

Open Letter to Governor Tiff Macklem of the Bank of Canada

September 30, 2025

Dear Governor Macklem,

RE: Comments on Your Speech to the Saskatchewan Trade and Export Partnership and the Greater Saskatoon Chamber of Commerce

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In your September 23, 2025, speech in Saskatoon, you said,

“Canadians have embraced the power of economic patriotism—*elbows up*. But now we need to roll up our sleeves and do the hard work to be more competitive.”

At the same time, you also said,

“The United States will always be a crucial trade partner. But we need to find new markets for our products and new products for our markets. We need to improve our productivity to compete globally. And we need to attract foreign capital. Around the world, countries and corporations are looking for new partners. Canada should be top of the list.”

Are you not aware of [US Ambassador Pete Hoekstra’s recent comments](#) about the anti-American “elbows up” campaign reported on September 18, 2025? He is both disappointed by the anti-American attitudes of many Canadians, and surprised that Canada’s Finance Minister François-Phillipe Champagne, characterized the US-Canada trade situation as a trade “war,” saying that if the Americans were waging a trade war against Canada, we’d all know it. In your address, you also called the US tariffs a “trade war.”

In your speech you suggest that something should have been done to diversify trade decades ago.

This has been done. Example: Saskatchewan and other prairie provinces have actively developed special crops, like lentils, fava beans (of diverse types), and chickpeas for export to markets where these are popular for food, or in the case of some faba bean types, for livestock feed. From the early 1970’s, crop research and seed development programs showed how the prairie ag industry “rolled up their sleeves” to breed and define the most suitable faba bean varieties for optimal crop yield and best suited to meet international market demand.¹

And as for international trade, both Saskatchewan² and Alberta³ have a number of international trade offices. It seems unusual that you did not mention Canada’s existing trade agreement with the EU. Canada began trying to diversify trade decades ago, developing what has now become the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) which was signed in 2016.⁴

¹ <https://onlinelibrary.wiley.com/doi/full/10.1002/leg3.92>

² The Government of Saskatchewan supports its network of international trade offices which include China, India, Japan, Singapore, Mexico, Vietnam, United Arab Emirates, the United Kingdom and Germany. <https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/saskatchewan-import-and-export-information/resources-for-exporters/trade-services-for-exporters>

³ United States - Washington D.C., Chicago, Seattle, Minneapolis, Dallas;
Europe, the Middle East and Africa - U.K. (London), Düsseldorf, Abu Dhabi, Indo Pacific; Singapore, Beijing, Shanghai, Guangzhou, Taiwan, Korea (Seoul), Mumbai, New Delhi, Japan (Tokyo); Latin America - Mexico City. <https://www.alberta.ca/albertas-international-offices>

⁴ https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/view_timeline-consultez_chronologie.aspx?lang=eng

- June 2007 – At the 2007 European Union (EU)-Canada Summit in Berlin, Germany, Canadian and EU leaders agree to conduct joint study to examine costs and benefits of pursuing a closer economic partnership

Due to the lumbering nature of the ever-more bureaucratic European Union, CETA has not yet been ratified by all member states, but there are trade doors that have been opened for Canadian products. Some of these will be closed or burdened by regulation when the EU imposes its Carbon Border Adjustment Mechanism (CBAM) in 2026.⁵ To participate in trade with the EU under CBAM, products or material goods will be required to do extraordinary carbon emissions reporting (Scope 1, 2, and ultimately Scope 3) with complex and expensive double verification by an accredited body. This will impose inordinate costs, especially on agricultural products, as discussed in our critique of Catherine McKenna’s “Integrity Matters” report, wherein we point out that mandatory climate reporting is a risk to society.⁶ **To facilitate an easier trade relationship under CBAM, a carbon tax (aka price on carbon) will be a necessity. As the Financial Times has reported, a global price on carbon has been proposed for the upcoming COP30 conference in Belem, Brazil.**⁷

Thus, it is unusual, in our opinion, and note-worthy, that in your presentation you did not refer once to climate change or the carbon tax.

As reported by the Financial Post on May 02, 2024, you told the House of Commons Standing Committee on Finance that the carbon tax did not drive inflation and that dropping it would only offer one-time temporary relief.⁸

- Inflation dropped 1.7% and, “As the divisive carbon tax ended, gasoline prices took a nosedive, dropping 18.1 per cent in April compared to a year earlier. Natural gas prices fell 14.1 per cent during the same period, StatsCan noted.”

It seems disingenuous of you, Governor Macklem, to not mention this looming problem of CBAM when blithely advising Saskatchewan businesses and industry to “roll up your sleeves.” CBAM was part of the Fall Economic Statement, which Robert Lyman, retired energy economist, former public servant and diplomat said would effectively be a tariff against the USA and would be like “waving a red flag to the Trump administration bull.”⁹

From our Jan. 30, 2025, press release:¹⁰

While Trump threatens tariffs on Canada, few people are aware of the European Carbon Border Adjustment Mechanism (CBAM) which becomes **fully operational in 2026**; basically a climate policy tariff. In Canada’s **Fall Economic Statement**, reference is made to Canada using climate policy such as CBAM to restrict trade.

