



Kenneth Green, D.Env.

*Executive Director,
Environmental Literacy Council*

*Formerly Director, Centre for Studies
in Risk and Environment*

The Fraser Institute

Canada and Kyoto

- **Canada is not what you'd call a country particularly well-suited to greenhouse gas controls:**
 - It has a widely dispersed population with massive transportation requirements to move goods to market;
 - It's largely a cold-weather country with large per-capita energy requirements just for temperature control;
 - Its economy is largely driven by natural-resource exports, including some that take a lot of energy (and produce a lot of GHGs) to produce;
 - Canada's emission reduction target is huge – 6% below 1990, or 30% below “business as usual” 2010 emissions.

So why did they ratify?

- **Since elected dictators don't have to explain why they do things, nobody really knows. But speculation suggests that Prime Minister Chrétien ratified Kyoto:**
 - **To build an environmental legacy;**
 - **To position himself for a role in United Nations;**
 - **Out of historical antipathy toward western provinces;**
 - **To punish Paul Martin for orchestrating his ouster; and**
 - **Because Bush said America wasn't going to.**

But what did Canada really agree to? (1)

The federal action plan calls for:

- Claiming credits for actions already taken or underway;**
- Claiming more sink credits than Kyoto proponents acknowledge;**
- Claiming credit for clean power exports to the United States;**
- Spending money on various funds to promote energy conservation, new technology development, etc.**

But what did Canada really agree to? (2)

In terms of concrete actions Canada would take, the unusually explicit 2003 federal action plan included:

- 25% increase in vehicular fuel economy;**
- Large emitter “covenants” to reduce emissions;**
- Energy efficiency improvements in homes, commercial, and institutional buildings;**
- Energy efficiency improvements in small and medium sized businesses;**
- Reduction of fugitive emissions;**
- International credit purchases**

Failure is built in

- **Clean-power exports already denied;**
- **Credits for sinks and previous actions is doubtful;**
- **Automobile manufacturers exempted;**
- **Energy producer obligations capped at 15% increase in energy intensity;**
- **Cost of emission reductions via credit trading capped at \$15 CDN per ton of carbon equivalent;**
- **No way to compel fuel economy hike;**
- **Provinces have authority over natural resource use;**
- **The 2004 and 2005 plans just throw money at various funds.**

Federal cost estimate?

Before ratifying, the federal government estimated that Kyoto compliance would

- Take 0.4 percent of cumulative GDP between 2002 and 2010;**
- Result in 60,000 jobs lost;**
- Not impact personal disposable income**

Jaccard cost estimate

But Simon Fraser University economist Mark Jaccard estimated that Kyoto will:

- Take 3 percent of economic productivity generated between now and 2010;**
- Result in incomes that are permanently lower (4% lower) than they'd otherwise be after 2010;**
- Raise electricity prices up to 80%;**
- Raise natural gas prices by 40% to 90%**
- Raise gasoline prices by 50%**

Why it's all moot

To really understand Canada and Kyoto, you have to understand some things about Canada you might not know:

- Elected dictators don't get sued;**
- Canada is an opaque society;**
- In Canada, you can spend the same dollar five billion times;**
- You can't critique what you can't see; and**
- Kyoto seems dead as a doornail.**

There are amusing elements...

Lest you think that Canadian regulation is entirely without amusement value, consider Vancouver and the three-man band

- Normal bands usually have 4 (or 5) members, including a drummer, guitarist, bass player, and keyboard player
- In Vancouver restaurants, you tend to see 3-person bands, consisting of a drummer, guitarist, and keyboard player, and they sound just as good.
- Why? Because in Vancouver, you can only have a 4-person band in your restaurant if you're classified as a dance-hall, in which case, you also have to have sufficient room for dancing, and meet a bunch of other zoning requirements.

There are amusing elements...

Canadians also love recycling. Worship of the Blue Box is nearly universal. Canadians are great trash sorters

- Recycling, of course, has its uses. It's nearly always efficient for aluminum and metal, and sometimes for paper.**
- Canadians are good separators, and the homeless collect recyclables diligently, for the redemption value. There's not much litter.**
- There are building standards requiring use of recyclables, which creates a market, though it's not a free market, of course.**

And less-amusing elements...

