and Natural Resources is called to order. Today we will be considering Bill No. 84, The Waste Reduction and Prevention and Consequential Amendment Act. Before we proceed with any further discussion, it is my understanding that we also will be considering Bill No. 8 this morning. According to a memo that has been circulated by the three House Leaders, it has been agreed to consider Bill No. 8 at this time. I will read the memo for the committee:

This is to give you formal notice that the Standing Committee on Public Utilities and Natural Resources, scheduled to meet this morning at 10 a.m. to consider Bill No. 84, will also be considering Bill No. 8, The Endangered Species Amendment Act, signed by the Government House Leader, James C. McCrae.

Is it the will of the committee to consider Bill No. 8 before Bill No. 84? Agreed. The Honourable Minister.

Hon. Harry Enns (Minister of Natural Resources): Mr. Chairman, I first—

Mr. Jerry Storie (Flin Flon): Mr. Chairperson, point of order.

Mr. Chairman: On a point of order, the Member for Flin Flon.

Mr. Storie: The letter obviously has not been signed by all three House Leaders. In fact, there was no formal agreement on behalf of the New Democratic Party Caucus. I did agree, however—I did agree, not the House Leader, but I had agreed—that we could consider this this morning, so we are prepared. But I want to make it known that this is not the normal way to do business, that the assignment to committee is done in the Legislature, and this should not be considered a precedent, where the Government simply by letter says a Bill is going to a committee.

Mr. Chairman: I thank you for your comments. The Honourable Minister.

* (1005)

Mr. Enns: Mr. Chairman, I want to say that I do appreciate Members of the committee, in particular my colleague, the Minister of Environment (Mr. Cummings), for accommodating myself in moving forward with Bill No. 8. We had considerable discussion on Bill No. 8 the other evening. I wish to indicate that suggestions were made by both the Liberal Critic and the New Democratic Party Critic for some amendments to the Bill, which in consultation with staff we had in the main accepted. I take this opportunity to put on the record—I thank Honourable Members for that contribution to making this what I believe to be a better Bill. It is a Bill that I think has the support of all groups within the Legislature. I would ask, Mr. Chairman, that we move forward to clause-by-clause consideration. I will be reading the amendments into the record at the appropriate time.

Mr. Chairman: We will move to clause-by-clause consideration then. Shall Clause 1 of the Bill pass—pass.

Shall Clause 2 pass—the Honourable Minister.

Mr. Enns: To refresh the Honourable Member's memory, it was suggested that clause was too brief in its description in terms of purpose, and at the recommendation and suggestion of the Honourable Member for Selkirk (Mrs. Charles), I read into the record at this time and propose to amend the Clause 2(1) in this fashion:

The purposes of this Act are:

- (a) to ensure the protection and to enhance the survival of endangered and threatened species in the province;
- (b) to enable the reintroduction of extinct species into the province; and
- (c) to designate species that are endangered or threatened with extinction in the province.

Mr. Chairman: I am instructed that the proposed amendments as proposed the other evening by Mrs. Charles and Mr. Storie were not properly introduced that evening so we do not have to officially withdraw them. Mrs. Charles.

Mrs. Gwen Charles (Selkirk): -(inaudible)- for these amendments. I am not sure it is worth going through the hassle of changing it, but perhaps—and I did not catch it yesterday—Section (b) which says, to enable the reintroduction of extinct species, should probably be extirpated species rather than extinct ones, but I will leave that to the Minister for consideration. Extirpated meaning those that are extinct only in our province, but can be found elsewhere to bring back in; extinct inferring that they do not exist any longer, such as dinosaurs, that you cannot bring them back in. It may be a moot point, but I just wanted to read it into the record so that we understand what the intent of the clause was.

Mr. Chairman: I would like to thank the Honourable Member. The Honourable Minister.

Mr. Enns: Mr. Chairman, we can accommodate the Member by changing that word. I am advised by advice givers that, inasmuch as the Bill uses that word “extinct” throughout, probably not always entirely correctly, as the Honourable Member for Selkirk has indicated, perhaps we would leave this for cleanup at another time when this Bill comes before us. Could we accept the amendment, as read?

Mr. Chairman: Is it the will of the committee to accept Clause 2(1) as amended? Agreed. The remainder of Clause 2—pass; Clause 3—pass; Clause 4—pass.

Clause 5—the Honourable Minister.

* (1010)

Mr. Enns: I have a further amendment. Again, the Members will recall it was suggested the Bill would be improved if there was a specific recommendation or clause added that would indicate that a biological status report would be prepared and submitted and made public on a regular basis. Therefore, Mr. Chairman, I move

THAT Section 5 be amended

- (a) by deleting the period at the end of clause (c) and substituting a semi-colon; and
- (b) by adding the following after clause (c):

and any biological status report prepared under this section shall be made available to the public.

(French version)

Il est proposé que l'article 5 soit amendé par adjonction après l'alinéa c) de ce qui suit:

Tout rapport concernant les conditions biologiques établi en application du présent article doit être mis à la disposition du public.

Mr. Chairman: Shall Clause 5, as amended, pass—pass.

Clause 6—the Honourable Minister.

Mr. Enns: Mr. Chairman, I have a further amendment here that reads the following:

THAT subsection 6(1) be amended

- (a) by striking out “may” and substituting “shall”; and
- (b) by adding the following:

to advise the minister in respect of

- (a) the purposes of this Act;
- (b) species that are endangered, threatened or extinct or whose habitats are endangered;
- (c) species that should be designated under section 8; and
- (d) any other matter pertaining to threatened, endangered and extinct species;

and shall report to the minister every two years on the status of endangered species in the province.

(French version)

Il est proposé que le paragraphe 6(1) soit amendé:

- a) par substitution, à “peut établir”, de “constitue”;
- b) par adjonction de ce qui suit:

Le Comité est chargé de conseiller le ministre sur:

- a) les objets de la présente loi;
- b) les espèces qui sont en voie de disparition ou menacées ou dont l'habitat est menacé;
- c) les espèces qui devraient être désignées en vertu de l'article 8;
- d) toute autre question ayant trait aux espèces menacées, en voie de disparition et disparues.

Il présente un rapport au ministre à tous les deux ans sur la situation des espèces en voie de disparition dans la province.

Mr. Chairman: Shall the amendment pass—pass; shall the clause, as amended, pass—pass; Clause 7—pass; Clause 8—pass.

The Member for Flin Flon.

Mr. Storie: Mr. Chairman, I had proposed a number of amendments to Clauses 8 and 9. The intention of those amendments was to obligate the Government

where it had information that a species was threatened, to declare that species a threatened or endangered or extinct species. I had recommended that we change the word "may", which is permissive, to "shall", which obliges the Government to act, believing that was the intent of this legislation, that we were going to mobilize the efforts of the Government to protect indigenous species in the Province of Manitoba.

I have received some information from, I gather, Legislative Counsel, and departmental staff which indicate that changing that "may" to "shall" may obligate the Government to do some other things which would then create a situation where a piece of legislation or an action of an outside body, an advisory body, may be obligating the Government to act, which would probably be difficult, if not inconsistent. So it has been recommended that we not make those changes.

I simply leave it on the record that I still believe that the Government should be obligated to preserve, at least to identify species that are endangered in one way or another and would like to think then it would be up to the Government, using common sense, to find ways to protect it. However, I am not prepared to push the point. I understand that the Minister and some staff are quite reluctant to make the changes because of consequences we may not foresee.

So I am prepared to let it go. I simply want the record to note that the changes in my opinion would have only required the Government to recognize the true nature of the danger, to have the public aware when species were endangered, and had left it up to the Government to decide what action it should take when that knowledge was in the public domain. But I am satisfied the amendments we have made to date certainly give the Bill more strength, they give the public some input, and I think that it is a desirable objective.

* (1015)

Mr. Enns: Mr. Chairman, allow me as well for the record to acknowledge and appreciate the Honourable Member for Flin Flon's (Mr. Storie) considerations on this matter. There are a number of reasons why, as he is aware, we are reluctant to accept the proposed amendments that he had discussed when last this committee met.

Principally though, and I just repeat that and read that into the record, is the problem that the proposed change, should we make it obligat— mandatory from the "may" to a "shall,"—I cannot say that other word—the proposed change to Section 9 would require the Lieutenant-Governor-in-Council, on the coming into force of the Act, to make regulations concerning the preservation of habitats and endangered species and the Government, quite frankly, simply is not in that position to do so.

We have not had the opportunity for adequate evaluations of individual species. Those evaluations have not been completed. An adequate assessment of habitats has not been completed, so it is very difficult to be, on the one hand, mandated to come in immediately with regulations when surely Honourable

Members will appreciate that field staff, biologists have to have that opportunity to get that information compiled. So, Mr. Chairman, with those comments, I would ask further consideration for the section under review.

Mr. Chairman: Clause 9—pass; Clause 10—pass; Clause 11—pass.

Clause 12—Mr. Storie.

Mr. Storie: I am assuming, and the Minister can correct me if I am wrong, that the amendments that he has made to Clause 6 would give the advisory committee the power to review developments which are being considered for exemption. Is that correct?

Mr. Enns: That is correct, Mr. Chairman.

Mr. Storie: Thank you.

Mr. Chairman: Clause 12—pass; Clause 13—pass; Clause 14—pass; Clause 15—pass; Clause 16—pass; Preamble—the Honourable Minister.

Mr. Enns: Mr. Chairman, just a matter of housekeeping, did we in fact pass Clause 8?

Mr. Chairman: I believe we did. Is there agreement we passed Clause 8? Agreed. En français.

The Preamble—pass; Title—pass; the Bill as amended—pass. Is it the will of the committee that I report the Bill? Agreed.

Now that we have completed, clause by clause, consideration of Bill No. 8, is it the will of the committee to proceed with Bill No. 84 at this time? Agreed.

I have a list of persons wishing to appear before this committee: Mr. Lance Morrison, the Manitoba Soft Drink Recycling; Ms. Jennifer Hillard, Consumers Association of Canada (Manitoba); Dr. Robert Fenton, the Recycling Action Committee; Mr. Harvey Stevens, Manitoba Recycling Council. If there is anyone whose name was not called but would like to appear before this committee please notify the Committee Clerk and your name will be added to the list. Are there further presenters?

The first presenter this morning is Mr. Lance Morrison. Would Mr. Morrison please come forward? We do have a written presentation that has been circulated. Mr. Morrison.

* (1020)

Mr. Lance Morrison (Manitoba Soft Drink Recycling): Good morning. I feel like I should be taller.

My name is Lance Morrison, and I am the general manager for a company called Manitoba Soft Drink Recycling. We are the people that were set up by the soft drink industry three years and a bit ago to recycle soft drink containers in the province through a voluntary system of recovery.

What I would first like to do is, I have some general comments on the Bill, and then I will go into a little

bit more detail about Manitoba Soft Drink Recycling, and at that point be prepared to answer any questions about our program and how we feel it is going to fit in with the Bill.

