



## Ten Popular Canadian Myths about the Kyoto Protocol

1. IT'S TOO EXPENSIVE – OUR ECONOMY WILL SUFFER
2. CANADIANS AREN'T WILLING TO ADAPT THEIR LIFESTYLE/THE CHANGES WILL BE REALLY HARD
3. (HUNDREDS OF) THOUSANDS OF CANADIAN JOBS WILL BE LOST
4. ALTERNATIVE PLANS ARE MORE REASONABLE FOR NORTH AMERICA
5. IT WILL HURT CANADIAN ECONOMIC COMPETITIVENESS BECAUSE WE TRADE SO MUCH WITH THE UNITED STATES
6. INDUSTRY IS AGAINST RATIFYING KYOTO
7. VERY FEW LIBERALS ACTUALLY WANT TO SEE KYOTO RATIFIED
8. IT DOESN'T REALLY DO ANYTHING TO STOP GLOBAL WARMING AND THE TARGETS ARE ARBITRARY
9. DISCUSSIONS IN CANADA ARE GOING ON IN SECRET
10. IT WILL ACTUALLY HURT THE ENVIRONMENT

### **MYTH 1: IT'S TOO EXPENSIVE – OUR ECONOMY WILL SUFFER**

This kind of response can alternately send an environmentalist into a frenzy or a stupor. To environmentalists it can seem like the Titanic is heading toward the iceberg and the accounting department is still telling the captain 'full steam ahead' because it's concerned about an arrival-time bonus. What good will these be at the bottom of the ocean? Clearly they haven't been on deck recently. To step out of the analogy... unfortunately it's not clear to some that even if it were expensive, it is something we have to do.

The good news for environmentalists stunned by such a seemingly warped perspective is that even if you were to adopt the economic viewpoint you would not conclude ruin. That is, the predictions of economic gloom and doom are not borne out by economic studies.

Assumptions, ranging from the philosophical to the practical, are essential to understanding any economic forecast. So what are the different forecasts and what are their assumptions?

Alberta premier Ralph Klein at one point early on said that Kyoto ratification would cost Canada a trillion dollars. He now often quotes \$40 billion a year because a [study](#) by his government put the cost of Kyoto somewhere between \$23-\$40 billion for Canada. To give you a feel for just how extreme or 'worst-case scenario' the assumptions of this report are, it assumes that Canada was the

only country in the world that took action to reduce emissions! This is and indeed could *never* be the case in reality as Kyoto can only be brought into force when a minimum of 55 countries, comprising 55% of 1990 emissions, ratify it. As it stands, over 70 countries have already ratified, including all the European Union countries and Japan. As Russia plans to ratify within the year, the ‘55% of emissions’ criteria will be met and so the protocol will soon enter into force.

Similar studies by groups in the US influenced Bush to claim that Kyoto would be too expensive for Americans. One such [study](#) was put out by the Wharton Econometrics Forecasting Associates (WEFA). It predicted that US gross domestic product (GDP) would decline by 3.2% by the year 2010. WEFA's results arise from such dubious assumptions as: 1) renewable energy will be 27% slower to provide energy needed to fill the gap left from cutting fossil fuel combustion than it was when fossil fuel prices rose during the post-oil-embargo period 1973-1985, and 2) energy efficiency measures will also be implemented 43% slower than during the 1973-1985 period. This is all the more unreasonable considering the US had a decade to prepare for the final goals of the Kyoto Protocol, instead of being surprised by an OPEC-generated oil shock.

The federal government has [released](#), upon lengthy consultation with all sectors of the Canadian economy, the most likely range as being between -1.7% and +0.4% on ten years growth. That is, they think that under Kyoto we could do as badly as 29.3% growth instead of 31% in the next ten years or as well as 31.4% instead of 31% in the next ten years.

How about foreign predictions for Canada? Well, amongst many similar results, a Japanese [study](#) estimates a 0.3% loss on 10 years, and a Dutch [study](#) -0.02%.

