



ANNUAL REPORT **2017**



I do not believe that the solution to our problem is simply to elect the right people. The important thing is to establish a political climate of opinion which will make it politically profitable for the wrong people to do the right thing.

- Milton Friedman

BOARD OF DIRECTORS

...

CHAIRMAN OF THE BOARD:

Hélène Desmarais

DIRECTORS:

Jean Bernier

Randall Birks

Reuven Brenner

Léon Courville

Stéphan D. Crétier

Jacques Drouin

Nathalie Elgrably-Lévy

Richard Hylands

Michel Kelly-Gagnon

Stéphanie Kennan

Normand Lebeau

George F. Lengvari Jr.

Marc Meunier

Pierre Simard

Guy Tremblay

BOARD OF GOVERNORS

...

The Honourable Baljit S. Chadha, P.C.

Eric Boyko

Mario Charpentier

Jean-Guy Desjardins

Daniel R. Dorey, MBA

Marcel Dutil, C.M.

François Hudon

Dr. Léo-Paul Landry

Donald J. Johnston

Bernard Lord

Reford MacDougall, C.M.

Dr. Eleanor Nicholls

Adrien D. Pouliot

Yves Rabeau

Jeremy H. Reitman

Maureen Sabia

Dennis Sharp

STAFF

...



Michel Kelly-Gagnon
President and CEO



Mathieu Bédard
Economist



Pascale Déry
Vice President,
Communications and
Development

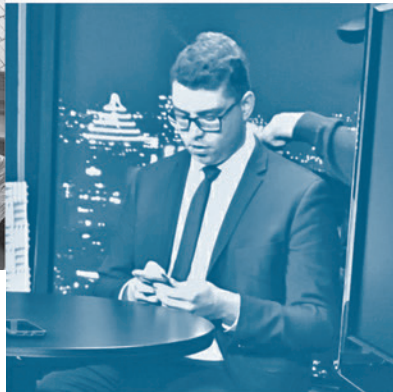


Jasmin Guénette
Vice President, Operations



Sabine Clavel
Administrative Assistant

Carole Fiset
Development and Administrative Coordinator



Alexandre Moreau
Public Policy Analyst



Kevin Brookes
Public Policy Analyst
Alexandre Bernier
Intern



Bradley Doucet
Editor and Translator

Martin Masse
Senior Writer and Editor

Patrick Déry
Editor and Public Policy Analyst



Germain Belzile
Senior Associate
Researcher,
Current Affairs

MESSAGE FROM THE CHAIRMAN OF THE BOARD

...

The MEI, in its current form, launched its activities nearly twenty years ago. From the start, we made the strategic decision to release all of our publications in both official languages, even though the majority of the topics we addressed at the time mainly concerned the province of Quebec. First of all, we wanted to make sure to reach anglophone Quebecers. But we also wanted people in the rest of the country interested in solutions based on competition and freedom of choice to be able to take inspiration from our debates, on health care and education for example, which are often similar to those that take place in other provinces.

Soon enough, however, starting in the mid-2000s, the MEI began to look at pan-Canadian issues like interprovincial trade barriers, supply management in agriculture, the drug approval process, and the federal government's finances. This pan-Canadian expertise has only grown since then, but always while preserving our "Quebec perspective."

For all sorts of reasons, including cultural and linguistic barriers, Quebecers are unfortunately too often one step removed from pan-Canadian public policy debates. There was therefore a niche to fill, and that is just what we have endeavoured to do. The MEI was, at the start, a voice presenting a free-market perspective *in* Quebec. Over the years, we have also become a voice *from* Quebec presenting market-based solutions across Canada, on matters of interest to all Canadians.

In recent years, our researchers have for example become experts, frequently cited across the country, on policies related to the oil and gas industry, the forestry industry, and the regulation of telecommunications and the aviation sector, to name just a few of the most important topics addressed over the past twelve months. Moreover, in 2017, we returned to the same issues that are still in the news—interprovincial barriers, access to medication, supply management, and federal taxation—with an even larger media impact (in both languages and on all Canadian media platforms) than we had a dozen years ago.



HÉLÈNE
DESMARAIS

This appetite for our expertise and our unique Quebec perspective continues to grow as our media coverage explodes in every region of the country and the MEI becomes a household name everywhere, as you will see in the Message from the President and CEO. This is a major trend for the institute, and we have every intention of devoting the necessary resources to respond to this demand in the coming years.

Quebec's public policies will obviously always remain a priority for us, and there is no question of reducing our focus on them. But the MEI will continue its pan-Canadian expansion by improving its ground game, among other things through collaborations with similar organizations in other provinces, and by building more contacts with politicians and bureaucrats in Ottawa and in other provincial capitals who show an interest in our work.

Of course, this ongoing expansion would never have been possible without the generous contributions of all our supporters across the country, be they private foundations from Alberta, companies based in Toronto, or individual donors from Vancouver or Montreal. Indeed, as a non-profit organization that neither solicits nor accepts any government funding, we depend on all of you in order to be able to fund our research, to pay the salaries of our dynamic team, and to pursue our mission of economic education with uncompromised editorial independence. Your support allowed us once again to grow our budget, which reached \$2.8 million in 2017.