In his May 08, 2024, **testimony to the Canadian Senate** on climate-aligned finance, Mark Carney foresaw Canada as a future ‘hub’ for Europe’s Carbon Border Adjustment Mechanism (CBAM). The **National Post** of Jan. 29, 2025, reports that Canadians hope that Carney, if elected, would cancel Canada’s very



⁵ https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en

⁶ <https://blog.friendsofscience.org/2022/11/28/integrity-matters-mandatory-climate-reporting-a-risk-to-society/>

⁷ <https://www.ft.com/content/21b8689f-a1f1-4e89-83c3-841f6d6bc6a1>

⁸ <https://financialpost.com/news/economy/eliminating-carbon-tax-temporary-effect-inflation-macklem>

⁹ <https://blog.friendsofscience.org/2024/12/18/the-2024-fall-economic-statement-climate-related-measures/>

¹⁰ <https://blog.friendsofscience.org/2025/01/30/trump-tariffs-loom-over-canada-banks-leave-mark-carneys-net-zero-alliances/>

unpopular carbon tax. This seems unlikely, as a carbon tax paid in a foreign country becomes deductible from the CBAM rate of the imported good or service.

...Analysis of Canada's Net Zero targets and pathways by Friends of Science Society director Ian Cameron, P. Eng., shows that "[Getting to Net Zero](#)" means drastic degrowth and deindustrialization. Video explainer [here](#).

As noted in the foregoing, it seemed unlikely that incoming Prime Minister Carney would cancel the carbon tax, and he did not; [he only zero-ed the consumer carbon tax](#). Likewise, the industrial carbon tax remains. Prof. Sylvain Charlebois (@FoodProfessor) has pointed out that the industrial carbon tax drives higher food prices, despite the relief from the consumer carbon tax.

In your talk, you said,

"Central banks also have a role to play, but it is limited. Monetary policy cannot undo the damage caused by tariffs."

In fact, Bank of Canada has a substantial role to play, and you, in particular, Governor, based on your biography,¹¹ could constructively affect the future of Canada and global trade relations.

Banks have been trying to ascertain climate risks, ever since Mark Carney, then governor of the Bank of England, gave his famous "[Breaking the Tragedy of the Horizon](#)" speech to Lloyd's of London, 10 years ago on Sept. 29, 2015. At that time, Governor Carney's speech was fact-checked by analyst Steve Kopits and found to be wanting: "As an analyst, I find Mr. Carney's speech is truly dismaying. For the Governor of the Bank to claim that climate change is leading to rapidly rising insurance claims is, at best, a critical failure of analysis."¹²

Unfortunately, Governor Carney's speech to Lloyd's of London marked the day that climate science and climate finance took separate paths. In the fall of 2013, the Intergovernmental Panel on Climate Change (IPCC) had published its AR5 report, noting that there had been no statistically significant warming for the prior 15 years.

Box 9.2 | Climate Models and the Hiatus in Global Mean Surface Warming of the Past 15 Years

The observed global mean surface temperature (GMST) has shown a much smaller increasing linear trend over the past 15 years than over the past 30 to 60 years (Section 2.4.3, Figure 2.20, Table 2.7; Figure 9.8; Box 9.2 Figure 1a, c). Depending on the observational data set, the GMST trend over 1998–2012 is estimated to be around one-third to one-half of the trend over 1951–2012 (Section 2.4.3, Table 2.7; Box 9.2 Figure 1a, c). For example, in HadCRUT4 the trend is 0.04°C per decade over 1998–2012, compared to 0.11°C per decade over 1951–2012. The reduction in observed GMST trend is most marked in Northern Hemisphere winter (Section 2.4.3; Cohen et al., 2012). Even with this "hiatus" in GMST trend, the decade of the 2000s has been the warmest in the instrumental record of GMST (Section 2.4.3, Figure 2.19). Nevertheless, the occurrence of the hiatus in GMST trend during the past 15 years raises the two related questions of what has caused it and whether climate models are able to reproduce it.

In January of 2014, Dr. Judith Curry testified to the US Senate Committee on Environment And Public Works that: Evidence reported by the IPCC AR5 weakens the case for human factors dominating climate change in the 20th and early 21st centuries, and that **carbon dioxide (CO2) is not the 'control knob' on climate**.¹³

In the spring of 2014, the report "Risky Business" was compiled by several 'green' billionaires and a group of climate activists.¹⁴ This report proliferated through the finance community, and its alarming projections were based on a research model known as Representative Concentration Pathway 8.5 (RCP 8.5). This is an improbable

¹¹ <https://www.bankofcanada.ca/profile/tiff-macklem/>

¹² <https://wattsupwiththat.com/2015/10/12/fact-checking-mark-carneys-catastrophic-climate-claims/>

¹³ <https://judithcurry.com/wp-content/uploads/2014/01/curry-senatetestimony-2014-final.pdf>

¹⁴ <https://www.forbes.com/sites/rogerpielke/2020/01/02/how-billionaires-tom-steyer-and-michael-bloomberg-corrupted-climate-science/>

scenario, only meant for research purposes, but central banks adopted it as a climate risk ‘business-as-usual.’ RCP 8.5 does not represent business-as-usual.

