# Macroeconomic Policy

## Recovery in the Era of Slow Growth

Like much of the developed world, Canada's economy in 2016 continues to be afflicted by slow growth. The first half of 2015 produced yet another recession, and though it was not as severe as in the aftermath of the 2007–08 financial crisis, recessions are never good news.

Since 2008, the Bank of Canada has held the monetary pedal to the metal with its benchmark overnight rate sitting very close to the zero lower bound. In 2015, the rate was cut to 0.5%, near what the bank considers its lowest option (0.25%). The message being sent to households and businesses is to borrow as much as they can in the hope it will kick-start stalled GDP growth. Average interest rates on five- to 10-year Government of Canada bonds sit below 1%[1] while mortgages can be had at rates of 2.5%. With inflation of about 2%, investors on the other side of those transactions can expect to break even at best, or even lose out at the end of the day.

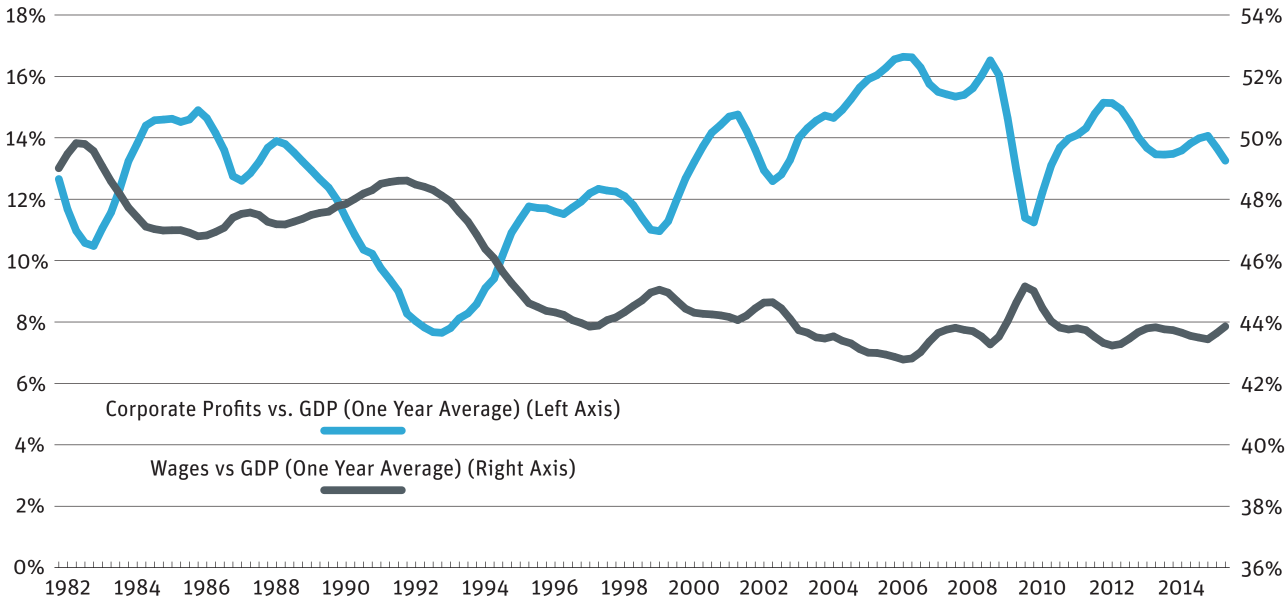
Low oil prices, resulting in a collapse of capital spending in the tar sands, were nominally to blame for the 2015 recession. However, this only highlights Canada's deeper structural problem of slow growth. Despite the unprecedented push to borrow more, Canadian households and businesses were not willing to take on enough debt to make economic growth positive, much less normal, in the first half of 2015. It is a sign the Bank of Canada does not have the financial might to push the Canadian economy back to where it once was.

In fact, it now appears Canada's long-term prospects have been permanently harmed by economic approaches that rely on monetary policy without fiscal stimulus. In 2009, the federal budget projected long-term real GDP growth of 3%.[2] Based on the most recently available data, Finance Canada now estimates it will be more like 2%.[3] The Parliamentary Budget Officer is even more pessimistic, predicting long-term real GDP growth of 1.8%.[4]

In other words, the potential of the Canadian economy, in an ideal sense, has decreased by a third over the course of a sluggish seven-year recovery. Slow growth that is much more prone to technical recessions has become Canada's new normal.

The speed at which an economy grows is important, but so is the distribution of the new wealth it produces. As *Figure 1* illustrates, a higher proportion of GDP gains continues to go to profits compared with wages—a trend that really picked up in the early 1990s and was only temporarily interrupted by the Great Recession of 2008–

