

# LASER Talks Booklet

Election 2021

# About CCL and CCL Canada

Citizens' Climate Lobby (CCL) is an international, non-partisan and grassroots organization that empowers citizens to build political will for what we see as the single most impactful solution to climate change—a national Carbon Fee and Dividend policy.<sup>1</sup>

We have 590 active chapters in 75 countries<sup>2</sup> and over 209,000 supporters worldwide. In Canada, we cover about 120 ridings and have approximately 6,490 supporters.<sup>3</sup>

We build political support for climate action with a variety of tools,<sup>4</sup> which we use in keeping with our local culture and politics. By focusing on shared values rather than partisan divides, we build relationships with community leaders and with federal elected officials, always starting from a place of respect, gratitude, and appreciation.<sup>5</sup>

Through developing respectful relationships, cultivating and demonstrating local support, and promoting a climate solution that has appeal across the political spectrum, we build political will. That is, we move our leaders towards action that will preserve a healthy climate and a livable world.

Since September 2010, our volunteers in Canada have recorded over 1100 lobby meetings and almost 4000 letters to the editor, articles, editorials, and columns published in newspapers by or about us. We have lobbied as a collective on Parliament Hill 14 times. Subsequent to the COVID pandemic in March 2020, we have conducted four national online events, followed by lobbying.

In October 2018, Canada achieved a world first: the passage of a national carbon pricing policy that is quite similar to Carbon Fee and Dividend. We have been told by numerous politicians we were the reason the government chose this policy.

Learn more about us at <https://canada.citizensclimatelobby.org/>.

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<sup>1</sup> "LASER TALK: Carbon Fee and Dividend | Citizens' Climate Lobby ...."

<https://canada.citizensclimatelobby.org/laser-talks/carbon-fee-and-dividend/>. Accessed 7 Aug. 2021.

<sup>2</sup> "Chapters | Citizens' Climate Lobby." <https://citizensclimatelobby.org/about-ccl/chapters/>. Accessed 27 Aug.. 2021.

<sup>3</sup> "Chapters - Find Your Local CCL Chapter - Citizens' Climate Lobby."

<https://citizensclimatelobby.org/about-ccl/chapters/>. Accessed 17 Sep. 2021.

<sup>4</sup> "LASER TALK: The Five Levers of Political will | Citizens' Climate ...." 2 Jul. 2019,

<https://canada.citizensclimatelobby.org/laser-talk-citizens-climate-lobbys-five-levers-of-political-will/>. Accessed 7 Aug. 2019.

<sup>5</sup> "Values - Citizens' Climate Lobby." <https://citizensclimatelobby.org/about-ccl/values/>. Accessed 7 Aug. 2019.

# How to Use this Booklet

Learn to communicate expertly on the climate crisis.

This booklet contains information to help build political will for a liveable world in the lead up to Canada's 2021 federal election, expected to be on September 20, 2021.

Relationships are at the core of our work. LASER talks are intended to facilitate discussion on the climate crisis in our communities, in our media, and with politicians. They have also been created to respond to topics and questions which will often arise in conversations amongst voters (i.e. co-workers, family, and friends). They were not intended to be presented as monologues.

To practice a LASER talk, consider internalizing the information then saying it in your own words with a partner over coffee, in a group, or in front of a mirror.

Practice the LASER talks that interest you the most – you don't have to learn all of them. If you are new to Citizens' Climate Lobby (CCL) – keep it simple. The first six LASER talks are the most important, along with the ones that might resonate the most with your community.

You can also use the information in this booklet to write letters to the editor or social media posts and offer this booklet to those that might value its information.

With CCL's core values<sup>6</sup> of focus, relationships, integrity, personal power, being nonpartisan, and diversity in mind, you are invited to use this booklet in your communications.

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<sup>6</sup> "Core Values | Citizens' Climate Lobby." <https://citizensclimatelobby.org/about-ccl/values/>. Accessed 28 Aug. 2021.

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# Code Red For Humanity

## Stark Conclusions in the Most Recent IPCC Report

In August 2021, the Intergovernmental Panel on Climate Change published the [Working Group I Report for the 6th Assessment](#). The nearly 4,000-page report, endorsed by 195 governments and representing global scientific consensus, was described by United Nations Secretary-General Antonio Guterres as “[code red for humanity](#)”.

The report found that major climate disruption is already happening, with impacts affecting every region around the world. Some of these impacts are irreparable, with vital natural capital already lost. The Arctic Ocean may be ice-free at least once in the next 3 decades. We will cross 1.5°C of global average surface temperature rise between 2030 and 2040.

According to the most advanced science we have, only in the most ambitious scenario do we still have a chance to limit global heating to 1.5°C at the end of the century. In that scenario, global heating will still rise to at least 1.6°C, before coming back down, if all of the right choices are made as quickly and pervasively as possible.

We need policy persistence. We need to use evidence.

Later will be too late.

Vote well Canada.

# Carbon Pricing 101

## The What and Why of Carbon Pricing

Carbon dioxide (CO<sub>2</sub>) and other greenhouse gases (GHG) are building up in the atmosphere from burning fossil fuels for energy and from other human processes. This carbon pollution is causing severe climate impacts like floods, wildfires, and drought. There are huge costs associated with this pollution, such as the rebuilding of roads, dikes and homes, plus habitat loss, and rising health care issues. All of these costs fall unfairly on the taxpayers, individuals, or businesses. The cost of polluting should be clear so society is not harmed in order to make a profit.

Putting a price on carbon pollution motivates those who create the pollution to reduce the amount of GHGs they emit into the atmosphere. Economists widely agree that introducing a carbon price is the single most effective way for consumers and producers to reduce their emissions and for countries to meet their global carbon reduction targets.

Putting a price on carbon means the real cost of producing and emitting GHGs is accounted for across the whole economy. This helps to level the playing field for renewable energy and other climate solutions by making them more competitive and accessible.

Implementing carbon pricing impacts the status quo of a fossil fuel based economy and is contested by some as being too costly. However, due to the severe impacts of climate destabilization, taking no action is immensely more costly. There are many ways of addressing climate change such as reducing subsidies to fossil fuel companies, regulations that support emissions reductions and subsidizing renewable energy alternatives. However, carbon pricing is seen as the most effective lever for change.

Since 2010, CCL Canada volunteers have advocated for pricing carbon in the form of Carbon Fee and Dividend.

# The Three Explicit Ways to Price Carbon Pollution

## Carbon pricing

Carbon pricing is a policy instrument that captures the external costs of greenhouse gas (GHG) emissions—the costs of emissions that the public pays for, such as damage to crops, health care costs from heat waves and droughts, and loss of property from flooding and sea level rise—and ties them to their sources through a price, in the form of a price on the GHG emitted. Currently, [21.5% of the world's GHG emissions](#) are under an explicit carbon price. There are three ways to price carbon pollution:

### 1. The Emissions Trading System (ETS)

ETS, also known as **cap and trade**, caps the total level of greenhouse gas emissions and allows industries with low emissions to sell their extra allowances to larger emitters. Large emitters can also offset their emissions. By creating supply and demand for emissions allowances, an ETS establishes a market price for greenhouse gas pollution. The cap helps ensure that the required emission reductions will take place to keep the emitters (in aggregate) within their pre-allocated carbon budget.

**Keys for success:** It needs significant government oversight. There should also be a set floor price and no free allowances. Offsetting must be verifiable with no double counting, and must not be allowed to substitute for real emissions reductions.

**Clarifying statement:** ETS creates an artificial market that allows big polluters to reduce emissions at the lowest cost possible.

### 2. Carbon Taxes

Carbon Taxes directly set a price on carbon by defining a tax rate on greenhouse gas emissions or – more commonly – on the carbon content of fossil fuels. The government uses the money collected for programs. It is different from an ETS in that the emission reduction outcome of a carbon tax is not predefined but the carbon price is.

**Key for success:** Carbon taxes can be regressive and slow down an economy if the middle and low income earners are impacted by increased energy costs without compensation.

