



The Hon. Chrystia Freeland
Minister of Finance
Deputy Prime Minister
House of Commons
Ottawa, Ontario

February 9, 2024

Dear Minister,

As you prepare for the 2024-2025 federal budget, please accept this submission on behalf of the Green Party of Canada. It is divided in two quite distinct sections.

The first is a broad conceptual framework, the second features specific requests we hope to see prioritized in the budget.

Conceptual Framework

The 2024-2025 budget represents an opportunity to pivot. It is not an election budget, but it does represent an opportunity to course-correct for assumptions, widely shared, that, post-Covid, our economies globally could “build back better.” Unexpected headwinds, like global inflation, and exogenous events have blown us off course.

Meanwhile, the day-to-day lives of Canadians have become more challenging.

Knowing that within the G-7 Canada has an enviable debt to GDP ratio does not ease the burden of someone struggling to make ends meet. Although it is not irrelevant as data, it is irrelevant when one is worried about being able to pay a mortgage or buy school supplies.

The US economy is roaring back and that bodes well for Canada. Your 2023 Fall Economic Statement shared news of many indicators of future economic stability. But Canadians are increasingly alarmed about the amount of debt and the feeling, widely shared, that the wheels are falling off the bus. What bus? Almost every bus - health care, education, both K to 12 and post-secondary, immigration levels and housing. Affordability is a crisis.



In brief, the public sphere needs substantial re-investment. But the public mood and the political and pundit chatter make simplistic demands for spending cuts more popular. We urge you to use this budget to make it clear that Canada has the wealth and resources required to improve the lives of Canadians while working to balance the books. Key to this is increasing government revenues while cutting only in areas of perverse subsidies.

In this budget, we call on the government to address growing wealth inequality by beginning the process of instituting wealth taxes, including inheritance taxes on estates larger than ten million dollars, and pursuing the cash in offshore tax havens.

We also call on the government to ensure that large corporations, including large grocery chains, are not exempt from paying their fair share. More specifically, we call to reverse the cuts to the corporate tax rate that have occurred since the year 2000 for all corporations, with the exception of small businesses. Additionally, the Canada Recovery Dividend, already applied to the banking and insurance industries, must be extended to the excess profits of the oil and gas sector.

To provide billions towards desperately needed programmes, like pharmacare, dental and the Canada Disability Benefit, we advocate for the cancelling of subsidies for Carbon Capture, Utilization and Storage.

We estimate that the increased government revenue will more than allow the government to eliminate the deficit while also enhancing the social safety net.

Specific Budgetary Requests

1. Fund the Canada Disability Benefit

With the Canada Disability Benefit Act having unanimously passed into law last June, we continue to urgently encourage you to adequately fund the Canada Disability Benefit at a level that will support the diverse needs of Canadians with disabilities.

Canadians with disabilities continue to disproportionately live in poverty in Canada. After years of delay, Canadians expect the benefit to be funded and delivered. This benefit must meet its intended purpose to alleviate the financial burden associated with medical expenses, specialized equipment, accessible housing, and reduced earnings at a

level that is above the poverty line and is accessible through a barrier-free application process. By doing so, the government can significantly contribute to reducing poverty in Canada, enhancing the quality of life for Canadians with disabilities, and fostering a more inclusive and equitable society.

Double social housing and address the financialization of housing Homes should be places people live, not commodities for investors to trade. Yet continued under-investments in social housing and incentives for corporate investors commodifying our housing are fueling the housing crisis. We encourage you to invest in at least doubling the social housing stock in Canada, and to put in place a package of measures that would address the financialization of housing. Mike Morrice put forward one example of this last September in Motion 71: an end to the unfair tax exemptions that real estate investment trusts (REITs) currently enjoy. Since tabling this motion, the PBO costed the measure, showing it would generate over \$300 million over 5 years to be reinvested in the affordable housing our communities need.

2. Pharmacare

As was noted in the 2020 Fall Economic Statement (FES), the government was prepared to start with incremental steps. The Hoskins Report recommendations should be implemented now.

We call on the government to begin the process of establishing a formulary of approved medications for bulk purchase, working under the guidance of the UBC Therapeutics Initiative, as Health Canada does not eliminate the conflict of interest and undue corporate control over decisions of drug safety.

3. Mental health and addictions

The opioid or poisoned drug crisis, as well as the mental health crisis, is a national health emergency that requires urgent action from all levels of government.

It is past time to decriminalize simple possession of unregulated drugs, a measure that would save lives and reduce health care costs. The rising death rate is not an overdose crisis as much as it is a poisoning crisis, stemming from the contamination of a wide range of drugs, including non-opioids, with fentanyl. Addressing the poisoned drug supply requires decriminalizing simple possession, coupled with significant funding for



additional supports, like addiction counseling and services for those trying to end their addiction.

Adolescents are particularly in desperate need of addictions services designed for them. Additionally, Indigenous communities, many of which currently lack quality care, should be prioritized.

We urge the government to treat the opioid crisis as a public health issue, not a criminal one. We support the calls of The Canadian Federation of Medical Students to expunge the criminal records of those charged with simple possession of unregulated drugs, to ensure these charges do not impact future opportunities, including employment and housing.

We recommend that the government develop a national strategy on substance use with input from key stakeholders, especially those from racialized and marginalized communities. This should include increased funding for safer supply projects, ensuring universal and low-barrier access to treatment and harm-reduction services and implementing evidence-based prevention programs.

