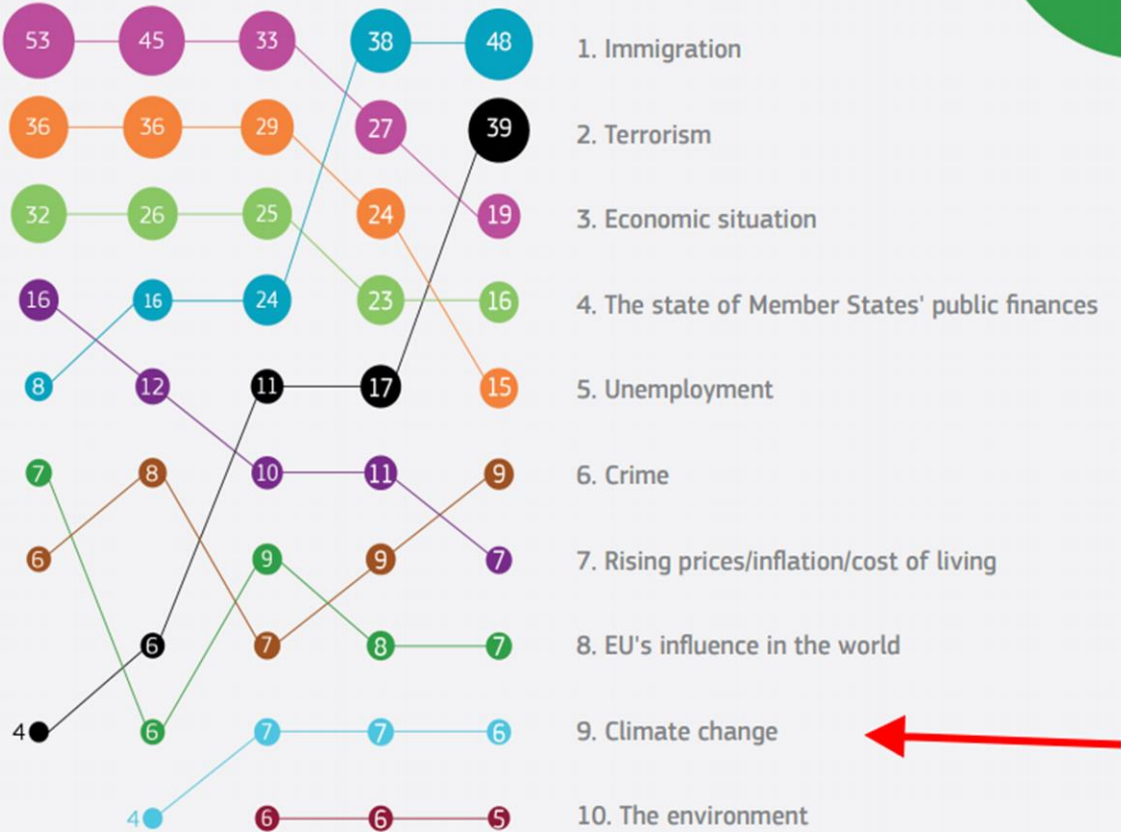


Figure 3: Citizens' Concerns and Demands



What are we most concerned about?



Recent European Union survey shows that climate change and the environment are low priorities.

LET THEM EAT CARBON

A Rebuttal to Ecofiscal's report: "Clearing the Air...Carbon Pricing."



*“Motivated by the precautionary principle to avoid dangerous anthropogenic climate change, **attempts to modify the climate through reducing CO2 emissions may turn out to be futile.** The stagnation in greenhouse warming observed over the past 15+ years demonstrates that **CO2 is not a control knob on climate** variability on decadal time scales. Even if CO2 mitigation strategies are successful and climate model projections are correct, an impact on the climate would not be expected for a number of decades owing to the long lifetime of CO2 in the atmosphere and thermal inertia driven by the ocean (AR5 WG1 FAQ 12.3); **solar variability, volcanic eruptions and natural internal climate variability will continue to be sources of unpredictable climate surprises.**”*

*Dr. Judith Curry, Georgia Tech
US Senate Testimony, Jan. 16, 2014*

<https://curryia.files.wordpress.com/2014/01/curry-senatetestimony-2014-final.pdf>



*“**We face a systemic industrial massacre.** We need a new energy policy. We have to stop pretending, because we can't sacrifice Europe's industry for climate goals that are not realistic, and are not being enforced worldwide.”*

Antonio Tajani

EU Industry Commissioner

Photo: By European People's Party -

<https://www.flickr.com/photos/eppofficial/33341283895/>, CC BY 2.0,

<https://commons.wikimedia.org/w/index.php?curid=66868374>



*“...It so happens the developing countries, China, India, Brazil and Mexico, together have a carbon footprint that is almost 60% of the CO2 emissions ... myself and several scientists have been promoting a vigorous adaptation strategy. **Reducing CO2 will do nothing to stop climate change.**”*

*Dr. Madhav Khandekar, Climate Scientist,
Former Environment Canada researcher
Past IPCC external expert reviewer
Past WMO regional climate expert*



Cover graph source: https://ec.europa.eu/commission/sites/beta-political/files/reflection-paper-defence_en.pdf

Title of this report is a nod to Matthew Sinclair's book by the same title.

Dr. Curry's photo: By Dr. Judith A. Curry. - Dr. Judith A. Curry., Attribution,

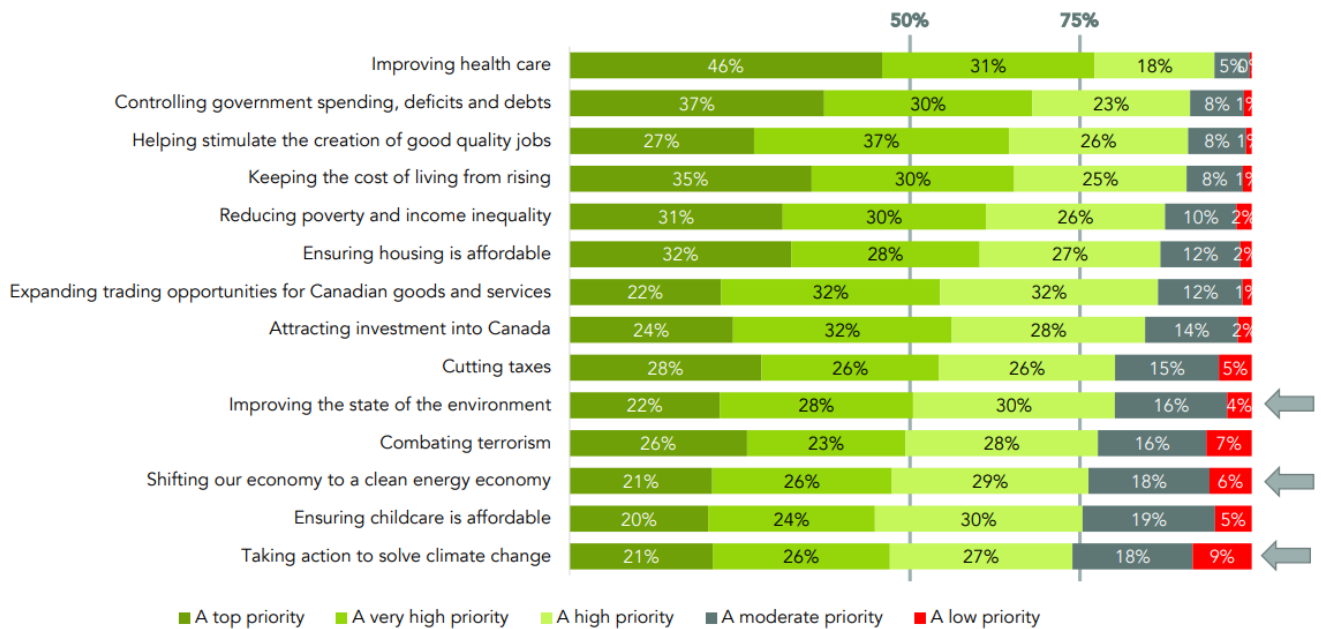
<https://commons.wikimedia.org/w/index.php?curid=1418680>

Carbon Tax: A Noble Way to Poverty

Choice. Choices. 38 times in 36 pages.

Ecofiscal Commission’s April 2018 report entitled: *“Clearing the Air: How Carbon Pricing Helps Canada Fight Climate Change”* is filled with lofty claims about how Canada could take moral leadership on climate change, if only the public better understood the issues. Ecofiscal authors claim that carbon taxes are the optimal solution for reducing greenhouse gas emissions (GHGs) which have been thought to drive human-caused global warming.¹ They claim a ‘price on carbon’ helps Canada ‘fight climate change’ and gives people ‘choices.’

PUBLIC POLICY PRIORITIES



Below is a list of possible public policy priorities. How much of a priority do you feel each one should be?



Ecofiscal supports their pitch with an Abacus survey (above, pg. 15).² Interestingly, unlike the EU survey on the cover of this document, climate change does not even make

¹ Also known as “Anthropogenic Global Warming” or AGW. This view has been widely promoted by Al Gore. In 2005, the GHG theory was deemed, by scientists, to have outlived its usefulness as a metric for assessing climate change, but a year later Mr. Gore released his movie, it won an Oscar in 2006 and he won a Nobel peace prize in 2007, launching his catastrophic view of climate change into the public’s mind. Only a handful of scientists foresee any catastrophic outcome from human effects on climate, though most agree we should take care of reducing noxious emissions and better manage human activities to properly adapt as climate also changes naturally, often drastically.

² https://ecofiscal.ca/wp-content/uploads/2018/04/Ecofiscal_Polling_February2018_FINAL_RELEASE.pdf

it into the top ten of priorities for Canadians That makes us wonder – why the fuss, then? **Canadians care about more important things than climate change.**

If we do have a *choice*, we need a strong economy in the here and now to adapt and develop innovative technologies. We cannot ‘fight’ or ‘solve’ climate change; we can respond to it.

Ecofiscal authors claim that in other jurisdictions like the UK, Ontario, BC, and California, carbon pricing, climate policies and cap and trade have had beneficial or no negative impacts on society.

We dispute those claims.

We will offer evidence from international jurisdictions and Intergovernmental Panel on Climate Change (IPCC) lead authors and expert reviewers, to indisputably show that carbon pricing, in all its forms damages the economy. It disadvantages the poorest, destroys competitiveness, puts a deadweight on the economy³ and does not reduce emissions by much, if at all. As well, it creates another layer of government, and a tantalizing pot of money that rarely stays ‘revenue neutral’ for long.

