

Tories must get real on carbon pricing

Carbon pricing, already a reality in some parts of Canada, will soon be the reality across Canada. The question is: at what point will it become a reality for the Conservative party? Or perhaps better: will the Conservatives please get real?

British Columbia has had a carbon tax since 2008. Alberta will have one in place by 2018. Ontario and Quebec are implementing cap-and-trade regimes. That's 80 per cent of the country, by population, where carbon pricing is now law. And in six weeks the government of Canada will formally commit the country to the Paris climate accord, together with its Intended Nationally Determined Contribution, UNSpeak for emissions reductions target. By year's end, the Trudeau government has signalled it will have a national carbon price in place, with or without the provinces' cooperation.

By the next election, three years from now, carbon pricing will be well-established as policy, nationwide. Businesses will have planned accordingly. Investments will have been made. Any implementation costs will have been fully absorbed.

Yet the position of the Conservative party, and of virtually every one of its leading lights, is flat-out opposition to carbon pricing, in whatever form. Of the federal party leadership candidates, only one, Michael Chong, has come out in favour. The other 87 or so are all opposed. The official line remains the same: it's a "tax on everything," and they want no part of it.

If we take them at their word, then, the federal Conservatives, if returned to power in 2019, would abolish the national carbon pricing regime introduced by the Liberals. Perhaps the provinces that had implemented their own carbon pricing plans would leave them in place; perhaps, in the absence of a national floor, they would find themselves under competitive pressure from provinces that opted out.

But an extra element of uncertainty would have been added to business decisions. Were those investments that had been made in anticipation of carbon pricing still valid? Would new ones be? Should businesses expect carbon pricing to remain the norm or not? In which provinces? At what rates?

It would be one thing if Conservatives rejected, not just carbon pricing, but the very necessity of reducing carbon emissions — if they denied, not only that carbon pricing was the right solution, but that climate change was a problem. But Conservatives, at least publicly, do not say that. The previous government was at some pains to stress that it accepted the scientific consensus on climate change, even claiming at one point it meant the "end of winter as we know it."

Rather, the official Conservative position favours, as a remedy, regulations limiting emissions by industry (even if they never got around to implementing many of these).

Interim leader Rona Ambrose, attacking the Liberal carbon price plan this week, said her party favours "regulation on industry rather than taxes on Canadians," as if the costs of regulation were not a form of tax, or that industry would not pass on these costs to "Canadians."

This has lost none of its power to astonish for all the years the Tories have been spouting it. The party of free markets, rather than support a plan that relies on the quintessential market instrument — prices — favours the most costly, intrusive and regulatory-heavy approach imaginable: the very approach that has so signally failed to date. The party of personal responsibility favours sparing people the costs of their economic choices, either socializing them via subsidy or disguising them via regulation.

This might have been understandable, once. It was the left that first sounded the alarm over climate change; Conservatives could be forgiven for reacting skeptically, at least at first. But when the left, defying stereotype, adopted carbon pricing as the solution, Conservatives let their oppositional instincts get the better of them. If the left were for prices, they would be against them. They have been boxed into that position ever since.

This isn't just economic madness. It's dumb politics. It makes the Conservatives look unserious on an issue that for many voters is an entrance exam. More than that, it is a massive missed opportunity — not only to show “Conservatives care about the environment,” but to make the case for markets and market-based approaches more generally — markets, not merely as arenas for private gain, but in their truer role, as instruments for solving collective problems. Carbon pricing is the biggest victory for markets in a generation, and conservatives are nowhere to be found.

Embracing carbon pricing need not be seen as capitulation to their opponents. There remain sharp differences between left and right approaches to carbon pricing, which conservatives could usefully exploit. One, Conservatives should insist that any revenues collected from the public via carbon pricing be returned to them in the form of lower taxes on income. That is, carbon pricing should be revenue neutral, as it was in B.C.

Two, carbon pricing should be instituted as a replacement for existing subsidy and regulatory approaches, not, as currently envisaged, simply loaded on top. Carbon pricing might thus be used to lighten, rather than add to, the regulatory burden on industry, just as it lightens the tax load on individuals — a feature that might be of greater interest to many voters than even saving the planet.

