

Put Your Money Where Your Kyoto Mouth Is

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Time is running out: Canada still doesn't have its act together on cutting greenhouse gas emissions. We've already lost five years in lots of talk but little action. We now have eight years to reduce our emission levels by 30 percent if we intend to meet our target under the Kyoto Protocol. If we don't meet this target, we pay a massive bill in penalties 10 years from now.

It's high time the federal government produced a detailed plan explaining how emission reductions are going to be achieved and how much money it must invest to achieve them.

To date, we have seen attempts to backtrack on our commitments, and proposals that will do very little to cut emission levels. The options that Ottawa has presented resemble Enron accounting more than a realistic way to cut back on emissions; their main thrust is really about how Canada can avoid or buy its way out of taking effective action.

The proposals would have Canada purchase emission credits from Russia and get credit for clean energy exports. The latest trial balloon even suggests that we ratify Kyoto but not actually meet our emission targets. These approaches make sense neither from an environmental nor an economic point of view.

Canadian money would be better spent reducing emissions in Canada than investing in the reindustrialization of Russia. (Besides, it's unlikely that other countries would allow Canada the credits for clean energy exports that it is seeking.) The whole point of Kyoto was to give the effort teeth by demanding stiff penalties if targets are not met. Failure to comply mortgages our future.

Canada needs to take the issue of reducing greenhouse gas emissions seriously, and recognize that

Canadians must invest heavily in new technologies and infrastructure to sustain our economy, environment, and quality of life.

In the absence of this commitment, the only alternative is to restrict energy use to reduce emissions. This will result in less economic activity, at great expense to both consumers and businesses. Canada will suffer major losses in investment as production and jobs are exported to countries such as Mexico or China that do not have targets to meet, or to the United States, which has refused to ratify the accord. The impact would be severe: 450 000 job losses in Canada's manufacturing sector alone.

Canadian industry is making real progress in reducing greenhouse gas emissions. Despite the fact that production has increased by almost 40 percent since 1990, Canadian manufacturers have voluntarily reduced their overall emission levels by 2 percent—by investing in more energy efficient processes and technologies and by turning away from carbon-intensive fuels.

Companies have worked with the Canadian Industrial Program for Energy Conservation and the Voluntary Challenge Registry. We did so because reducing emissions makes good business sense, and it is good for the environment.

Canada needs to foster a favourable investment climate for industry to accelerate the technological progress already under way. Ottawa should lower taxes on investments that lead to emission reductions, promote more voluntary covenants, encourage more research and development, and provide incentives to encourage not only the development and adoption of new technological solutions but also the replacement of existing technologies in all industrial sectors.

To reduce overall emissions, our government must also provide incentives for consumers to replace appliances and retrofit homes. It will have to encourage the adoption of mass transportation services and accelerate the replacement of old vehicles. It will have to improve the efficiency of highways, expand access to rail systems, and develop new and more efficient urban transit systems. It will have to fund extensive reforestation and land-management programs to ensure that carbon sinks are effective, and invest in the development and infrastructure required to generate energy from less carbon-intensive fuel sources.

These are long-term investments. It will take a decade or longer to put in place the technological solutions that will give Canada real emission reductions. Whether or not we ratify Kyoto, the time to make these investments is now.

What Canada needs is a plan of action, a commitment by all Canadians, and major investments by all governments, aimed at making meaningful reductions in our domestic levels of greenhouse gas emissions. Canadian industry is ready to be an active partner in developing and adopting technological solutions to achieve Canada's goals. This must be a cornerstone of the government's innovation agenda.

We are confident that Canadians want Canada to be a world leader in emission reductions through the development and adoption of new, energy-efficient, less-carbon-intensive technologies, new fuel sources, and new transportation infrastructure. Now our government must show us a meaningful plan and commit to making the necessary investments to sustain our environment and our economy. We can invest now, or pay the price later.