

economic opportunity to strengthen its overall efficiency, reduce its per capita and per output energy intensity, by following through on its commitment to reduce greenhouse gas emissions. Improved energy efficiency enhances productivity and competitiveness. One of the reasons Japan and Germany have enjoyed such economic strength in the last decade is because they are considerably more energy-efficient than Canada.

CHAPTER SIXTEEN

The report reflects the strong consensus in Canada for greater consultation in determining environmental targets. The recommendations for greater transparency and participation in standard settings, and the need for a full fuel cycle analysis of all energy sources is welcome.

Under "The Need to Quantify Social costs", the observation "since the market by itself is imperfect... government may increasingly need to consider policy instruments that take the environmental costs into account." In light of vast improvements in environmental accounting and natural resource accounting, the Government should do far more than "consider" such options: it should rather commit itself, as Germany, Norway and other countries have already done, to preparing a parallel set of national income accounts, indicating the costs of natural resource degradation and environmental damage.

Under Recommendation 15, a "more flexible approach" to the regulation of environmental issues should not be translated into a more lenient enforcement of existing or future regulations. Under Recommendation 17, a timetable should be established for consultations on economic instruments, given the fact that there are now strong signals that the new Clinton Administration will turn increasingly towards economic instruments like tradeable permits in order to achieve environmental goals. Instead of waiting to see what will happen, this Committee should recognize that—although not a policy panacea—economic instruments of the mineral, energy and other sectors must become a cornerstone of Canada's economic and environmental strategies.

While it is an obvious point that "Canada is both a natural resource-intensive and exporting nation, it is imperative that Canada take into account its comparative advantage in natural resources", the Committee fails to outline the economic and environmental advantages of increased investment in value-added capacity and export potential. More emphasis should be contained in the Report on job and market share opportunities in cleaner technologies and value-added economic activities.

Recommendation 21 should refer to the role greenhouse gas offset credits would play in a global climatic regime. The Government, as well as the Global Environmental Facility, should assist industry in identifying opportunities for carbon reduction credits, particularly in Eastern and central Europe.

Under Chapter 16's sub-heading "Promoting Energy Alternatives and Efficiency/Conservation", the notion that financial incentives should be forthcoming only for "environmental damage done" is confusing, since it undermines the previous call for greater scientific data to identify existing and potential problems.