Traditionally, anytime a Government brings forth legislation which is regulatory in nature is an indication that an opportunity has been lost and that some institution of society has failed. In most cases it is industry which has been marked as the failure. While some may view Bill 84 as an indication of failure, I believe that it in fact represents opportunity.

In terms of the soft drink industry, it allows the industry to continue to meet its obligations to the environment without Government intervention, provided of course that the industry continues to work towards mutually agreed upon goals, which are reflections of its products' impact on the environment.

It is an opportunity, because for the first time it places the same positive pressures on other industries that have been placed on the soft drink industry. Attention will now be drawn towards industries which have long been major contributors to the waste stream. At the same time, it will also allow Government the opportunity to begin work immediately with those industries which generate products which may or may not be a large part of the waste stream but which are hazardous by their very nature.

However, the underlying principle of the WRAP Act is responsibility. It is a responsibility which rests initially with industry and not Government. It is only when after a reasonable period of time that an industry is not meeting its obligations that Government should exercise the powers found in the Act.

The biggest fear of any industry is that Government will place political expediency ahead of long-term planning and realistic solutions. The "quick fix" will not only alienate the people who will have to provide the technical solutions but could also cost Manitobans millions of dollars and perhaps damage the long-term viability of recycling and overall waste reduction.

In principle then, the soft drink industry is in support of the legislation so far as it allows all industries involved in the province to be playing on a level playing field. At the same time, we view the legislation as possibly the best way of protecting the interests of our consumers and of protecting the interests of the environment over the long haul. It is basically kind of our talk on the legislation. Any time that you have to use legislation like this, what you are really doing is you are deciding that Government has a stake to play in the problem. As long as Government views its stake as a last resort then the industry can live with the legislation.

Just to deal specifically with Manitoba soft drink recycling, like I said at the beginning, we are a nonprofit organization. We were set up by the soft drink industry three years ago to take responsibility for the products that we generate. In other words, if the industry is selling aluminum soft drink cans or plastic soft drink bottles then we feel as an industry that we have to have a program in place to make sure that those containers are not going into the waste stream.

At the same time it is a responsibility which reflects the impact that those containers have on the environment. Studies have shown throughout North America that soft drink containers represent less than 1 percent of everything we throw out every day. We feel that the response that the industry is taking is important because it reflects that material's impact. At the same time, we like the model. The model is important because what it does is it starts off the responsibility for products with either the distributor or the manufacturer, not necessarily with the Government. It is a responsibility which is exercised as a joint responsibility between not only the industry but also consumers. Government is a long way down the road.

Over the last three years Manitoba Soft Drink Recycling has enjoyed great success in both expanding the program throughout the province and at the same time providing a no-cost method for recovery of the containers. This program does not cost the taxpayers of Manitoba a dime; at the same time, does not cost the consumers of Manitoba any money. The program runs cost free.

At the same time, the program also has a great level of success in that we have great growth. 1989, over 1988, the program grew by about 164 percent. That means that many more containers were recovered through the program. We have put a lot of money back into the community as well. In addition to the investments in the program in terms of equipment, wages and everything else that goes with it, we have also put back into the community over \$450,000 in 1989 alone, dollars that no one paid any extra for when they bought the products in the store. It is new money going into the community. At the same time, a number of those dollars have been spread out through the more than 800 nonprofit groups that use Manitoba Soft Drink Recycling as a way for generating funds and revenues, funds which they might not normally get access to.

* (1025)

I think that what I would like to hold up Manitoba Soft Drink Recycling as, is a model which can work within the context of Bill 84 and at the same time provide great reference to those other industries which basically are going to have to get their act together. We know we are running out of time but I think it is important that we use this Act to take a look at those industries which are putting the most stuff into the waste stream.

I would like to thank you all very much and if anyone else has any questions or anything like that I would be pleased to answer them.

Mr. Chairman: Thank you, Mr. Morrison. Are there any questions? The Honourable Minister.

Hon. Glen Cummings (Minister of Environment): I wonder if you would expand a little bit on your thoughts about PET in the waste stream. The soft drink container seems to be growing in enormous popularity. I know that you are recycling it, but honestly I would challenge you to show that you are getting enough of it out of the waste stream, and if you have any suggestions as to how we can get more of it out.

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Mr. Morrison: First off, this is a plastic soft drink bottle and I probably have about 16 of them inside here. What we do with them when we bring them back to our facility, we grind them all up and we send them off to a processor who is going to turn them into such things as clothing and car parts and perhaps carpeting. The whole issue of PET, the industry realizes the fact that the product is growing in the marketplace. At the same time however we know that the course we are on is going to get, in the long run, the most and highest recovery. To put it in perspective, in January of 1990 we recovered 192 percent more PET containers than we did in January of 1989, in a direct comparison. We are still growing.

The industry recognizes that it has expectations to meet, not only within the general public but also with the provincial Government. We are hoping to meet those expectations. If it comes to a point after a reasonable period of time that we have not met those expectations then we will take whatever steps are necessary for the industry to meet those expectations. The bottom line is the industry wants control over its destiny, and that we will do whatever we have to do to ensure that the containers are coming back.

Still though, we think that right now the program is proving very successful in bringing the containers back and there is growth there. We have not levelled off. I mean we are still going through a tremendous period of growth. If you look at one of the charts that we have in the handout there you will see what we have been doing on PET over the last two and a half years. It is still a question of time.

The other thing too is that I think you have to look at that container in the context of the waste stream as a whole. Now if that container represents less than 1 percent and we get a 40 to 50 percent recovery rate, which we are getting close to on PET right now, then we are doing an awful lot better than those materials that are representing 35 percent of the waste stream and are getting zero recovery. I think that is the key to what is important.

Mr. Cummings: I do not disagree with your thought that the soft drink industry or that the drink container industry is getting more than its fair share of attention. There are reasons for that which we do not need to go into right now, but are you saying that the industry is prepared to accept jointly set goals that are publicly announced and, if not achieved, then move to stronger measures in order to achieve those goals in terms of percentage of recovery?

Mr. Morrison: I think in time. I mean, this is what the WRAP Act is all about. If we sit down with the provincial Government, and there are the provisions within the Act to allow for negotiation, if a reasonable period of time is established and the industry is not able to meet reasonable expectations which the industry agrees to and the Government agrees to, then by all means the industry should be subject to any of the same penalties that other industries would have for not meeting its obligations.

I think that it is important that in looking at it that you look at it in terms of a reasonable period of time

and reasonable expectations which are based on the product's impact in the waste stream. I mean we are going to meet those. We are meeting those on aluminum right now. Our aluminum beverage cans have recovery rates which are greater than the beer industry does with their deposits. In January our estimated recovery rates on PET were probably about 35 percent to 40 percent of what was sold. By year end perhaps we will have surpassed what the beer industry is doing with the deposit on the beer cans. That is the goal we are going toward.

* (1030)

Mr. Cummings: You added that disclaimer at the end there. I was just going to ask you, when you were referring to the beer industry, you mean the aluminum—

Mr. Morrison: The aluminum cans.

Mr. Cummings: Right. Because it is my understanding that the glass has a very high return rate.

Not to prolong this, Lance, because I know what you represent here today is one of the better attempts by industry to deal with its responsibilities in terms of recycling, what I need to know for the purposes of this committee is that you consistently refer to the relationship of the drink container industry to the total waste stream, and that is valid.

Also, I need to have your opinion on whether or not the industry, and I am partly repeating myself, will be willing and able to move fairly quickly in this area. I will be perfectly honest with you. It is one of the areas where I am going to receive the most pressure and therefore responsible authorities will be passing that pressure on. I know that you have been doing some work toward this end. I wonder if you would want to put anything else on the record regarding your willingness to move in this area in the future to get more of it out of the waste stream?

Mr. Morrison: What the industry plans to do is to review its progress over the next six months to a year. At that point, if we have not reached an expectation which the Government has placed on us, which is reasonable, we will move then to meet that expectation. We will make sure that the Government does not have to act in this direction, and we will do whatever is necessary, provided we are given the opportunity and given credit for what we have accomplished so far.

Mr. Chairman: Are there any other questions of Mr. Morrison? I thank you for coming out this morning, Mr. Morrison, and making your presentation.

Mr. Morrison: Thank you very much.

Mr. Chairman: Our second presenter this morning is Ms. Jennifer Hillard from the Consumers' Association of Canada. We have a written presentation that is being distributed at this time. Ms. Hillard, we are ready to hear your presentation.

Ms. Jennifer Hillard (Consumers' Association of Canada Manitoba): Thank you very much. I feel a little

strange giving a presentation on waste reduction in front of a table covered with styrofoam cups.- (interjection)- Well, paper is not much better.

The Consumers' Association -(interjection)- Yes, that was great. I noticed you walk in with that, I must admit. The Consumers' Association of Canada is an independent, nonprofit, volunteer organization. It has about 140,000 members across the country and 7,000 of those are in Manitoba. We have two local organizations with offices in both Winnipeg and Brandon.

CAC is pleased to see this legislation moving through the House at this time. We have been pleased to cite Manitoba's proposed Bill 84 as an example of the best way to enact waste reduction strategies.

We have a few specific concerns about the Act. I would like to go through them by page and item number.

On page 6, item 12.

CAC (Manitoba) would like to urge extreme caution in the writing of regulations under this section. Unless an alternate product is available to that which exists to the pre-disposal levy, it could open the door to consumer gouging.

On page 7, item 15(1).

CAC does not support bans on specific products or materials. We always feel that consumers should have choice. We would rather see a product or material given a large competitive disadvantage by the means outlined in Item 12 than have that product or material actually banned.

On page 9, item 20(1).

CAC always urges legislators to refrain from suggesting the dollar amount of a fine in the legislation. Fines for offences under the WRAP Act should reflect the economic size of the company and the impact on consumers and the environment of their refusal to comply with the Act. Item 20(2) does, to some extent, answer our concerns but still allows judges to render the Act ineffective as a deterrent to excess waste.

On page 11, item 22(1)(m).

As stated earlier, CAC has a position which opposes bans on materials or products but we have no difficulty with restricted use.

Item 22(1)(n).

One cannot help but wonder who the writers of this legislation had in mind when they wrote an exemption clause into the middle of this list.

On page 12 item 22(2)

CAC (Manitoba) would like to see some time frame on this clause to ensure that regulations go into effect within a certain number of months of the Act being proclaimed. We feel that as it stands, this clause could be used by lobby groups to delay the regulations indefinitely.

CAC (Manitoba) would like to see all monies raised by the WRAP Act stay within the Department of Environment. Without sufficient resources, it will not be possible to enforce this Act or any other environmental protection Act. As a society, we have always failed to count the environmental cost of our actions and activities at resource, processing or consumer levels. The WRAP Act and its accompanying regulations should begin that cost-counting process and the funds raised by this Act should all be used for environmental repair and protection.