In your various roles related to international banking, you must tell these banks that RCP 8.5 is an improbable scenario that misrepresents the future. Climate policy must not be based on this scenario.

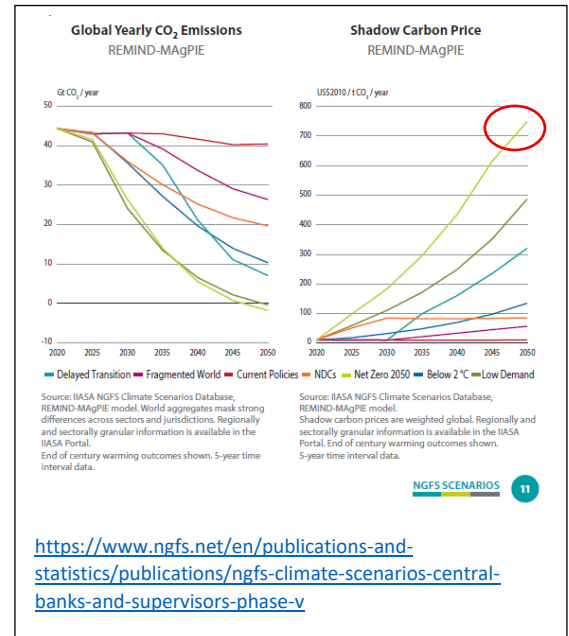
Likewise, more recently, the Network for Greening the Financial System (NGFS) adopted a climate damage function which comes from a flawed and conflicted research paper by Kotz et al (2024). We have written to the Office of the Superintendent of Financial Institutions and copied Bank of Canada and BIS.¹⁵ **However, in your role with the Bank of Canada and the various boards that you sit on in the banking sector, you can help remove this climate damage function.**

This is crucial to the economic success of Canada, Governor Macklem. As you know, the NGFS has established a Shadow Carbon Price of \$800/t for Net Zero 2050. Canadian industry and especially the farm industry, was staggering under the burden of an \$80/t carbon tax. Imagine a price ten times that.

One has to question why NGFS prefers to choose catastrophic outlier research like Kotz et al (2024) rather than research by Happer,¹⁶ Lindzen,¹⁷ Koonin¹⁸ or van Wijngaarden,¹⁹ all of whom note that carbon dioxide has benefits that are never accounted for.

Our research director, Ken Gregory, issued comments on the recent US Department of Energy report²⁰ on the impact of greenhouse gas emissions on the US. His work, using the FUND model, shows that an increase in carbon dioxide is net beneficial – the Social Cost of Carbon is actually a Social Benefit. Have the NGFS central banks or Bank of Canada climate risk experts ever considered such calculations – and if not, why not?

Ken Gregory replaced the default components in FUND for estimating the cost of energy due to warming with empirical components. (i.e. those showing that energy expenditures decline as temperatures increase) and increased the default CO₂ fertilization effect by 30%. Using an ECS of 2.0 degrees C, and a 3% discount rate, the SCC is about US-\$10.38 per tonne CO₂. With a 5% discount rate, the SCC is about US-\$5.92 per tonne CO₂. In both cases, CO₂ emissions are beneficial for the world. **When the ECS is set to 1.6 degrees C to account for the [Urban Heat Island Effect] UHIE and the millennium cycle, and retaining the previous changes, the SCC is calculated by FUND to be about US-\$13.07 per tonne CO₂ at a 3% discount rate and about US-\$7.28 per tonne CO₂ at a 5% discount rate.** That is, CO₂ emissions are currently quite net beneficial. This finding is significantly different from the estimates used by Environment and Climate Change Canada (ECCC) and calls into question virtually all of the expenditures made by governments and industry in Canada to reduce emissions.²¹



¹⁵ <https://blog.friendsofscience.org/2025/09/12/open-letter-to-osfi-on-the-network-for-greening-the-financial-systems-ngfs/>

¹⁶ <https://blog.friendsofscience.org/2022/07/04/according-to-the-physicist-w-happer-there-will-be-little-effect-for-a-doubling-of-the-rate-of-co2/>

¹⁷ <https://friendsofscience.org/pdf-render.html?page=3028>

¹⁸ <https://friendsofscience.org/pdf-render.html?page=2954>

¹⁹ <https://friendsofscience.org/pdf-render.html?page=2963>

²⁰ https://www.energy.gov/sites/default/files/2025-07/DOE_Critical_Review_of_Impacts_of_GHG_Emissions_on_the_US_Climate_July_2025.pdf

²¹ <https://blog.friendsofscience.org/2025/09/28/the-us-doe-critical-review-of-the-impacts-of-greenhouse-gas-emissions-on-the-u-s-climate-a-simplified-version-of-ken-gregorvys-comments/>

Prof. William van Wijngaarden’s work shows that Canada’s contribution to global warming is negligible; certainly not worth spending trillions to save billions.

