

GREEN PARTY OF CANADA

# Platform 2019

  
COSTING

# **The Green Platform - Economic and Fiscal Rationale**

The Green Party of Canada (GPC) has set out the measures in its platform with an eye to both long-term environmental and fiscal sustainability. The GPC proposes changes in revenues and costs which should reduce the federal budget deficit to zero within five years, and reduce marginally Canada's already acceptable debt-to-GDP ratio, while also making large investments in increasing environmental sustainability and addressing economic inequality. This document provides background information on the economic and fiscal rationale behind the platform.

## **Green Economic Principles**

The six core values shared by Greens around the world are participatory democracy, nonviolence, respect for diversity, ecological wisdom, social justice, and sustainability. These values, especially the last three, drive our policy intentions and this platform.

## **Ecological Wisdom:**

The GPC believes the international consensus that the global economy relies too much on fossil fuels, that this reliance is causing changes in the atmosphere, and that those changes must be arrested quickly to maintain a livable biosphere. In line with that consensus, the GPC calls for a 60% reduction in Canada's greenhouse gas (GHG) emissions by 2030, and a net-zero carbon economy by 2050. Meeting these constraints will require a rapid transformation of the energy sector from fossil fuels to renewable sources, with a simultaneous change in consumption patterns and reduction in energy waste. The GPC understands that such a massive transformation will present both opportunities and risks in energy production and consumption, and that the transformation will have knock-on effects throughout our economy and society.

## **Social Justice**

The GPC believes that the energy transformation can occur simultaneously with a reallocation of economic and fiscal resources to advance the interests of social justice.

Climate change is the primary social justice issue facing the world, as relatively poor people suffer the worst effects of a problem caused primarily by the economic activity of the wealthy, and young people are left to pay the costs of previous generations' excesses. As such, the GPC has allocated \$1 billion per year over the next five years to the international Green Climate Fund and intends to bring that contribution to \$4 billion by 2030. A GPC government will also raise our contribution to international aid over 10 years to meet our stated goal of 0.7% of GDP.

In Canada, meeting our international commitments to reducing GHG emissions requires ceasing development and production of bitumen and fracked natural gas, and ramping down production of conventional gas and oil to about 8% of current levels by 2050. This will have significant effects on taxation and finance, especially for fossil-fuel producing provinces, but also for the federal government. The GPC's platform includes policy and budget measures to mitigate any negative social justice impacts, including allocation of funds to enable the transition of workers to new employment, where required, and funds to mitigate any environmental damage not dealt with by industry as activities decrease.

In addition, the GPC’s platform includes measures to take advantage of the opportunities embedded in such a massive transformation, to advance social justice issues across the board. Chief among these are changes to the health-care system including Pharmacare and dental care for low-income persons, free post-secondary and trade school education, federal student debt forgiveness, increased funding for municipal and community infrastructure, universal childcare, and affordable housing.

Most of these will require extensive negotiations with the provinces, territories, and municipalities, and some with First Nations, Métis, and Inuit governments. The outcome of such negotiations cannot be predicted with certainty, but a GPC government will always hold to the principles outlined here.

## Environmental Sustainability

In addition to the personal and household needs outlined above, the GPC plans to substantially increase spending on various environment and infrastructure initiatives. Climate change has forced change upon us – responses like increased spending on emergency response infrastructure, rail and transit, retrofitting of buildings, and other needs will require increased funding in the medium and long terms. Other funds for long-term assets like the east-west electrical grid will be available from funds already set aside by the government for fossil fuel projects like bitumen pipelines, which will be cancelled by a GPC government as a matter of first priority. Additionally, as the energy supply is transformed, opportunities will arise to bring Canada’s physical infrastructure up to modern standards with such things as charging stations for electric vehicles. Private sector financing will meet some of these needs, but the GPC expects that federal government funding will be needed at least in the near term to spur private investments.

## Fiscal Sustainability

The GPC intends to balance the federal budget by 2024-25, while maintaining Canada’s favourable debt-to-GDP ratio and therefore its credit rating. This is not an ideological position, rather, it is pragmatic. By doing so, the GPC intends to maximize headroom and flexibility to deal with the various events that are certain to arise as the world experiences the largest economic transition since the Industrial Revolution. None of these can be foreseen with certainty. A balanced budget and low debt ratio are important enablers for fiscal stimulus or other sector-specific actions should they be required.

In total, the GPC platform calls for increased spending of \$74 billion in the first year of the mandate. This equates to a 21.5% increase over the Parliamentary Budget Officer’s (“PBO”) projected spending<sup>1</sup>, a level which is roughly maintained throughout the mandate.

<b>Increased spending over PBO baseline</b>	2020-21	2021-22	2022-23	2023-24	2024-25
Dollar increase (\$m)	74,203	71,357	71,581	76,259	80,170
% increase	21.5%	20.3%	19.9%	20.5%	21.0%

<sup>1</sup> All baseline figures are taken from the Office of the Parliamentary Budget Officer, 2019. "Election Proposal Costing Baseline." Available online: <https://www.pbo-dpb.gc.ca/en/blog/news/election-proposal-costing-baseline>

The platform also raises total expenses as a percentage of GDP from 15.7% to 18.8%.

<b>Total expenses as % of GDP</b>	2020-21	2021-22	2022-23	2023-24	2024-25
Green	18.8%	18.4%	18.2%	18.2%	18.1%
PBO Baseline	15.7%	15.5%	15.4%	15.3%	15.2%

To balance the increases in expenditure, the GPC will make Canada’s tax structure more progressive: although most individuals will not pay increased taxes, the GPC will increase the corporate tax rate to make it equal to that in the United States, tax banks at the same rates as other corporations, put in place a financial transactions tax, remove inequities in capital gains and stock option taxation, begin to collect taxes from foreign e-commerce companies, cancel tax and other subsidies for fossil fuel companies, and implement a net wealth tax over \$20 million.

In total, the GPC platform calls for increased revenues of \$57 billion in the first year of the mandate. This equates to a 16.4% increase over the PBO’s baseline revenue projections, a difference that increases to 21.9%, or \$89 billion, over the course of the mandate.

<b>Increased revenue over PBO baseline</b>	2020-21	2021-22	2022-23	2023-24	2024-25
Dollar increase (\$m)	57,174	63,986	82,088	85,257	89,259
% increase	16.4%	17.5%	21.6%	21.7%	21.9%

By 2024-25, the GPC projects that these changes will turn the PBO’s projected baseline deficit of \$8.9 billion into a small surplus of \$290 million, slightly reduce total baseline debt by just over \$400 million and match the projected baseline debt-to-GDP ratio at 28.3%. This is despite the establishment of major new social and environmental sustainability programs.

