



2024

Fall Economic Statement

The 2024 Fall Economic Statement – Climate-related Measures

A summary by Robert Lyman, former federal public servant of 27 years, diplomat for 10 years.

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\$61.9 Billion Budgetary Deficit 2023-24

- News about the 2024 Canadian federal government [Fall Economic Statement](#) has been dominated by reports on the political crisis that has followed the resignation of Chrystia Freeland, the Finance Minister and Deputy Prime Minister. To the extent that the national news media has reported on the contents of the statement, it has focused on a single number – **the reported \$61.9 billion budgetary deficit for fiscal year 2023-24, far above the \$40.1 billion “guardrail” that the government had set for itself.**

- \$61.9 billion budgetary deficit for fiscal year 2023-24, far above the \$40.1 billion “guardrail”





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- There, however, is worse economic and fiscal news in the statement. To pick a few items:
- The projected deficit for 2024-25 is \$48.3 billion and that for 2025-26 is 42.2 billion, almost certain to be under-estimates if the Trudeau government remains in office;
- Total expenditures in 2023-24 were \$514 billion and these are projected to grow steadily to \$640 billion by 2029-30.
- The federal government debt is (optimistically) projected to grow from \$1,236 billion (one trillion two hundred thirty-six billion) in 2023-24 to \$1,436 billion (one trillion four hundred thirty-six billion) in 2029-30.
- Elderly benefits payments are projected to grow from \$76 billion in 2023-24 to \$104 billion in 2029-30, an increase of 37 per cent in six years.
- Equalization payments are projected to grow from \$24 billion in 2023-24 to \$30.7 billion in 2029-30, an increase of 28 per cent.

The background image is a composite of two contrasting scenes. The upper portion shows a dark, turbulent sky with multiple bright, jagged lightning bolts striking down. The lower portion shows a dry, cracked, and dusty road that stretches from the foreground into the distance. The horizon is marked by a faint silhouette of a city skyline under a hazy, orange-tinted sky, suggesting a sunset or sunrise. The overall mood is one of environmental crisis and urgency.

The government's climate-related
expenditures received almost no
attention, but they too are worth noting.

Here are the main items announced in the Statement:

Energy Retrofits with \$40,000 Interest-Free Loans

- Taxpayers will henceforth subsidize even more expenditures by homeowners seeking to reduce their energy bills. The Canada Greener Homes Loan Program provides 10-year interest-free (to the homeowner) loans of up to \$40,000 to reduce the costs of heating and cooling. The Statement announced that this program will give away an additional \$600 million in loans to 15,000 to 24,000 more homeowners, at a fiscal cost of \$174.4 million over six years.



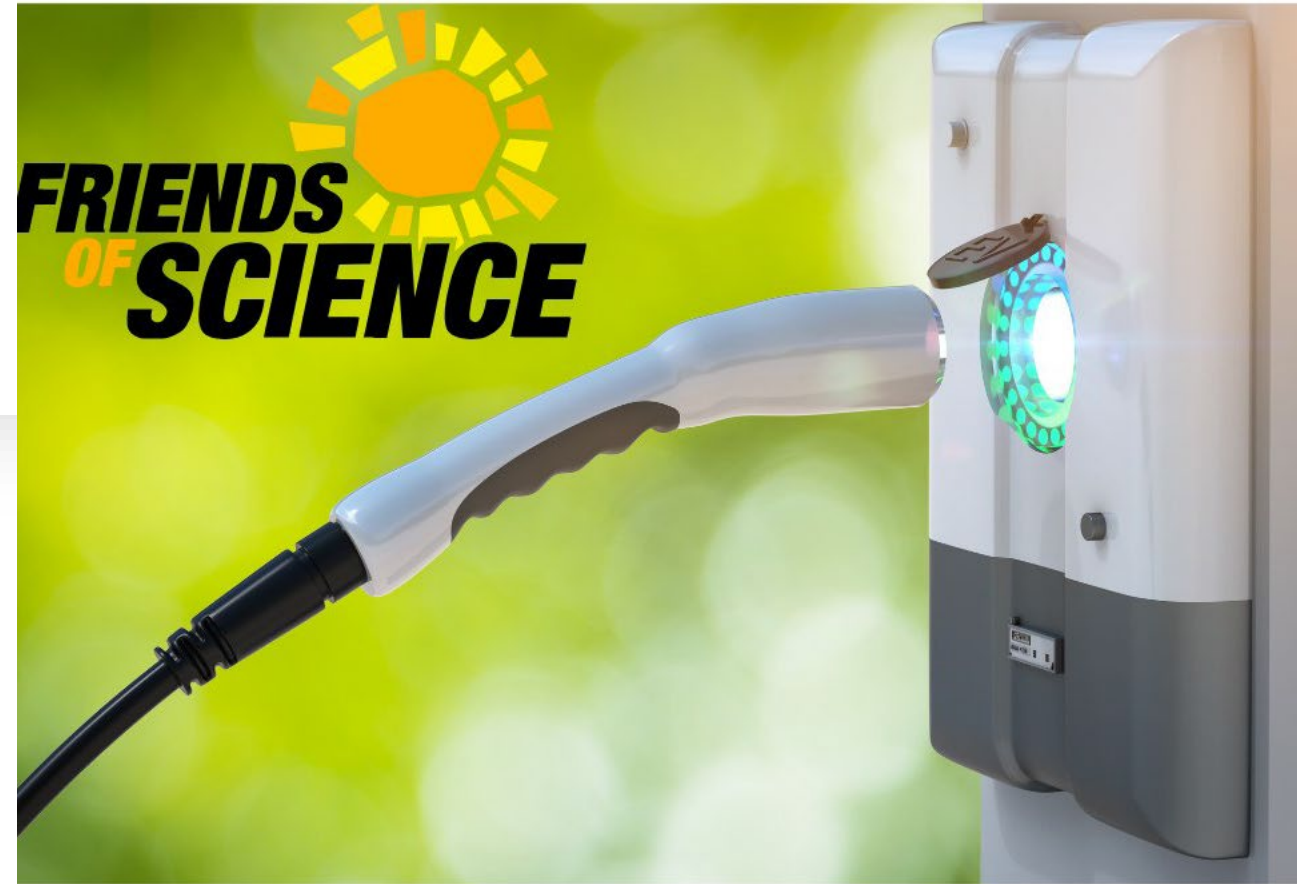
Reducing Red Tape – for “Green” Projects Only