**Clarifying statement:** The pressure is put on the consumer with a carbon tax and thus will only work if the consumer actually changes behaviour.

### 3. Carbon Fee and Dividend a.k.a Climate Income

**Carbon Fee and Dividend** is a system that imposes an incrementally rising fee on the carbon content of fossil fuels at the point of entry into the economy and then distributes the revenue collected over the entire population equally, on a per-person basis, as a monthly income or regular payment. It is a solution that creates incentives and penalties for reducing GHGs while protecting the poor and middle class as we transition away from fossil fuels. Climate income includes border carbon adjustments.

**Key for success:** the price on pollution must rise predictably and substantially over time. If the price rises chaotically or not substantially, investors will have a difficult time making plans.

**Clarifying statement:** Climate Income is the only policy that puts direct pressure on big GHG emitters.

## Carbon Fee and Dividend



Carbon Fee and Dividend is a carbon price that is revenue-neutral (meaning that the revenues do not go to government coffers). It functions as follows:

1. A fee is placed on carbon-based fuels at the source (well, mine, or port of entry). This fee increases steadily each year.. The predictably increasing carbon price will send a clear market signal, which will unleash entrepreneurs and investors in the new clean-energy economy.
2. All of the money collected is returned to Canadians on an equitable basis. Under this plan most Canadian households would break even or receive more in their dividend than they would pay for the increased cost of energy, thereby protecting the poor and middle class.<sup>7</sup>
3. Use a border adjustment to stop business relocation. Import fees on products imported from countries without a carbon fee, along with rebates to Canadian industries exporting to those countries, will discourage businesses from relocating where they can emit more CO<sub>2</sub> and motivate other countries to adopt similar carbon pricing policies. Building upon existing tax and trade systems will avoid complex new institutional arrangements. Firms seeking to escape higher energy costs will be discouraged from relocating to non-compliant nations ("leakage"), as their products will be subject to import fees.

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<sup>7</sup> "Fiscal and Distributional Analysis of the Federal Carbon Pricing System." 25 Apr. 2019, [https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal\\_carbon\\_pricing\\_EN.pdf](https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal_carbon_pricing_EN.pdf). Accessed 20 Jul. 2019.

## Fair Path Forward's Rebate Calculator

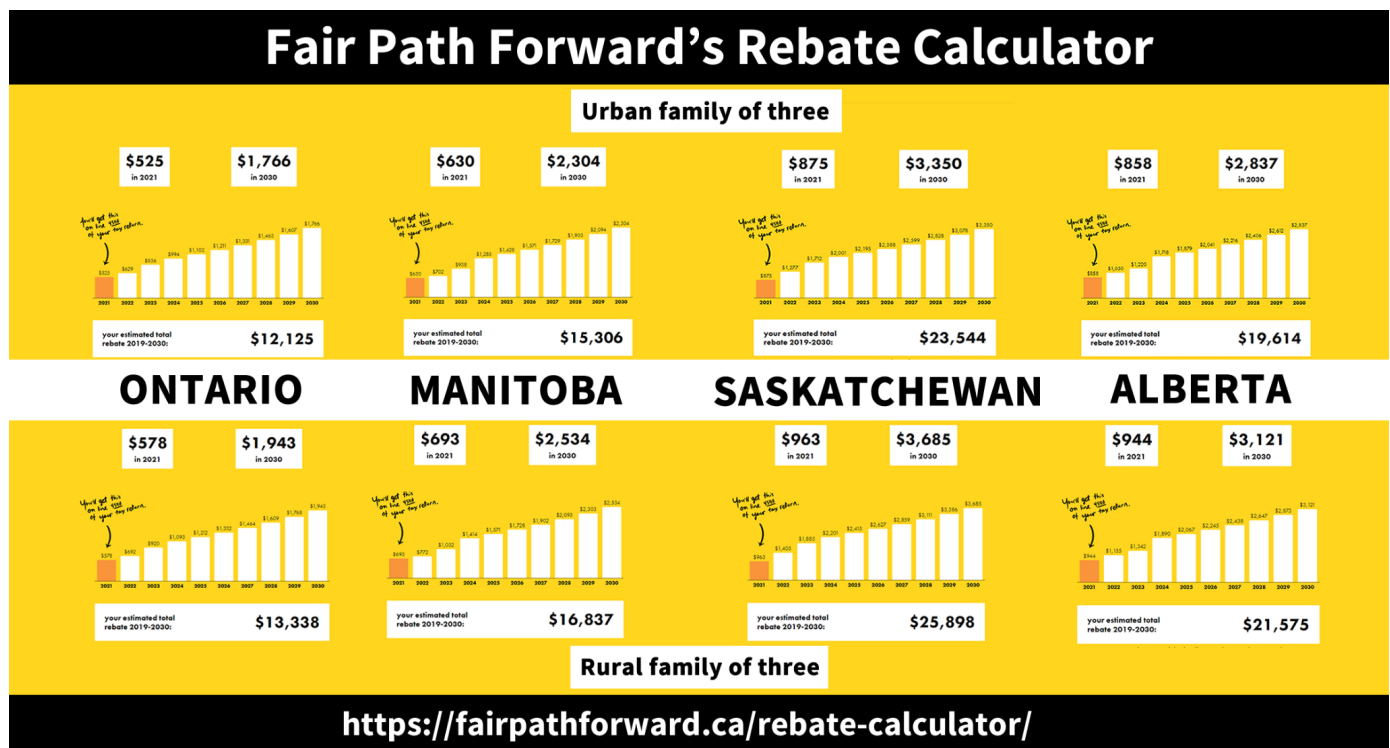
The current federal backstop carbon pricing policy returns 90% of the carbon fees collected back to households. Rural households get a 10% top-up. By giving money back to Canadians, low and middle-income Canadians come out ahead<sup>8</sup>.

People living in the four provinces with the federal backstop carbon pricing policy can calculate their rebate on Fair Path Forward's Rebate Calculator.

For a family of three living in an urban area in Ontario, Manitoba, Saskatchewan and Alberta their rebate from the federal government will be respectively \$12,125, \$15,306, \$23,544 and \$19,614 from 2019–2030. Because there is a 10% top-up for rural families, a family of three living in rural areas in Ontario, Manitoba, Saskatchewan and Alberta will receive respectively \$13,338, \$16,837, \$25,898 and \$21,575 from 2019–2030.

The rebates, unlike with the federal Conservative's proposed [Low Carbon Savings Account](#), come with no restrictions. You can spend as you wish and make the low-carbon purchases you need to make unique to your situation whether you live in the core of a big city, a mining town, a First Nations community, a rural farming community or any place in between.

Calculate your rebate here: <https://fairpathforward.ca/rebate-calculator/>



<sup>8</sup> "Fiscal and Distributional Analysis of the Federal Carbon Pricing System." 15 Sept. 2021 [https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal\\_carbon\\_pricing\\_EN.pdf](https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal_carbon_pricing_EN.pdf). Accessed 11 Aug. 2021.

## The Greenhouse Gas Pollution Pricing Act

In June 2018, the Greenhouse Gas Pollution Pricing Act achieved Royal Assent and became law of the land in Canada.<sup>9</sup> By January 1, 2019, all provinces and territories were required to have had a carbon pricing policy of at least \$20 per carbon tonne, raising \$10 per tonne each year until 2022, with flexibility for jurisdictions to price carbon directly or implement an equivalent cap and trade system.<sup>10</sup> How equivalency is determined is unclear. Provinces and territories that do not meet these benchmarks are subject to a federal backstop carbon pricing policy.

