



Federal budget 2009 and the Environment

Where is the green stimulus?

Stephen Harper's budget will not lead Canada to a green future. Canadians need a budget that will boost the economy *and* fight climate change. We need a budget that will curb our dependence on fossil fuels and cut greenhouse gas emissions. We need a budget that will put us on a long-term path to a low-carbon economy bolstered by massive investments in renewable sources of energy and energy efficiency. That is what the green economic future looks like and Harper's plan will get Canada nowhere near this.

Shortly after US President Barack Obama rolled out a green stimulus Harper still doesn't get it, still doesn't understand the economy and the environment are directly linked. His plan will push Canada well back in the pack in the race to escape the global economic mire and secure a sustainable future. While so much of the rest of the world moves on to deal with the climate crisis and reshape their economies and societies, Canada will fall further behind if it clings to Harper's old-fashioned and short-sighted economics.

What's in the budget?

- \$1 billion over five years for a Green Infrastructure Fund.

- \$300 million over two years to the ecoENERGY retrofit program.
- \$500 million over two years for social housing renovation and energy retrofits.
- \$125 million for carbon capture and storage projects.
- \$ 1 billion over five years to support clean energy technologies, which includes \$150 million for research and \$850 million over five years for the development and demonstration of technologies, such as, again, carbon capture and storage.
- Accelerated capital cost allowances to promote investment in certain clean-energy technologies, with, again, carbon capture and storage centred out as a potential beneficiary.
- \$10 million for government annual reporting on environmental indicators.
- \$351 million for 2009-2010 to Atomic Energy of Canada to advance the development of nuclear reactors.

- “Regulatory efficiencies” may be applied to infrastructure projects subject to the Canadian Environmental Assessment Act.

What does it mean?

The 2009 budget is a missed opportunity to green the Canadian economy. The budget does not address climate change, does not shift Canada to renewable sources of energy, does not create sustainable and healthy communities, and will not stimulate job growth via green initiatives. Harper’s government continues to have zero environmental credibility.

What scant environmental provisions are in the budget are misdirected. For example, carbon capture and storage continues to be promoted by Harper as a solution for the climate crisis. This is nothing less than a wide of the mark allocation of resources to an unproven technological fix that will achieve little in terms of dealing seriously with climate change. Carbon capture and storage is a false solution to climate change.

The budget suggests environmental impact assessments will be “streamlined”, meaning thorough assessments may be leapfrogged to allow projects to go ahead without heeding their environmental impact.

The Green Infrastructure fund looks enticing but the money is spread over five years and there are no details on how the funds will be allocated. This vagueness suggests there is no plan and no willingness to see meaningful green infrastructure development through to fruition. What’s more, the Harper government is also allocating huge dollars to conventional infrastructure development, such as roads,

bridges, etc., that will exacerbate bad choices, namely more cars and trucks on the road. This will not improve air quality in and around our cities, or cut greenhouse gas emissions, or improve urban density, or move Canada toward a low-carbon infrastructure.

This budget fails to promote renewable energy, energy efficiency and climate change solutions. By comparison, Obama has pledged approximately \$55 billion in equivalent Canadian dollars for clean energy development, a ratio – based on population – that is four times higher than what is proposed in the Harper budget. What’s more, Obama’s plan aims to create green jobs and promote energy efficiency, renewable sources of energy and climate change solutions across a wide range of sectors (e.g., in federal buildings, schools, low-income housing and even the military). Harper’s budget comes nowhere near this level of financial commitment and vision.

The prime failure of this budget is that it does not link the environment to economic recovery. Harper continues to take an antiquated approach to the environment – to separate it out of his government’s thinking and actions by omitting it from the core of his economic recovery plan. Obama – and other world leaders – have not made the same mistake and are pushing well past neo-Con knuckle dragging on environmental issues. Harper, with this budget, continues to show that he is yesterday’s man and well out of step for what the world requires: progressive green economics for our future low-carbon society.

What are better choices?

- A green stimulus plan that would push Canada to finally merge the economy and the environment, steering the country to a low-carbon future. This is

where so much of the rest of the world is headed, including our neighbours to the south.

- An economic stimulus based on greening the economy for the long-term.
- Massive investments in genuinely renewable sources of energy, such as wind, solar and tidal power and assurances that these forms of power would be in public hands.
- An aggressive program to reduce carbon emissions.
- Long-term retrofitting and energy efficiency programs for government buildings, low-income housing and commercial buildings.

- To assign a price on carbon to help cut carbon emissions and to establish a national cap and trade systems now with measures to protect vulnerable Canadians and industries, with the money raised used for further actions to reduce greenhouse gas emissions.
- Investment in a green jobs development strategy.

Stephen Harper still has no environmental vision. He obstinately refuses to see the way forward. His government's central failure is that it continues to separate the environment from the economy, allowing short-term money matters to trump the planet that sustains us. Harper permits this to the detriment of all Canadians, particularly future generations.