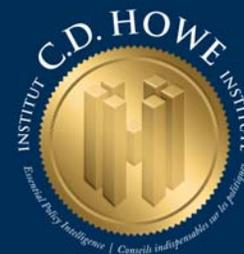


MANDATE LETTERS



As Canada forms its next government, the Prime Minister's Office will be preparing ministerial mandate letters. In this special Intelligence Memo series, policy experts highlight key challenges and priorities in each minister's portfolio.

From: Benjamin Dachis
To: The Incoming Federal Government
Date: October 21, 2019
Re: **MANDATE LETTERS TO THE INCOMING CANADIAN GOVERNMENT**

Today, Canadians go to the polls to elect the 43rd Parliament. The shape of the next government is uncertain. But no matter the outcome, improving the living standards of Canadians should be at the forefront of the government's agenda. This is the C.D. Howe Institute's mandate in all its work and drives our advice to the new government.

To help the new government launch its agenda to improve Canadian living standards, the C.D. Howe Institute will be sending incoming federal ministers *Intelligence Memos* by top experts in Canadian public policy. The Institute will release these memos each day until the next ministry is sworn in. These memos will cover the core policy issues and priorities for each department's portfolio.

Canada's ability to generate relatively high and rising standards of living depends on developing, attracting, and retaining valuable economic activities and talent. High standards of living mean not only more or better goods and services, but also ability to lead healthy, safe, and rewarding lives. Economic competitiveness comes from greater productivity and strong innovation. Economic competitiveness allows a virtuous cycle between the economy and social and environmental goals.

Government policy is a critical driver of competitiveness and therefore rising living standards. And federal policy is paramount in many of the areas that affect the lives of Canadians. As a new federal government is sworn in, it will face many challenges, both domestic and global.

Among domestic challenges, it faces aging demographics that lead to increased need for public services, paired with slower growth in the workforce and tax base. Weak productivity growth means that both current and future generations won't see the same income growth as past generations. There are deep questions about what is behind this poor productivity growth. Is it weak business investment? A poor innovation ecosystem? Unnecessary regulation? Crowded and insufficient infrastructure?

Canada also faces global turmoil. A global recession may hit at any time, further stressing public finances. Protectionism and a weaker international trading system threaten Canadian living standards.

The next Canadian government can help prepare Canada for the challenges and look to improving Canadian living standards by:

- Ensuring adequate fiscal and monetary cushions are in place to face any global downturn;
- Creating a simpler, more effective tax system;
- Widening and deepening Canada's trade links, both globally and internally;
- Fostering an innovative and competitive economy – especially critical for the digital economy but also in public services;
- Building pipelines and supporting a price on greenhouse gas emissions in a manner that protects the environment, economy, and constitution;
- Reducing unnecessary regulation;
- Fostering smart housing and transportation infrastructure; and
- Investing in the skills and well-being of Canadians, enhancing their ability and that of immigrants to Canada to participate in the labour market, and to ensure our economy has the human capital needed for the future.

We look forward to addressing together the challenges facing the Canadian economy and finding solutions that improve the lives of Canadians.

Benjamin Dachis is Director of Public Affairs at the C.D. Howe Institute.

To send a comment or leave feedback, email us at blog@cdhowe.org.

The views expressed here are those of the author. The C.D. Howe Institute does not take corporate positions on policy matters.