

A MORAL CASE FOR CANADIAN OIL



Student Contributor:

Tourism in the Developing World: Exploitation or Empowerment?

Video Recommendation:

Essential Adam Smith - The Invisible Hand

Blog Post:

Rulers and bankers— Reflections on Game of Thrones



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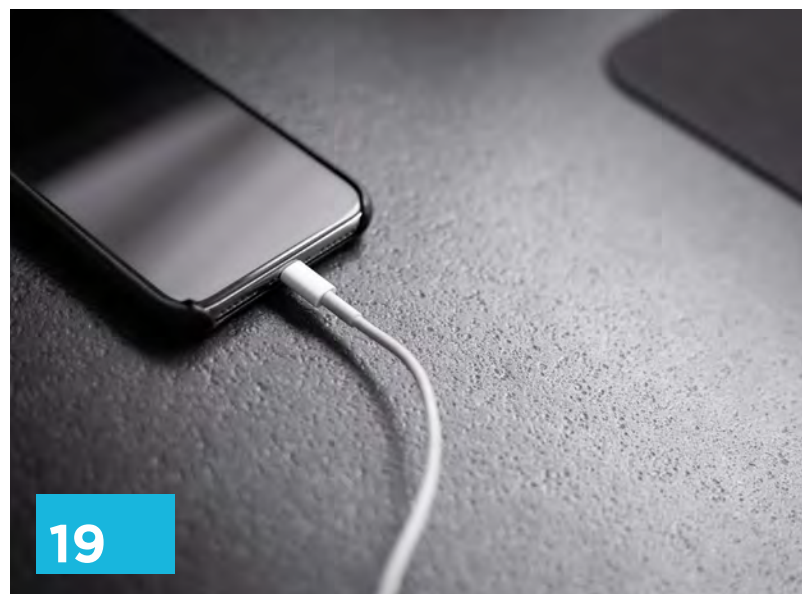
Our mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being.

Canadian STUDENT REVIEW

SUMMER 2019

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WELCOME

Dear Readers:

Congratulations on completing another school year!

Among the articles in this edition is an economic assessment of the *Game of Thrones* television series from senior fellow Aeon Skoble. (We should note that there are some spoilers in this article, so if you've been bogged down with exams and haven't seen the last episode, maybe save that article for later.) Closer to home in the real world, senior fellow Vincent Geloso discusses the benefits of market competition and highlights the state of protectionism in Canada. And senior fellow William Watson discusses a recent article from the National Bureau of Economic Research which postulates that the rise of cellphones may be correlated to declining murder and drug rates.

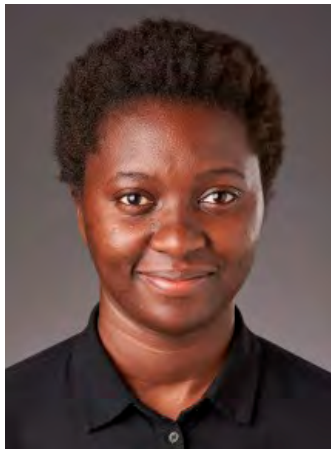
This edition also features articles by William Dunstan discussing the impact of global tourism, and Brennan Sorge presenting a moral case for Canadian oil as well as submissions from our past Meme contest.

We are also highlighting a short video from our Essential Adam Smith series on the Invisible Hand, a thought-provoking quote by the famous economist Henry Hazlitt, and much more!

Have a wonderful summer! Between your trips to the pool and the beach, don't forget to check our Education Programs Facebook page (www.facebook.com/EducationPrograms) to read the latest on our fall programs!

Best,

Mirabelle Arodi and Ryan Hill



Mirabelle Arodi



Ryan Hill

A MORAL CASE FOR CANADIAN OIL

BRENNAN SORGE

There has been much news over the last year about Canada's energy industry, and especially about the export of oil. The future of oil development and export in Canada has been, and continues to be, a dominant policy discussion across the country, with new tax and regulatory legislation recently passed. The federal government has purchased and intends to build a new pipeline, even as it prohibits the use of oil tankers to export the very oil that the pipeline will carry. At the same time, newly passed regulations will soon be having impacts on a broad range of activities in the energy industry.