Likewise, as Dr. Curry explained years ago, carbon dioxide (CO2) is not the control knob on climate change. **Thus, no carbon tax nor a price on carbon (dioxide) is required.**

Rolling up our sleeves will not address the burden of climate regulations and attendant costs.

Gas	World Warming C/Century	Canadian Contribution C/Century	Alberta Contribution C/Century
CO ₂	0.85	0.016	0.0052
CH ₄	0.085	0.0016	0.00052
N ₂ O	0.064	0.0012	0.00037
Total	1.0	0.019	0.006

six thousandths

-The world warming column is from: C. de Lange, J. Ferguson, W. Happer & W.A. van Wijngaarden, 2022, "Nitrous Oxide & Climate", *Atmos. & Oceanic Phys.* arXiv: 2211.15780.
 -Canada produced 1.9% of CO₂ according to <https://www.worldometers.info/co2-emissions/>
 -According to Environment and Natural Resources Dept. of Government of Canada in 2019 Alberta generated about 37% of Canada's carbon dioxide equivalent output.
 -For simplicity, we assume same emission fraction for CH₄ and N₂O as for CO₂

Canada has some 421 climate regulations and is bearing the burdensome cost of \$476 billion in climate related expenditures (2020-2030).²² Plans are proposed to spend between \$2 and \$5.2 TRILLION to reach Net Zero by 2050.²³ Net Zero is unattainable as economist Dr. Gerry Brady and Prof. Michael J. Kelly explain.²⁴ **As governor of the Bank of Canada, you can recommend against the Net Zero initiatives that are making it impossible to operate competitive, productive businesses in Canada.**

As I pointed out in my March 2025 presentation, “Net Zero: Climate Policy is All Pain for Minimal Gain” Canada will be spending trillions to ‘save’ billions.²⁵ Based on government reports, Canada will spending upwards of \$3.92 trillion dollars to reach Net Zero (Canada's 2022 Federal Budget Report). The 2022 Parliamentary Budget Office puts the 'climate change' costs at \$3.64 trillion dollars by the end of the century (using the RCP 8.5 emission scenario and a GDP growth rate of 2%/year). Spending more now to save less decades from now. The temperature rise reduction of those expenditures, +/- 0.004 C. We will be spending almost \$10 trillion dollars for every 1/100th of a degree Celsius of temperature rise averted. Not included is the trillions of dollars required to maintain Net Zero. All those facilities need to be rebuilt every 20 years give or take. In what reality does that make economic sense?

This image provides the context.

“Economic patriotism” would be better served by slicing through the Gordian Knot²⁶ of climate regulations than by alienating our largest trading partner and geophysical neighbour with a silly and insulting “elbows up” campaign. Meanwhile we shoot ourselves in our feet with our climate virtue-signalling.

How much temperature rise can we avert by achieving Net Zero?

Full Global Compliance (CO₂e - 2021 - 52.94 Gt)
"Net Zero Averted Temperature Increase" - June 2024
 Authors: R. Lindzen, W. Happer, W. A. van Wijngaarden
 Link - <https://arxiv.org/abs/2406.07392>

Temperature Rise Reduction - 2050

0.07 °C	Based on CO ₂ 's Warming Capacity
0.28 °C	Based on the IPCC's "science"

Canada's Share - 1.51% of the Global CO₂e Emissions (2021 - 0.80 Gt)

Temperature Rise Reduction - 2050

0.00106 °C	Based on CO ₂ 's Warming Capacity
0.00423 °C	Based on the IPCC's "science"

\$3,920,000,000,000 Canada's Climate Expenditures (2022 Federal Budget)
\$9.3 Trillion for every 1/100th of a °C averted
 Link - <https://www.budget.canada.ca/2022/home-accueil-en.html> (Table 3.1)

Global Greenhouse Gas Emissions and Canadian GDP (Parliamentary Budget Office 2022)
 \$3,640,000,000,000 Canada's Climate Change Damages (Based on RCP8.5 Emission Scenario)
Spending \$3.92 trillion pre-2050 (all debt) to save \$3.64 trillion post-2050
 Link - <https://publications.gc.ca/site/eng/9.918002/publication.html>
 Link - <https://climatechangeandmusic.com/what-happens-after-net-zero/>

²² <https://blog.friendsofscience.org/2024/05/13/what-are-climate-policies-costing-canada/>

²³ <https://blog.friendsofscience.org/2024/05/23/burdensome-ideology/>

²⁴ https://open.substack.com/pub/boomfinanceandconomics/p/net-zero-impossible-no-nation-has?utm_campaign=post&utm_medium=web