<b>Budgetary Balance (\$m)</b>	2020-21	2021-22	2022-23	2023-24	2024-25
Green	-40,829	-23,671	-2,493	-2,502	290
PBO Baseline	-23,300	-15,400	-12,500	-11,300	-8,900

<b>Federal Debt (\$m)</b>	2020-21	2021-22	2022-23	2023-24	2024-25
Green	748,773	772,443	774,936	777,437	777,147
PBO Baseline	729,400	744,900	757,400	768,600	777,600

<b>Debt to GDP Ratio</b>	2020-21	2021-22	2022-23	2023-24	2024-25
Green	31.6%	31.4%	30.4%	29.4%	28.3%
PBO Baseline	30.8%	30.3%	29.7%	29.0%	28.3%

The GPC platform contains programming that will bring total expenses as a percentage of GDP above 18%. This is a significant figure. However, it aligns with the major government spending needed to achieve a just transition to a sustainable economy in the near term and is not out of line with historical spending in this regard. Total expenses as a percentage of GDP were above these levels throughout the 1980's and all the way up until 1997<sup>2</sup>.

Such an increase in government activity should also generate increased activity throughout the economy, according to the "balanced budget multiplier"<sup>3</sup>, even when the economy is at or near "full employment". The GPC platform does not make any projections for such gains.

The GPC will carry out yearly reviews of its fiscal and economic performance, and adjust spending and revenue as possible to meet its targets.

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<sup>2</sup> Finance Canada, 2019. "Fiscal Reference Tables - 2019: part 2 of 9." Available online: <https://www.fin.gc.ca/frt-trf/2019/frt-trf-1902-eng.asp#tbl8>

<sup>3</sup> See, for example, <http://bilbo.economicoutlook.net/blog/?p=12914>

## Overview

All figures in \$ millions

<b>PBO Baseline Projections</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Budgetary Revenues	348,900	365,100	379,600	393,300	408,500
Program Expenses	345,200	350,700	360,300	371,200	382,600
Nominal GDP	2,371,000	2,462,000	2,553,000	2,646,000	2,744,000

<b>Green Party Initiatives</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Revenue Changes	57,174	63,986	82,088	85,257	89,259
% increase	16.4%	17.5%	21.6%	21.7%	21.9%
Spending Changes	74,203	71,357	71,581	76,259	80,170
% increase	21.5%	20.3%	19.9%	20.5%	21.0%
Net Changes	-17,029	-7,371	10,508	8,999	9,090

<b>Budgetary Balance</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Green	<b>-40,829</b>	<b>-23,671</b>	<b>-2,493</b>	<b>-2,502</b>	<b>290</b>
PBO Baseline	-23,300	-15,400	-12,500	-11,300	-8,900

<b>Federal Debt</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Green	<b>748,773</b>	<b>772,443</b>	<b>774,936</b>	<b>777,437</b>	<b>777,147</b>
PBO Baseline	729,400	744,900	757,400	768,600	777,600
Green Public Debt Charges*	<b>27,500</b>	<b>30,700</b>	<b>32,300</b>	<b>33,600</b>	<b>34,700</b>
PBO Baseline Public Debt Charges	27,000	29,800	31,800	33,400	34,800

<b>Percent of GDP</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Green Budgetary Revenues	<b>17.1%</b>	<b>17.4%</b>	<b>18.1%</b>	<b>18.1%</b>	<b>18.1%</b>
PBO Baseline Budgetary Revenues	14.7%	14.8%	14.9%	14.9%	14.9%
Green Total Expenses	<b>18.8%</b>	<b>18.4%</b>	<b>18.2%</b>	<b>18.2%</b>	<b>18.1%</b>
PBO Baseline Total Expenses	15.7%	15.5%	15.4%	15.3%	15.2%
Green Public Debt Charges	<b>1.2%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.3%</b>
PBO Baseline Public Debt Charges	1.1%	1.2%	1.2%	1.3%	1.3%
Green Budgetary Balance	<b>-1.7%</b>	<b>-1.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>0.0%</b>
PBO Baseline Budgetary Balance	-1.0%	-0.6%	-0.5%	-0.4%	-0.3%
Green Federal Debt (Debt to GDP Ratio)	<b>31.6%</b>	<b>31.4%</b>	<b>30.4%</b>	<b>29.4%</b>	<b>28.3%</b>
PBO Baseline Federal Debt (Debt to GDP Ratio)	30.8%	30.3%	29.7%	29.0%	28.3%

Baseline Projections: Office of the Parliamentary Budget Officer, 2019. "Election Proposal Costing Baseline."

<https://www.pbo-dpb.gc.ca/en/blog/news/election-proposal-costing-baseline>

Green Public Debt Charges were calculated using the PBO's Public Debt Charge Calculator.

<https://www.pbo-dpb.gc.ca/web/default/files/Documents/ElectionProposalCosting/Tool/index.html?lang=en>

PBO Report #	Platform Page #(s) (PDF)	Revenue Changes (\$ millions)					2020-21	2021-22	2022-23	2023-24	2024-25
32630824	33	<b>Bank Taxation</b> Charge regular commercial tax on commercial bank profits. Credit unions, caisses populaires and co-ops will be exempt.	3131	3407	3697	4007	4300				
32630386	33	<b>Corporate tax rate from 15-21%</b> Increase the federal corporate tax rate from 15 to 21 per cent to bring it into line with the federal rate in the United States,	12677	13720	14384	14810	15912				
32725104	33	<b>Eliminate corporate meal and entertainment expense deductions</b> Eliminate the 50 per cent corporate meals and entertainment expense deduction	715	735	755	776	797				
33071022	32	<b>Eliminate Stock option deduction</b> Persons with stock options as part of their remuneration package now pay half the rate of income tax on this portion of their income.	43	131	265	412	546				
32725399	33	<b>Financial Transactions Tax 0.5%</b> Impose a financial transactions tax of 0.5 per cent in the finance sector	14960	15688	16466	17299	18191				
32631069	32	<b>Closing Capital Gains tax loophole</b> Charge 100% income tax on capital gains	12284	13023	13683	14286	14932				
32630883	33	<b>Collect sales taxes from e-commerce companies</b> Prohibit Canadian businesses from deducting the cost of advertising on foreign-owned sites such as Google and Facebook	258	273	285	293	301				
32741070	33	<b>Corporate Tax foreign based e-commerce companies</b> Apply a corporate tax on foreign-owned e-commerce companies doing business in Canada	781	805	831	859	889				
32630928	32	<b>Collect tax from Tax havens</b> tax funds hidden in offshore havens and require companies to prove that their foreign affiliates are functioning businesses	6567	6302	5947	5591	5236				
32727313	33	<b>Cancel Acceleration Capital Cost Allowance on liquefied natural gas</b> Eliminate all fossil fuel subsidies	187	245	281	303	317				
32725104	33	<b>Cancel development expenses on oil, gas well and mining development</b> Eliminate all fossil fuel subsidies	2467	2517	2567	2617	2668				
32725358	33	<b>Eliminate exploration expenses for coal mining</b> Eliminate all fossil fuel subsidies	3	3	3	3	3				
32727268	33	<b>Eliminate flow-through share deduction for coal, oil and gas projects</b> Eliminate all fossil fuel subsidies	54	106	118	120	132				
	19	<b>Reduced tax revenue from oil&amp;gas</b> Tax revenues decline with oil & gas company profits	-154	-308	-462	-616	-780				
	33	<b>Increase tax credit for volunteer fire fighters and search and rescue</b>	-5	-5	-5	0	0				
32630202	Addendum	<b>Net Wealth Tax</b> Introduce an annual net wealth tax on Canadian resident economic families equal to 1% of net wealth above \$20 million. All asset and liabilities will be included in the net wealth tax base, except wealth won in lotteries.	2135	5597	5950	6332	6769				
32734020	63	<b>Eliminate RESP</b> No need for incentive to save taxes on education funds because we are abolishing tuition	665	1,392	1,478	1,554	1,632				
32825600	35	<b>Reform Detention of Immigrants</b> End immigration detention for minors, and limit detention to 60 days for adults	15	15	15	16	16				
32809928	Addendum	<b>Tax sugary drinks</b> Levy 10% tax before sales tax on sugary drinks to meet requests from Diabetes and Heart and Stroke Foundation	391	340	330	320	310				
		<b>Provincial Contributions to Pharmacare</b>	0	0	15,500	16,275	17,089				