Canada and especially the province of Alberta have significantly reduced noxious emissions from human industry over the past 30 years and have greatly improved the environment; all without a carbon tax on the little people.

Carbon taxes are a noble way to poverty and fewer choices. They don’t fight climate change. **So, let’s clear the air with facts and evidence.**

³ "deadweight loss" to the Canadian economy, in the sense that the indirect costs to the economy as a result of reduced funds to reinvest and reduced funds to pay workers exceeds the direct costs of funds paid to governments.

Contents

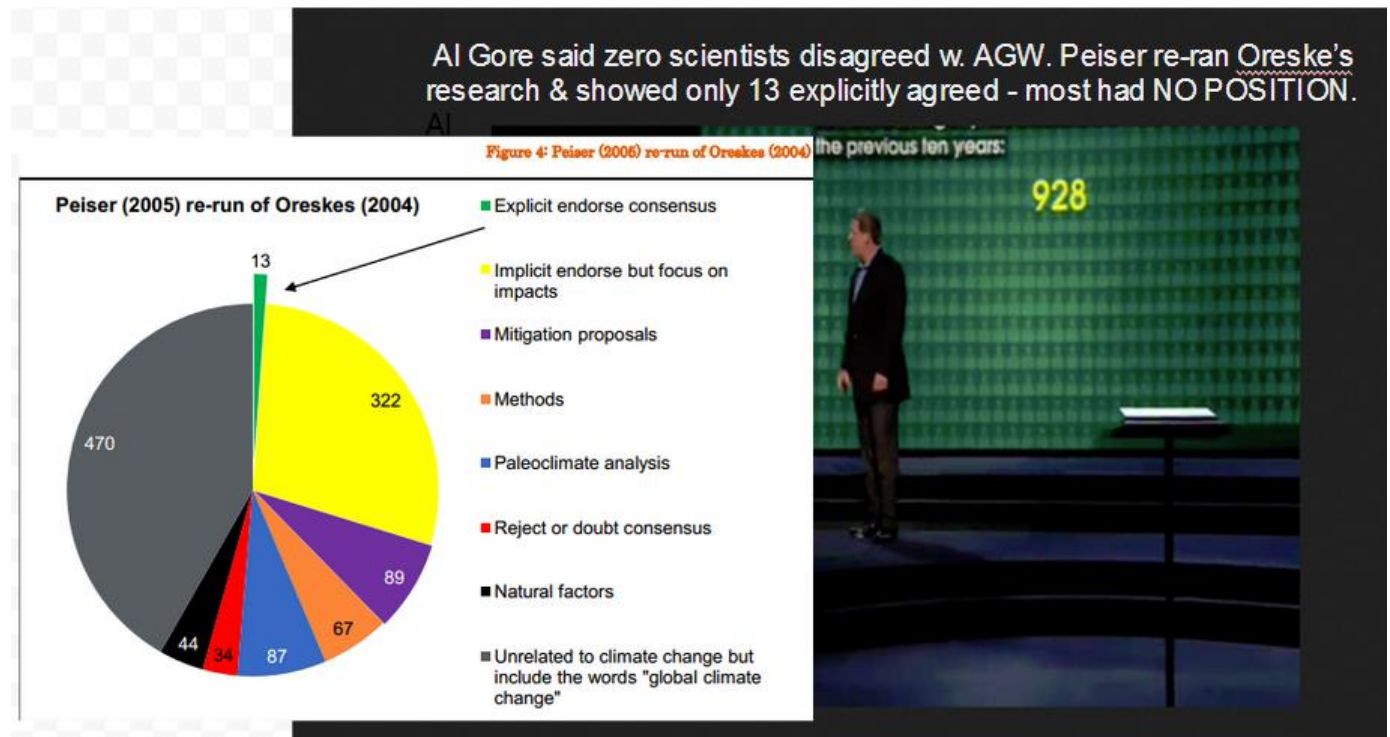
Carbon Tax: A Noble Way to Poverty	2
Why a Tax? What's Carbon?	5
A Problematic Premise	6
Why is a Price on Carbon So Important to Some People?	7
Problematic Roots of Carbon Price Premise: Enron	10
Do All Economists Agree with Ecofiscal? No.	11
Isn't it Time Polluters Paid?	13
What GHG Reductions Has Canada Committed to Make?	14
Alberta - Hotbed of Anti-Carbon-Taxism?	15
What of Global Emissions?	16
Can We Power Society with 100% Green/Clean Energy?	18
Let Them Eat Carbon? The Voice of the People.	19
The Case of the UK, EU, BC, Ontario and California	20
The UK and EU	20
Ontario.....	22
British Columbia	23
California.....	24
Pension Funds Driving Public Policies	25
Recap - Climate Change Action is Detrimental to Priorities	26
Principles of Sound Public Policy - Cost Benefit Analysis	29
In Summary	29

Why a Tax? What's Carbon?

Human-caused Global Warming or Climate Change

In layman's terms: From the 1970's to the 1990's, global temperatures and carbon dioxide from human industry and activity rose in concert with each other. Thus, based on other early scientific conjectures that industrial emissions might cause a change in the earth's climate, humans were thought to be causing Anthropogenic Global Warming (AGW). Carbon dioxide is one of the gases (of several) deemed to be a 'heat-trapping gas' and to simplify the science, the idea of a 'greenhouse gas' was introduced to suggest that more of such gases = more warming on earth, as you might feel inside a greenhouse.

Al Gore made the concept of human-caused global warming famous in his 2006 movie "An Inconvenient Truth" - promoting the idea that human industrial emissions were causing an imminent catastrophe.



Despite Mr. Gore claiming there was scientific consensus about a crisis of global warming being caused by humans, a closer look at the study he referred to revealed that only a handful of the scientists surveyed held a catastrophic view. There is no consensus on climate change. Almost half stated no position at all - their paper simply mentioned the term 'global climate change.'

The theory was developed that to 'fight climate change' and 'stop global warming' society would have to reduce carbon dioxide/gaseous emissions from industry and human activity. Industry had been forced to 'clean up their act' on other noxious emissions like sulphur dioxide

and soot through various regulations, penalties and taxes since the 1970's – but what to do about consumers?

Since ever-increasing taxes on cigarettes effectively forced many people to stop smoking, as claimed on pg. 11 of Ecofiscal's report, applying a so-called 'carbon tax' to emissions from the consumer's use of fossil fuels has been assumed to be an effective way to reduce the use of fossil fuels and thus 'fight climate change' and 'stop global warming.'

A Problematic Premise

*"People speak of reducing emissions by turning down the thermostat or putting on a sweater...and while those do reduce emissions somewhat, the targets the government has committed to are far more stringent than that. We're not talking about relatively modest changes, **we are talking about transformative changes to the Canadian economy and in fact, in many people's lives.**"*

Robert Lyman, Ottawa energy policy consultant; former public servant of 27 years and 10 years a diplomat



The First Problem:

There is a difference between taxing cigarettes to reduce consumption and taxing the energy you use in daily life. Energy for heating your business, transporting goods, powering industry or heating your home is not optional – especially in Canada. **People do not need cigarettes. People do need light, power and transportation.**

You don't have a choice.

People can become somewhat more efficient in their use of energy; they can make nominal reductions in energy use, but there is no magic 'quitting' as there is for cigarette smoking. Drastic reductions in energy use are simply not possible without causing damaging heat-or-eat poverty for individuals, or bankruptcy for small and medium sized businesses, and offshore moves for larger corporations who seek out countries with no carbon tax and lax environmental regulations, creating even more job loss back home.

Consequently, contrary to the Ecofiscal claim that a carbon tax gives you a choice, in fact, a tax on energy gives you no choice, **especially if you are on a fixed income, or if you live in a part of the world like most of Canada that has extreme temperatures, vast distances for transportation and work, or if your region's main industry is based on resource extraction.**

The Second Problem:

Ecofiscal claims carbon pricing works and “...can support both a clean economy and a prosperous one. It achieves these goals by changing incentives and unleashing markets forces.”⁴

There is no such thing as a clean economy. The modern world is fueled, and all manufacturing takes place with energy produced by coal, oil and natural gas, using extracted mineral resources. As Joseph Dear of CalPERS, the sixth largest institutional investor noted in a 2013 Wall Street Journal forum, after years of investment and millions of dollars in **clean tech** said that “...clean-tech is a noble way to lose money.... It may be a good idea, but that doesn't make it a good investment.” CalPERS had suffered 9.7% annualized losses.⁵

As reported in Friends of Science Society's May 2017 report “Grounded in Reality,” “Analytica Advisor's 2017 summary “*Canadian Clean Tech Industry Report*” also states that “the [cleantech] industry is awash in red ink and shareholder returns are negative.”⁶

It seems like Ecofiscal is pushing for a new form of tax subsidy to bail out a non-performing sector, using the umbrella claim of climate change risk and the pap solution that a #PriceOnCarbon will magically change the climate and enhance the economy. We dispute these claims.

Why is a Price on Carbon So Important to Some People?

“And unlike traditional commodities, which sometimes during the course of their market exchange must be delivered to someone in physical form, the carbon market is based on the lack of delivery of an invisible substance to no one.”⁷

Mark Schapiro, “Conning the Climate”
Harper's Magazine, Feb. 2010

Carbon dioxide (CO₂) is an invisible, odourless, tasteless, benign gas that makes up 0.04% of the atmospheric gases.⁸ Other gases are deemed to have a similar greenhouse effect on the atmosphere are classed as “CO₂e” – or carbon dioxide equivalent. Though carbon dioxide gas can be purchased in pressurized containers for various health or industrial applications, its commercial applications are relatively small, and it is a naturally occurring gas in the atmosphere. Carbon dioxide is not a market commodity in North America like natural gas (a

⁴ <http://ecofiscal.ca/wp-content/uploads/2018/04/Ecofiscal-Commission-Carbon-Pricing-Report-Clearing-the-Air-April-4-2018.pdf> pg. 2 and 5

⁵ <https://www.wsj.com/video/economics-clean-tech-funds-yielding-poor-returns/B80B7F56-55C8-467C-B45F-00DD08817FEF.html>

⁶ <http://blog.friendsofscience.org/wp-content/uploads/2017/05/grounded-in-reality-may-03-2017-final.pdf> pg. 7

⁷ <http://citizensclimatelobby.org/files/Conning-the-Climate.pdf>

⁸ Atmospheric gas concentrations on earth: Nitrogen — 78 percent; Oxygen — 21 percent; Argon — 0.93 percent; Carbon dioxide — 0.04 percent; Trace amounts of neon, helium, methane, krypton and hydrogen, as well as water vapor. Water vapour is not considered part of the atmospheric composition, because it varies by location and time, unlike the other gases.

processed by product of gas⁹), barley, wheat or pork bellies, though some people are trying to make it one by assigning it a price.