²⁵ <https://friendsofscience.org/library/events/friends-of-science-speaking-event-and-book-launch.html>

²⁶ <https://blog.friendsofscience.org/2025/05/13/the-climate-gordian-knot/>

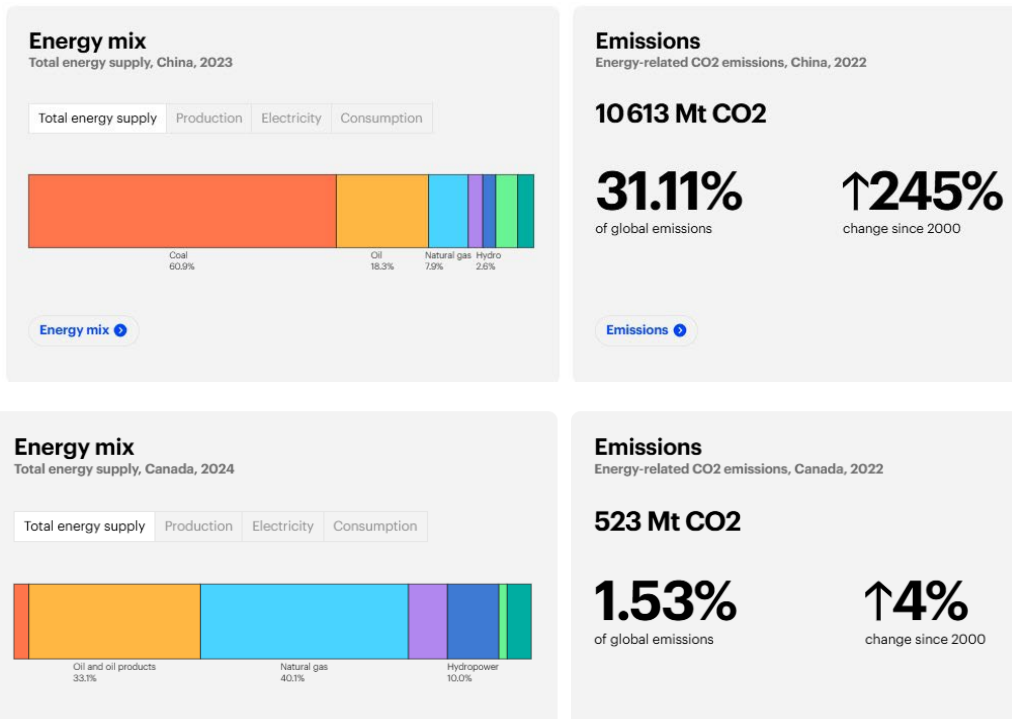
Imagine telling a “climate leader” country like Canada that we must find new trade partners AND reduce emissions. Has anyone ever looked at a map?

Canada to EU distance ~6,050 kilometers (3,760 miles).

The distance from the Canadian West Coast to Shanghai, China, is approximately 9,000 to 9,400 kilometers (5,600 to 5,800 miles) – by freight 14 to 37 days transit.

The Business Development Bank of Canada claims that Small and Medium Sized Businesses are responsible for 52% of the GHG emissions in Canada. Imagine that the Business Development Bank of Canada is telling these businesses to reduce their emissions, while at the same time you are now encouraging businesses to find ‘other markets’ which are thousands of kilometers away.²⁷

In fact, China emits in one month, what Canada emits in a year and eight months.²⁸ Minister Guilbeault threatened to throw Premier Scott Moe of Saskatchewan in jail for his commitment to keeping coal fired power plants open, when closing these plants would not make an iota of difference in ‘global warming.’ Coal-fired power makes China productive and competitive!²⁹ China consumes 58% of the world’s coal!³⁰



In your speech, you present Canada as an enticing place to do business, saying:

“Finally, we also need to nurture and support our long-standing strengths. We have the ingredients to attract more foreign capital. We have effective governments and rule of law. We have abundant energy

²⁷ <https://www.bdc.ca/en/about/analysis-research/benefits-for-smes-of-taking-climate-actions#:~:text=We%20estimate%20that%20SMEs%20generate,a%20result%20of%20climate%20change>
²⁸ <https://blog.friendsofscience.org/2020/08/11/futile-foolly-canadas-climate-policy-goals-in-the-global-context-updated/>
²⁹ <https://www.iea.org/countries>
³⁰ <https://www.indexmundi.com/energy/?product=coal&graph=consumption&display=rank>

and other resources. We have a diversified industrial structure. We have strong labour force participation, a good immigration system and broad access to quality education.”

We sadly must dispute your view for the following reasons. Hopefully we will reveal many issues that we can and must fix, if Canada is to recover from the ten lost years under Prime Minister Trudeau.

