



THE Quarterly

SUMMER 2022

Canada and US Energy Policies Empower Despots



**Niels Veldhuis**

President, Fraser Institute

Dear Fraser Institute Friends and Supporters,

The Trudeau government has been clear, both in its rhetoric and policy, that its ultimate goal is to shut down Canada's oil and gas industry. Consider that Minister of Environment and Climate Change Canada, Steven Guilbeault, a former Greenpeace activist, previously stated that "it makes no sense from an ethical and a moral perspective to produce and ship more of a substance [oil] that is causing a problem."

Can you believe it? Less Canadian oil and gas means more from places like Russia, ruled by dictators.

Minister Guilbeault and the Trudeau government just released a 271-page Emission Reduction Plan (ERP) that calls upon our oil and gas sector to cut emissions 42 percent below current levels in the next eight years and to get to "net-zero" by 2050. As Senior Fellow Ross McKittrick highlighted in a recent commentary published in the *National Post* (see page 18), this is a gift to Putin: "to get to net-zero by 2050... means either ceasing operations altogether or using production methods that will price producers out of the world market. Leaving a clear field for, among others, Russia to expand its dominance in world energy markets in the years ahead."

Unfortunately, the Trudeau government's view on the oil and gas sector is very much in line with the Biden Administration's. As Senior Fellow Robert Murphy highlights in his commentary "Western Countries Demonize Oil and Gas at Their Peril" (page 20), the crisis in Ukraine has spiked energy prices, but aggressive policies aimed at constraining oil and gas development in both Canada and the United States has amplified the situation.

With Europe suffering an energy crisis, Canada should be coming to its aid with increased oil and liquified natural gas (LNG) exports. But as my colleague Elmira Aliakbari notes in her commentary, "Canada's Lost LNG Opportunities Due to Dearth of Export Facilities" (page 22), we can't help because our regulatory system has led to the cancellation of several critical LNG projects.

These are examples of just some of the commentaries we have published over the past few months as we try to educate Canadians about the poor policy choices and the regulatory impediments the Trudeau government has put in place.

Canadians have an opportunity to serve the world with our energy and resources. Doing so would be good for our allies, for world energy security, for world peace, and for the environment.

It's so unfortunate that the Trudeau government doesn't see it that way.

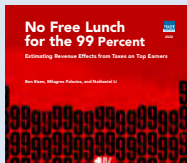
Canadians need to hear these important messages. After you are finished reading this edition of *The Quarterly*, please pass it on to your friends, family, and colleagues.

Best,

A handwritten signature in blue ink, appearing to read "Niels Veldhuis". The signature is fluid and cursive, written over a light blue horizontal line.

Niels

New Research



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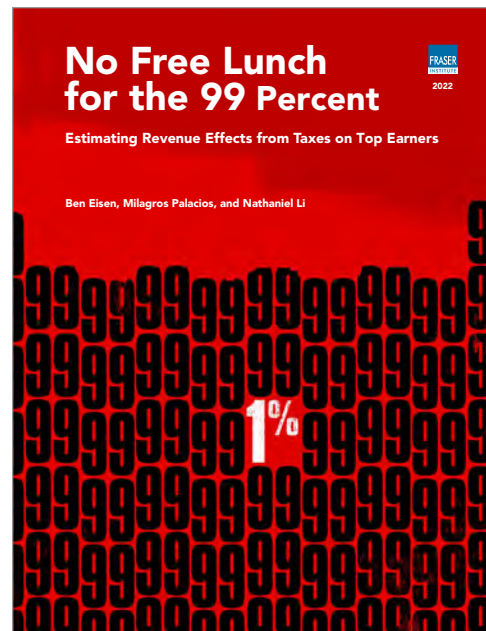
Ottawa Can't Finance Large Spending Programs by Only Taxing Upper-Income Families, Eventually Middle Class Must Also Pay

Ben Eisen, Milagros Palacios, and Nathaniel Li

Across North America pundits have advocated, and politicians have implemented, higher marginal income taxes on individuals and households near the top of the income distribution. Calls to increase income taxes on the top one percent of taxpayers have been particularly prevalent. The most common rationale for these types of tax increases is to fund additional government spending. But, several recent analyses have indicated that these tax rate increases have generated little, if any, additional revenue for governments in Canada.

Although governments across Canada at the federal level and in five provinces have in recent years heeded the call and raised their top marginal personal income tax rate, the effect of these tax increases on government revenue has been disappointing. As a result of changes in economic behaviour on the part of those affected by the increased rate, increases in the tax rate have generated little additional revenue. The evidence of weak effects upon revenue have been particularly compelling in several recent analyses of the 2016 federal income-tax increase. Our recent study, *No Free Lunch for the 99 Percent: Estimating Revenue Effects from Taxes on Top Earners*, reviews that literature and provides an independent analysis of the revenue effects of further increases to the top federal personal income tax rate above its current level in 2021. It arrives at the same conclusion of negligible revenue effects.

Raising the top personal income-tax rate has limited scope to increase government revenues in Canada given



current administrative and enforcement rules and infrastructure. However, other approaches to generate money from individuals in the top one percent of income earners and other wealthy Canadians have been proposed. Our study discusses several of these ideas and identifies challenges that limit their ability to raise significant additional revenue from high-income Canadians. More specifically,

“ The evidence suggests that **financing a major expansion of government over the long term will require tax increases that affect individuals and families across a wider range of the income and wealth spectrum.**”

Financing new government spending with taxes on the top 1% won't work

Little new revenue was collected from recent tax hikes

Increases to business taxes burden consumers and workers

Wealth taxes raise little revenue and are expensive to administer



we examine increasing corporate taxation, implementing a wealth or estate tax, and raising the effective rate of tax on capital gains. In each case, we find that the shrinkage of the tax base, tax avoidance, and the complexity of tax incidence impose significant limitations on the ability of these taxes, even taken cumulatively, to raise sufficient revenue from the top one percent to fund a major expansion of the federal government.

“ Raising the top personal income-tax rate has limited scope to increase government revenues in Canada ”

This evidence suggests that financing a major expansion of government over the long term will require tax increases that affect individuals and families across a wider range of the income and wealth spectrum. Specifically, we calculate that, to offset a 20 percent increase in federal spending through a broader “across the board” increase to personal income tax, would require increasing each tax bracket by 5.5 percentage points.

This would raise the bottom tax bracket from 10% to 15.5%. Alternatively, we show that offsetting a similar expansion in the size of the federal government (assum-

ing no behavioural effects) by increasing the GST would require an 11 percentage-point increase, from its 5% level today to 16%.

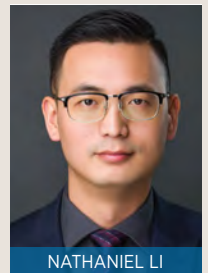
The policy implication of this analysis is that there is “no free lunch for the 99 percent” of taxpayers in Canada. The evidence does not support the notion that higher taxes on wealthy Canadians alone can fundamentally alter the federal government’s capacity to finance new spending. Instead, generating sufficient revenue to significantly increase federal spending would require broader-based taxes that generate revenue from individuals and households across a larger range of the income and wealth spectrum. [FI](#)



BEN EISEN



MILAGROS PALACIOS



NATHANIEL LI

Ben Eisen is a senior fellow in Fiscal and Provincial Prosperity Studies, Milagros Palacios is the director for the Addington Centre for Measurement and Nathaniel Li is an economist at the Fraser Institute. They are co-authors of *No Free Lunch for the 99 Percent: Estimating Revenue Effects from Taxes on Top Earners*.

Growing Size of Government a Problem Before the Pandemic

Alex Whalen and Nathaniel Li

During the pandemic, government spending increased substantially at the federal level and, to varying degrees, across the provinces. However, there's an increasing perception that the current size of government in Canada (federal, provincial, and local) is purely a function of the pandemic. Quite the contrary; increases in the size of government (as a share of the overall economy) was a problem before the pandemic. This matters because the size of government relative to the economy affects economic performance.

With the recent federal budget and many provincial budgets yet again promising more government spending, it's important to understand what was happening with the size of government in Canada before the pandemic. The period from 2007 to 2019 is of interest because it allows us to look at where the size of government, defined as total government spending as a share of the overall economy (GDP) stood immediately preceding the last two recessions. 2019 is also of value because it is the most recent year of data that excludes the pandemic.