By assigning a financial value to ‘carbon’¹⁰ - CO₂e, the idea some people have is to create a commercially viable trading market, such as that which Europe created in 2002. At the height of carbon trading in Europe, ‘carbon’ had a market price of €32 in 2006, which plunged to about €2.81 in 2013 following various cyber thefts of these intangible ‘assets’ (carbon credits), scandals, and an oversupply of carbon permits to the market.^{11 12}

Crucial to the discussion is that wind and solar farms create tradeable Renewable Energy Credits (REC), which are part of the ‘fuel’ behind the push for a price on carbon. Again, the premise for both pushing a price on carbon and wind and solar is that these financial and physical instruments will ‘fight climate change.’

The premise is false.

Google spent years and millions of dollars trying to make wind and solar compete financially with coal-fired power and found it impossible. Conventional fuels like coal and natural gas are simply far more cost-efficient as they are more ‘energy dense’ – providing substantial power compared to wind and solar which are unreliable due to their reliance on a whimsical Mother Nature. Prof. Michael J. Kelly, professor of engineering, of Cambridge published a report showing that wind and solar cannot support basic society. He claimed that for society to continue down this path of installing more wind and solar farms is ‘total madness’ and that wind and solar do not even address climate change.¹³

So, it appears that the push for a price on carbon is meant to prop up non-performing industry or support global green investments that will otherwise collapse.

This report “Let them Eat Carbon” is named after a book by Matthew Sinclair which is summarized as follows:

Climate change is big business. Much of the money so-called green policies cost us goes straight into the pockets of a bewildering range of special interests. Around the world companies are making billions out of the schemes governments have put in place saying they will curb global warming and protect us from the threat of climate change. There is little evidence that those policies are an efficient way to cut emissions. They simply do not represent good value, and the public are right to be sceptical.

As Interpol reported in its “Guide to Carbon Trading Crime,” there is a huge international carbon trading market. It is one that is fraught with concerns that this invisible, ‘virtual’

⁹ https://www.ems.psu.edu/~pisupati/ACSO Outreach/Natural_Gas.html

¹⁰ “Carbon” is the element of life; in the air it is ‘soot’ – therefore the term ‘carbon’ to describe carbon dioxide is scientifically incorrect. Likewise, carbon dioxide (CO₂) is not a noxious pollutant at low ratios; you breathe it out at 40,000 ppm with every breathe. However, earth’s atmosphere only contains about 0.04% carbon dioxide, most of which comes from natural sources (i.e. rotting vegetation, released from the ocean when in a warming cycle, released from soil when warming, etc.)

¹¹ <https://www.theguardian.com/environment/2013/jan/24/eu-carbon-price-crash-record-low>

¹² On April 7, 2018, one Euro (€) equalled \$1.57 Cdn.

¹³ <https://www.cambridge.org/core/journals/mrs-energy-and-sustainability/article/lessons-from-technology-development-for-energy-and-sustainability/2D40F35844FEFEC37FDC62499DDBD4DC/core-reader>

substance will lead to fraud, like that which shut down European trading markets in 2013 wherein European taxpayers lost €5 billion in VAT (value added tax revenues).^{14 15} In some instances, Interpol reports that operators have increased emissions to improve profits on carbon trading – the exact opposite outcome of the alleged intended ‘save the planet’ policies.

In terms of interference in Canadian sovereign domestic affairs, the foreign-based Oak Foundation (Part of “ClimateWorks”¹⁶) has been funding dozens of Canadian ENGOs for millions of dollars with a stated objective of creating world-wide cap and trade systems. For this plan to succeed, you need a price on carbon.

Since President Trump pulled out of the Paris Agreement,¹⁷ various countries have made efforts to exclude the United States from trade.¹⁸ It should be noted that Europe has virtually no fossil fuels, compared to the rest of the world, and imports some \$600 billion USD in fossil fuels a year. France is pushing a 2 degree Celsius ‘climate risk’ reporting requirement for its many investments overseas.¹⁹ France is mostly nuclear powered for its electricity and plans to move to all electric vehicles;²⁰ thus they would avoid carbon pricing, but it would be a big money maker from its Canadian investments. Canada, mostly Quebec, does a lot of trade with France. Many Canadian mogul empires like Power Corp and McCain are deeply invested in France and Europe.²¹ France is also the lead of ‘la Francophonie’ a commonwealth of former colonies or French-speaking nations “with 56-member states and governments and 26 observers.” Quebec has ‘national’ status.²²

Much of the push for renewables (and thus carbon pricing) comes from Europe which researcher William Kay suggests wants to find a way to ‘level the playing field’ with the rest of the fossil-fuel rich world.²³ Highly industrialized Europe is bleeding cash for buying fossil fuels – renewables and carbon markets create a way to make some of that money back and both measures dampen the competitive edge and margins of competitor nations.

If we go ‘back-to-the-future’ to Kyoto, we find that in “February 2005, Bloc Quebecois MPs argued that because of Quebec’s reliance on ‘clean’ hydroelectricity, it should only have to make 5% of the country’s overall reductions, while Alberta should make 40%. Theoretically, Alberta would be able to accomplish this feat by buying carbon credits from Quebec. Such a scheme would not likely change the amount of money flowing from west to east, only the wording. Instead of Quebec receiving ‘charity’ from

¹⁴ <http://www.france24.com/en/20160503-france-trial-multi-billion-carbon-emissions-trading-fraud-opens-paris>

¹⁵ <https://www.rbkc.gov.uk/pdf/Prof%20Mike%20Kelly%20-%20FENand%20ER.pdf>

¹⁶ http://www.climateworks.org/wp-content/uploads/2015/02/design_to_win_final_8_31_07.pdf

¹⁷ <https://unfccc.int/resource/docs/2015/cop21/eng/l09r01.pdf>

¹⁸ <http://www.climatechangenews.com/2018/02/02/france-us-no-paris-agreement-no-trade-agreement-1/>

¹⁹ http://www.frenchsif.org/isr-esg/wp-content/uploads/Understanding_article173-French_SIF_Handbook.pdf

²⁰ <https://www.edf.fr/en/edf/edf-group-to-convert-whole-fleet-of-cars-to-electric-vehicles-by-2030>

²¹

http://www.canadainternational.gc.ca/france/bilateral_relations_bilaterales/canada_france_comm_brief_resume.aspx?lang=eng “About 220 Canadian companies have head offices in France. The largest are usually among the top players in their sector. These include Aastra, Bombardier, the Caisse de dépôt et placement du Québec, Cascades, CGI, Magna, McCain, SNC-Lavalin, Tembec, Transat, Vermilion.”

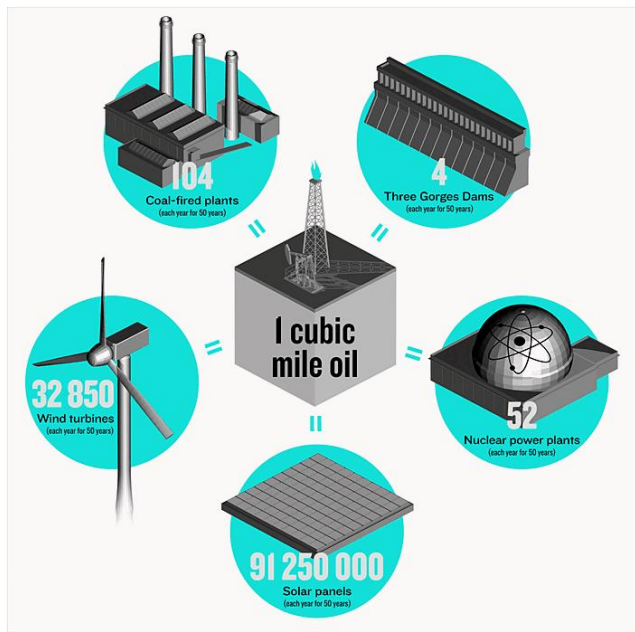
²² <https://www.francophonie.org/Welcome-to-the-International.html>

²³ <https://www.youtube.com/watch?v=7DimL5e19iw>

Alberta through federal transfer payments, they would then be 'earning' the money from the Kyoto-motivated trading of carbon credits."²⁴

If one looks at a map, one can see that Canada forms a bridge between Europe and China (which has also recently adopted some kind of carbon price scheme). Thus, if Canada is 'in' – the United States will be encircled by carbon price and trading. Perhaps the hope is to force the US to comply with the COP-21 Paris Agreement.

*"Carbon credits create value for an entity that had no value before, and in light of the fact that it does nothing to reduce carbon dioxide emissions, has no intrinsic value now."*²⁵



The world runs on 3 cubic miles of oil equivalent energy every year. One of those 'cubic miles' is just oil. To get an idea of how much that energy entails, this diagram from an IEEE Spectrum article explains: "To obtain in one year the amount of energy contained in one cubic mile of oil, each year for 50 years we would need to have produced the numbers of dams, nuclear power plants, coal plants, windmills, or solar panels shown here."

<https://spectrum.ieee.org/energy/fossil-fuels/foules-btus-quads-lets-call-the-whole-thing-off>

Problematic Roots of Carbon Price Premise: Enron

Many people coming of voting age in Canada and the Western world will have no memory of the economic chaos wrought by the collapse of Enron in the 2000s. Few people of any age (who are outside the climate/energy policy circles) are aware of the influence of Enron on the 1997 Kyoto Protocol (an important predecessor to the Paris COP-21 Agreement); few remember the spectacular collapse of Enron's Ponzi²⁶ scheme which decimated markets and



²⁴ "The Emperor's New Climate" Bruno Wiskel pg 126

²⁵ Ibid

²⁶ Ponzi scheme defined: a form of fraud in which belief in the success of a nonexistent enterprise is fostered by the payment of quick returns to the first investors from money invested by later investors.

investors across North America and the world. (Note: this appears to have been a high-level accounting fraud; few of the ~20,000 employees of Enron, many of whom were deemed to be cream-of-the-crop professionals, had any knowledge of this fraud).

