

Liberals working on productivity

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The current session of parliament is drawing to a close. Unfortunately, it has been marred with numerous distractions like the Conservatives' "in and out" election finance scheme, the departure of the Prime Minister's chief of staff over allegations of interference in U.S. politics and numerous blunders by the foreign affairs minister. Important opportunities for serious policy debate have been lost.



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In the meantime, the Liberal Opposition caucus has been busy working on initiatives to address the immediate concerns of Canadians. I'll briefly outline just two.

A new survey conducted by Nanos Research for the Canadian Union of Public Employees shows that a large majority of Canadians trust their municipal government more than private corporations to deliver services. Canadians favoured public delivery for every one of the nine categories of services on which they were questioned: sewage treatment (75.8 per cent), drinking water treatment and delivery (75.5 per cent), community and social services (75.1 per cent), maintenance and upkeep of parks (69.4 per cent), public transit (68.6 per cent), road maintenance (64.7 per cent), garbage and recycling services (64.6 per cent), recreation facilities such as rinks and swimming pools (64.5 per cent), and electricity generation and distribution (60.6 per cent).

However, aided by several ex-Harris government cabinet ministers, Mr. Harper has been pressuring provincial and municipal governments to privatize their service delivery. By contrast, Liberal Leader Stéphane Dion has recently announced a new Liberal government will work in partnership with Canadian municipalities to address economic, environmental and social challenges. "Liberals agree that we owe it to our children to address the \$123-billion infrastructure deficit facing Canada," said Mr. Dion in an address to the Federation of Canadian Municipalities. He committed to investing in municipal infrastructure any future unanticipated surpluses that exceed the \$3-billion contingency reserve. The priority for this funding would be sustainable infrastructure: public transit, water systems, green energy, landfills and cleaning up contaminated sites.

"This commitment indicates that for us, Canada's infrastructure needs are an important priority" added Mr. Dion. "Canada's cities and communities are showing leadership in changing for the future, but they need a

federal partner who shows the same leadership. I am confident that together, we will lead our communities and our country in the right direction, for a richer, fairer and greener Canada for ourselves, our children, and the generations to come."

On a similar note, you'll recall Mr. Harper recently toured Europe. It was a failed effort to redeem Canada's tarnished international reputation on climate change following his abandonment of our Kyoto commitments. Mr. Dion, by contrast, has been busy working with the Liberal caucus as well as both domestic and international expert groups to find workable measures to immediately reduce our greenhouse gas emissions.

To do this, we need to put a price on carbon and for that there are two main techniques. One is to fundamentally change our taxation system so that "good things" like income and capital are taxed less while "bad things" like carbon emissions are taxed more. This method is referred to as a "carbon tax" but it is very important to note that the net effect on government tax revenue would be zero.

The Conservatives try to portray this as a tax increase when they know very well it is in fact a revenue neutral tax "shift". The logic behind this shift is to provide the all powerful financial incentives needed to alter consumption behaviour necessary for reducing greenhouse gas emissions.

A second option that is increasingly popular is to implement a "cap and trade" system that would apply to companies in the main polluting industries. The government would set a maximum total amount of annual carbon emissions for all participants. This annual allowable output would decrease each year. Each participant would be allocated the rights to an initial carbon output and could trade these rights with others. Those who develop technologies to reduce their emissions would be able to sell their pollution rights to others. Again, this system creates financial incentives for reducing greenhouse gas emissions and mandates a clearly defined schedule of reduced carbon output.

There are numerous variations in both the carbon tax and cap and trade approaches and they are not mutually exclusive. There is no reason why a version of both systems could not coincide. Both are already used elsewhere in the world and have been applied to other pollution problems like acid rain.

In the absence of action at the federal level, Liberal governments in Ontario, Quebec and British Columbia have now taken the lead in introducing both carbon tax and cap and trade systems. Mr. Harper has scoffed at these initiatives, but Mr. Dion and the Liberal caucus would like to support and strengthen them with effective federal policies.

I look forward to our summer caucus meetings where we will continue planning these and other important initiatives for a richer, fairer, greener Canada. I also look forward to hearing your opinions on the issues of the day, either in my constituency office or at the events and festivals happening in Oakville. As we approach summer it is my wish for all Oakvillians to have a healthy, happy and safe time with family and friends.