The size of government in Canada over this period increased, meaning that government spending represented a larger share of the economy at the end of the period (2019) than at the start (2007). Specifically, in eight of ten provinces and for Canada as a whole the size of government—federal, provincial and local—increased between 2007 and 2019.

For Canada as a whole (including government at all levels), government spending represented 40.4 percent of the economy in 2019, up from 37.4 percent in 2007. Among the provinces, the size of government in 2019 (again, measured as a share of the economy) ranged from 29.7 percent in Alberta to 60.2 percent in Nova Scotia.



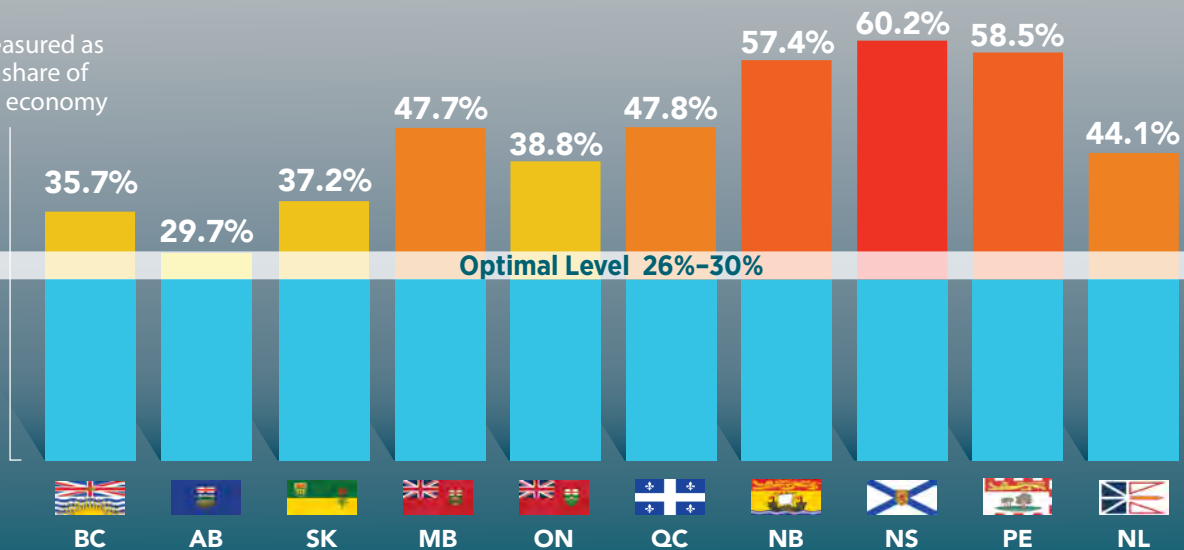
There are several points of concern. Alberta, for example, had the smallest size of government among all provinces in 2019 at 29.7 percent of the economy. However, the province also recorded the largest change in the size of government during this period, up 5.5 percentage points in 2019 from 22.4 percent in 2007. Newfoundland & Labrador experienced the next largest increase, up 5.2 percentage points in 2019 from 38.7 to 44.1 percent.

In the Maritime Provinces, the data are clear that even before COVID, the region had a large and growing government sector. In all three Maritime provinces, the size of government was approaching two-thirds of the economy. Total government spending in New Brunswick stood at 57.4 percent of GDP in 2019, while the government footprint in Prince Edward Island was 58.5 percent of GDP. Nova Scotia maintains Canada's highest level of government spending as a share of the economy at 60.2 percent of the economy.

All in all, the only provinces to experience declines in the size of government prior to the pandemic were Saskatchewan and Prince Edward Island. Saskatchewan's decline

Before the pandemic, government spending exceeded the optimal range in all but one province

Measured as a share of the economy



was minor, at 0.5 percentage points. Prince Edward Island's government spending as a share of the economy declined 3.1 percentage points but it was previously the province with the highest level of government spending as a share of GDP. Simply put, the size of government remains a challenge in PEI.

Why does this matter?

A key consequence of the size of government is its effect on economic growth. Research has shown that the optimal size of government is between 26 and 30 percent of the economy, with "optimal" defined as the size of government that maximizes economic growth. With Canada as a whole plus all the provinces except for Alberta being above this range, government spending is impeding stronger economic growth. Weaker economic growth means fewer jobs, less investment, lower wages, and generally lower living standards.

Another consequence of this large government footprint is higher taxes. Canada is a relatively high-tax jurisdiction by many measures, including on personal income tax rates, business income tax rates, and tax rates on investment like capital gains taxes. These high tax rates are needed to maintain a large and growing government sector. With most governments in Canada also relying on deficit-financing for spending, this situation could worsen as interest rates increase, potentially increasing deficits, which are simply deferred taxes.

In addition, government spending as a share of the economy underestimates the true size of government. Beyond spending, governments control parts of the economy and add costs through regulations and tax expenditures. For example, studies have found that indirect costs such as tax expenditures and regulations add costs equal to an additional 10.1 percent and 10.5 percent of GDP nationally.

As economies across Canada begin to recover from the pandemic, a large amount of temporary spending will wind down. However, it's crucial to understand that Canada and the provinces had a size-of-government problem well before COVID. As governments in Ottawa and the provincial capitals make fiscal decisions over the coming year, they should remember that ever more government spending has consequences. [FI](#)



ALEX WHALEN



NATHANIEL LI

Alex Whalen is a policy analyst and Nathaniel Li is an economist with the Fraser Institute. They are the co-authors of *The Size of Government in Canada* in 2019.

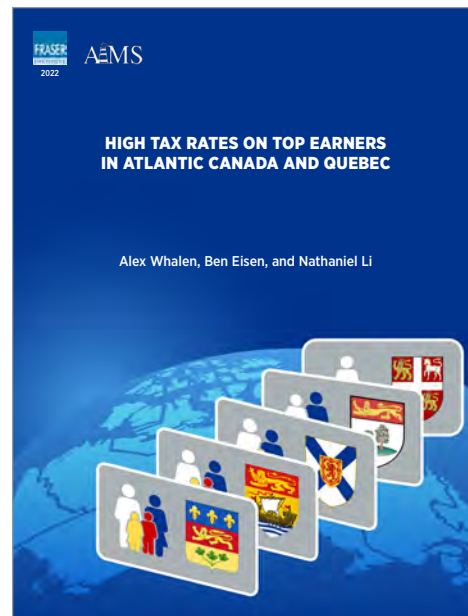
Families in Quebec That Earn \$100,000 or More Face Highest Tax Rates Nationwide

Alex Whalen, Ben Eisen, and Nathaniel Li

Canadians earning high incomes in Atlantic Canada and Quebec generally face the highest effective tax rates in Canada. This is the case across three income levels above \$100,000 and four types of households—single individuals, couples with no children, couples with one child, and couples with two children. At the same time, these provinces generally have the lowest shares of high-income earners in the country. In our study, *High Tax Rates on Top Earners in Atlantic Canada and Quebec*, we measure the personal income tax burdens these four types of families face to understand differences among various provinces across the country.

Calculating tax rates provides an overall picture of how each province compares—and competes—with other provinces with the income thresholds and tax rates each imposes on those earning high incomes in the province. The study measures effective income tax rates on four family types: single (unattached) persons, couples with no children, couples with one child, and couples with two children. Combined with an analysis of taxation at various income levels above \$100,000—12 categories in all—this provides a picture of the effective personal income tax rates for a variety of households across the country.

Across all four family types, we observe a common finding: Atlantic Canada and Quebec tend to maintain higher personal income tax rates than Ontario and Western Canada, which have lower rates. Specifically, for unattached persons with income over \$100,000, Prince Edward Island has the highest effective tax rate at 33.9 percent, followed by Quebec at 33.7 percent. Newfoundland & Labrador is third at 33.1 percent, Nova Scotia fourth at 33.0 percent, and New Brunswick sixth at 31.4 percent.



For couples with no children and income over \$100,000, Quebec and the Atlantic provinces again rank at the top of the most-taxed provinces. Quebec is highest with an effective personal income tax rate of 28.0 percent, followed by Newfoundland & Labrador at 26.2 percent, Prince Edward Island at 25.5 percent, and Nova Scotia at 24.7 percent. New Brunswick fares better in this category at 23.3 percent, which is the seventh highest in Canada.