Enron had become one of the top natural gas and energy providers and traders in the US in the late 1990s. Unbeknownst to the public, unusual accounting practises, most of which were later deemed to be fraudulent, were the major reason for much of the company's apparent success. Their legacy is also a crucial part of the #PriceOnCarbon push of today.

According to journalist Lawrence Solomon, drawing on other public sources, Enron was a crucial lobbyist in the Kyoto Protocol negotiations. A memo known as the "Palmisano memo" outlines Enron's influence:

*"The memo, entitled "Implications of the Climate Change Agreement in Kyoto & What Transpired," summarized the achievements that Enron had accomplished. "I do not think it is possible to overestimate the importance of this year in shaping every aspect of this agreement," he wrote, citing three issues of specific importance to Enron which would become, as those following the climate-change debate in detail now know, the biggest money plays: **the rules governing emissions trading, the rules governing transfers of emission reduction rights between countries, and the rules governing a gargantuan clean energy fund.**"*²⁷

To achieve this objective, Enron reportedly paid environmental non-governmental organizations (ENGOs) to claim a climate catastrophe was imminent, wildly exaggerating rational scientific and public concerns about long-term human impacts on climate and the environment. Solomon reports that Enron commissioned a study on the impact of carbon dioxide on the atmosphere which found that the impact of CO2 on warming was negligible but proceeded with the catastrophic claims none-the-less to create the new emissions trading business. In closing his article, Solomon cautions the public: *"the biggest money interest of all in the climate change debate lies with those poised to cash in on the climate-change policies of Kyoto and its successors."*

Without the claim of imminent climate catastrophe, the entire carbon price premise collapses.

Do All Economists Agree with Ecofiscal? No.

Economic Models are Calibrated to Climate Models; Climate Models are Faulty

We are often told that a carbon tax or price on carbon is essential because it defrays the cost of future damages. One wonders why the carbon tax revenues are then spent in the present?²⁸

Canadian economist Dr. Ross McKittrick of the University of Guelph questions carbon taxes because they are based on faulty climate models that run 'too hot.'

²⁷ <https://ep.probeinternational.org/2009/05/30/enrons-other-secret/>

²⁸ <http://www.copenhagenconsensus.com/publication/fix-climate-cutting-carbon-emissions-assessment-to/>

“...economic models are not calibrated to match the empirical data, they are calibrated to match the climate models...so if the models are set to show too much sensitivity to carbon dioxide, that will translate into the economic models reporting too high a Social Cost of Carbon.... the economic models are calibrated to match climate models, not reality.”

*Dr. Ross McKittrick, Professor of Economics
University of Guelph*



According to McKittrick, the climate modellers (who make simulations to project future temperature changes) have used a factor for the effect of CO₂ on warming that is set too high ('climate sensitivity'). IPCC models have predicted there would be much higher temperatures by now, but temperatures have flatlined since about 1998, despite a significant rise in carbon dioxide concentration and volume of emissions from human industry.

Economic models used to calculate the 'Social Cost of Carbon' (carbon tax) are called 'Integrated Assessment Models' (IAMs). When they are correlated to faulty climate models, the carbon tax is exaggerated.

Climate models are reporting about two to three times the real temperatures observed, meaning the **Social Cost of Carbon is also two to three times higher than it should be.**

McKittrick also points out that the Social Benefits of the use of fossil fuels or carbon dioxide fertilization is not an integral part of most economic models. Indeed, in most policy analyses there are two columns – the **cost of the activity** and the **benefit of the activity**. These are weighed against each other to determine the most cost-effective, least damaging economic path. Cost-Benefit Analysis is absent in most calculations of the Social Cost of Carbon/carbon tax calculations. See "McKittrick on Climate Change" video clips²⁹ and layman's guide.³⁰

There is one Social Cost of Carbon calculation method that does include the benefits of warming and CO₂ 'fertilization' called the FUND Model – Framework for Uncertainty, Negotiation and Distribution. This economic model was designed by economist Dr. Richard Tol, and in it, **Canada is deemed to benefit in the billions of dollars**, thanks to nominal warming (which reduces energy demand in our cold winters and extends summer growing season) and where carbon dioxide enhances plant growth, improving agricultural crop output.³¹ In this scenario, instead of 'polluter pays,' effectively the **Canadian government should be rebating about \$5/tonne CO₂e, to consumers/users and producers of emissions** for having helped enhance our economy and agricultural incomes.

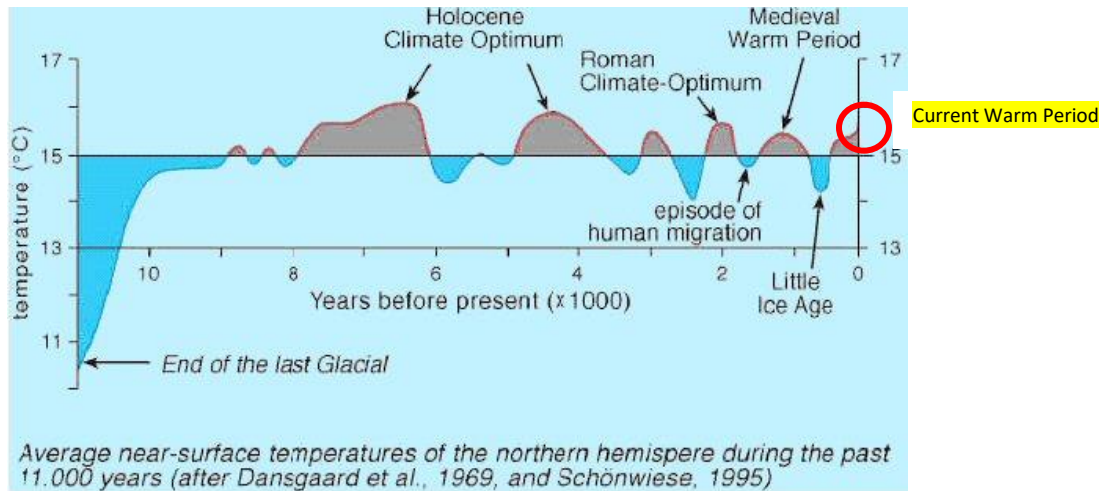
For those who wonder where the 2 degree C target came from, it is not from the climate science community, but was a rough guess made by an economist named William Nordhaus in the 1970's. Earth scientists will argue that climate has changed from minus 70 degrees C to plus 70

²⁹ <https://youtu.be/g30JfQIK6GA?list=PLZcRTdbkGEnHfU8-dkQfGnO67K6p1m8rh>

³⁰ https://www.friendsofscience.org/assets/documents/McKittrick_Climate_Change_SCC_Feb_14_2015.pdf

³¹ <http://www.fund-model.org/>

degrees C over the past 4.5 billion years, and within the Holocene Era, there have been numerous climate cycles that were as warm or warmer than today. Therefore, while the notion of a 'carbon budget' works for economists, bureaucrats, and carbon footprint 'bean' counters, for scientists and economists with dissenting views, it is irrelevant in the context of earth's geologic history.



Isn't it Time Polluters Paid?

The public are generally misinformed about the pollution reduction measures that government and industry have instituted since the 1970's. At that time, smog was a significant issue in many major North American cities. The US and Canada jointly worked out laws and industry guidelines, graduated in stages over decades, to require substantial reductions in noxious pollutions from stationary and mobile emitters (i.e. industrial plants or cars and trucks).³² A more recent version is the Canada-United States Air Quality Agreement.³³

According to Robert Lyman, summarizing the work of Dr. Ross McKittrick, Canada already has some 37 different forms of greenhouse gas/pollution reductions instruments.³⁴ Reduction in pollution has been very successful in Canada.

From 1985 to 2011:	
Industrial carbon monoxide emissions:	DOWN 26%
Industrial carbon particulate emissions:	DOWN 44%
Industrial sulphur dioxide emissions:	DOWN 69%
Total economic output:	UP by 89%"

³² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4133758/>

³³ <https://www.canada.ca/en/environment-climate-change/services/air-pollution/issues/transboundary/canada-united-states-air-quality-agreement-overview.html>

³⁴ <http://blog.friendsofscience.org/2017/05/10/can-canada-survive-climate-change-policy/> Video: <https://youtu.be/acjGXJvgTBs>

Since the inception of Canada's National Air Pollution Surveillance Program (NAPS) in 1969, some 286 monitoring sites have been established in 203 communities located in every province and territory.

NAPS issued its first report in 1972. Since the early days, technology and scope of air quality assessment has improved and expanded: "Various techniques are used to analyze these samples for more than 340 types of chemicals at typical urban NAPS sites. For example, air collected in canisters is analyzed for more than 167 volatile organic compounds that contribute to smog formation." The results are impressive: 35

Some types of emissions are easier to filter or mitigate than others. Todd Beasley discusses how Canadian developed technology can be used to capture emissions.³⁶

Carbon dioxide (CO₂) is not considered a noxious air pollutant.³⁷ The US is in the process of revising/rescinding the so-called 'endangerment finding' on CO₂ which was the foundation of the US Clean Power Plan.³⁸

What GHG Reductions Has Canada Committed to Make?

The Canadian federal government has committed to reduce GHG emissions to 17% below 2005 levels by 2020, 30% below 2005 levels by 2030 and at least 50% below 2010 levels by 2050.

