



ANNUAL REPORT 2018

TWENTY YEARS OF PROMOTING BETTER PUBLIC POLICIES

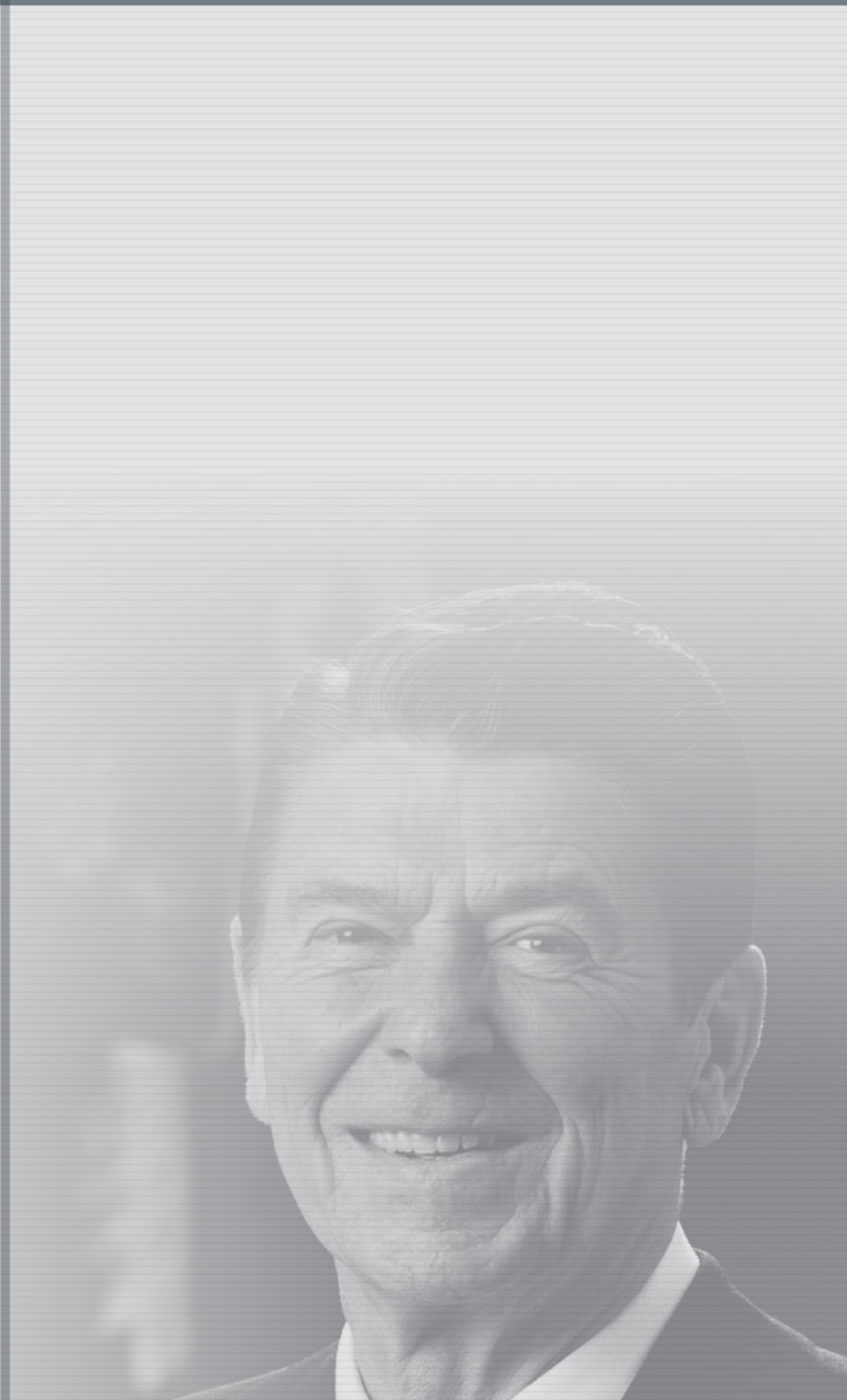
“ The basic economic problem with trade protectionism is that it is a political intervention that distorts markets. One political intervention leads to another, and the cumulative consequence is higher prices, less investment and slower economic growth. ”

WSJ

Editorial, April 7, 2018

Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.

Ronald Reagan



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* Mr. Brenner was a member of the Board until January 2019.

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MESSAGE FROM THE CHAIRMAN OF THE BOARD

HÉLÈNE DESMARAIS



Twenty years ago, in 1998, the Montreal Economic Institute obtained its charitable status from Revenue Canada. In the months that followed the securing of this status, Michel Kelly-Gagnon was hired as Director, and the MEI obtained start-up funding. The organization was thus able to start its activities in earnest.

As we all know, Michel and the MEI's other pioneers, Adrien Pouliot among them, had to surmount major challenges two decades ago when they set out to establish a beachhead for wealth-creating ideas in Quebec. It's an understatement to say that Michel and his team have enjoyed a resounding success. The MEI would not be what it is today without the contributions of its numerous donors, employees, members of the Board of Directors, friends, and advisors over the years.