Much of this debate stems from a tension between the need to keep Canada's economy strong and the desire to protect our environment. It is undoubtedly the case that the oil and gas sector plays an important role in our economy, especially in Western Canada. It is also the case that Canadians want to ensure our environment is protected.

This debate lacks another key element, however. The world needs oil, and that demand will remain strong for years to come whether or not Canada uses its energy resources (International Energy Agency, 2019). Many nations have the capacity to meet that demand if Canada decides not to. We need to consider who will step in to fill that demand, and what kind of records those nations have on freedom and human rights.

Among the top ten oil producing nations, only Canada and the United States guarantee a substantial degree of freedom. According to the Fraser Institute's Human Freedom Index, Canada is the fifth freest nation on earth, with the United States at seventeenth (Energy Information Administration, undated; Vasquez and Porčnik, 2018). As for the other eight, Russia is the next most free (ranked as 119th), while Iraq ranks lowest

in freedom among the top ten oil producers at 159th, making it one of the least free countries in the world.

When Canada reduces its oil exports, authoritarian nations have a chance to fill that demand, and bring in new revenue for their regimes. This should be a concern for us, given that many of these regimes suppress freedom both domestically and internationally.

Fortunately, the United States, a fellow free nation and Canadian ally, is the world's largest producer of oil, but Saudi Arabia is the second largest producer. That nation ranks 148th in human freedom, right near the bottom. A recent and famous example of the Saudi abuse of freedom is the execution of Shia Sheikh Nimr al-Nimr, who was convicted along with nearly 50 others on the broad charge of terrorism-related offences. Despite his conviction, the Saudi authorities offered no clarity about what specifically he had done (Reuters, 2016, January 2). Saudi Arabia does not limit its abuses of freedom to within its own borders. Abroad, it is engaged in a war in Yemen, a conflict in which it is currently accused of war crimes (Cumming-Bruce, 2018, August 28).

Meanwhile, Russia, the third largest producer of oil and second largest producer of natural gas, is another authoritarian regime, which also spreads its influence well beyond its borders. Russia currently occupies Ukrainian land in Crimea, and continues to wage a war in the east of Ukraine. These wars are over and above the numerous accusations of electoral interference that Russia has faced in recent years.

Canada is the fourth largest oil producer, but plenty of other oppressive regimes follow right behind us. China is next, then Iraq. Neither nation is known for its support of freedom or human rights. These are

followed by Iran, a country that scores near the bottom of the Human Freedom index, and which the United States has recently named as the foremost sponsor of global terrorism (George, 2018, September 19).

Canada is a global leader in economic and personal freedoms. In contrast, many of our competitors in the global oil market use the wealth of their resources

to fund authoritarian governments and deprive their citizens of freedom. Restricting Canadian oil development doesn't necessarily mean less oil overall, but it does allow an opportunity for less free nations to expand their market share. We need to remember this when debating the future of oil development in Canada. ♦

Brennan Sorge is currently an economics and business student at Thompson Rivers University. His interests centre on the effects of law and policy on the economy, and he hopes to act on these interests in further study of both economics and law.



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RULERS AND BANKERS—REFLECTIONS ON THE GAME OF THRONES

AEON J. SKOBLE

Like all the really good pieces of popular culture, the concluded HBO series *Game of Thrones* offers food for thought on a variety of issues. Since I write about the intersection of political and economic philosophy, I was keen on thinking about what the show says about liberal society and the market order.

Of course, it being a fantasy show about a medieval world ruled by aristocrats and tyrants, we must look beneath the surface a little. The dearth of commerce doesn't mean we're not seeing something about the basic philosophy underwriting market order.