PBO Report #	Platform Page #(s) (PDF)	Revenue Changes (\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25
		The federal government will fund the entire program for its first two years before expecting the provinces to begin contributing an amount less than they could be expected to spend on maintaining their current partial drug programs.					
		<b>Total</b>	<b>57,174</b>	<b>63,986</b>	<b>82,088</b>	<b>85,257</b>	<b>89,259</b>



PBO Report #	Platform Page #(s) (PDF)	Spending Increases / Decreases (\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25
		<b>Transit and Transportation</b>					
	6, 23	<b>National cycling and walking infrastructure fund</b> Create a national cycling and walking infrastructure fund to help support zero emissions active transportation.	100	100	100	100	100
	6, 22-23	<b>Support for national passenger rail system</b> Enact the Via Rail Act to implement a passenger rail transportation policy. Invest \$600 million in 2020-21, rising to \$720 million by 2023 to develop regional rail networks and strengthen rail connections between regions.	500	600	620	720	720
	23	<b>Support for ferry transportation</b> Require all passenger ferries to convert to electric or hybrid systems by 2030.	100	100	100	100	100
	6, 22,	<b>Support rural bus transportation</b> Support for rural buses where no other public transportation system exists	10	10	10	10	10
	23	<b>Green Freight Transport Program</b> Develop a Green Freight Transport program to address greenhouse gas emissions and pollution in partnership with the freight industry, shipping companies and delivery businesses. Fund the re-routing of tracks for freight and rail yards away from populated areas and strengthen Canada's rail safety rules, giving regulators the tools they need to protect neighbourhoods from train shipments of hazardous materials.	10	10	10	10	10

		<b>Education</b>					
<a href="#">32722544</a>	64	<b>Free post-secondary tuition and student debt forgiveness</b> Make college and university tuition free for all Canadian students. Forgive the portion of existing student debt that is held by the federal government. This would be financed by, saved costs of administering the student loan system, and the hundreds of millions of dollars of student loan defaults written off every year. Tuition scholarships provided by colleges and universities can be redirected to offset other student costs.	16,421	12,541	9,543	9,518	9,476

		<b>Sustainable agriculture</b>					
	38-39	<b>Farm Grants program</b> Fund research and extend support for farmers shifting from conventional to organic and regenerative farming systems which work with nature, not against it, to produce food	50	50	50	50	50
	38-39	<b>Create land and quota trusts program</b> Land and quota trust program to expand local small-scale agriculture	2.5	2.5	2.5	2.5	2.5
	38-39	<b>Agricultural Education Fund</b> Farming apprenticeship programs to help new farmers get started	70	70	70	70	70
	38-39	<b>Sustainable agriculture for climate protection and adaptation</b> Fund research and extend support for farmers shifting from conventional to organic and regenerative farming systems which work with nature, not against it, to produce food.	10	10	10	10	10
	38-39	<b>Promoting Organic and urban farming and food security</b> Fund research and extend support for farmers shifting from conventional to organic and regenerative farming systems which work with nature, not against it, to produce food	5	5	5	5	5
	38	<b>Promoting local food, ensuring greater access and safety</b> Support rooftop and community gardens and urban food production systems to increase access to local food.	5	5	5	5	5
	38-39	<b>Develop a food waste strategy</b> Fund plan to reduce waste, to the benefit of people and our environment	5	5	5	5	5
	14	<b>Build greenhouses and towers in the north</b> Improve food security in northern communities by consulting with residents on Arctic farming, working with non-profit groups to build greenhouses or hydroponic towers and funding education programs in nutrition and horticulture.	10	10	10	10	10

		<b>Innovation and Science</b>					
	43	<b>Funding for the granting councils</b>	50	50	50	50	50

PBO Report #	Platform Page #(s) (PDF)	Spending Increases / Decreases (\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25
		Enhance funding for the granting councils, including the Natural Sciences and Engineering Research Council (NSERC), the Social Sciences and Humanities Research Council of Canada and the Canadian Institutes for Health Research.					
	42	<b>Mining sector innovation (inc. Sudbury innovation hub)</b> Support the transition of the mining sector to an innovation hub for greener technologies, commercialized and attractive to export markets, including \$40 million for the proposed Sudbury-based mining innovation cluster.	40				
	43	<b>Support science, technology, engineering, and mathematics (STEM) research</b> Invest in scientific research and implement the full funding recommendations from Canada's Fundamental Science Review.	50	50	50	50	50
	43	<b>Establish a science portal for government funded research</b> Establish a portal where all government science, including the evidence the government uses to make decisions, is available to Canadians in a comprehensible form.	5	5	5	5	5
	30	<b>Funding to technical schools for alternative energy</b> Establish a Canadian Sustainable Generations Fund to make critical investments in trades, apprenticeships and education required for the transition to a green economy. These investments in skills training will complement targeted national infrastructure investments in energy efficiency, renewable energy production, digital upgrades, clean-tech manufacturing and emerging technologies, tourism, the creative economy, and the care economy.	15	15	15	15	15
	30, 56	<b>Training &amp; employment programs for indigenous and northern communities</b> Establish a National Community Benefit Strategy that leverages public procurement to maximize opportunities for social hiring and procurement, including Indigenous procurement, youth employment and demand-driven skills development programs.	15	15	15	15	15