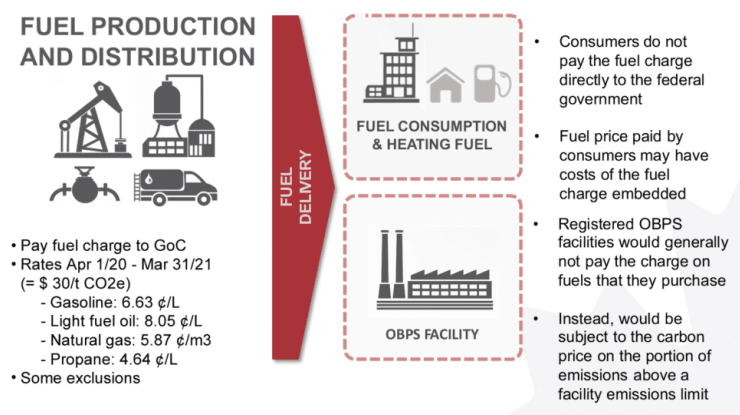
### The federal backstop carbon price has two elements:

1. A fee on fossil fuels that is generally payable by fuel producers or distributors, with rates for each fuel that are equivalent to \$10 per tonne of carbon dioxide equivalent (CO<sub>2</sub>e) in 2018, rising by \$10 per year to \$50 per tonne CO<sub>2</sub>e in 2022. 90% of the revenue is rebated to the citizens in their income taxes.
2. Businesses and industries that qualify may be enrolled in an output-based pricing system (OBPS).<sup>11</sup> They pay a carbon price based on their emissions intensity relative to a benchmark set by the government for their industry and surplus credits will be traded. This system will send a market signal because good actions are rewarded.

The OBPS protects emissions-intensive trade-exposed industries from carbon leakage, the movement of businesses and their emissions out of Canada. However, the OBPS may not be stringent enough.<sup>12</sup>

Citizens' Climate Lobby Canada requests the fee on fossil fuels be economy-wide and the OBPS be temporary and ultimately replaced with border carbon adjustments.

### Overview of the federal backstop



<sup>9</sup> "Greenhouse Gas Pollution Pricing Act - Laws.justice.gc.ca." <https://laws-lois.justice.gc.ca/eng/acts/G-11.55/>. Accessed 27 Jun. 2021.

<sup>10</sup> "LASER TALK: The many ways to price carbon pollution | Citizens ...." 28 Feb. 2020, <https://canada.citizensclimatelobby.org/laser-talk-the-many-ways-to-price-carbon-pollution/>. Accessed 7 Aug. 2021.

<sup>11</sup> "LASER TALK: Output-Based Pricing Systems | Citizens' Climate Lobby ...." <https://canada.citizensclimatelobby.org/laser-talk-output-based-pricing-systems/>. Accessed 9 Aug. 2021.

<sup>12</sup> "Getting Real about Canada's Climate Plan – Climate Action Network." 14 Jun. 2019, <https://climateactionnetwork.ca/2019/06/14/getting-real-about-canadas-climate-plan/>. Accessed 13 Aug. 2021.

## A Healthy Environment Healthy Economy

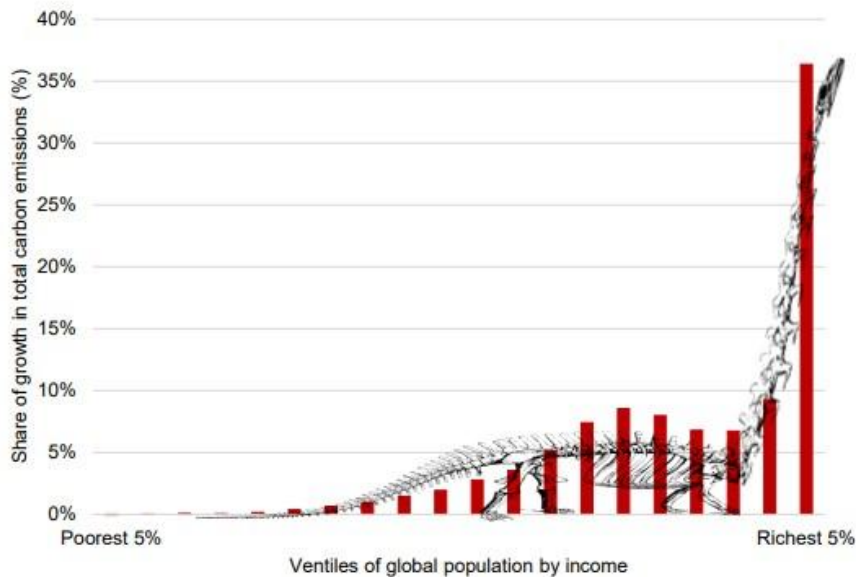
On Friday, December 11, 2020, Canada announced its most ambitious climate plan ever: [A Healthy Environment and Healthy Economy](#). Note is not enough for Canada to do our fair share of reducing emissions but it lays down a foundation.

This plan is a cornerstone of the government's commitment in the 2020 Speech from the Throne to create over one million jobs, restoring employment to pre-pandemic levels. The plan includes 64 new measures and \$15 billion in investments in addition to the Canada Infrastructure Bank's \$6 billion for clean infrastructure announced this fall as part of its growth plan. The backbone of Canada's climate plan is carbon pricing and they made huge improvements from the Greenhouse Gas Pollution Pricing Act.

- Continue to put a price on pollution through 2030, rising at \$15 per tonne after 2022, while returning the proceeds back to households such that the majority receive more money back than they pay in provinces where the federal system applies.
- Move from carbon pollution pricing rebate payments being distributed on an annual basis to quarterly, starting as early as 2022.
- Explore the potential of border carbon adjustments, and work with like-minded economies—including the E.U. and Canada's North American partners—to consider how this approach could fit into Canada's broader strategy to meet climate targets while ensuring a fair environment for businesses.



## The Carbon Inequality Brontosaurus Chart



In September 2020, the Stockholm Environment Institute released an insightful report (1). In the 25 years from 1990 to 2015, annual global carbon emissions grew by 60%, approximately doubling total global cumulative emissions.

The disproportionate impact of the world's richest people is unmistakable, the resulting graph looks like a brontosaurus – with a tall neck and long tail.

The “tall neck” is the result of the fact that nearly half of the total growth in absolute emissions was due to the richest 10%, with the richest 5% alone contributing over a third (37%). The emissions linked to the top 1% alone grew more than three times as much as those linked to the bottom 50%.

The bottom 50% comprises the “long tail”. Since the bottom 50% has 50 times more people in it, the average per capita consumption emissions linked to the top 1% in 2015 were over 100 times greater than the average per capita consumption emissions of the poorest half of the world's population.

The global carbon budget is a precious natural resource. These results suggest a need for increased attention to be paid to the ongoing porcine impact of the small minority of the world's richest citizens and the enormous and continuing economic development needs of the world's poorest citizens.

Our socio-economic and climate policies most certainly can be designed to address carbon inequality. In fact, Canada's national backstop carbon pricing policy addresses the “brontosaur in the room” (2).

Data from Canada's Parliament Budget Office confirms this assertion (3). Canada's carbon pricing policy is a form of carbon fee and dividend. It is also known as climate income. Canada has put a revenue-neutral price on GHG pollution at the source, and gives 90% of the money back to the people equitably, regardless of income or carbon footprint. The other 10% of carbon fees collected go to the MUSH sector: Municipalities, Universities, Schools, and Hospitals. It also reduces GHGs (4) without creating burdensome tax policies for governments to administer.