When looking at couples with one child and income over \$100,000, Newfoundland & Labrador stands out as the Atlantic province with the highest rate, at 25.4 percent (only Quebec is higher, at 26.5 percent). The three Maritime provinces are middle of the pack in this category, with Nova Scotia ranking fifth (22.9 percent), New Brunswick seventh (22.5 percent), and Prince Edward Island eighth (22.4 percent).

For families with two children and over \$100,000 in income, Quebec again ranks first at 27.0 percent, followed closely by Nova Scotia at 26.1 percent, and Newfoundland & Labrador at 25.3 percent. Prince Edward

Quebec has some of the HIGHEST tax rates nationally for households earning over \$100,000



HIGHEST
Rate



HIGHEST
Rate



HIGHEST
Rate



2nd
Highest
Rate



Island ranks sixth at 23.1 percent, while New Brunswick has the second-lowest rate in the country, at 21.9 percent.

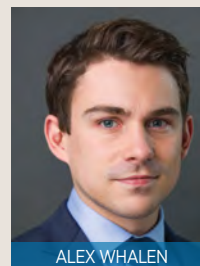
Some themes emerge. Quebec applies the highest effective personal income-tax rates in Canada, closely followed by Newfoundland & Labrador, Nova Scotia, Prince Edward Island, and New Brunswick. The eastern-most provinces in Canada have higher effective personal income-tax rates than the western-most provinces in most cases examined.

“Generally, provinces with higher effective personal income-tax rates have lower shares of Canadians earning high incomes.”

The Atlantic Canadian provinces also have the lowest shares of high-income earners in Canada. In some cases, the differences are dramatic. For example, Prince Edward Island’s share of all earners over \$100,000, at 15.5 percent, is nine percentage points lower than Alberta’s, at 24.5 percent. There is also an east-west divide in the shares of households earning over \$100,000. Quebec and the four Atlantic Provinces have the lowest shares of households earning over this amount, while Ontario and the four western provinces have the highest shares. At 19.7 percent, Manitoba has the lowest share of earners

over \$100,000 east of Quebec but this would still rank higher than Quebec and the Atlantic Provinces. Generally, provinces with higher effective personal income-tax rates have lower shares of Canadians earning high incomes.

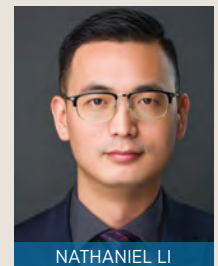
These findings have important implications for the Atlantic provinces as they contemplate tax policy. The results here provide further evidence that personal income taxes—and particularly taxes on high-income earners—in the Atlantic provinces are not competitive with those in the rest of the country. The data also reveal that there are fewer high-income earners (relative to the all tax filers) in Atlantic Canada than in the rest of the country. These findings should re-ignite discussion of reforms of personal income tax and reductions across the region. [FI](#)



ALEX WHALEN



BEN EISEN



NATHANIEL LI

Alex Whalen is a policy analyst, Ben Eisen is a senior fellow in Fiscal and Provincial Prosperity Studies, and Nathaniel Li is an Economist at the Fraser Institute. They are the co-authors of *High Tax Rates on Top Earners in Atlantic Canada and Quebec*.

Ottawa's Additional Spending Pre-COVID Led to \$160 Billion in Debt

Jake Fuss and Tegan Hill

The Trudeau government recently tabled its 2022/23 budget. While the hundreds of billions in COVID-related spending contributed to the eye-popping \$327.7 billion deficit in 2020/21 and a projected \$144.5 billion deficit in 2021/22, this government had a big spending problem well before the pandemic, which contributed significantly to the fiscal mess we're in today.

During Prime Minister Trudeau's first term in office, the federal government increased nominal program spending by 36.1 per cent—from \$248.7 billion in 2014/15 to \$338.5 billion in 2019/20 (pre-pandemic)—far outpacing economic growth and inflation and population growth every year from 2015/16 to 2019/20.

To put this into historical context (and adjusted for inflation), Prime Minister Trudeau broke the record for the highest level of per-person federal spending in Canadian history at \$9,224 in 2018/19 and again in 2019/20 (\$9,671). Remember, this was before COVID. In other words, Canada entered the pandemic with spending levels already at record highs, which raises questions about what could have been.

For example, our new study, *Ottawa's Pattern of Excessive Spending and Persistent Deficits*, finds that if Ottawa had tied the rate of federal program spending growth to either a) inflation and population growth or b) economic growth from 2015/16 to 2019/20, the federal government would have recorded surpluses nearly every year instead of persistent deficits, and avoided approximately \$150 billion to \$160 billion in additional debt.

Why should Canadians care?

For starters, debt accumulation has consequences. By financing spending through borrowing (i.e., budget deficits), the government is effectively sticking future generations with the tax bill for today's spending.



And it's a big bill. Factor in COVID, and net debt (total debt minus financial assets) will reach a projected \$1.3 trillion in 2021/22. Just as households pay interest on mortgages and credit cards, Canadians must pay interest on federal government debt. Higher debt (all else equal) means more tax dollars go to paying interest, which leaves less money for health care, social services, and/or tax relief in the future. In 2021/22 alone, Canadians will pay \$24.5 billion in federal debt interest—and that's with very low interest rates.

“Canada entered the pandemic with spending levels already at record highs, which raises questions about what could have been.”

Ottawa's imprudent pre-COVID spending created \$160 billion in debt

\$653.2 B



What Could Have Been

\$812.9 B

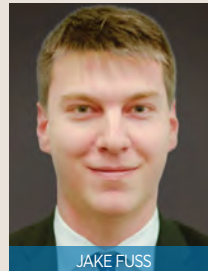


What Happened

Moreover, research has consistently shown that as government debt increases, real interest costs also increase as the risk associated with such debt increases. A recent analysis found that using fairly optimistic assumptions—such as no recession for the next 50 years—Canadians between the ages of 16 and 80 will incur \$10,498 in additional taxes (on average, over their lifetimes) due to higher interest costs from the projected debt Ottawa will accumulate between 2019 and 2025.

Clearly, federal finances would be in much better shape today had the Trudeau government exercised greater restraint in spending before the pandemic hit. Canadians must understand the sorry state of federal finances pre-pandemic to fully understand the situation we're in today, and more importantly why spending restraint and a realistic path back to budget balance is needed in the upcoming budget. [FI](#)

“ *Debt accumulation has consequences. By financing spending through borrowing (i.e., budget deficits), the government is effectively sticking future generations with the tax bill for today's spending.”*



JAKE FUSS



TEGAN HILL

Jake Fuss is associate director of Fiscal Studies and Tegan Hill is an economist at the Fraser Institute. They are co-authors of *Ottawa's Pattern of Excessive Spending and Persistent Deficits*.

Inflation in Canada—the Causes, Consequences, and Beneficiaries

Steven Globerman

Somewhat over 40 percent of Canada's current population was born after 1988, so a substantial proportion of Canadians did not personally experience the prolonged episode of global inflation running from the mid-1970s to the mid-1980s. Indeed, the media has basically ignored inflation over the past 30 years, decades that, until recently, have been marked by low and relatively stable inflation. The sharp increase in the rate of inflation over the past year has brought this public policy issue back to the public's attention.

While dramatic increases in housing prices across Canada over the past two years have arguably received the lion's share of media attention to economic issues, rising prices for food, automobiles, and gasoline have also captured public attention and raised awareness among Canadians of the broad-based nature of recent price increases. In response to the recent and persistent rise in inflation, the Bank of Canada raised its policy interest rate in March 2022 by 25 basis points and again in April by 50 basis points. It also announced other measures to tighten domestic credit conditions as steps toward restoring relative price stability. A large percentage of Canadians have not faced a prolonged period of rising interest rates, including mortgage rates, which reached double-digit levels in the late 1970s and early 1980s. The possibility that economic conditions might repeat those of the 1970s and 1980s is a cause for genuine concern as current inflation conditions prove to be much worse than monetary authorities and private sector economists foresaw at the start of the COVID-19 epidemic.

As participants in the economy as consumers, investors, labour force participants, and voters, Canadians should be adequately informed about the important issues surrounding inflation, particularly as it emerges as a public policy issue of pressing concern. These issues include the



accuracy and reliability of standard measures of inflation, the causes and consequences of inflation, and the monetary and fiscal policy instruments used to moderate inflation. Our recent study, *A Primer on Inflation*, is meant to provide an overview of these important issues in a way that is accessible to non-technical readers.