Most plainly, the show tells us about the dangers of unchecked power. In early seasons of the show, Daenerys Targaryen is someone we are encouraged to root for, as she liberates slaves and kills oppressors. Backed by two large armies and three fire-breathing dragons, her power is massive. The zombie army commanded by the White Walkers poses the most significant threat to her, but against regular human armies and fortresses, she definitely has the edge.

The problem is, her moral certitude and sense of entitlement make for a deadly combination when added to that level of power. She becomes increasingly more concerned with being feared than loved, and with the righteousness of her own conquest. This leads her to feel justified in committing all sorts of atrocities in the pursuit of her cause—the ends justifying the means.

Even burning alive thousands of innocent people gets rationalized for the sake of the better tomorrow in which she sincerely believes. This is one of the dangerous aspects of unchecked power. In the real world, we have had ample experience with tyrants justifying atrocities for the sake of an ideology, hence

the frequent reminders by liberal thinkers of the importance of structural limitations on the power of rulers.

The show also speaks to the power of storytelling in maintaining social order. The civil war that occurs prior to the show is based on a supposedly vicious kidnapping that was in reality a romantic elopement. The heir to the throne turns out to be not the king's son, but the queen's child from her lover (who is also her brother).

The Wall is protected for centuries despite no one ever seeing the ice zombies. As it happens, there really are ice zombies, so it's good that they perpetuated the stories. Some stories perpetuate misrule and other bad policies, but other stories

actually seize the imagination in a socially beneficial way—this is the point Tyrion makes in recommending that Bran Stark be made the new king.

Did The Lady of the Lake really give Excalibur to Arthur? Probably not, but as a metaphor for the connection between the goodness of the monarch and the health of the land, that's a pretty good story. Did George Washington really tell the truth about chopping down the cherry tree? Apparently not, but it's a good metaphor for a leader's virtue in relinquishing power.

The show alludes to some other issues without exploring them fully, but this too can spark reflection.

THE WALL IS PROTECTED FOR CENTURIES DESPITE NO ONE EVER SEEING THE ICE ZOMBIES

The power struggle for the Iron Throne is a concern for the folks on the fictional continent of Westeros. But across the sea in Essos, there is not one single rule.

We're told that Braavos, Volantis, Myr, and so on, are free cities. Their political economy is under-described, but they do seem to have greater levels of commerce and more substantial banking systems than we see in Westeros. It's surely not a coincidence that the "free cities" have more robust economies, and indeed it's a plot point in the series that banking from Essos plays an integral part in the ability of Westerosi rulers to maintain power. After all, conquest requires armies, and armies must be funded.

Loans from the Iron Bank of Braavos turn out to be crucial (and, interestingly, based on a gold standard). While aristocratic warrior cultures may look down on commercial life, commercial life is what makes it

possible for aristocrats to do a lot of the things they want to do.

Even in a world of zombies and dragons, there's no escape from the reality of public finance and sound banking. ♦

*Aeon J. Skoble, Fraser Institute Senior Fellow, is a Professor of Philosophy and Chairman of the Philosophy Department at Bridgewater State University in Massachusetts. He is the author of *The Simpsons and Philosophy* and *Deleting the State: An Argument about Government*.*