**FIGURE 1** GDP Split Between Profits and Wages




**Source** Cansim table 380-0063 and author's calculations.

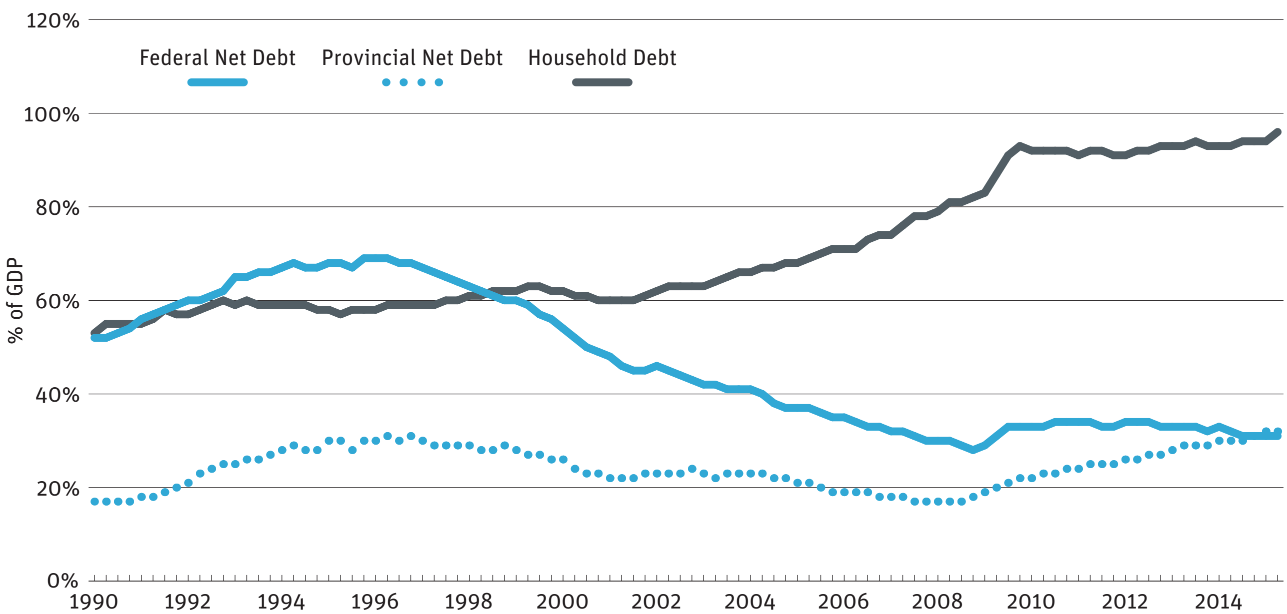
09. Profits have since recovered as a share of GDP, but the wage share remains stagnant. Absent efforts to rebalance this discrepancy, we can expect future improvements in GDP growth to benefit profits more than previously.

## The Canadian Debt Picture

Household debt, mostly attached to mortgages, sits at 96% of GDP, which is far higher than the debt of any other sector in the Canadian economy. As housing prices rise, mortgage values must rise in step to finance new purchases. While there has been endless concern about the federal government running a deficit of several billion dollars, households collectively ran a $76-billion deficit in 2014 in order to purchase and upgrade their houses. Canada's highly leveraged households are therefore at substantial risk from future increases in interest rates or downturns in property values.

In contrast, government debt (both provincial and federal) is relatively low, representing roughly 30% of GDP for each. As predicted in last year's Alternative Federal Budget (AFB), total provincial debt overtook federal debt in 2015 for the first time ever. The provinces ran $10 billion worth in deficits in 2014 to the federal government's small surplus. Absent new spending initiatives announced in the Liberal election platform, the federal deficit would be $2.3 billion in 2015–16, while Ontario and Alberta project $5.7-billion and $6.3-billion deficits respectively.[5,6]

**FIGURE 2** Debt Levels in Canada




**Source** Cansim tables 378-0125, 378-0123, 378-0122, 380-0063 and author's calculations.

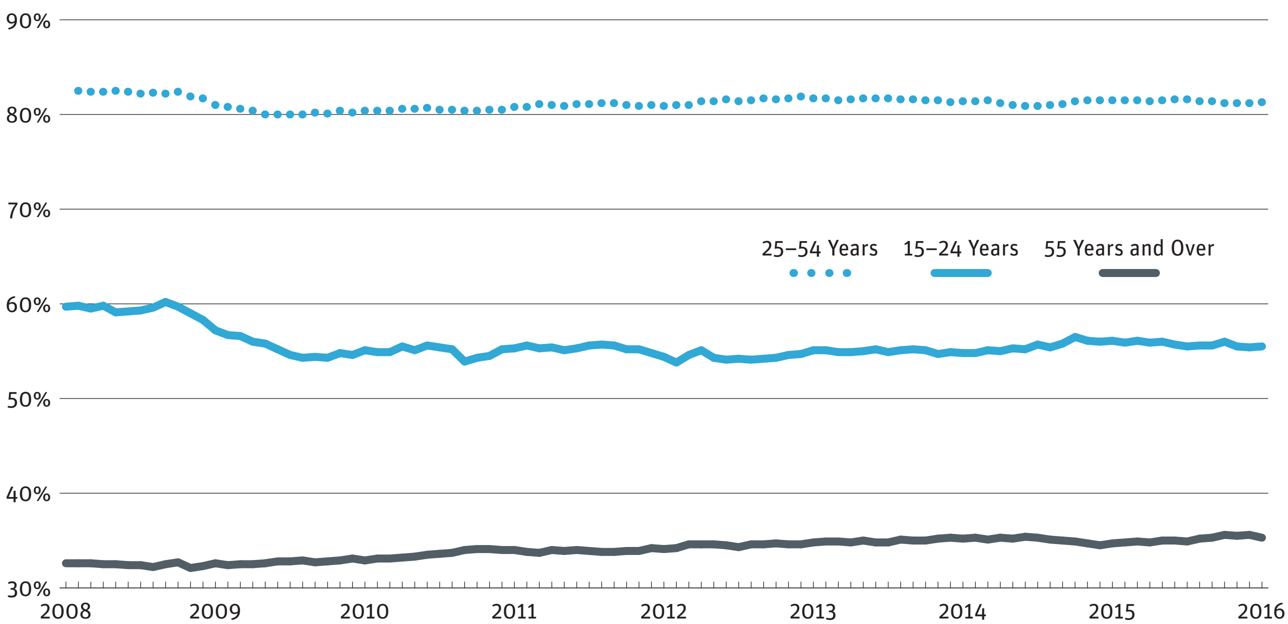
This trend toward higher provincial debt and deficits, which started in 2008, shows no signs of changing—even as the federal Liberal government plans to carry high deficits to fund new infrastructure and program spending. We can say, then, that Ottawa's relatively stable financial position rests on the backs of indebted Canadian households and the provinces.