International Comparison of GDP Impacts (Pre-Bonn/Marrakech)								
Model	SGM		ABARE-GTEM		MS-MRT		POLES	
Country	No Trading	Trading	No Trading	Trading	No Trading	Trading	No Trading	Trading
US	-0.4%	-0.2%	-1.8%	-0.8%	-1.1%	-0.2%	-0.36%	-0.14%
Japan	-2.2%	-0.3%	-1.0%	-0.2%	-0.7%	0.0%	-0.31%	-0.05%
Western Europe	-0.8%	-0.4%	-0.8%	-0.1%	-0.3%	0.0%	-0.12%	-0.06%
Canada	-1.9%	-0.2%	-1.0%	-0.3%	-2.5 %	-0.4%	-0.15%	-0.07%

A range of impact estimates on ten years of growth under different economic models that was done before meetings in Bonn and Marrakech which established the international carbon permit trading rules for the Kyoto protocol (Source: Environment Minister David Anderson speech “[Costs of Kyoto - What we Know](#)” given prior to the official government estimate mentioned above).

To put this in another perspective, suppose the actual economic cost of Kyoto is over twice as bad as the federal government's worst-case scenario, and our GDP is reduced 4 percent by 2012 (about \$50 billion). This perfectly compares to what happened in the 1990s when the federal government cuts reduced our GDP by at least 4 percent between 1995 and 1997. Apparently when it comes to slowing growth for fiscal prudence some deify the likes of Paul Martin .... but possibly slow growth even half as much for the sake of a more hospitable planet? *That would be economic suicide!*

What's even more amazing about these studies is that they do not account for: 1) the human health benefits, 2) the benefits of government and consumer investment in new technology and infrastructure, and 3) the mounting costs of climate change itself. The health benefits are conservatively estimated in the multiple hundreds of millions, big-ticket investments in environmental infrastructure and technology have powered a lasting economic expansion in earlier times in the investment in railways (1850s), automotive infrastructure (1950s), and computers (1990s) and the costs of climate change have been estimated by insurance companies to equal to the entire world's GDP by 2065! With these factors in mind a number of studies (see a [Tellus Institute](#) study and a study in [Nature](#) for example) show Kyoto as bringing about a *net benefit*.

Finally, it should be pointed out that in the past, large-scale environmental interventions proved to be significantly cheaper than expected. For example, the cost of reducing SO<sub>2</sub> continues to be lower than anticipated since the Clean Air Act Amendments were enacted to reduce acid rain. The cost of compliance was initially estimated at US\$400/ton to US\$1000/ton; however, during 2000, SO<sub>2</sub> allowances ranged in price from US\$130/ton to US\$155/ton. Inco now earns about \$190 million more a year because legislation forced management to sit down with engineers and figure out how to mine nickel without emitting as much pollution. As is always the case, they found that doing so made their processing more efficient and therefore more profitable.

As Sierra Club of Canada member Guy Dauncey says in his book '[Stormy Weather: 101 Solutions to Global Climate Change](#)': "WE WANT TO REPEAT THIS OVER AND OVER AGAIN: REDUCING GREENHOUSE GAS EMISSIONS IS GOING TO BE EXCITING, PROFITABLE AND CREATE A MORE SUSTAINABLE WORLD. THE FOSSIL FUEL COMPANIES ARE JUST WHINING AND DISTORTING THE EVIDENCE, AS THEY TRY TO PROTECT THEIR TURF."

### **CANADIANS AREN'T WILLING TO ADAPT THEIR LIFESTYLE/THE CHANGES WILL BE REALLY HARD**

The word 'hard' has different meanings to different people of course. What most people mean when they say this is that changes will either be too expensive or demand a lot of personal sacrifice in terms of convenience and labour.

One of the remarkable stories showing how painless change can be is the story of the municipal government of Toronto. The city government of Toronto established the '[Toronto Atmospheric Fund](#)' to deal with issues of smog and climate change. Since 1991 this group has reduced municipal government emissions by [60%](#) – over 10 times what Kyoto requires of Canada – while [saving](#) the Toronto taxpayer money (\$2.7 million/year). How did they do this? Amongst other things, they retrofitted their buildings to make them more energy efficient, they replaced lights with more energy efficient bulbs and they tapped into their landfill sites to capture methane (a potent greenhouse gas) that they in turn used to generate electricity. Similar stories of reductions achieved with profit by many international companies are listed below in Myth 6.