The MEI's Board of Directors added a new member this past year, Marc Meunier, a Montreal businessman who for the past 25 years has been the President and CEO of a firm specializing in customized on-the-job training. Mr. Meunier was in fact involved in an earlier incarnation of the MEI, as of 1987. For his part, successful entrepreneur Eric Boyko, who served as a member of our Board of Directors for many years, joined the ranks of our Board of Governors in 2017.

On the eve of its twentieth anniversary, the MEI has become an indispensable source for anyone interested in how our society is (and how it should be) governed. We've made a name for ourselves in the Canadian market of ideas thanks to the relevance and rigour of our contributions. I invite you to renew your support if you believe, as I do, that things will just keep improving in Quebec and across Canada if the MEI's presence continues to grow.

Aéline Desmarais

MESSAGE FROM THE PRESIDENT AND CEO

...

The MEI has been presenting market-based solutions to public policies in Quebec for nineteen years now. The work we do requires sustained efforts over the long term in order to get results. Modest at first, our impact on the public debate is being felt more and more, as you will see in this Annual Report. It is also undeniable that the positions taken by our researchers often correspond to those of a large proportion of our fellow citizens, as shown by the polls on specific issues that we commission each year. Our media interventions give a voice to this silent majority. The media and decision-makers know it. For all of these reasons, the MEI has become an indispensable reference and our voice today carries a lot further.

These results are remarkable, and very encouraging. But the best is yet to come. After having looked back at the achievements of the past year, I want to share with you a new stage in our development, the first steps of which we have already taken, which we will be putting in place in the months and years ahead, and which will make the MEI an even more effective and influential organization.

A portrait of Michel Kelly-Gagnon, the President and CEO of MEI. He is a middle-aged man with short brown hair, wearing glasses, a white shirt, a patterned tie, and a dark suit jacket. The portrait is overlaid with a semi-transparent blue filter. The background of the page features a large, stylized number '1' in the top left corner, composed of a dark grey shape and a white shape.

MICHEL
KELLY-
GAGNON

OUR MEDIA IMPACT

...

It has become almost a tradition in this Annual Report. Aside from a few atypical years, our media coverage continues to set new records year after year. In 2017, our work was mentioned **9,664 times** in the media throughout Canada and even beyond our borders. This represents an average of 26 mentions per day, and a **20% increase** compared to the year before. Once again this past year, our researchers were particularly active in the publication of blog posts and opinion pieces on various platforms, and especially in the country's top newspapers, with a total of 248.

The CRTC doesn't need to meddle in Canada's broadband market

01/09/2017

Globe editorial: Why subsidies for electric cars are a bad idea for Canada

07/07/2017

Why we need a global non-aggression pact among airlines

08/10/2017

Ontario taps Jim Peterson as softwood lumber envoy

04/24/2017



When it comes to corporate taxes, why wait for Trump?

10/02/2017

U.S. demands end to Canada's supply management as part of NAFTA negotiations

10/16/2017

It's in the U.S. and Canada's interests to mutually lift some trade barriers

02/25/2017

Stingray CEO's attack on Quebec tax credits floats over what they've done to boost Montreal

06/22/2017

It is not just the number of media mentions that counts, but also the influence of the media outlets that mention us and publish our articles. Thus, *The Globe and Mail* published eight of our opinion pieces, or twice as many as in 2016. It also mentioned us eleven times in news articles and commentaries, even devoting an editorial to one of our studies. This shows our capacity to disseminate our messages to every kind of audience. It is among other things the excellent work of our Department of Current Affairs, established just two years ago, that has allowed us to achieve this kind of outreach.

THE MEI IN FIGURES



27 Publications

8 Economic Notes

3 Research Papers

16 Viewpoints

248 Blog posts and op-eds

9,664
Media mentions

26 mentions per day

20%
MORE THAN 2016

MEI Views for a More Prosperous Society

ECONOMIC NOTES

NOVEMBER 2017
WIRELESS SERVICES: SHOULD REGULATION FAVOUR RESELLERS?

By Martin Masse and Paul Beaudy

The Canadian government and the CRTC have submitted various policies over the past decade aimed at increasing the number of players in the wireless sector. Although such policies have had some self-intended fourth wireless provider, leading to new infrastructure, in almost all regions of the country.

Others also want to push this technological wave further by favoring resellers (local Mobile Virtual Network Operators, or MVNOs, in telecom jargon)? These are very small players that have no wireless network of their own, but instead lease access from larger players and resell a cheaper service. Qualified and licensed resellers, which are called "reseller brands," which belong to large wireless providers but make their services under a different brand for a different type of clientele base (Figure 1 showing their respective market shares).

including in areas where their provider has no cellular towers.

However, the CRTC has always refused from forcing providers to share their networks with resellers, as it fears in some countries, since this would contradict its stated goal of encouraging "facilities-based" competition, or competition between providers owning their own infrastructure. Facilities-based competition is highly seen as the best way to foster innovation in the sector and new market niches, especially.