## Canada's Labour Market

Unemployment is often used as a simple, single measure to represent the health of the job market. One of the downsides of this approach is that the unemployment rate can go down for two reasons: more people may be finding work, but they can also just stop looking, as is the disturbing trend since 2008. In the current environment, the employment rate is a better measure of the job market. It tracks the proportion of Canadians who have a job irrespective of whether or not they are looking for one.

The employment rate has not recovered since 2008 for youth or adults in their prime working years. For Canadians 55 and over, however, not only did the 2009 and 2015 recessions not affect the employment rate, but it has climbed steadily. Youth have been the hardest hit of the three age groups: employment rates fell from highs of 60% prior to the recession in September 2008 to only 55.5% in January 2016, with young men facing a bigger drop than young women. If today's employment rate had been the same as it was in 2008, 186,000 more young people would be working.

**FIGURE 3** Employment Rates by Age Group




**Source** Cansim table 282-0087.

Adults aged 25–54 are also not working as much as before the 2008 recession, when employment rates hit 82%. In January 2016, the employment rate for this group was 81.3%. Both men and women in this category saw a similar drop in employment levels, although the rate was already lower for women in 2008. Were employment rates today what they had been before the Great Recession, 146,000 more people in their prime working ages would have a job.

## Canada's Worsening Economy

Projected GDP growth has worsened considerably since the most recent federal economic update in November 2015. Falling oil prices have resulted in estimated 2016 nominal GDP growth being cut from 4.1% to 2.4%. While growth forecasts pick up to some degree in 2017—to 4.6% on the expectation exports will benefit from the low dollar—they are still far below the 5% nominal GDP growth that was the norm in Canada prior to the recent financial crash.

As in previous years, the AFB uses the government's most recent economic update as its base case, this year that came in February 2016.[7] The base case mostly excludes items from the Liberal platform, which can be expected in the 2016 federal budget. It does include the tax bracket rate changes, cancelling the sick leave savings, the summer jobs program and costs of the Syrian refugee program.

The base case also includes a significant "contingency fund" of $6 billion a

**TABLE 1** Base Case (Finance Canada)

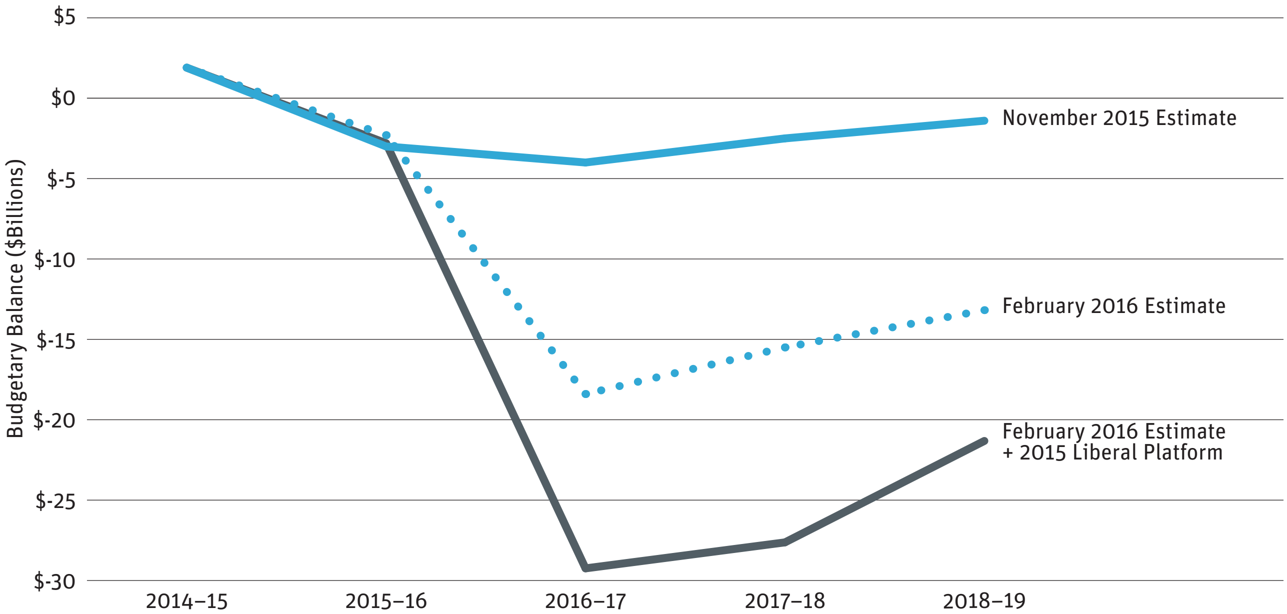
| Macroeconomic Indicators (mil) | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| Nominal GDP | $1,986,000 | $2,033,000 | $2,127,000 | $2,218,000 |
| Real GDP Growth | 1.20% | 1.40% | 2.20% | 2.20% |
| GDP Inflation | -0.60% | 1.00% | 2.40% | 2.10% |
| Nominal GDP Growth | 0.6% | 2.4% | 4.6% | 4.3% |
| Participation Rate | 65.8% | 65.8% | 66.2% | 66.5% |
| Labour Force | 19,266 | 19,459 | 19,773 | 20,061 |
| Employed (000s) | 17,937 | 18,077 | 18,409 | 18,777 |
| Employment Rate | 61.3% | 61.1% | 61.6% | 62.2% |
| Unemployed (000s) | 1,329 | 1,382 | 1,364 | 1,284 |
| Unemployment Rate | 6.9% | 7.1% | 6.9% | 6.4% |
| **Budgetary Transactions (mil)** | **2015–16** | **2016–17** | **2017–18** | **2018–19** |
| Revenues | $290,100 | $285,500 | $298,200 | $310,900 |
| Program Spending | $267,200 | $278,700 | $287,800 | $292,900 |
| Debt Service | $25,700 | $25,600 | $26,200 | $30,000 |
| Budget Balance (Surplus/Deficit) | -$2,800 | -$18,800 | -$15,800 | -$12,000 |
| Closing Debt (Accumulated Deficit) | $616,200 | $635,000 | $650,800 | $662,800 |
| **Budgetary Indicators as a Percentage of GDP** | | | | |
| Revenues/GDP | 14.6% | 14.0% | 14.0% | 14.0% |
| Program Spending/GDP | 13.5% | 13.7% | 13.5% | 13.2% |
| Budgetary Balance/GDP | -0.1% | -0.9% | -0.7% | -0.5% |
| Debt/GDP | 31.0% | 31.2% | 30.6% | 29.9% |