Robert Lyman addressed these targets at Friends of Science Society's 2017 Annual Event in his presentation: "Can Canada Survive Climate Change Policy?"³⁹

How can we even begin to understand the magnitude of the changes being proposed? One way is to look at the sources of energy consumption and related emissions today. In 2005, Canadian emissions were 738 megatonnes of carbon dioxide equivalent. In 2014, after six years of the worst recession since the Great Depression, Canadians emitted less, 722 megatonnes. Twenty-six per cent of those emissions were from oil and gas production, 23 per cent were from transportation, and roughly equal portions of around 10 per cent were from electricity generation, buildings, industry and agriculture, with waste and other sources making up a residual 7 per cent. Assuming that emissions do not grow one bit over the next 32 years as a result of increased economic activity or increased population, achieving a 50 per cent emissions reduction from 2005 levels would mean reducing emissions to 369 megatonnes CO₂ equivalent. That is comparable to

³⁵ <https://www.canada.ca/en/environment-climate-change/services/air-pollution/monitoring-networks-data/national-air-pollution-program.html>

³⁶ <https://youtu.be/SVZsFNXY91E>

³⁷ <https://www.canada.ca/en/environment-climate-change/services/air-pollution/publications/emission-inventory-report-2016.html>

³⁸ <http://blog.friendsofscience.org/2017/12/17/are-costly-us-co2-emissions-reductions-regulations-based-on-semantics-or-science/>

³⁹ <http://blog.friendsofscience.org/2017/05/10/can-canada-survive-climate-change-policy/>

completely eliminating the current emissions from oil and gas production, electricity generation, and all emissions-intensive industries like mining, petrochemicals, auto and parts manufacturing, iron, steel and cement. Gone. Achieving the aspirational goal of 80 per cent reduction recommended by the IPCC would mean reducing emissions to 147 megatonnes CO2 equivalent. That would be comparable to reducing Canada's per capita emissions and our energy economy to the current levels of Bolivia, Sudan or Iraq.

Clearly a carbon tax and nominal household or business reductions will do little to meet these targets.

Alberta – Hotbed of Anti-Carbon-Taxism?

Alberta is often condescendingly accused of rejecting carbon taxes because of a political or religious view. In fact, **Alberta is home to some 70,000 registered Professional Geoscientists (also known as earth scientists) and Professional Engineers, experts in the sciences.** As the 'Gateway to the North,' Alberta's professional science and engineering corps provide solutions for infrastructure and exploration projects across the prairies, northern Canada and the world.

The P. Geoscientists are people who deal with the 4.5 billion years of climate change history on earth. Their understanding of formations is the key to successful oil and gas exploration. Earth scientists are noted as being skeptical of claims of *catastrophic* human-caused global warming, though most acknowledge human activities *affect* the earth and climate. However, the context of 30 years of modern climate change study and models, does not provide conclusive evidence of human influence in the context of the geologic record. P. Engineers must work with precision data and are ethically and legally bound in their work. Consequently, when climate models make rather wild projections, but the observed data is not even close to projections, such scientific experts become skeptical.

Both earth scientists and engineers use modelling programs and simulations in their daily work. They are aware of the value of models – and the weaknesses. The operator inputs the parameters – so the adage of 'Garbage In – Garbage Out' is a high probability.

One of the more amusing notes in the Ecofiscal report relates to comments on Alberta and how 'exposed' the province is, due to its oil and gas industry base. Chris Ragan, Ecofiscal's chair was lamenting Alberta's exposure in the Edmonton Journal⁴⁰ without realizing that Quebec's economic strength is reliant on ... oil. And Alberta.

Big Oil of Alberta vs Hydro-based Squeaky 'Clean' Quebec? Hardly.

The most recent data on federal government revenues collected from taxpayers in each province compared to the federal government payments to governments as part of the equalization program is quite revealing. It indicates that, in 2008-2009, the federal government collected

⁴⁰ <http://edmontonjournal.com/business/energy/fewer-albertans-believe-in-global-warming-than-any-other-canadians-poll-shows>

\$35,990 million from Alberta taxpayers and paid zero in equalization to Alberta. In contrast, Canada collected \$39,677 million from Quebec taxpayers while paying \$8,028 million in equalization. A study by the Fraser Institute in 2017, found that Alberta taxpayers contributed more money to the federal government's revenues from 2007 to 2015 than any other province. Indeed, over that period, Alberta taxpayers paid \$221.4 billion more in revenue than the province received in federal transfer payments and other services in those years. That works out to \$5,000 per Albertan per year.

Quebec receives about 26% of its revenues in federal transfer payments. If Quebec were a company, people would be calling it Canada's largest corporate welfare junkie.

The Ecofiscal's team of economists should note that as Alberta's prosperity wanes from the incessant global warming policy-inspired attacks on its resource industries, one of the largest external losers will be Quebec.

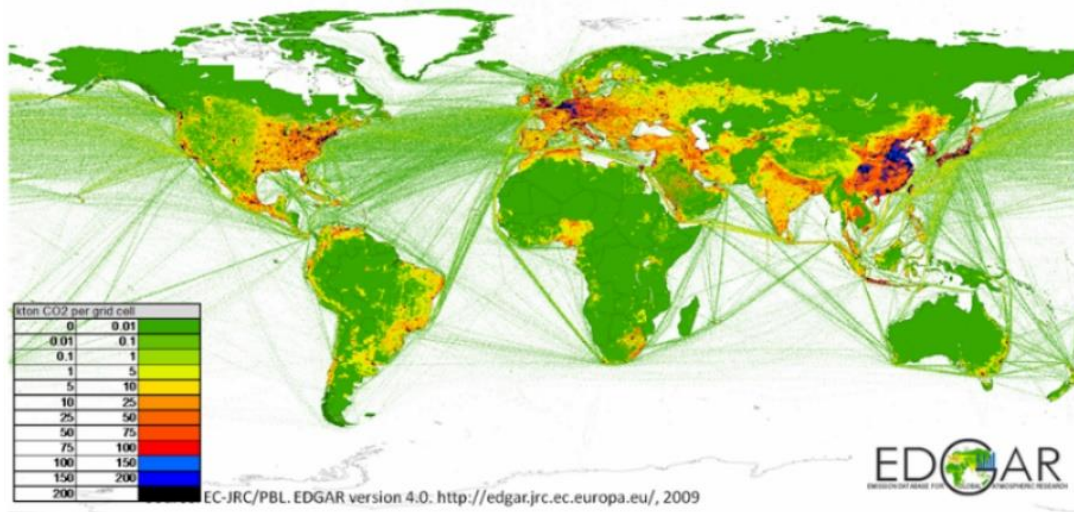
What of Global Emissions?

Robert Lyman has summarized the most recent International Energy Agency report into some key points:

- The world economy continues to grow, at an annual rate of 3.7%, with the result that global primary energy demand increased by 2.1% in 2017, compared with 0.9% on average over the previous five years.
- More than 72% of this growth in demand was met by fossil fuels.
- World oil demand rose by 1.6% (or 1.5 million barrels per day) in 2017, a rate that was more than twice the annual average of the past decade.
- Global natural gas demand grew even faster. Coal refuses to die.
- Globally, energy intensity in 2017 fell by 1.7%, which the IEA noted with sadness is only half what is required to remain "on track" with the Paris Agreement's goals.

The consequence of all this is that global energy-related CO₂ emissions grew by 1.4% in 2017, an increase of 460 million tonnes, to reach a historic high of 32.5 gigatonnes (Gt). Most major economies experienced a rise in emissions, with the ironic exception of the United States, which experienced a 25 million tonne decline in emissions (the largest of any country), the United Kingdom, Mexico and Japan. Overall, Asian countries accounted for two-thirds of the increase in emissions.⁴¹

⁴¹ <http://edgar.jrc.ec.europa.eu/index.php>



Ecofiscal says, *with no supporting data*, that Canadians don't want to be a 'free rider' on the backs of the world in terms of GHG reductions. The map above showing the intensity of CO2e emissions worldwide shows there is no chance that would be the case.

Likewise, there is **no requirement in the Paris Agreement for Canadians to pay a sacrificial, virtue-signalling price** for the necessary use of electrical power and energy in a country that faces challenges of temperature extremes, extreme winter conditions, long dark winters, vast distances, and sparse population – challenges that no other nation but Russia faces.

No requirement to reduce emissions? Correct. **The Paris Agreement is non-binding.**

Robert Lyman lays out 'Just the Facts' on the Paris Agreement.⁴² Excerpt:

In spite of governments' repeated agreements to reduce emissions, from 1990 to 2014 global emissions grew by 62 %. Most of this growth occurred in the less developed countries, and especially in Asia.

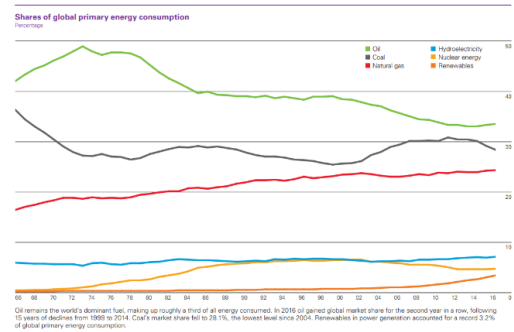
Bjorn Lomborg, a professor at the Copenhagen Business School, has analysed the temperature reduction impact of the INDCs⁴³ submitted to date. Even optimistically assuming that promised emission cuts are maintained throughout the century, the impacts of the Actions to be taken pursuant to COP21 are generally small. All climate policies by the US, China, the EU and the rest of the world, implemented from the early 2000s to 2030 and sustained through the century will likely reduce global temperature rise about 0.17°C in 2100. In effect, these commitments will do little to stabilize the climate and their impact will be undetectable for many decades.

⁴² <http://blog.friendsofscience.org/2017/06/09/the-cop21-agreement-just-the-facts-please/>

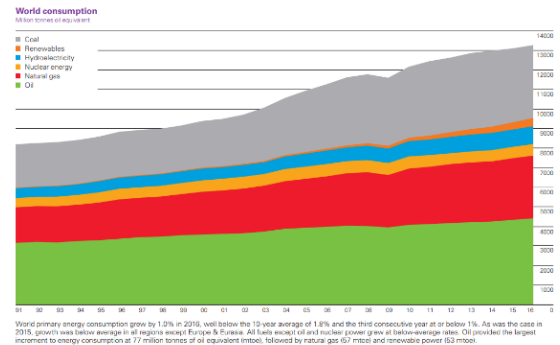
⁴³ INDC -Individually Determined National Contributions – now known simply as NDC

Can We Power Society with 100% Green/Clean Energy?

No.⁴⁴ The adjacent graph illustrates how the shares of primary energy consumption met by different energy sources have changed over the period from 1966 to 2016.⁴⁵ Renewables sector, represented mainly by wind and solar energy, has risen from next to nothing before 2000 to about 3% in 2016. In short, after half a century evolution of global energy markets, fossil fuels continue to provide 88% of global energy needs, while renewables play a rising but still very small part. *(Click on graph to enlarge)*



This graph shows what that means in terms of the total level of energy consumption over time. The graph shows how world energy consumption, as measured in terms of primary energy, rose from about 9,000 million tons of oil equivalent (MTOE) in 1991 to 13,300 MTOE in 2016, an increase of 47% over 25 years. The small dark orange part of the trend lines barely visible, is renewable energy's share. *(Click on graph to enlarge)*



No authority projects renewables to constitute even 20% of global energy demand, let alone 100%, in the period to 2050.