Conservatives allowed the left to claim carbon pricing as their own, but there is no reason they cannot reclaim it. There's a conservative case for carbon pricing. But there is no good conservative case for the alternative.

10 Comment(s)

[Ricketty Rabbit](#)

24 September 2016 08:15

This is an interesting argument by the Conservatives. Essentially, they're asking for "regulation" - in other words, leaving it to government to "pick the losers" in the regulation of equipment that produces carbon emissions.

A carbon tax, on the other hand, let's individuals and businesses decide how they'll spend on equipment that produces carbon emissions. It does something our economy doesn't - it taxes the "externalities" of carbon emitting equipment. Make no mistake - carbon emissions and other forms of pollution exact a toll and a cost on society. But we have no way for those damaged by pollution to be repaid for that damage except through pollution taxes. It is a sound theory.

I note that SFU's Mark Jaccard recently said he preferred regulation because carbon taxes would have to be very high to achieve the carbon emission reductions required for Canada to meet its emission reductions commitment. If this is what the Conservatives are also thinking, they should say so. If they have a viable plan to curb emissions with less economic damage, it would be very welcome.

[john dick56296](#)

24 September 2016 09:02

Once again Andrew Coyne demonstrates why he's the most competent and thoughtful journalist in Canada. Excellent comments from you too RR.

[Not In Our Name](#)

24 September 2016 09:30

Andrew Coyne's writing is amazing!

People have written pages to describe what Coyne writes so well in just two sentences:

"The party of free markets [Conservatives], rather than support a plan that relies on the quintessential market instrument — prices — favours the most costly, intrusive and regulatory- heavy approach imaginable: the very approach that has so signally failed to date.

The party of personal responsibility favours sparing people the costs of their economic choices, either socializing them via subsidy or disguising them via regulation. "

Bravo!

[Wet Coaster](#)

24 September 2016 10:03

Right wng ideology has never been intellectually consistent. Small government, low taxes, get the government off the back of the people are their mantras. yet they want to control a woman's body and now regulate industry? Their hypocrisy is laid bare.

[Tiller](#)

24 September 2016 11:10

More blah blah blah over carbon.

[RHW](#)

24 September 2016 13:18

Only you could equate control over a womens body (evidence?) with carbon wetty.

[Willy P Johnson](#)

25 September 2016 09:59

There I read it again and along with Rabbit's comment I get what's going on.

Usually Coyne gets slammed for his left leaning ways.

The silence, especially in the face of outright slamming by Coyne, tells me he has hit the sweet spot in this argument.

I will be watching to see how Conservatives control their message on this one. With a leadership race it the mix, it'll be interesting.

It would also be interesting to see a few more cogent comments from the usual's on here who are deniers and/or Conservative.

[Lord Asriel](#)

25 September 2016 10:03

The more time goes by, the more I realize that the right wing will disappear in our lifetimes as people wake up to the fact that they are always far behind where society as a whole is moving, and worse they are always trying to stop the evolutionary currents and tides by throwing anchors over the side of the boat. It's time to cut those right wing anchor lines and let's get this ship moving.

[Ricketty Rabbit](#)

25 September 2016 10:24

I hope you're wrong, Asriel. Conservatism has benefits, but it has been hijacked by people bent on building a coalition of the right.

What real conservative would wreck the environment for profit?

What real conservative would wreck the economy for short term growth?

What real conservative would run up government debt with structural deficits that aren't good investments for long-term, benefit producing infrastructure that supports the economy?

And what real conservative would, for example, abandon the US constitution's separation of church and state by continually bringing religious positions into the political arena? (And I note that Canadian conservatives have a much better track record on this than their ilk among our neighbours to the South.)

The problem isn't a failure of conservatism. It's a failure of conservatives. I hope they purge the phoney, selfish "non-conservatives" from their ranks and become a force again in Canadian politics.

[RHW](#)

25 September 2016 12:03

That is probably the smartest thing you have said all week.