Inflation refers to a general increase in the prices of goods and services in an economy. The principal measure of inflation is the Consumer Price Index (CPI). Controversy has surrounded the accuracy of the CPI, including concerns about excluded services such as government-funded health care, as well as the need to adjust for changes over time in the quality of the goods and services it includes. However, available studies tend to conclude that corrections made to adjust for quality changes succeed in mitigating any significant upward or downward bias in the CPI measure.

Inflation in Canada averaged 8.1 percent per year from 1971 to 1980 and 6 percent per year from 1981 to 1990. It then averaged 1.88 percent per annum from 1991 to 2020

only to increase to 3.4 percent in 2021. More recently, the annualized rate of inflation reached 5.1 percent in January 2022, the highest rate since 1991.

Inflation occurs when the aggregate demand for goods and services in the economy exceeds the capacity of the economy to meet that demand at the current price level. Aggregate demand is a function of the outstanding money supply and the rate at which the money supply turns over, i.e., the velocity of money. To illustrate, if the outstanding money supply equals \$1,000 and the velocity of money equals 2, aggregate demand (or aggregate spending) will equal \$2,000. Other things constant, an increase in the money supply contributes to an increase in aggregate demand, as does an increase in the velocity of money.

The potential output of an economy is a function of the total number of hours worked and the real output produced per hour worked (also called the average productivity of labour). All else constant, a decrease in the total number of hours worked and/or a decrease in the average productivity of labour will contribute to a decrease in an economy's potential output.

Empirical evidence supports the relevance of changes in the money supply, changes in velocity, and changes in potential output as determinants of inflation over time. For example, the sharp spike in the price of crude oil in the mid-1970s was an important spur to inflation, while a marked decline in the velocity of money contributed to relative price stability over the past two decades. The growth of the money supply was also an important contributor to inflation in the 1970s and 1980s, and the very rapid growth of the money supply since the outset of the COVID-19 pandemic has certainly contributed to the current inflation problem.

While most economists believe that a low and stable rate of inflation should be the goal of policymakers, there is no agreed-upon optimal rate of inflation. The Bank of Canada has a target for inflation of 2 percent per annum within a band of 1 percent to 3 percent, and the 2 percent per annum policy target is shared by several other central banks. A relatively low and stable rate of inflation enables the price system to play its role of signaling when the output of specific products should be increased while others should be decreased. When prices increase broadly because of inflation, "noise" is introduced into the price signaling system, particularly because inflation does not cause prices to rise at the

same pace in all product markets. Misleading price signals contribute to reduced economic efficiency.

Modest and steady inflation also minimizes the redistribution of income and wealth that result in windfall gains for some and windfall losses for others. In this regard, governments are typically major financial beneficiaries of inflation given that a significant portion of the tax base is not indexed to the rate of inflation. As a result, productive resources are transferred from the private sector to the public sector, which further harms productivity growth.

Monetary policy has been the traditional policy tool to maintain low and stable inflation. Until recently, concerns about slow economic growth following the 2007-2008 financial crisis and the COVID epidemic of 2020 have encouraged central banks to keep real interest rates near zero and to ensure easy credit conditions for borrowers including governments. As the traditional policy instrument, i.e., the central bank's lending rate, approached zero, the Bank of Canada and the US Federal Reserve implemented new policy instruments including quantitative easing and forward guidance. The former involves the central bank buying large quantities of government bonds and mortgages to hold on its balance sheet. The latter encompasses regular public announcements by the central bank of its future policy intentions with respect to monetary policy. As it confronts a renewed inflation problem, the Bank of Canada has begun to increase its policy interest rate, while announcing that it is pausing quantitative easing. Whether the measures to be taken will be sufficiently robust to restore relative price stability is a major question for Canadian businesses and households. [FI](#)



Steven Globberman is a resident scholar and Addington Chair in Measurement at the Fraser Institute. He is the author of *A Primer on Inflation*.

Support for New Government Programs Collapses When Canadians Have to Pay for It

Jake Fuss and Jason Clemens

There are numerous polls showing Canadians overwhelmingly support a national prescription drug plan (i.e., pharmacare), a national dental program, and a standardized national daycare program (i.e., \$10-a-day daycare). The problem is that almost none of these polls connect new federal programs with the taxes needed to pay for them. This more-spending-at-no-cost has been exacerbated by the federal government's continued spend-now, borrow-now, and pay-for-it-later approach to public finances.

In a recent poll commissioned by the Fraser Institute and conducted by Leger, which included 1,509 Canadians across the country spanning all age groups and income levels, there was enormous support for new public programs. In total, 69 percent of respondents supported a \$10-a-day national daycare program, 79 percent supported a national universal prescription drug plan (pharmacare) and 72 percent supported a national dental plan for lower income Canadians. All three of these programs were included or committed to in the recent federal budget.

These are not small spending commitments. The national daycare program alone, for instance, is estimated to cost \$7.9 billion annually by 2025/26. The national dental benefit is estimated to cost \$1.7 billion annually but doesn't estimate the cost if some Canadians currently on private plans transition to the new government plan, which means the costs could be higher. And while there was no cost estimate for the new national pharmacare program, the budget committed to passing legislation by the end of 2023. For reference, the Hoskins Report estimated that the annual cost of national pharmacare, once fully implemented, could be as high as \$15.3 billion.

The image shows the cover of the Fraser Research Bulletin, dated May 2022. The title is "Polling Canadians' Support for New Federal Government Programs". Below the title are three small images: a family with children, a dentist examining a patient, and a pharmacist at a counter. The byline reads "By Jake Fuss and Milagros Palacios".

SUMMARY

- Several new spending programs in this year's federal budget are financed by borrowing, which means the budget offers an incomplete picture to Canadians of the true cost of these programs because it defers tax increases to the future.
- 79% of Canadians surveyed supported the introduction of a national \$10-a-day daycare program when there is no cost attached. However, total national support drops to just 36% if the program is paid for by an increase in the GST.
- 79% of Canadians express support for universal national pharmacare with no costs attached. Support for the program is reduced by

almost half, falling to 40% when the new program is financed by an increase in the GST.

- 72% of Canadians supported a national dental care program when no costs were attached. Total support declined to 42% when the new program was linked to an increase in the GST.
- None of the three programs garnered a majority of support from survey participants across the country when their costs were linked with a direct tax increase, specifically an increase in the GST.
- When Canadians were asked if they supported the three new government programs but with specific and transparent costs attached, namely an increase in the GST to pay for them, support across the country plummeted for all three.

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These represent significant new expenditures by Ottawa at a time when spending exceeds revenues, meaning that the federal government continues to borrow money to finance spending. Put simply, these new programs are being presented to Canadians without a transparent cost attached to them.

The results when the cost of these programs are transparent is telling about the extent of support, or lack thereof, for these new government programs. The same Leger survey asked a second set of questions regarding support for the same three programs but attached a change in the GST to pay (roughly) for each program. The GST was selected over other possible tax increases since it is the tax most widely understood and directly paid by most Canadians.

The results are startling.

Support for a national daycare program drops from 69 percent when no tax changes are linked to it, to just 36 percent when a 1 percentage-point increase in the GST is linked with the new program.

Support for a national prescription drug plan drops from 79 percent to 40 percent when a 2 percentage-point increase in the GST (from 5 to 7 percent) is linked with the new program.

“ Support for a national daycare program drops from 69 percent when no tax changes are linked to it, to just 36 percent when a 1 percentage-point increase in the GST is linked with the new program.”

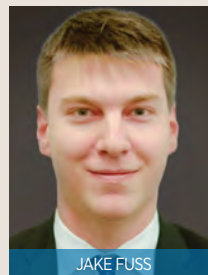
And finally, support for a national dental plan drops from 72 percent to 42 percent when an increase in the GST is linked to the new program. Simply put, none of these three major new federal programs garner majority support when the costs of the programs—that is the tax increases needed—are included.

These results are in line with a previous 2020 poll by the Angus Reid Institute that found overwhelming support for a national prescription drug program with 86 percent of respondents indicating support. However, when asked if they support the same program when a tax increase was linked with it, support plummeted. A 1 percentage-point increase in the middle-class personal income tax rate, which wouldn't come close to actually funding the program, resulted in support dropping to 47 percent.