### References:

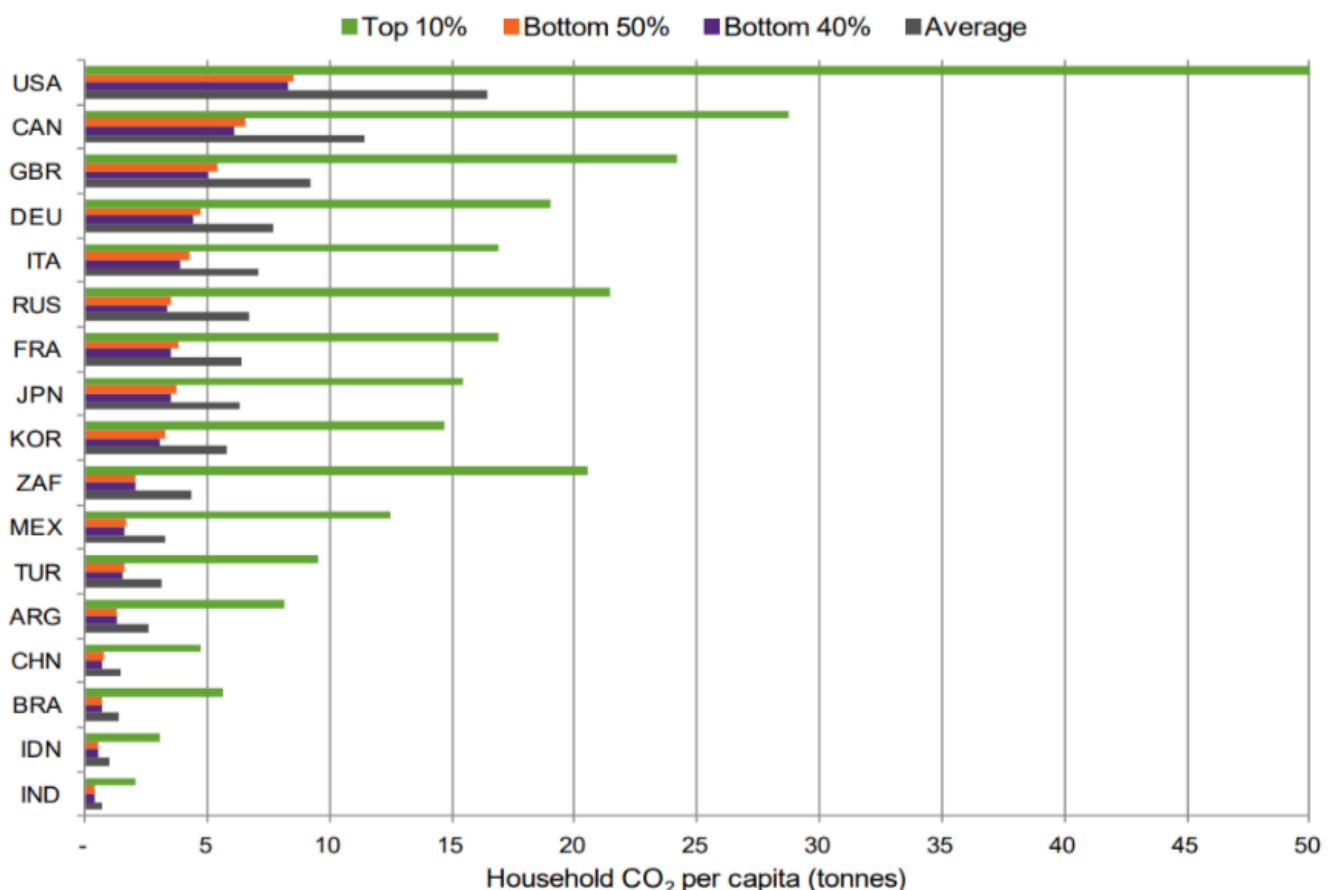
- (1) [The Carbon Inequality Era | SEI \(2020\)](#)
- (2) [The Greenhouse Gas Pollution Pricing Act \(2018\)](#)
- (3) [Fiscal and Distributional Analysis of the Federal Carbon Pricing System \(2019\)](#)
- (4) [Beyond Paris: Reducing Canada's GHG Emissions by 2030 \(2021\)](#)

## Carbon Inequality in the G20 Nations

In December 2015 at the Paris Agreement, Oxfam presented their paper on [Extreme Carbon Inequality](#).

As one can see in the graph below in G20 countries for which they had data, the per capita GHG emissions for the richest top 10% households in every country were well above average. Whereas on the flip side, the bottom 50% and bottom 40% of households GHG emissions were below average. This explains why the carbon pricing program of carbon fee and dividend (also known as climate income), where we have data ([USA](#), [Australia](#), and [Canada](#)) on average  $\frac{2}{3}$  of households come out ahead.

Most countries have similar income distributions. You can [use Wolfram Alpha](#) to determine your country's income distribution pattern and [Gini Index](#) relative to Australia, Canada, and the USA and then infer that the results would be anticipated to be similar.



## Carbon Pricing and the Cost of Gas

Carbon pricing credibly regulates climate-unbalancing greenhouse gases by applying a gradually increasing fee on fossil fuels like oil and gas. In 2021, Canada's federal backstop carbon price was equivalent to about 9.0 cents per litre of gas.<sup>13</sup> This will increase by about 2.3 cents per litre of gas<sup>14</sup> in 2022.

In provinces and territories where the backstop carbon price is in place, the revenues generated stay within the jurisdiction with 90% being returned to households. This way, at least two thirds of households, especially those with the lowest income, get back more money than they pay in the carbon price.<sup>15</sup>

For a family driving a car with a moderate mileage of 10 L/100 km (23 mpg), the increased cost of gas from carbon pricing is \$5.40 for a single 60 L fill up, or less than \$200 per year in 2021, assuming a typical 20,000 km (12,400 miles) of driving per year.<sup>16</sup>

With incremental increases in the carbon price, fossil fuel consumption goes down.<sup>17</sup> Knowledge of the carbon price also encourages people and businesses to invest in technologies, such as electric cars and solar panels, that decrease our dependence on fossil fuels. This investment in climate-friendly technologies makes them more quickly available and drives down their prices.

The price of gas is volatile and can change by more than 20 cents in a month.<sup>18</sup> While carbon pricing makes the cost of polluting more clear, the increased costs are low and gradual, giving us time to adapt. What's more, 90% of the federal backstop carbon pricing revenues is returned to families to protect consumers.

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<sup>13</sup> "Gas prices could jump another 15 cents by summer — and ... - CBC.ca." 6 Apr. 2019, <https://www.cbc.ca/news/business/gas-prices-carbon-tax-oil-1.5081757>. Accessed 20 Jul. 2019.

<sup>14</sup> "Pricing carbon pollution in Canada: how it will work - Canada.ca." 21 Jun. 2017, [https://www.canada.ca/en/environment-climate-change/news/2017/05/pricing\\_carbon\\_pollutionincanadahowitwillwork.html](https://www.canada.ca/en/environment-climate-change/news/2017/05/pricing_carbon_pollutionincanadahowitwillwork.html). Accessed 20 Jul. 2019.

<sup>15</sup> "Fiscal and Distributional Analysis of the Federal Carbon Pricing System." 25 Apr. 2019, [https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal\\_carbon\\_pricing\\_EN.pdf](https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal_carbon_pricing_EN.pdf). Accessed 20 Jul. 2019.

<sup>16</sup> "Gas prices could jump another 15 cents by summer — and ... - CBC.ca." 6 Apr. 2019, <https://www.cbc.ca/news/business/gas-prices-carbon-tax-oil-1.5081757>. Accessed 20 Jul. 2019.

<sup>17</sup> "Estimated impacts of the Federal Carbon Pollution Pricing System ...." 20 Dec. 2018, <https://www.canada.ca/en/services/environment/weather/climatechange/climate-action/pricing-carbon-pollution/estimated-impacts-federal-system.html>. Accessed 20 Jul. 2019.

<sup>18</sup> "Gas in Vancouver hovers above \$1.70 a litre — is this ... - Global News." 27 Apr. 2019, <https://globalnews.ca/news/5201572/gas-price-vancouver-canada/>. Accessed 20 Jul. 2019.

# Canada's Challenges & Opportunities

## How did the parties voted on key environmental policies

In the past 2.5 years, parliamentarians voted on [Bill C230](#) – National Strategy to Redress Environmental Racism Act, [Act C12](#) – the Net-Zero Emissions Accountability Act, [C15](#) – Enshrining the United Nations Declaration of the Rights of Indigenous People under National Law, [C38](#) – The Oil Tanker Moratorium Act, and the [National Climate Emergency Declaration](#). The Liberals, NDP and Greens voted “Yea” for all of them. The Bloc voted Yea for all of them except the National Strategy to Redress Environmental Racism, and the Conservatives voted “Nay” for all of them.