Some changes don't take a lot of effort on the part of people – they can more or less happen with the stroke of a pen. The establishment and enforcement of reasonable and balanced regulations to

maintain and improve energy efficiency improvements for buildings, motors and technology of all kinds can go a long way towards fighting climate change. While intervening legislation most often provokes extreme reactions from industry, as mentioned above the pattern is that they ultimately adjust and actually increase their profits under the new rules and the consumer doesn't suffer either. This classic pattern is playing itself out in California at present over the new legislation to restrict greenhouse gases coming out of vehicle exhaust pipes. Industry – as it did with fuel efficiency standards, catalytic converters, seatbelts, leaded gasoline, etc – is expounding on how much the Californian consumer will suffer. Cars will have to be smaller, less safe and less powerful it decries. US university engineering [contests](#), however, sponsored by the big three US automakers, have already shown that tailpipe greenhouse gas emissions can be reduced by 50% from large SUVs without any change to the size or power of the vehicle.

Governments changing their behaviour and the rules is one thing, but what about the individual Canadian? Many of us know of someone who finally decided to buy the solar panels, or commute

by bike or get that gas-electric hybrid car, or hang up that old clothesline, but how much is the average Canadian really ready to spend or change? One answer is to look at recycling programs across the country. Nobody dared imagine how diligently Canadians would sort and save their recyclables. In fact, many thought recycling would never work as well as it has in Canada. Recycling is one example showing that once Canadians are given the right

### Most Alberta households willing to pay \$500 or more to implement Kyoto

"Would you be willing to pay ... to implement the Kyoto Protocol?"



information, realize the importance of change, and are given a [program](#) with simple yet effective behaviour they are willing to change.

Another answer can be seen in a recent [poll](#) of Albertans by Ipsos-Reid. The poll asked Albertans if they supported the Kyoto Protocol and 72% said 'yes'. The poll also asked how much respondents would be willing to pay to implement the protocol. Their response, depicted below, might surprise many readers. The good news for Albertans is that it's very unlikely they will have to pay this much.

Source: [Ipsos-Reid](#).

In terms of difficulty of change, debates often centre around the false dichotomy of technological versus behavioural solutions. Clearly both can help. Perfectly spacious and aesthetically pleasing homes that require little to no energy can and have been built to name one of seemingly endless examples. And many behavioural changes can also have a significant impact. Buying your food from local sources will prevent lots of emissions involved in the transport of your food (the average meal on a Canadian plate has travelled thousands of kilometres). Deciding to have conference calls as much as possible instead of a meeting in another city will save loads of time, money and emissions of travel. Deciding to take the train instead of a plane for a trip of 500km or less will not be more time consuming but will be better for the planet. One third of Canadian car trips are less than 2 km – a distance easily walked or biked. The [list](#) goes [on](#). The bottom line: suffering and hardship are not inevitable here.

### **MYTH 3: (HUNDREDS OF) THOUSANDS OF CANADIAN JOBS WILL BE LOST**

It can often be mind-numbing to hear certain industry groups act concerned about their projections of job-loss when their track record, particularly since the eighties, clearly shows that they will dispense of employees the instant they are able to do so. This concern for job losses by the Kyoto critics is particularly vexing when during the last decade of massive production increases in the oil and gas sector, more than 80,000 Canadian jobs were lost in this sector. What's even more incredible is the public response. Why Canadians passively accept tens of thousands of job losses each year in the name of profit, yet passionately decry comparatively minor job loss in the name of a liveable planet blows the mind.

Like the economic growth projections, however, the good news is that projections of employment doom are horribly exaggerated.

Remarkably, and irresponsibly, the Alberta government study on Kyoto predicts 450 thousand jobs lost as a result of ratification. Again, assumptions are critical to interpreting this statistic. Namely, this study only looks at job losses while totally ignoring the significant jobs created in industries that will flourish under Kyoto such as the renewable energy and energy efficiency sectors.

In fact, investments in energy efficiency produce four times as many jobs as investments in new energy. The American [Council](#) for an Energy Efficient Economy has estimated that an annual investment of \$46 billion over the 1992 to 2010 period would have resulted in a 24% reduction in carbon emissions and generated 1.1 million new US jobs by 2010.

Transitions can also be properly managed to minimize job loss and transfer strains. The Canadian [Centre](#) for Policy Alternatives has offered a transitional plan for energy workers that would see a net gain in national employment by 2010 under Kyoto, especially if electric utilities begin to incorporate more renewable sources of energy.

