PLATFORM 2008

EXPLANATORY TABLES

Jack Layton

AND THE NEW DEMOCRATS

NDP

Balanced budgets.

Stable taxes.

Helping families make ends meet,
one practical step at a time.

NDP

NEW DEMOCRATS' 2008 PLATFORM

A BALANCED AND RESPONSIBLE PLAN

Outgoing Prime Minister Stephen Harper is planning to spend substantially all of the federal government's fiscal flexibility over the next four years on tax cuts for corporations.

Here are the details:

Table 1: Mr. Harper's plan to cut corporate taxes

STATUTORY FEDERAL CORPORATE INCOME TAX RATES, 2000-2012

	GENERAL RATE
2000	29.12%
2001	28.12%
2002	26.12%
2003	24.12%
2004	22.12%
2005	22.12%
2006	22.12%
2007	22.12%
2008	19.50%
2009	19.00%
2010	18.00%
2011	16.50%
2012	15.00%

Source: A Primer on Federal Corporate Taxes, Library of Parliament, 2007

MR HARPER'S SPENDING ON THESE TAX CUTS, 2009/10 TO 2012/13

Cost of corporate tax cut from 22.12%

2009-10	$7.3 billion
2010-11	$8.7 billion
2011-12	$10.9 billion
2012-13	$14.2 billion

Source: 2007 Economic Statement, Table 3.1 (page 73)

NEW DEMOCRATS' 2008 PLATFORM

A BALANCED AND RESPONSIBLE PLAN

Table 2: Our plan does not include a corporate tax cut

Fiscal effect:

	2009–10	2010-11	2011-12	2012-13
AVAILABLE REVENUES (estimate)	**$ MILLIONS**			
Projected Surplus (Budget 2008)	1,300	3,100	4,700	5,300
Not Implement Mr. Harper's Corporate Tax Cut (return to 22.12% rate)	7,300	8,700	10,900	14,200
Peace Dividend (withdrawal from Afghanistan)	600	1,100	1,100	
Adjustment for Program Spending Overestimate (1%)	2,200	2,300	2,400	2,500
Adjusted Surplus	**11,400**	**15,200**	**19,100**	**22,000**

NEW DEMOCRATS' 2008 PLATFORM

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Table 3: Priorities for Everyday Families

Fiscal effect:

REALLOCATIONS (provided revenues meet estimate)	$ MILLIONS			
	2009–10	2010-11	2011-12	2012-13
MAKING LIFE MORE AFFORDABLE FOR FAMILIES – CREATING JOBS				
Child Benefit	500	1,000	2,000	4,400
Child Care	1,450	1,550	1,650	1,750
Affordable Housing	500	1,000	1,000	1,000
Student Grant Program	-	500	1,000	1,500
Provincial Health & Education (Equalization Accords)	1,200	1,200	1,200	1,200
Public Transit (reallocation of 1 cent of gas tax)	400	400	400	400
Manufacturing & Agricultural Sectoral Strategies	250	250	250	250
Border Infrastructure	200	200	200	200
Disability Credit Refundable	75	150	150	150
Research Grants for Colleges and Universities	100	100	100	100
Automatic Eligibility for GIS	100	100	100	100
Jobs Protection Commissioner & Trade Promotion Strategies	50	75	125	150
Enhanced Apprenticeship Incentive	100	100	100	100
National Literacy Strategy	25	50	75	100
Northern Development & Tax Deduction	65	65	65	65
Student Loan Program Reform	50	50	50	50
Immigrant Credentials Qualifying Programs	25	50	50	50
Convert FEDNOR to Northern Ontario RDA	25	25	25	25
Assistance for Northern Students	25	25	25	25
Support New Producer Cooperatives	10	10	10	10
Promote Sustainable Agriculture	10	10	10	10
Worker Protection Initiative	10	10	10	10
Total	**5,170**	**6,920**	**8,595**	**11,645**

