

Intelligence MEMOS



The C.D. Howe Institute's second Regent Debate took place last month. Four prominent voices sparred over the following question: Is Canada Facing an Existential Crisis in Competitiveness? Today: rebuttals from former federal finance minister Joe Oliver, arguing in the affirmative, and Janet Ecker, former Ontario finance minister arguing against.

Joe Oliver: My honourable opponents would like us to believe that Canada has a lot of strength and is doing quite well, and they dragged out a number of anecdotal good stories and a few isolated stats – apparently marketing is part of the problem. There is no doubt we have strengths, especially a stable political climate, rule of law, civil peace and an educated population and that is why Canada is a prosperous country. But our poor competitiveness is dragging us down. It is imperiling our future prosperity, leaving too many Canadians behind and undermining our ability to provide the services that Canadians have come to expect.

Here are some other stats: in pupil-teacher ratio in primary schools we ranked 56th, in distortive effect of taxes and subsidies on competition, 44th, in internal labour mobility, 29th, and labour tax rate, 50th, in attitude to entrepreneurship risk, 31st, in companies embracing disruptive ideas, 28th.

We need to do better or we will continue to fall behind. Resting on our laurels and virtues, signaling our progressive superiority, should leave us wondering why Australia with two-thirds of our population has become the envy of the world according to the Economist. While the cognoscenti obsess about the horrors of the Trump presidency, the US is eating our lunch. We need to make bold moves to reduce taxes, transport resources to overseas markets and eliminate internal trade barriers amongst other important things. Thank you.

Janet Ecker: Thank you very very much. Our esteemed colleagues on that side of the platform mentioned that David Dodge said that the world is changing, and he's absolutely right. The economy of the future – that's what we're building here in this country and certainly here in this province. We have more than 49 business accelerators and incubators.

That's more than New York City, that's more than London, that's more than Berlin, that's more than Tel Aviv, where the companies of the future are being growing.

And we've gone from a country that was extremely conservative and risk-averse as a population to one that today is producing some of the best if not the most sought-after talent when it comes to tech and engineering anywhere in the world today. Do you know that Ontario engineering and tech graduates are the most sought-after, other than Berkeley, in Silicon Valley? And that provides a nice pipeline of talent to grow our own companies here in Canada.

These are all part of building the economy for the future.

The Regent Debate series is generously sponsored by Aaron and Heather Regent.

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