Another angle on this has been offered by some, including Environment Minister David Anderson.

## Two Ways to Measure Greenhouse Gases

**INTENSITY** Favored by the Bush administration, this is the amount of pollutants per million dollars of G.D.P. Even when emissions increase, this rate can decrease.

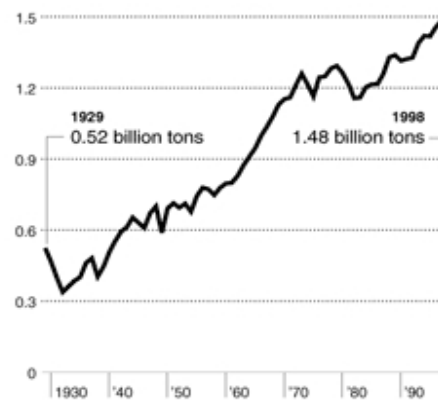
Metric tons of U.S. pollutants per \$1 million of G.D.P.:



Sources: Lewis E. Gilbert, Columbia Earth Institute; the White House

**ACTUAL EMISSIONS** Many climate scientists say this is the best measure: How much carbon dioxide is released into the atmosphere. The amount has tripled since the 1930's.

Billions of tons of U.S. carbon dioxide:



In the event that the economy grows slightly less than it would have otherwise in the next decade, the associated job losses would be 'future' job losses. That is, at worst, a relatively small number of jobs might not be created in the future. People would not be losing their present jobs.

More generally, however, the more sustainable the practice the more jobs are created. With oil, the jobs are mostly in the digging and setup and most disappear afterwards. With wind and other renewables, the jobs are more consistent and long-term. Similarly for sustainable agriculture, forestry, tourism, the fisheries and so on. Thus, to the extent that the Kyoto Protocol fosters sustainability it will foster job creation.

### Myth 4: ALTERNATIVE PLANS ARE MORE REASONABLE FOR NORTH AMERICA

After Bush rejected the Kyoto Protocol on the grounds that it was too expensive for the US, he came out with an alternate '[plan](#)' for his nation. Unfortunately the 'plan' is window dressing for doing nothing. Here's why:

Instead of reducing overall absolute emission levels, as scientists say is required, Bush proposes to reduce emissions relative to growth as measured in GDP units. This is called a reduction in greenhouse gas 'intensity'. Bush wants to see a reduction in greenhouse gas intensity of 18% by 2012 not an overall reduction of 18%. That is, under Bush's plan emissions go up.

Historically, economic growth was tied to fossil fuel use (build a factory -> need more coal -> more emissions result), but through the majority of the 1900s this has become increasingly less so. In fact, the greenhouse gas intensity has been going down, *on its own*, for a number of decades. We build our factories, buildings, and machines more efficiently on average now and thus emit less emissions

per unit of economic growth. But overall we still emit more emissions because our economy has grown at an even faster rate\*. Recently, greenhouse gas intensity has been steadily declining at about 1.5 to 2% per year. Multiply this by 10 years and you have ... Bush's target. **He's literally taking credit for what will happen on its own regardless.** It's not surprising then, that Bush's main mechanism for this to occur is voluntary action – which historically never works.

One problem is that this can sound reasonable on the surface. Some say, “We've got to grow, right? Isn't getting more efficient enough?” Well, firstly, he's not even speeding up efficiency improvement rates and secondly, the present rate is just not acceptable. We need absolute levels to go down by over 60% as soon as possible to minimize and avoid the dangers of climate change (see Myth 8). Growth and emission reduction are compatible (see Myth 6 also).

Alberta is proposing a similar plan involving intensity. In addition, it wants to see emissions from homes and buildings to go down but not those from oil refineries. For more on the [Alberta plan](#), please see a piece by Sierra Club of Canada's John Bennett.

Alternate plans also miss out on the benefits of global cooperation. The Kyoto mechanisms include credits that will provide benefits to participating nations. Should we ratify, our Canadian firms could offer their products or develop their factories at home and around the world at cheaper prices and thus gain a competitive advantage over US firms (see Myth 5).

\* Take transport for example. Until the inception of the SUV our vehicles were getting more fuel efficient. Our air was is still getting more polluted however because we'd put so many more vehicles on the road.

