



March 5, 2025

The Honourable Dominic LeBlanc, P.C., M.P.
Minister of Finance and Intergovernmental Affairs
and Chair, Cabinet Committee on Canada-U.S. Relations
House of Commons
Ottawa, Ontario K1A 0A6

Dear Minister LeBlanc,

Following U.S. and Canadian tariff announcements yesterday, and threats of additional U.S. tariffs, we are writing to provide the Green Budget Coalition's advice for how Canadian government responses and protective measures, including the use of new Canadian federal tariff revenues, could maximize benefits for people in Canada.

It is imperative that federal actions integrate, maintain, enhance and not regress efforts to address the climate, biodiversity and pollution crises. They must take advantage of opportunities for increased economic and affordability benefits, while protecting people in Canada from climate, biodiversity and pollution risks. Actions must not include subsidies that hinder progress to address these risks. Taking these steps will strengthen Canada's economic independence and energy security, and create economic, environmental, and human health benefits in the short-term and far into the future.

The Green Budget Coalition's [Recommendations for Budget 2025](#) outlines many strategic actions which remain priorities for federal investment and indeed are even more important in the current context. Many such measures that support long-term sustainability - for example interprovincial electricity transmission, building energy efficiency retrofits, nature protection, sustainable agriculture, and training and market development for sustainable jobs - have the potential to create jobs, improve affordability in Indigenous communities and across rural and urban Canada, and help Canada emerge stronger.

We encourage you to consider:

- Innovative ways for new funding to also advance climate and biodiversity objectives:
 - Support for emissions-intensive sectors should include conditions to protect jobs and advance emissions reductions, aligning with existing policies and not introducing any new fossil fuel subsidies.
 - Orienting new financial support for businesses to protect workers and promote environmental objectives, e.g., in the agriculture and automobile sectors.

- Advancing actions to reduce reliance on U.S. energy trade while increasing jobs in Canada - particularly through expanding interprovincial electricity transmission while reducing demand for energy through building retrofits, demand-side management, and increased renewable energy production, including Indigenous- and community- led generation.
- Taking advantage of reduced clean energy support in the U.S. to draw investment to Canada.
- A major investment in green infrastructure, including public transit, electric vehicle charging, and nature-based solutions. Where possible, these investments should be tied to measures that enhance climate resilience in order to lessen economic, health and other climate impacts (e.g., through flooding, fires and extreme heat).
- Strategic actions regarding fiscal tools and market prices:
 - Choosing and designing any new Canadian import or export tariffs to support or/and avoid hindering clean energy and biodiversity objectives, in both Canada and the U.S.
 - If any new U.S. tariffs add to the price premium in Canada for more environmentally-beneficial options, such as clean technologies, consider options to mitigate those price increases.
- Taxing the excess profits of oil and gas companies to finance affordability supports and climate action, and prevent profiteering from the government's tariff response (a lesson from the COVID crisis and wartime).
- Delivering on Canada's international commitments regarding climate mitigation, climate adaptation, pollution prevention, and biodiversity protection, including international financing mechanisms, especially as the U.S. reduces its support.

Investing in the clean economy and environmental protection is our best opportunity to create long-term economic stability while addressing the intersecting affordability challenges and climate and biodiversity crises. The Green Budget Coalition would welcome the opportunity to meet with you and looks forward to your response.

Yours sincerely,



Jessica McIlroy
 Manager, Buildings Program, Pembina Institute
 Chair, Green Budget Coalition



Andrew Van Iterson
 Manager
 Green Budget Coalition

About the Green Budget Coalition:

The Green Budget Coalition, active since 1999, brings together 22 of Canada's leading environmental organizations, collectively with over one million members, supporters and volunteers, to present an analysis of the most pressing issues regarding environmental sustainability in Canada and to make a consolidated annual set of recommendations to the federal government regarding strategic fiscal and budgetary opportunities.