

Diane Griffin, who spoke to the Committee on behalf of the Rural Renewal Task Force of the National Round Table on the Environment and the Economy, told us about the importance of making environmental and economic considerations integral parts of decision-making. There is an opportunity to develop cost-effective, market-driven approaches to strengthening Canada's agricultural industry and rural communities while enhancing environmental quality and biodiversity conservation.

The potential elements of trade-driven adjustment to agricultural policies and programs that may contribute to sustainable agriculture, rural renewal, and biodiversity conservation are as follows. Number one is the market forces. As international agricultural production subsidies are reduced or reprofiled, it is anticipated that commodity prices will increase. This in turn should encourage land use decisions that are more responsive to the market forces and to the sustainable capability of the land base. The second one is non-distorting commercial income support. The third one is conservation incentives.³⁸

Members of this committee are sensitive to the issues which raise tensions between urban and rural communities in regard to the conservation of biodiversity. It is understood that it is the responsibility of all Canadians to contribute to the conservation of biodiversity. *The Convention on Biological Diversity* reflects the international recognition of the intrinsic knowledge base of indigenous peoples, farmers and other groups who live off the land.

The aim of environmental management policies should be the optimal and sustainable use of natural resources, the conservation of biodiversity and the maintenance of ecological services. Policies that provide incentives for the wasteful and unsustainable exploitation of such resources, and the unnecessary reduction of biodiversity should be primary candidates for overhaul. Some policies may even invite over-exploitation of species, conversion of valuable natural habitats, and over-simplification of ecosystems. Reforming such policies makes economic sense as well as ecological sense. Inappropriate subsidies for resource use drain the national economy and impede development.

Recommendation No. 8

The Committee recommends that the Government of Canada begin the design and implementation of economic instruments for the conservation of biological diversity, and re-evaluate government subsidies, policies and programs that contribute to environmental degradation.

Examples of the type of economic instrument which may be developed to conserve biological diversity can be extrapolated from other areas of Canadian law and policy. One such example is found in Canada's tax treatment of donations of cultural property. The *Cultural Property Export and Import Act*³⁹ is designed to restrict the export of art, antiques and other objects important to Canada's cultural heritage. The objectives of the Act are met through certain provisions of the *Income Tax Act*⁴⁰ that allow cultural property to be sold, donated or bequeathed in certain circumstances without attracting capital gains tax, and that also create an income tax deduction for the fair market value of cultural gifts.

³⁸ Ibid., p. 28.

³⁹ R.S.C. 1985, c. C-51.

⁴⁰ S.C. 1970, as amended: sections 110 and 118.1.