		<b>Health Care</b>					
	56	<b>Re-establish the federal/provincial Health Accord with 5.2% escalator</b> Restore the federal/provincial Health Accord, basing health transfers on demographics and real health care needs in each province, replacing the current formula based on GDP growth introduced by the Harper government and retained by the Liberals.	656	1249	1977	2140	2247
32769746	56	<b>Pharmacare</b> Expand the single-payer Medicare model to include Pharmacare for everyone.	26,763	28,028	29,089	30,201	31,368
32772336	56	<b>Dental care for low income Canadians</b> Expand the single-payer Medicare model to include Dental care for low-income Canadians	3,343	1,810	1,794	1,782	1,764
	57	<b>Community treatment programs for mental health, addictions and autism</b> Establish a national mental health strategy and a suicide prevention strategy to address the growing anxieties plaguing Canadians regarding inequality and affordability, the growing precariousness of work and housing, the climate crisis, social isolation, resurgent racial and ethno-nationalism and other harms and risks.	1000	1000	1000	1000	1000
	57	<b>Suicide prevention strategy and program</b> Establish a national suicide prevention strategy to address the growing anxieties plaguing Canadians with special attention to youth and Indigenous peoples	100	100	100	100	100
	57	<b>Emergency response to opioid crisis</b> Address the opioid crisis as a health-care issue, not a criminal issue, by declaring a national health emergency. Recognize that fentanyl contamination is why deaths are more accurately described as poisonings than overdoses. Drug possession should be decriminalized, ensuring people have access to a screened supply and the medical support they need to combat their addictions. Increase funding to community-based organizations to test drugs and make Naloxone kits widely available to treat overdoses.	100	100	100	100	100
	57	<b>Program to encourage active lifestyles</b>	10	10	10	10	10

PBO Report #	Platform Page #(s) (PDF)	Spending Increases / Decreases (\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25
		Reorient Health Canada's mandate towards mental health and addictions, health promotion and disease prevention, and the health risks of climate change					
32826729	45	<b>Remove tax from all medical cannabis</b> Remove the sales and excise taxes on medicinal products.	30	31	32	33	31
		<b>Affordability</b>					
	61	<b>Make land available for the construction of affordable housing</b> Provide tax credits for gifts of lands, or of land and buildings, to community land trusts to provide affordable housing	10	10	10	10	10
	61	<b>Tax incentives for the conversion of existing properties for rental housing</b> Restore tax incentives for building purpose-built or converting existing buildings to rental housing	250	250	250	250	250
	61	<b>CMHC will innovate in supporting co-op and shared housing</b> Restore tax incentives for building purpose-built rental housing	700	700	700	700	700
	60	<b>Provide rent supplements or shelter assistance</b> Increase the Canada Housing Benefit by \$750 million for rent assistance for 125,000 households	750	750	750	750	750
	60	<b>Dedicate funding to the co-operative housing sector</b> Provide financing to non-profit housing organizations and cooperatives to build and restore quality, energy efficient housing for seniors, people with special needs and low-income families	50	50	50	50	50
	44	<b>Income tax credit for restoration to preserve Canada's built heritage</b> Implement a federal income tax credit for restoration expenditures to encourage private involvement in preserving Canada's built heritage	10	10	10	10	10
32894376	62-63	<b>Universal Childcare</b> Ramp up federal child care funding to achieve the international benchmark of at least one per cent of GDP annually, adding an additional \$1 billion each year until this benchmark is reached with a mature ELCC system. We will eliminate GST on all construction costs related to child-care spaces.	1,000	2,000	3,000	4,000	5,000
		<b>Labour and employment</b>					
	29-30	<b>Just Transition</b> Targeted, long-term research fund for studying the impact of the sector phase-out and the transition to a low-carbon economy. Comprehensive, inclusive and flexible just transition funding program for affected communities. Pension bridging program for workers who will retire earlier than planned due to the phase out. Funding program for workers staying in the labour market to address their needs across the stages of securing a new job, including income support, education and skills building, re-employment, and mobility. retraining and apprenticeship programs for industrial trades workers for jobs in the transition to a zero-carbon economy, especially the renewable and energy efficiency sectors.	400	400	300	300	300
	30	<b>Community and Environment Youth Service Corps</b> Enhance the federal Youth Employment and Skills Strategy by creating a Community and Environment Service Corps. This will provide \$1 billion annually to municipalities to hire Canadian youth.	1000	1000	1000	1000	1000
		<b>Canada Post</b>					
	37	<b>Restore home delivery</b> Reverse the most recent cuts to home postal delivery	40	40	40	40	40
	37	<b>Change Canada Post fleet to electric vehicles by 2030</b> Upgrade the Canada Post fleet to electric vehicles	750	750	750	750	750
	37	<b>Establish postal banking</b> Establish banking services and public high-speed internet access in post offices, particularly in under-serviced rural and remote communities without banks and libraries	10	10	10	10	10
	37	<b>Set up electric vehicle charging stations at post offices</b> Provide charging stations for electric vehicles in post office parking lots.	15	15	15	15	15
	37	<b>Last Mile program</b>	-50	-50	-50	-50	-50

PBO Report #	Platform Page #(s) (PDF)	Spending Increases / Decreases (\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25
		Reduce pollution and congestion due to the explosion of package delivery from on-line shopping by establishing fee-for-service "last mile" delivery by Canada Post using zero-emission vehicles in urban centre					
	37	<b>Pay equity in Canada Post</b> Increase pay to rural and suburban postal workers, who are predominantly women and found to be underpaid compared to largely male, urban counterparts	140	140	140	140	140
		<b>Foreign Affairs</b>					
	82	<b>Fair Share in global engagement on climate change. Climate Justice</b> Ramp up our national contribution to the Green Climate Fund and Global Environmental Facility to \$4 billion per year by 2030.	1000	1000	1000	1000	1000
	81	<b>Raise funding to 0.7% of GDP over 10 years</b> Increase Canada's overseas development assistance budget to reach former Prime Minister Pearson's goal of 0.7 per cent of GDP, which Canada has never achieved but which many in the donor group of our allies have already surpassed	775	1625	2630	3600	4600
		<b>Culture and Arts</b>					
	44	<b>CBC &amp; Radio Canada local coverage and capacity</b> Increase funding to CBC and Radio Canada by \$315 million per year until the per-capita level of funding is equal to that of the BBC	300	300	300	300	300
	44	<b>Increased funding to arts and culture organizations</b> Increase funding to all of Canada's arts and culture organizations including the Canada Council for the Arts, the National Film Board and Telefilm Canada.	25	25	25	25	25
		<b>Infrastructure</b>					
	24	<b>Infrastructure to protect Canadians from disasters</b> Invoke federal powers for peace, order and good government to develop non-commercial aspects of forest management, such as massive tree planting, creating fire breaks and fire suppression, for climate change adaptation.	3000	3000	1000	1000	1000
	46	<b>Universal Broadband Strategy</b> Invest in infrastructure to provide all Canadians, including those in rural and remote areas, access to reliable, affordable, high-speed internet	400	400	400	400	400
	78	<b>Allocate one per cent of GST to housing and other municipal infrastructure</b> Institutionalise "gas tax transfers" as a new Municipal Fund, and ensure doubling of current funds	8260	8560	8900	9240	9600
		<b>Seniors</b>					
3289505	64	<b>Increase CPP to 50%</b> Ensure the Canada Pension Plan (CPP) remains robust and adaptive to changing needs and circumstances by increasing over time the target income replacement rate from 25 per cent to 50 per cent of income received during working years.	1,853	2,371	3,554	4,583	4,932
	65	<b>National Dementia Strategy</b> In collaboration with health professionals and provincial/territorial governments, develop and fund a national dementia strategy. Within 25 years, the number of Canadians living with a form of dementia could reach 1.3 million, imposing the highest economic, social, and health costs of all diseases. The strategy would support research, improve quality of life for patients and care givers, and educate the public to increase awareness and reduce stigma.	50	50	50	50	50
		<b>Veterans</b>					
	65	<b>Veterans' access to healthcare, mental health, and treatment</b>	30	30	30	30	30

