

Canada to impose carbon tax on provinces bucking climate action

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The Canadian provinces of Ontario, Saskatchewan, Manitoba and New Brunswick will have to pay up for failing to plan to curb climate pollution

Prime Minister Justin Trudeau said Tuesday his government will impose a federal carbon tax on four out of 10 Canadian provinces that have

failed to plan to curb climate pollution.

The provinces of Ontario, Saskatchewan, Manitoba and New Brunswick will be subject to the Can\$20 (US\$15) per tonne levy as of January 1, rising to Can\$50 in 2022.

"Starting next year, it will no longer be free to pollute anywhere in Canada. We are going to place a price on the pollution that causes [climate change](#)," Trudeau said in a speech at a Toronto college.

All proceeds from the tax—to be collected from individuals and industry—will be remitted to households in the form of rebates or used to pay for projects to improve energy efficiency and cut CO2 emissions, making it revenue-neutral and to "help Canadians adjust to this new reality," he said.

Ottawa had worked for two years with the provinces and territories to design plans for each jurisdiction that would allow Canada as a whole to meet its commitments under the Paris Agreement.

Canada pledged to reduce its [carbon emissions](#) by 30 percent below 2005 levels by 2030.

In his speech Trudeau referenced a UN report warning that time is running out to avert disaster, and world leaders' calls to breathe new life into the Paris accord amid backsliding from several nations over commitments made when it was signed in December 2015.

"We are the first generation that has known how to fix this problem. But we are the last generation that will actually be able to do something about it," Trudeau said.

Environmental activists praised the federal move, while the opposition

Conservatives and their provincial brethren panned it.

"It will hurt taxpayers, will not be good for the economy and will not help the environment," Conservative leader Andrew Scheer said.

In a statement, Trudeau's office rebutted those claims, noting that provinces that moved early to introduce [carbon](#) pollution pricing systems—Alberta, British Columbia and Quebec—had the best economic growth in the country in 2017.

Quebec joined California's cap and trade market while British Columbia, for example, introduced a carbon tax.

In August, Ontario quit the California market and joined Saskatchewan in suing the federal government to try to block it from imposing its [carbon tax](#) on them.

With less than a year to the next federal election, and Tories taking a hard line against the Liberals' carbon pricing, the tax is sure to become a key campaign issue.

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