### How the Canadian political parties voted on key environmental bills and motions since June 2019

Party	C-12: Climate Accountability Act	C-15: Enshrining U.N.D.R.I.P.	C-230: A National Strategy to Redress Environmental Racism	C-38 Oil Tanker Moratorium Act	National Climate emergency declaration
Liberal	Yea	Yea	Yea	Yea	Yea
Conservatives	Nay	Nay	Nay	Nay	Nay
New Democrats	Yea	Yea	Yea	Yea	Yea
Greens	Yea	Yea	Yea	Yea	Yea
Bloc	Yea	Yea	Nay	Yea	Yea

For more details visit: <https://canada.citizensclimatelobby.org/climate-action-counts-2021/>

## Table Comparing the Carbon Pricing Policies and Targets

Below are the GHG targets and key elements of the carbon pricing platforms of each of the parties. Canadians can decide for themselves if they are satisfied with the carbon pricing policy design of the parties.

<b>GHG targets and carbon pricing policies of the parties in the Canadian Federal Election, September 20, 2021</b>					
Category	LPC	CPC	NDP	GPC	BQ
Reduction of GHG emissions below 2005 levels to be achieved by 2030.	40-45% 292.2 - 328.77 Mt*	30% 219.3 Mt	50% 365.3 Mt	60% 438.4 Mt	60% 438.4 Mt
Carbon price	\$40 per tonne, rising to \$170 tonne by 2030	\$20 per tonne, rising to \$50 tonne by 2030	\$40 per tonne, rising to \$170 tonne by 2030	Increase the carbon tax annually until there are no more carbon emissions	Support Quebec's pollution pricing plan - currently priced at \$29 per tonne
Border Carbon Tariffs	Yes	Yes	Yes	Yes	No policy in platform
Financial impact of carbon pricing on households	Rebates leave 2/3s of the lower income households (in participating provinces) better off.	High income households benefit immensely compared to the current federal plan.	Maintain the household rebate but with no rebate to millionaires.	Rebates leave 2/3s of the lower income households (in participating provinces) better off.	Impact of Quebec's carbon market on low and middle income households unclear
Clean Fuel Standards	Yes	Prefer BC Clean Fuel Standards	Yes	Yes	No policy in platform
This table was last updated on September 16, 2021. For more details visit <a href="https://canada.citizensclimatelobby.org/climate-action-counts-2021/">https://canada.citizensclimatelobby.org/climate-action-counts-2021/</a> *Mt = Megatonnes of CO <sub>2</sub> e					

### Bloc

<https://www.blocquebecois.org/wp-content/uploads/2021/08/BQPlateforme2021webplanche.pdf>

<https://www.parl.ca/DocumentViewer/en/43-2/bill/C-215/first-reading>

### Conservative

<https://cpcassets.conservative.ca/wp-content/uploads/2021/08/16102359/f8279981721e07a.pdf>

### NDP

<https://www.ndp.ca/climate-action&sa=D&source=editors&ust=1629984908256000&usg=AOvVaw0Q7oKZ66Me5yUwiN5B7h4M>

<https://www.ndp.ca/climate-action>

### Liberal

<https://pm.gc.ca/en/news/news-releases/2021/04/22/prime-minister-trudeau-announces-increased-climate-ambition>

[https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/climate-plan/healthy\\_environment\\_health\\_economy\\_plan.pdf](https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/climate-plan/healthy_environment_health_economy_plan.pdf)

## Balancing the Budget, Social Concerns, and the Climate

# Canadian Family Wealth Distribution

Table B-1 Family wealth distribution, by selected quantiles, Canada, 2016

Family wealth quantile	Wealth threshold (\$ millions)	Number of families (thousands)	Total wealth (\$ billions)	Share of total wealth (per cent)
Top 0.01%	130.5	1.5	574	5.6
Top 0.1%	26.7	15.3	1,254	12.1
Top 0.5%	8.9	76.7	2,117	20.5
Top 1%	5.5	153.4	2,644	25.6
Top 5%	2.1	767.5	4,488	43.4
Top 10%	1.4	1,534.9	5,829	56.4
Top 20%	0.9	3,069.9	7,599	73.5
Middle 40%	0.1-0.9	6,139.7	2,613	25.3
Bottom 40%	under 0.1	6,139.7	128	1.2

**0.01%: 5.6**

**1%: 25.6**

**10%: 56.4**



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER  
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

We are in the midst of a global pandemic. The COVID health crisis has set off economic shockwaves around the world and the climate crisis will be much worse.

In early September 2020, Isabel Schnabel board member of the European Central Bank said<sup>[1]</sup>, “The coronavirus pandemic demonstrates in the clearest terms why central banks must take a bigger role in fighting climate change even if the issue at first appears unrelated to monetary policy.”

On September 9, 2020, the US Commodity Futures Trading Commission<sup>[2]</sup> issued a new and dire report, outlining the serious climate risk facing the US financial system. A major finding that stands out is that without a targeted, explicit price on carbon emissions, “financial markets will operate sub-optimally,” with capital helping to exacerbate both risk and cost, while failing to invest in more efficient systems and solutions.

To meet or exceed the 2030 target, Canada’s carbon price should continue to increase past<sup>[3]</sup>. To protect poor and middle-income families from increased energy costs, revenue from pricing carbon must be returned to households.

In June 2020, the Parliamentary Budget Office released a report on Canadian family wealth distribution<sup>[4]</sup> based on 15,349,000 families that collectively possess \$10.3 trillion. The top 1.0 % quintile of Canadian families possess more than a quarter of all wealth in Canada, whereas the

bottom 40% quintile possess just 1.2% of Canadian wealth.

To balance the budget, the federal government must reform taxation to be more equitable and they have begun to do so. On September 23, 2020, there was a speech from the throne.<sup>[5]</sup> In the speech, the government indicated that ‘they will identify additional ways to tax extreme wealth inequality, including by concluding work to limit the stock option deduction for wealthy individuals at large, established corporations, and addressing corporate tax avoidance by digital giants.’

A tax overhaul has not been done in Canada since the 1960s. According to the Charter of Professional Accountants, Canada is long due for an overhaul and should be moving to a low-carbon, and climate-resilient economy.<sup>[6]</sup>

While there are many ways to reform taxation, the following four examples are possible avenues that have been mentioned by politicians and include details of the savings:

1. Phasing out fossil fuel subsidies. During the pandemic, Canada is subsidizing more on fossil fuel energy than clean energy<sup>[7]</sup>. In December 2018, billions of dollars in new support was announced for the fossil fuel industry,<sup>[8]</sup> which was already receiving an estimated \$1.6 billion a year in federal subsidies.<sup>[9]</sup> Phasing out “inefficient” fossil fuel subsidies is a G20 commitment<sup>[10]</sup> and can also make the market signal of carbon pricing clearer. Reforming subsidies could also help pay for a clean energy revolution.<sup>[11]</sup>
2. Implementing an inheritance tax. Canada is the only G7 country without an inheritance tax. CIBC projects that baby boomers under 75 are set to inherit \$750 billion within the next decade.<sup>[12]</sup>
3. Tightening tax havens. The Parliamentary Budget Officer calculated that in 2018, Canadian corporations may have avoided \$25 billion dollars or more in taxes through tax havens.<sup>[13]</sup>
4. Closing the stock option loophole. Through the stock option loophole, CEOs and corporate board members avoid paying half their taxes on income from cashing in stock options. Closing the stock option loophole in 2017 could have generated \$840 million annually.<sup>[14]</sup>

Addressing the climate crisis, social concerns, and the budget deficit at the same time is doable. We can do this by improving carbon pricing, returning carbon pricing revenues to households and reforming taxation.

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- [14] "Liberals sidestep NDP call to close stock option tax loophole ...." 8 Feb. 2018, <https://business.financialpost.com/pmn/business-pmn/ndp-to-force-vote-on-closing-stock-option-loophole> . Accessed 13 Aug. 20219.