It seems clear from these results that Canadians are supportive of new and expanded programs by Ottawa if there is no transparent cost to them. When there's a clear cost to them in the form of higher taxes, support for new and expanded programs plummets to the point

where more Canadians oppose the programs than support them. And the reality of any new or expanded program is that at some point Canadians will have to pay either in the form of higher taxes or less spending on other programs. What we should all agree on is that the costs of any new programs should be transparent so that Canadians can make better informed decisions. [FI](#)

“ Canadians are supportive of new and expanded programs by Ottawa if there is no transparent cost to them. But when there's a clear cost to them in the form of higher taxes, support for new and expanded programs plummets to the point where more Canadians oppose the programs than support them.”



JAKE FUSS



JASON CLEMENS

Jake Fuss is associate director of Fiscal Policy and Jason Clemens is executive vice-president of the Fraser Institute. Jake Fuss is co-author, with Milagros Palacios, of *Polling Canadians' Support for New Federal Government Programs*.



Provincial Governments Should Strengthen—Not Weaken—Standardized Testing in Schools

Michael Zwaagstra

Imagine you went to your optometrist's office for your yearly eye exam. After asking a few questions and looking into your eyes, the optometrist declares that everything looks fine and you're free to go after paying \$100.

Would you be satisfied with that assessment? Probably not. That's because professional optometrists rely on more than their subjective judgment when conducting eye exams. They use calibrated instruments, official eye charts, and standardized procedures to ensure they come to an accurate conclusion about your sight.

In other words, standardization doesn't weaken an optometrist's professionalism, it strengthens it. The same is true in other professions including education, which is why, as our recent paper, *The Decline of Standardized*

Testing in Canada explains, standardized testing remains a vital—but largely missing—element of the Canadian education system.

What are standardized tests? Essentially, they're tests administered with consistent instructions, written by all students at the same time and within the same time limit, and scored in the same manner. When properly designed and administered, these tests provide schools, students, and parents with an objective measurement of student proficiency and the education system's overall health.

Both teacher-created tests, which are more subjective, and standardized tests, which are more objective, are essential for a balanced approach to student assessment. Teacher-created tests allow teachers to account for individual student circumstances while standardized tests

make it possible to determine whether provincial curriculum standards have been met. Both tests are important, like your optometrist using both subjective judgement and objective tests to assess your eyes.

Unfortunately, due largely to three specific trends, standardized testing is on the decline in Canada.

First, standardized tests today place less emphasis on subject-specific knowledge than they once did. Instead, most tests now focus on generic literacy and numeracy skills. This approach assumes that literacy and numeracy are easily transferable skills. But in reality, these skills are heavily dependent on content.

“When properly designed and administered, standardized tests provide schools, students, and parents with an objective measurement of student proficiency and the education system’s overall health.”

For example, there’s a strong causal relationship between background knowledge and reading comprehension. Students will struggle to read an article if they know nothing about the topic, but have little difficulty reading a book or article when they possess considerable background knowledge about the topic (e.g., students better comprehend history when they are familiar with the key people involved). Thus, it’s important to immerse students in content-rich learning environments because they need background knowledge in many things before they can become functioning citizens in society. By failing to measure content knowledge, modern-day standardized tests fail to measure a key (perhaps the most important) thing, so there’s little incentive for teachers to help students acquire the background knowledge they need to be successful citizens.

The second concerning trend is that standardized tests in Canada are not given the same value as in the past. In many provinces, standardized tests (other than those written in Grade 12) often do not count towards students’ final grades. Even in provinces where they do count, the percentage value of these tests has steadily declined.

Consequently, students and teachers are less likely to take these tests seriously.

Finally, standardized tests are administered less often and at fewer grade levels than they once were, particularly in Manitoba and Saskatchewan where standardized tests have practically disappeared.

To make matters worse, a number of provinces halted the administration of standardized tests over the past two years during the pandemic. While this was intended to be a temporary pause, it won’t be easy to go back to normal, particularly since teacher unions across Canada continue to lobby hard against these tests. They would like nothing more than to get rid of these tests entirely, leaving student grades dependent on subjective assessments. Clearly, provincial governments should place a stronger emphasis on standardized testing. For our students to compete successfully with students from around the world, it is obvious that they must be well-educated.

“We expect medical professionals ... to use standardized instruments and procedures when assessing their patients. We should expect no less from our education professionals.”

We expect medical professionals such as optometrists to use standardized instruments and procedures when assessing their patients. We should expect no less from our education professionals. [FI](#)



Michael Zwaagstra is a public high school teacher, a Fraser Institute senior fellow, and author of *The Decline of Standardized Testing in Canada*.

Alberta's Health Care Reforms Don't Go Far Enough



Bacchus Barua, Tegan Hill, and Mackenzie Moir

Before the release of Alberta's budget in March, Premier Kenney acknowledged that "we need greater value for money in our health care system." While the budget promises more health care dollars, the associated reforms—which include increased collaboration with private clinics—are limited in scope and may only provide temporary relief, if any.

Let's start with the numbers. In Budget 2022, Edmonton promises to add just over \$500 million to the Ministry of Health's operating budget next year (2022/23)—an increase of 2.4 percent over last year (excluding costs related specifically to COVID-19). This funding increase includes money for more ICU beds and physicians. For context, during the pandemic Alberta increased health care spending at a lower rate than any other province—by 7 percent between 2019 and 2021 compared to the Canadian average of 17 percent. And adjusting for pop-

ulation growth and inflation, Alberta actually spent 0.5 percent less on health care in 2021 than it did in 2019.

But that doesn't mean Alberta's health care system is underfunded. Far from it. In 2019, on a per-person basis, Alberta actually had the second most expensive provincial health care system in Canada (which has one of the most expensive health care systems in the world). So, despite the modest spending increase (relative to its provincial peers) during the last two years, Alberta still ranked middle-of-the-pack among provinces for per-person spending on health care in 2021.

Unfortunately, despite this high spending, physicians in Alberta have reported longer wait times than the Canadian average every year since 2007. Most recently, Albertans faced a 32.1-week wait for medically necessary treatment (after referral from a family doctor) in 2021—6.5 weeks longer than the Canadian average (25.6 weeks). More broadly, Canada routinely ranks close to the bot-

tom for wait times compared to our international peers. Clearly, higher spending doesn't necessarily produce a better health care system.

But there's some good news. To the Kenney government's credit, the budget contains at least two policies that may improve access to timely care in the short-term.

“Physicians in Alberta have reported longer wait times than the Canadian average every year since 2007... Albertans faced a 32.1-week wait for medically necessary treatment (after referral from a family doctor) in 2021—6.5 weeks longer than the Canadian average (25.6 weeks).”

First, the government plans to add more hospital beds. According to the Canadian Institute for Health Information, in 2017 Alberta ranked 7th out of nine provinces (excluding Quebec where data was unavailable) at 2.0 acute care beds per 1,000 population. Given that Canada as a whole ranked 25th out of 26 countries on this same measure, Alberta's relative scarcity of beds among the provinces is particularly worrisome. (However, funding surgeries associated with these new beds will be an expensive endeavour in the future.)

Second, the government also announced an increase in the share of publicly funded surgeries delivered by private chartered health facilities, from 15 percent to 30 percent over the next few years. This is a bold step in the right direction. Contracting private surgical clinics to perform publicly funded surgeries was a core component to the Saskatchewan Surgical Initiative (SSI)—a four-year program that successfully reduced surgical times from 26.5 weeks between referral to treatment in 2010 to 14.2 weeks in 2014. (Notably, contracted clinics delivered procedures at 26 percent lower cost, on average, than their government counterparts.)

If this move is done correctly, Alberta may be able to mirror the successes of the SSI. Although Saskatchewan's story should be tempered with some caution as these policies can only provide short-term relief—basically for as long the program lasts—and must be followed by additional reforms based on the experience of other universal health care countries. These reforms include allowing the creation of a parallel private sector to serve as a pressure valve for the public system, expecting patients to share some of the costs of care to temper demand (with

“Canada routinely ranks close to the bottom for wait times compared to our international peers. Clearly, higher spending doesn't necessarily produce a better health care system.”

exemptions for vulnerable groups), and funding hospitals according to activity to stimulate competition among hospitals and ensure that money follows the patient.