year. Meaning that if the projections of GDP growth are correct, then the base case deficit will be too high by $6 billion a year. In previous budgets, it was generally at a lower $3 billion a year.

As we can see, the impact of low oil prices on GDP in 2016 has reduced revenues and increased expenditures, turning a deficit of $3.9 billion (estimated in the fall) into a $18.8-billion deficit by budget day, gradually decreasing to $12.0 billion by 2018–19, although a third to a half of these deficits are the $6 billion contingency fund.

While the numbers may seem large at first, it's important to recognize these deficits are relatively small compared to the size of Canada's economy, representing about 0.9% of GDP. Note in the table that the federal debt-to-GDP ratio drops to 29.9% by 2018–19, a historical low not seen for the federal government since 1980.

**FIGURE 4** Impacts of the Liberal Platform on Budgetary Figures[8]




**Sources** 2015 Update of Economic and Fiscal Projections; A New Plan for a Strong Middle Class (Liberal election platform); February 2016 Backgrounder — Canadian Economic Outlook and author's calculations.

## The Economic Impact of the Liberal Election Platform

At least in part due to slow growth, there was renewed interest in fiscal policy during the 2015 federal election. After monetary policy, government deficits are the other major lever for affecting growth levels. And with the Bank of Canada so close to the lower bound rate of 0.25%, fiscal policy, including deficit spending, becomes the only internally controlled option (outside of hoping for oil prices to rise).

The Liberal election platform promised larger deficits than any of the other parties. It said a Liberal government would, in its first three years, increase whatever base deficit already exists by (at most) $11.6 billion in the second year. Using the updated base case from *Table 1*, this would result in annual deficits of $29.2 billion, in 2016/17 and $27.4 billion 2017/18 (see *Figure 4*), which is 1.4% of GDP. These figures include the large $6 billion contingency fund.

The actual increase in expenditures would be larger than the deficit, as much of the new spending is covered by increases in revenues. The new spending would be equivalent to 1.8% of GDP at its peak in 2017–18. Incredibly, despite this increase in spending, the federal government would remain relatively small historically speaking. Between 1940 and 2012, federal government total expenditures (program spending + debt service) exceeded 15.4% of GDP in 66 of those 72 years—what it would be if

## TABLE 2 AFB Case

| | 2015–16 | 2016–17 | 2017–18 | 2018–19 |
|---|---|---|---|---|
| Nominal GDP | $1,986,000 | $2,066,000 | $2,178,000 | $2,267,000 |
| Nominal GDP Growth | 0.6% | 4.0% | 5.4% | 4.1% |
| **Revenues (mil)** | | | | |
| Base Case | $290,100 | $285,500 | $298,200 | $310,900 |
| Net AFB Revenue Measures | | $51,300 | $57,700 | $62,600 |
| Additional tax revenue due to higher GDP | | $4,200 | $7,900 | $9,700 |
| Total | $290,100 | $341,000 | $363,800 | $383,200 |
| **Program Spending (mil)** | | | | |
| Base Case | $267,200 | $278,700 | $287,800 | $292,900 |
| Net AFB Program Measures | | $74,400 | $80,400 | $83,500 |
| Total | $267,200 | $353,100 | $368,200 | $376,400 |
| Debt Service | $25,700 | $25,800 | $26,500 | $30,400 |
| Budget Balance (Surplus/Deficit) | -$2,800 | -$37,900 | -$30,900 | -$23,600 |
| Closing Debt (Accumulated Deficit) | $616,200 | $654,100 | $685,000 | $708,600 |
| **Budgetary Indicators as Percentage of GDP** | | | | |
| Revenue/GDP | 14.6% | 16.5% | 16.7% | 16.9% |
| Program Spending/GDP | 13.5% | 17.1% | 16.9% | 16.6% |
| Budgetary Balance/GDP | -0.1% | -1.8% | -1.4% | -1.0% |
| Debt/GDP | 31.0% | 31.7% | 31.5% | 31.3% |
| **AFB Employment Impact** | **2015** | **2016** | **2017** | **2018** |
| AFB Jobs Created (000s) | | 362 | 520 | 468 |
| Population (000s) | 29,280 | 29,573 | 29,869 | 30,167 |
| Participation Rate | 65.8% | 66.8% | 67.8% | 67.9% |
| Labour Force (000s) | 19,266 | 19,755 | 20,251 | 20,484 |
| Employed (000s) | 17,937 | 18,439 | 18,928 | 19,245 |
| Employment Rate | 61.3% | 62.4% | 63.4% | 63.8% |
| Unemployed (000s) | 1,329 | 1,315 | 1,322 | 1,239 |
| Unemployment Rate | 6.9% | 6.7% | 6.5% | 6.0% |

the Liberal government implemented its entire 2015 election platform promises.