Would such a policy bring more competition to the telecommunications industry and the intended benefits to consumers?

REDEFINING THE MANDATED WIRELESS ECONOMIC REGIME

One of the roles of the current regulatory regime is that reseller providers are obliged to offer wholesale access to their networks to other providers in an unregulated space. This is to ensure that Canadians are able to use their devices anywhere in the country.

The main technical difference between the two deals here is that while all providers with a license are allowed to resell other networks only occasionally, when they travel outside their providers' "home networks,"

MEI Economic Notes are prepared by Martin Masse, Senior Advisor, and Paul Beaudy, Senior Advisor, at the MEI. The authors are not responsible for the content of the notes. The views expressed in this note are those of the authors and do not necessarily reflect those of the MEI.

MEI Views for a More Prosperous Society

RESEARCH PAPERS

MAY 2017
THE STATE OF COMPETITION IN CANADA'S TELECOMMUNICATIONS INDUSTRY - 2017

By Martin Masse and Paul Beaudy

MEI Views for a More Prosperous Society

VIEWPOINT

HEALTH CARE SERIES

JULY 2017
CENTRALIZED HEALTH CARE: A RECIPE THAT'S DOOMED TO FAIL

By Carmen Bertha, with the collaboration of James Guzman

For thirty years, the Quebec health care system has experienced multiple systemic problems, especially in terms of long emergency room wait times, and long delays for surgeries as well. Not only has the Health Department been unable to plan the long-term development of the system, but it may as well put an end to these problems once and for all: it stop severe vehicle to allocate resources efficiently when the unexpected occurs.

For instance, the early onset of the winter flu season in the year 2003 led to a chaotic situation in most major Quebec hospitals. It's the first time that an overflow happened during the holidays, when the staff is on vacation. Clearly the flu problems began here. This gave us the idea of a central health care system by bringing the health system back to its original state. The solution is more than 10 years before the same thing has not been sufficient."

Our report would like to suggest that the health care system in Quebec is in a state of emergency. It is not a matter of how many resources for something as predictable as the changing of the seasons.

There have been multiple committees, study commissions, and boards of inquiry, and the last one of them was the Commission on the Health System of Quebec (CSH), which is in the situation. The issue where it is all about is how to manage the health system. Other sectors of activity, however, do not seem to be affected with the same recurrent problems.

Historically, there has not been any effort to look at a global, integrated, or a framework, and most people and services that can help us not to change at some specific times of the year. What, then, is so different about the health care system? And what can we do about it?

THE HAYKINIAN THEORY

Experts have long known that planning the production of goods and services requires a lot of information, and health care is no exception. For example, what are the characteristics of the population? What does it need?

Year	Report
1990	Health report
1990	Cost reform
1991	Adoption of Bill 100
1995	Shift to ambulatory care
1996	Adoption of Bill 404
1999	Age report
2001	Cost report
2002	Business report from Carrefour
2002	Adoption of Bill 75 and 30
2006	Health reform - Adoption of Bill 88
2006	Adoption of Bill 33
2008	Contingency report
2014	Adoption of Bill 52
2015	Adoption of Bill 30
2017	Issuing of Bill 100

HUFFPOST

NEWS POLICE BUSINESS LIVING ARTS VIDEO BLOG MORE

Swedish Lessons For Canada's Health-Care System

THE QUEBEC government wants to centralize the health care system even more with Bill 100, giving the health minister more power over administration and over the management and operation of hospitals. The government would be better off following the example of Sweden, which has successfully moved in the opposite direction, in addition to benefiting from the contribution of the private sector.

One notable difference with Quebec is that in Sweden, the government has a very limited degree of intervention, control over the health-care sector. Essentially, Sweden is responsive only for establishing principles and guidelines, patient safety and setting the political agenda. This is a far cry from the health department determining the one menu to be served in every hospital, clinic and long-term care facility.

525 INTERNATIONAL MEDIA MENTIONS



Newsweek
U.S. World Business Tech & Science Culture Sports Health Opinion Green Energy Smart Q

TRUMP'S AMERICA FIRST TRADE POLICIES ARE FREAKING OUT CANADA'S TRUDEAU

By [Author Name]

Donald Trump's "America First" trade policies are causing a major headache for Canadian Prime Minister Justin Trudeau. The article discusses the impact of Trump's policies on the Canadian economy and the political stance of Trudeau's government.

Le Point

Canada: Les primes aux voitures électriques inefficaces contre les GES (étude)

Par [Author Name]

Une étude récente publiée par le Centre de la recherche en économie industrielle de l'Université de Montréal révèle que les primes accordées aux véhicules électriques (VE) au Canada ne sont pas suffisantes pour réduire les émissions de gaz à effet de serre (GES). L'étude conclut que les primes actuelles ne couvrent pas les coûts supplémentaires des VE par rapport aux véhicules conventionnels.

