

News release

GREENPEACE

Carney speech, internal memo highlight how Conservatives failing to protect Canada's economy from carbon bubble

2 October 2015 (Toronto) – In the wake of former Bank of Canada President Mark Carney's speech on how climate change will turn fossil fuel reserves into "stranded assets", Greenpeace Canada released a related briefing note prepared for the federal government on "The Carbon Bubble and Canada's Oil Sands" that warns about the dangers further investment in the oil sands could pose for the Canadian economy.

"In government and on the campaign trail, the Harper Conservatives have downplayed the risk to our economy posed by their failure to take climate change seriously," said Keith Stewart, head of the Climate and Energy campaign for Greenpeace Canada. "They recite slogans about protecting the economy, but won't even listen to the Governor of the Bank of England about the riskiness of their oil-driven economic strategy."

On Tuesday, Carney gave a speech to the insurance industry on behalf of the Bank of England entitled "Breaking the tragedy of the horizon – climate change and financial stability." In the speech, he said that climate change poses major risks to the global financial system and that responding to this risk "could prompt a reassessment of the value of a large range of assets" that "would render the vast majority of reserves 'stranded' – oil, gas and coal that will be literally unburnable without expensive capture technology which itself alters fossil fuel economics."

The basics of this argument are also found in a 2014 Natural Resources Canada briefing note, obtained by Greenpeace under Access to Information legislation, on the threat posed by this "carbon bubble". The memo details how high-carbon, high-cost reserves like the tar sands are particularly vulnerable and concludes that "if strong global action were taken to impose costs on oil producers based on life-cycle emissions from production, the attractiveness of investment in Canada's oil sands could decline."

"Under Stephen Harper, the Conservatives are ignoring scientists, the Pope and now central banks on the need to act on climate change," said Stewart. "Carney's speech highlights the need all for parties to come clean on how they will reduce our exposure to the multiple risks from fossil fuels by making a transition to renewable energy."

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For more information:

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Link to Carney's Speech:

<http://www.bankofengland.co.uk/publications/Pages/speeches/2015/844.aspx>

[Read the ATIP memo here](#)