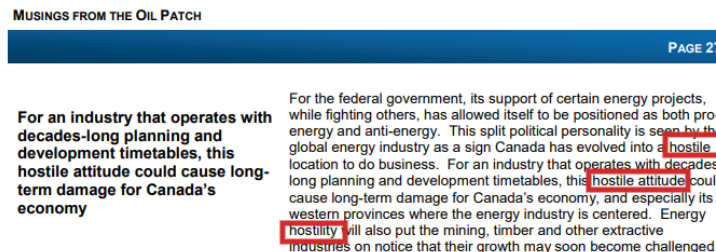
Canada has presently tied itself up with some 321,000 regulations of various kinds, as reported by the Business Council of Canada on Sept. 5, 2025.³¹

Our national economic situation is dire. We are drowning in debt. The Parliamentary Budget Officer revealed that the debt is unsustainable, and immediate action must be taken.³²

The only foreign capital that will seek out Canada will be projects that benefit from government subsidies – and we cannot afford such schemes. Just look at what happened with disastrous multi-billion-dollar incentive investments for the handful of EV battery plants, which have either gone bankrupt, moved operations, or withdrawn from the market.

Canada’s climate and environment policies have driven off ~\$100 billion in investments. Robert Lyman outlines some of them in “Prosperity Foregone.”³³ He writes: “In this presentation, I show that the effects of federal and provincial climate policies so far have fallen disproportionately in two areas – on the present income and future investment prospects for the Canadian hydrocarbons industries and the prices paid by electricity ratepayers due to above-market rates for wind and solar energy generation. In regional terms, **the burden of increased costs has fallen disproportionately on Alberta and Saskatchewan.**”

Foreign investors have been watching the debacle in Canada of trying to get a major project built, like Trans Mountain Expansion. At the time that Kinder Morgan dropped tools on the project in 2018, exasperated that an approved project in the national interest was met by relentless ‘climate action’ by rabid groups and enviro-lawfare, this is what PPHB Energy Bankers had to say about Canada in their “Musings” newsletter:



Neither ‘elbows up’ nor ‘sleeves rolled up’ will fix this.

The decades long Tar Sands Campaign has been a green trade war against Canada. It is curious that you see the US tariffs as a “trade war”³⁴ but for **the past 30 years the Bank of Canada has not noticed the Tar Sands Campaign, even as Tar Sands Campaign actors like Greenpeace, Rainforest Action Network and BankTrack berated, harassed and sometimes physically vandalized banks domestically and worldwide for investing in Canada’s oil sands.** Bank of Canada has never spoken up on behalf of Canada’s most important industry; in 2019, we issued a

³¹ <https://www.thebusinesscouncil.ca/report/stifled-by-red-tape/>

³² <https://www.pbo-dpb.ca/en/publications/RP-2526-012-S--economic-fiscal-outlook-september-2025--perspectives-economiques-financieres-septembre-2025>

³³ <https://blog.friendsofscience.org/2020/03/20/prosperity-foregone-a-summary/>

³⁴ The global economic fallout from the **US trade war** has so far been milder than first predicted—both because US tariffs are not as high as initially feared and because retaliatory tariffs were limited.

press release encouraging then Governor Poloz of the Bank of Canada to call for an inquiry into the Tar Sands Campaign and the economic damage it was doing.³⁵

The Tar Sands Campaign is still active in Canada – but you say nothing about it. This campaign drove a wedge between east and west, between farmers/energy workers and urban eco-warriors, between provinces and nations. The Alberta oil sands, once the second largest R&D project in North America after NASA, went from national pride to international pariah.³⁶

Marx explained that the campaign is about trying to persuade business to stop establishing offices in the province. In addition to billboards, the campaign will draw heavily on social media with a full website, Rethink Alberta, online banner and flash ads on major tourism websites and Google ad buys for search terms like "Alberta" and "tourism" to help direct Internet users to its website. The campaign is expected to go on for several years. "We think it will have implications not just for tourism but also for the willingness of companies to do business there and to establish headquarters or affiliates there," Marx said. A number of U.S. groups are backing the effort, including Rainforest Action Network, Forest Ethics, Global Community Monitor and Friends of the Earth. In Canada, Marx said the campaign would have mostly "silent" supporters, suggesting that was for their protection. "We're expecting a lot of backlash from Alberta," Marx said. According to Marx, the campaign's "big goal" is to end expansion of the oil sands. Key to that, he said, is blocking approval of a \$7 billion pipeline under review by the U.S. Department of State.

If you recall, in 2014, Canada managed to get a small market inroad in Italy, an export customer for our oil. About this same time, the EU finally decided that oil sands oil was not so 'dirty' and we passed their fuel quality directive.³⁷ This was the time when Canadian pipeline projects east and west (Energy East, Trans Mountain Expansion, Northern Gateway) and south (Keystone XL) all seemed primed for construction; it seemed those foreign markets you spoke of were open for business.