CatalunyaPRESS

La fugida d'empreses i un baix creixement del PIB van afectar a l'economia del Quebec després del referèndum de 1980

Per [Author Name]

Després del referèndum de 1980, l'economia del Quebec va experimentar una crisi. La fugida d'empreses i un baix creixement del PIB van afectar significativament l'economia de la província. Aquesta notícia destaca el context econòmic que va precedir el referèndum.

Los Angeles Daily News

State wants to run the auto industry

By [Author Name]

The state of California is considering a plan to take control of the automotive industry, including Tesla. The article discusses the implications of such a move for the state's economy and the automotive sector.

L'Argus

Voitures électriques : un institut canadien fustige les subventions

Par [Author Name]

Un institut canadien de recherche économique a critiqué les subventions accordées aux véhicules électriques au Canada. Selon l'étude, ces subventions ne sont pas justifiées par les avantages environnementaux réels.

El Comercio

El 'efecto Quebec': cientos de empresas se fueron por un referéndum y no volvieron

Por [Author Name]

El 'efecto Quebec' se refiere a la migración de empresas que abandonaron una región tras un referéndum y no regresaron. Este fenómeno tuvo lugar en Quebec tras el referéndum de 1980.

OILPRICE

Electric Vehicles No Threat to Oil Prices Anymore Soon

By [Author Name]

Oil prices are no longer threatened by the rise of electric vehicles (EVs). The article argues that the current market for EVs is too small to significantly impact global oil demand.

L'Économiste

La Maison Blanche exclut un retrait précipité des États-Unis de l'Alema

Par [Author Name]

La Maison Blanche a rejeté l'idée d'un retrait précipité des États-Unis de l'Allemagne. L'article analyse les positions diplomatiques et économiques des deux pays.

EL PAÍS

El éxito que vivió Montreal cuando se celebró un referéndum

Por [Author Name]

Montreal vivió un momento de gran euforia cuando se celebró un referéndum. El artículo describe el clima social y político de la época.

A FEW EXCERPTS FROM OUR OPINION PIECES:

...

September 11, 2017



Small biz will bear brunt of Liberals' blindside



It's important to see past the lens of government rhetoric in this reform. Class warfare is a distraction. If it looks like a duck and quacks like a duck, it's most likely a duck; if it increases taxes on small businesses, it is most likely a tax increase on small businesses.

September 19, 2017



To Foster Entrepreneurship, Ottawa Should Look To Vienna



Austrian economics provides a rich analysis that can help to better understand which Canadian policies are detrimental to entrepreneurship. If we do not address these policies, we are, metaphorically, leaving money on the table by not doing everything we can to push Canadians toward productive entrepreneurship.

March 23, 2017



Échanger la gestion de l'offre contre le bois d'oeuvre



Les barrières commerciales n'ont jamais enrichi qu'un petit nombre au détriment de la vaste majorité. Éliminer celles qui subsistent dans les secteurs agricoles sous gestion de l'offre et celle du bois d'oeuvre serait profitable tant pour les consommateurs que pour les producteurs.

March 29, 2017



How to make NAFTA great again



Trade barriers have never made more than a small minority of people richer, at the expense of the vast majority. Eliminating those that persist in the agricultural sectors under supply management and in the softwood lumber sector, and making sure not to erect new ones, would be good both for consumers and for producers.

October 19, 2017



Le puissant Fonds vert ou le « puits sans fond » vert ?

LE JOURNAL
DE MONTRÉAL

Le Fonds vert est un immense gaspillage de ressources. Il est temps de le faire disparaître et de retourner son encaisse à ceux qui l'ont financé, sous la forme d'impôts plus faibles.

July 3, 2017



Licence to kill

NATIONAL POST

Governments would be better off ensuring the proper functioning and the credibility of existing institutions rather than adding a notion as subjective and arbitrary as social licence to our democratic processes.

October 17, 2017



Quebec can learn from Swedish hospital on wait times

MONTREAL
GAZETTE

Only one per cent of patients at Saint Göran spend more than eight hours in emergency; in Quebec, 1.6 per cent wait 48 hours or more.

January 9, 2017



The CRTC doesn't need to meddle in Canada's broadband market

THE
GLOBE
AND
MAIL

Canada's broadband market is already very healthy and competitive, and does not require additional interventions on the part of the CRTC. Its decision to create a new funding mechanism for the development of broadband in rural and remote areas is yet another example of its central-planning mindset.



IN QUEBEC, OUR EFFORTS BEAR FRUIT

...

Cases in which our contribution has had a concrete influence on the way debates have played out are more and more numerous, especially in Quebec. In recent years, a series of government decisions have been announced that were clearly inspired by solutions we proposed. Among others, there is the activity-based funding of hospitals, the end of new Hydro-Québec contracts for costly wind energy production, the expansion of responsibilities for nurse practitioners, the use of cadets to direct traffic in Montreal in order to reduce the cost of police services, and the transition plan for the taxi industry in Quebec following the arrival of Uber.

leSoleil



The MEI has also without any doubt contributed to the improvement of Quebec's public finances by ensuring, for almost two decades now, that the themes of budgetary balance and fiscal responsibility are considered priorities by the population and by decision-makers. We have been one of the only organizations in Quebec to present this perspective systematically.