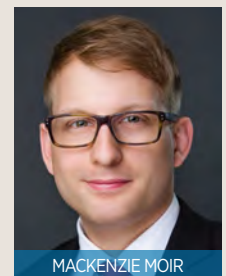
To realize some of these reforms, Alberta (or any province) will have to pick a fight with Ottawa down the road. Absent reform, relief will only be temporary, and improvements will be expensive. [FI](#)



BACCHUS BARUA



TEGAN HILL



MACKENZIE MOIR

Bacchus Barua is director of Health Policy Studies, Tegan Hill is an economist, and Mackenzie Moir is a policy analyst at the Fraser Institute.



Ottawa's Emissions Plan Canada's Gift to Putin

Ross McKittrick

You might have thought that the Russo-Ukrainian War would have convinced the Trudeau government to hit pause on its climate change plans. The Europeans are suddenly desperate to find other sources of energy so they can scale back imports from Russia. Because of Canada's long embrace of the don't-build-anything-anywhere school of economic development, we can't help them, but the United States can with its liquefied natural gas (LNG) export infrastructure. But that means the US must import more to make up for what it diverts out of the domestic market, and it will look to us. That's what we used to call an opportunity.

But not anymore. Instead, Ottawa just released a 271-page Emission Reduction Plan (ERP) that calls upon our oil and gas sector to cut emissions by 31 per cent below 2005 levels in the next eight years, which is 42 per cent below current levels. The plan also calls for

us to get to "net-zero" by 2050, which given the current technological limits of carbon capture and other buzzwords means either ceasing operations altogether or using production methods that will price producers out of the world market. That will leave a clear field for Russia, among others, to expand its dominance in world energy markets in the years ahead. Global emissions won't decline mind you; people will just get their energy from dictators while democracies such as Canada exit the market.

So you can think of ERP as actually the Enrich and Reward Putin plan. Current climate policies have never made economic sense, but that wasn't enough to force a rethink. Now we have war on Europe's eastern edge and that isn't enough either. It's beginning to look like a fanatical fixation.

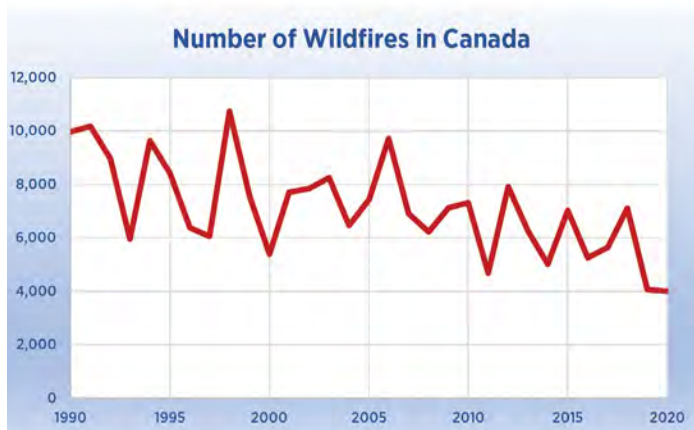
Another clue that the ERP is ideologically-driven is that throughout 271 pages of proposed new regulations, restrictions, targets, and taxes there's no analysis of what it will cost Canadians. Perhaps the government knows

but doesn't want to say. But I suspect it hasn't even considered the matter. There's the usual guff about green jobs and new economic opportunities. We can consign that rhetoric to the same bin where the Parliamentary Budget Officer consigned the claim that the carbon tax would make most Canadians better off.

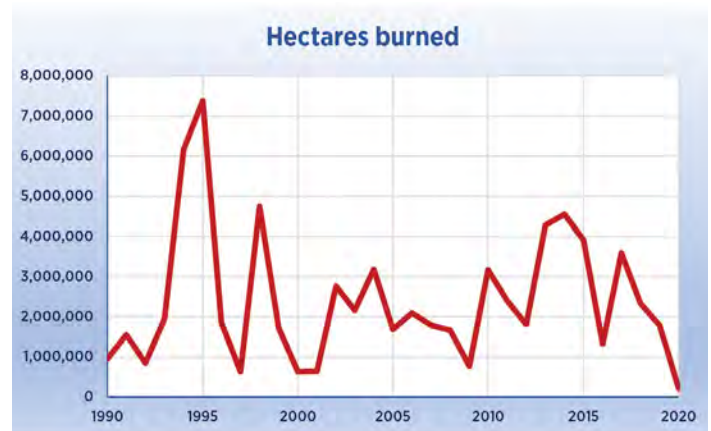
The sad reality is that the federal government does not care what its climate plans will cost people. After all, there's a climate emergency to be addressed—it says so right there on page 14: “With deadly heatwaves and devastating wildfires and flooding, the cost and impact of inaction on Canadians’ lives and livelihoods is far too high.” Does that mean the ERP will stop these things from happening? No, of course not, this is just more climate sophistry. The ERP will not affect the incidence of extreme weather.

The sophistry runs even deeper: is the ERP saying we are experiencing more heatwaves, fires, and floods due to climate change? It skates past that question without answering it, so let's see what the experts say. The 2019 federal science report on climate change notes (p. 34) that robust statistical assessment of trends in heatwaves is “challenging” and that in Canada there's only medium confidence that more places have experienced an increase in the number of heatwaves than a decrease. Meanwhile, the 2017 US National Climate Assessment reported (pp. 190-91) that heatwave magnitudes were considerably higher in the 1930s, and that over the past century high temperatures experienced a net decline in almost all regions east of the Rocky Mountains.

The Canadian Wildland Fire Information Service keeps Canadian wildfire data. Here is the number of forest fires from 1990 to 2020.

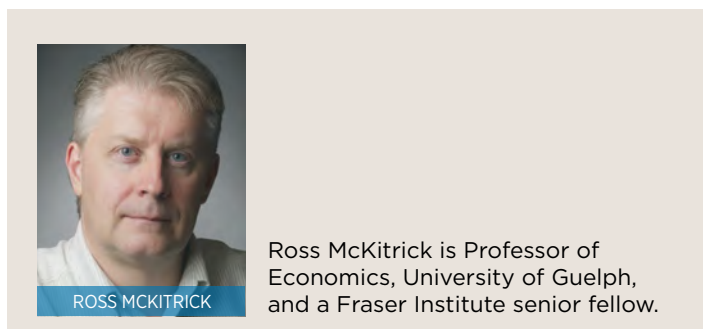


And the number of hectares burned.



Spot the emergency if you can. As to flooding, in the 2012 *Special Report on Extreme Weather* the UN's Intergovernmental Panel on Climate Change said (p. 176): “In the United States and Canada during the 20th century and in the early 21st century, there is no compelling evidence for climate-driven changes in the magnitude or frequency of floods” and the panel has not revised that conclusion since. In the most recent 6th Assessment Report (Ch. 11, p. 55), the IPCC additionally noted, “In Canada, there is a lack of detectable trends in observed annual maximum daily (or shorter duration) precipitation.”

The federal government also wants new powers to control what it calls “disinformation” on the Internet. It would be nice if there was less disinformation out there, but when it comes to claims about the supposed climate emergency, the costs of climate policy, and the role Canada should play in meeting global energy needs, the government is the source of it, not the answer to it. **FI**



Western Countries Demonize Oil and Gas at their Peril



Robert P. Murphy

In early European trading this week [early March], benchmark Brent crude oil prices in Europe came close to all-time highs, surpassing US\$139 per barrel, more than a \$20 jump from last week and almost double the price since early December. Meanwhile, European natural gas prices are also soaring; the benchmark Dutch gas price, for example, last week reached a record high 185 euros per megawatt-hour (MWh), which represents more than a tripling in price since October.

And on Tuesday, the Biden administration banned oil and gas imports from Russia, although the European Union has not followed the US lead. Russia normally supplies nearly 40 percent of the EU's natural gas, with Germany being the biggest consumer.

The pain from high energy prices isn't limited to Europe. Here in Canada, motorists in many areas are suffering record high gasoline prices. According to one estimate, last week regular gasoline surpassed \$2.01 per litre in Labrador City, \$2.00 in Vancouver, \$1.86 in Sudbury, and \$1.55 in Edmonton. Analysts attribute the Canadian spike to increased demand (due to the easing of COVID restrictions) and the constrained supply due to the crisis in Ukraine.

“As Europe’s economy rebounds from the COVID slump, it’s now clear that *there’s not been enough investment in expanding the capacity to produce and distribute natural gas to keep pace with the needs of growing consumption in the coming years.*”

However, there’s a bigger lesson. There has been a full-blown energy crisis brewing in Europe since at least last summer; these record high prices are not merely the result of the Russian invasion. Dutch natural gas prices, for example, tripled from 20 euros per MWh last April to 60 euros by September. As Europe’s economy rebounds from the COVID slump, it’s now clear that there’s not been enough investment in expanding the capacity to produce and distribute natural gas to keep pace with the needs of growing consumption in the coming years.