Mr. Chairman: I thank you. Are there any questions of Ms. Hillard? Mr. Taylor.

Mr. Harold Taylor (Wolsey): I wonder, Ms. Hillard, if you could be a little more specific in outlining your concerns about the big list of items in Section 22(1), specifically (m) and (n)? Could you possibly elaborate a little bit more on that?

Ms. Hillard: Okay, just let me find that page of mine. I recall that item (m) suggested bans on certain products in some way or another. As I said earlier, we do not believe in a total ban of a product or a material. We are quite happy with restricted use. We would be quite happy to see styrofoam hamburger containers not being allowed to be used inside the restaurant. We would like to see styrofoam hamburger containers being given a large competitive disadvantage over a less environmentally damaging take-out container, but we would not like to see an overall ban.

Our concerns with (n) are, the whole idea of people lobbying to get exempted from some of these regulations. We are not quite sure who was being considered when that little paragraph was neatly tucked in the middle there.

Mr. Taylor: Mr. Chairperson, if I am understanding you correctly, Ms. Hillard, you are saying philosophically you are opposed to a prohibition. You would rather have the effect of a prohibition developed through market forces instead. Is that what I am hearing you are saying?

Ms. Hillard: Right, precisely—stick on a large consumer levy so we do not buy it.

Mr. Taylor: Yes, my question would be: Might that not then delay the day when we would see almost no use of these materials that are hostile to the environment?

Ms. Hillard: I do not believe so. I believe that consumers are already very concerned. If you hit them in their purse as well as with our environmental concern, they will respond even more quickly than they are.

We have seen consumers being swept off their feet by these environmental marketing schemes that have gone into place over the last year. Although a lot of them are making totally invalid claims, people are still rushing out and buying them. If you give the bad products a competitive disadvantage as well, I think they will disappear very fast.

Mr. Taylor: Mr. Chairperson, if we would continue then and look at this example of a take-out hamburger

container, one being cardboard, for example, and one being styrofoam, as a lot of them are today. Are you suggesting that if somebody is buying a hamburger and they wish to have the styrofoam one that they would pay, say—as would be your suggestion—25 cents more for that packaging and the supposed insulation benefits it provides, et cetera, as compared to getting the cardboard one for nothing. Is that the sort of thinking—

Ms. Hillard: That is the sort of thinking. It would be put on at the manufacturer's level, and the manufacturer would be forced to pass it on to the consumer. The consumer would respond by not buying the product.

* (1040)

Mr. Taylor: Mr. Chairperson, would you suggest that in order to achieve the sort of market differentiation here, where the market is deciding what product people will use and what may end up therefore in the landfill sites, that there would actually be an imposition by Government, at the manufacturer level, of a price penalty? How would the mechanics of this actually work in your view?

Ms. Hillard: I believe within the terms of the report that is coming out of the Recycling Action Committee, which I am a part of, the intention is to negotiate time frames for removing or reducing these products. If the manufacturers or the distributors do not meet the time frames, then some levy would be predetermined and would be administered. I hope that would be written into the regulations.

Mr. Taylor: Do you, as representing the Consumers' Association of Canada, see this as a process that would take a significant amount of time to put in place, or are there some practical or easier solutions that you could offer to this committee on how such a system might be implemented?

Ms. Hillard: I am not dissatisfied with the time frames that we are working towards in Manitoba by bringing this Act through. As I said in my presentation, I would like to see a time frame for when the regulations come in place.

On a provincial level, I think we are going the right way to get the time frames in place so that we can set reasonable targets that industry has some hope of achieving over the next 10 years.

On a national level, I have sat in on some national meetings looking at a very similar process, and they are not nearly so willing to move fast with the legislation so that it can be done. So I am presently very happy with the manner in which Manitoba is approaching this.

Mr. Taylor: I would like to refer to one of your comments that is in the submission here. It talks about item 20(1), page 9, which is the level of fines. We just went through yesterday a passing of two pieces of legislation in which that was the thrust of the legislation, altering fines in the existing Environment Act and the existing Dangerous Goods Handling and Dangerous Goods

Transportation Act. In here we have a set of fines as well. Do you have a suggested series of levels of fines appropriate to scale of the operation involved? Does the association have some specific suggestions as to how this might be looked upon as a series of levels of fines?

Ms. Hillard: I would suggest that if it has to be written into the legislation at all, then the minimum and maximum amounts in the legislation are based on, as I said, either the gross or the net returns of the size of the companies. I am not an economist. I am not sure which would be the best way to do it, but we feel that the minimum and maximum fines should definitely reflect the size of the company.

There was a recent environment charge laid in New Brunswick where an independent hog farmer was fined \$20,000 for a similar offence to a very large manufacturer, and the manufacturer was only charged \$58 for the same offence. That is totally unrealistic.

We have had a recent price-fixing charge here where Shell Canada was charged something that would be like a nickel to you or me. We do feel that the fines have to be commensurate with the size of the company. In the second part of that item there was something which allowed the judge some leeway based on the extent of the damage.

I think that is very important that, as well as there being a minimum and a maximum, there should be, on top of that, an extra amount based on the amount of damage that would be assessed both to the environment and as an economic impact on consumers.

Mr. Taylor: Mr. Chairperson, I cannot help but bring to mind a recent situation of fines being levied here when you recount the \$58 fine in New Brunswick and our \$296 fines to an outfit that did a major fuel spill.

I would ask, has the national organization at the headquarters level ever considered anything in its research and in submission to Government which would establish some sort of a hierarchy of fines? Has there been any research done by your organization in jurisdictions other than Manitoba to your best knowledge?

Ms. Hillard: Not to my knowledge, but it is a possibility. It is not something that I could find out at that time, because it would have been done by our regulated industries program which currently has no staff.

Mr. Taylor: Mr. Chairperson, what would your reaction be to the removing of the fines in the statute itself, being where we see them here in this piece of legislation, and put in instead in the form of regulation? Every time we wanted to update the fines, given the seriousness of the offence changing, inflation having an impact on the punitive value, the disincentive value of the fines, that sort of thing, it would be possible for any Government to change by Order-in-Council, which is a heck of a lot more expeditious way. What would your recommendation or reaction be to that?

Ms. Hillard: I would be thrilled. It would be absolutely the ideal as far as we are concerned, flexible and adjustable to economic conditions and everything else.

Mr. Taylor: The reason I bring that up is that it has come up a number of times in the last two years as to, where should we put fines? We do not seem to have a consistent approach. In some cases we have gone away from the legislation and into the context of putting the fines within the regulations and yet, as I mentioned, we had two pieces of legislation just yesterday, Bills No. 81 and 82 that went the other way again and put them within the statute themselves. So I was curious to see the Consumers' Association reaction to that, Ms. Hillard.

Mr. Chairman: Are there any further questions?

Mr. Storie: Thank you for the presentation. Thanks to the Consumers' Association and to yourself, Ms. Hillard. One of the striking comments that you made in your presentation was that the Consumers' Association does not support bans on specific products or materials. I am assuming that means where there is no obvious medical—

Ms. Hillard: Health or safety.

Mr. Storie: I guess it leads us into the area where we have already in this Legislature passed a Bill giving the Minister authority to regulate and perhaps giving him authority to ban substances such as ozone depleting substances. The Consumers' Association would have no objection if substances were known to be or could be shown to be damaging to the environment in a less direct fashion?

Ms. Hillard: Where health and safety are concerned, obviously we like bans. But just to ban a product because it is worse than something else would not be our way of doing. We would not say, ban the plastic pop bottle and we all have to go back to the refillable glass ones. Make the plastic nonrefillable bottle; if it cannot be recycled adequately, give it an economic disadvantage.

Mr. Storie: So this legislation before us giving the Minister the power to apply deposit surcharges on goods, material, whatever, is obviously the way to go as far as the Consumers' Association is concerned?

* (1050)

Ms. Hillard: Yes, because we feel then it makes it user-pay. Somebody who never uses something that is environmentally damaging enough to have a large surcharge should not have to pay through their taxes for the clean-up of the damage done by that product.

Mr. Storie: Finally, you mentioned in your brief something which I think has a lot of merit, and that is the disposition of fines against people who violate this Act and recommend that it should stay within the Department of Environment. Have your association had any discussions with the Government or the Minister with respect to how that might happen or whether there is any willingness on the part of the Government to consider that kind of direction.?

Ms. Hillard: Not at this point, but I am part of the Recycling Action Committee and when our final report

comes down I am sure we will have the opportunity to discuss it with the Minister.

Mr. Storie: Would you include in that fund being made available for environmental protection, enforcement of environmental legislation, would you consider asking the Government to include surcharges and fees that are applied, for example, if the Government were to determine that tires, because of the recent crisis in Ontario and because of the obvious difficulty in disposing of them, if there should be a surcharge, would you see those funds being applied to environmental protection?

Ms. Hillard: Precisely. That was the very thrust of that point in my presentation, that that money needs to stay in Environment, not just disappear off somewhere.

Mr. Cummings: Thank you for your presentation. I just wanted to clarify your position regarding penalties. Two things that I would bring to your attention and ask for your opinion, given your strong response to wanting to have penalties in regulation, in the Act, 20(2), it talks about additional penalties, which overrides (1) and provides for the opportunity for a judge to make the fine reflect, if you will, the profit accrued to the person as a result of the commission of the offence, which leaves it discretionary, obviously, in the hands of a judge, but still allows for much more severe penalty.

The other problem that I would point out, and I know what you are trying to get at in terms of the principle, that you would like justice to be swift and appropriate. Legislators move terribly slowly as we are all well aware around this table, having been here for quite some time. One of the things legislatively is that regulations shall not impose a fine, imprisonment or other penalty, or shift the onus of proof of innocence onto a person accused of offence. In other words, we are required to put all of that within statute rather than allow Cabinet behind closed doors, through Order-in-Council, make those changes without having had an opportunity for public debate. I guess that is the one problem we are faced with with your suggestion.

Ms. Hillard: I guess that was my lack of knowledge of parliamentary procedure. In that case, maybe within the Act should be something to not only—I realize that 22(2) covers some of our concerns but it does not take—it takes into account the financial gain that the offender has taken from that. It does not take into account the environmental cost of their continuing to disobey the Act. This is an Act that is supposed to, in some way or another, improve the environment and you are putting it just down to their financial gain. Once again, you are not taking into consideration the environmental cost of their effect.

Mr. Cummings: Yes, perhaps there is some way that could be given greater clarity. I guess one of the things that was considered when this was being written, is that under The Environment Act we have the authority to charge the cost of cleanup, for example, against an offender. Now that still does not totally answer your point but it does—there are other tools outside of this Act, that being one of them. Do you have any suggestions for how this might have greater clarity?