## **MYTH 5: IT WILL HURT CANADIAN ECONOMIC COMPETITIVENESS BECAUSE WE TRADE SO MUCH WITH THE US.**

In their discussions with the federal government, this line is a favourite of some energy intensive industry groups. They argue that abiding by the protocol will place an unfair burden on Canadian companies that are already in tough competition with US companies. Their profits would presumably suffer if they have to pay to adjust their factories to emit less greenhouse gases.

This is wrong on so many levels it's hard to know where to start. As is elaborated upon in Myth 6 and mentioned above in the related case of Inco, reducing emissions, even for petrochemical companies, means an *increase* in profits and subsequently competitiveness.

There's also an important consideration when talking about competitiveness. Energy use has shown an historical pattern or direction. We started by burning solid wood. Then we moved to crumbly old coal. Followed by liquid oil and then to more use of natural gas. Along this path, a chemist would note that we were not only moving from solid through liquid to gas but we were also increasing the hydrogen content of the molecules we used for energy. The pattern over time thus points in a direction: we're moving towards a gaseous, hydrogen-carried energy system. Generate

the hydrogen through the power of renewable energy and we have a good shot at energy sustainability. Gear your policy off oil and towards this foreseeable state and you will be at a competitive advantage when it arrives. Kyoto policies will facilitate the transition by giving us advantages along the way there. In other words, since we know the direction, we should be racing there to be competitive leaders anyway. Ratifying Kyoto will only help us get there more easily.

How would Kyoto facilitate change? One way is the permit trading system. Companies that devise ways to reduce their emissions will earn credits that they can in turn sell to companies that have surpassed emission limits. The latter companies are forced to buy the credits. It's basically a tidy punishment/reward system that not only encourages innovation but also more justly shifts expenses to excessively polluting companies. The permit trading market has been estimated at \$400 billion.

Another thing to note is that the US, despite its federal administration, is far from static in making greenhouse gas technological and policy advances. While it's sometimes tempting for Canadians to take the higher ground on the climate change front because we are still *talking* about possibly ratifying Kyoto, on the state, municipal and corporate levels, the US is actually *doing* more about it. It could well be that Canada needs to ratify just to *catch up* competitively. The good news is that Canada is well poised to do so. We have the acknowledged leader in hydrogen fuel cells in Vancouver's [Ballard](#) Power and our renewable energy base is amongst the best in the world.

To reinforce the fact that Kyoto will bring about innovation and subsequent competitive advantages, the reader is invited to visit some links: BBC [article](#), [CANet/Pembina](#) Institute study, David Suzuki Foundation [study](#).

For a more intricate competitiveness argument one can also see Myth 10.

## **Myth 6: INDUSTRY IS AGAINST RATIFYING KYOTO**

In the media, and possibly even in this list, Canadian industrial sectors are often lumped together. "Industry groups don't want this..." or "Industry groups don't want that...". It is of course true that some industry groups are against ratifying the accord. Vehemently so.

However, there are a number of industry groups that are pro-ratification world-wide. One group, [E-mission 55](#), has a Canadian branch which already lists over 400 of Canada's top companies. Similar [groups exist](#) in the [US](#).

Interestingly, a recent [poll](#) done by the National Post and COMPAS shows that 57% of Canadian CEOs felt that ratification could be done at little to no cost to the Canadian economy while 13% had no opinion and 29% were against ratification. This is essentially the same result as a poll done 4 years ago by COMPAS in Canada where 60% of CEOs felt that Kyoto would not disrupt the economy.



Of course some industries can be expected to be pro-Kyoto given the nature of their enterprises. But the list of supporters might surprise some. Included in the list are multi-national oil giants and major manufacturers.

[BP](#) pledged to cut greenhouse emissions 10 percent below 1990 levels by 2010. It met the target last October – eight years ahead of schedule and all while its profits rose. [Royal Dutch/Shell](#) promised in 2000 to cut emissions 25 percent by 2002, and has already overshot its goal. [Kodak](#) has pledged to cut CO<sub>2</sub> emissions from its power plants 20 percent by 2004. [DuPont](#) has pledged to reduce its greenhouse emissions 65 percent from 1990 levels by 2010. Between 1990 and 2000, [L'Oreal](#), the world's largest cosmetics manufacturer, increased production by 60 percent but decreased greenhouse emissions by 44 percent. While we don't want to be seen as endorsing these companies in a holistic way, we are pleased to see their progress in reducing emissions.

