

Liberals taxing Canadians into oblivion



by Conrad Black

The Fraser Institute of Vancouver, one of the outstanding public policy think-tanks of North America, last week [issued a summary](#) entitled “24 facts for 2024 – Canadians should understand the impact of government policies,” and the message is sobering. I am much indebted to Fraser’s Niels Veldhuis and Peter Brown for most of the statistics in this column. Fraser starts with the distressing statement that while per capita income in Canada has effectively stagnated from 2016 to 2022, moving only three per cent from \$54,154 to \$55,863, the United States per capita income in the same time has risen more than four times as much, from \$65,792 to \$73,565. “The average Canadian now earns \$17,700 less than the average American.” According to the Organization for Economic Cooperation and Development, Canada will be the worst-performing advanced economy in the world from 2020 all the way to 2060.

Canada is obviously facing an economic growth crisis, primarily due to the decline in business investment, which is in itself the inevitable consequence which has been widely predicted (including in this column), of federal government policies that could not have produced an alternative result. Investment per employed person “declined by 20 per cent from 2014 to 2022, from \$18,363 to \$14,687” in Canada, the report finds. “In 2014, Canada invested about \$0.79 per worker for every dollar invested in the United States.” In 2021, the Fraser Institute deduced, the corresponding figure was \$0.55 per employed person.

For all of its history, Canada has been obsessed with distinguishing itself from the United States, and has snuffled about to find reasons to justify its existence as an independent country, considering the evident similarities between English-speaking Canadians and Americans from northern American states. We have successively worked the British and monarchical connection, the French fact, the supposed comparative generosity of our welfare system, gun control and related levels of violence, for all they are worth. Some credence was deservedly attached to some of those criteria. But this country will not survive as a jurisdiction if this series of economic trends is not reversed.

Since 2014, more than \$285 billion in capital has fled Canada. A companion fact has been that from the onset of the COVID-related recession of February 2020 to June 2023, “the number of government jobs in increased by 11.8 percent compared to only 3.3 percent in the private-sector,” including the self-employed. In the same period, the Justin Trudeau government has increased annual spending, excluding interest payments on its debt, by almost 75 per cent, from \$256 billion in 2014-2015 to a projected \$453 billion in 2023-2024. Federal spending is now \$11,500 per Canadian citizen and the Trudeau government appears likely to record “the five highest levels of per person spending in Canadian history,” according to the

Fraser Institute.

A large portion of public sector spending pays 4.1 million government employees at all levels. In total, they receive 31.3 percent higher wages on average than people employed in the private sector. Even when appropriate adjustments are made for levels of education, tenure, and sophistication of work, “government employees are still paid 8.5 percent higher wages” than those who work in the private sector, according to Canadian HR Reporter. It will not be a startling revelation to many readers to learn that the public sector is less productive than the private sector, as well as being a cost thrust directly onto the back of the taxpayers.

Total government debt, including both federal and provincial debt, soared from \$1.18 trillion in 2007/2008 to 2.18 trillion this year. The federal government projects that its debt will increase by more than 25 per cent, \$500 billion, by 2027/2028. Despite these prodigious increases in the deficit, servicing the increasing debt has required increasing taxation. The average Canadian family, according to the Fraser report, paid over \$48,000 in 2022, more than 45 per cent of its income, and more than what the average family spends essentials, such as housing, food, and clothing. Such a burden of government plundering of family income strains a reasonable definition of a private sector, free market economy.

There has been considerable publicity in the last year of housing and grocery costs, although the increase in housing costs is primarily due to the failure of the federal government to incentivize housing adequately to accommodate the commendably high level of immigration that it has promoted. But in recent years, increases in taxes have been almost twice as onerous to the average family as food and housing costs combined.

The federal government claims to have “cut taxes for middle-class Canadians everywhere,” but “86 per cent of Canadian

middle-class families are paying higher income taxes under the government's personal income tax changes," and that excludes a number of other exactions such as the carbon tax, which is nonsense in itself and is made more odious by its pretense to promoting planetary survival. More than 60 per cent of Canada's lower income families, (the lowest fifth of income earners), have had their taxes raised by the federal government's tax changes. According to a [thorough canvass](#) by the Fraser Institute, "74 per cent of Canadians believe that the average family is being overtaxed."

The myth has been propagated that Canada is rapidly transitioning to a "clean and green" economy. As outlined in the Fraser report, despite onerous regulations and profligate subsidies, Statistics Canada reports that the so-called "green economy represents only three per cent of GDP" and accounts for only 1.6 per cent of all jobs.

The whole green terror is nonsense and is bred upon false assumptions. Despite the total war on fossil fuels on behalf of "clean energy," fossil fuel consumption from 1995 to 2022 increased by almost 59 per cent. The federal government's war on the energy sector misses most greenhouse gas emissions, but even if all such gases emanating from the Canadian oil and gas sector were eliminated, this would reduce global emissions by 0.004 percent, at immense cost to Canadians. Federal energy efficiency regulations increase the cost of a new home by an average of \$55,000, which cannot fail to aggravate the existing housing crisis the federal government has created.

Despite the deficit spending and the tax increases, our health-care system is a notorious shambles and our average wait times for surgery have moved from 9.3 weeks in 1993 to 27.7 weeks in 2023. Canada spends more on health care as a percentage of GDP than any of the other 30 high income countries with universally accessible health care, and amongst this group we stand 28th in doctors per capita, 23rd in hospital beds and psychiatric beds per capita, 25th in MRI

machines and 26th in CT scanners.

Barring the greatest comeback since Lazarus, the government that has chiefly authored this vertical plunge will be dismissed next year. If it is not, the chief distinction between Canada and the United States will be that we are a failure and they, for all their problems and gaucheries, are a triumphant success. In a democracy, the people get the government they deserve.

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