And once again over the past year, we have been one of the rare voices explaining why it was important for the government to keep its promise to reduce taxes in the event of a budget surplus, which it ended up doing this past November.

“Some 84% of Canadians think they should be allowed to order wine directly from a winery located in another province, without going through the SAQ.”

Leger Poll, April 27, 2017

The MEI has also proposed, several times over the past dozen years, the opening up of the market for alcohol sales in Quebec. A 2005 Research Paper raised the issue, launching an intense debate that lasted several weeks, and that has been pursued over the years. With the government now finally studying various scenarios for ending the provincial liquor monopoly, a Leger poll commissioned by the MEI provided some support to this desire for reform by showing that a strong majority of Quebecers support the liberalization of Quebec's alcohol market.

We hit two home runs with in-depth publications on electric vehicles. These two publications generated over 1,300 media mentions and numerous interviews in the months that followed, not only in Quebec but across Canada and even elsewhere in the world. They were clearly among our most impactful publications of 2017.

The first showed that the subsidies handed out by the Quebec and Ontario governments for the purchase of such vehicles are a waste of public funds, and that they are the least efficient and most expensive way of reducing greenhouse gases. We stepped up to the plate again a few weeks later by explaining why the electric vehicle sales quotas imposed on manufacturers are going to end up increasing the cost of conventional vehicles, which is equivalent to a new tax for consumers.

Our researchers also used the occasion, in interviews and blog posts, to criticize the subsidies granted by the City of Montreal to the Formula E race, another ineffective and costly government intervention aiming to promote electric cars. One of the first actions of Montreal's new municipal government, in the days following its election, was to cancel the event.

The exceptional impact of these electric vehicle outputs shows just how much of an appetite there is for analysis that focuses on the concrete results of public policies rather than on good intentions and intellectual fashions.

Education and health care, which are the two main areas of provincial government spending, continue to be central concerns for Quebecers, and for the MEI. We caused quite a stir with an Economic Note that illustrated, backed up by facts and figures, that education spending grew over the past ten years while the number of students was falling and academic results were barely improving. The MEI showed that it is high time to rethink the way we do things.

Fourteen years after our first publication on the example of Sweden's health reforms, we revisited the topic with two publications. The first described how the Swedish health care system, where private and public clinics and hospitals exist side by side and compete in a decentralized universal system, provides better access

to care than the Canadian system, which is founded on a public monopoly and centralized administration. The second publication looked at the example of Saint Göran, a hospital in Stockholm funded by the government but managed by a private company. Emergency wait times at this hospital are remarkably short, while all attempts to reduce them significantly have failed for years in Quebec. These two publications showed once again that it is possible to provide effective care that integrates the contribution of the private sector within a system that remains accessible to all.

“It is now 65% of Quebecers—2 out of 3—who prefer that the oil imported by Quebec come from Western Canada.”

Leger Poll, May 17, 2017

Finally, we commissioned a poll in May on Quebecers' perceptions of oil, showing that more and more of them favour importing Western Canadian oil. More than half think Quebec's oil resources should be developed, and pipelines are still considered the safest method of transport. Yet the opinions of these Quebecers are rarely reflected in the media. The MEI helps ensure that politicians take this silent majority's points of view into account when it comes time to set public policy.



SOCIAL MEDIA

...

The MEI's growing presence

We intensified our presence on Facebook and Twitter in order to spread our messages and increase our number of followers and our impact. We are increasingly relying on more adapted posts like short videos and caricatures. This year, four of our campaigns, disseminated in both languages, worked particularly well.



Montreal Economic Institute
 7 avril 2017 · 🌐

Aimer la Page

We updated our Quebec debt clock. It's turning a little slower this year, but the public sector debt remains very high. For further details, visit our website: <http://www.iedm.org/27-quebec-debt-clock>

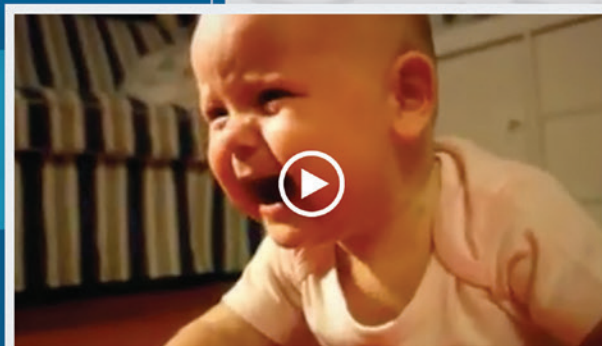
Campaign: "Do you know how big the Quebec debt is?"