PBO Report #	Platform Page #(s) (PDF)	Spending Increases / Decreases (\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25
		Launch a national re-examination of veterans' issues in December 2019 based on good-faith engagement with military families and veterans, including issues relating to pensions and benefits. The goal is to identify necessary reforms and changes to programs to better meet veterans' needs. In the meantime, restore periodic payments to veterans at pre-2006 levels.					
		<b>Climate change</b>					
	14, 22, 28, 62	<b>Energy saving home/building retrofits</b> Launch a massive energy efficiency retrofit of residential, commercial and institutional buildings. To make a renewable energy transition possible, we have to eliminate energy waste.	550	550	550	550	550
	6, 19, 22	<b>Invest in the creation of a East-West power grid</b> Funded as capital asset by re-allocation of funds intended for TMX pipeline	0	0	0	0	0
	19	<b>Replace remote communities' diesel with alternative energy</b> Get remote and northern communities off diesel generators	30	30	30	30	30
	43	<b>Restore Climate Change and Atmospheric Research (CCAR) funding</b> Restore and augment Climate Change and Atmospheric Research (CCAR) funding to NSERC and ensure ongoing funding for the Polar Environment Atmospheric Research Laboratory, which the Liberals failed to restore after the funding ran out.	58	58	58	58	58
		<b>Protecting health and environment</b>					
	50	<b>Restore the National pesticides Monitoring and Surveillance Network</b> Revive and expand the National Pesticides Monitoring and Surveillance Network.	10	10	10	10	10
	50	<b>Strengthen testing of chemicals under CEPA</b> Strengthen the Canadian Environmental Protection Act (CEPA) to limit the approval and use of toxic chemicals that affect our health and environment.	30	30	30	30	30
	50	<b>Adverse effects reporting system for doctors and emergency rooms</b> Create an adverse effects reporting database for doctors and emergency rooms to keep track of health impacts of pesticides and other chemicals.	10	10	10	10	10
	53	<b>Implement endangered species recovery plans</b> Increase funding to federal departments to dramatically ramp up the development and implementation of endangered species recovery plans required by legislation, placing tight deadlines on completion and invoking emergency powers of the federal government to protect species when provincial governments fail to do so.	50	50	50	50	50
	53	<b>Restore funding to Parks Canada</b> Increase funding to Parks Canada to ensure that the ecological integrity of our national parks is maintained, and where necessary restored, and that heritage sites are fully protected and maintained	50	50	50	50	50
		<b>Fisheries and Oceans</b>					
	52	<b>Create a National Marine Protected Areas Network</b> Expand marine protected areas from 10 to 30 per cent of Canada's territorial waters by 2030.	250	240	240	240	240
	41	<b>Enhance funding for scientific research on fish stocks</b> Increase funding for research on fish stocks to improve management and protect endangered species in the face of rapidly changing ecosystems. Initiate emergency inquiry into the Pacific salmon crisis with special attention to ensuring long-term stability as an important food source for Indigenous peoples.	25	25	25	25	25
	51	<b>Take meaningful action on ocean plastics</b> By January 2022, ban the production, distribution and sale of all unnecessary or non-essential petroleum-based single-use plastics, including: carry-out and produce bags, balloons, straws, plates, cups, lids, cutlery, cotton buds, drink stirrers, cigarette filters, and plastic water bottles (less than four litres); packaging, including multilayer packaging, packing straps, all multipack rings, takeaway packaging, and all expanded polystyrene (styrofoam) packaging; and all single-use plastics that are not easily recyclable or have additives that make them non-recyclable, including thermoset plastics.	35	35	35	35	35

PBO Report #	Platform Page #(s) (PDF)	Spending Increases / Decreases (\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25
		<b>Immigration</b>					
	36	<b>Training in official languages for new immigrants</b> funding for training in official languages (ESL and FSL) for new immigrants through earmarked transfers to the provinces for primary and secondary public school and free night school programs.	10	10	10	10	10
		<b>Justice and corrections</b>					
	79	<b>Prisoner rehabilitation and reintegration esp. for Indigenous people and women.</b> Re-invest in prisoner rehabilitation and preparation for reintegration in society, especially for Indigenous people and women.	15	15	15	15	15
	79	<b>Separate role of Attorney General from Minister of Justice</b> Implement recommendations of the McLellan Report for a clear written exchange of views to avoid some of what was inappropriate in the SNC-Lavalin matter.	5				
32826429	79	<b>Eliminate mandatory minimum sentences</b> Eliminate mandatory minimum sentences and enable the courts to determine appropriate sentences based on the circumstances of each case.	0	0	0	0	0
		<b>End violence against women, LGBTQ2+</b>					
	67	<b>Establish an Action plan to end violence against women and girls, trans people</b> In collaboration with women's, Indigenous and LGBTQ2+ organizations, develop a comprehensive Canada-wide plan of action – with a timetable and dedicated funding – to eliminate violence against women, girls and gender-diverse people.	5	5	5	5	5
	67	<b>Restoring the Shelter Enhancement Program</b> Increase access to shelters by investing \$40 million over four years in the Shelter Enhancement Program, providing more than 2,100 new and renovated spaces in first-stage shelters and hundreds of spaces in transition houses.	10	10	10	10	
		<b>Sex trade</b>					
	68	<b>Financial assistance for sex trade workers</b> Increase funding of community organizations providing services to those driven to sex work by economic deprivation.	10	10	10	10	10
	68	<b>Reform sex trade law</b> Reform sex work laws in Canada with a clear focus on harm reduction, given the dangers that sex trade workers face. By making the industry legal and public, it will make it easier for those who are being trafficked to be found and saved.	8	8	8	8	8
		<b>Indigenous reconciliation</b>					
	11	<b>Consult with Indigenous peoples on repeal of Indian Act</b> With Indigenous leaders at the helm, establish processes for self-governing Indigenous Peoples and nations to transition out from under the Indian Act, grounding this in the doctrine of free, prior, and informed consent.	10	10	10	10	10
	14, 22, 42	<b>Invest in Indigenous infrastructure</b> Prioritize high quality safe and affordable housing, particularly in the north, and ensure an equitable distribution of resources for energy efficiency retrofits.	750	750	750	750	750
	17	<b>Honour ruling of Canadian Human Rights Tribunal in the matter of unequal treatment of indigenous children</b> Set aside funding of \$2 billion to meet judgment to compensate children taken from their homes on reserve.	2000				
	71	<b>Protection of Indigenous languages at risk</b> Ensure funding for the protection of Indigenous languages at risk of disappearing, across Canada.	10	10	10	10	10
		<b>Democracy and Integrity in Government</b>					
	32	<b>Federal Tax Commission</b> Establish an arm's length Federal Tax Commission to analyze the tax system for fairness and accessibility	5				
	13, 59, 77-78	<b>Establish Council of Canadian Governments</b>	10	10	10	10	10