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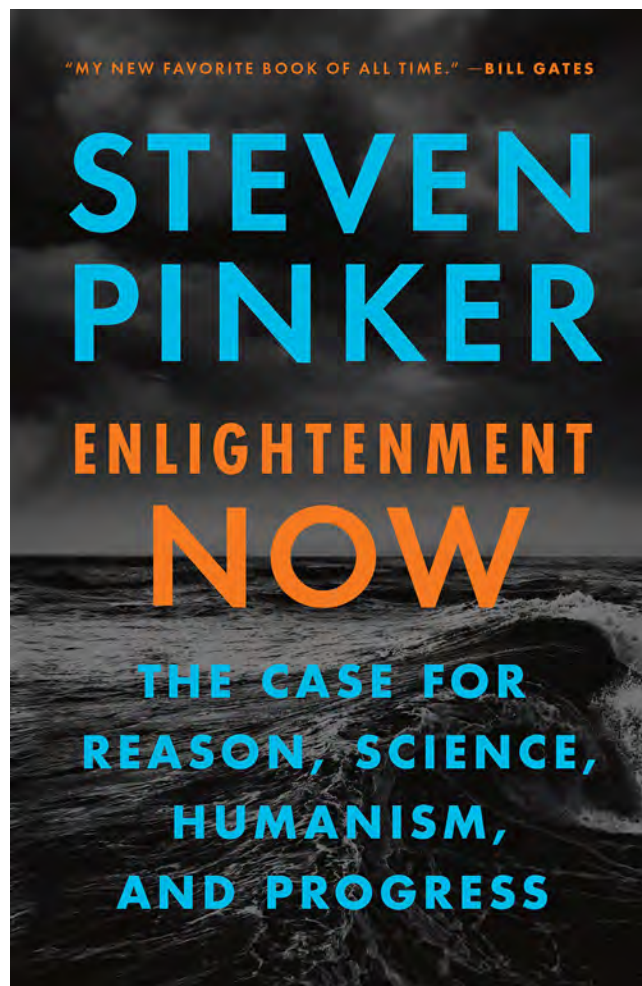
STEVEN PINKER

Is the world really falling apart? Is the ideal of progress obsolete? In this elegant assessment of the human condition in the third millennium, cognitive scientist and public intellectual Steven Pinker urges us to step back from the gory headlines and prophecies of doom that play to our psychological biases. Instead, follow the data: In 75 jaw-dropping graphs, Pinker shows that life, health, prosperity, safety, peace, knowledge, and happiness are on the rise, not just in the West, but worldwide. This progress is not the result of some cosmic force. It is a gift of the Enlightenment: the conviction that reason and science can enhance human flourishing.

Far from being a naïve hope, the Enlightenment, we now know, has worked. But more than ever, it needs a vigorous defense. The Enlightenment project swims against currents of human nature—tribalism, authoritarianism, demonization, magical thinking—which demagogues are all too willing to exploit. Many commentators committed to political, religious, or romantic ideologies fight a rearguard action against the Enlightenment. The result is a corrosive fatalism and a willingness to wreck the precious institutions of liberal democracy and global cooperation.

With intellectual depth and literary flair, Enlightenment Now makes the case for reason, science, and humanism: the ideals we need to confront our problems and continue our progress. ♦

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WALLED FOR COMPETITION: MEASURING PROTECTED INDUSTRIES IN CANADA

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31% of Canada's economy is shielded from foreign competition by federal and provincial governments, leaving consumers with less choice and/or higher prices



GOVERNMENTS SHOULD STOP SHIELDING CANADIANS FROM BENEFITS OF COMPETITION

VINCENT GELOSO

Economists love competition. If they're teachers, in the first class of the year they will tell students how competition between firms leads to lower prices and greater quality. Outside of the classroom, few are willing dispute the benefits of competition. So why are so many Canadians unaware that governments across Canada shield close to one-third of the economy from competition?

When economists speak of competition, they are referring not only to the number of firms in a given market. Rather, they are referring more narrowly to the threat of competition, which keeps incumbent firms on their toes. A firm may, through technological innovation that reduces costs, conquer large market shares so it virtually dominates its market or ends up being the only firm in that market. Yet, even in that case, it might still behave competitively as long as other firms are free to enter the market if the top firm starts abusing its dominant position by raising prices or lowering quality. More importantly, technological innovation ensures that the threat of entry can come from unexpected sources that simply render obsolete the good that an established firm produces. That threat of entry is a major force for delivering goods and services of greater quality at lower prices.

When there are barriers to entry, the threat of competition is reduced and incumbent firms have few incentives to find ways to reduce prices and improve quality. Some of the barriers to entry are inherent to the features of the goods being produced. However, as many economists point out, a great many more barriers are the result of government actions. Governments across Canada have been quite adept at erecting such barriers.