- The statement announced the government’s intent to amend the Physical Activities Regulations (the “Project List” of new projects that must undergo the ordeal of federal environmental impact assessment) to advance the principle of “one project, one review”.
-



Implementing the Electric Vehicle Supply Chain Investment Tax Credit

- The Clean Technology Manufacturing Investment Tax Credit is a tax-based subsidy whereby taxpayers pay 30 per cent of the cost of certain manufacturers' investments in eligible new machinery and equipment used to manufacture electric vehicles (EV), EV batteries, and certain EV battery components. The Statement announced the design and implementation details of the EV Supply Chain investment tax credit. Notably, the credit applies to acquisitions of at least \$100 million in eligible property. It will be reduced to 5 per cent for 2033 and 2034, and the credit would no longer be in effect after 2034.

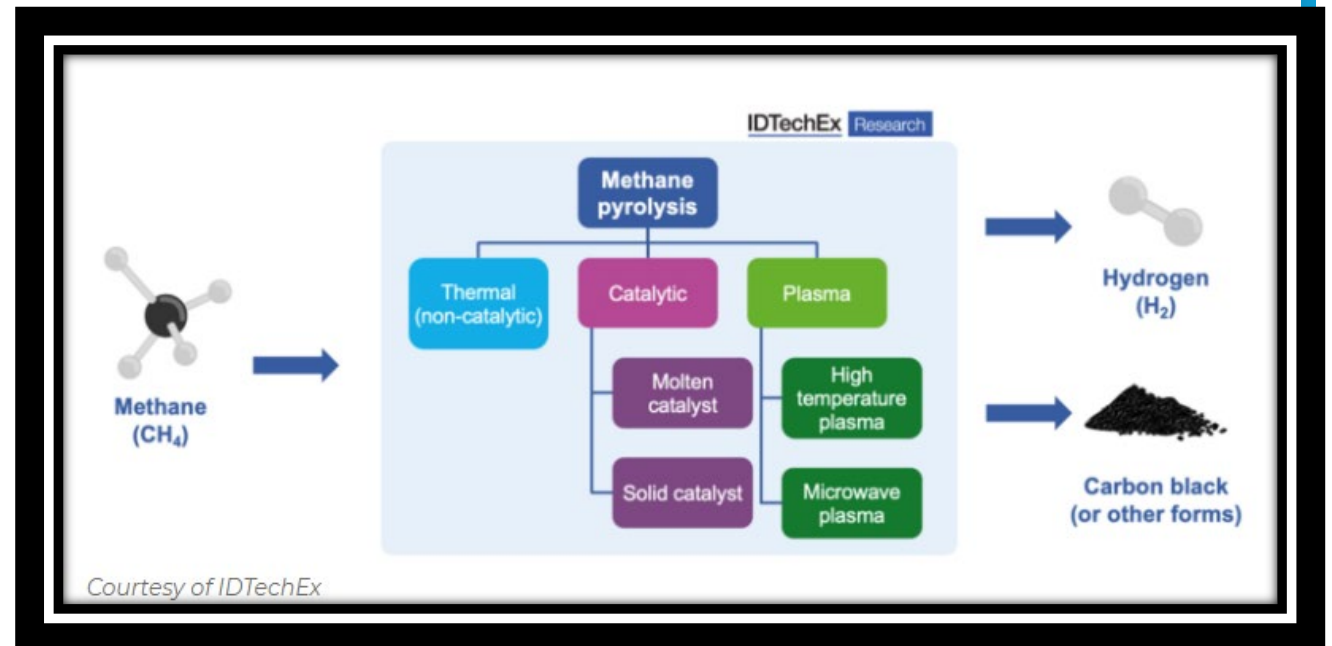


How Much Are New EVs Going to Cost Taxpayers?

Learn about the subsidies our government is giving to new EV owners

Making “Clean” Hydrogen through Methane Pyrolysis

- Methane pyrolysis is a process that splits methane molecules into hydrogen and carbon in its solid form. The Statement proposes that the Clean Hydrogen Investment Tax Credit (another tax-based taxpayer subsidy that pays between 15 and 40 per cent of the cost of purchasing and installing the eligible equipment) apply to methane pyrolysis. This is expected to cost \$43.5 million over five years, starting in 2025-26. Hydrogen, by the way, is not a fuel, and there remain several unresolved problems about how to safely transport and use it.



