

**The Environment:
The Frustrated Business Panel Sees Kyoto as
a Bad Treaty on a Good Issue, and
Gives a Failing Grade to Ambrose and Dion as Ministers**

**BDO Dunwoody CEO/Business Leader Poll
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1.0 Introduction

Kyoto, climate change, and the environment have captured the interest of the business panel with even greater intensity than taxation and government corruption normally do. We received more pages of volunteered verbatim comments from panelists than on any other issue in more than five years of weekly panel surveys.

We also received expression of concern that many more questions would be necessary to fully capture the nuanced character of respondent perspectives. As one CEO put it, "Even a dozen questions probably wouldn't do. Maybe no survey could properly set out my strong, mixed feelings on this hot topic. I'd probably have to write you a letter."

Summarizing the panel's views is difficult because they are divided and sometimes polarized on the substance of the issues and because, as one CEO put it, "there are still a lot of things I need to learn about the issue." On the substance of climate change, the panel appears to see Kyoto as a bad treaty on a good issue. With some major, articulate exceptions, panelists tend to see the reduction of fossil fuel use as desirable while tending to see the Kyoto agreement itself as an ill-conceived document.

To add further complexity, panelists see reduced fossil fuel use as desirable but likely less urgent than the reduction of individual pollutants.

Panelists come closest to a consensus in their low esteem for Rona Ambrose as Minister of the Environment in the Harper government and for Stephane Dion as Minister responsible for the same portfolio in the Paul Martin government. Both earn failing grades. The low failing grade for Ambrose is among the lowest performance scores earned by the Harper government. Only about a fifth of panelists give a score of 60% or higher to either minister.



For panelists, the low perceived performance of either environment minister is not a partisan matter.¹ Panelists are perturbed by what they perceive as poor explanations and poor justifications for the environmental initiatives embraced by either minister.

These are the principal findings from the weekly business web-survey conducted by COMPAS for the *Financial Post* under sponsorship of BDO Dunwoody LLP.

2.0. Greenhouse Gases a Problem, But Less Serious than Poisons; and Kyoto Not the Best Agreement

Table 2.0 displays the responses of panelists to a somewhat wide range of questions on Kyoto, fossil fuel use, and related matters. From the pattern of responses, a reasonable conclusion is that panelists

- Believe that Canada should gradually cut the use of fossil fuels,
- Place greater emphasis on the reduction of poisons in the environment than on the reduction of greenhouse gases,
- Suspect that the Kyoto agreement provisions for financial transfers to other countries was ill-conceived, and
- Reject the idea that environmental policy should be constrained by its impact on the oil and gas sector but might be open to the idea of tax or other provisions to protect the oil and gas sector from the financial pain of an anti-fossil fuel strategy.

The most polarizing issue is the validity of the scientific evidence. Very few panelists take a middle position on the question: "Given that scientists in the

¹ There is no statistical correlation between the two performance scores, thereby reinforcing the conclusion that panelists' assessments of them is not rooted in partisan considerations.



past have had a near consensus on facts that turned out to be unfounded, Canada should wait for more evidence before changing our way of life with a large effort to stop greenhouse gases." A total of 38% reject this notion strongly (scoring 1-2) while 25% embrace it strongly (scoring 6-7). Only 9% adopt a middle position (scoring 4).

The following verbatims capture the range and intensity of views of panelists:

Even if CO₂ was a problem, and I think it is not based on the evidence, Kyoto is a dreadful treaty that would not solve the problem but seriously damage our economy

A measured response to the environment is required.
Poisons are more important than CO₂. Energy conservation is a win-win approach.

The generally accepted theory that greenhouse gasses are causing global warming is not well founded in science in my view, and apparently, really only the darling of the media. Remember when the crisis was the ozone layer disappearing? Now that it is on the mend, following a regular cycle apparently, its demise will no longer be the death of us all. As a result of this "scientific furor," we banned CFC's because they were destroying the Ozone layer. Juxtapose this claim with the statement of a leading scientist that when Mount St Helen's erupted "it spewed out more CFC's than mankind has ever produced". The ozone layer seems not to have been too badly affected, but pseudo-science required a costly change for no apparent gain. That there is some global warming going on, or perhaps better described as climate change, is believable, but to tie these changes to emissions is not clearly proven and not acceptable to me until proven. Clearly there have been other periods of warmer climate in Canada, as anyone who has visited Drumheller can attest [to]. The consensus of scientists is irrelevant (probably misleading as well) proof is not. Remember at one time the leading scientists had a consensus that the earth was flat.



It is a given that we should do our reasonable best to reduce [the] negative impacts on the environment of human activities, but I remain unconvinced that green house gases are causing global warming. Climate change, as far as I can see from my reading of history, is a natural cyclical event that has recurred frequently throughout human history. The Kyoto Protocol should never have been signed. It was a bad trade deal trying [to] re-balance the global economy in Russia's favour, merely pretending to be about the environment. It deserves a quiet funeral. Let's reduce emissions because that is the right thing to do, and forget all the propaganda and political posturing that has been generated around what was, in effect, a bad trade deal

Stephane Dion and the Liberal's general rhetoric regarding the Conservatives environment policies is laughable. The Liberals, while in power, talked a lot but achieved absolutely nothing of substance regarding cleaning up the environment.

Dion is the new leader and he needs to set his agenda. The jury will be out for quite a while! On Kyoto, it was an ill thought out plan. Clearly action is needed, but it needs to be possible, not just pie (or smoke) in the sky.