For example, foreign investment in telecommunications and broadcasting is restricted so that non-Canadian firms are unable to enter the market for cellphone and television services. The same applies to air transportation as non-Canadian carriers are prohibited from carrying passengers between Canadian cities. Governments also operate their own monopoly services that explicitly prohibit competition in sectors such as electricity generation and distribution, alcohol retail, urban transit, and domestic mail (for small letters).

Moreover, most provincial governments in Canada (including Quebec and Ontario) give monopoly licences to intercity bus providers on certain routes so consumers are hostages to the whims of the only company allowed to provide those services. Given that users of intercity buses are disproportionately among the poorest in Canadian society, this limitation of competition seems particularly regressive.

Measuring barriers to competition is difficult. However, the most prudent attempt, recently published by the Fraser Institute, suggests that 22.1 percent of the Canadian economy is shielded from competition. Adding in other barriers such as those on interprovincial trade

THE THREAT OF ENTRY IS A MAJOR FORCE FOR DELIVERING GOODS AND SERVICES OF GREATER QUALITY AT LOWER PRICES

and occupational licensing, we arrive at a higher figure of 35.1 percent.

In other words, between a fourth and a third of the Canadian economy is shielded from competition. According to international surveys such as those produced by the Organization for Economic Cooperation and Development, Canada is one of the countries that is most active in restricting competition—it sits at the top of most rankings of restrictiveness.

These barriers lower the living standards of Canadians because protected firms have few incentives to improve efficiency, cut costs, or satisfy consumers. If governments across Canada really care about improving Canadian living standards, they should look at ways to undo the harm they have already done by erecting barriers to competition. ♦

Vincent Geloso, Fraser Institute Senior Fellow, is a visiting professor of economics at Bates College (Lewiston, ME) and earned his PhD from the London School of Economics. Previously, he was postdoctoral fellow at Texas Tech University and earned his undergraduate degree from the University of Montreal.



TOURISM IN THE DEVELOPING WORLD: EXPLOITATION OR EMPOWERMENT?

WILLIAM DUNSTAN

Tourism in developing countries is often portrayed as exploitative of locals. The industry is presented as one in which cheap labour in poor countries provides well-heeled Westerners with low-cost vacations and multinational corporations with hefty profits, of which little stay in the communities where they are earned. Tourism's injustices are considered so extreme that they represent "the legacy of past colonial practices" in some countries (Wong, 2015: 1). This narrative understandably repels some potential visitors. But the narrative of exploitation is misleading; rather, it is more accurate to talk of empowerment. Tourism provides significant material benefits for communities that engage with the tourism industry and has a unique capacity for promoting women's economic empowerment and ecological conservation.

The tourism and travel sector accounts for 10.4 percent of global GDP and 9.9 percent of employment (WTTC, 2019). But in many developing countries, tourism's economic contribution is even greater. The tourism industry contributes 35 percent of GDP in Barbados, 40 percent in the Bahamas, and 98 percent in Aruba (WTTC, 2019). And tourism does more to help those most in need than these initial figures reveal. Research in Nicaragua and Costa Rica found that each 1 percent increase in tourism exports—that is, tourists visiting from other countries—reduced extreme poverty by far more than each 1 percent increase in agricultural or manufacturing exports, likely because tourism employs large numbers of unskilled labourers and stimulates the wider economy more than other export-oriented industries (Gartner et al., 2015).

Many claims of exploitation by commentators are based on concerns that too little of the revenue generated by tourism remains in developing countries (Ashley and Mitchell, 2007). Even if one accepts the disputable

claim that the amount of revenue that stays in a certain country is sufficient to judge whether an industry is exploitative, these criticisms are weak because the share of revenues that stay in developing countries is actually greater in tourism than in other industries. In The Gambia, half the spending from a foreign tourist who buys a travel package from a European travel agent goes to Gambian producers, compared to just 7 percent of the revenue from someone buying "fair trade" Gambian coffee in a European café (Ashley and Mitchell, 2007). In the developing world, tourism both generates greater economic activity and directs more of the wealth created by this activity to local producers and the poorest individuals than do other industries.