Ms. Hillard: The thing that jumped out at me immediately in Section 20(1) was how small those fines were. I mean \$1,000 may be an awful lot to a small businessman but \$5,000 to someone like Shell or Petro-Canada is nothing. It is not even the equivalent of a cup of coffee to you or I. Those are the things that concern me with these very low levels on the fines, even though there is discretion on the part of the judge in the second part. It does give the judge the leeway still to make this Act ineffective as a deterrent.

The fines have to have an impact on the company or they are just going to pay them and it is just going to be a cost of doing business. We see that over and over again, particularly in consumer legislation, things like price fixing. The gas companies, in particular, they get done over and over and over again for price fixing. The fines are minimal and they just count it as a cost of business and continue to do the same thing.

Mr. Cummings: We just moved to increase the fines under The Environment Act to some very high numbers, as you are probably aware. I think one of the things that we felt, or at least I know that I feel, in introducing this kind of legislation was that it is an area that we wanted to ease into a little bit, in terms that all of society has a lot of learning and changing to do.

Do you have a suggestion on levels of fines? I am not opposed to your suggestion but I am trying to find some—I am not a person who supports Draconian legislation either. I see the opportunity to expose people to some rather Draconian fines if we are not careful how we structure this Act.

Ms. Hillard: I guess I have a very—you are about the fifth person in one week who said to me that we have so much to do in such a short time. Since I ran my first volunteer recycling depot over 20 years ago, I find everybody now suddenly feeling they are rushed to do everything and it is a little bit difficult.

I do not have a hard time with Draconian fines if they reflect the damage that these people are doing. These people have been polluting the environment for a very long time and now they are finally having their wings clipped a little. They are going to have time frames built into the regulations. They are going to know what the time frames are. They are going to agree to the targets they are working toward. I am not really concerned if the fines are quite heavy if they do not meet the targets that they will have sat down to agree on in the first place.

Mr. Cummings: Okay. That is quite clear. I appreciate that. Actually, what I referred to was that this is an area of regulation and legislation that we were going to have to ease into, that it will take some period to get all of us, corporations and private individuals, to realign our thinking.

I have another question if you would indulge me for a minute. You were concerned about the fact that there was an exemption left in under (n), Section 22. Is it your suggestion that that clause be changed or are you prepared to allow some discretion for unforeseen problems that can arise, in certain locations, for

example? We are not necessarily talking about pollutants as much as we are waste reduction and some of the considerations regarding that clause.

* (1100)

Ms. Hillard: Consumers always have a sort of knee-jerk reaction to exemption clauses and waiver clauses because we see them as loopholes. We see them used so often as loopholes. As I said, it is very much a knee-jerk reaction. You see the word "exemption" or "waiver" and you wonder, who did they have in mind when they were writing this clause and how susceptible to industry lobbying is that clause.

Mr. Cummings: That is a legitimate question. It certainly was not my reason for seeing it there, that it would be a clause that would be open to lobbying. It was seen as a possible situation down the pipe, if you will, where there might be certain regulations that we would impose that would not be practical, for example, in Pukatawagan. That sort of thing was there—while not clearly defined, that was some of the thinking that was behind that.

Ms. Hillard: I fully agree. I have made myself quite renowned at the national packaging meetings. We keep asking them whether the things that they are suggesting could be done in Churchill or Goose Bay. I am very aware that we have to break our perimeter thinking. I am not sure whether that could not be done in the way that the regulations are written rather than leaving out what could become a loophole in the legislation if we had a Government with less will to impose this Act than I think we have in the one we have now.

Mr. Chairman: Are there any further questions? I thank you for your presentation this morning, Ms. Hillard.

Our third presenter is Dr. Robert Fenton from the Recycling Action Committee. I understand he is not with us at this time but will be along shortly. The fourth presenter: Mr. Harvey Stevens, the Manitoba Recycling Council. Do you have a written brief for us, Mr. Stevens?

Mr. Harvey Stevens (Manitoba Recycling Council): No, unfortunately I do not. I just learned of the committee hearings last night, so what I propose to do is just read an excerpt of a submission that we made, the Recycling Council of Manitoba, to the Recycling Action Committee.

Just briefly, the Recycling Council of Manitoba is a voluntary organization that began some five years ago. It currently has a membership of over 300 individuals and corporations in the province. It has been quite active in conducting the recycling days, which I think we feel have stimulated considerable public interest in the issue of recycling.

Just to begin, what I propose to do is read an excerpt from the submission that we made to the action committee, but just by way of preface to emphasize I guess our perspective on this legislation. It is really a philosophical perspective. It really is one of seeing the Government as not having a residual role to play and

kind of leaving it up to industry to solve the problem. It really has a very central role to play, because the one stakeholder in this whole business that is not represented adequately now, and only Government can represent, is the general public in the environment.

As the background Discussion Paper to the WRAP legislation indicated, we do not currently have a level playing field; we have not reflected in the cost of the goods and services and the materials that we produce and consume, the cost to the environment. I think it is the Recycling Council of Manitoba's position that that has to be one of the driving forces of the legislation, that what we do in the legislation is enable the Government to reflect the full cost of doing business to give environmentally-damaging products—to impose the cost that they reflect on the environment and that ought to be the rationale.

The Government is really the only agency that can protect the interests of the environment, can protect the interests of future generations. It is a very critical role to play and that ought to inform the kind of stance the Government takes in developing its WRAP legislation and strategy.

Having said that, let me read an excerpt from our submission which addresses The Waste Reduction and Prevention Act. The council is impressed and encouraged by the province's clear commitment to waste reduction as contained in the enabling legislation. It provides the basis for implementing both fiscal and program responses to the challenge of waste reduction, which capitalize on the strengths of the market while overcoming its weaknesses.

Using the four Rs as the basis for describing and evaluating the Act in the Discussion Paper, we have developed a chart which summarizes the various fiscal tools which the Government will have the power to employ in the service of waste reduction and prevention. This chart shows that fiscal measures such as direct grants and loans, predisposal fees, emission and discharge fees, licensing and performance bonds are mainly useful in encouraging the producers of products and materials to reduce—that is the first R—the amount of waste they create to recycle and recover it.

For consumers, because there are really two groups involved here, there is the producers and the consumers and those are the two audiences towards which these various fiscal measures are focused. So for consumers, the only available fiscal measures are excise taxes on specific products and container deposits. There would seem to be no fiscal measures available for encouraging the reuse of materials by either producers and consumers, and none available to consumers to recover the energy inherent. It is an observation about the Act, about the range of fiscal measures.

A second point we wish to make about the enabling legislation and the Discussion Paper is a possible inconsistency in the rationale for the use of fiscal measures. In his introductory remarks to tabling of the WRAP Act, the Minister stated: The purpose of the deposit and assessment regimes is to ensure that adequate funding is available for waste reduction and prevention programs.

Yet, in the Discussion Paper on harnessing the forces of the market to achieve waste reduction, we find the following statement: Channelling the market is the principle mechanism to integrate economic and environmental decision making. The first objective is to better reflect the real environmental costs of products or processes on the basis of the pollute or pay principle. This requires a clear differentiation between more and less acceptable processes and products, based on their environmental impact. The secondary objective is the raising of funds to support expenditures in the support of sustainable development.

Thus, we are suggesting it may not be clear what is the major role to be played by the fiscal measures in the promotion of waste reduction. Furthermore, there is no mention made of the key role which price modification measures can play in shaping and modifying consumer and producer demands for materials. We believe this to be a potential oversight on the part of the Government's thinking, because it is our conviction that the root of many of the environmental problems is the demand for products which are environmentally harmful.

Education alone will not change this demand pattern. The paying of significantly higher prices for unfriendly materials certainly will alter demand. So rather than use price modification measures such as deposit fees, predisposal emission discharge fees, just to reflect the true total cost of the materials, we would go further and say that they should be used to discourage the consumption of nonrecyclable materials and thus to encourage the consumption of materials that can be re-used and recycled.

In a number of instances, this may mean setting predisposal fees and excise taxes in excess of the true total cost of using recycling and disposing of them. What we are saying is that there is a role for a very pro-active stance on the part of the Government.

Our final comment of the Government's enabling legislation and Discussion Paper would be its relative emphasis on the supply side of the problem. There seems to be little emphasis on the key role of creating a demand for recycled products and for using fiscal measures to alter the demand of unrecyclable products. The creation of markets for recycled goods is crucial to the success of a recycling strategy because it is currently the least developed component of the whole system.

Other jurisdictions have been so successful at collecting materials to be recycled and of insisting that they incorporate it into new products that the supply has outstripped the demand. The result is a glut on the market and falling prices, such that the broker and middleman finds it is impossible to continue receiving the materials.

To avoid this situation in Manitoba, the development of an adequate demand for recycled materials must occur first through such measures as preferential procurement policies on the part of the Governments and the application of excise taxes on those nonrecyclable products. In that regard, the one question, and it is simply a question that I have of The

Waste Reduction and Prevention and Consequential Amendments Act, is whether in any of the clauses, power is given to the Government to impose mandatory content.

I have in mind the legislation in California which requires that a certain percent of newspaper be recycled content. It would be my concern that this legislation ought to give the Government that power to not only set excise taxes and predisposal fees, but also, and I think I take a different position than the Consumer Association, that this legislation should be as broad as possible. It should give the Government all the powers that it requires to effectively intervene and move this province to a more sustainable, economic development footing. In that regard, it is simply a question. From reading the clauses, it was not clear to me that they would give the Government that kind of power to impose a mandatory recycled content on materials. I looked at Clause 15(2) and Clause 22(1)(m) where there was discussion of restriction. I wondered whether that gave the Government the power that was necessary because I think the Recycling Council would argue that ought to be one of the powers that the Government has in any such legislation. Thank you.

* (1110)

Mr. Chairman: Are there any questions of Mr. Stevens? Mr. Taylor.

Mr. Taylor: Thank you, Mr. Chairperson. Thank you very much for coming out. It is unfortunate that there was not more advance notice so that your organization could come forward with a more extensive presentation. I am well aware of the work that you have been carrying out in this area.

You have made some rather broad criticisms of the legislation as it now stands, and ones that I am not terribly surprised at. I would ask though, if you honed in on certain deficiencies in this piece of legislation before us, the top two or three or four items that you people felt were the greatest shortcomings and ones in which we could potentially see amendment without gutting the whole Bill as it now stands before us, what would your suggestions be?

Mr. Stevens: I am not sure I am saying that. I am basically in support of the legislation. I think it is more in the fundamental intent to use it. I think that is where we are making the point, is that it gives you a vehicle, but it is then the stance of the Government how it uses it that I think is most critical. The one comment that I made, and it was more a question about whether the—what I want to see is a piece of legislation that gives the Government the widest possible powers and all of the tools that it could use to effectively reduce the amount of waste that is in the environment. It was more a question of whether this legislation does that, and specifically, does it give the Government the power to impose mandatory content, not that that may necessarily be something that has to happen now, but I would like to see it as part of the range of tools that are at the Government's disposal to intervene.