(April 2017)



33,300
views

425
interactions



Montreal Economic Institute
 15 mars 2017 · 🌐

Aimer la Page

Let's hope Minister Leitão has kept future generations in mind in the upcoming provincial budget. We can't keep maxing out the "credit card" that our children will have to reimburse. For more information, visit www.babiesagainstopublicdebt.ca

Campaign: "Baby versus the debt"

(March 2017)



40,000
views

400
interactions



Caricature: “Student strike, 5 years later - The MEI remembers”

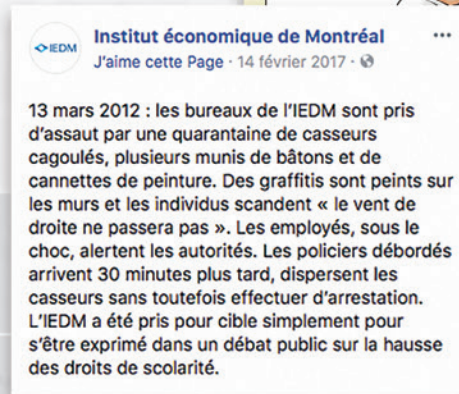
(March 2017)

22,000

people reached

400

interactions



Campaign: “Energy in the service of prosperity”

(December 2017)

92,500

views

5,816

interactions





IN CANADA, THE CHALLENGES ARE MANY

...

While the public policy situation in Quebec is improving in some respects, this is not the case all across Canada. For example, the return of federal budget deficits and the multiplication of policies that hamper wealth creation in certain provinces show that numerous challenges remain.

In 2017, we published a voluminous Research Paper on the Canadian oil and gas sector. While they are shrinking in the United States, the excessive regulatory and fiscal burdens applied to this sector continue to grow in Canada, which places the Canadian industry at a competitive disadvantage. This Paper generated over a hundred media mentions across the country. Moreover, the office of Natural Resource Minister Jim Carr communicated with us to learn the details of this report.

One of the MEI's priorities is to explain how to create a business climate that is conducive to wealth creation. In this context, we published an Economic Note showing that the capital gains tax is particularly harmful to private investment, and consequently, to economic growth in general. While there remains some uncertainty in Ottawa regarding a potential increase in this tax, our researchers argued that a



Thanks to our nearly two decades of experience making a difference in Quebec, we are ideally placed to support those who are fighting for better public policies in Ottawa and elsewhere in the country. Indeed, our Quebec voice increasingly manages to have an effect on the climate of opinion outside our home province.

change of policy should instead go in the opposite direction, as certain countries have done, by reducing or even abolishing it. Three senators wrote to us after having received the publication to tell us that they would certainly give some thought to this proposal.

In order to improve the country's provincial health care systems, we showed that Ottawa should withdraw from the financing of health care, instead transferring equivalent tax points to the provinces, and let provincial governments decide how best to provide

services to their residents. This increased autonomy would encourage innovation and the emulation of best practices in a sector that sorely needs it.

As it has been for several years, the MEI was at the heart of the debate over supply management in the dairy, poultry, and egg sectors, proposing a concrete way to end this model. In a publication that made a lot of noise, we suggested compensating affected farmers in exchange for dismantling this unjust system that is so costly for consumers. During the negotiations

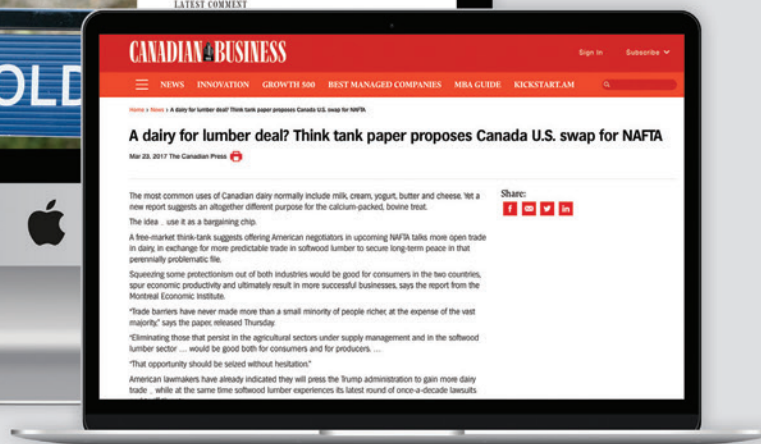
surrounding NAFTA, with the United States calling for the abolition of supply management, we published a press release inviting Ottawa to seize this opportunity and ask for full access to the American automotive and softwood lumber markets in return. According to our contacts, our contributions on this file found their way onto the desks of top Canadian government officials.

Indeed, we reacted several times during the NAFTA negotiations with press releases, opinion pieces, and blog posts. The MEI also organized a roundtable dinner in Washington, D.C. in March 2017, bringing together influential actors and decision-makers from both countries to discuss Canada-U.S. relations and the never-ending softwood lumber dispute in the context of the renegotiation of NAFTA. Still in Washington, we facilitated discussion, through an American think tank, between Canadian experts and American government officials interested in the Canadian experience regarding private sector provision of airport security services.

In the context of the dispute between Boeing and Bombardier, we also published an analysis showing that Canada has a strong interest in proposing a new international agreement in the aeronautics sector in order to avoid a ruinous subsidy race.