Multinational companies are also [removing](#) their funding of global warming sceptic organizations paid to generate misinformation and doubt about the science.

"The fact is that almost any company in America could find a way to meet Kyoto regulations with a four- to five-year payback, meaning that within four to five years, their efficiency upgrades will have paid for themselves in energy savings. After that, those savings start becoming profits."

— Joe Romm. Mr. Romm served as assistant secretary of energy efficiency and renewable energy under President Clinton is more recently the founder of [www.coolcompanies.org](http://www.coolcompanies.org), which tracks info on climate-friendly corporations, and is director of the Center for Energy & Climate Solutions (Source: Grist Magazine, ['In Good Company Cutting emissions to raise profits'](#) by Amanda Griscom).

### **Myth 7: VERY FEW LIBERALS ACTUALLY WANT TO SEE KYOTO RATIFIED**

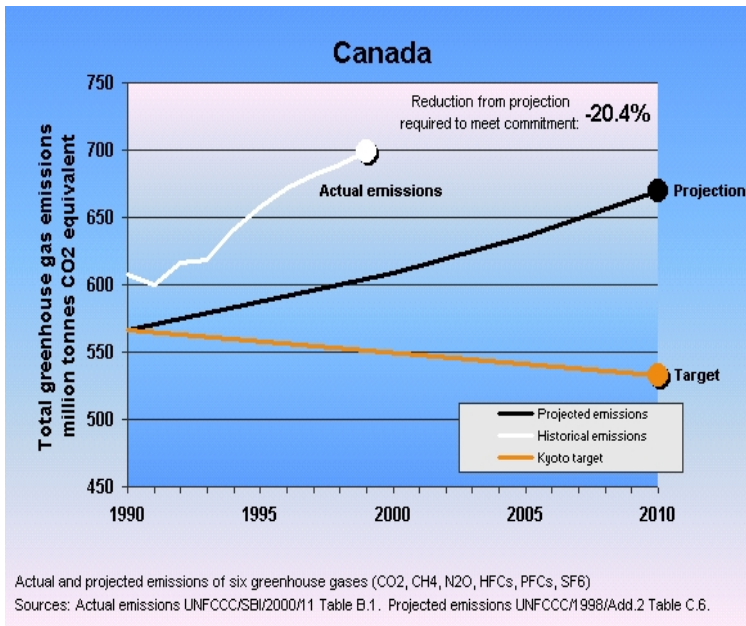
The reigning Liberal party has been going through a rough ride of late. Prime Minister Chrétien's age and his public battles with Paul Martin have set off an unofficial leadership race. While stepping out in favour of ratifying the Kyoto Protocol would be popular with the Canadian people, it might generate enemies in key industrial sectors. This could soon change however. A recent 'uprising' of sorts has taken place amongst Liberal backbenchers. Spearheaded by the same group of backbenchers that helped improve the Species At Risk Act, a letter has been circulating amongst the Liberal caucus members. The letter, will ultimately be sent to the Prime Minister, is calling for the ratification of Kyoto by the end of this year. A majority of the caucus has signed the letter. As the party heads into an official internal leadership race in early 2003, this could well force leadership candidates to assert a more firm position on ratification.

**Myth 8: IT DOESN'T REALLY DO ANYTHING TO STOP GLOBAL WARMING AND THE TARGETS ARE ARBITRARY**

The Kyoto Protocol requires Canada to reduce its overall emissions by 6% below 1990 levels. Since 1990, Canada's emissions have gone up nearly 14%. Our target is therefore about 20% from today's levels.

(Graphic below) Source: [GRID](#) (Global Res ource Information Database of the United Nations Environment Program in Arendal, Norway)

The only sense in which the 6% below 1990 can be considered 'arbitrary' is in the sense that *it is 10 times less than what scientists feel we need to avoid the dangers of climate change*. Only a scenario including rapid change in economic structures, in the very near future, toward a service and information economy, with reductions in material intensity and the introduction of clean and



resource-efficient technologies emphasising global and local solutions to economic, social and environmental sustainability, including improved equity, and additional climate initiatives will bring about the lower end of the temperature range projections ([IPCC](#), Third Assessment Report of Working group I, 2001, Summary for Policy Makers [SPM], pg. 14,18).