My comment would be that if the legislation does not give the Government the power, then it ought to be included in the legislation.

Mr. Chairman: Mr. Taylor, we are having some difficulty hearing you here at the front. If you could speak into the mike, it would help us.

Mr. Taylor: Thank you. I thought I was, but I will move it closer, no problem.

An Honourable Member: I am deaf in the left ear, Harold. I cannot hear you.

Mr. Taylor: I sure can tell that the right one is working fully, though.

An Honourable Member: No, I am serious though. Pull it a little closer, if you would, please.

Mr. Taylor: No problem.

The point you made earlier was about the necessity for there to be markets for recycled materials. You mentioned about the Government itself helping create that market by its own action, by its own procurement program and in every way possible. You mentioned in here the concept of products having a component of recycled materials within their make-up. I find that commendable. I have no problem supporting that sort of a position, and like you, I do not have a base problem with the philosophy of the document. But I hear an anxiousness in your presentation in the sense of—I am not sure, and you can correct me if I am hearing wrong—I am not sure that the provisions of this Act allow for all these things to happen. The other one is one that of course we cannot put within the Act as easily as it is saying, what is the political will of the Government in power at the time to actually carry things out, other than if you are going to put provisions in saying, the Government must do this and the Government must do this and this and the next thing.

You say that you are not sure the provisions allow for. If you do have that concern, are there provisions that you think should be strengthened or do you feel that there are clauses that should be added, Mr. Stevens? I understand there was a limited notice time. I think that is very unfortunate, but if you can help us in this way, I think the legislation and the impacts would be beneficial.

Mr. Stevens: My two comments would be, first, that you should retain the clause that allows for the prohibition of materials. I think that is essential. Again, you do not want to limit the Government's powers to intervene in the situation. I would want that clause retained. Additionally, I would want the Government to look at again the legislation and to see whether it gives it the power to impose mandatory recycled content in the materials. If it does, fine. If it does not, then my recommendation would be that it insert a clause that clearly gives it that power so that it has the full set of tools available to it to do the job.

Mr. Taylor: Mr. Chairperson, to Mr. Stevens, could you, in a single statement, give us the position of your group as regards the necessity, desirability, whichever, for reusable containers of all sorts? I am thinking of farm chemicals as one example, but there are others that

we consume materials in. Do you have a position specifically on reusable and returnable containers?

Mr. Stevens: The organization has not gotten that specific, I am afraid. We certainly, in principle, support reusable containers. That is because we perceive the reuse to be a higher order than recycling. Beyond that general philosophical position, no, we have not taken a detailed position on that issue.

Mr. Taylor: In the research you have done, have you had any indication that the brewing industry is going to be going away from their glass bottles and over time into the use of various types of cans instead? Are you aware of that? One of my concerns I might mention is that the plastic retainers for the cans themselves are a pollutant and have turned out to be as well quite a danger to wildlife, particularly to fish. I wonder if you could comment on that area.

Mr. Stevens: I am not aware of that trend in the industry. It would certainly be, I guess, our concern that it not move in that direction because of the kind of problems that you have cited.

* (1120)

Mr. Storie: Mr. Chairperson, I have a couple of questions to Mr. Stevens. I thank him as well for taking the time to present this morning on such short notice in particular.

I was going to ask a couple questions relating to the banning, limitation, prohibition against the use of substances. I gather from your remarks that you have no such qualms about Government actions to ban the use of certain products and materials if the Government or the weight of scientific evidence suggests that it should be done.

Mr. Stevens: No, I certainly do not.

Mr. Storie: You were expressing a concern that you were uncertain whether this Act gives the Government sufficient power to actually move quickly and dramatically to reduce waste, a concern that I share in that virtually everything that will be done under this Act will be done by regulation. There are no specific requirements within the legislation, no real sense of direction within the legislation itself.

It is a philosophy that is motherhood today. Perhaps it would not have been 10 years ago but, I think, is motherhood today. I am wondering whether in your view the legislation provides for or requires enough public input.

Mr. Stevens: I must confess that is not a topic we have given attention to. It is not one of the areas that I seriously considered in reviewing the legislation. Certainly our organization has not taken a position on that. I hear your concern, but it is not something that we have developed a solid position on.

Mr. Storie: I will have some other questions about that issue a little bit later, but I was going to ask you again

about your comments about the procurement policy and the use of Government as an instrument to create demand for recycled products. The Government, to its credit, has done some with respect to recycled paper, attempting in some other areas, oil, I believe is a demonstration project under way. I am wondering if you can provide to the committee any information about what is happening in other jurisdictions. Do you have any personal familiarity with what is going on in other jurisdictions as models that we could adopt here in terms of using Government agencies, Crown corporations, to facilitate the whole recycling effort?

Mr. Stevens: Well, again, I am sorry that is not the kind of research we were enabled to do. You may be aware of the report that we recently released through Mr. Speers which looked at various approaches to developing recycling processes but that has really been the thrust of our research activities over the last several months.

Mr. Storie: Mr. Chairperson, this is a new area for most of us. I think that the intent of this legislation is extremely positive and like yourself our concern has been the willingness to actually go ahead and implement it.

The second concern is the establishment and the length of time it might take for regulations to be developed. Ms. Hillard from the Consumers' Association mentioned that she had been recycling for many years and that we can take -(interjection)- I was not going to use any specific number, Mr. Chairperson. We certainly can take another 20 years developing sets of regulations for different kinds of products and we can justify that by the need to adapt slowly, the concerns of industry and business, and the cost to consumers. We can make excuses from now till that time but we need some action.

I am proposing and wondering whether you would support the idea that first of all the Minister in the legislation gives himself the ability to form advisory committees. I am going to propose some amendments that would require the Minister to create such a committee. The Minister under Section 6 says he may create an advisory committee. I am going to recommend that he should create one. I am going to further recommend that that committee be given some specific powers. in particular, the power to advise on the purposes and the implementation of this Act and perhaps in my opinion equally as important is the power to review exemptions that the Minister might want to provide under this Act. I am wondering whether you would think that would be of value.

Mr. Stevens: It is something that I did look at last night in reviewing the legislation. Again I have to say this is not a matter that our council has taken a position on although I think we would all be concerned that such an advisory committee include representatives from both business, industry and the third party sector, environment groups and advocacy groups, because I have some concerns about the Recycling Action Committee's Discussion Paper. There is a bit of a tussle I think that is going to go on in terms of the role of the nonprofit sector in developing and framing a

recycling strategy in the province. I think it is absolutely imperative that third party groups, the nonprofit sector, the groups that are concerned about the environment be one of the clearly designated stakeholders in such an advisory committee. I think there has to be that balance.

Mr. Storie: If I understand you correctly, you are saying that the advisory committee—it may be useful for us to be more specific when we give the Minister instructions, or even in the legislation to make sure that there is a balance of views.

Mr. Stevens: It is certainly what the Government tried to do in the composition of the action committee and I would want to see the same kind of broad reflection in an advisory committee.

Mr. Storie: It is interesting, Mr. Chairperson, and I do not know whether Mr. Stevens was here when the Manitoba Soft Drink Recycling group made its presentation. Part of the presentation was—and I think we are all heading in the same direction but again the Manitoba Soft Drink Recycling Inc., made it very clear in its brief, or in some of the background material, that it was opposed to the application of surcharges, surtaxes, certainly in the case of the soft drink industry. I am wondering whether you have any such qualms about the application of surcharges.

Mr. Stevens: I have none whatsoever, because I think that what is imperative to move this province and the country toward a more sustainable economic development—and I am simply reflecting the views that are in the background Discussion Paper—is that we currently do not have a level playing field. I mean that the prices that we pay for goods and services do not reflect the full cost of doing business. Education is a marvelous thing but far more effective, and I think this is what Ms. Hillard pointed out, when we have to pay what is imperative to move this province and the country toward a more sustainable economic development—and I am simply reflecting the views that are in the background Discussion Paper—is that we currently do not have a level playing field. I mean that the prices that we pay for goods and services do not reflect the full cost of doing business. Education is a marvelous thing but far more effective, and I think this is what Ms. Hillard pointed out, when we have to pay what is imperative to move this province and the country toward a more sustainable economic development—and I am simply reflecting the views that are in the background Discussion Paper—is that we currently do not have a level playing field. I mean that the prices that we pay for goods and services do not reflect the full cost of doing business. Education is a marvelous thing but far more effective, and I think this is what Ms. Hillard pointed out, when we have to pay significantly higher prices for materials than our consumption behaviour changes and probably only changes when that occurs. So I think that has to be an element of the Government's broad set of powers to influence consumer demand and move the province to a more sustainable footing.

Mr. Storie: Mr. Chairperson, Mr. Stevens makes the point that I would make, that education is a marvelous

thing. Unfortunately, it is a much slower process than the financial incentives. That is an unfortunate comment perhaps but it seems to be quite true.

I am wondering whether the Recycling Council, or if you are aware that any group in Manitoba, so-called environmental group, has started to develop a list of products that perhaps should be first on the Minister's list in terms of establishing regulations and surcharges and so forth.

Mr. Stevens: Unfortunately I am not aware of that. I think that is the kind of exercise that would be most helpful and I would hope would be part of the action strategy, the recycling strategy, that the Government develops.

Mr. Storie: Mr. Chairperson, to Mr. Stevens, does the Recycling Council see any reason why the Minister in a fairly short period of time should not be able to develop some regulations which address some of the more obvious problems, I was going to say recycling problems, but some of the more obvious waste disposal problems that exist? Is there any reason why that would take a long period of time?

Mr. Stevens: I think this is where there is—I see it reflected in the Government's action strategy and I think it is probably a tension that we are going to have to live with in the province. I think it is important that the manufacturers, the distributors, and the consumers and environmental groups work away at this. It is I think a tension between going too fast and ignoring some of the realities. I guess I am saying that I have not taken a firm position on that, but I think that there has to be enough time to allow the stakeholders a chance to look at the practicalities of implementing regulations. For as much time as that takes then I think we have to allow that time.

I am straddling the fence a bit on this one. I am concerned that the legislation and the regulations enable us to move as quickly as possible to a sustainable development situation but I think we also have to involve the stakeholders in that process. That is the balancing act that is going to be the difficult one to pull off in this exercise.

* (1130)

Mr. Storie: A final series of questions on the suggestion that fines, penalties, fees, surcharges be directed to the Department of the Environment and particularly enforcement of some of the legislation that has developed over the last two years. I wonder whether the Recycling Council has taken a position on that approach to funding.

Mr. Stevens: Again it is not something that we have specifically taken a position on. I think our view is that this legislation is important because it enables the Government to acquire the funds to move us along as a province to a more sustainable development, and to me that is an important logic of the whole system of predisposal fees, excise taxes and levies. I think the funding that is required now up front, and there are a

lot of practical things that are going to have to be funded in this exercise. We have to come up with a baseline of what our current disposal is in the province in order to measure compliance with a waste reduction target, and that is going to be expensive. I think that I would prefer to see us move towards a fairly immediate imposition of some fees to generate the revenues necessary to get on with the business.

