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Flaherty kills tax rebates on green cars \$300 million for nuclear energy. New environmental measures also call for monitoring infrastructure for carbon trading

MIKE DE SOUZA

Canwest News Service

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The Harper government sprinkled a series of new environmental measures into the federal budget yesterday, including a \$300-million boost for nuclear energy and a \$240-million investment to clean up pollution from coal-fired power plants in Saskatchewan.

It also announced the abrupt termination of a popular program that offered tax rebates on energy-efficient cars that had been widely criticized by most of the car manufacturing industry.

"Canadians demand and expect that action is being taken to reduce harmful emissions and to crack down on polluters," Finance Minister Jim Flaherty said in a prepared speech to the House of Commons.

"Today, we are taking action to fulfill our commitments to a cleaner, healthier environment."

Though Prime Minister Stephen Harper and members of his government have recently described global warming as one of the greatest threats facing humanity, Flaherty's budget speech did not mention any concerns about climate change and adaptation.

The \$300 million for Atomic Energy of Canada Ltd. will nearly triple the budget of the crown corporation, which develops nuclear products and reactors.

The budget indicates that the funding would help develop an advanced nuclear reactor and maintain safety and operations at its Chalk River facilities.

The Chalk River reactor was shut down over safety concerns last fall, but Parliament passed emergency legislation to reopen it in December because of fears of a global shortage of medical isotopes produced at the facility.

The \$240-million investment for the coal industry in Saskatchewan is earmarked for new technology to capture carbon dioxide emissions and store them underground.

The government is also offering more tax incentives for green investments and beefing up environmental law enforcement.

But for the average consumer, an incentive program that was introduced in the 2007 budget, offering tax rebates of up to \$2,000 on new energy-efficient cars, will no longer be available after December, while a special tax on gas-guzzling vehicles remains in effect.

Honda Canada, other manufacturers and environmental groups criticized the so-called "feebate" program, charging it was poorly designed and would not effectively encourage consumers to choose energy-efficient cars.

The government is also setting aside \$66 million over two years to set up an electronic monitoring infrastructure for carbon-trading, for proposed regulations to crack down on pollution from industrial facilities and to allow for a market trading system that puts a price on emissions.

Environmental groups said the new measures - including a \$250-million aid package for car manufacturers - were not a sign of responsible leadership.

"The government has missed the boat on climate change once again" said Stephen Hazell, the executive director of the Sierra Club of Canada.

"What we have are a number of industry subsidies masquerading as environmental investments, and it just doesn't work."

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