“For decades, we’ve seen a steady and growing drumbeat of calls—from academics, media, activists, and political officials—to hobble oil and gas development in favour of so-called “green” or “clean” energy.”

Normally when a product experiences record high prices, its suppliers expand production capacity to meet the demand. Yet we shouldn’t expect this automatic response in oil and natural gas. For decades, we’ve seen a steady and growing drumbeat of calls—from academics, media, activists, and political officials—to hobble oil and gas development in favour of so-called “green” or “clean” energy.

For example, last summer EU officials outlined plans for a 55 percent reduction in carbon dioxide emissions (rel-

ative to 1990 levels) by 2030, and “net-zero” emissions by 2050. Individual European countries have already aggressively pursued ambitious decarbonization, with Spain, for example, generating more than 40 percent of its electricity from renewable sources in 2020.

The crisis in Ukraine and associated energy price spikes underscore the global economy’s reliance on oil and natural gas. If we can see such painful price spikes from short-term sanctions, imagine the consequences of permanent government restrictions. Rather than continue to demonize these energy sources and impose aggressive policies to constrain oil and gas development, the Trudeau government and other Western countries should allow for a neutral playing field among energy sources that heat our homes and power our vehicles. [FI](#)

“Rather than continue to demonize these energy sources and impose aggressive policies to constrain oil and gas development, the Trudeau government and other Western countries should allow for a neutral playing field among energy sources that heat our homes and power our vehicles.”



ROBERT C. MURPHY

Robert P. Murphy is a Fraser Institute senior fellow and a research fellow at the Independent Institute in Oakland, California.

Canada's Lost LNG Opportunities Due to Dearth of Export Facilities



Elmira Aliakbari and Jairo Yunis

Europe is suffering its worst energy crisis since the 1970s. European natural gas prices have risen more than 600 percent over the past year, including 30 percent since Russia invaded Ukraine. While the United States, Australia, and other countries have already started to boost shipments of liquefied natural gas (LNG) to Europe, Canada remains on the sidelines. Unfortunately, despite being the world's fifth-largest producer of natural gas, Canada has missed the opportunity to expand our supply of LNG to overseas markets due to a lack of export infrastructure, largely due to regulatory barriers and environmental activism.

Consider that in January 2022, in response to high energy prices, the US exported a record amount of LNG to Europe and became the world's largest LNG exporter for two months in a row. According to the US Energy Information Administration, the United States will have the world's largest LNG export capacity by the end of 2022 and LNG exports have become an engine of economic growth and a tool for strengthening the country's foreign policy.

Similarly, Australia is considering exporting more LNG to Europe. Keith Pitt, Australia's resources minister, recently said that Australia is "a leading and reliable global exporter of LNG" and stands ready to assist with further supplies. Qatar and Japan are also seizing the opportunity, eyeing an increase of LNG exports to Europe.

“Despite being the world’s fifth-largest producer of natural gas, Canada has missed the opportunity to expand our supply of LNG to overseas markets due to a lack of export infrastructure, largely due to regulatory barriers and environmental activism.”

Yet firms in Canada, despite having ample reserves, have not stepped up to export desperately needed natural gas to Europe. Why?

Simply put, despite producing 16.1 billion cubic feet of natural gas each day, Canada does not have any LNG export facilities—an astonishing fact for such a resource-rich country. According to Natural Resources Canada, 18 LNG export facility projects have been proposed in Canada since 2011 (specifically, 13 in British Columbia, two in Quebec, and three in Nova Scotia). One export facility in BC is under construction. For comparison, between 2014 and 2020, the US built seven LNG export facilities and approved 20 more (five are currently under construction).

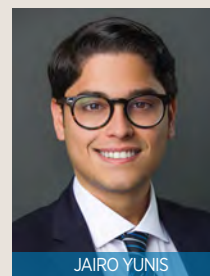
The culprit? Canada’s arduous regulatory system—and fierce opposition from interest groups—has led to the cancellation of several critical LNG projects. For example, in 2017, oil and gas company Petronas cancelled its \$36 billion Pacific NorthWest LNG project due to “delays and long regulatory timelines” coupled with poor market conditions. In 2020, Warren Buffet pulled out of a proposed \$9 billion LNG project in Quebec amid concerns over regulatory challenges and railway blockades. Last year, joint venture partners Chevron and Woodside Energy stated their intention to sell their shares of the Kitimat LNG project in northern BC after more than a decade of slow progress.

A 2020 study by the Canadian Energy Research Institute assessed the competitiveness of Canada’s regulatory framework for the oil and gas sector (at the federal and provincial levels) compared to the US and found that Canada had a competitive disadvantage with LNG projects, which take approximately 19 more months to gain approval in Canada than in the United States.

Of course, strong environmental protections are necessary; Canadians demand responsible stewardship of the environment. But excessive regulatory barriers and opposition to energy infrastructure have hurt our LNG industry and have also contributed to higher global emissions. China—a potential customer for Canadian LNG—is burning coal for power generation at staggering levels. If Canada had the export capacity to ship Canadian LNG, China’s emissions would be lower as natural gas is less emission-intensive than coal.

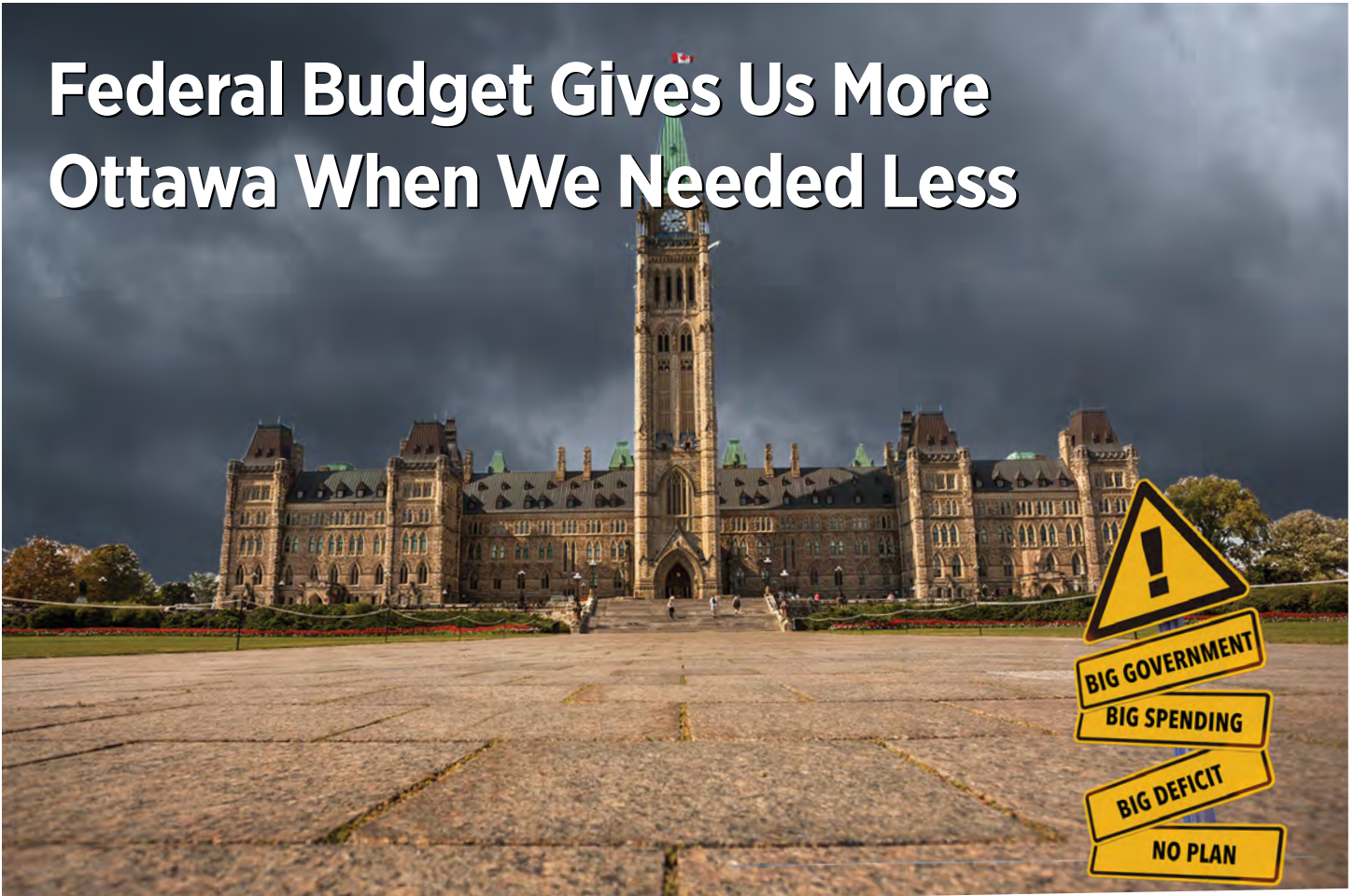
“Excessive regulatory barriers and opposition to energy infrastructure have hurt our LNG industry and have also contributed to higher global emissions. China—a potential customer for Canadian LNG—is burning coal for power generation at staggering levels.”

