

## Phasing out Prosperity in Four Steps

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Our Prime Minister is engaging in a cross-country “town hall” tour; he is speaking to Canadians and answering their questions — I’m not being sarcastic, he really is spending most of the time at these public events answering questions. While what he is saying is worthy of some criticism, the fact that he is out there taking some unscripted and unfriendly questions is admirable. He gets applause from fans, yes, but a number of jeers and jabs also.

He was asked by a child at a town-hall in Peterborough why he wanted to become Prime Minister, and someone called from the audience “helicopter rides!”<sup>1</sup>. So it is not all roses for him.

He is good at answering a question by saying what the government is working on improving, but then also relating it to a few key talking points — especially the carbon tax. On a question about pure drinking water, it is being worked on, but then he went on to talk about pricing carbon. We should remind him and other politicians that it is easier to tax carbon than purify water, and that there is no automatic cause and effect between them.

So carbon tax is a big thing, and Trudeau acknowledged that it will affect pretty much everything. But, carbon is not the enemy. Carbon is a naturally occurring gas that is required for healthy plants. It is essential in supporting all life on this planet. Yes, we need to move past dependence on fossil fuels but he went so far as to say that the Alberta oil sands need to be phased out!<sup>2</sup> A few months ago, he was talking about phasing out coal<sup>3</sup>.

How will these energy sources be replaced, though? He did not have any talking points on that, nor do most other environmentalists.

The interesting thing is that while he is saying that the oil sands need to be phased out on the one hand, he approved a pipeline expansion on the other hand. Why would you approve increased capacity for something that you are phasing out?

Another complicating factor is that, without a plan<sup>4</sup>, Canada already committed to reducing carbon emissions by 30% country-wide by 2030. This means that the oil sands will have to do this also, even if they are expanding. This combination is not likely to be possible. The net result would be the government having to buy carbon credits to offset the carbon that the oil patch is producing, essentially subsidizing it!

If you follow the trajectory of the Liberal government on the oil industry to this point, it looks something like this:

1. Disparage the Alberta oil patch by saying that it needs to be phased out
2. Increase capacity to be able to take oil from Alberta to market
3. Tax carbon to make production (and consumption) of oil more costly
4. Subsidize the oil patch that is no longer profitable because of the carbon tax

Step one reduces the morale of the workers, step two reduces the morale of the environmentalists, step three reduces of the morale of taxpayers, and step four... Step four is when things get really interesting

because Alberta could become a “have not province” and other provinces would have to make equalization payments to an industry that is supposed to be phased out.

Could it get worse? The Liberals are still in power, so we’ll have to wait and see. It is the dishonesty of it all that should alarm us most.

Things will continue to be interesting for our Prime Minister if he continues to try to say the right things to one group, and then do contradictory things for another group.

But in the meantime, how would you feel if you were a coal miner<sup>5</sup> or an oil sands worker? The Prime Minister has basically told everyone that the work that you are doing is bad and that he wants to get rid of it!

The CHP believes that work is good and should not be disparaged, that the resources of this earth should be extracted responsibly and used by people for their benefit. The government must ensure that contracts and agreements are being honoured; both workers and businesses need to know that the government is honest and fair, and will also enforce this in the market.

So what could CHP’s four steps look like? (the order is inconsequential)

1. Encourage innovation and hard work.
2. Ensure that the process for approvals for all infrastructure projects is fair, not a result of political favouritism.
3. We would not tax carbon because it has not been proven to be the enemy that Trudeau claims it is.
4. We would not subsidize industries but instead maintain a level playing-field for all.

Step one would give hope to workers, step two would reassure businesses, step three would relieve taxpayers, and step four would renew trust in our government.

Lying to groups on two sides of an argument might win votes in the short-term, but it causes division and confusion in the long-term.

For honest government that doesn’t speak out of both sides of its mouth, join CHP Canada<sup>6</sup>. Let’s, together, work toward responsible governance for Canada.

## **Footnotes**

<sup>1</sup> [www.680news.com/2017/01/13/trudeau-road-show-offers-pm-no-respite-questions-aga-khan-vacation/](http://www.680news.com/2017/01/13/trudeau-road-show-offers-pm-no-respite-questions-aga-khan-vacation/)

<sup>2</sup> [www.edmontonsun.com/2017/01/14/lorne-gunter-justin-trudeaus-phase-out-oilsands-gaffe-a-sign-of-naive-magic-wand-thinking](http://www.edmontonsun.com/2017/01/14/lorne-gunter-justin-trudeaus-phase-out-oilsands-gaffe-a-sign-of-naive-magic-wand-thinking)

<sup>2</sup> [www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/ottawa-to-announce-coal-phase-out-aims-for-virtual-elimination-by-2030/article32953930/](http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/ottawa-to-announce-coal-phase-out-aims-for-virtual-elimination-by-2030/article32953930/)

<sup>4</sup> [ipolitics.ca/2017/01/13/the-cost-of-subsidizing-the-oilpatch-is-about-to-go-up/](http://ipolitics.ca/2017/01/13/the-cost-of-subsidizing-the-oilpatch-is-about-to-go-up/)

<sup>5</sup> [globalnews.ca/news/3176500/were-going-to-lose-200-full-time-well-paying-jobs-what-the-coal-phase-out-means-for-hanna-alta/](http://globalnews.ca/news/3176500/were-going-to-lose-200-full-time-well-paying-jobs-what-the-coal-phase-out-means-for-hanna-alta/)

<sup>6</sup> [www.chp.ca/get-involved](http://www.chp.ca/get-involved)