4. Government Control

Finally and most importantly for national governments [even for those who believe in a World UNO government], Kyoto allows an incredible opportunity to raise taxes and regulations and expand the power of the state. It also allows wide governmental purview over energy intensive industries and control over the development of natural resources as well as further control over transportation, agriculture, auto production, chemicals, and utility sectors. This will allow politicians to not only regulate more, but also acquire more political support and donations from regulated markets, and to increase the linkage between government and industry.

Most governments around the world who have signed Kyoto are testing public opinion on a wide range of new taxes. Some examples include:

- The New Zealand government has approved a new energy tax to help control greenhouse gas emissions. The tax on vehicle fuel, electricity and natural gas will cost households an average $2.25 per week starting in 2007. [772]
- Canada is also considering a gasoline tax of 10 Canadian cents per liter.[773]
- Energy taxes in Germany have raised household energy bills by seven percent over the last year.[774]
- In London, the Royal Society has announced that it will look into what further measures are necessary in order for Britain to meet its Kyoto Protocol commitments. A new carbon tax on top of the Climate Change Levy appears to be at the top of the list of likely recommendations.[775]
- The European Union is planning a EU-wide tax on aviation fuel.[776]
- The head of the European Environment Agency that the world needs a global tax on fossil fuels. "Unless you get some global taxation, it will be impossible to tackle the effects of globalization".[777]

In general one should expect that governments in order to reduce CO2 and non-renewable resource emissions would attempt to

dissuade consumption or non-renewable resource development through higher taxes and regulations. Second, in richer nations, in order to pay the costs of buying credits to meet Kyoto targets, governments will be forced into sur-taxes on a range of goods and services across industry and retail. The taxation will thus not only affect energy sectors but virtually the entire economy. Such taxation might in effect decrease economic growth; innovation and clean burning fuel technological development.

These charges and costs are illustrated by the new tax and regulation regime that Kyoto will engender in Canada. In terms of net GDP loss, Canada will be the biggest loser from the ratification of Kyoto. A large, energy intensive country, with a far flung set of urban and industrial centers and a heavy resource centric industrial base, a growing economy and a growing population, Canada will not only have to transfer large sums in credits and fines to poorer nations, it will also have to levy a panoply of taxes and regulations to cover these costs and to redirect the creation of Kyoto—compliant industrial development. As well it is economically dependent on trade with the US—a non-Kyoto nation with historically lower energy costs and a lower tax regime than Canada's. Its terms of trade within NAFTA are bound to suffer.

According to a Canadian government study Kyoto will cost Canada from 2-6 % of its GDP per year beginning in 2008. Other key predictions from the Canadian Federal Government are that by 2012:

- Kyoto will increase gas taxes by 30 %
- There will probably be an SUV tax
- 30.000 steel jobs will be lost in Canada's industrial heartland
- Farms and livestock will be reduced
- Auto industry will contract by 13 %.[778]
- Steel costs shall increase by 9-15 %[779]
- Iron and steel smelting will contract by 20 %[780]
- Iron ore mining will decline by 30 %
- Rubber plastics manufacturing will decline by 15 %
- Electronic products will contract by 17 %[781]