Mr. Storie: Mr. Chairperson, an interesting comment, and I appreciate Mr. Stevens' frankness. I am wondering whether through personal knowledge Mr. Stevens can indicate whether there are jurisdictions within Canada, U.S. or other parts of the world where there have been extensive systems developed for applying user fees, surcharges to product. My knowledge of what is going on in other parts of the world is fairly limited, but are other jurisdictions doing this already?

Mr. Stevens: Again I must confess that I am not aware of that. We have not been able to do that kind of research as a council.

Mr. Storie: Well, Mr. Chairperson, again this is only from what I have read, newspaper reports and accounts, but I understood that some Scandinavian countries, particularly Norway, introduced a series of surcharges on materials that were difficult to dispose of, and that there was some suspicion that the imposition of those charges led to the defeat of the Brundtland Government, that in fact there was not a very positive public response. My point is that the public response to the introduction of those fees is not positive, and I am wondering whether the council has considered any other ways, other than the use of fees, to create that economic necessity.

Mr. Stevens: No, and I think it underscores the point I made just a few minutes ago that it is a process in which you have to engage in a process whereby you bring the public along, so that those kinds of untoward consequences do not occur. I think that is part of the logic of involving the distributors as a key element in the development of the action strategy.

Mr. Storie: Mr. Chairperson, the province's population is relatively small, particularly when you are asking us to take on a recycling project. The amount of recyclable material particularly in some areas will be fairly limited. I am wondering whether the Recycling Council is in favour of Government subsidization such as they have in Alberta for the glass recycling, for example. Is there any sense that the Government should be taking on a bigger responsibility in this area, or can we do it simply by having the consumers pay more directly?

Mr. Stevens: I am sorry, again I must confess that this is not an issue that as a council we have taken a position on. I think in general terms the council would want to see the Government being as pro-active as possible. That is certainly our bias, in that we acknowledge that there has to be a partnership with industry. Certainly we would want to see it being as pro-active as possible. If it is perceived that there were certain functions that industry could not perform, we would certainly be in favour of Government involvement.

Mr. Storie: The other area that I want to explore with Mr. Stevens is the area of products that come into Manitoba over which we have no obvious jurisdiction. Products are imported, products come to us from other provinces and the United States.

If the Government's intention is to apply surcharges to producers in the province—we have companies, for example, which produce styrofoam products in the province, and it is easy for the Government to apply a surtax, obligate producers to do certain things. My question is, how does a provincial Government regulate, control in some way products that come from other jurisdictions? Can we do that effectively? Is it possible?

Mr. Stevens: It is something I really cannot comment on. Again, it is something that we have not given close attention to.

Mr. Storie: Mr. Chairperson, I guess the difficulty is that there are three groups that we think have an obligation here: one is the producer, one is the consumer, and the third one is the Government. All three have an obligation.

I guess, from our point of view, we would certainly like to see the producer bear some share of the obligation. It is easy to do if the producer is a Manitoba company. Producing in Manitoba is more difficult, if the producer is non-Manitoban. I am wondering whether the Recycling Council is working on a national level on a strategy to ensure that all three parties bear some responsibility in reducing waste and limiting hazardous products and environmentally dangerous products on the market.

Mr. Stevens: This Recycling Council has not taken that initiative. We have been completely volunteer-based up until six months ago, so we simply have not had the energy to lobby at a national level. That is part of the difficulty that this province finds itself in. It is subject to forces that are larger than its own boundaries. I think that is part of the dilemma it faces in how to effectively intervene in that kind of a situation.

Mr. Storie: Those are my questions, Mr. Chairperson. I would like to thank Mr. Harvey Stevens.

Mr. Chairman: Thank you. The Honourable Minister.

Mr. Cummings: Thank you, I will not have very many questions. I wanted to clarify your position regarding advisory committees. Mr. Storie was obviously angling into a predetermined position of his own regarding these committees.

You indicated that you felt the stakeholders needed to be more deeply involved at including the NGO's nonprofits in the committees. I wonder if maybe there is some difference of opinion on what the committee should be.

The committees that I am thinking of, and referred to in the Act, are specific industry committees which I saw as action committees to very quickly strike industry goals and get the job done. An example would be, your tires could be an item-specific type of committee

rather than a broad advisory committee on the implementation of the Act. I wonder if that concurs with your thinking or how you view that type of a committee, because I have no problem seeking and receiving advice. I do, however, see that there is significant reason not to dally as we move into dealing with specific items.

* (1140)

Mr. Stevens: Again, I must preface my remarks by saying that this is something that the council has not taken a specific position on. So you are really getting a personal comment, and that is that, yes, industry committees are essential to get under way with this. I understand that and fully support that.

I guess my comment would be that they are not the only stakeholders in the business though. There are the environmental groups, those concerned with sustainable development. I would like to see those groups also having some way of regularly providing advice to the Minister and the Government.

So it may be yet another committee or perhaps a more general advisory committee that meets with the Minister, as well as industry specific committees.

Mr. Cummings: I suppose ACRE is an example of something that is probably along the line of what you were talking about, and similar to what I am talking about and may be in fact the middle ground, which is where the chemical industry, the users, i.e., the farmers, unassociated members of the public, and members of municipalities all sit on a board that is funded by a levy that the chemical industry takes on the specific product, and they make a decision on how that money will be spent in order to clean up the waste containers. Does that concur with your thinking?

Mr. Stevens: I would certainly be supportive of that kind of composition of committees, yes.

Mr. Chairman: Are there any further questions of Mr. Stevens? I thank you very much for attending this morning and for your presentations.

Mr. Stevens: Thank you.

Mr. Chairman: I am going to interrupt the proceedings at this time. We have some technical problems with our equipment here that is going to take about five minutes to remedy. So we will recess and come back into Session in a few minutes.

RECESS

Mr. Chairman: We will call the committee back into Session. Our tape has been repaired.

We have, I believe, one more presentation this morning, that being from Dr. Robert Fenton, the Recycling Action Committee. Dr. Fenton, would you like to come forward. We have a written brief from Dr. Fenton. You may proceed.

Dr. Robert Fenton (The Recycling Action Committee): Thank you, Mr. Chairperson. I just cannot resist the

temptation to note all the styrofoam cups up and down the table here. We will have to do better than that in the future -(interjection)- well, even a paper disposable cup does not count either. I am sorry, Mr. Storie. You can all wash your own in the washroom like I do at the university. You do not need an expensive dishwasher either.

I do not have anything else significant to add except to walk you through, perhaps, the background report that we have provided. Some Members, I believe, will have had an opportunity to review it, and some Members will not have had an opportunity to review it. Perhaps, Mr. Chairperson, that would be the best way to proceed.

Mr. Chairman: Thank you.

Mr. Fenton: I would make a comment, I guess, that I, as chair of the Recycling Action Committee, generally support the WRAP Act. As one reads the Draft Recycling Strategy one might think that it had been written particularly to implement the WRAP Act, but I can tell you that the basic thesis in the strategy was developed independently and was developed before I saw the draft legislation.

So I think what we see here is perhaps a meeting of minds between the legislative draftspersons and some of the stakeholders who are interested recycling and waste minimization in the province.

Mr. Chairman: Thank you. Are there any questions of Dr. Fenton? The Honourable Minister.

Mr. Cummings: I just want to put on the record first of all that I just signed a letter this week to have this circulated to all MLAs, but we ran out of copies. It is a bestseller. So if your colleagues are asking, their copies will be along later.

* (1150)

First of all, I am sure Members will have questions for Dr. Fenton. I, however, do not have a question. I want to put on the record my appreciation and, I think, in the long run the appreciation of the people of the province for the work Dr. Fenton has done in the Recycling Action Committee. I had the pleasure of being the new boy on the block about the time the committee was beginning to be put together and announcing the composition of this committee. They have done a tremendous amount of work. Whether you in totality embrace what they are saying or not, you have to recognize there is a vast amount of information that has been brought together, a tremendous amount of work that has been done by all members of the committee, but I particularly want to thank Dr. Fenton. I will now turn the committee loose on you.

Mr. Fenton: I am prepared to give you some brief overview of the report if that is the committee's wish.

Mr. Chairman: Proceed, Dr. Fenton.

Mr. Fenton: The Minister's mandate to us asked us to advise him on the way in which the 50 percent goal

could be achieved by the year 2000. This is a goal that has been adopted pretty much uniformly across the country, for a reduction of the amount of waste flowing to landfills by 50 percent by the year 2000. We checked with various jurisdictions across the country to see if we could find some kind of a consistent definition of how this goal was to be achieved and found that there was not one. So we went ahead and defined our own, and we are hoping that this will serve a leadership role in the country.

The goal statement we have adopted is that in the year 2000 the per capita flow of waste to the landfill will be 50 percent less than the 1988 per capita flow. In other words, in about the year 2000 about 500 kilos per person rather than the present 1,000 kilos per person. I should add that this is not only residential waste flow but includes commercial and industrial waste flow allocated across on a per capita basis.

That was the goal. We were given a task of trying to help to advise him as to how to achieve it. We put the strategy in the context of sustainable development because that waste reduction and waste minimization seems to be a veritable cornerstone for sustainable development. That seemed to be the best way to go. Although there are some specific instances that some communities in Manitoba are facing a landfill crisis. There is not a generalized landfill crisis in the province as there is in other jurisdictions, so the imperative of the generalized landfill crisis was not there as a driving force. We looked around for another framework we could use. The sustainable development strategy seemed to be part of it.

The four Rs of waste minimization were part of the mandate we received from the Minister: reduction at source, reuse of goods, recycling of materials and recovery of energy from waste.

The order there is important. Recycling, even though we are called the Recycling Action Committee, is the No. 3 priority in that hierarchy as used by most of the waste management professionals on the continent. We maintain that hierarchy of importance and think that things where possible should be undertaken in that order.

The major principle that we wanted to adopt was the polluter-pays principle. In this context, that means we are all responsible for the achievement of a waste minimization strategy. The best way to conceive of this if you want is to think of what we call the distribution chain. The distribution chain starts over on this side with the product designer, moves through the manufacturer, moves through the seller, moves over to the user and that is the entire distribution chain. That chain has to be held responsible for minimizing waste.

It is hard to hold something that diffuse-responsible, so we selected what we are calling the distributor. In the WRAP Act it is called the manufacturer, but it is essentially the same point and that is the person or the entity in the province who is responsible for causing a given product to be distributed. So if you are thinking about a product like automobiles, for instance, that are imported into the province from outside the province, then it will be the Automobile Dealers or the

zone of the manufacturers, the zone sales office of the manufacturers, if you want, who would be identified as the distributors. It is those persons then that should be held responsible for any waste minimization activities that are viewed under the strategy that we have proposed.