Beyond not being exploitative, tourism further empowers people by providing opportunities that are often limited in the industry's absence. First, tourism outperforms other industries in providing women with the financial means to control their own lives. Developing countries are disproportionately represented among the places where women face the greatest barriers—both legal and societal—to economic participation. This typically translates to women being limited to stereotypically female roles, primarily unpaid domestic work, and thereby being dependent on male relatives (Economist Intelligence Unit, 2010). This reduces women's agency, as relying on someone else for your livelihood limits your choices to those that will not displease the individual providing for you lest they withdraw their support. Tourism facilitates female empowerment by transforming this unpaid domestic work into marketable services. For example, homemaking skills become hospitality skills. The degree to which tourism outperforms other industries in providing such opportunities for women is staggering. In Latin America, women own 51.3 percent of businesses in the highly tourism-related hotel and

restaurant sector compared to just 23.2 percent of businesses in the economy as a whole (UNWTO and UN Women, 2011). In Africa, these figures are 30.5 percent and 20.8 percent, respectively (UNWTO and UN Women, 2011).

TOURISM FACILITATES FEMALE EMPOWERMENT BY TRANSFORMING THIS UNPAID DOMESTIC WORK INTO MARKETABLE SERVICES

Tourism also empowers people to preserve their natural heritage without sacrificing living standards. While many people want to protect the environment, there is often a trade-off between pursuing conservation and increasing standards of living. It is difficult to justify, particularly in developing nations with widespread poverty, sacrificing human well-being for the environment's, so economic development

typically takes precedence. Communities, however, can circumvent this dilemma through “ecotourism”—tourism that is centered around appreciating nature and that, crucially, makes economic development synonymous with ecological conservation. For instance, Kirkby et al. (2010) found that in the Peruvian Amazon, protecting the forest and building ecotourism lodges is the most profitable use of land, bringing in more revenue than agriculture, ranching, and logging. Notably, the study also challenges an occasional criticism of ecotourism—that the negative environmental impacts of greenhouse gas emissions from tourists’ transportation to and from destinations outweigh the conservation benefits—by showing that the amount of carbon sequestered by land protected for ecotourism in the area researched is equivalent to 3,000 to 5,000 years’ worth of travel by ecotourists from gateway cities in Peru to the lodges. In Namibia, conservation outcomes have improved since the national government began devolving responsibility for conservation to “communal conservancies” that locals collectively own and profit from, mostly through ecotourism revenues (NASCO, 2010). As



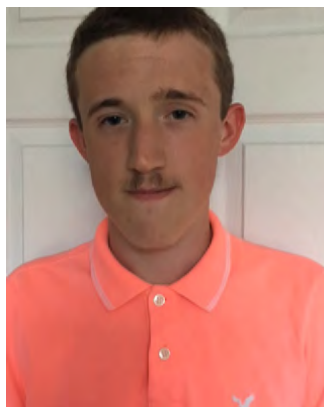
locals receive direct benefits from ecotourism, they have fewer incentives to farm in prohibited areas or hurt animals that damage crops in areas bordering conservancies and have greater incentives to prevent poaching because harm to wildlife that tourists pay to see reduces their own incomes.

Namibia's ecotourism successes, along with those of women in the broader tourism industry, are attributable to processes that increase economic freedom. Economic freedom, the cornerstones of which are "personal choice, voluntary exchange, open markets, and clearly defined and enforced property rights," is a key determinant of human well-being (Gwartney et al., 2018: 1). Its significance is best illustrated by the average per-capita GDP of the most economically free quartile of countries (US\$41,228 in 2014), compared to the average per-capita GDP in the least free quartile (US\$5,471) (Gwartney et al., 2016). In countries where women face fewer restrictions on

their ability to participate in the tourism market than they do in other markets, they experience greater economic success in tourism. Namibian communities can profit from ecotourism because obtaining clear property rights to their land creates a direct link between environmental stewardship and economic success. In short, both groups benefit from enhanced economic freedom.

