

This Committee accepts the preponderance of scientific evidence, and is of the opinion that the potential risks of climate change preclude waiting for scientific verification. There is strong support for the "precautionary principle", that is, when in doubt, act rather than wait. Mobilization of the no-cost mitigative actions is the sensible first approach. However, there is the feeling among environmentalists and some Committee members that we should be doing more, we should be implementing other mitigation options even though the net cost may be high.

Erik Haites suggested that during this decade we should place the no-cost first-line of defence into action, and at the same time funding should be directed to research and the development of a second line of no- or least-cost defences. The Committee is of the opinion that greater emphasis should be placed on research to stimulate the development of a second-generation of energy-efficient technologies.

Recommendation No. 19

The Committee recommends that the Government of Canada encourage private and public sector research initiatives for the development and introduction of a second-generation of energy-efficient technologies by the year 2000.

PRACTICAL CONCERNS AND POLICY DIRECTION

The Environment Committee's 1991 report, *Out of Balance—The Risks of Irreversible Climate Change*, described many if not most of the mitigation options outlined to the Committee in this study. However, it is clear that most of the possible mitigative actions have now been well studied, subjected to economic analysis and prioritized. The Committee believes that the major challenge presently facing decision makers is not what needs to be done, but rather how will it be done? What are the impediments and what policies must be developed to facilitate change?

Presentations from a major utility, TransAlta, and from the Canadian and Ontario Trucking Associations revealed one common concern. In essence, implementation of any policy that would put them at a competitive disadvantage, domestically or internationally, was unacceptable. The trucking industry is understandably quite concerned about the effect a potential carbon tax would have on their ability to compete. The difficulties surrounding a carbon tax were discussed by Minister Jean Charest:

In Canada, you have to remember, a carbon tax would apply in a different context from most countries. We already use our fuel distribution retail system for taxing purposes and we use it extensively. Provincial and federal governments do that. Whether or not we would choose to pursue that course is something we would want to think about very carefully. What I can tell you in terms of the carbon tax is that in this context it is certainly not contemplated as something the government would want to put forward. We are not interested in new taxes at this point in time.⁸⁶

There was general accord among the industrial and NGO witnesses before the Committee that the correct blend of economic instruments held the greatest promise for achieving cost-effective reductions in greenhouse gas emissions. Jim Leslie, Senior Vice-President, Corporate Services, TransAlta Utilities, built a strong case for the development and use of economic instruments:

For some time, we've been advocating to government, to our industry, and to stakeholders generally the usefulness and feasibility of harnessing the economic forces of the marketplace in order to deal with environmental issues such as climate change.

⁸⁶ Minutes of Proceedings and Evidence of the Standing Committee on Environment, Issue No. 45, 16 November 1992, p. 31.