

A POLICY OF SELF-IMPOVERISHMENT

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Monday's economic update by federal Finance Minister Chrystia Freeland, though it was larded with the usual peppy remarks intended to persuade Canadians to lift up their hearts to a brighter post-COVID future, was in fact an unrepentant confession of the absolute intellectual bankruptcy, as well as acute financial embarrassment, of this government. Everyone would acknowledge that the coronavirus pandemic has produced a difficult fiscal ambience, but instead of ring-fencing it as a non-recurring cause of a deficit increase, it has been embraced as a springboard into a new world of spending in pursuit of unfeasible goals and on a scale completely unrelated to the anticipated means of the federal government. Canada has adopted the unusual ambition of staking its success in policy terms on overcoming a danger that does not exist and on pursuing it with a zeal in which we slip the surly bonds of arithmetic and achieve a vertiginous fiscal deficit.

In one year this government has more than doubled the national debt accumulated in the previous 153 years of Canadian Confederation. It believes that it has a legitimate excuse because of the pandemic, but it doesn't. The approach to the pandemic was mistaken and the principal goals enunciated by the government as it sought and achieved re-election were also mistaken, so we were committed to waste money on a grand scale before the arrival of the coronavirus, and our mistaken policy response to the virus has severely aggravated what was already an acute state of misgovernment. On election night 2019, Prime Minister Justin Trudeau declared that the principal policy challenge of his government was fighting climate change. This is nonsense; to borrow a phrase from Napoleon, "It is lies agreed upon" (his definition of history). The Paris climate conference of 2015 proclaimed the absolute necessity of maintaining the mean world temperature to not more than 1.5 C above what it was believed to be prior to the Industrial Revolution, and the pursuit of that objective, according to a completely unrigorous United Nations analysis, would require the world to become carbon neutral ("net-zero") by 2050. This was bunk. There's nothing worrisome about a 1.5 C rise in world temperature over a period of 250 years, and we have no precise idea of what the world's temperature was 250 years ago. There is no conclusive evidence that the world's temperature is affected

by carbon use, and in any case Canada's contribution to carbon use is insignificant to the world. The Paris conference, one of the all-time great, sumptuous boondoggles for its almost innumerable delegates, agreed on "Nationally Determined Contributions," vague and tentative objectives — no one really committed to anything, especially the chief "offenders," China and India.

The Club of Rome and a wide arc of generally well-intentioned conservationist organizations have been legitimately concerned about the spoliation of resources and the state of the environment for very long time. They have been fortified by a rich variety of intellectual fringe groups that are skeptical about economic growth, broadly oppose materialism in its more aggressive forms, are somewhat anti-capitalist and received in the last 25 years an immense transfusion of purposeful energy from the international left routed in the Cold War. This ragtag coalition of parallel-thinkers effortlessly conquered the international organizations and scaled the commanding heights of proper opinion. Western Europe, because for notorious historic reasons it is vulnerable to the temptations and agitations of the left, Japan because its intense postwar re-industrialization caused severe environmental problems and Canada for its own creditable motives have provided a noisy and faithful echo chamber for the leadership of the international organizations, which is chiefly derived from developing countries and who welcome any opportunity to reproach and demand reparations from the more economically advanced countries. This is the basis for the "Green Terror" that threatens the West now. Most of the rest of the world thinks they can gain from this process. The United States has withdrawn from the Paris Agreement and while the presumptive new administration may revisit that issue, there has never been any possibility of adherence to it being ratified by the United States Senate, so the Americans won't get on board, though they have an admirable record in improving the quality of their own environment.

This titanic fraud provides the framework for what the minister of finance assures us is the ambition of all Canadians to have a green solution to the current economic problems, enabling us to "build back better." Meanwhile, investment has been fleeing this country and we have neither a strategy to produce the economic growth that will alone raise people's standards of living, nor an economic system that permits pure capitalism to align itself with the universal human ambition for more and generate spontaneous economic growth. All measurements of wealth are the

division of the gross national product of a country by the number of its inhabitants; tax and welfare policies are imposed, which may alter the distribution of national wealth, but if we do not do the necessary work to generate economic growth we are bound to become gradually poorer, both absolutely and comparatively to better governed countries. In 1960, Israel and South Korea were countries with very few resources and very poor populations; today they are much more populous and still have very few resources and have almost as high a standard of living as Canada. There are obvious lessons easily available and not complicated to implement about how to raise the wealth of nations, leaving plenty of latitude to assure enhanced distributive equity. We are not maximizing economic growth; we are chasing a self-punitive environmental goal that if achieved would accomplish nothing for the attainment of the declared objective of a “sustainable” world, which is in any way not especially desirable.

This government led us head-first into this quagmire, and now cites it is a target of redoubled urgency as we depart the pandemic. As I’ve written here before, our answer to the pandemic was nonsense also: it could never be eliminated except with a vaccine, 99 per cent of those who contract it survive with minimal symptoms and are thereafter immune for an indeterminate time. We should have taken elemental general precautions, drastic measures to protect the elderly and other vulnerable people, and shut down as little as possible. Like many other countries we brought colossal damage on ourselves by governmental incompetence, and there are more exciting tocsins to liberate ourselves from it than to plunge into a green fairyland. We should be more enterprising in assuring an early distribution of the vaccine, reduce the proportions of the lockdown even at this late date, renew our pledge to mind the environment and stop pretending that the national interest is served by a vendetta against the oil industry. We should cut all income taxes, incentivize investment and transfer our principal revenue-collection effort to taxes on voluntary spending. With a little original thinking and leadership, Canada could quickly become and be perceived as one of the greatest nations in the world. But we will not arrive at that destination by impoverishing ourselves in pursuit of a chimera.

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