Among other topics of pan-Canadian interest, the MEI also launched, in May, its 2017 edition of *The State of Competition in Canada's Telecommunications Industry*, a Research Paper published for each of the past four

years that has become a reference document for anyone interested in this industry. The two co-authors once again explained why it is essential to adopt policies that encourage investment in this field, since billions of dollars will be required for Canada to remain on the cutting edge with the arrival of 5G technology and the Internet of Things.



A FIRST IN THE HISTORY OF THE INSTITUTE

...

For the first time in its history, the MEI intervened before the Supreme Court in the context of the Comeau case on interprovincial trade barriers. Mr. Comeau is the New Brunswick resident who was fined for having “imported” too much alcohol purchased in Quebec. In collaboration with two other organizations, the Atlantic Institute for Market Studies (AIMS) and the Canadian Constitution Foundation (CCF), we presented our arguments before the highest court in the land, which will decide if Canadians have the right to transport from one province to another all legally purchased goods. For one thing, if the decision is positive, several provincial government monopolies, like those over alcohol, could be exposed to competition.

In order to kick-start this initiative, we made public on November 28 a poll carried out by Ipsos showing that an overwhelming majority of Canadians think they should be allowed to bring any legally purchased product from one province to another. One week later, we reinforced our message with a publication explaining the harmful effects of provincial protectionism on Canadian prosperity.

Our Comeau case outputs generated no less than **600 media mentions**. To continue our economic education work on this file, we also launched an information and promotion campaign on social media,

including notably a website and a Facebook page entitled “One Country, One Market.” This campaign, also carried out in collaboration with AIMS and CCF, will continue throughout 2018.

These examples, and many others, show that we can make a difference in Canada. Of course, we have our work cut out for us, and it often takes years of persistent effort to achieve results on a particular file. Our researchers will pursue their educational efforts to promote Canadian public policies guided by the principles of free enterprise, low taxes, and flexible regulation. In sum, the MEI will continue to make things happen, to the benefit of all Canadians, and to aim for concrete results, as it has been doing for Quebecers for nearly two decades.

“Canadians are unequivocal: 89% think they should be allowed to bring any legally purchased product from one province to another.”



ENTREPRENEURSHIP INITIATIVE

...



In the context of an MEI initiative to promote entrepreneurship, our researchers produced a voluminous Research Paper on this theme that the MEI holds dear, as do many of you. This publication provides, among other things, an overview of the empirical literature on the policies and institutions that influence entrepreneurship. The authors also explain how the analyses of Austrian school economists (Hayek, Mises, Kirzner, etc.) provide us with a better understanding of the nature of entrepreneurship than do those of other schools of thought. Finally, even though Canada does relatively well compared to other countries around the world, the Paper looked at Canadian public policies that need to be reformed in order to stop holding entrepreneurship back.

Two events, one at McGill University and the other at the University of Calgary, were organized with the co-authors of the Paper in order to promote public policies that encourage entrepreneurship. Our researcher Mathieu Bédard thus shared the stage with Peter Boettke, renowned professor at George Mason University in Virginia. The goal was to reach out to students and get them interested in this question, and we succeeded in doing so.

How to Encourage Business Creation in Canada (Montreal) – September 19, 2017



Peter J. Boettke

How to Encourage Business Creation in Canada (Calgary) – September 21, 2017



Mathieu Bédard



Entrepreneurship and Economic Freedom: What Are the Cold, Hard Facts? – March to November 2017

Mathieu Bédard, Economist at the MEI who holds a PhD in economics from Aix-Marseille University, toured Canadian universities in 2017 in order to present his *Entrepreneurship and Economic Freedom* study to the entrepreneurs and decision-makers of tomorrow.

Lunch Talk on Entrepreneurship - March 22, 2017

Magatte Wade, famous Senegalese businesswoman, named one of the "20 Youngest Power Women in Africa" by *Forbes* in 2011, and Mathieu Bédard were both invited by the University of Calgary's Haskayne School of Business to speak to MBA students about entrepreneurship.

NEW GOALS FOR THE MEI

...



Historically, we have always been content providers to the media. This has always been our strength, and we're stronger than ever in this regard. But the MEI wants to go further. The ultimate goal of our work is not to see our name as often as possible in the media, but rather to encourage the adoption of better public policies. And to get there, we also need to improve our ground game. This is the new stage in our development that I mentioned in my introduction.

Concretely, this groundwork consists in first of all developing relationships with people from organizations likely to be allies on certain files, whether to ensure free trade between provinces, as we did very successfully in 2017 with the Comeau case, or to promote entrepreneurship in the fields of health care and education, or to better manage public finances. This will allow us to multiply our intellectual, organizational, and media firepower, and to reach many more Canadians.

We also want to develop more direct personal discussions with decision-makers. It is altogether possible, while maintaining our independence and our non-partisan character, to have an enriching conversation with politicians, political advisors, and civil servants who want to meet with us, in order to explain to them the conclusions of our studies on a given file.

Economic education will of course remain an essential mission, to which this ground game will be added. Indeed, it is by changing the climate of opinion in the long term, by educating voters, and by giving them a voice that we can make sure that governments will take notice.