The countries of the European Union have made the largest expenditures on renewable energy generation. The main source of data on generation costs there is the European Observer, an organization that actively promotes increased use of renewable energy. According to data from this source, **to the end of 2014 European Union countries spent about 1.1 trillion EUR (CDN \$1.68 trillion) on large-scale renewable energy installations.** This provided a nominal nameplate generating capacity of about 216 gigawatts (GW), or nominally about 22% of the total European generation needs of about 1000 GW. The actual measured output by 2014 supplied by the renewables industry was 38 gigawatts, or 3.8% of Europe's electricity requirements, at a capacity factor of about 18% overall. **Accounting for capacity factors, the capital cost of these renewable energy plants has been about 29 billion EUR (CDN \$44.4 billion) per gigawatt.** There is no evidence that wind and solar energy will soon fully replace fossil fuels even in the power generation industry, let alone in the entire economy. It is important that the public be better informed about this, so that the wrong policy choices will not be made.

⁴⁴ <http://blog.friendsofscience.org/2018/03/22/examining-the-claim-that-renewable-energy-will-soon-replace-fossil-fuels/>

⁴⁵ <https://www.bp.com/content/dam/bp/en/corporate/pdf/energy-economics/statistical-review-2017/bp-statistical-review-of-world-energy-2017-full-report.pdf>

Let Them Eat Carbon? The Voice of the People.

Ecofiscal has a collection of rich and famous people at the end of their report with supportive testimonials about why a carbon tax or price on carbon is a good thing. We asked real people.

Page | 19

I'm an oil worker/skilled trades; 12-hour drive; need a truck for my tools and my gear for when I'm working away.

I'm a suburban soccer, hockey, marching band Mom. We live in the van.

I'm an urban young adult. Transit, walking, my long-board, bike or smart car rental.

I'm a farmer. Trucks, tractors, combines, seeder, ATV, cattle/horse trailer. We have 1,000 acres under cultivation.

I'm a senior on a fixed income.

I'm a small/medium sized business person. Every aspect of my business carries an extra burden of carbon prices – myself and all my small business colleagues are 95% of business in Canada! We are the lifeblood of democracy – being broken.

I'm well-to-do. Luv my TESLA

Only two of those people have choices – that's the urban young adult and the well-to-do. One has few personal responsibilities to children, job or material possessions (like a house and mortgage); the other has the freedom that money provides...and lots of green subsidized pleasures. Subsidized by all the other real, working or retired people.

Of course, the **oil worker/skilled trades person** can't choose an electric vehicle. No place to charge it in a remote location. Not enough power for forestry roads, muskeg, mud and snow.

The **suburban soccer-hockey-marching band Mom** could choose to take her kids out these sports and arts. But...aren't these the healthy activities we want for our kids? It's difficult to haul hockey gear or the tuba around on a bus – especially when there's only 1 bus a night to your suburb before the end of practice. And if your kids are in team sports like soccer or hockey, you'll be a tournament traveller for two decades.

The **urban young adult** has many choices for transit – and no kids! Be a minimalist!

The **farmer and their family have no choice**. They run a high energy intensity business. Farming is a way of life and a calling. But profit margins are slim, and the business is at the mercy of markets and Mother Nature. The same is true for **small and medium-sized business owners**.

And the **well-to-do person enjoys subsidized TESLAs and solar panels**, perhaps even plays the carbon markets.

The Case of the UK, EU, BC, Ontario and California

Ecofiscal claimed that a price on carbon/cap and trade had no negative effects on the economies of the UK, Ontario and California.

Page | 20

We dispute this claim. As we pointed out in the opening of this report, the impact of carbon taxes and cap and trade are destructive to the economy and do little or nothing for the environment; indeed, some policies harm the environment.

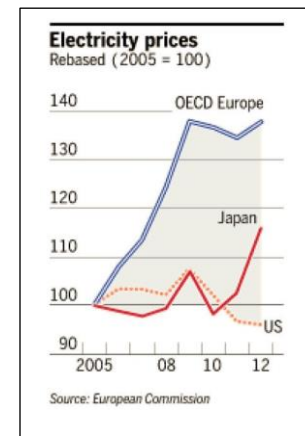
Let us review the impact of a price on carbon which:

- 1) disadvantages the poorest,
- 2) destroys competitiveness,
- 3) puts a deadweight on the economy⁴⁶ and
- 4) does not reduce emissions by much, if at all,
- 5) creates another layer of government, and a tantalizing pot of money that rarely stays 'revenue neutral' for long.

The UK and EU

In 2013, Friends of Science Society hosted Dr. Benny Peiser of the UK's Global Warming Policy Foundation. The theme of his talk was "To Heat or Eat: Europe's Climate Policy Fiasco." His full presentation is available on-line.⁴⁷ Highlights included:

- Electricity prices in the EU had risen to 37% over par with the US in 2005 - leading to an 'industrial massacre' (Antonio Fajani)
- Pensioners reduced to staying in bed on Christmas Day, unable to afford to heat their homes or buy a festive meal
- Some pensioners resorted to buying books in thrift shops to burn on the grate at home to keep warm
- Low income families are suffering negative health impacts from heat or eat poverty, including malnutrition for children, which carried long-term irreversible health outcomes
- A circle of subsidies, best described from Dr. Peiser's 2014 testimony to the US Senate:



"The EU's unilateral climate policy is absurd: first consumers are forced to pay ever increasing subsidies for costly wind and solar energy; secondly they are asked to subsidise nuclear energy too; then, thirdly, they are forced to pay increasingly uneconomic coal and gas plants to back up power needed by intermittent wind and solar energy; fourthly, consumers are additionally hit by multi-

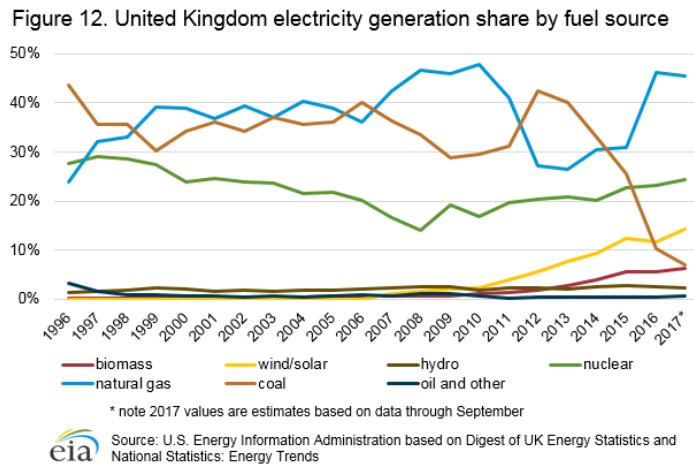
⁴⁶ "deadweight loss" to the Canadian economy, in the sense that the indirect costs to the economy as a result of reduced funds to reinvest and reduced funds to pay workers exceeds the direct costs of funds paid to governments.

⁴⁷ <https://friendsofscience.org/index.php?id=653>

billion subsidies that become necessary to upgrade the national grids; fifthly, the cost of power is made even more expensive by adding a unilateral Emissions Trading Scheme. Finally, because Europe has created such a foolish scheme that is crippling its heavy industries, consumers are forced to pay even more billions in subsidising almost the entire manufacturing sector.” 48

Despite pumping billions of Euros into wind and solar, the UK is powered by fossil-fuels.

Though Ecofiscal presents a rosy image of the UK’s installed renewables *capacity* (the potential output of installed facilities) on page number 9 of their report, what matters is the actual *generation by source*. In fact, the rush-to-renewables has put the UK at serious risk of blackouts due to lack of *dispatchable* electricity generating capacity.



Dispatchable refers to on-demand power like that of conventional coal, natural gas, large hydro or nuclear. Fortunately, coal saved the day this winter during unprecedented snow storms and the “Beast from the East” weather patterns, coincident with near catastrophic lack of natural gas supply to the UK. Despite having domestic coal reserves and untapped shale gas, the UK was near blackout several times over the past few winters due to climate policies built on ‘decarbonization.’

Daily demand on Feb. 26, 2018 was 50 Gigawatts – of which the last remaining UK coal plants put out 10.20 GW while the massive wind installations could barely supply 3.32 GW, at a time when power was most needed.

Where once coal provided the cheapest, most affordable power, now wind is said to ‘cheapest’ – but compared to what?

As with all countries that have implemented wide-scale deployment of renewables in the form of wind and solar, power prices have sky-rocketed while grid capacity and reliability has dropped. Germany has experienced a dramatic rise of interventions by the German electricity grid operator required to stabilize the system and avoid blackouts. The large volume of wind and solar installed in Germany create rapid dips and surges in power output which must be paired with equivalent spinning reserves of natural gas to cut in and maintain supply as whimsical Mother Nature gives and takes away the ‘free’ wind and solar. Germany is spending over €1,000 billion on the “Energiewende” or energy transition.

⁴⁸ <https://www.thegwpf.com/content/uploads/2014/12/Peiser-Senate-Testimony-2.pdf>

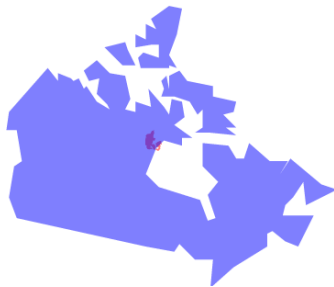
Though Ecofiscal Commission blames some market stagnation in the UK for uncertainty about Brexit, it is clearly EU Climate Policies and carbon taxes that are killing industry, as reported by UKIP MEP Roger Helmer to the EU on Jan. 27, 2015: ⁴⁹

“...we have a policy which is exporting jobs, exporting investment, exporting manufacturing, and increasing CO2 emissions at the same time.”

Contrary to the Ecofiscal claim that carbon pricing worked to reduce CO2 emissions in the UK, the “industrial massacre” is responsible for the reduction.

