



## **Media Brief: Climate Change and Carbon Taxes**

*Canadians for Clean Prosperity is an independent nonprofit that advocates for environmental policy that is pro-economic growth. We are advocates for a carbon tax, but we've designed this media brief to try to reflect both sides of the debate. Our Executive Director, Michael Bernstein, can answer any further questions and is available for media appearances. More info? See our [website](#) or email us at [media@cleanprosperity.ca](mailto:media@cleanprosperity.ca)*

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Climate change will be one of the most widely discussed issues in the 2019 Canadian federal election. And there's already a long-running political debate on the merits of the carbon tax versus other approaches to reducing emissions.

At Clean Prosperity, we think a discussion about climate change and carbon taxes should be the defining topic of this election. But regardless of how Canadians ultimately vote, they deserve to be fully and accurately informed — and that's what this brief guide is all about.

### **Section One: Just the Facts**

#### ***The Carbon Tax 101***

Want to understand the mechanics of how a carbon tax works? Check out this [primer](#) from Canada's Ecofiscal Commission.

Curious about how it's being applied in Canada? This [story](#) from Chatelaine covers all the bases. Here's another perspective from [Global News](#).

A carbon tax isn't a new idea, and it's [working](#) in a number of places around the world. One of the places where it's worked the best? Right here on Canada's west coast, in [British Columbia](#).

Support for a carbon tax is also building in the United States, both at the [state](#) and [local](#) level.

The leading Democratic presidential candidates all have [ambitious](#) climate policies, and many of them are built around a carbon tax. Even Republicans are [warming](#) to the merits of the carbon tax.

Governments in Alberta, Saskatchewan, and [Ontario](#) have tried to appeal the federal carbon tax, but so far none have been successful.

And why do the facts matter in this conversation? These three economists [spell](#) it out.

### ***The Plans***

The Government of Canada is pricing carbon pollution, and rebating the proceeds to Canadian families and businesses. For more information about its plan, go [here](#).

Andrew Scheer and the Conservative Party of Canada have released their own [plan](#). But according to Clean Prosperity's [analysis](#), it will result in increased emissions and higher costs for Canadians. The [NDP](#) and [Green Party](#) have also released climate plans.

### ***The Paris Agreement***

In 2016, world leaders [agreed](#) to fight climate change by reducing their greenhouse gas emissions. Its central aim is “to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. Additionally, the agreement aims to strengthen the ability of countries to deal with the impacts of climate change.”

While the agreement marked a major achievement in diplomacy, the commitments made by countries would leave us [far short](#) of 2 degrees Celsius, let alone the 1.5 degrees Celsius goal.

Canada has taken some important steps in the last few years but is still well [short](#) of the [target](#) it agreed to in 2016. That's why more action is needed — and why this election is so important.

## Section Two: The Case Against the Carbon Tax (and why we don't think it's correct)

At Clean Prosperity, we're unapologetic advocates for carbon taxes. But we know there are people out there who disagree with us, and it's important to understand their arguments. But here are the arguments that the opponents of the carbon tax make:

1. Canadians can't afford it
  - a. But: the Parliamentary Budget Officer [begs](#) to differ, and says eight out of 10 households that pay the tax get more back in rebates.
2. It penalizes commuters
  - a. But: although someone who drives from the suburbs would pay more than someone who, for example, bikes to work, the rebate has been specifically designed to make it affordable for people to pay any extra costs. Note that those who live outside of census metropolitan areas will also get a 10% top-up in their rebates to compensate them for the higher costs they will likely pay.
3. It's a tax grab
  - a. But: it's hard to argue that it's a tax grab when 100% of the revenues are returned to families, businesses, and nonprofits.
4. It will hurt the economy
  - a. But: studies have repeatedly shown that carbon taxes and economic growth can happily coexist. Look at BC, which is one of the strongest economies in North America and a place that's had a carbon tax for a decade.
5. Canada is too small to matter
  - a. But: we're still one of the 10 largest emitters in the world, and our per-capita emissions are among the largest. Plus, all countries

who emit as little as Canada collectively make up 30% of global emissions. And every tonne of emissions does matter - 3 degrees of warming, for example, is very bad but it's much better than 4 degrees. Lastly, countries around the world are starting to act - including China which is setting up the largest carbon pricing system in the world.

6. We can address climate change without a carbon tax
  - a. But: it would cost far more to do it. We don't think it makes sense to pay more money in order to achieve the same result.
  
7. Technology is the answer
  - a. But: it's only part of the answer. Technology alone cannot deliver the kinds of reductions we need to see to meet our Paris Accord commitments, and funding it involves picking winners. Plus, the best way to encourage technology is through an economy-wide price on carbon. it provides a clear signal to all innovators — and rewards those who innovate.

### **Section Three: Who Supports a Carbon Tax? Who Opposes it?**

#### ***Supporters***

A carbon tax has been endorsed by a diverse group of actors, both globally and here in Canada. They include:

- 3 of the 4 major federal political parties (Liberals, NDP, Greens)
- Canadian Chamber of Commerce
- Business Council of Canada
- Major oil companies including Suncor, Shell, and Cenovus
- The Mining Association of Canada
- Smart Prosperity Leadership Forum
- Former Reform Party of Canada leader Preston Manning
- William Nordhaus, the 2018 Nobel Prize Winning Economist
- All Living Past Chairman of the US Federal Reserve
- The Pope

## **Opponents**

A carbon tax is being vocally opposed by the following groups:

- The Federal Conservative Party and multiple Conservative Premiers including Doug Ford, Jason Kenney and Scott Moe
- The Canadian Taxpayers Federation
- Canadian Federation of Independent Businesses
- The Fraser Institute

## **Section Four: Find an Expert**

A good story always needs the right source. Here are a few of the ones we think are worth talking to, and the areas in which they have expertise.

### *The Mechanics of Carbon Pricing*

Canada's Ecofiscal Commission

<https://ecofiscal.ca/>

Professor [Mark Jaccard](#)

Simon Fraser University

Michael Bernstein

Executive Director, Clean Prosperity

[mbernstein@cleanprosperity.ca](mailto:mbernstein@cleanprosperity.ca)

### *Adaptation*

The Intact Centre on Climate Adaptation

<https://www.intactcentreclimateadaptation.ca>

### *Renewables/Electricity*

Clean Energy Canada

<https://cleanenergycanada.org>

Professor [Blake Shaffer](#)  
University of Calgary

Professor [Mark Winfield](#)  
York University

*The Impact of Carbon Pricing on Business/Industry*

Professor [Jennifer Winter](#)  
University of Calgary

*The Politics of Carbon Pricing*

Michael Bernstein  
Executive Director, Clean Prosperity  
[mbernstein@cleanprosperity.ca](mailto:mbernstein@cleanprosperity.ca)

*Opponents of Carbon Pricing*

- [Jack Mintz](#)
- [The Fraser Institute](#)
- [The Canadian Taxpayers Federation](#)

### **Section Five: Need a Quote For That?**

- Clean Prosperity Executive Director Michael Bernstein on:
  - [The Scheer Plan](#)
  - [The Trans Mountain Pipeline](#)
  - [Rebates exceeding carbon tax payments for most Canadians](#)
  - [The PBO report on Canada's carbon tax](#)
  - [Ontario's failed legal challenge to the federal carbon tax](#)