

Why cap-and-trade is not our favourite carbon pricing policy

Cap-and-trade sets a cap or maximum limit on the amount of carbon dioxide from fossil fuels that businesses or other sources are allowed to emit. Those sources then decide how to meet that cap, such as by becoming more efficient. If they can't meet their cap, then they can trade for offsets with other sources that have to make up the difference.

Poorly designed cap-and-trade systems are vulnerable to manipulation and fraud.



Canada's biggest trading partner, the USA, repeatedly rejected cap-and-trade.




Compared to carbon taxes, cap-and-trade has had limited success globally.



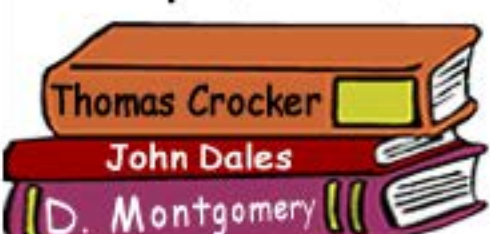
Costly oversight paid for by the taxpayer. A new division of government will have to be created.



Cap-and-trade is perceived as a money trough for traders and lawyers.



The economists who created cap-and-trade prefer taxing carbon over cap & trade.



Government will have to help ordinary households with rising costs.



It is difficult to sell cap-and-trade to the voters.



If cap-and-trade fails, it would be costly to un hinge the economy from it.



We believe that carbon fee-and-dividend is a simpler, more efficient, and more equitable way to price carbon dioxide. Find out more at www.citizensclimatelobby.ca