Converting the Belledune Generating Station from Coal to Biomass Energy

- The Belledune Generating Station in New Brunswick is now a vital electricity generating source for the provincial grid. The Statement announces the government's intent to "support" the conversion of the plant from coal to biomass. Naturally, the statement included no estimate of the cost of the conversion or of the cost per tonne of the carbon dioxide emissions avoided.

NB Power Looking For New Fuel Source For Coal-Fired Belledune Generating Station

Saint John, NB, Canada / Country 94

News

Dec 13, 2017 | 9:31 AM



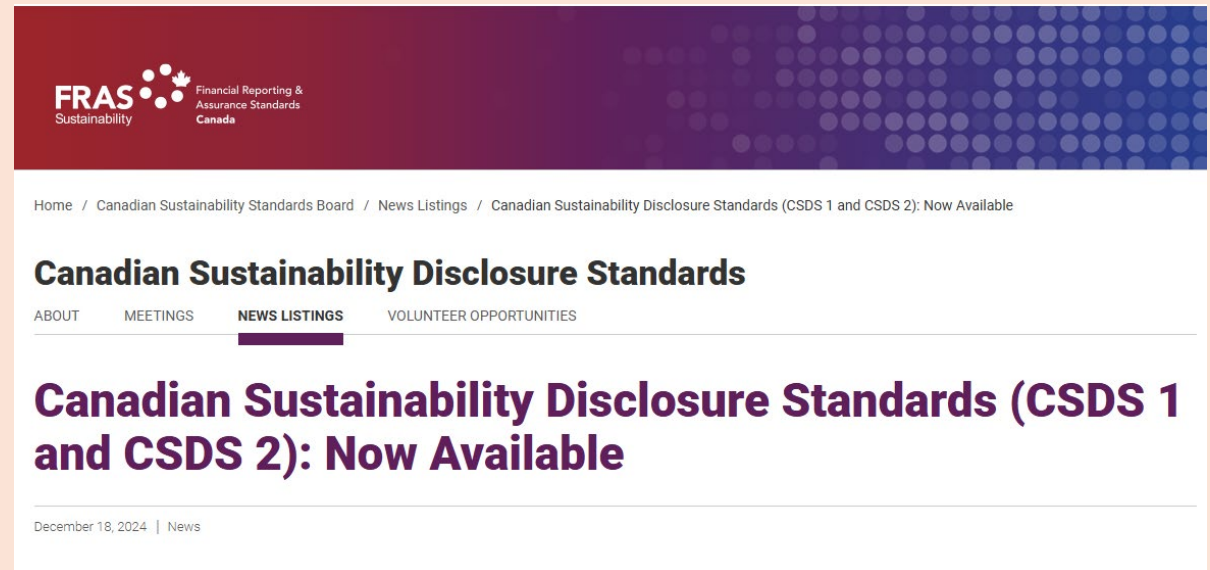
<https://www.country94.ca/2017/12/13/nb-power-looking-for-new-fuel-source-for-coal-fired-belledune-generating-station/#>

Using Climate Policy to Restrict Trade

- In 2023, the European Union implemented a Carbon Border Adjustment Mechanism, another name for a restrictive tariff on the imports of “carbon intensive products” from countries that do not impose the same carbon dioxide-related taxes and restrictions as do the European countries. The Statement announced that the Canadian federal government is now “working with key emissions intensive, trade exposed sectors to assess the domestic emissions intensity of their Canadian production”. This “engagement with stakeholders” will provide input to the “ongoing consideration of potential measures to address high-emissions imports, including Border Carbon Adjustments and emissions standards”.
- What timing! Proposing to impose carbon-based tariffs to restrict imports from the United States would be the equivalent of waving a red flag to the Trump Administration bull.