## Canada's 2021 NDCs and Perils of Provincial Elections

In April, Canada released to the United Nations our [nationally determined contributions \(NDCs\)](#) for reducing our GHGs. Canada's updated NDC is to reduce our emissions by 40-45 % below 2005 levels by 2030. This is a substantial increase of ambition beyond Canada's original NDC of 30% below 2005 levels, as previously communicated in the 2015 Paris Agreement.

Clearly, there is both good news and bad news in our NDC. Canada as a nation is more ambitious and our new plans have a pathway to get to these improved targets. But it is not enough.

We are not doing our fair share. In pursuit of the objectives of the Paris Agreement, we are to be guided by the principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances. Thus, more advanced countries such as Canada are expected to be at least 60 percent below our 2005 levels by 2030. For example, the United Kingdom has [enshrined in a law](#) a commitment to slash GHGs by 78% by 2035.

How can Canada be more ambitious? Firstly, we need a lot more provincial action. As one can see from [data released](#) earlier this year, it is clear that elections of new governments in BC, Alberta, and Ontario all coincided with increased GHGs in those provinces (chart below). The recent [Supreme Court of Canada](#) ruling on the constitutionality of the Greenhouse Gas Pollution Pricing Act should embolden the next government to require more climate action from the provinces.

We need to enact more policies that will reduce our greenhouse gas emissions. For example, we need to keep improving and defending Canada's Greenhouse Gas Pollution Pricing Act. The predictably rising carbon price will signal to investors to stop putting money into fossil fuels and redirect financial flows to clean energy. However, the policy needs improvements including a stronger carbon price, and more GHGs need to be priced to their fullest extent. To do that, the government needs to keep working on border carbon adjustments. Happily, because the revenues collected are returned to Canadians, these improvements will not burden the middle- and low-income households.

Year	GHG Emissions (Mt CO <sub>2</sub> eq)							Change (%)
	2005	2014	2015	2016	2017	2018	2019	2005-2019
<b>GHG Total (Canada)</b>	<b>739</b>	<b>723</b>	<b>723</b>	<b>707</b>	<b>716</b>	<b>728</b>	<b>730</b>	<b>-1.1%</b>
NL	11	11	11	11	11	11	11	5.4%
PE	2.0	1.7	1.7	1.7	1.7	1.7	1.8	-14%
NS	23	17	17	16	16	17	16	-30%
NB	20	13	14	14	13	13	12	-38%
QC	88	79	79	79	81	83	84	-4.4%
ON	206	164	163	161	158	163	163	-21%
MB	21	21	21	21	22	23	23	10%
SK	68	74	76	74	76	76	75	10%
AB	235	278	278	264	271	272	276	17%
BC	63	60	59	62	63	66	66	4.3%
YT	0.57	0.50	0.53	0.53	0.56	0.64	0.69	22%
NT	1.6	1.5	1.7	1.6	1.3	1.4	1.4	-16%
NU	0.58	0.70	0.64	0.74	0.75	0.75	0.73	25%

Note: Totals may not add up due to rounding.

## Important Reports from Canada's Parliamentary Budget Office

Canada must climb out of a mountain of financial debt from the COVID pandemic while addressing the climate emergency with socially just policies. Luckily for Canadians, our Parliamentary Budget Office (PBO) provides independent, authoritative and non-partisan financial and economic analysis to help us all chart the path forward.

### **Laser Talk: Estimating The Top Tail Of The Family Wealth Distribution In Canada (2020)**

**Take home message:** *income inequality exists in Canada*

In June 2020, the Parliamentary Budget Office released a report on Canadian family wealth distribution. Collectively, 15,349,000 families possess \$10.3 trillion. The top 1.0 % quintile of Canadian families possess more than a quarter of all wealth in Canada, whereas the bottom 40% quintile possess just 1.2% of Canadian wealth.

[https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/RP-2021-007-S/RP-2021-007-S\\_en.pdf](https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/RP-2021-007-S/RP-2021-007-S_en.pdf)

### **Laser Talk: Fiscal and Distributional Analysis of the Federal Carbon Pricing System (2019)**

**Take home message:** *the federal carbon pricing is progressive and will reduce income inequality*

Canada's carbon pricing system is revenue neutral; any revenues generated under the system will be returned to the province or territory in which they are generated. Households will receive 90 per cent of the revenues raised from fuel charges. A typical household will receive higher transfers than the average amounts it pays in fuel charges. The net benefits are broadly progressive by income group. That is, lower income households will receive larger net transfers than higher income households.

[https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal\\_carbon\\_pricing\\_EN.pdf](https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal_carbon_pricing_EN.pdf)

### **Laser Talk: Preliminary Findings on International Taxation (2019)**

**Take home message:** *there are significant sums of revenue to be found in tax havens.* The Parliamentary Budget Officer calculated that in 2018, Canadian corporations may have avoided \$25 billion dollars or more in taxes through tax havens.

<https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Preliminary-Findings-International-Taxation/Report%20final.pdf>

### **Laser Talk: Revenue Estimates Of M-68: One-time Tax On Extreme Wealth (July 2021)**

**Take home message:** *Canada could look to a one-time extreme wealth tax for raising revenue.*

A one-time 3% tax on Canadians with net wealth over \$10 million, and a 5% tax on net wealth over \$20 million could raise up to \$82.5 billion over five years.

[https://distribution-a617274656661637473.pbo-dpb.ca/a2d27dbe13ecedf7ebdac816acc5ddb4ab59d297dcbd77cadd75a346472afb7?fbclid=IwAR0Mf7BebgzBQT5osWxwvottnMsaDykcV\\_IE6fm4oLdoYiXZdjHcGmNYzs](https://distribution-a617274656661637473.pbo-dpb.ca/a2d27dbe13ecedf7ebdac816acc5ddb4ab59d297dcbd77cadd75a346472afb7?fbclid=IwAR0Mf7BebgzBQT5osWxwvottnMsaDykcV_IE6fm4oLdoYiXZdjHcGmNYzs)

### **Laser Talk Beyond Paris: Reducing Canada's GHG Emissions by 2030 (June 2021)**

**Take home messages:** *Carbon pricing is going to do a lot of the heavy lifting to reduce GHG emissions by 2030, but it can't do it alone. As well, overlapping the output-based carbon pricing (OBPS) and border carbon adjustments (BCA) systems will be complicated.*

Increasing the federal fuel charge to \$170 per tonne and tightening OBPS will help Canada achieve over half of the 168 Mt reduction projected in Budget 2021. Nonetheless, significant reductions from less visible non-price policies, already announced, will be needed to reach that objective. Budget 2021 also proposes BCAs to ensure that imports coming into Canada are priced for the carbon emissions that they induced in production. In principle, the BCAs and OBPS are substitutes since they both seek to level the playing field between Canada and the rest of the world. In practice, however, they are both complements and substitutes, and using both creates significant complications.

<https://distribution-a617274656661637473.pbo-dpb.ca/1df9b64ac4e1885028a02c05d5f15b82622d3ace28a473159d59301fb636c6e3>

## Canada, Climate Change and the muddled “Moveable Middle”

Key take-home points from a March 2021 presentation on Canadians opinions on the climate crisis from Climate Access were:

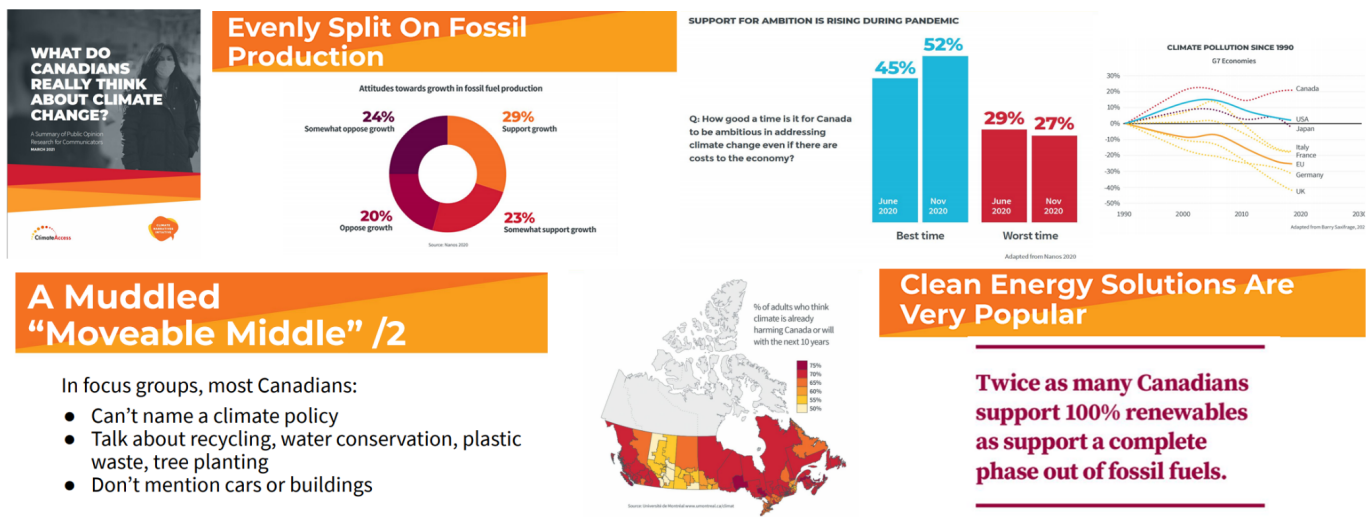
- Most Canadians agree global warming is a crisis
- But 89% think we’re average or better than most countries
- Most Canadians can’t name a climate policy
- Sadly, less than 50% of Canadians can correctly name a GHG too
- Happily, most Canadians see the COVID crisis as a good time to act
- Importantly, most (45%) supporters fall into a muddled “moveable middle” and we should consider them the most when communicating

Most Canadians recognize that we are in crisis, but public support is not reliable. The moveable middle is an important target audience. How would you reach the moveable middle to help them better understand carbon pricing? Think of somebody you know that is in this population segment. How might you talk to them to move them from concerned to alarmed and armed with realistic ideas about specifically carbon pricing?

### Resource:

[https://mcusercontent.com/b875f28558b977d816bd49362/files/55464a6f-ba77-4f2a-ae83-c57ecf129216/Public\\_Opinion\\_Rollup\\_Webinar\\_March\\_10\\_2021\\_1\\_.pdf](https://mcusercontent.com/b875f28558b977d816bd49362/files/55464a6f-ba77-4f2a-ae83-c57ecf129216/Public_Opinion_Rollup_Webinar_March_10_2021_1_.pdf)

## WHAT DO CANADIANS REALLY THINK ABOUT CLIMATE CHANGE MARCH 2021 CLIMATE ACCESS REPORT



## Canadian banks must disclose climate risks to create a liveable world

We are in a climate emergency. A key solution is for the government to create policies that redirect financial flows away from fossil fuels. In addition to pricing carbon pollution and ending fossil fuel subsidies, we also need to look at banking regulations.

Canada's Big Five banks, according to the report [Banking on Chaos](#), RBC, TD, Scotiabank, CIBC and BMO, have poured more than \$700 billion into fossil fuel companies since the Paris Agreement was agreed upon in December 2015.

Furthermore, on April 21, 2021, the [Glasgow Financial Alliance for Net Zero \(GFANZ\)](#) chaired by Mark Carney, UN Special Envoy on Climate Action and Finance, brought together over 160 firms (together responsible for assets in excess of \$70 trillion) from the leading net zero initiatives across the financial system to accelerate the transition to net zero emissions by 2050 at the latest. Only one Canadian bank [joined the alliance](#): Vancity.

However, in May, [Canada's Sustainable Finance Action Council](#) was launched. The council is mandated to work in close collaboration with [the Net Zero Advisory Board](#) to ensure climate considerations are reflected in public and private financial decision making.

Perhaps Canada should look to New Zealand about Canada's bank problem. In April, New Zealand [introduced a law](#) that will force financial firms to assess not only their own investments, but also to evaluate the companies they are lending money to, in terms of their environmental impact. We want to be able to tell the next generation that we listened to the experts, cooperated and helped politicians enact laws that stopped the fossil-fuelled suicide we are collectively heading towards, don't we?

Of note, Canada is vying to host the global headquarters for an international sustainable finance organization. This has huge implications for banks and climate risk disclosures not only in Canada but the world.

### Read More

<https://www.pressreader.com/canada/ottawa-citizen/20210723/281960315776996>

<https://www.cbc.ca/news/business/canada-banks-fossil-fuels-report-1.5960845>

## Over Credited in the California Offset Forestry Program

In general, offsets credits are given to worthwhile activities — tree planting, methane capture at farms, and protection of the rainforests and boreal forests. However, in 2021 there is an example of a carbon offsets program that is over-credited.

An April 2021 report found that 29.4% (20.1-37.8%) of the California forestry offset program were over-credited to a value of 410M (\$280-528M) resulting in 30Mt CO<sub>2</sub>e (20-39 Mt) still floating around in the atmosphere.

That is one offset program in California. Imagine thousands of offsets programs globally that aren't monitored as closely, with trillions of offset dollars being exchanged and thousands of Mt CO<sub>2</sub>e not actually sunk. The planet could be fried. Until there are consistently verifiable offsetting programs, and truly effective deterrents for cheaters, we need to think long and hard about offset programs. <https://carbonplan.org/research/forest-offsets-explainer>

## Article 6 and the International Court of Corruption

The Rulebook for Article 6 of the Paris Agreement (2015) has yet to be agreed upon. Article 6 aims at promoting integrated, holistic and balanced approaches that will assist governments in implementing their [Nationally Determined Contributions \(NDCs\)](#) through voluntary international cooperation. In other words, by paying a price on carbon, states exceeding their NDCs would bear the costs of global warming. For Article 6 of the Paris Agreement to work there needs to be trust in money and the markets but kleptocrats and other cheaters are mostly unaccountable.

All good problem solving begins with a good question. What mechanism (s) could help build trust in the markets and money?

One solution is creating an International Court of Corruption to strengthen the enforcement of criminal laws against corrupt leaders. [Transparency International](#) (TI) has spent years fighting for this

At the 2021 G7 meetings, foreign ministers have identified corruption as a “[pressing global challenge](#)”. And on [June 3, 2021](#) U.S. President Joe Biden identified the fight against corruption as a core U.S. national security interest: “Corruption erodes public trust; hobbles effective governance; distorts equitable markets; undercuts development efforts; contributes to national fragility, extremism, and migration; and provides authoritarian leaders a means to undermine democracy worldwide.”

In Canada, four former Canadian cabinet ministers have thrown themselves into the effort including the Honourable Allan Rock, Lloyd Axworthy, Ujjal Dosanjh and Peter McKay. The former Liberal leader Michael Ignatieff is among them, too.

Read more about the proposed International Court of Corruption here:

<https://www.macleans.ca/news/canadians-are-leading-the-push-for-a-global-anti-corruption-court/>

