

permits in the United States, for instance, is what happened with airline deregulation, then it is a bad idea. I know a number of the people in the U.S. environmental community are worried about the fact that if tradeable permits become part of the Clean Air Act, or whatever, the government will then use that as an excuse not to have to regulate emissions any longer, and if you do not have a proper cap and if you do not have proper monitoring of emissions, then it becomes a licence to pollute.

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If you can, however, begin to agree on targets—and we have to agree on targets anyway, no matter what we do about carbon dioxide—if we can begin to agree on targets, and we can begin to enforce compliance with the targets, I think the advantage of the tradeable emission system is that it leaves companies and industries much freer to experiment with different sorts of technologies for achieving the objectives. I think—

Mr. Caccia: But then you are stuck with that ceiling.

Mr. Runnalls: Maybe. It is not a simple issue, but I do not think it can be dismissed out of hand quite that easily. I think one of the problems with excessive and specific regulation, particularly regulation of the U.S. kind, has been that it tends implicitly to dictate a particular kind of technological response.

That may not in fact be the best use of technological skills. It may not be the best use of scientific research skills. I, for one, believe that it is certainly worth while experimenting with the tradeable emissions permits thing on one or two issues, and see how it works. I think it has a lot of arguments that commend it, and I think it has a lot of things wrong with it. But any of these systems have lots of thing wrong with them. I just think that it is worthwhile exploring the whole question of tradeable emissions. It may not be carbon dioxide is the best issue, it may be that it is sulphurous oxide and nitrous oxide, as has been suggested by some of the Canadian utilities.

It certainly seems to me that it is worthwhile exploring it on a pilot basis, to see what it does in terms of fostering technological change, because that is the major argument for it.

The Joint Chairman: We will now open the debate in order to put questions to each of our three witnesses, Mrs. Arthur, Dr. Bates and Mr. Runnalls.

Mr. Gustafson (Souris—Moose Mountain): My question relates specifically to agriculture. I serve an area in southern Saskatchewan where the drought, whether it is cyclical warming or global warming that has caused the problem, has put us through some very dire times. I was chairman of the task force on drought, and I can assure you that our farmers in that area are wondering exactly what is happening. We had 85 degrees out there last week in southern Saskatchewan.

To get to the numbers, along the border of the U.S., the 49th parallel, is where most of the wheat is grown in Canada. If you go into the statistics you will find that it is not grown in the north. It is grown right in that area within 100 miles of the 49th parallel. We used to say