I joined the MEI's Board of Directors in 2002, and for more than eleven years now, I have had the privilege of chairing it. I have thus seen this organization take root in the Quebec media landscape, and then across Canada, and I have seen it grow substantially.

After two decades, the MEI is an organization with fourteen employees and an annual budget of just over \$3 million. Its reach is now solidly pan-Canadian, and even international in certain respects due to its involvement in some debates in the United States in which Canada can be a source of inspiration, and also through the training and mentoring support our President and CEO lends to young think tanks around the world. This growing reach and the resulting recognition are moreover directly related to the leadership role that Michel plays within the free-market movement in general. They lead to very concrete benefits for the Institute, allowing it among other things to attract donations from foundations with global mandates based outside the country.

With over ten thousand media mentions in 2018—which is an average of more than 27 mentions per day—as well as a growing presence on social media, our firepower and our impact on public debates are undeniable. No other organization of its kind in Quebec comes close to the MEI’s level of participation in public debates and influence on those debates.

Public policy think tanks play an important role in stimulating societal debates and educating the general public and decision-makers about significant economic facts and about the fundamental principles underlying the proper functioning of markets.

The MEI’s mission is to foster an understanding of market mechanisms in order to usefully contribute to the implementation of better public policies. Over the years, we have worked on topics in a whole range of areas, like health care, education, public finances, energy policies, regulation, free trade, and many others.

Clearly, the MEI’s first 20 years have been very successful. The Institute is proud of its past, but it is resolutely turned toward the future. The MEI’s recent growth, as well as our ambitious plans for the organization, will ensure its flourishing in the years to come.

It is in this context that we need, more than ever, your renewed support. Because more than ever, the ideas that we share need to find an echo across the country. And the MEI is perfectly positioned to accomplish this inspiring goal.

Aéline Desmarais

MESSAGE FROM THE PRESIDENT & CEO

MICHEL KELLY-GAGNON



In 1998, when hardly anyone among the intellectual and political class in Quebec was openly advocating an approach based on market principles and entrepreneurship, the Montreal Economic Institute took on the mission of spreading these ideas, knowing that a non-negligible proportion of the population shared them. Thanks to its loyal supporters, the MEI has since solidly established itself as an indispensable voice—unique in Quebec—when it comes to presenting a rigorous economic perspective in the debates surrounding the elaboration of public policies.



While our organization celebrated its 20th anniversary in the company of none other than Steve Forbes, which the MEI had the honour of hosting this year to mark this very special occasion, we also reached a new peak by being mentioned over ten thousand times in the media in 2018! By way of comparison, we were mentioned fewer than fifty times in our first year of existence. This is an eloquent illustration of the growth of the MEI and of its influence.

The MEI is excelling more than ever at what it has always done best, which is provide content to various media outlets across the country (print, radio, TV, and web) in a timely manner, always offering a perspective different from the one generally presented by the media elite.

OUR INCREASINGLY EFFECTIVE “GROUND GAME”

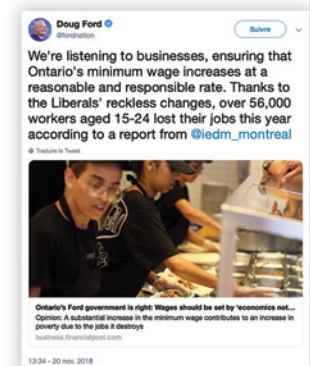
To this media impact must be added the groundwork we do, which we have expanded since last summer. Concretely, this process favours direct contact with political decision-makers. This generally takes place in the context of personalized presentations of the conclusions of our studies, most of the time in response to questions that these decision-makers may have following the dissemination of our publications.

We now have more resources and time to devote to this groundwork, and the results speak for themselves. In 2018, we met with decision-makers dozens of times at the federal and provincial level, including in Alberta and in Ontario, during which we were asked to make personalized presentations of our studies.

And so, when the Ontario government cancelled its further increase of the minimum wage to \$15, planned for January 2019, we supported this justified decision with the publication of a study. We showed that certain effects normally associated with minimum wage increases had already, in less than a year, led to the loss of 56,000 jobs in the province among those aged 15 to 24. The new Labour Minister, Laurie Scott, called us personally to congratulate us for our work on this topic.

Premier Doug Ford also shared our publication with his thousands of Twitter followers.

This fruitful groundwork even extended to the United States. We made a presentation before the White House’s Council of Economic Advisers on the successful reform of Canada’s corporate taxation, and co-signed a publication on this theme with a political analyst from The Heritage Foundation. We also organized a joint Heritage-MEI event in Washington, at the head offices of Heritage, on the Canadian Air Transport Security Authority (CATSA) and Nav Canada as potential models for the reform of airport security and air traffic control in the United States. It is in this context that we are pursuing our “Canada-USA Best Practices” initiative, the goal of which is to build bridges between policy-makers and experts on opposite sides of the border, in order to facilitate the spread of better public policies.



THE MEI'S PUBLICATIONS IN FIGURES

In order to advance our ideas for improving public policies among the general population, the media, and policy-makers, our researchers have once again been hard at work.