A 50 percent reduction goal does not give you any operational basis for implementing activities in this area, and it became apparent to us that we were going to have to have some operational way of suggesting to the Minister things that could be done. So we adopted the strategy of saying that specific targets, either on a material basis or a product group basis, should be identified, and that the target should be negotiated between the Government and stakeholders. Now stakeholders here is broader than the distributor. Stakeholders, in my opinion, would include not only the distributor, but it would include the environmental interests, groups like the Recycling Council and groups like the Manitoba Environmental Council and that all parties should be part of that negotiation process because everybody has to buy into it. Everybody has to be confident that the targets that are being established are reasonable.

We have not managed to determine yet or reach consensus as to the basis of the targets. They could either be based on a product group, as I said earlier, or on a material. If we considered a product group, we might consider, say, food and beverage industries, and within that broad category of food and beverage industries, there would be six or seven different materials that the industry would be responsible for.

What we would do there perhaps would be to suggest that a target, say, of a 60 percent reduction, be suggested to that industry or be agreed to by that industry in order to achieve the objective and the goal that has been set out.

The industry should then have the responsibility, or the ability rather, to choose the most cost-effective method of achieving that reduction target. They might use any of the four R's, subject of course to the normal requirement that environmental protection and environmental integrity be maintained. So when we talk about energy recovery as the fourth R, we put some limitations on the activities there that we might find acceptable and we say that we would like to see energy recovery used only in the case of materials which have been source separated or materials which have been converted into what is called a refuse dry fuel, where the mixed waste is processed and you have a consistent product that is going to be burnt, you can control your combustion process very well, and you know what the emissions will be and you know how to control them. We are not in favour of the so-called mass burn systems which you may recall was the proposal that the City of Winnipeg was looking at a few years ago in terms of the central district heating system.

So we think that the target should be negotiated between the Government and the stakeholders, that once those targets are negotiated individual distributors should be charged with filing with the ministry a waste minimization action plan that specifies how they plan to go about achieving those targets, specifies interim

milestones, specifies interim targets and literally commits the company to achieving that. If there is early compliance, then we would suggest that the Government have some kind of a reward mechanism, a logo, a plaque, an honour roll, a publicity campaign, something to create a competitive edge for those firms that achieve the social objective of minimizing waste earlier than their competitors. We would suggest that this reward program be instituted earlier, but after the fact, if people are still not complying, then obviously there would have to be some compliance of penalties, and a system of predisposal levies or something of that nature might be the best way to go.

* (1200)

The strategy, as it is presently envisaged, would apply to all distributors selling an annual wholesale volume in Manitoba in excess of \$100,000.00. Now that level can be debated up and down. We have had numerous debates on the committee as to exactly where it should be. It has changed a couple of times already and it will probably change a couple of times again, but I think the idea of some kind of a threshold at which this kicks in is appropriate because we are dealing with organizations here that may or may not have the capability of achieving the targets.

If a distributor was to simply ignore the request to file a waste minimization action plan and to ignore a date that indicated a time by which it was to be filed, then we would suggest that some performance bonds be required. The performance bonds would be couched in terms of the interim target that would be expected for that firm, based on the industry that they belonged to. The performance bond would be forfeited if the interim targets were not achieved and that would be in addition to any predisposal levies that were levied on the product when they were not achieving those targets.

The last section of the report, Section 9, is very different from the previous eight sections. The previous eight sections contained 39 recommendations that we make to the Minister to put this strategy into action. The last section contains a discussion of options, and these are areas and issues on which the action committee has not yet formed a consensus. We are hoping that the public discussion that will ensue, given the release of the report and at the conference of March 10, will give us some guidance there as to how we could pull together a consensus for recommendation to the Minister.

Some of those are very key issues, such as how do we keep community groups involved. There is a ground swell out there, a very significant grass roots, imperative to be doing something, and that energy needs to be captured and funnelled and made use of. Some of the other things have to do with how do we ensure that all Manitobans have equal access to basic waste minimization activities. All Manitobans I think would feel that minimization of waste is an objective to be achieved and we do not want to discriminate against anybody because they happen to live in a more remote area.

The final element that is discussed in Section 9 is the issue of how the additional resources that the

Minister of Environment would require could be funded. It is fairly apparent to me that there is going to have to be some new money in the system somewhere and there is going to have to be some new money up front. We cannot just wait and let industry do the job as they are required to under the proposed strategy. We have to have some lead money; we have to have some money early and there are various initiatives that need to be taken. So there is a discussion in Section 9 as to various funding options that could be used.

I think, Mr. Chairperson, that is the end of my remarks and I am available for questions.

Mr. Chairman: Thank you, Dr. Fenton. Are there questions? Mr. Storie.

Mr. Storie: Thank you, Mr. Chairperson. First of all, Dr. Fenton, thank you for appearing before the committee and for providing us with a brief review of this document, *Conserving our Future*. I wondered, if the goal is to reduce waste and, in particular, municipal waste—I gather that is how we measure the amount of waste produced per capita—whether there has been any discussion or whether your group has discussed the possibility of a more direct attack on the amount of waste that is collected by the City of Winnipeg, for example.

It seems to me I recall hearing of a community where, when residents paid their municipal waste garbage fee on a quarterly basis, they got a certain number of garbage bags and they were of a certain colour, the city of wherever, and that any additional bags had to be bought at the city hall.

It seems to me if you drive around Winnipeg or any urban centre you see family X with 15 bags piled at the curb and family Y with one bag. Why have not more municipalities adopted that kind of waste reduction strategy?

Mr. Fenton: In Manitoba, it is my understanding, they have not had the power to do that. The research that we did in putting together the strategy seems to indicate that The Municipal Act requires that they charge for waste disposal services only on the basis of property tax. One of the recommendations that we make is that the Minister of Environment (Mr. Cummings) undertake consultations within the Government in order to get that changed so that a per-unit levy or user fee could be charged on those services.

It is very important that people connect directly the cost of the waste they are generating and the waste they generate. If I was going to advocate such a system here in Manitoba, I would not propose the system that Mr. Storie just mentioned, where for a fixed monthly charge you received some minimum level of refuse collection. I would go the whole way on this. I would say that every establishment should be charged for each and every kilo of waste that they send through to the collection system.

Now, if you are going to have a system such as a curbside collection system for recyclables, I would also suggest that there be a charge for that collection system

and that the collection charged for recyclables could be less than the collection charged for regular garbage. You might want to go so far as to have a third system, and that would be to have a collection system for yard wastes and things of that nature.

So I think that the short answer to your question is that they have not done it because they are not able to, but I would definitely make sure that the Minister recognizes that recommendation in the report and would hope to see some action on it.

Mr. Storie: Again, I do not have any specific background knowledge of the by-laws that are prepared or passed by the City of Winnipeg. It seems to me, however, that the charge they applied for water and sewage and garbage collection is quite independent of the assessment, or any assessment or property taxes. They have devised a system to have the residents pay for collection; it seems to be of their own making. It may be convenient for the city to say, oh, we cannot do it; we do not have the authority. I remain a little skeptical that they do not have, but clearly if the Government gives them direction, it is an incentive to do it and to find a way to do it. I think we both agree that it should be done.

In terms of the Bill itself, I wonder whether you have any specific concerns about the degree to which this legislation is going to be implemented through regulations, that there is very little in the Bill itself that gives direction, shows intention on the part of the Government. Is that a cause for concern, or should we—

Mr. Fenton: I am not a political philosopher; I do not intend to worry about things like that. My main objective is to achieve the 50 percent goal. If the Bill is effective in achieving that then the Bill is a good Bill; if it is not effective in achieving that, it is a bad Bill. That is my final comment on that kind of issue.

* (1210)

Mr. Storie: Mr. Chairperson, I think that is a very good assessment. Unfortunately, we will not know probably for a number of years whether it has been effective or not. I had raised with the Minister at the time this Bill was introduced, and it was introduced with some fanfare and some political posturing—I had asked the Minister whether he would assure the House at the time that some of the regulations would actually be in place prior to the next election. Of course we got no assurances, which is a cause for concern.

An Honourable Member: Would you like an announcement of the date?

Mr. Storie: Yes, I would. Mr. Chairperson, the Minister asked me whether I would like an announcement of the date, and yes, it would be very helpful if the Minister could put one on the table for us today.

My final question is the distinction you make in the paper and you discussed with respect to who pays. I believe, if I heard you correctly, you said the producers

have a very big stake in making sure that their products are reusable, recyclable, reclaimable, whatever. Is it fair to apply a tax as some jurisdictions have, apply a surcharge when you are actually penalizing people who may be very good conservers? Is there a better way to do that?

Mr. Fenton: Well, there are two or three problems with any of the systems you might use. For instance, the system we talked about first, the charging on a unit basis for refuse collection, leads to phantom dumping in the middle of the night. The predisposal levy does not give you that incentive because you pay it when you buy it. It is fair if that levy is factored according to the environmental significance or the waste significance of the product that is being bought. For instance, I can foresee a system in which some firms and some products will achieve their target early and will not be subject to a levy. I can see other firms that will not and will be subject to a levy. That is sending a message to the consumer that if they are a careful consumer, they want to minimize their own expenditure, they want to minimize the social cost to Manitoba, then they should buy those products upon which there is no levy and should not buy those products upon which there is.

The other thing I would remind you of is that we are recommending that the levy be held off a bit, that a positive, a pro-active incentive system be put in place earlier on to try and encourage early achievement of targets. Only in the cases where it was a dragged out kind of affair would the levy be established. I think consumers will have an opportunity to change their consumption behaviour. I hope consumers will make a point of rewarding those firms that do behave in a socially responsible fashion and penalizing those firms that do not.

Mr. Taylor: Mr. Chairperson, I found it interesting to hear the discussion earlier between Dr. Fenton and my colleague for Flin Flon (Mr. Storie) over the issue of levies for garbage, water, sewage and that sort of thing. I would ask, picking up on that, Dr. Fenton's reaction to one particular aspect of the levying of fees for refuse processing. It does not relate to the person who has garbage collection all the time or the industry who is a very heavy user of the service but to the aspect of cleanup.

I can give a particular example, which would be the spring cleanup program which this city has been pretty heavy into it for the last 10 or 15 years, and whether he has a concern that if the fees go up in a blanket fashion for those individuals or service groups that wish to do cleanups of this nature—because my understanding is that the way fees are being proposed to be changed, the city is not sensitive to that sort of thing. In effect it will be a disincentive to do cleanups of refuse of all sorts because of the insensitivity. We may end up having a better system overall from a revenue production, in other words, user pay. We could end up having a by-product of having a dirtier, messier, scruffier place to live. I wondered if there had been any discussions in his endeavours about that side of things.