An analogous argument is often made by smokers “What’s the use in quitting? I’m too far gone now, it won’t avoid the

cancer...”. Unlike the individual smoker, however, this advocacy for inaction will bring us all down. As seen in Myth 2 and 6, significant emission reductions can happen quite quickly. There’s no point in giving up.

The protocol has always been intended as a first step towards greater emission targets. To reintroduce the Titanic analogy, point the boat in a slightly different direction now and we will eventually be going towards a very different destination indeed. Hopefully one that will avoid the iceberg.

### **Myth 9: DISCUSSIONS IN CANADA ARE GOING ON IN SECRET**

Recently, Alliance party environment critic, Bob Mills, wrote a lament in the Ottawa Citizen about federal government discussions with groups and companies who would be potentially affected by Kyoto. He deplored the fact that the discussions were taking place in the absence of media coverage and general public access.

In fact, the federal government has made a significant effort to generate discussion and consultation on all related issues to the protocol. The federal government established the [Climate Change Secretariat](#) after the conference in Kyoto. Upon lengthy study, it came up with four potential strategies or options under which Canada could meet its targets set out under the protocol. To discuss the four options, their strengths, weaknesses and potential costs, it hosted a series of [stakeholder sessions](#) with highly informed and highly implicated parties. It was decided and agreed upon that these sessions would take place without media and access by the general public as they would be followed up by general public discussions in the fall of 2002.

Nonetheless, a summary of the sessions is posted on the internet. The [written views](#) of the stakeholders are also posted on this site including one by the Sierra Youth Coalition.

This unfounded concern over “Ottawa” taking sudden decisions without consulting the rest of the country often surfaces in order to play on regional political predispositions so as to distract audiences from the real issues at hand. That is, instead of dealing with the issues raised by global climate change and the Kyoto Protocol by the federal government, it can be useful for antagonists of the accord to play on some people’s general resentment of Ottawa. Put another way, if you don’t like the message, shoot the messenger and hope you get credit for doing so in some circles.

### **Myth 10: IT WILL ACTUALLY HURT THE ENVIRONMENT**

One somewhat intricate argument against Kyoto has been put forward by the Canadian Association of Petroleum Producers. Basically, they say that the Kyoto standards would be so demanding that they would be forced to raise the price of oil and that the US, which is in no hurry to use less oil, would react by turning to Venezuela or the like for oil where refineries are less efficient and more polluting. The net result, they say, is an increase in global emissions as these messier refineries increased their output and our cleaner refineries decreased ours. Given that we are a major exporter of oil to the US (about 17% of US oil comes from Canada compared to about 15% from Saudi Arabia), if we were to reduce emissions associated with the production of oil in our own fashion instead of in the overly exigent Kyoto fashion we insure that the US doesn’t run to other, less clean sources of petroleum from non-participating nations. In other words, the only way we can keep the world cleaner and cooler is by selling our oil.

There are several things to consider in response. As mentioned in Myth 6, major oil companies have already reduced their emissions while profits and production have gone up. This actually favours Kyoto because, after an initial refurbishment of refineries, Canadian companies would

benefit from a greater competitive advantage over non-compliant oil-producing nations. That is, *at best* their argument is true only in the very short term.

But it might not even be so in the short term. Canada also offers a much safer and politically stable source of oil to a nation preoccupied with terrorism. Moreover, Canada's oil is pumped through pipelines directly to the US. On top of the political complications, greater oil from other nations often means the increased expense, time and precariousness of more shipping by sea. Minor and temporary price hikes, should they even occur, might prove inconsequential compared to stability and convenience.

A greater point is also being overlooked in this line of argumentation. They are glossing over the point that profit from oil increasingly comes at such social, political and environmental expense to the rest of us that it's just not worth it anymore. This argument perfectly parallels those made by proponents of extreme trade liberalization. At its core, the argument is saying that there are only two possible options. It's a rock or a hard place. You either lower your standards or we/others will take our/their money elsewhere and there's no other way you can make this kind of money. It's continue suffering or things will be worse.

Well wealth at this price is no wealth at all. Besides, we think there are lots of other ways we will do just fine thank you very much. Let's bring on energy efficiency, let's bring on renewable energy, let's bring on new design and planning, and all the economic, social and health benefits this will bring. Let's bring on the Kyoto Protocol.