## The AFB Case

The 2016 Alternative Federal Budget builds upon the base case in *Table 1*. As such, differences between it and the 2016 federal budget should relate to policy changes, not underlying economic conditions or differences in the contingency fund. The primary macroeconomic goal of the AFB is to drive employment growth. At its peak, the AFB will result in 520,000 new jobs, leading to wage-led nominal GDP growth of 5.4% in 2017. Unemployment will drop to 6% and the employment rate will surpass 63% for the first time since the Great Recession.

The strength behind the AFB recovery in 2016 is much higher government expenditures targeted to have the most impact. Major investments in physical infrastructure, and support for social programs and low-income households form its basis. In total the AFB increases federal expenditures by $74.4 billion, raising the total expenditure-to-GDP ratio to 17.1% in 2016–17. This level was previously seen in 1999.

To pay for these new expenditures, the AFB proposes measures that would increase revenues to 16.5% of GDP in 2016–17, comparable to where they were in 2000 and before. Additional revenues are raised by closing tax loopholes for the wealthy, taxing tax havens, raising corporate taxes, introducing a national carbon tax, and ceasing subsidies to the energy industry. Increasing GDP through targeted expenditures will put more people to work who, in turn, will pay more taxes back to the governments. The AFB raises an additional $4.2 billion in 2016–17 as a result of this virtuous cycle.

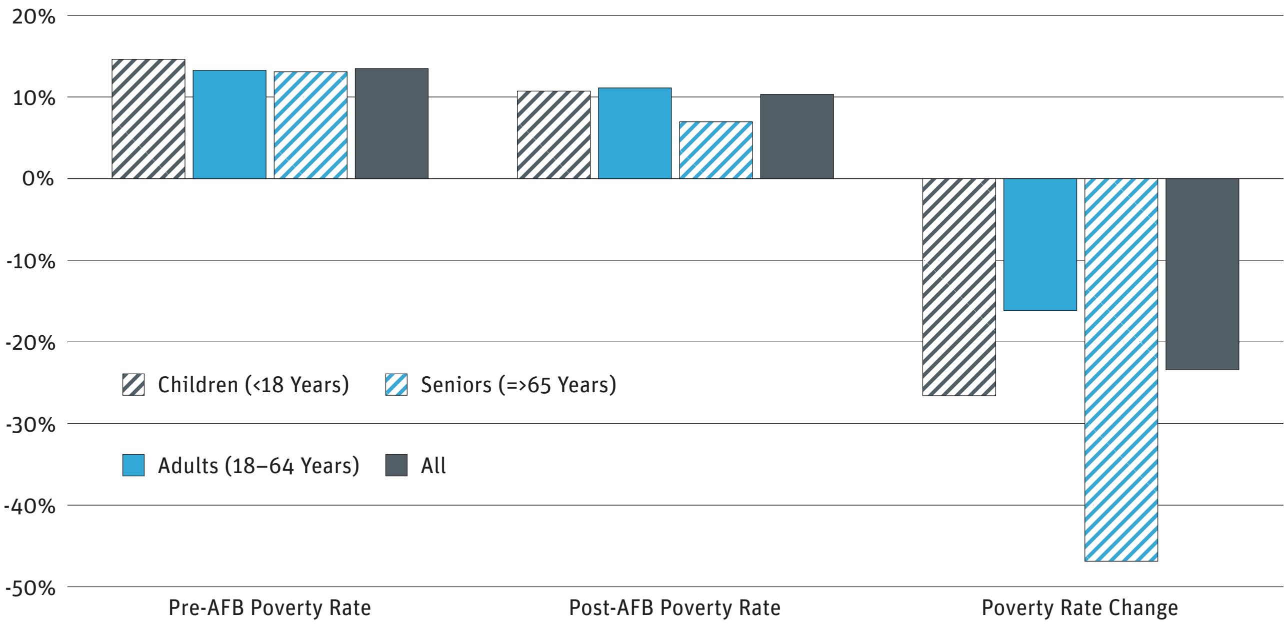
While new tax measures help buffer the cost of new program spending, the AFB books a deficit of $37.9 billion in 2016–17, declining to $23.6 billion by 2018–19, to put people back to work and grow the economy. This is not far from $29.2-billion deficit for 2016–17 that is expected in the 2016 federal budget, including Liberal platform measures. To put the AFB deficit into perspective, it amounts to 1.8% of GDP, which is relatively smaller than any federal deficit between 1972 and 1996.

At the same time, the AFB generates growth sufficient to offset the increase in federal debt. By growing the economy and employing more Canadians, the AFB can enhance public services and offer additional help for the most vulnerable, while maintaining Canada's debt-to-GDP ratio at 31%.