PBO Report #	Platform Page #(s) (PDF)	Spending Increases / Decreases (\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25
					Include representatives from First Nations, Métis, and Inuit governments on the Council of Canadian Governments to improve policy coherence and optimize public spending with respect to higher order government. Give municipal governments a seat at the policy-making table through the Council of Canadian Governments.		
	73	<b>5 member appointments panel</b> Set up an all-party commission to select a five-member board that will make decisions regarding Governor-in-Council appointments and select candidates for parliamentary officers.	5	5	5	5	5
	76	<b>Citizens Assembly on Electoral Reform</b> Ensure that the 2019 election is the last “first past the post” election. By March 2020, we will launch a Citizens Assembly on Electoral Reform with the mandate to make recommendations to parliament on an electoral system that would “make every vote count.” Legislative changes to implement the recommendations of the Citizens Assembly would be made in time for the 2023 federal election.	5	5	5	5	5
	74	<b>Independent Committee to review MPs' salaries, budgets, and expenses</b> Replace the secretive Board of Internal Economy with an independent oversight committee to review MPs' salaries, expenses and office budgets.	3	3	3	3	3
<b>TOTAL</b>			<b>74,203</b>	<b>71,357</b>	<b>71,581</b>	<b>76,259</b>	<b>80,170</b>

# Green Platform Costing Notes

## Economic Challenges for Canada

Canada's overall economic health is good. Relatively low unemployment, low rates of interest and inflation, an excellent debt-to-GDP ratio, large but seemingly controllable budget deficits, still-good export markets for various commodities and other indicators show an economy doing moderately well.

The GPC has concerns that under these promising statistics lurk substantial risks. Prudence requires that government make allowance for these, and be prepared quickly to react wherever possible.

## Risk Factors

### Overall Economic Uncertainties

Numerous indicators give rise to suggestions that a worldwide recession may be impending. On the financial side, low rates of growth, historically low rates of interest with little room for further downward adjustment, potential "liquidity traps" locking capital into unproductive safekeeping, a very long bull market in equities, inversion of bond yields in bonds – all of these are indicators that governments need to give careful thought to preparation for recession.

In addition to these financial indicators, instabilities in world affairs, unravelling of long-standing trading relationships, the rise of jingoistic and mercantilist governments, and the ever-increasing unpredictability of international leaders all add substantially to the risk of major instability in the world's financial and economic circumstances.

While the GPC makes no specific provisions in its platform or costing, it acknowledges that such financial instability would make it necessary for any Canadian government rapidly to adjust spending and taxation priorities.

### Overall Fiscal Uncertainties:

No budget can forecast costs and revenues with perfect accuracy. All predictions come with varying levels of uncertainty, and some with substantial risk. Most of the uncertainty in this budget is connected to the "big ticket" items for both revenues and costs. The Parliamentary Budget Office (PBO) has reviewed the costs and assessed the uncertainties of most of these. Several are judged to have "high uncertainty". If a significant number of these measures do prove well outside the forecast, then the budget as a whole will not be sustainable, and will require substantial adjustment.



On the revenue (tax) side, the largest items with high uncertainty and their projected values in 2024-2025 are:

1. Changes to corporate income tax rate	\$16 billion
2. Implementation of financial transactions tax	\$18 billion
3. Adjustment of capital gains tax	\$15 billion
4. Collect tax from tax havens	\$5 billion

On the expense side, the largest items with high uncertainty are:

1. Universal drug plan (Pharmacare)	\$31 billion
2. Free post-secondary education and student debt forgiveness	\$9 billion
3. Universal childcare	\$5 billion

Of items not reviewed by the PBO, the GPC identifies the following large items as having high uncertainty:

1. Energy saving/home retrofits	\$0.6 billion
2. Infrastructure to protect Canadians from disaster	\$1 billion
3. Provincial contributions to Pharmacare	\$17 billion

In addition to those to which the PBO ascribes “high uncertainty”, the following items were described by the PBO as having “moderate uncertainty”. The GPC agrees with these assessments:

1. Changes to corporate tax rate	\$16 billion
2. Changes to bank income tax rate	\$4.3 billion
3. Elimination of meal and entertainment expense deductions	\$0.8 billion
4. Collecting sales tax from e-commerce companies	\$0.3 billion
5. Elimination of stock option deduction	\$15 billion

The GPC has not prepared specific contingency plans to deal with potential substantial variations in these items. On the revenue (tax) side, significant downside adjustments may have to be made due to the unpredictability of corporate revenue flows, or, more likely, through aggressive tax avoidance. On the expense side, Pharmacare implementation will follow from extensive negotiations with the provinces, at the same time as government is renegotiating the Canada Health Act. Such negotiations may yield results substantially different from those forecast here. Significant downside variations in any of these will force government to adjust other budget items.

## Risk and Uncertainty of Major Platform Items

A number of platform items do not have specific budget lines associated with them. In most of these cases, it is presumed that necessary funding will be available within departmental budgets, or from funds specifically allocated to particular requirements. Uncertainty remains as to whether existing departmental budgets or allocations will be sufficient to meet these demands, some of which are potentially large and imperfectly defined.

The risk factors that stand out above others are again connected to action on climate change.

The climate emergency must be the lens through which every policy envelope is viewed – the economy, health, education, foreign affairs, immigration, public safety, defence, social welfare, and transportation.

The GPC predicates its plans on the conclusions of the world’s climate scientists that fossil fuels can no longer be the main source of energy worldwide<sup>1</sup>, and the commitments of the world’s governments to reduce emissions of greenhouse gases in order to meet the constraints laid out in that report.<sup>2</sup> The GPC has produced an overall plan it calls Mission: Possible<sup>3</sup> that describes actions to be taken in Canada to meet these commitments. See Budget line items 36, 162.

## Fiscal Uncertainties

Actions to reduce emissions will have economic and fiscal effects. There are significant fiscal uncertainties in the GPC’s plan, especially in respect of costs and timing of building out renewable energy sources, costs of retrofits to the national building stock, and the sharing of those costs among private sector investors and governments. In addition, the effects on taxes and royalties have not been calculated in the required degree of detail – in this budget, the GPC makes the admittedly simplistic assumption that federal tax revenues decline linearly with reductions in fossil fuel production. This will certainly not be the case, but no other proxy is readily available to the GPC.