To continue, Canadians deserve to have affordable and accessible mental health care, as part of a truly universal health care system. The mental health of Canadians has suffered through the pandemic, creating longer wait times and leaving many in crisis. It is time to place mental health services within the Canada Health Act and to bring in the previously promised Canada Mental Health Transfer to provinces. We are so pleased that the November FES announced the intention to remove any value-added taxes (GST, HST) from counselling services. As a second step, uninsured low- and middle-income Canadians should be provided with free access to counselling services.

We also ask the government to provide long-term funding to the Canadian Institutes for Health Research to increase mental health research, proportional to mental health's burden of disease.

Post-secondary institutions are in dire need of adequate mental health services for the student population. Even before the pandemic, in spring 2016, the National College Health Assessment surveyed 43,000 students and found a significant degree of stress, depression, and even suicidal thoughts – an alarming 13 per cent had seriously considered suicide. We support the call from the Canadian Alliance of Student

Associations for a new fund of \$500 million over five years to hire mental health professionals on post-secondary campuses.

Apply the Canada Recovery Dividend to oil and gas companies Finally, to help address affordability issues from coast to coast to coast, we urge the Government of Canada to move forward with a windfall tax on the fossil fuel industry's excess profits - as this government has already applied to the banking and life insurance industries through the Canada Recovery Dividend. This measure aligns with the urgent need to address the economic challenges faced by Canadians, hold major polluters accountable, and contribute to essential initiatives for responding to the climate crisis. Recent analysis from the PBO shows that a 15% tax on profits exceeding \$1 billion would generate \$4.2 billion on 2022 profits alone. This revenue could be directed to proven climate solutions that would help Canadians with the rising cost of living, like expanding the Greener Homes Grant program, expanding programs to fund heat pumps, and investments in public transit.

4. Invest in the national electricity grid

Real climate action boosts our economic future. Making the national electricity grid a reality in an interconnected system of smart grids is a critical piece of our renewable energy decarbonized energy system. Although it will take a large investment and substantial inter-provincial cooperation, it is key to meeting Canada's COP28 agreements to triple renewable energy by 2030. The electric grid is a key aspect of that commitment. The Green Party endorses the specific measures for an enhanced grid capacity and connectivity as found in the Green Budget Coalition Submission.

5. Invest in intermodal ground transportation system

A system of sustainable, affordable, ground transportation, between urban areas and including in remote and rural areas is another key nation-building project. As in earlier years, we advocate for an intermodal ground transportation system, as recommended by the Inquiry into Missing and Murdered Indigenous Women and Girls. Supporting local and regional bus companies, like Maritime Bus and Wilson's in BC, connecting to VIA Rail across Canada is key to building the basic needs of Canadians. Despite the rhetoric around High Frequency Rail (HFR) as supporting this goal, we are extremely concerned that, as currently envisioned, HFR is likely to undermine passenger rail everywhere but in the Windsor Quebec Corridor. This segment of the HFR website makes the risk clear:

“Once HFR is in service, VIA Rail is expected to continue operating its long-distance services from Toronto to Vancouver and from Montreal to Halifax.”

<https://hfr-tgf.ca/faq/>

In other words, the plan is for VIA to be locked out of the Windsor Quebec Corridor, the source of over 90% of its revenue. The likely result will be the loss of passenger rail everywhere else. This privatization of passenger rail in its most profitable routes will be subsidized with at least \$12 billion public dollars. We urge the current RFP for HFR to international consortia be halted pending review. We need to ensure public dollars go to a public system. We urge that the 2024-2025 budget fund immediate needs for VIA Rail to purchase new rolling stock and expand its routes in BC and the Atlantic region, while pausing the HFR project to ensure it is not a Trojan Horse to destroy the limited passenger rail we now enjoy.

6. Replenish the Greener Homes Grant programme

Replenish the Greener Homes Grant programme with \$4 billion to continue to move toward the COP28 goal of doubling energy efficiency by 2030. Helping Canadians cut costs while cutting Green House Gases is smart policy at every level.

7. Support to the Territories for accessible transportation routes

Provide additional support to the Territories for their specific needs for accessible transportation routes in the event of emergencies.

8. Invest in adaptation and emergency preparedness

Despite the 2022 Adaptation Strategy, Canada remains woefully unprepared for heat domes, fires, droughts, floods and intense killer storms, from hurricanes to tornadoes to derechos to ice storms. Budget 2024 should fund critical innovations in Adaptation and Emergency preparedness. With federal leadership, we call on the government to immediately create a permanent working group engaging federal, provincial/territorial, local and Indigenous governments in enhanced resilience, early warning and adaptation strategies to save lives in climate events.

9. Establish national firefighting capacity



With 2023 being the worst year in Canadian history for wildfires in nearly every province, with the longest wildfire season on record, establish national firefighting capacity, including purchasing Canadian-made water bombers (recommending the DHC-515 Firefighters).

10. Increase our International Development budget

Lastly, we urge the government to increase our International Development budget, last year cut by 15%. The multiple humanitarian crises globally require emergency aid, undermining the key and long-term investments required for the education of women and girls – investments that led to growing resilience and success in the least developed nations of our shared planet. We urge a doubling of our ODA funding. We also urge Canada to lead the world in launching a global rethink of the Bretton Woods institutions along the lines of policy changes urged by Sir Nicholas Stern and Prime Minister Mia Mottley – with efforts such as the IMF collecting taxes from international aviation and shipping, a tax on currency transactions (Tobin Tax) and other measures to fund desperately needed climate actions and adaptation.

Many thanks for your consideration.

Sincerely,

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