## AFB Impact on Poverty and Inequality

Many Alternative Federal Budget programs will have a direct impact on low-income families and people living in poverty. Broadly speaking, the AFB lifts 1.1 million people above the poverty line, including 380,000 low-income seniors (one in two), 270,000 children (one in three), and 490,000 adults (one in six). Doubling the GST credit, along with a new carbon tax refund (net of the carbon tax itself), will affect all age groups. New transfer payments to the provinces for

**FIGURE 5** AFB Impact on Poverty Rates (2016 LIM-AT)




**Source** SPSDM 22.1 and author's calculations.[9]

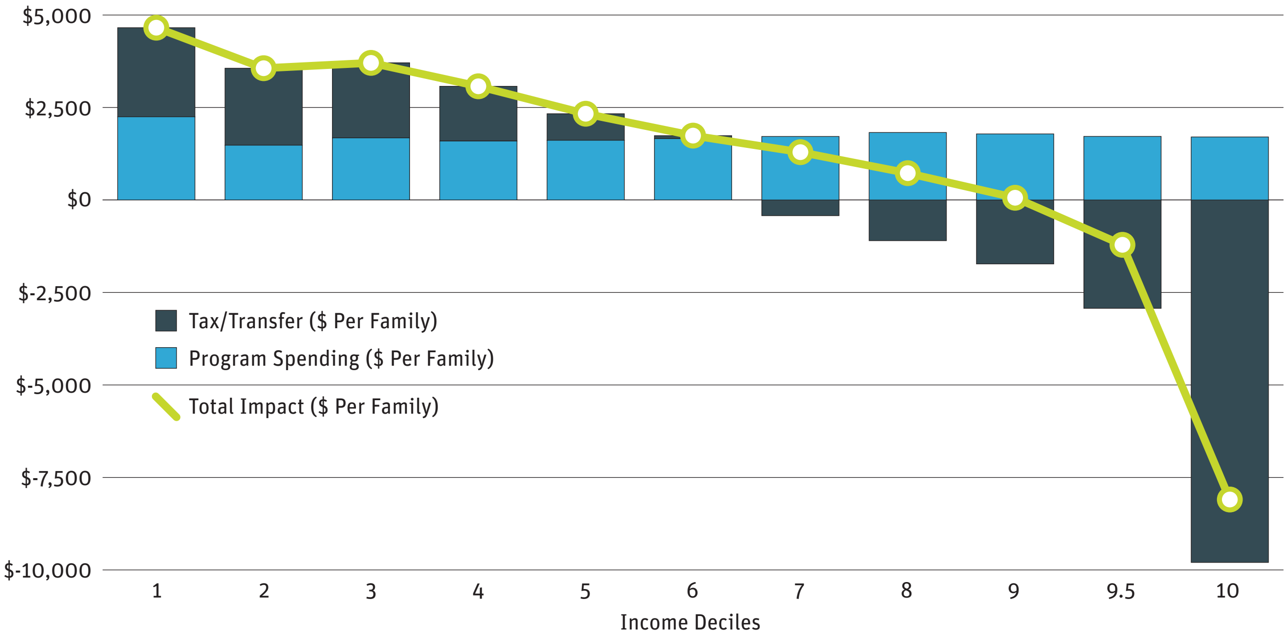
poverty reduction will improve social assistance levels for children and adults. The new Canada Child Benefit—a Liberal policy the AFB adopts here—will drive down poverty among children and their parents. Improvements in the Guaranteed Income Supplement (GIS) will be of most benefit to seniors.

While doing much to address poverty, the AFB also helps to redress income inequality, which is growing in Canada and much of the developed world. It does this in two ways: with net cash transfers, and through the benefits that will come from new and improved programs. The distributional impact of tax or transfer measures in the AFB is tracked using Statistics Canada's tax modelling software SPSD/M. The distribution of program benefits is done by using proxies for the end beneficiaries (e.g., the expenditure benefit of national pharmacare goes to the users who spend the most on prescription drugs).[10]

What these calculations tell us is that middle-income Canadians may benefit from an improved GST tax credit, but also from reduced costs for things like prescription drugs. Some benefits, like those from improved infrastructure, are spread more broadly across the entire population. Some families will pay more in taxes, but this will fund new services that benefit them as much as everyone else.

Although different AFB programs affect families differently, on average those with pre-tax earnings under $77,000 (the bottom 60%) will see their incomes rise as a result of the AFB (see the Tax/Transfer bars in *Figure 6*). This same group will

**FIGURE 6** AFB Distribution of Benefits ($ Per Family)




**Source** Deciles are based on economic family total income before taxes SPSDM 22.1 and author's calculations[11]

also receive additional benefits through programs, as shown in the Program Spending bars. Families in the seventh, eighth and ninth deciles, with pre-tax incomes between $78,000 and $165,000, will see a net increase in taxes. However, those new taxes will be more than offset by new program benefits like free tuition or better healthcare, as reflected in the Total Impact line in *Figure 6*.

We can see that all families making under $165,000 a year will be better off under the AFB, while the top-earning 10% of families will pay more in taxes than they receive in transfers and new programs. The top 5% of earners, in particular, will pay on average $9,800 more per year in taxes, or about 2.9% of their average income. At the same time, this group stands to benefit considerably from free university tuition, pharmacare, improved health care, and better infrastructure.

Canadian families in the bottom deciles see the largest benefit of any group, with incomes rising approximately $2,000 a year per family thanks to improved transfers. Incomes for Canada's lowest-income families will increase on average by almost a quarter. This group, and in particular low-income First Nations families, also benefits from new programs such as health care, free university tuition, and investments in social housing.

The 2016 AFB is a fully developed budget: programs are fully costed and assessed for their impact on government finances and employment. More than this, and unlike any federal or provincial budget to date, the AFB uses sophisticated modelling to examine the distributional impacts, and likely effect on poverty levels, of its programs and tax/transfer measures.

As in past years, the 2016 AFB shows what a progressive Canada could look like with the right policies in place. *Table 3* below outlines the specific measures that will take us there and how we will pay for them. It proves we can fight climate change and create jobs at the same time, how we can reduce poverty through responsible economic growth. The impediments to a more progressive country are not economic and they are not fiscal, they are political.

