

David F. Barrett
Corporate Secretary

Hugh A. Barrett
Vice President

Keith H.W. Barrett
Vice President

*A Family Owned and Operated
Value Added Manufacturing Business
Satisfying Customers for more than
96 Years*



224 BEAVER BANK ROAD
BEAVER BANK, NOVA SCOTIA
B4E 1J7
Phone: (902) 865-2330
Fax: (902) 865-6198
www.barrettlumber.com
barrett@barrettlumber.com

•BUILDING MATERIALS•ROOF TRUSSES•
•ENGINEERED WOOD PRODUCTS•
“From tree planting to end user”
A Value Added Company

October 28, 2020

Dear Prime Minister of Canada and members of the Canadian Parliament:

When I meet my “Maker” I don’t want to have to say that I regretted my silence about what I see ahead for Canada as of today, October 28,2020.

My name is David Barrett. I am co-owner (with my brothers Keith and Hugh Barrett) of Barrett Lumber with its office located in Beaver Bank, Nova Scotia. I currently serve as corporate secretary and woodland manager. Our business is known for stewarding and sustaining thousands of acres of forest in Nova Scotia, since 1926. Yes, for almost one hundred years.

I am 82 years old and, in that time- for more than 70 years- I’ve watched and studied with passion the Canadian and international economy and our forests’ place in it.

As you know, forestry products are internationally traded commodities which duly react to decisions made in all parts of the economy. Prices rise (the good times) and prices fall (the bad times) all without the actual product changing in the least.

History Repeating

I am writing today to comment on, what I believe to be, the inevitable economic consequence of the Canadian Government’s response to COVID-19, and particularly to compare the actions of the Canadian minority government back in the 1970s with the minority government now, nearing the end of 2020.

In 1972 and 1974 I saw exactly the same thing when the first Prime Minister Trudeau Pierre Elliott Trudeau, led a minority government.

Back in that time, basically we went from a Gold Standard to a Currency Standard. That meant money did not have to be backed up by gold, government could just print it which the Canadian government of the day did. In fact, they doubled the money supply. Money just flowed in 1973, it was everywhere. By 1974 there was so much money printed that it became harder to find willing workers and inflation took off. Then there were wage and price-controls put in place for a short time. Interest started getting out of control. It went anywhere from 19 to 24 per cent and mortgages were 14 to 16 per cent. People lost so much and never recoupled. Before that, people in Beaver Bank owned their homes. BY the time the cycle was done, homeownership became a lot less common.

At the time, in the news and in the House, no one talked about the link between the printing of money and the cycle that followed. It bothered me then, and it bothers me now.

MEMBER OF
NOVA SCOTIA FOREST PRODUCTS ASSOCIATION (NSFPA)
WOOD PRODUCTS MANUFACTURERS ASSOCIATION OF NOVA SCOTIA (WPMANS)
ATLANTIC BUILDING SUPPLY DEALERS ASSOCIATION (ABSDA)
ATLANTIC WOOD TRUSS FABRICATORS ASSOCIATION (AWTFA)
CANADIAN WOOD TRUSS ASSOCIATION (CWTA)
CANADIAN FEDERATION OF INDEPENDENT BUSINESS (CFIB)
CANADIAN HOME BUILDERS ASSOCIATION (CHBA)
CANADIAN WOODLANDS FORUM (CWF)
FAMILY BUSINESS ATLANTIC (FBA)

Now it is 2020 and Prime Minister Justin Trudeau is doing the same thing. He's giving people all kinds of money for them to stay home-and people are doing it. I know this is not a popular observation but one that I believe is true. And, it is not just me.

People in my circles are saying that with all this money being printed and borrowed by the Canadian government to deal with COVID-19 that something is going to have to give-and it is not going to be good for the majority of Canadians.

It's just plain economics. If you double the money supply, within ten or fifteen years it will take two dollars to buy something you buy today for one dollar, without a corresponding production increase.

With the money the government is spending today in response to COVID-19, the money supply may be quadrupled so that in just a few years it will take four dollars to purchase what today costs one dollar.

We don't hear much about the consequences of flooding the economy with workers who are paid not to work and all kinds of money for projects. Nor do we hear about other similarities between the economies of the two Trudeaus, Prime Minister Pierre Elliot and Prime Minister Justin Trudeau. Yet, certainly there are lessons to be learned.

Double Edge

Why do I care? It is not just about the economy now. It is about the workforce going forward. A workforce paid NOT to work will deteriorate. Consider the following.

-The principles of saving a dollar are no longer being taught. Instead, if there is trouble, workers know the government will just print money to take care of it.

-The result will be a whole generation of entitled people. I don't think the people in Ottawa know anything of, or are thinking about, human nature. After decades of managing the observing a workforce at Barrett Lumber, I am left to believe that once government provides for a family, the family members (the adults) won't work if they don't have to. If you can raise your kids better by staying home, who wouldn't?

And, the sword is double-edged. If half the people sit home and get paid then people actually working think they are worth double whatever the people at home get- and eventually, the workers will get it. And so, inflation is going to go through the roof, just like it did in 1979.

The government then and now would have us believe there was and continues to be no choice. I have worked with non-profit organizations in the community of Beaver Bank for decades. Non-profits, social enterprises and even local governments can always use people who can work, even from home. Or do what the Harper government did during the "great Recession" 2008-2009-without printing money. Give incentives to everyone to hire or buy home improvements etc. so everyone is treated equally no "we" scandals.

It is not just Canada's inflation history that should stand as a warning to us all. Think to Germany between the First and Second World War. The government printed money and the joke became that it would take a wheel barrel full of money to purchase a loaf of bread and it was reported that people literally burned bills to heat their homes as they could not buy firewood with it. As recently as 2008 the Zimbabwe government also paid the price for printing money leading to hyper-inflation. That government had to abandon their currency which, in the end, was rising at the rate of an estimated 79,600,000,000%. Their money simply lost all value.

My question to you is: Why is no one in government talking about or planning for the consequence of borrowing and/or printing money to deal with COVID-19?

The Bribe

Now, I admit I am somewhat of a cynic when it comes to the motives of government. To me, COVID was a fortuitous accident allowing the minority government to flood the economy with money and pay people not to work. Why? To bribe the public, to hang on to power as that is the main goal of this government. It really is as simple as that.

My objective in writing this letter is to add my observations to the conversations. My call to action would be for the Canadian government to pull back on spending and find wiser ways to steward the workforce.

Thank you for your time today. Please feel free to address questions and comments to me directly at dfbarrett@eastlink.ca

May you and yours stay safe.

Sincerely,



David F. Barrett

Barrett Lumber

cc. Members of Parliament, Government of Canada
Members of the Legislative Assembly, Government of Nova Scotia
Mayor and Councillors, Halifax Regional Municipality
Media
Various Canadian Associations

Sources: <https://mashable.com/2016/07/27/german-hyperinflation/>
<https://www.dailymail.ca.uk/news/article-5088405/when-cash-worthless-Germany-World-War.html>
<https://www.businessinsider.com/weimar-germany-hyperinflation-explained-2013-9>
<https://www.economicshelp.org/blog/390/inflation/hyper-inflation-in-zimbabwee/>