

I think you realize why Jim MacNeill made the remark, picked up by *The National* last night, that he cringes in embarrassment at international meetings where Canada is listed as a leader in this field.

Fourthly, we have learned in the last couple of days that greenhouse gas emissions and climate change are economic questions. I suppose this is patently obvious to anyone in a country where economic policy has long been dominated by the need to extract basic resources.

The solutions lie not only in improved energy policymaking, but also in the economic instruments we choose to implement that policy. A very rich bag of suggestions has emerged in the discussions since—carbon taxes, an income tax surcharge, conservation pricing for energy, the removal of subsidies for the fossil fuel industry and the forests products industry. Interesting suggestions are now beginning to arise on the whole question of tradeable emissions and tradeable pollutant rights.

We have heard that Canadians in general seem to be willing to pay more taxes, or charges of some sort, if they can be assured that the revenue from these levies will go toward environmental improvement, including, presumably, alleviating climate change. This raises the spectre—the evil spectre in the eyes of the Department of Finance and the provincial treasuries—of earmarked funds.

This issue will be resolved by either conscious policymaking or attrition. We already have a number of taxes called “environmental taxes”. Ontario has one on tires. B.C. has just announced one on tires and one on car batteries. It cannot be too long before taxpayers demand to see where the revenue from these taxes has gone.

I was reading the paper in a taxi on the way here today. A *Globe and Mail* headline says: “Ontario budget to portray treasurer as white knight for the environment”. Again, the whole question of taxes described as environmental taxes is coming to the fore.

Fifth and finally, Mr. Chairman, we have learned that this issue may well dominate the national security debate and the international debate for the next 10 years or so. Here there is a legitimate role for Canadian leadership.

Some months ago I wrote that the 1990s version of Pearsonian diplomacy might lead us to place less emphasis on our customary concerns of peacekeeping between and within states wracked by conventional disputes and more into the arena of new threats to national security.

Here I agree with Mr. Shevardnadze that environmental change may be the biggest single threat to international security. There are good reasons for this, most of which we heard yesterday. We have some considerable comparative advantages to play here. For once, some of the nostrums of Canadian politics appear to have some force. We are the only country with access to the G-7, the Commonwealth and *la Francophonie*.