



## CONFERENCE BOARD OF CANADA

Attention News Editors:

### Time to put a price on greenhouse gas emissions

OTTAWA, Jan. 30 /CNW Telbec/ - The time has come for Canada to put a price on greenhouse gases (GHGs) produced by the Canadian economy, the Conference Board argues in a briefing released today that addresses the issues that Canada's Premiers discussed earlier this week.

"Greenhouse gases are treated today as though they can be produced and emitted without any cost. Green taxes should be introduced for industries and consumers to establish a visible price for carbon dioxide as a way of slowing the growth of - and then reducing - emissions," said Glen Hodgson, Senior Vice-President and Chief Economist. "A national GHG tax system should be designed to be fiscally neutral through cuts to other taxes."

The challenge, according to *Use Green Taxes and Market Instruments to Reduce Greenhouse Gas Emissions*, is to set an appropriate GHG emission or "green" tax that encourages producers and consumers to change their behaviour.

As a complement to green taxes, a "cap and trade" system should be implemented for major emitters. Green taxes should be rebated to emitters that use a "cap and trade" system. To help firms adjust, an environmental investment tax credit should be introduced.

A combination of green taxes, other market instruments and efficient regulation at a national level would be a significant step toward sustainability, and it would have the added benefit of strengthening Canada's leadership position in forthcoming international climate change negotiations.

The publication, publicly available at [www.e-library.ca](http://www.e-library.ca), is the second of several briefings covering aspects of tax reform in Canada.

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