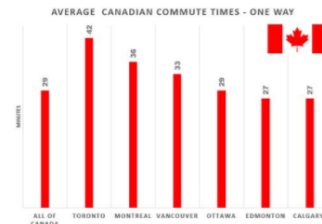
Ontario

Ecofiscal makes the case that carbon pricing ‘works’ citing evidence from Denmark that at 20% increase in the price of fuel causes a 3% reduction in driving. They don’t mention that Denmark has a population of some 5.7 million people on land that ranges from – 7 meters to 171 meters above sea level, and it is the size of a postage stamp. No location inland in Denmark is further than 52 km (38 mi) from the sea.⁵⁰ Most Canadians would criss-cross Denmark a few times in their equivalent mileage from **necessary** daily commutes and errands. Except some urban centres, most Canadians have no access to any meaningful form of public transit – sparse population density precludes this as the cost versus potential benefit would be prohibitive.



Obviously, where you live has a huge impact on your daily commute. Based on the data from the Future of Work Survey, here is the average **one way commute times** in large Canadian cities :

- Canadian National Average is 29 minutes
- Toronto is 42 minutes
- Montreal is 36 minutes
- Vancouver is 33 minutes
- Ottawa is 29 minutes
- Edmonton is 27 minutes
- Calgary is 27 minutes



According to NationMaster comparison, Denmark’s gas prices are \$2.26/litre versus \$1.17 in the US. ⁵¹ A 20% rise would be significant for Danes; but they can choose bikes and public transit.

Denmark being a virtual island means it also has access to the cheapest form of transportation of goods – sea freight, enhanced by Europe’s extensive internal canal and riverway systems. Canadians must pay for rail, truck and air transport – all of which are ‘carbon’ intensive. In winter months, this means all fresh produce to Canada, excepting nominal domestic winter greenhouse production, is shipped in from the United States or overseas, then typically distributed by rail and truck. There is no ‘choice’ about this.

And we find that despite the green rhetoric about Denmark’s power grid, Denmark runs on fossil fuels.

⁴⁹ http://www.ukipmeps.org/articles_1141_The-Madness-of-Europes-Industrial-Massacre---Roger-Helmer-MEP.html

⁵⁰ Map comparison from www.mapfight.com commuting comparison: <https://www.thinkinsure.ca/insurance-help-centre/commuting-times-and-facts-in-canada.html>

⁵¹ <http://www.nationmaster.com/country-info/compare/Canada/Denmark/Cost-of-living>

Ontario is facing an industrial massacre due to the 2009 Green Energy Act, for the same reasons we have seen in the facts related to the UK and EU.

According to a Fraser Institute report of 2017:

Between 2005 and 2015, Ontario's manufacturing output fell by 18 per cent and manufacturing employment fell by 28 per cent.

More specifically, from 2008 to 2015, Ontario's manufacturing job levels fell from 805,170 to 688,735. Crucially, in a study published today by the Fraser Institute, we estimate that the province's high electricity prices are responsible for roughly 64 per cent of the losses – that's a staggering 75,000 manufacturing jobs.^{52 53}

British Columbia

Ecofiscal claims that BC's carbon tax is a success story. In 2013, the Canadian Federation of Taxpayers issued a commentary including statements by NDP critics that shredded the claim BC's carbon tax was a success.⁵⁴

Furthermore, BC residents report to us that most people living in close proximity to the US simply drive over the border to Washington State to fill up and do some shopping – meaning more money leaves the Canadian economy.

BC Carbon Tax also had detrimental impacts on surprising victims. **Schools. Hospitals.**

Public Service Organization (PSO) Carbon Credit purchases required under the Carbon Neutral Government and Municipal Climate Change Charter. This is money that PSOs have to complete an annual audit on and then have pay out their operating budgets. In the case of Surrey, the Surrey School Board has had to pay a cumulative \$10-million out of their budget.

A BC resident comments:

The BC Carbon Tax (BCCT) has always been presented as revenue neutral. For those of us paying the tax it has hardly seemed that way. However, for the bean-counters and hand-wavers in Victoria they had another way of calculating "revenue neutrality". I am pleased to see that the new BC government has recognized that it has never been "Revenue Neutral" and has dispensed with this insult to our intelligence. This is nothing more than an exercise in accounting slight-of-hand worthy of a stage in Vegas. It is also a reason why economists should never be given anything sharper than wax crayons. So far, we have been hosed for over \$15-Billion. I think that it is a fair comment to say that we have absolutely nothing of tangible value on the ground that does anything to 'solve climate change.'

⁵² <http://business.financialpost.com/opinion/75000-manufacturing-jobs-lost-thats-the-price-of-ontarios-electricity-disaster>

⁵³ <https://www.fraserinstitute.org/sites/default/files/rising-electricity-costs-and-declining-employment-in-ontarios-manufacturing-sector.pdf>

⁵⁴ <https://www.taxpayer.com/blog/bc--carbon-tax-no-success-story>

But some people have benefitted from the BC Carbon Tax. These are groups that are now making money using “SuperNatural” BC as a ‘carbon sink’ for trading. It is likely no surprise to learn that ENGOs are behind this move.

There was much fanfare when the Great Bear Rainforest was announced. Many Canadians had been inspired by the notion of a lonely white Kermode bear Spirit Bear being granted an eternal home, safe from human intervention.⁵⁵ It undoubtedly helped that offshore funded activist groups created chaos.

Canada has an uneven mix of land agreements with First Nations. In B.C. there are virtually no treaty arrangements with the more than 200 distinct First Nations who together claim 135% of the territory. The gap in title rights offers outsiders a way to drive a wedge into Canadian energy and resource affairs.

In the ‘war-of-the-woods’ of the 1990s,⁵⁶ eco-activists used coercive techniques on the logging industry, publicly shaming them in the New York Times. “Next, the First Nations started suing businesses and the government. There was so much conflict that change had to happen or no one could go forward.” Great Bear Rainforest was ultimately established.

Only a few commentators followed the story to find out that in fact the region is used as a carbon trading ‘sink’ by tax subsidized charities, and that it was central to BC’s Pacific Carbon Trust scandal, a story that bobbed to the surface briefly in the news and then vanished.⁵⁷

*...raised serious questions about the alleged climatic benefits associated with the purchases....In the first case, the Nature Conservancy of Canada **was paid an estimated \$2.3 million from the PCT** for doing what conservation groups do -- conserving a tract of privately owned forestland in B.C.'s southern interior that had been logged for decades. The money came on top of \$25 million that the NCC received from the federal government toward the purchase cost, later estimated at \$125 million.*

To put this in some perspective, a tax subsidized, federally registered charity, is trading carbon credits on public lands of Canadians, and apparently also receiving additional funding from the Canadian government. The organization’s income is on the order of \$83,269,706.00, with senior employees earning \$150,000. Source: CRA as of April 8, 2018.

California

Finally let us look at California, which Ecofiscal assures us is a model of economic prosperity. Many Californians are so concerned about the fiscal state of affairs in California that they are proposing a new ‘break-away’ state, especially as the state moves to impose yet another tax.⁵⁸

⁵⁵ http://www.savethegreatbear.org/news/detail/a_bear_of_a_deal

⁵⁶ <https://youtu.be/p8vN0hHWC-o>

⁵⁷ <https://thetyee.ca/Opinion/2013/01/18/Great-Bear-Carbon-Offsets/>

⁵⁸ <https://www.foxbusiness.com/politics/california-will-go-bankrupt-from-new-tax-proposal-new-california-founder>

“We’ve been losing jobs and bleeding jobs for the last 15 to 18 to 20 years. Now we’re sort of at the bottom of the barrel so to speak, we have so much poverty out there, it’s not even funny. Homeless people all over the place. It’s going to be devastating to business,” [Paul Preston] he said.

We return to the roots of the carbon trading/tax issue and find that Enron was there, driving up power prices in California through market manipulation.⁵⁹

It would be interesting to track the investments of Hollywood celebrities in wind and solar, to understand why so many are vocal proponents of wind and solar and the ‘climate crisis’ (the sole reason for ‘decarbonizing’ and purported solution of wind and solar ‘free/clean’ power production).⁶⁰

California is hardly a model of economic excellence. Thousands of people live on the street;⁶¹ outbreaks of hepatitis have been traced to crowded, unsanitary groupings of homeless and helpless people who end up doing their business street side.⁶² *Watts Up With That* commentator Eric Worrall links the homeless crisis to energy and housing costs, noting that the persistent rise in energy costs in California due to ‘climate policy’ has been the tipping point for many poor people being evicted for non-payment of utilities or rent, or both.⁶³

Based on the Abacus survey of Canadian priorities on socio-economic issues, one should certainly avoid California’s ‘climate savior’ path to avoid a similar fate.

And again, we find an element of pension fund investment folly. The Sacramento Bee reports that pension fund giant CalPERS, has a \$100 billion unfunded pension liability, and that many US cities have declared bankruptcy due to inability to meet pension funds.⁶⁴

Pension Funds Driving Public Policies

The bizarre and tragic irony in all of this is that most large pension funds are signatory to the UN Principles for Responsible Investment – a body that is mesmerized by climate change hysteria and renewables, and that invites signatories to sign on ‘voluntarily’ but then demands that they ‘comply or explain’ in their reporting on Environment, Social or Governance (ESG) issues.

⁵⁹ <https://www.nytimes.com/2002/05/07/business/enron-forced-up-california-prices-documents-show.html>

⁶⁰ <https://www.leonardodicaprio.org/the-benefits-of-139-countries-switching-to-100-renewable-energy-by-2050/>

⁶¹ <http://www.latimes.com/local/california/la-me-lopez-homeless-20180128-story.html>

⁶² <https://www.centerforhealthjournalism.org/2018/02/22/california-housing-crisis-became-health-crisis-hep-cases-spread>

⁶³ <https://wattsupwiththat.com/2017/09/12/extreme-poverty-usa-the-true-cost-of-climate-madness/>

⁶⁴ <http://www.sacbee.com/news/politics-government/politics-columns-blogs/dan-walters/article90368532.html>

The UNPRI Montreal Pledge of 2014 required signatories to become activist investors, to lobby corporations and governments to enact climate change policies like carbon trading and to promote renewables.

The UNPRI's advisor on ESG principles is Al Gore – the man no one can discuss climate change uncertainties with because he simply dismisses them as 'deniers.'⁶⁵

It should be no surprise that Alberta's carbon tax and coal phase-out did not come from the electorate, but from a group of activist investors, one of which the UNPRI singles out for praise in its 2016 report as having been particularly active.⁶⁶

Rather than taking advice for self-dealing groups with vested interests, let's return to sound public policy on climate and energy.