An industry that provides communities with the benefits that tourism brings can hardly be deemed exploitative. Tourism outperforms other industries in bringing prosperity to developing countries, and has great potential to empower women to increase their economic self-reliance and wider communities to preserve their natural heritage without sacrificing development. There is no need to spoil your next vacation with worries that you are funding exploitation. ♦

William Dunstan is a recent graduate of St. Matthew High School. He is currently a first year Public Affairs and Policy Management student at Carleton University.



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“THE ART OF ECONOMICS CONSISTS IN LOOKING NOT MERELY AT THE IMMEDIATE BUT AT THE LONGER EFFECTS OF ANY ACT OR POLICY; IT CONSISTS IN TRACING THE CONSEQUENCES OF THAT POLICY NOT MERELY FOR ONE GROUP BUT FOR ALL GROUPS”

— HENRY HAZLITT



DRUGS, MURDER, CELLPHONES AND ECONOMICS

WILLIAM WATSON

At the Fraser Institute's economics education seminars for journalists, one of the messages we instructors try to get across is that economics isn't mainly about interest rates, the stock market, exchange rates, or other money matters, which is what most non-economists seem to believe we're about. Economics does cover those things, of course, but it's about lots of other things, too. In fact, we happily concede none of us has the slightest idea what will happen to interest rates, the stock market, or the Canadian dollar.

From now on when we try to make that point we should probably mention a new research paper from the Boston-based National Bureau of Economic Research (or NBER). It's called *It's the Phone, Stupid: Mobiles and Murder*, by

Lena Edlund, an economist at Columbia University in New York, and Cecilia Machado, a Columbia econ PhD currently at the Getulio Vargas Foundation in Brazil. Their paper's title is inspired by Democratic strategist James Carville's famously succinct synopsis

of Bill Clinton's 1992 election campaign message: "It's the economy, stupid"—which it really was, as Clinton proved by making George H.W. Bush a one-term president.

It's not an exact parallel. The "stupid" in the researchers' title isn't nearly as justified. Whereas the 1992 election was pretty obviously about the economy, and anyone who thought otherwise was clearly mistaken, it's not at all obvious what murder has to do with cellphones and vice versa. So don't feel bad—or stupid—if you don't immediately get the connection.

The intriguing correlation Edlund and Machado set out to explain is between the proliferation of cellphone use in the United States in the 1990s—a decade in which cellphones went from "niche to mainstream" as the number of subscribers rose from five million to 100 million—and the decline in murder rates over the same decade—from just over 11 per 100,000 Americans in 1990 to just over six per 100,000 Americans in 2000. Once you first hear about that stark inverse correlation possible connections do jump to mind. Cellphones make it easier to call the police if you think you're about to be attacked. Would-be murderers might think twice if their intended victim is talking with someone on a cellphone. And so on. So it's not implausible that there would be a connection.

The link the economists have in mind, however, is more complicated and operates through the market for illegal drugs. They argue that before cellphones drug selling was a site-specific activity. Dealers had to make themselves visible to potential customers in known places. That's how they communicated that they had product for sale. The easiest way to do this was to establish "ownership" over particular locations, mainly street corners. The gangs that controlled drug movements also controlled, or tried to, selling locations. The way they enforced their "ownership" of such locations was with violence, including murder.