In the future, Canada’s glaring inability to export natural gas should be a wake-up call for governments across the country to ease regulations for energy infrastructure projects. By missing an opportunity to export natural gas to Europe (and Asia), we’re missing an opportunity to benefit Canadians, our allies, and the environment. [FI](#)



Elmira Aliakbari is director of Natural Resource Studies and Jairo Yunis was a junior policy analyst at the Fraser Institute.

Federal Budget Gives Us More Ottawa When We Needed Less



Jake Fuss

On April 7th, Finance Minister Chrystia Freeland introduced her second federal budget since taking over the portfolio. This budget, along with the recent agreement between the Liberals and NDP, signaled that the Trudeau government will continue to expand its role in the Canadian economy, but it has yet to outline an effective plan for economic growth.

Before COVID, Canada was already struggling with several economic challenges. From 2015 to 2019, the decline in business investment was widespread throughout the economy. And a majority of industries in Canada reduced investments in machinery, equipment, and intellectual property products during that period. Moreover, Canada's taxes on personal income and capital

gains were higher than many of its OECD peers, which discouraged entrepreneurship, investment, and savings. Weak private-sector job creation was another concern for the domestic economy.

Today, Budget 2022 includes plans for several new or expanded spending initiatives such as national daycare, national pharmacare, dental care, and a host of other programs. Ottawa's expanded role in the Canadian economy, financed primarily through borrowing, means politicians and bureaucrats will play a larger role in making decisions about how best to allocate resources and will diminish the role of entrepreneurs, business owners, and private-sector workers. This is a problem for multiple reasons.

For example, data suggest that the size of government that maximizes economic growth and social progress is

“ From 2015 to 2019, the decline in business investment was widespread throughout the economy. A majority of industries in Canada reduced investments in machinery, equipment, and intellectual property products... Canada’s taxes on personal income and capital gains were higher than many of its OECD peers, which discouraged entrepreneurship, investment, and savings. Weak private-sector job creation was another concern for the domestic economy.”

roughly between 24 percent and 32 percent relative to the economy. Prior to the COVID recession, all government spending in Canada (as a share of the economy) exceeded 40 percent. The budget’s new initiatives would increase that and move the country further and further away from the size of the government associated with the strongest economic growth and social progress. More government not only leads to higher taxes (either today or in the future) to pay for the new and expanded programs, but also lower rates of economic growth.

“ Canada is still lacking an effective plan for the economy and this does not bode well for any well-meaning efforts to improve the quality of life for Canadians.”

Economic growth is especially important because it’s the pathway to higher living standards for all Canadians. By allowing for the production of more goods and services over time, economic growth leads to increases in personal incomes and provides the potential for reducing poverty and economic inequality.

In the budget, the government forecasts that annual real GDP growth (a common measure of economic growth) will average 2.2 percent between 2023 and 2026, well below where Canada has been in past decades. For example, between 2001 and 2010, Canada experienced an average growth rate exceeding roughly 3 percent annually.

While the finance minister reiterated the government’s commitment to grow the economy, Canada is still lacking an effective plan for the economy and this does not bode well for any well-meaning efforts to improve the quality of life for Canadians.

In Budget 2022, the Trudeau government’s economic plan appears to involve doubling down and expanding upon the policies enacted before COVID, then hoping for the best. In reality, however, the government seems poised to repeat past mistakes and dampen the Canadian economy rather than help it. [FI](#)

“ The federal government seems poised to repeat past mistakes and dampen the Canadian economy rather than help it.”



JAKE FUSS

Jake Fuss is associate director of Fiscal Studies at the Fraser Institute.


POST-SECONDARY POLICY WEBINARS HAVE AN IMPACT ON THOUSANDS OF CANADIAN STUDENTS EACH SEMESTER

The Institute's post-secondary policy webinar series continues to reach thousands of Canadian students. The timely webinars expand students' understanding of current public policy issues and the economic way of thinking. Our webinar series has featured the likes of Bjørn Lomborg, Matt Ridley, and Hernando de Soto, and just this semester, students had the chance to hear from Michael Shellenberger and Johan Norberg, to name just two.

If you are interested in hearing any past presentations, you can view all recordings at: www.freestudentseminars.org

Here is what some students are saying about our webinars:

“These webinars are fantastic! They push me beyond what I am learning in class and have used several of these topics as starting points for my essays this semester!”

“I am so grateful for these policy webinars. I have participated in a few and hope to take my learning further and participate in more programs as I advance in my public policy degree.” 

Michael Shellenberger discusses his book, *Apocalypse Never*, with Canadian students



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In addition to our post-secondary programming, our spring teacher workshop webinars have reached hundreds of Canadian teachers so far this semester and are already making significant impact.

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“Thank you so much for continuing to put on these programs. They have enhanced my teaching and continue to inspire me to be a better educator. My students are the real winners. These seminars help to make my class a fun place to be and contribute to several students each year taking economics in their post-secondary education.”

“Thanks so much! I really appreciate it. I have so been enjoying the seminars. I just ran Parts 1 and 2 of the Harry Potter [lesson plans] with my Econ 12 class and they really enjoyed it.”

“Not only did I learn where to access data that I can use in my classroom (Economic Freedom of the World, Gapminder), I also learned about new teaching strategies and technologies that I can employ, such as polls and Pear Deck, to better teach virtually.” 

If you are interested in learning more about our teacher webinars and classroom-ready resources, visit: www.freeteacherworkshops.org



Student Interns

This summer we have five student interns funded, in part, by the Aurea Foundation of the Peter Munk Centre and the Lotte & John Hecht Memorial Foundation. Selected through a competitive recruitment process, these university students are paired with Fraser Institute senior staff. The internship affords the students a unique learning opportunity where they can make a tangible contribution to the Institute's work. They also participate in monthly reading discussions with Fraser Institute researchers which helps to further develop their understanding of economics and government policy.

Many of our former interns have gone on to high-level careers in research, university teaching, politics, government, media, and think tanks. In fact, one-sixth of our current Fraser Institute staff are former interns who we hired permanently. Some who have gone on to academic pursuits contribute to our work as senior fellows or occasional authors. Those who work in academia help us promote our education programs to their students.



Back row (l-r) : Evin Ryan,
Conrad Eder, Hayley Bischoff

Front row (l-r):
Abhi Ruparelia, Cara Littauer

Evin Ryan, currently working on a Bachelor of Economics at the University of Windsor (expected completion date: 2023). Intern in the Institute's Department of Fiscal Policy.

Conrad Eder, Bachelor of Arts, Economics at Laurentian University (2020). Currently working on a Graduate Diploma in Economic Policy at Carleton University (expected completion

date: 2022). Intern in the Institute's Department of Fiscal Policy.

Hayley Bischoff, currently working on a Bachelor of Arts, Political Science, and a Bachelor of Education at the University of Calgary (expected completion date: 2022). Intern in the Institute's Department of Education Programs.

Abhi Ruparelia, Bachelor of Arts, Philosophy and Leadership Studies at the University of Richmond (2021). Currently working on a Master of Arts, Philosophy at Simon Fraser University (expected completion date: 2023). Intern in the Institute's Department of Development Events.

Cara Littauer, currently working on a Bachelor of Arts, Communication and Media Studies at the University of Calgary (expected completion date: 2024). Intern in the Institute's Communications and Marketing department.

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