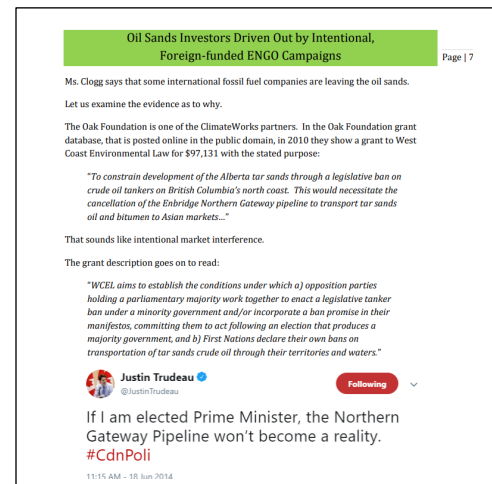
But Canada was not. Within a couple of years, all but Trans Mountain Expansion had been cancelled or withdrawn. Keystone XL was cancelled by President Joe Biden, but there was significant domestic activism against Keystone XL, as noted in the 9th Annual Report of the International Funders for Indigenous Peoples.

Northern Gateway was cancelled as an election promise by Justin Trudeau.³⁸ How is this effective government?

Canadian Tar Sands Campaign actors are often registered Canadian charities. They thus not only block economic development that is in the national interest, but they are unwittingly funded by the very corporations and their workers' taxes – the people being put out of work. How does this meet the 'net public benefit' standard of the CRA test for charities? It is estimated that every Canadian man, woman and child is funding the charitable sector, unbeknownst to them, **in the order of \$8,000 per year**. Not only are provincial, municipal and federal governments funding charities, but they also provide grants and projects to many of these climate activist charities, for millions of dollars, to push pet projects like EVs or wind/solar farms, thus draining the tax pool.³⁹

In our opinion, **none of these facts make Canada an attractive place to invest**. Though you claim we have rule of law in Canada, what do you make of the 2020 #ShutDownCanada protests⁴⁰ for which few were ever arrested. Or the Feb. 2022 violent attack on the Coast Gas Link work camp, which remains unsolved to this day.⁴¹

We have recently issued an Open Letter to the Alberta Securities Commission,⁴² asking for an inquiry as to whether or not Canada has an equivalent "climate cartel" as so-named by the US Republican House



³⁵

https://www.prweb.com/releases/Bank_of_Canada_Governor_Urged_to_Investigate_Tar_Sands_Campaign_and_Climate_Risk_Trade_War_Against_Canada_says_Friends_of_Science_Society/prweb16329744.htm

³⁶ <https://blog.friendsofscience.org/2019/12/20/fear-and-loathing-history-context-and-observations/>

³⁷ <https://financialpost.com/commodities/energy/oilsands-crude-will-no-longer-be-singled-out-by-eu-after-directive-made-official>

³⁸ <https://blog.friendsofscience.org/wp-content/uploads/2019/02/Manufacturing-A-Climate-Crisis-2A-FINAL.pdf>

³⁹ <https://blog.friendsofscience.org/2019/05/07/environmental-charities-a-compilation-of-reports-on-their-finance-power-and-implications-for-canada/>

⁴⁰ <https://www.fraserinstitute.org/commentary/dont-be-fooled-shutdowncanada-or-misleading-claims-dishonest-activists>

⁴¹ <https://www.cbc.ca/news/canada/british-columbia/rcmp-coastal-gaslink-bc-violence-investigating-1.6356257>

⁴² <https://blog.friendsofscience.org/2025/08/27/request-for-inquiry-into-a-possible-net-zero-climate-cartel-in-canada/>

Judiciary Committee. The report “Climate Control,”⁴³ exposes the climate cartel of asset managers, banks (GFANZ, NZBA, etc.), climate activist groups, who the House Judiciary Committee investigators say have declared war on the American way of life. **Thus, as a central bank governor, you are in a position to stop this war on our way of life.**

Here follows an example of how difficult the “climate cartel” is making it for corporations to do business in Canada.

While reviewing materials related to the climate cartel, we found reference to Climate Alliance 100+ case studies which referenced the Teck Resources “Frontier” project.⁴⁴

Imagine being the developer of a **major project that is in the national interest** which has gone through the detailed National Energy Board (now Canada Energy Regulator) review process and then being visited by shareholder climate activists coercing you into unattainable Net Zero targets.

Robert Lyman provided a report⁴⁵ on the value of the Teck Frontier project to the Canadian economy, as it teetered on the brink of approval.

According to evidence gathered by the panel, the project will produce about 260,000 barrels per day of bitumen and operate for 41 years. Over that time, it will provide 278,000 person-years of employment across Canada and yield \$70 billion in tax and royalty revenue to governments. It will also emit 4.1 million tonnes of carbon dioxide equivalent per year, which represents 5.4% of oil sands emissions based on 2016 data, or 0.5% of total Canadian emissions. Teck has committed to make all of its operations “carbon-neutral” by 2050.

The Panel recommended approval of the project, subject to over 200 conditions.