Companies involved in oil and gas production have contracted with the respective regulators to remediate or restore the land and rivers which have been affected by their activities. The GPC considers it unlikely that they will be able to secure financing to meet those liabilities. Notwithstanding the recent “Redwater” decision of the Supreme Court of Canada, which held that the contracted environmental liabilities of resource companies in bankruptcy rank ahead of secured creditors, to the extent of the last dollar available, it seems imprudent to assume that any substantial portion of said environmental liabilities will be met by the companies. The fossil fuel regulator in Alberta has estimated informally that such liabilities in that province alone are in the order of \$260 billion. While most of this will affect the provinces’ finances, it should be viewed as a significant risk factor for the federal government.

The Task Force on Sustainable Finance reported to the Minister of Finance and the Minister of Environment and Climate Change that private sector financing was likely to be sufficient for the buildout of renewable energy sources and the electrical grid<sup>4</sup>. The GPC thinks this is unlikely. We expect significant government financing will be required – much of that can come from a reallocation of funds planned for purchases of assets like pipelines and liquid natural gas plants, none of which will be constructed under a GPC government.

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<sup>1</sup> IPCC, 2018. “Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty.” Available online: <https://www.ipcc.ch/sr15/>

<sup>2</sup> UNFCCC, 2015. “Paris agreement.” Available online: <https://www.ipcc.ch/sr15/https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>.

<sup>3</sup> <https://www.greenparty.ca/en/mission-possible>

<sup>4</sup> Environment and Climate Change Canada, 2019. “Final Report of the Expert Panel on Sustainable Finance - Mobilizing Finance for Sustainable Growth.” Available online: <https://www.canada.ca/en/environment-climate-change/services/climate-change/expert-panel-sustainable-finance.html>

Further, the effects of climate change in Canada's north are not predictable. Whole communities may need to be (once again) abandoned and their people moved, roads and airports are becoming increasingly unreliable, land, shorelines and rivers are more and more unstable, and animal and fish populations used for human food sources are being affected. The governments of Nunavut, Northwest Territories and Yukon are likely to demand substantially increased funding from Canada.

## **Economic Uncertainties**

If the GPC's or a similar plan is adopted, the majority of Canada's as yet unexploited fossil fuel assets will be "stranded", that is, they will never be exploited. The corporations and governments that own those assets will need rapidly to write them down to near-zero values. Many smaller Canadian resource companies have purchased these assets from larger international players, and have taken on significant debt to do so. It is likely that many will default on that debt. Larger players may be better buffered, but their balance sheets will nonetheless be dramatically affected. This will have immediate effects on the overall values of many Canadian institutional investors and banks, and on the balance sheets and income statements of federal and provincial governments.

Such effects will be felt around the world. Mark Carney, Governor of the Bank of England, believes the worldwide write-down of these assets is likely to cause substantial financial instability for which governments and insurers are almost entirely unprepared. In countries with a larger proportion of their economies dependent on revenues from oil and gas, the loss of value and prospects for future prosperity may be so significant as to trigger social unrest. While the overall effects are not predictable, it is likely that the shock to worldwide and Canadian financial markets will be significant.

Notwithstanding any possible success in arresting climate change, the effects of existing GHG concentrations in the atmosphere will have long-term and unpredictable effects. Climate change will require governments to set aside funds, for instance, to deal with unpredictable local or widespread events like floods and fires, for protection of low-lying coasts and tidal areas. Retrofitting buildings for increased energy efficiency will be required. The GPC has budgeted some funds for these purposes: see Budget line items 128 and 147 through 153. There can be no certainty that the amounts allotted will be sufficient to meet needs.

## **Exogenous Risks**

The scientific community has modelled to a reasonable degree of accuracy the effect of allowing global temperature to rise beyond 1.5°C above pre-industrial levels. If those models are accurate, then allowing global temperature to rise beyond that level poses a risk of runaway warming which will likely be impossible for humans to correct. Keeping within that limit requires massive and rapid decarbonisation of the world's economies. It is equally clear that such is possible only through a rapid shutdown of fossil fuel production and consumption. The risk inherent here is not in the forecasts or in determining what measures should be taken to stay below the 1.5°C constraint, but in the unpredictable behaviours of other governments and industry worldwide. Failure by any large emitter to meet its targets would jeopardize the global result. Canada's risks would then be multiplied dramatically across all areas of society and the economy.

## International Trade

The state of international trade is in considerable flux, with leaders of various major traders seeking to redo or revoke international agreements or to use tariffs as tools for international negotiation. For Canada, the most important of these is the US-Canada-Mexico Agreement (USMCA). This agreement has not yet been ratified by the government of the United States. If it is not ratified, then Canada's actions to restrict the output of various oil and gas companies may be expected to trigger lawsuits under the existing North American Free Trade Agreement (NAFTA).

It is not clear at this time what effects Canada might experience if the United Kingdom withdraws from the European Union.

Canada has been famously described as having an economy dependent on the export of staples, i.e. low-value commodities with minimal value added – fish, furs, timber and pulp, metal ores, unrefined fossil fuels, etc. This makes the economy relatively sensitive to boom-and-bust cycles which drive commodity prices. The Canadian mining and forestry industries are suffering from low prices, and the export energy business is at risk of overall failure as ever-cheaper offshore supplies of renewables and fossil fuels make Canadian exports less competitive. It is not clear whether the forestry and mining sectors will rebound without substantial investment in adding value in Canada. Exports of relatively expensive electricity generated by hydro and nuclear are likewise becoming less competitive day by day as the cost of renewables continues to drop. Exports of fossil fuels, now some 21% of Canada's total exports<sup>5</sup> are likely to be curtailed, if not by direct government action as the GPC will immediately undertake, then, not much later, by inexorable market forces. All of these factors pose risks for Canada's exports of unprocessed commodities, and therefore for Canada's export-dependent economy.

Canada also exports motor vehicles and parts, mainly to the United States, amounting to some 15% of total exports,<sup>6</sup> and supporting over 600 Canadian companies on the supply line. The industry worldwide is in a state of flux. Internal combustion engines are being outlawed in more and more jurisdictions, and made obsolete by advances in electric vehicle technology. Younger people seem increasingly likely never to purchase a personal vehicle, rather to rely on shared vehicles and ride-sharing services. All automobile manufacturers in Canada are owned by foreign companies, and their future production decisions will be made without regard for Canada's national interest. The GPC considers a potential decline in Canada's auto industry a significant risk for future economic health.

## Health care

Canada's large population of elders and seniors, the baby boomers, are approaching the end of life. Medical treatments in that period are generally the most expensive portion of health costs over an individual's life. On the upside, some costs for end-of-life care will be reduced as provinces implement programs to encourage dying in place, and build out hospice and palliative care facilities to replace much more expensive hospital care for the dying. The GPC budget presumes a renegotiated Canada Health Accord, with significant increases in federal contributions. There is no assurance that this will be enough to meet the need.