## Notes

**1** Bank of Canada, Government of Canada Marketable Bonds — Average Yield — 5–10 Year, http://www.bankofcanada.ca/rates/interest-rates/canadian-bonds/

**2** Finance Canada, Federal Budget 2015, Real GDP Growth 2011–2014, pg 60.

**3** Finance Canada, Update of Economic and Fiscal Projections, November 2015. Real GDP growth for 2020.

**4** Parliamentary Budget Office, Economic and Fiscal Outlook, November 2015. Annex A Real GDP growth in 2020

**5** Finance Alberta, 2015–16 Third Quarter Fiscal Update and Economic Statement, February 2016, (http://finance.alberta.ca/publications/budget/quarterly/2015/2015-16-3rd-Quarter-Fiscal-Update.pdf)

**6** Ontario MInistry of Finance, 2016 Ontario Budget, February 2016.

**7** Finance Canada, Backgrounder — Canadian Economic Outlook, February 2016 (http://www.fin.gc.ca/n16/data/16-025_1-eng.asp)

**8** This deficit does not include the moderating impact that economic multipliers of government-induced economic activity will likely have, particularly on government revenues. As a result of the revenue multiplier effect, government revenue may be several billion dollars higher, thereby reducing the deficit by a few billion dollars.

**9** This analysis is based on Statistics Canada's Social Policy Simulation Database Model 22.1. The assumptions and calculations underlying the simulation results were prepared by David Macdonald and the responsibility for the use and interpretation of these data is entirely that of the authors.

**10** The methodology from this approach was derived from: Hugh Mackenzie and Richard Shillington, "Canada's Quiet Bargain: The benefits of public spending," The Canadian Centre for Policy Altneratives, April 2009.

**11** This analysis is based on Statistics Canada's Social Policy Simulation Database Model 22.1. The assumptions and calculations underlying the simulation results were prepared by David Macdonald and the responsibility for the use and interpretation of these data is entirely that of the authors.

## TABLE 3 AFB Actions (All Figures in $M)

| | 2016–17 | 2017–18 | 2018–19 |
|---|---|---|---|
| **Agriculture** | | | |
| Reverse Research Cuts | 90 | 90 | 90 |
| Provide Support for New and Young Farmers | 100 | 100 | 100 |
| Support Farmers in Climate Change Adjustments | 250 | 250 | 250 |
| Re-establish the Prison Farm Program | 4 | 4 | 4 |
| Reinstate the Community Pastures Program | 25 | 25 | 25 |
| Reinstate the Shelterbelt Program | 5 | 5 | 5 |
| **Arts & Culture** | | | |
| Increase Funding for the Canada Council for the Arts | 90 | 180 | 180 |
| Increase Funding at CBC/Radio-Canada | 75 | 150 | 150 |
| Increase International Cultural Promotion (Promart) | 10 | 25 | 25 |
| **Childcare** | | | |
| Expand Affordable Child Care | 600 | 1,600 | 2,600 |
| **Cities and Communities** | | | |
| Community Infrastructure Transfer | 6,940 | 7,260 | 7,560 |
| Neighbourhood Revitalization Program | 100 | 100 | 100 |
| **Employment Insurance** | | | |
| Keep EI Premiums at $1.88 Per $100 of Insurable Earnings | (750) | (3,000) | (3,000) |
| Working While on Claim | 200 | 200 | 200 |
| Eliminate 910-Hour Requirement on New and Re-Entrants | 550 | 550 | 550 |
| Parental Leave Flexibility | 125 | 125 | 125 |
| Compassionate Care Extension | 190 | 190 | 190 |
| Increase LMDA Funding | 1,000 | 1,000 | 1,000 |
| Reverse 2012 EI Changes | 35 | 35 | 35 |
| Restore Frontline Services | 200 | 200 | 200 |
| Establish Uniform EI Entry of 360 Hours | 1,200 | 1,200 | 1,200 |
| **Environment and Climate Change** | | | |
| Global Climate Financing | 1,000 | 1,000 | 1,000 |
| Remove Federal Fossil Fuel Subsidies | (1,341) | (1,341) | (1,341) |
| Expand Renewable Energy Generation | 600 | 595 | 595 |
| Increase Energy Efficiency | 105 | 450 | 455 |

| | | | |
|---|---|---|---|
| **First Nations** | | | |
| Lift 2% Caps on First Nations Essential Services | 160 | 170 | 180 |
| Invest in First Nations Water Treatment Systems | 470 | 470 | 470 |
| Invest in First Nations Housing | 1,000 | 1,000 | 1,000 |
| Education Funding | 465 | 695 | 844 |
| Invest in Non-Insured Health Benefits (NIHB) Program | 265 | 265 | 265 |
| Continue Investment in Upstream Aboriginal Health Programs | 120 | 120 | 120 |
| Invest in First Nations Skills Training and Employment | 500 | 500 | 500 |
| Eliminate PSSSP Backlog for First Nations Students | 466 | 490 | 514 |
| Emergency On-Reserve Shelters | 30 | 30 | 30 |
| First Nations Justice Systems | 50 | 50 | 50 |
| **Gender Equality** | | | |
| National Plan to Address Violence Against Women | 500 | 500 | 500 |
| Increase Funding for Status of Women Canada | 100 | 100 | 100 |
| Implement Equal Pay in Federal Government | 10 | 10 | 10 |
| **Health Care** | | | |
| New Long-Term Care Spaces | 2,300 | 2,300 | 2,300 |
| Cut Long-Term Care User Fees by 50% | 3,200 | 3,200 | 3,200 |
| Retiree Caregiver Respite Support | 360 | 360 | 360 |
| Home Care Support | 1,200 | 1,200 | 1,200 |
| Community Mental Illness Support | 250 | 250 | 250 |
| National Pharmacare | 3,390 | 3,831 | 4,597 |
| **Housing and Neighbourhoods** | | | |
| New Affordable Housing Supply | 1,500 | 1,500 | 1,500 |
| Supporting the Homeless | 210 | 210 | 210 |
| Protect CMHC Social Housing Support | 297 | 400 | 450 |
| **Immigration** | | | |
| Immigrant Skills Recognition and Training | 100 | 100 | 100 |
| Restore Immigrant Settlement Funding Cuts | 53 | 53 | 53 |
| **Income Inequality and Poverty** | | | |
| Poverty Reduction Transfer to Provinces | 4,000 | 4,000 | 4,000 |
| Double the Refundable GST Credit | 5,110 | 5,263 | 5,421 |
| Adopt the Canada Child Benefit (Net Cost) | 3,425 | 4,704 | 4,845 |
| **International Development** | | | |
| Boost Development Funding Towards 0.7% of GNI | 730 | 1,570 | 2,540 |