## Tracking Canada's Climate Action (2008 - 2021)

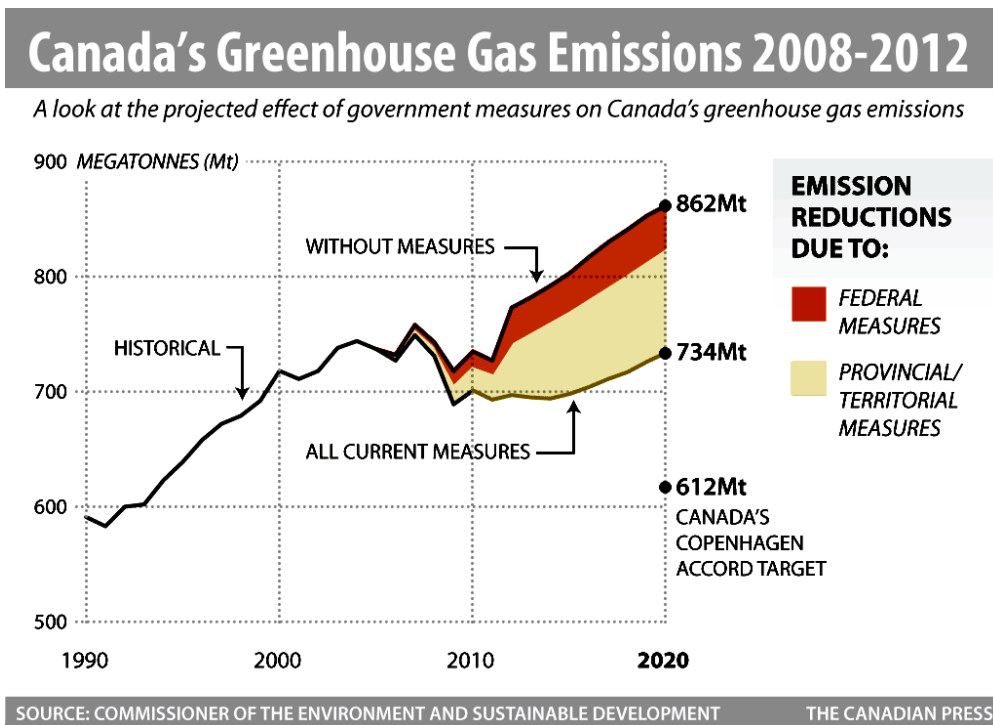


IMAGE SOURCE: [CBC News \(2014\)](#)

In April 2019, Canada's Commissioner of Environment and Sustainable Development, Julie Gelfand, said, "for decades, successive federal governments have failed to reach their targets for reducing greenhouse-gas emissions, and the government is not ready to adapt to a changing climate. This must change."<sup>19</sup>

**2008-2012:** According to Gelfand, Canada's emissions would have gone up significantly between 2008-2012 if it were not for the 2008 recession and actions of the provinces.

**2011-2016:** Climate Action Tracker (CAT) provides an independent scientific analysis produced by three research organizations, tracks progress towards the goals of the Paris Agreement, and ranks countries on their performance.<sup>20</sup> CAT ranked Canada in the lowest category alongside Russian Federation and Saudi Arabia from 2011 to 2015. From 2015 to 2016, Canada's ranking was still at the very bottom.

**2017-2019:** In 2017, Canada was moved into the next CAT category and is now in the middle of the pack.

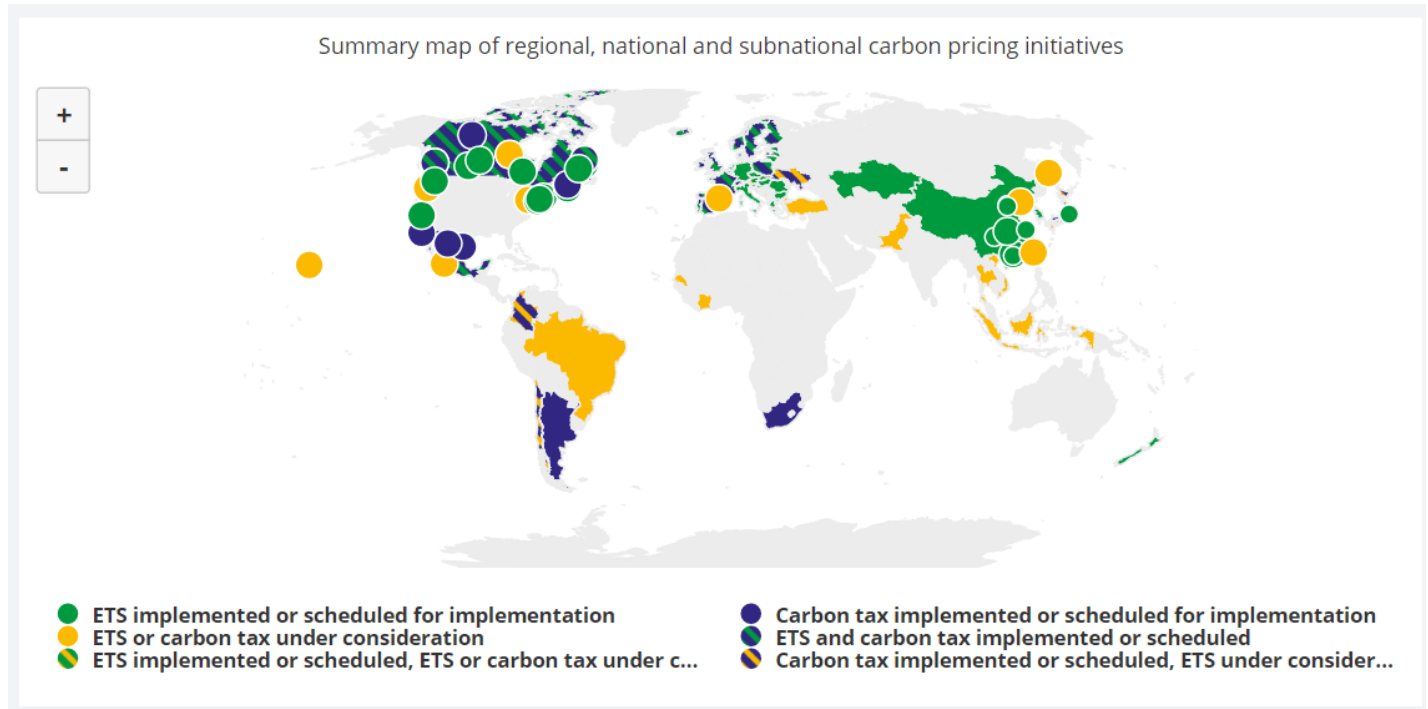
Currently our 2030 Paris Agreement pledge has been increased but it is consistent with a path to a 3 °C rise in global temperatures. This would be catastrophic for humanity. We are in a global emergency. We must strengthen our climate ambitions and treat the climate crisis as a non-partisan issue.

<sup>19</sup> "Canada's failure to fight climate change 'disturbing ... - CBC.ca." 2 Apr. 2019, <https://www.cbc.ca/news/politics/environment-commissioner-julie-gelfand-disturbing-climate-change-1.5081027>. Accessed 13 Aug. 2019.

<sup>20</sup> "Climate Action Tracker." <https://climateactiontracker.org/>. Accessed 13 September. 2021.

# International Climate Policy

## Carbon Pricing Around the World



**Summary map of regional, national, and subnational carbon pricing initiatives.**  
**IMAGE SOURCE: The World Bank's Carbon Pricing Dashboard**

Around the world, carbon pricing initiatives have been implemented or scheduled for implementation in 64 jurisdictions. In total, there are 45 national initiatives and 35 subnational initiatives.

In 2021, these initiatives would cover 11.65 GtCO<sub>2</sub>e, representing 21.5% of global GHG emissions.

For the most up-to-date information, visit the [World Bank's Carbon Pricing Dashboard](#).

## Test Your Favourite Climate Policy at EnROADS

Greenhouse gases from fossil fuels are heating our planet and we must cut emissions now. We don't have time to guess. We must use evidence because we are in a code red for humanity.

But what climate policies are best?

Climate Interactive's policy simulator **EnROADs** at MIT and Climate Interactive is where you can test your favourite climate policies.

In [this four minute video](#) the impact of ending fossil fuel subsidies, maximizing clean energy subsidies, maximizing tree growth and maximizing carbon pricing on global sources of primary energy, air quality and global temperatures compared to the status quo is presented.

Clearly, nothing comes close to carbon pricing and if you play some more with the policy simulator, it is evident that a robust carbon pricing is a key component of any climate plan. As well, the higher the carbon price, the stronger the impact. And, because the vast majority of carbon fees collected funds are returned to Canadians equitably we can ramp up the price without burdening the poor or middle class and thus provoking a tax revolt.

Obviously, complementary policies will be needed to get to 1.5 C but admittedly carbon pricing is the single most powerful tool we have to preserve a liveable world.

Thank you to all the Citizens' Climate Lobbyists in Canada and allies who have stayed focused on championing carbon fee and dividend since 2010. You have made a huge difference.