Recap - Climate Change Action is Detrimental to Priorities

If we return for a moment to the original Abacus findings of what is important to Canadians, let us look at how each of these has been affected in Ontario by climate and energy policies.

Improving health care - Ontario's coal phase-out and the implementation of renewables (wind and solar) has driven up power costs. In 2014, the Windsor Star reported: "*Patient care could ultimately suffer because of rising electricity costs that Windsor Regional Hospital predicts will add an extra \$1 million to its budget this fiscal year, a 27 per cent increase from 2012-13.*"⁶⁷ In 2015, CTV News reported: "*Ontario doctors are going digital in their fight against a looming fee cut, using social media to highlight their heavy workloads and long hours.*"⁶⁸ In 2016, Ontario nurses were laid off.⁶⁹ On April 3, 2018, Ontario Concerned Doctors reported government neglect and mismanagement was destroying health care.⁷⁰

In our view, in relation to health care, **rising power costs will have a domino impact on the entire health care system.** Electricity was recognized by the UK Department of Health as the '**most vital of all infrastructure services**' because '**without it most other services will not**

⁶⁵ <https://www.spectator.co.uk/2017/08/question-al-gore-on-climate-change-and-hell-call-you-a-denier/>

⁶⁶

<https://www.neiinvestments.com/documents/PublicPolicyAndStandards/2015/Premier%20of%20Alberta%20Collaborative%20Investor%20Letter.pdf> (retrieved April 8, 2018)

⁶⁷ <http://windsorstar.com/health/soaring-electric-costs-hamper-hospital-businesses>

⁶⁸ <https://www.ctvnews.ca/health/ontario-doctors-take-fight-against-pay-cuts-to-twitter-1.2581186>

⁶⁹ <http://www.cbc.ca/news/canada/toronto/ontario-nurses-warn-hospital-cuts-layoffs-increase-risk-of-patients-dying-1.3285024>

⁷⁰ <http://www.cbc.ca/news/canada/toronto/concerned-ontario-doctors-legislature-news-conference-neglect-health-care-1.4602728>

function.' – *Power Outages, Extreme Events and Health: A Systematic Review of the Burning Literature from 2011-2012* ⁷¹

Clearly a similar domino effect in all other Canadian priorities occurs as climate change policies – including cap and trade, which sends provincial money from insolvent Ontario to insolvent California – only impoverishes Ontario more.

Controlling government spending, deficits and debts - Carbon tax and cap and trade create new layers of government bureaucracies, which come with lifelong pension obligations. **Most pension funds in Canada have significant unfunded liabilities. Wind and solar investments by pension fund investors guarantee them 10% or better returns for decades, thus creating an unspoken tax on average citizens** that ensures government employees have rich retirements, but that creates heat-or-eat poverty in the present time for ordinary people and businesses. ⁷² Who has the power to sway votes in Canada? Unions.

Helping stimulate the creation of good quality jobs - Obviously, manufacturing jobs are fleeing Ontario's high energy prices. Some people have reported an uptick in blackouts in Ontario; similarly, this has become a crisis issue for industry in Australia where blackouts have caused millions of dollars of damage to crucial industries that require uninterrupted, quality power. Likewise, the health care of thousands has been affected by Australian power blackouts. A new paper just published ⁷³ on labor market consequences in BC, showed an overall increase in unemployment due to carbon taxes, most seriously affecting less-educated men.

Keeping the cost of living from rising - Many Ontarians are reporting heat-or-eat poverty and tyrannical billings from Ontario Hydro. CEO salary at Hydro One is reportedly eight times what it was when it was owned by the people of Ontario. Hydro One is asking for an additional rate increase for distribution.⁷⁴ In 2007, Ontarians were promised a cheaper, cleaner power grid by numerous ENGOs and activists, WWF, Pembina Institute, David Suzuki and others.⁷⁵

Produced as a collaborative effort of WWF-Canada, Greenpeace Canada, Pembina Institute for Appropriate Development, Sierra Club of Canada, Ontario Clean Air Alliance, and the David Suzuki Foundation working together for a smart, green energy future for Ontario. For more information, visit wwf.ca



GREENPEACE



⁷¹ https://www.friendsofscience.org/assets/documents/FoS_BurningQuestions_Health_Coal_Wildfires_Jan2015.pdf

⁷² See "Pension Ponzi" by Bill Tufts

⁷³ <https://www.sciencedirect.com/science/article/pii/S009506961730551X>

⁷⁴ <http://www.cbc.ca/news/canada/ottawa/hydro-one-customers-puzzled-by-companys-application-to-raise-rates-1.4147944>

⁷⁵ <http://www.pembina.org/media-release/1238>

The parties pushing the 'Smart Green Energy' plan on Ontario include groups funded by the offshore Oak Foundation, which is pushing a global cap and trade system, as previously mentioned. They succeeded in establishing one in Ontario and Quebec.

For a detailed review of cap and trade systems in Ontario and California:

Introduction to Ontario's Cap and Trade

<http://blog.friendsofscience.org/2017/09/01/cap-and-trade-an-introduction-to-ontarios-system/>

A Critique:

<http://blog.friendsofscience.org/2017/09/01/the-ontario-cap-and-trade-system-a-critique/>

California Dimension:

<http://blog.friendsofscience.org/2017/09/02/ontarios-cap-and-trade-program-the-california-dimension/>

Canadians listed other priorities like reducing poverty and income inequality, ensuring housing is affordable, expanding trading opportunities for Canadian goods and services, attracting investment into Canada, and cutting taxes.

The biggest risks to any company, especially in the resource or manufacturing sectors, is an increasing regulatory load. Increasing the costs of carbon/GHG taxes and general deteriorating conditions for capital investments because of climate-related concerns is an unproductive distraction from value added work. As previously noted, once published, this valuable GHG corporate intelligence can be used against companies by vulture investors, or corporations using ENGOs as proxies to block development. All climate regulatory reporting, GHG accounting, etc. takes time away from the core business and useful production, it costs money and does not improve the "bottom line".

Improving the state of the environment was one of the lower priorities for Canadians. The Ontario example of coal phase-out is often touted, but let's examine the facts. The reduction in emissions often attributed to Ontario's coal phase-out is actually due to the 2008 recession which caused a significant drop in cross-border pollution from US industry (the US has lower air quality pollution standards than Canada) and implementation of more stringent fuel emissions standards in Canada. Many aging US coal plants were shuttered in favor of new natural gas plants in the US. Ontario lost a valuable low-cost base-load provider of some 28% electrical generation when it shut down its coal-fired power plants. Higher power costs have led to cuts in health care services, jobs, pay, and standards as noted above.

Combating terrorism was another priority. Eastern Canada now struggles with thousands of cross-border refugees; Canada is taking thousands of people from war-torn countries.

Constraining terrorism and addressing the ongoing flow of refugees from war-torn regions takes money and a health economy. Neither can be properly addressed in a downturn.

Shifting our economy to a clean energy economy was one of the lowest priorities. Ontario already has clean energy with hydro and nuclear. Indeed, almost any day of the week one can see that Ontario runs on nuclear and hydro - wind and solar are insignificantly supplemental and overly subsidized. Wind and solar devices that are produced in developing nations are

manufactured with little to no regard for human rights, no hazmat gear for employees (many toxic substances are involved, especially in solar panel production), no environmental regulations, no reclamation, and tremendous energy is used to make wind and solar devices that often return little to no reciprocal energy to the power grid – especially if situated in northern countries like Canada which are not optimal for either wind or solar. Thus, emissions and real, deadly pollution are being outsourced so that North Americans can virtue-signal and green crony capitalists can cash in. How is that ‘clean’ or in anyone’s economic interests?

Ensuring childcare is affordable If families are forced into heat-or-eat poverty, no amount of affordable child care will address the burden on the family.

Taking action to solve climate change is last on the list of priorities. Clearly the *one factor that is detrimental to all other Canadian priorities is ‘taking action to solve climate change’ without doing a full cost-benefit analysis.*

Principles of Sound Public Policy – Cost Benefit Analysis

- All measures to reduce GHGs should be subject to cost-benefit analysis
- The lowest cost and most effective measures will be taken first
- Where measures cannot be justified on the basis of economic costs and benefits, the value of the “environmental premium”, if any, must be transparent and consistently applied
- The 80% emission reduction target should be rejected as unworkable and too costly
- The Ontario Green Energy Act of 2009 should be repealed.
- Future climate funding should be directed more towards adaptation than emissions reduction

In Summary

Based on all this evidence, we submit that it is our opinion that the Ecofiscal Commission report of April 2018, entitled: “*Clearing the Air: How Carbon Pricing Helps Canada Fight Climate Change*” is a failure of analysis. None of its recommendations should be taken seriously by any Canadian.

There is no such thing as a ‘clean economy’ – not yet. Everything runs on oil, natural gas and coal, and any other form of generation, whether it be nuclear or hydro,

geothermal or the capture of kinetic wind and solar energy relies on fossil fuels for its existence.

Don Martin of CTV expressed it well, commenting on Ecofiscal's report, saying:

And then consider what that carbon tax windfall does to induce green behavior by the average person. Actually, nothing...But most taxpayers, who don't need new windows or don't want a geo-thermal heating system installed, won't see any payback. And they can only watch as a luxury Tesla or some other \$75,000 electric car drives by, partially financed by a \$14,000 government rebate from their gasoline fill-ups.⁷⁶

We do not live in feudal times where the elite can toss off the concerns of the peons by saying "Let them eat carbon."

Fellow Canadian taxpayers, we do have a choice, now.



⁷⁶ <https://www.ctvnews.ca/politics/don-martin-blog/don-martin-political-hot-air-to-blame-for-pending-carbon-pricing-failure-1.3873205>



About

Friends of Science Society is an independent group of earth, atmospheric and solar scientists, engineers, and citizens who are celebrating its 16th year of offering climate science insights. After a thorough review of a broad spectrum of literature on climate change, Friends of Science Society has concluded that the sun is the main driver of climate change, not carbon dioxide (CO₂).

Friends of Science Society

P.O. Box 23167, Mission P.O.

Calgary, Alberta

Canada T2S 3B1

Toll-free Telephone: 1-888-789-9597

Web: friendsofscience.org

E-mail: [contact\(at\)friendsofscience\(dot\)org](mailto:contact(at)friendsofscience(dot)org)

Web: climatechange101.ca