Edlund and Machado argue that the widespread use of cellphones eliminated the geographic imperatives of the drug trade. Dealers and customers could now communicate by phone and choose meeting places on an ad hoc and clandestine basis. The effect on the drug trade was pro-competitive, to use a term from economics. Thus both the direct effect of cellphones in reducing the importance of geography, and their indirect effect via the lower drug prices that resulted

CELLPHONES MAKE IT EASIER TO CALL THE POLICE IF YOU THINK YOU'RE ABOUT TO BE ATTACKED

from the now greater competition in the drug market, ate into the profits of the gangs that typically controlled the drug trade and therefore reduced the profitability of gang turf wars. As gang wars were and still are an important source of murders, especially among young black and Hispanic males, the effect of cellphones was to reduce the incentive to kill.

It does admittedly sound a little iffy. It's the kind of theory you'd like to have corroborated by lots of interviews and anecdotal evidence from drug dealers and users who survived the '90s and could talk about how practices in the market changed over that decade. Though Edlund and Machado do offer some of that style of evidence they mainly rely on county-level data on both cellphone towers and murders. And they do find robust correlations across counties between county murder rates and the rates at which towers were being built into them. Other suggestive evidence is that the cell tower/murder rate correlation only occurs in urban counties, which is consistent with the idea that drug fiefdoms were mainly an urban phenomenon. The researchers also find "stronger

effects for black or Hispanic males (victims) and categories of homicides more closely associated with gang violence and drug dealing."

The economists concede that cellphones aren't the whole story (which is another reason "stupid" doesn't belong in their title). They estimate that of the 10,000 fewer murders in the US in 2000 than in 1990, their hypothesis explains some 1,900 to 2,900 of them. So phones don't provide a complete explanation. But they may well be an important part of it.

Canadian communications theorist Marshall McLuhan became famous in the 1960s by arguing that how technology changes the way we communicate is often more important than what we communicate. The medium is the message, as his most famous book said. It's an idea he got in part from the great Canadian economist Harold Innis. The case of the cellphones and the murder rates seems to be another instance of it. ♦

William Watson is a Professor of Economics at McGill University and Senior Fellow with the Fraser Institute. He holds degrees in economics from McGill and Yale Universities. His latest book, currently in press with University of Toronto Press, is The Inequality Trap: Fighting Capitalism instead of Poverty.





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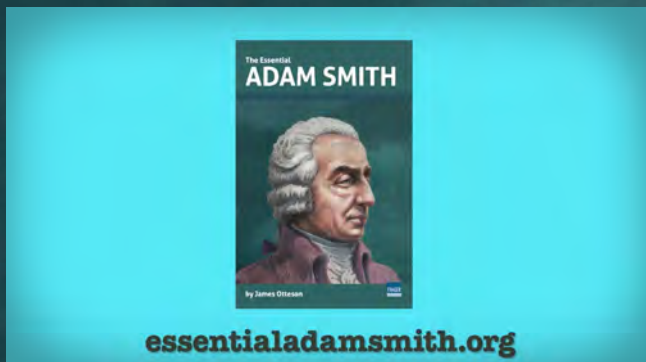
Smith offered a framework for understanding morality that not only integrated market transactions but set parameters for what constituted acceptable transactions. Modern research suggests that Smith was astonishingly accurate.

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CANADIANS CELEBRATE TAX FREEDOM DAY ON JUNE 14, 2019

MILAGROS PALACIOS AND JAKE FUSS

This year Tax Freedom Day fell on June 14. Tax Freedom Day measures the total yearly tax burden imposed on Canadian families by all levels of government: If you had to pay all your taxes up front, you'd give government every dollar you earned before June 14. This year, the average Canadian family (with two or more people) will pay \$52,675 in total taxes, or 44.7 percent of its annual income. ♦

[READ THE FULL STUDY HERE](#)

Average Canadian family pays
44.7% of its annual income on taxes

Happy Tax Freedom Day!



Breakdown of total tax bill

Income Taxes	15.2%
Payroll/Health Taxes	9.1%
Sales Taxes	6.9%
Property Taxes	4.0%
Profit Taxes	3.9%
Sin Taxes	2.2%
Fuel/Vehicle/Carbon Taxes	1.4%
Other Taxes	2.0%
Total tax bill	44.7%*

* based on a family income of \$117,731



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