At the last minute, despite approval, Teck withdrew the project. It is not clear if it withdrew due to shareholder activist groups like SHARE, or due to the children of climate activists announcing they would go on a hunger strike, with the \$1.4 billion tax-funded CBC, via CBC Kids News,⁴⁶ avidly promoting the idea. None-the-less, Teck reportedly wrote down about \$1.13 billion for this project cancellation. **In a public statement, Teck summarized the exact problem that Canada faces today – one which has been created by Canadian climate policies and blindness to the necessity of energy and resource development for our economy and society:**⁴⁷

“The promise of Canada’s potential will not be realized until governments can reach agreement around how climate policy considerations will be addressed in the context of future responsible energy sector development. Without clarity on this critical question, the situation that has faced Frontier will be faced by future projects and it will be very difficult to attract future investment, either domestic or foreign.”

Does Canada sound like an attractive place to do business, Governor Macklem?

Net Zero ideology is being driven by the banking sector via the misuse of the implausible RCP 8.5 and the flawed and conflicted climate damage function that the NGFS adopted from Kotz et al (2024).

⁴³ [https://judiciary.house.gov/sites/evo-subsites/republicans-judiciary.house.gov/files/evo-media-document/2024-06-11%20Climate%20Control%20-%20Exposing%20the%20Decarbonization%20Collusion%20in%20Environmental%2C%20Social%2C%20and%20Governance%20\(ESG\)%20Investing.pdf](https://judiciary.house.gov/sites/evo-subsites/republicans-judiciary.house.gov/files/evo-media-document/2024-06-11%20Climate%20Control%20-%20Exposing%20the%20Decarbonization%20Collusion%20in%20Environmental%2C%20Social%2C%20and%20Governance%20(ESG)%20Investing.pdf)

⁴⁴ <https://www.climateaction100.org/wp-content/uploads/2020/12/CA100-Progress-Report.pdf>

⁴⁵ <https://blog.friendsofscience.org/2020/02/07/the-teck-oil-sands-mine-will-the-public-interest-be-betrayed/>

⁴⁶ <https://www.cbc.ca/kidsnews/post/teens-across-canada-pledge-to-join-indefinite-hunger-strike-heres-why>

⁴⁷ <https://www.teck.com/news/news-releases/2020/teck-withdraws-regulatory-application-for-frontier-project#:~:text=Vancouver%2C%20B.C.,value%20of%20the%20Frontier%20Project.&text=Teck%20is%20a%20diversified%20resource,.com%20or%20follow%20@TeckResources.>

The implementation of CBAM will be another nail in the coffin of North American trade – particularly that with the USA. While various climate activist investors are perhaps counting on Article 6 Nature-based climate solutions offsets as a means of saving Canada from economic disaster, this seems unlikely.

You can fix this, Governor Macklem. You are a central bank governor and on the board of several important banking and finance organizations. Remove the climate catastrophe ‘climate damage function’ from the NGFS and remove RCP 8.5; clarify that carbon dioxide is not the control knob on climate, then this will create a more positive business environment as climate-impediment regulations will necessarily be rolled back and financing of energy projects will once again be a business decision, not an ideological climate gauntlet for the proponent.

In October 2021, Robert Lyman wrote “Will We Squander Canada’s Energy Resource Heritage?”⁴⁸ There is no reason that Canada should be committing economic suicide, burdened with debt, other than the reasons noted above - most of which can be wiped out with the stroke of a pen, cutting the Gordian Knot of climate policy and carbon tax ideology.

Lyman wrote:

To sum up the previous sections, if they could be sold at present international prices Canada’s fossil fuel reserves would yield gross revenues of about US \$21 trillion. While it is far more difficult to assess the likely net revenues that could result from their sale, it could easily be in the range of Cdn\$13 trillion. The infrastructure to move it to market, including pipelines, railways and ports probably adds at least \$300 billion.

Accepting the net zero policy goals would treat this enormous source of national wealth and potential future prosperity as something to be discarded. How does one possibly convey the magnitude of the income and wealth that would be foregone?...

• **With \$13 trillion, you could give every Canadian \$342,000.**

For such a colossal, never-before-in-history disposal of any country’s wealth and heritage, we would at best remove 1.6% of the world’s annual greenhouse gas emissions, an amount that would be soon replaced by the constantly growing emissions in Asia. In short, foregoing \$13 trillion in resource income would simply fuel an enormous and pointless sacrificial fire on the altar of climate theology, with no real effect on either global GHG emissions trends or climate.

Think of that the next time someone tells you that achieving “net zero” would be good for Canada.

This is what people needed to hear in Saskatoon. Not that they need to “roll up their sleeves” or that “elbows up” economic patriotism is a good thing.

Hopefully you will now “roll up your sleeves” and do what you can in your role as Governor of the Bank of Canada to liberate this country from the morass of climate change ideology before it is too late.

Sincerely,

Ron Davison, P. Eng.
President
Friends of Science Society

⁴⁸ <https://blog.friendsofscience.org/2021/10/20/will-we-squander-canadas-energy-resource-heritage/>