

OBSERVER EDITORIAL

Short-term thinking abounds, as budget season shows

Governments are often accused of not doing enough long-term thinking, which includes planning for infrastructure projects. It's a fair comment – they don't do a good job.

There is some irony, then, in the fact Wellesley is under fire for its 2023 budget, in large part due to spending on infrastructure, specifically a new township recreation facility.

That project accounts for more than half of a 14 per cent tax hike, putting the average taxpayer – something of a misnomer – on the hook for \$112 in extra taxes this year alone. That's the result of a small tax base having to pay back millions over the next 20 years. The increase was made tougher by a fairly large increase in general taxes applied at the same time.

Large jumps in taxes are in vogue right now – with bureaucrats, not residents, of course. Woolwich is at eight per cent, while the region is even more out of whack at 9.5. Most of that is down the rabbit hole of unchecked operating budgets, with some lip services to the growing gap between available money and the cost of replacing roads, bridges and facilities – aka the infrastructure deficit.

The townships are certainly not alone in that regard – every government everywhere finds itself in the same boat. Nor is it alone in failing to adequately budget for such expenses, in the past through to this very day.

The reality is that there's little hope for most municipalities to get caught up with such deficits. They're burdened by past spending decisions that did not account for future replacement costs, and such planning is still not part of the equation today. We're still inflicted by short-term political thinking that wants to spend today but let some future citizens pay the bills and deal with any fallout.

There has been some effort, but local councils have done little to rein in operating budgets in order to make a real dent in the deficit rather than taxpayers' wallets. The extra funds being set aside are a good start, but they have not kept up with the growing list of projects. Even at today's estimates – real costs are likely to be much higher, as there's a history of being well off the mark with forecasts – local municipalities are losing ground.

Despite plenty of talk, governments continue to do very little in the way of long-term planning, let alone actual follow-through.

The first step to breaking out of this failing mould is for politicians to demand each expenditure is justified, the opposite of what generally happens today. There's a simple question – who benefits, and at what cost? – that should be asked of every expenditure.

Leaving aside government expenditures for the most vulnerable members of society – some expenses are just things we do as part of a civil society – there's a whole lot of discretionary spending that goes on without question. There's often a notion that spending is good just because it's government spending or, worse still, that because it's always been in the budget that it should always be in the budget, unchecked.

Long-term thinking is not just for issues such as climate change, though Canada and every other country on the globe are not prepared to tackle even that issue, despite the consequences. No, it's all about living for today. But long-term planning is crucial for a host of issues clearly part of today's political reality, encompassing all levels: long-term resource consumption, human migration, transportation demands, retirement and pensions and the like. Weighty issues. By comparison, decisions at the local level should be much easier ... if questions get asked.

They're not, and therein lies the problem, one that's hitting residents increasingly harder with each passing budget year.

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Verbatim

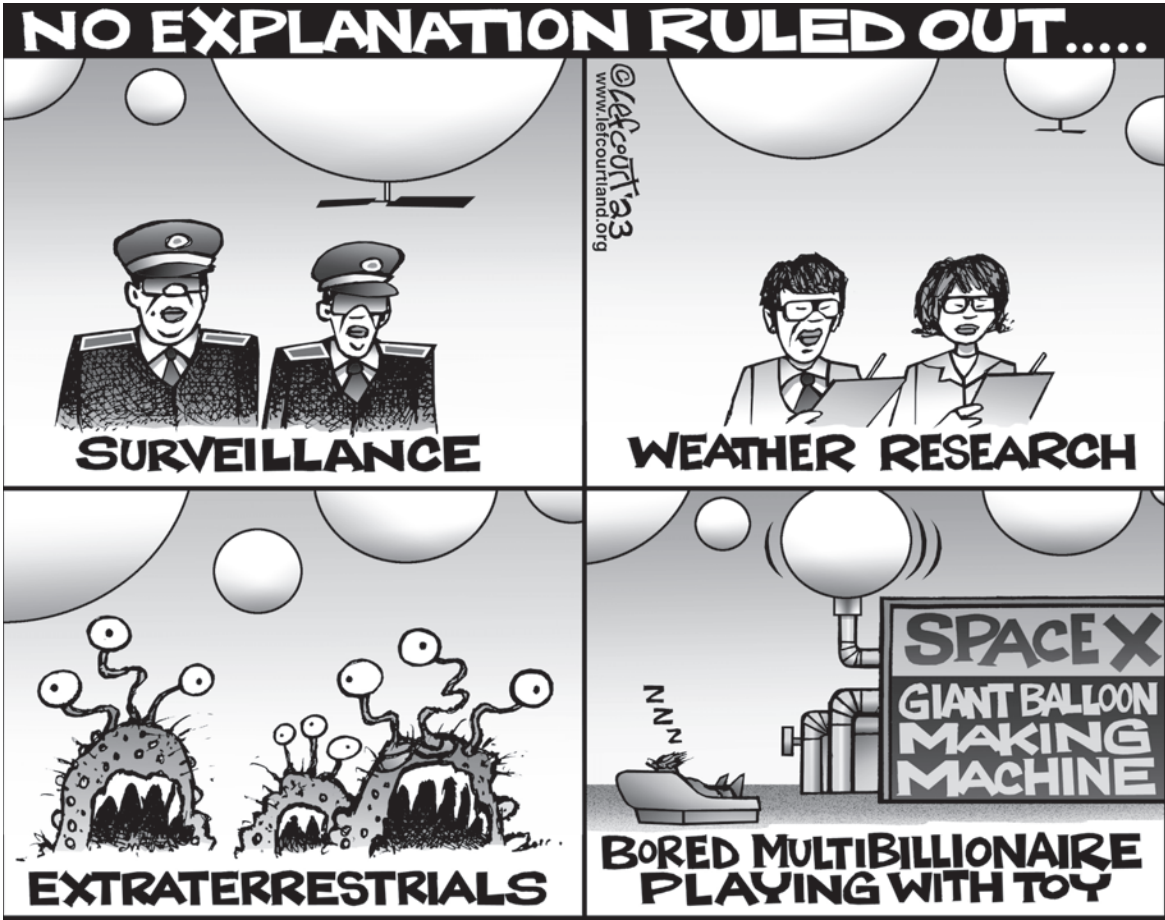
"Everyone should be concerned when high-powered lobbyists who represent wealthy interests mislead MPs, especially when they make false claims in order to win changes that gut ethical lobbying rules in ways that will allow lobbyists to fundraise, campaign and do other favours for ... politicians they are lobbying."

