

everywhere in the world . . . I think that my ten-minute period has expired. Thank you very much, Mr. Speaker.

• (1520)

[English]

**Mr. J. R. Ellis (Prince Edward—Hastings):** Mr. Speaker, I am going to respond to this motion of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) in a way that will give one of his colleagues a few moments as well. At the outset, I would like to put on the record my bona fides for being able to speak in this debate. The fact is that some 30 years ago when I entered the Council of the City of Belleville, all of the raw sewage from that community went into the river and the bay beside Belleville. When I left some 19 years ago, all of the raw sewage was given secondary treatment and, indeed, since that time subsequent mayors have improved on the system and it now receives tertiary treatment. In fact, in my constituency even the smallest municipalities have sewer and water systems and the residents of those areas have paid for their own systems.

The federal water policy recognizes that water is at present one of Canada's most neglected natural resources. The underlying philosophy of the policy is that Canadians must start viewing water as both a key to environmental health and as a commodity having real value, and begin to manage it accordingly.

It is now recognized that more stringent regulations and standards alone cannot protect our water resources without economic incentives and disincentives to prevent their impairment. The water policy, therefore, emphasizes the "polluter pays" principle which will redirect the inevitable cost of pollution reduction to those responsible. As a result, costs will be distributed more fairly to the benefit of all Canadians.

In terms of water and sewer systems, realistic pricing for these services will encourage users to conserve water, raise the funds needed to build and maintain these costly systems, and encourage efficiencies and greater effectiveness through technological innovation.

The Government has already considered the proposal put forward by the Hon. Member in considerable detail. It has also been discussed at length with provincial Governments and national municipal organizations. In fact, in response to the Hon. Member's request, there has been a great deal of conversation and mutual discussion on the subject.

The federal Government has concluded for both fiscal and constitutional reasons, and for consistency with the principles which I outlined earlier, that it will not reinstate a general program of financial assistance in this area. Instead, it will promote the view that municipalities should institute more realistic prices for their water and sewer services and will limit federal involvement to sponsorship of research and development. It will continue to implement proper environmental and health practices with respect to federal undertakings. It will provide financial assistance for projects that otherwise meet

federal and provincial development priorities and are eligible for assistance under existing federal programs and it will encourage financial and economic efficiencies in supplying water and sewer services to Canadians.

In the technological area, Environment Canada operates a major waste water technology in Burlington, Ontario. One of its current projects involves demonstrating a process to convert sewage sludge to oil. In many urban centres, sludge disposal is a serious economic and environmental problem which accounts for almost half the cost of waste water treatment. In Canada the proposed technology could solve disposal problems for 350,000 tonnes of sludge by generating 700,000 barrels of oil per year.

Another innovation is a Canadian developed computer-automated process control system for sewage treatment plants. This innovation alone could save hundreds of millions of dollars over the next five years.

Within its own area of responsibility, the federal Government has pledged itself to implement proper environmental and health practices for all water supply and waste treatment services associated with federal undertakings and facilities. These include projects with federal involvement, as well as those in the North on native and reserve lands, in federal parks, as well as federal buildings and other facilities such as airports.

In terms of encouraging realistic pricing and greater efficiencies, the Minister of the Environment (Mr. McMillan) is working closely with his provincial counterparts on the Canadian Council of Research and Environment Ministers on several fronts.

I want to leave time for the colleague of the Hon. Member for Ottawa—Vanier so I will conclude by saying that what we do not need in this country is another protracted subsidy debate. What we do need is a realistic approach to pricing which encourages conservation, raises the cash necessary to provide the needed services and stimulates the kind of research and technology development required to bring down costs and make our systems more effective.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, first, I would like to thank the Hon. Member opposite for giving me a couple of minutes of his time so that I could make a few remarks in this debate. There are a few Members of this House who have had the opportunity of sitting at the municipal level of Government. The Hon. Member opposite is one and so am I. Actually, I am one of those who has been fortunate enough to sit at all three levels of government; municipal, provincial and federal. There are concerns that municipalities have at the present time with the decay of the infrastructure. These are concerns, in my view, which are very legitimate and, indeed, need to be addressed. Need we remind ourselves of the experience south of us with respect to the decay of the infrastructure in the United States as an example of just how much we need to address the problems of the