| | | | |
|---|---|---|---|
| **Post Secondary Education** | | | |
| Eliminate Tuition Fees (50/50 Split With Provinces) | 3,300 | 3,400 | 3,400 |
| Cancel RESP | (155) | (155) | (155) |
| Cancel Canada Education Savings Program & Canada Learning Bond | (960) | (985) | (1,015) |
| Increase Research Funding by 10% | 231 | 231 | 231 |
| Add 3,000 new Canada Graduate Scholarships | 17 | 17 | 17 |
| Improve Labour Market Information | 15 | 15 | 15 |
| Create National Labour Market Partners Forum | 5 | 5 | 5 |
| Cancel the Canada Job Grant | (300) | (300) | (300) |
| Training for Unemployed Canadians Disqualified From EI | 300 | 300 | 300 |
| Improve Apprenticeship Training | 35 | 35 | 35 |
| **Public Services** | | | |
| Assess the Budget Cut Impacts and Restore Programs Where Needed | 500 | 2,000 | 2,000 |
| Restore Court Challenges Program | 5 | 5 | 5 |
| **Sectoral Development Policy** | | | |
| Sectoral Development Councils | 50 | 50 | 50 |
| Enhance Value-Added Production in Key Sectors | 450 | 450 | 450 |
| **Seniors and Retirement Security** | | | |
| Increase GIS for the Poorest Seniors by $1,300/yr for Singles and $910/yr/Person for Couples | 1,840 | 1,895 | 1,952 |
| Limit RRSP Contributions to $20,000/year | (1,140) | (1,320) | (1,520) |
| Cancel Pension Income Splitting | (1,250) | (1,313) | (1,378) |
| **Taxation** | | | |
| Cancel Family Income Splitting | (1,904) | (1,999) | (2,099) |
| Cap TFSA at Present Level for Lifetime | (100) | (100) | (100) |
| Eliminate Stock Option Deduction | (610) | (675) | (750) |
| Close Small Business Loopholes | (500) | (500) | (500) |
| Cancel Boutique Tax Credits | (500) | (500) | (500) |
| Limit CEO Pay Deductions to $1 Million Per Person | (150) | (175) | (200) |
| Equalize Capital Gains Treatment (Personal) | (3,700) | (3,811) | (3,925) |
| Equalize Capital Gains Treatment (Corporate) | (4,000) | (4,000) | (4,000) |
| Eliminate Corporate Meals and Entertainment Expense | (400) | (400) | (400) |
| Reinstate 2006 Corporate Tax Rates | (3,000) | (6,000) | (9,000) |
| Set Small Business Rate to 15% | (1,000) | (2,000) | (3,000) |
| Financial Activities Tax | (5,000) | (5,100) | (5,202) |
| Inheritance Tax on $5-Million (and up) Estates | (2,000) | (2,000) | (2,000) |
| Cancel second income tax bracket change (20.5% to 22%) | (3,204) | (3,524) | (3,877) |

| | | | |
|---|---|---|---|
| Tax Havens Withholding Tax | (2,000) | (1,800) | (1,620) |
| Boost Enforcement Authority | 50 | 50 | 50 |
| Revenues From Additional Tax Auditing | (750) | (1,000) | (1,500) |
| Federally Collected Carbon Tax | (17,880) | (17,000) | (16,500) |
| Provincial Carbon Tax Low-Income Transfer | 8,940 | 8,500 | 8,250 |
| Provincial Carbon Tax Infrastructure Transfer | 8,940 | 8,500 | 8,250 |
| **Water** | | | |
| National Public Water and Wastewater Fund | 4,800 | 4,800 | 4,800 |
| Implementation of Wastewater Systems Effluent Regulations | 1,000 | 1,000 | 1,000 |
| Water Infrastructure Aid for Small Municipalities | 100 | 100 | 100 |
| Water Operator Training, Public Sector Certification and Conservation Programs | 75 | 75 | 75 |
| Assess Environmental Impact of Energy, Tar Sands & Mining Developments | 100 | 0 | 0 |
| Reinstate Cut Water Programs at Environment and Climate Change Canada, and Fisheries and Oceans Canada | 94 | 54 | 54 |
| Protect Canada's Great Lakes and Freshwater Supply | 613 | 1,059 | 1,059 |
| **Youth** | | | |
| Youth Labour Market (YLM) Planning Board | 30 | 30 | 30 |
| Workforce Renewal Fund (Retiree/New Hire Job Sharing) | 100 | 100 | 100 |
| Renewal of Federal-Funded Internships | 300 | 300 | 300 |
| Magnet Program Funding | 30 | 30 | 30 |
| Penalize Companies Illegally Using Unpaid Interns | 10 | 10 | 10 |