But then, things go a bit awry.

- **In Vancouver, people spend time washing out empty bottles, and sorting them into separate bins that are collected by a different fleet of trucks than handle regular trash.**
- **Then, the city grinds up the glass to prepare it for recycling.**
- **Then the glass is driven using diesel trucks, all the way to Alberta, where it's turned into fiberglass.**
- **Then the fiberglass is driven, again on diesel trucks, all the way back to Vancouver, for use in "environmentally friendly" skyscrapers.**
- **And of course, air pollution is considered a huge environmental problem in Canada.**

And less amusing elements...

Canadians are very proud that they have “free & egalitarian” medicine, but...

- **If your dog is hit by a car, and needs a CT scan, there's no wait, while if your kid is hit by a car, and needs a CT scan, the wait can be months long.**
- **If you're non-Canadian living in Canada, and need a CT scan, you can just pay, and not wait, and, you can buy health insurance from other countries**
- **If you're a reasonably wealthy Canadian, you can either go to the US, or have a “third-party” (your uncle) pay for your CT scan in cash, and again, no waiting, but it's out-of-pocket.**
- **If you're a mountie, a government worker, a prisoner, or one of Canada's 10 soldiers, there's no waiting.**
- **If you're a regular private-sector working stiff, well, practice saying the word “queue”**
- **The Prime Minister's physician runs a private clinic, but Martin is against private practice medicine.**

And then, things get silly...

- Did I mention the 50% income tax? Then there's the 7 percent GST, another 7 percent PST, and a surtax on alcoholic beverages in restaurants;
- While a standard US shot of hard liquor is 1.75 ounces, the Canadian standard shot is 1 ounce, and in most provinces, you have to buy alcohol from the state.
- Even over-the-counter prescription drugs are locked up on certain holidays. You can't buy 1% hydrocortisone over the counter, but you can buy tylenol with codeine. Go figure.
- Cigarettes are, of course, highly regulated, and expensive. But, you can buy your pot and heroin anywhere, and in Vancouver they'll give you a "safe injection site" with sandwiches, and an EMT to take you to the ER if you OD. You get in ahead of the people waiting, of course.
- Prostitution is legal, but soliciting and advertising is not. Don't ask me how that works.
- They don't have enough money to pay for medical equipment, but they did have enough to import strippers from the Ukraine.

And some are really silly...

- The bagels aren't bagels. They're toroidal bread;
- The Lox isn't Lox, it's smoked (not brined) pacific salmon;
- The Corned Beef is called Montreal Smoked Beef, and it's neither corned beef nor pastrami
- The hot sauces generally aren't
- Though there are few French people, there's a ton of French Cuisine, and while it's prepared by Mexicans, you can't find decent Mexican food.
- To import your car, you have to have it relabeled in French, even in Provinces where it's not spoken.
- 30% of public broadcasts must be "Canadian Content," but they don't acknowledge Celine Dion as Canadian Content.

To be fair, though...

- **Canadian cities are mind-bogglingly clean, and though they centrally-plan, and the incentives seem perverse, somehow, things work well;**
- **The people (at least on the surface) are so polite that, as a former colleague used to say, they even thank vending machines;**
- **Canadians do tend to work like beavers, and really seem to take pleasure in doing quality work;**
- **The emphasis on bilingualism, even if hated out west, does seem to produce people with excellent language skills;**
- **The Canadian Confederacy gives more power to provinces than the US gives to states;**
- **Their private sector is very competitive, and intensely market-oriented;**

To be fair, though...

- **Jazzfest in Vancouver (last week in June) is probably one of the greatest vacation plans ever, even if the Loonie is up to 80 cents US;**
- **The public health care does mean less neurosis about liability – thus, it's easier to do risky things, like entering oyster shucking contests, even if you risk stabbing yourself;**
- **Brain drain does let you drive a hard bargain if you're in a profession they need;**
- **\$1.00 and \$2.00 coins are very useful;**
- **Canadians do great beer.**

***So, I'll take your questions
now...***

Eh?