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<sup>5</sup> <https://www.nrcan.gc.ca/energy-and-economy/20062#L3>

<sup>6</sup> <https://tradingeconomics.com/canada/exports>

Pharmacare and dental care are likely to reduce healthcare costs overall, but the specific effects are difficult to predict. Regarding Pharmacare, the GPC requested that the PBO cost a full implementation of all prescription drugs across all of Canada. No allowance for potential price reductions from bulk buying of drugs, no estimates of saving on other areas of the health-care system resulting from patients being able to rely on getting drugs when needed, and no recognition of possible cost reductions from insurance coverage or provincial government cost sharing were taken into consideration. However, in order to maintain fiscal responsibility, some provincial cost sharing will be required. We have budgeted to absorb the full cost of a comprehensive Pharmacare plan in years one and two, while provincial cost sharing is negotiated. By year three we expect that the other cost reductions will have become apparent and provincial contributions will begin at \$15.5 billion and rise by 5% per year. Canadian Institute for Health Information numbers put provincial spending at \$14.4 billion in 2018 with an average increase in the public component of spending year over year at 5%<sup>7</sup>. Meanwhile, the Advisory Council on the Implementation of National Pharmacare put the 2022-23 status quo public spending at \$16.1 billion rising to \$23 billion in 2027 and found that significant health-care system savings could be achieved<sup>8</sup>. Thus we believe that our expected provincial contributions will represent a substantial savings over the status quo for the provinces. However, the eventual implementation of Pharmacare will still require extensive negotiations with provinces, and the final outcome may not be in the range of the GPC budget projections.

## Defence

There is substantial uncertainty around government's optimal response to rapidly shifting threats to international security and defence of the nation.

Rising international tensions and reductions in control of development and deployment of nuclear armaments are a source of significant risk. Canada's commitments to NATO are firm but underfunded. It is not clear how or if a Canadian government should best meet them in a time of rapidly shifting requirements. Should international insecurity continue to rise, the government may need to devote more resources to and significantly shorten timelines for military procurement.

Canada devotes resources to protecting national security in cyberspace, the new frontier for warfare and for other interference in national activities. It is not certain that current expenditures will be sufficient to meet future needs.

The disruption caused by climate change is a threat multiplier. If not brought within the 1.5° limit, tens of millions of people will be displaced from the places where they currently live to places where tens of millions of other people already live. The potential for conflict is apparent.

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<sup>7</sup> Canadian Institute for Health Information, 2018. "Prescribed Drug Spending in Canada." online: <https://www.cihi.ca/en/health-spending/2018/prescribed-drug-spending-in-canada>

<sup>8</sup> Health Canada, 2019. "A Prescription for Canada: Achieving Pharmacare for All - Report of the Advisory Council on the Implementation of National Pharmacare." online: <https://www.canada.ca/en/health-canada/corporate/about-health-canada/public-engagement/external-advvisor-y-bodies/implementation-national-pharmacare/final-report.html>



It is not clear how or if the Canadian Armed Forces might be best deployed in such conflict.

Climate change presents particular risks to Canada's north. Other countries, notably the United States and Russia, do not accept Canada's claims of territorial sovereignty over waters in the Arctic archipelago. Given the loss of Arctic sea ice, it would be imprudent for the government of Canada to fail to plan for increased surveillance and interception of unpermitted foreign shipping in the north, and for deterrence of oil and gas exploration activities by foreign companies and governments. Increased expenditures, not shown in this budget, will be required.

## **Renewable resource infrastructure**

Renewable resources have historically been large contributors to Canada's economy. In some sectors, it is not clear to what extent such contributions will continue.

The forestry sector is already showing the impact of climate change, with large areas being killed by beetles which were themselves previously killed by cold snaps in winter. These "standing dead" forests present very large fire hazards. Where burning has already occurred, little replanting is being carried out. It is not clear that provincial governments, constitutionally responsible for management of the forests, are doing enough to manage these risks to public safety and health. Should the federal government decide to fund and co-ordinate action with the provinces, substantial funding would be required. This budget allocates \$3 billion in each of 2020-21 and 2021-22, and \$1 billion in each year thereafter, to such "infrastructure to protect Canadians from disaster". It is also not clear what negotiations with provinces would be required, what the results of such negotiations would be, or whether the amounts allocated here would eventually be sufficient to the need.

The west coast salmon fishery has largely failed in 2019. This presents an immediate threat to Indigenous Peoples on British Columbia's coast and in the interior. If the decline in salmon populations proves permanent, substantial resources will be required to replace their staple food source.

## **Labour**

Market analysts are projecting a massive disruption due to automation. Technological change will outpace society's ability to adapt, leaving workers vulnerable to losing their jobs and unable to adjust. The GPC has budgeted \$400 million a year to assist a just transition for some workers in affected industries. Over the longer term, the GPC intends to negotiate with the other orders of government to implement a Guaranteed Livable Income, to effectively eliminate the fear of job loss and poverty. It is not yet clear how much such a program would cost or what cost reductions in existing programs it would enable, nor how such costs and benefits would be shared among governments.

## **Immigration**

Canada has a robust immigration program, which has been tested by an increase in asylum seekers and others crossing our border with the United States in recent years. Over the medium term, Canada should anticipate greater numbers of refugees from around the world fleeing the effects of climate change. The number of climate refugees is expected to be at least in the tens of millions, and, if climate change is not checked, potentially in the hundreds of millions. Canada,

renowned for its welcoming and hospitable attitude towards newcomers, must prepare for this new reality. However, meeting our immigration and asylum commitments could prove politically challenging, due to the resurgence of extremist rhetoric that seeks to stoke unfounded fears about vulnerable migrant populations.

## **Implementation of platform measures**

A number of items described in the platform will require negotiations with other governments and economic actors, structural adjustments to major existing programs, entirely new legislative frameworks and regulatory powers, or combinations of any of these.

On forming government, the GPC will immediately instruct departments to prepare detailed plans for implementation of all such measures. These plans will include clear descriptions of deliverables, timelines, analyses of possible effects on other government programs or measures, key indicators of progress, and possible corrective measures.

On forming government, the GPC will set out programs for discussions with provincial, territorial, municipal, First Nations, Métis and Inuit governments, and begin to draft timetables and programs for negotiation. The GPC expects that such negotiations will be assisted by the formation of the Council of Canadian Governments. During and after these negotiations, there will undoubtedly be adjustments, some significant, to the potential programs outlined in this platform.

## **Monitoring of progress and amendments to programs**

The GPC will monitor progress on all the measures in the platform. Where departmental resources are not sufficient, where special expertise is required, or where departments demonstrate internal inertia and a lack of resolve, a GPC government will retain independent expertise to advise on progress. Such specific reporting will be combined with intensive monitoring of other internal and external factors to permit a GPC government to react quickly to failures within a particular program or to exogenous shocks.

There may be cases where some of the potential risks outlined above become real factors preventing implementation of some of the platform. A GPC government will attempt to be quick to respond to unforeseen events that slow or prevent implementation of any platform measure without prejudice or ideological bias.

In all cases, the principles of environmental and fiscal sustainability outlined above will govern the actions of a GPC government.