We have already begun to develop these relationships, but these efforts, while useful, have been made up until now on an ad hoc basis, since the vast majority of our resources are still devoted to research and communications. I invite our donors to embrace this expansion project and to support us in executing this mission regularly and systematically. In the months to come, we will be looking for funding to further develop this ground game.

THE MEI STILL IN EXCELLENT FINANCIAL HEALTH

...

As a non-profit organization that neither solicits nor receives any public funding, the MEI depends entirely on its generous donors. Thanks to them, the MEI remains in good financial health and its revenues continue to grow. These reached another record-setting level last year. In 2017, the MEI's total revenues amounted to \$2,808,607, which represents a 2% increase compared to 2016. Expenses totalled \$2,579,881, a 13% increase. The resulting surplus amounts to \$228,726. This surplus will serve to increase our financial reserve such that it will approach an amount equivalent to twelve months of operations, as recommended by the best practices applicable to the management of think tanks. Our current reserve is equivalent to almost eleven months of operations.

All signs point to the MEI experiencing good revenue growth again in 2018. However, we already know that one large Canadian foundation specializing in the funding of research and educational organizations like the MEI will be ceasing operations as of 2019. This foundation is one of our organization's main donors (representing around 8% of our annual budget). In short, we will have to remain vigilant and we will need the renewed support of our current donors. Thanks to you, the MEI will be able to continue to reach new plateaus of influence by producing and disseminating its intellectual capital, the main conclusions of which confirm the importance of entrepreneurship and the sound management of public finances.



PRESIDENT AND CEO

2017 EVENTS AND PRESENTATIONS

...

Conservative Party of Canada Leadership Race Debate | [January 17, 2017](#)

Pascale Déry, Vice President, Communications and Development, acted as moderator for the French CPC leadership candidates' debate in Montreal.

The Impact of Quebec's Debt | [February 24, 2017](#)

Participation of Youri Chassin, then Economist and Research Director, in a panel discussion as part of the 2017 Manning Conference in Ottawa.

System Financing: Perspectives of Economic Research Institutes | [March 8, 2017](#)

Participation of Germain Belzile, Senior Associate Researcher, in a roundtable discussion as part of the Construire l'enseignement supérieur de demain conference, organized by Laval University's Confédération des associations d'étudiants et étudiantes.

Engagement Session for the Modernization of the NEB | [March 28, 2017](#)

Presentation by Germain Belzile, Senior Associate Researcher, during the national consultation held by the federal government in Montreal as part of its initiative to reform and modernize the National Energy Board.

The New American Administration and the Concerns It Raises | [April 5, 2017](#)

Conference by Germain Belzile, Senior Associate Researcher, presented as part of the Semaine des sciences humaines at the CEGEP de Saint-Hyacinthe.

Clean Technology in Canada's Natural Resources Sectors | [April 13, 2017](#)

Appearance by Germain Belzile, Senior Associate Researcher, before the House of Commons Standing Committee on Natural Resources.

Social Responsibility and Social Licence for Large Maritime Transport Projects | [April 20, 2017](#)

Presentation by Germain Belzile, Senior Associate Researcher at the MEI, before the Société de développement économique du Saint-Laurent on the issue of social licence and the importance of having clear and predictable approval procedures.

The First 100 Days of the Trump Presidency | [May 11, 2017](#)

For the first edition of the Ian Soutar Lecture Series, presented by Pembroke Management, the MEI welcomed John Fund, national-affairs columnist for *National Review*.

Free Markets, Entrepreneurship, and Freedom of Media | [May 27, 2017](#)

Presentation by Michel Kelly-Gagnon, President and CEO, on the issue of press freedom and economic freedom during a discussion forum bringing together regional actors in the media and professional world in the Balkans and Turkey, organized by the Greek Liberties Monitor.

New Era of Public Safety and Security: Innovating the Service Delivery Model | [June 1st, 2017](#)

Presentation by Mathieu Bédard, Economist, on the growing contribution of private security firms, as part of a conference organized by the Canadian Chamber of Commerce.

Freedom and Its Enemies | [September 14, 2017](#)

For the 2017 edition of its George Lengvari Sr. Lecture Series, the MEI welcomed John Stossel, winner of 19 Emmy Awards. His talk addressed the benefits of economic freedom and the rule of law.

The Competitiveness of the Canadian Oil and Gas Industry | [October 30, 2017](#)

Germain Belzile, Senior Associate Researcher, was invited to present his Research Paper entitled *Canada's Oil and Gas Sector at Risk? How Excessive Taxes and Regulations Undermine Our Competitiveness* before members of the Quebec Oil and Gas Association (QOGA) during their annual conference.

Philanthropic Tensions: Getters and Givers | [November 7, 2017](#)

Michel Kelly-Gagnon, President and CEO, was invited to deliver the main address at a plenary session during the 2017 Atlas Network Liberty Forum in New York.



910 Peel Street, Suite 600
Montreal (Quebec) H3C 2H8
T 514.273.0969 F 514.273.2581

iedm.org