Mr. Fenton: There have and there have not. I do not view that as a concern, Mr. Taylor. The City of Winnipeg has the right to waive any fee for anybody. I mean, they could say the Boy Scouts were doing a cleanup or the Girl Guides. They could waive the fee as their contribution to those worthy organizations. That is not a problem. I think what we need to have is to have the fees in place and to apply the fees where it is appropriate to have them applied and to waive them where it is not appropriate to have them applied.

We did discuss the scruffiness of the city though, as you used the phrase. One of the discussions in Section 9 is a litter tax proposal. There has been a litter tax in the State of Washington since 1971. It has been studied and proposed for the Province of Nova Scotia, and it has also been studied and under some consideration, although I am told it may not go ahead, in the Province of British Columbia. The idea there is to put a purchase levy on goods which have a high propensity to be littered. In some jurisdictions that tends to relate only to beverage industry containers. The discussion in Section 9 of the action plan could be viewed a little more broadly. For instance, it could go on newspapers, magazines, direct mail advertising, all food and beverage containers designed to be consumed outside the home, all smoking materials. It would be very easy to quickly draw up a list of materials and products that had a propensity to be littered and to put in place a tax.

The tax in the State of Washington is at a very low rate. It is .015 of 1 percent of the value. So if you have a broad-scale tax of that fashion, then the rate can be very low and can generate significant revenues. In the State of Washington those revenues are earmarked for anti-litter education, for recycling education, for litter cleanup and recycling programs. If such a proposal was implemented here, I would anticipate that the funds raised could be used in that same fashion and could in the sense of the city, which I know you are most familiar with, complement the work the City of Winnipeg is doing with their increased tipping fees which they are using to fund their extended litter cleanup program.

Mr. Taylor: Mr. Chairperson, that is very interesting, to hear about this very low level of a litter tax. You answered what was going to be my next question which was related to what is it earmarked for? As my concern had been is that we had originally had a token fee available for the homeowner to bring in the cleanup of litter whether it was yard or whether they had been part of a group that had done a cleanup in a local park or on the boulevards and that sort of thing. Maybe there are some other solutions out there.

I wanted to ask particularly about problems of garbage and recycling, re-use, et cetera, in northern communities. I have had a number of calls and letters over the last two years about this and the general tone was one of, first, concern but, secondly, frustration as to what to do in isolated communities, many of which were not on the road system; some were. However, they were paying a fairly hefty price for just about all of their consumable products because of the distance, the shipping cost. Of course there was not a massive population, but there was enough of the material left

over that it was a case of what do you do with it, can it be recycled in some ways. The discouragement seemed to be that, even if they took the time to do collection, probably it would not be cost effective anyway to try to ship it back south. I just wondered if your group has tussled with that to any extent and what sort of wisdom you had to offer.

Mr. Fenton: We held a public consultation in Thompson. This was one of the issues that came up. We also held one in Dauphin and in Winkler and Brandon. In all of these areas, rural groups said, well, how do we handle the transportation cost of getting materials to market. The answer is, it depends on the material. Plastic containers, if granulated, have a very light weight. That is their problem. These cups here, we could get several hundred thousand cups per ton of material that we wanted to granulate. So that would not be a problem. If there was any kind of a vehicle coming back that had any space in it, you could throw granulated plastic waste on the top of whatever the other load was in a bagged form and not put the vehicle over the weight restriction.

If you are talking about glass, and of course glass is fairly heavy, but glass is simply melted sand. It could be broken and even ground into a sand consistency and used as a fill material. If you are talking about newsprint, newsprint is fairly heavy. Waste newsprint has a fairly low value, but newsprint can be composted. That would be a suitable process for handling it.

* (1220)

It is only when you get beyond the concept of recycling that some of these other things start to become apparent to you. You know, when you talk about waste minimization, what we want to do is to find some other useful life for whatever it is that we no longer have a use for. An example like composting newsprint, most people would not think of that when they talk about recycling newsprint. They would think that it has to go back to Pine Falls, it has to get turned back into newspaper and be read again.

In many areas in the province, I am sure that recycling of newsprint or reduction of the waste generated by newsprint through composting would be a very useful technique. There are only a couple of concerns there, and that is that you have to watch that there are not contaminants either in the paper or in the inks that have been used, so you want to make sure that the inks are not laden with heavy metals. You would also want to make sure that the paper had been bleached by a nondioxin producing process so you did not have dioxins and furans. The mill at Pine Falls is a sulphite mill. So it is bleached using sulphite techniques. The Abitibi people tell me that as a result in the ordinary newsprint the dioxins and furans are not a problem in that kind of a situation.

I think what is required in remote communities is just a little more imagination and a little more heavy duty thinking as to how to address these problems, because there are solutions available. It is just a case of getting your act together.

Mr. Taylor: Again to Dr. Fenton, I am rather surprised about that suggestion of composting of newspapers.

I do composting now, but I never thought about using that. I had always wondered about the paper and how it had been made and in particular inks as well as to whether damage would be done to plant life when it had broken down and then you had dug it out with a fork and spread it around the flowerbeds. You are saying you have to look out for particular things like heavy metals and contaminants in the paper. How does one know that? One would also have to look out in using newspapers that you were not also spreading through the gardens quotes that had been taken out of context by the reporters. In all seriousness, how does one—

Mr. Fenton: It is often referred to as waste.

Mr. Taylor: How does one safely use that? The other thing is I would like—a double question here, because we are running out of time—is to ask you, have there been discussions with firms involved in northern transportation?—because when I have talked in the past with firms that were going up to Thompson, those that were piggybacking semis all the way to Churchill, for example, there seemed to be little interest in the idea of a two-price strategy to their tariffs, in which there would be the normal rate north and an incentive rate south. I was looking at some ideas about bringing out, in fact, I was looking at bringing out an aircraft for an aviation museum and seeing what sort of prices were available. Then we got into general pricing strategy for tariffs, and there seemed to be little interest in it. You have semis, both open and enclosed semitrailers, heading south, deadheading with virtually nothing in them. Did you get into any of that? Two parts on the question.

Mr. Fenton: On the first part, the technical experts I have consulted with indicate that the heavy metals in the inks will be primarily a problem in old-fashioned glossy supplements that come along with it, or the Sunday comics, Saturday comics. Straight newspaper is pretty much all right. There is an incredible number of new inks being formulated, about 1,000 inks a year being formulated apparently, and many of those are based on vegetable oil and are based on colouring that no longer has to have the heavy metals in it. One of the possibilities would be for I guess regulation to be examined in terms of the permitted composition of inks that were used within the province, but then you have flyers being brought in from outside and that kind of thing, so there would be some considerable complexity there.

In terms of the backhaul, I have had general discussions with Al Harris from the Manitoba Trucking Association, and he seems to think that you should be able to negotiate reasonable rates on a backhaul with virtually any carrier. You have to cover their variable costs. I know the Recycling Council has negotiated rates for broken glass to Toronto at about \$600 for a truckload, and I have been told that we should be able to negotiate rates to Minneapolis for broken glass in the range of about \$200 a truckload. Those rates apparently are available.

Now, if you have more clout, then you get a better rate, and that would be one of the reasons I would

think for perhaps forming some kind of a recycling network or a waste minimization network in the province, so that network then could negotiate with the haulers and have more clout than an individual in a remote area. Certainly it constitutes a new payload for them and that should be beneficial. They should be keen on getting an additional source of revenue, I would imagine.

Mr. Chairman: I would point out the time is approaching 12:30, which is our normal time to rise. What is the will of the committee? Mr. Harapiak.

Mr. Harry Harapiak (The Pas): I would like to ask some questions of Dr. Fenton if the committee would give me leave to proceed with it.

Mr. Chairman: Proceed.

Mr. Harapiak: I would like to thank you for taking us through the paper, Doctor, and thank you for the information. If the Minister was accused of bringing in that legislation hurriedly, I think he can be complimented on bringing in the Recycling Council to act as advisers, because I think that this booklet that was brought forward certainly shows the wisdom of bringing forward people with the expertise in the community to make some recommendations, and I think we as a society will all gain from it. You cover practically every aspect of concern out there.

* (1230)

I know that several of the questions I had were asked by the Member for Flin Flon (Mr. Storie) and the Member for Wolseley (Mr. Taylor), but I guess there is one area that does not seem to have been touched on, and I wanted to ask you as a recycling council what responsibility you feel you have in the whole area of dealing with hazardous wastes. In our consultations throughout the province we found there is a lot of concern when it comes to disposing of chemical containers, pesticide containers and material containers. I know that the Manitoba Hazardous Waste Corporation is having difficulty getting a site to locate their Hazardous Waste Corporation. Do you feel that you have any responsibility to encourage the City of Winnipeg to try and come forward and have some consultation with the Manitoba Hazardous Waste Corporation to locate near the City of Winnipeg?

Mr. Fenton: I am happy to be able to say that the Minister's terms of reference explicitly excluded hazardous waste from our mandate, so I do not have to advise him on anything having to do with hazardous waste. I feel that is a fortunate position to be in, so as a result I have no recommendations as to what the City of Winnipeg should do on that issue.

Mr. Harapiak: As a private citizen, do you feel that there is some responsibility on the Recycling Council to be encouraging some greater participation to have that site located near the City of Winnipeg?

Mr. Fenton: We have said that our principle is that the polluter should pay, and the polluter can pay in a number

of ways. They can pay through charges, they can pay through social damage, environmental damage. They can pay through having the responsibility to have what they might consider as an unhappy neighbour. It may not be an unhappy neighbour, but that may be the way they consider it. I think that has covered it. As Pogo says, we have seen the enemy and they is us.

So we all have a responsibility to try and minimize the cost of disposal of hazardous materials. Certainly having the plant somewhat close to major volume seems to make sense to me as an economist that you always try and minimize the volume of material to be hauled over any distance. As a professional economist, an environmental economist, I would say that it makes considerable sense to have a plant located near where the major sources of its raw materials are, subject, of course, to all the normal concerns about proper ground conditions, proper siting conditions, proper barriers and buffer zones and that kind of thing. As a general rule, everything else considered, then I think it makes sense to have it close to the major source of raw materials.

Mr. Harapiak: I just wanted to congratulate the Recycling Council on the work you have been doing in this whole area of improving our environment. You

are doing an excellent job in there and I look forward to the conference that will be held—or it means it will be held on the 9th and 10th of March.

Mr. Cummings: Just a couple of words to wrap up, Mr. Chairman, to reiterate my appreciation to the committee.

An Honourable Member: No pun intended.

Mr. Cummings: That is right, no pun intended, and to encourage anyone who is within earshot of us to attend this conference that is coming up because it will ultimately have considerable impact on the strategy of the province Manitoba has.

Mr. Chairman: Thank you, Dr. Fenton, for your presentation and your attendance here this morning.

What is the will of committee?

Mr. Harapiak: Committee rise.

Mr. Chairman: Committee rise.

COMMITTEE ROSE AT: 12:33 p.m.