Duff Conacher of Democracy Watch about false claims being made about the new Lobbyists' Code.

The Monitor

A study of 37 large, publicly traded companies that received the Canada Emergency Wage Subsidy (CEWS) while collecting billions in profits during the pandemic found they spent \$81.3 billion on dividends, \$41.1 billion on share buybacks and \$51.1 billion on acquisitions.

Canadians for Tax Fairness



ANALYSIS OF CURRENT WORLD EVENTS

Ukraine war and international law

Just before the first anniversary of the Russian invasion of Ukraine (February 24), France's President Emmanuel Macron declared that he wanted to see Russia "defeated, but not crushed." That is a very fine distinction, but an important one.

Macron is seen as 'soft' on Russia by many observers. In particular, he continues to make frequent phone calls to Russia's President Vladimir Putin, while continuing to condemn his "ignoble war." It gets him a lot of negative press, but he's quite right.

"I chose to stay in touch as much as I can...with President Putin to try and convince him to lay down his arms," Macron explained, "... and to prevent the spread and widening of the conflict." And he particularly deplores loose talk by NATO hard-liners about permanently crippling Russia.

Not many of these extremists have senior positions, but US Secretary of Defence Lloyd Austin certainly made the grade when he declared last April that "We want to see Russia weakened to the degree that it can't do the kinds of things that it has done in invading Ukraine."

That meant, Austin added, that Russia should "not have the capability to very quickly reproduce" the forces and equipment



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that had been lost in Ukraine. So, presumably, it should end up with neither the manufacturing ability nor the financial resources to rebuild its army. That's certainly how Russians interpreted his remarks.

This unhinged proposal harks back to the Morgenthau Plan of 1944, a delusional proposal by US Treasury Secretary Henry Morgenthau Jr. to turn defeated Germany into a deindustrialized nation of farmers so it could never wage aggressive war again. The 80 million German peasants might not be happy, but they wouldn't be able to do anything about it.

Morgenthau's plan was eventually abandoned as unworkable, but Macron fears that there are some similar crazies in the ranks of the NATO countries today: "I do not think, as some people do, that we must aim for a total defeat of Russia, attacking Russia on its own soil. These people want to, above all else, crush Russia. That has never been the position of France and it will never be our position."

It shouldn't be anybody's position. NATO's objective in helping Ukraine should be to see the country entirely freed

from Russian rule (including the parts Moscow seized in 2014) not because Ukraine is democratic or 'pro-Western,' but simply because that is what international law requires. And the same international law does not permit a counter-invasion of Russia.

Significantly, China agrees with all that, although you have to examine its opaque statements on the war quite closely to grasp their meaning. Beijing is being deliberately obscure, because Russia is currently in transit from being China's 'no limits' strategic partner to being its compliant sidekick. No point in disrupting that process with too much frankness – but look what the Chinese officials actually say.

Virtually every public statement by Chinese diplomats on the war in Ukraine includes the sentence "all countries deserve respect for their sovereignty and territorial integrity." The key phrase here is 'territorial integrity': it refers to Chapter 2 (4) of the United Nations charter, which prohibits states from using force directed "against the territorial integrity or political independence of another state."

The implication is that any changes in a country's borders that are achieved by violence are illegitimate and should never

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