There is no doubt there is a global warming issue. The question is the degree to which CO2 emissions are to blame. There is a strong and erudite group of scientists that believe, and indeed have demonstrated, that we have gone through these cycles many times before and that this is just another. I think I must be getting old and cynical in that I feel there's a lot of money being made by the members of the "reduce the greenhouse gas emissions brigade."

The problem with Kyoto is that it does not impose equal impacts on all countries. Canada is a small country that cannot influence global emissions by taking unilateral action. However, we can devastate the Canadian economy by ill-informed actions that penalize Canadian industry relative to



their global competitors. Scientists have been wrong in the past, and will be in the future; however we need to accept the likelihood of best-available-science being correct in this case, and encourage technological development of carbon-free energy sources. Unfortunately, Kyoto has nothing in common with this requirement.

If the countries and region of the world where the biggest pollution comes from start to make adjustments, then Canada can become a leader for the world. Otherwise we are just wasting our money as we are such a small player in the world.

Dion does not understand economic issues. His view of the economy is what is good for the environment is good for the economy. He is basically an old style Liberal with a green paintbrush who thinks government can solve every problem if it spends enough money. The idea that we are one of the highest taxed jurisdictions in the world would not even cross his mind.

The only thing I would change in the Clean Air Act is to speed up the timetable.

Pollution and climate change are a fact of life and have been turned into a political football by the politicians. Every industry or company that pollutes or causes climate change in any way has to prevent it and be responsible for eliminating it even if it means a shut down of the industry. Jobs and prosperity will suffer but survival is more important.

It is hubris of the worst sort to think that we are the cause of any global warming, if it exists, or [that] any efforts on our part can be of any measurable significance in slowing the process.

I think we need politicians with long term global survival outlooks instead of short term political posturing stances. We need statesmen/women, which in turn depend upon an informed electorate in order to become elected, which in turn



depends upon an electorate resistant to "tailored" information and directed thinking. The survival of the planet is unfortunately very much a question of quality of leadership and level of electorate awareness. This shift in evolutionary paradigm may prove too severe to enable survival.

I believe that Canada is a small fish in the world of climate change and makes little impact in the world. Allowing polluting credits to be bought by another country is beyond my comprehension. Unless the developing world cuts back on their own pollution, it will continue. Looking to countries like India, Pakistan, Russia, China, North and South Korea, Malaysia, and with Iran, North Korea with their atomic bomb testing is curtailed, their polluting our environment will continue to be uncontrollable. We need to stop using fossil fuels and keep them to a minimum! If this is not done quickly, we will continue to pollute the world and depend on Arab countries for our dependency. I [have] personally had enough of this! Time to stop talking and to start doing!



Table 2.0: (Q1) There's much talk about the environment now that Stéphane Dion is Liberal leader. On a 7 point scale where 7 means agree strongly and 1, disagree strongly, how much do you agree with the following opinions? RANDOMIZE

	Mean	7	6	5	4	3	2	1	DNK
Canada should <i>gradually</i> cut the use of fossil fuels but make the reduction of poisons in the air, water, and food chain a much higher priority because the evidence about poisons is clearer and Canadians themselves can benefit directly	5.3	24	23	32	12	2	5	1	0
Whatever we do should be outside the Kyoto Agreement, an ill conceived treaty that would give massive financial transfers to Russia, a dictatorship	4.9	31	15	14	7	9	9	9	7
Canada should lead and encourage the world to cut the use of fossil fuels because the negative consequences would be great if indeed the fear of climate change were well founded	4.5	14	20	19	19	7	7	11	3
Given a near consensus among scientists that carbon gases threaten climate change, Canada's priority must be to pay the necessary costs for cutting the use of fossil fuels	4.3	10	22	20	17	7	12	11	1
Canada should lead the world	4.1	10	17	17	13	17	8	14	4



*Kyoto, BDO Dunwoody CEO/Business Leader Poll, by COMPAS
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	Mean	7	6	5	4	3	2	1	DNK
to cut the use of fossil fuels because we would reduce not only the dangers of climate change but also the harmful influence of some of the biggest oil exporting nations									
For reasons of fairness, whatever Canada does that impacts on oil and gas should be accompanied by tax or other compensatory measures	3.9	7	12	20	24	12	12	11	3
Given that scientists in the past have had a near consensus on facts that turned out to be unfounded, Canada should wait for more evidence before changing our way of life with a large effort to stop greenhouse gases	3.7	11	14	16	9	12	14	24	1
Canada should make no special effort to cut the use of fossil fuels because doing so would hurt the oil and gas industry, the engine of Canada's growth	2.6	2	5	8	11	18	22	32	3



3.0. Failing Grades for Environment Ministers

As shown in table 3.0, both current Minister Rona Ambrose and Stephane Dion *qua* Minister of the Environment under Paul Martin earn very low grades for their performance.

Table 3.0: (Q2) On a 100 point school report card scale, what grade would you give each of the following...NO ROTATION

	Mean
The Martin government for policies leading to the reduction of greenhouse gases	38
During Paul Martin's government, then Environment Minister Stéphane Dion for explaining and justifying the government's environmental policies	41
In the Harper government, Environment Minister Rona Ambrose for explaining and justifying the present government's environmental policies	43

3.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted December 6 - 8, 2006. Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys 139 are deemed accurate to within approximate 8.3 percentage points 19 times out of 20. The principal and co-investigator on this study are Conrad Winn, Ph.D. and Tamara Gottlieb.