Mandatory Climate-Related Financial Disclosures



- The government recently announced that it is moving forward with mandating climate-related financial disclosures by large, federally-incorporated private corporations. The Statement announced the government’s intention to introduce legislative amendments to the Canada Business Corporations Act to create a “regulatory authority” to enable climate-related financial disclosure requirements for such companies. The Statement also confirmed that the government “remains committed to advancing Made-in-Canada sustainable investment guidelines”.

Carbon Tax, What Carbon Tax?

CO₂
TAX

- It was interesting to note that in the summary financial tables included near the end of the Statement, there is a table that lists the government's present and projected "pollution pricing proceeds to be returned to Canadians". Separately, there is a statement that "pollution pricing is revenue neutral" and that "proceeds returned to Canadians represent the return of all direct proceeds from the federal fuel charge to Canadians and businesses in the jurisdiction from which they are collected". The federal fuel charge is only one part of the pollution pricing system, the other part being the Output-based pricing system (OBPS) imposed on large industrial emitters. The Statement does not include an indication of all the revenues received by the federal government as a result of both parts of the pollution pricing system. In the case of the OBPS, the funds are not rebated to industry or to households; in fact, they are used to fund two federal emissions reduction programs, the Decarbonization Incentive Program and the Future Electricity Fund. This is a distinction that will not be understood by many Canadians.

Friends of Science note;



- Table A1.7 , ‘The Revenue Outlook’ of the Fall Economic Statement shows the carbon tax, labeled “Pollution pricing proceeds”. The carbon tax was \$10.5 billion in 2023-2024, increasing to \$21.7 billion in 2029-2030. The carbon tax returned to Canadians is shown in table A1.8, ‘The Expense Outlook’, which was \$9.9 billion in 2023-2024: however, this is misleading as the rebates might be delayed and a portion of that is actually used to fund the Decarbonization Incentive Program and the Future Electricity Fund.

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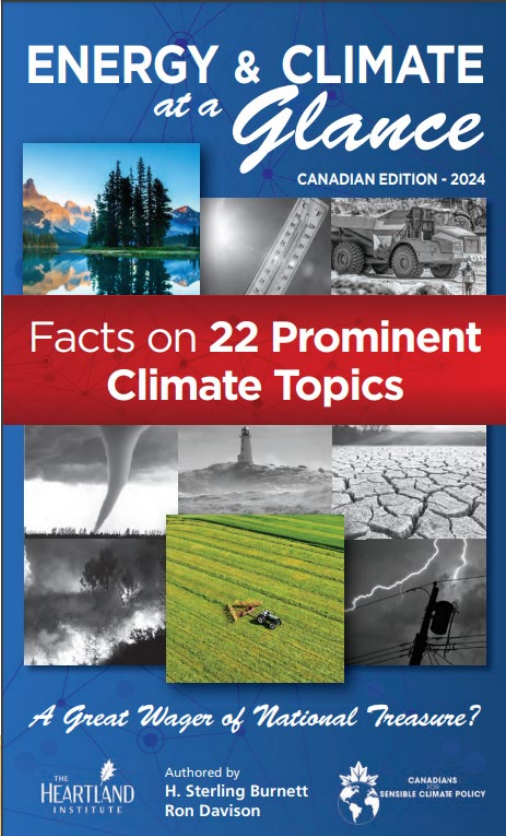


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at a Glance
CANADIAN EDITION - 2024

Facts on 22 Prominent Climate Topics

A Great Wager of National Treasure?

THE HEARTLAND INSTITUTE
Author: H. Sterling Burnett
Author: Ron Davison

CANADIANS FOR SENSIBLE CLIMATE POLICY

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Energy & Climate at a Glance: Canadian Edition

We are pleased to announce the release of *Energy & Climate at a Glance: Canadian Edition*. This 88-page book, published by [Canadians for Sensible Climate Policy](#) (CSCP) and [The Heartland Institute](#), is a timely counter to the “Net Zero” push, and outlines how that goal is unachievable by 2050, scientifically unnecessary, and will ensure lower standards of living with no appreciable environmental benefit.

The book’s lead authors are Ron Davison, P.Eng., president of [The Friends of Science Society](#), and H. Sterling Burnett, Ph.D., of [The Heartland Institute](#)

See [HERE](#) for further information.

We appreciate your patience as we sort out the logistics of distributing the book during the ongoing postal strike.