Table 3: Priorities for Everyday Families *cont'd...*

REALLOCATIONS (provided revenues meet estimate)	$ MILLIONS			
	2009–10	2010-11	2011-12	2012-13
HIRING MORE DOCTORS AND NURSES, IMPROVING HEALTH CARE				
Training Doctors and Nurses; Student Loan Forgiveness	200	200	200	200
National Catastrophic Drug Program (Romanow Report)		1,000	1,500	2,000
Home Care Transfer (Romanow Report)	250	500	750	1,000
Children's Nutrition Program		120	120	120
Healthy Living Strategy	50	50	50	50
Cancer Strategy	50	50	50	50
Drug and Mental Illness Initiatives	50	50	50	50
Fitness and Amateur Sport	40	40	40	40
Total	**640**	**2,010**	**2,760**	**3,510**
OTHER KEY PRIORITIES FOR CANADIANS				
Meeting Our Obligations to First Nations	1,000	1,000	1,000	1,000
Working Towards the Pearson Goal for Overseas Aid	250	500	750	1,000
Crime & Gun Control Initiative	175	175	175	175
Film & Television and the Arts	125	125	125	125
Abolish Immigration Landing Fee	170	170	170	170
Women's Organizations Funding	120	120	120	120
Elimination of Immigration Backlog	100	100	100	100
Immigrant Settlement Training	100	100	100	100
Arctic Sovereignty & Infrastructure	100	100	100	100
Violence Against Women Program & Shelter Support	75	75	75	75
Total	**2,215**	**2,465**	**2,715**	**2,965**
TOTAL Re-allocations	**8,025**	**11,395**	**14,070**	**18,120**
Surplus: Allocated equally between Infrastructure Investments and Debt Repayment	**3,375**	**3,805**	**5,030**	**3,880**

NEW DEMOCRATS' 2008 PLATFORM

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Canada's national government must not become a "carbon addict".

Under the New Democrat plan, every penny generated from carbon auctions under our proposed cap-and-trade system will be reinvested into reducing carbon emissions.

Over time, as carbon emissions decrease, these revenues will also decrease – without undermining the financial foundations of the federal government.

Table 4: Our plan to address carbon reduction

Fiscal effect:

THE NEW DEMOCRAT ENVIRONMENTAL PLAN	$ MILLIONS			
	2009–10	2010-11	2011-12	2012-13
Proceeds from Carbon Auctions (estimate)	**2,500**	**3,600**	**4,800**	**6,000**
Environment Reinvestments (if carbon auction meets estimate)				
Public Transit	350	500	700	900
Industry Innovation & Environmental Sector Strategies	630	900	1,350	1,900
Alternative Energy and Retrofit	200	400	1,000	1,200
Green Jobs Fund	750	750	750	750
Individual and Small Business Incentives	500	500	500	500
Water, Parks and Conservation	70	200	200	300
Other Measures		350	300	450
TOTAL Reinvestments in Environment	**2,500**	**3,600**	**4,800**	**6,000**

NEW DEMOCRATS' 2008 PLATFORM

A BALANCED AND RESPONSIBLE PLAN

Mr. Harper proposes to invest substantially all of the federal government's future flexibility on tax cuts for corporations.

Jack Layton proposes to invest the same funds to help ordinary working families.

Mr. Dion's plan is almost twice the size of either Mr. Harper's or Mr. Layton's, and is funded by carbon tax revenues that (if they have the effect Mr. Dion claims) will eventually decline over time – forcing the federal government to raise other taxes or to cut programs.

Table 5: Comparison with Harper and Dion Plans

FEDERAL BUDGET 2009/10-2012/13 (billions)	**HARPER**	**LAYTON**	**DION**
Harper corporate tax cut	41.1	0.0	41.1
Dion corporate tax cut	0.0	0.0	7.4
Dion income tax cut	0.0	0.0	16.3
Campaign commitments (excluding climate)	6.9	51.6	29.7
Total impact on federal budget	**48.0**	**51.6**	**94.5**

ENVIRONMENTAL PLAN 2009/10-2012/13 (billions)			
Revenues from measures to reduce carbon production	**HARPER**	**LAYTON**	**DION**
Carbon tax	0.0	0.0	40.0
Cap & trade auction	0.0	16.9	0.0
Total	0.0	16.9	40.0
Environmental programs to reduce carbon production	0.0	16.9	1.7
Dependence on carbon production to finance budget	**0.0**	**0.0**	**38.3**