In 2018, the MEI released:

28 publications

including a booklet in celebration of our 20th anniversary

4 opinion polls

28 ad hoc press releases

in addition to those that accompany our main publications

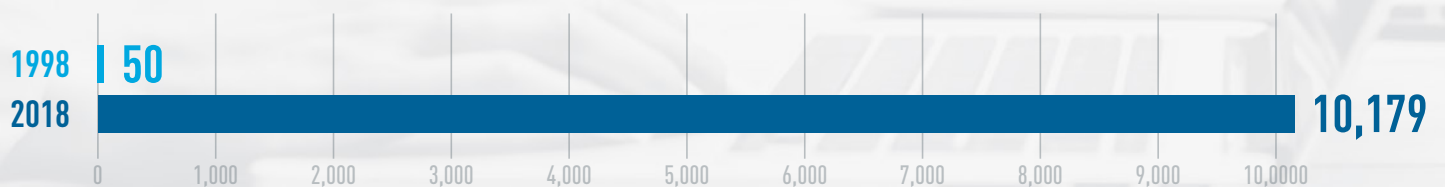
177 opinion pieces and blog posts

published in the country's newspapers and on our platforms

**27 MENTIONS
PER DAY**

All of these were occasions to debunk myths and set the record straight on issues that shape public policies.

TOTAL NUMBER OF MEDIA MENTIONS





20

MEI Ideas for a More Prosperous Society

VIEWPOINT

DECEMBER 2018

CHRISTMAS COSTS LESS THAN IT USED TO

By David Deschênes

With Christmas around the corner, stories about consumption and purchasing power tend to make headlines. Often, we're told that "everything is more expensive" or that "our purchasing power is stagnating." What are the facts of the matter?

Discussions of purchasing power often focus on the evolution of salaries or of prices. Yet this kind of comparison obscures an important factor that keeps raising our capacity to purchase goods: productivity. Indeed, when purchasing power is evaluated by measuring the cost of goods and services in terms of hours of work needed to purchase them, the picture changes considerably. By this measure, there is a big difference between what people can consume today and what they could consume three decades ago.

To illustrate this oft-ignored fact, we have compared the prices in 2018 of a basket of goods that could be afforded today at Christmas gifts with the prices of these same goods back in 1984. To properly measure purchasing power, we have also taken into account the average

Items	Hours in 1984	Hours in 2018	Difference
Circle K beer	4.5	2.5	-45%
Colgate/Walton / Xbox One S game console	17.6	14.4	-18%
Colour television, 20 inch	49.1	8.7	-82%
Cardless telephone	10.0	2.0	-80%
Freezer, 6 ft ³	25.1	14.6	-42%
Headway net	2.5	2.1	-16%
Suit	2.5	2.1	-16%
Large set, 335 pieces	2.9	2.7	-7%
Macintosh / Mac computer	324.1	70.9	-78%
Risk board game	1.6	1.2	-25%
Washing machine	14.3	1.4	-89%
Sharp scientific calculator	5.0	1.2	-75%

MEI Ideas for a More Prosperous Society

RESEARCH PAPERS

MAY 2018

THE STATE OF COMPETITION IN CANADA'S TELECOMMUNICATIONS INDUSTRY - 2018

Report

New Carbon Tax

Survey of Quebecers

Leger

NATIONAL POST

NEWS | POLITICS | SPORTS | CULTURE | LIFE | HOME | DRIVING | CLASSIFIEDS | JOBS | SERVICES | FINANCIAL POST | MORE

Large majority of Quebecers open to more private health services: poll

TOBACCO WEATHER
 -9°C
 100% cloud
 Feels like -17°C

Wednesday: -6°C
 Thursday: -3°C
 Friday: Snowfall
 Saturday: Clear/Sunny

MONTREAL — Talking about private health care in Quebec is still relatively taboo — especially on the campaign trail — but a new Leger poll indicates Quebecers are seemingly more open than politicians to discussing the idea.

Seventy per cent of respondents said they welcomed more access to medical services offered by private companies — as long as they don't have to pay out of pocket.

Moreover, 42 per cent of respondents said they agreed with the proposition that the Quebec government allow private companies to run public hospitals, compared with 44 per cent who were opposed. The remaining 14 per cent did not know or refused to answer.

The Aug. 29-31 poll, commissioned by the right-leaning Montreal Economic Institute, surveyed 1,204 adult Quebecers who are part of Leger's online database.

Germain Belisle, senior researcher at the institute, said the results indicate politicians should start expanding their ideas on how to improve Quebec's health-care system.

"In the private sector play a bigger role," he said in an interview.

It's not Quebecers, however, how they felt about more than 7 had to take out the credit card to pay for it.

Private companies operating public health institutions are don't pay out of pocket — something he believes is unfair.

1998 - 2018

TWENTY YEARS OF PROMOTING BETTER PUBLIC POLICIES

FINANCIAL POST

Ontario's Ford government is right: Wages should be set by 'economics not politics'

Opinion: A substantial increase in the minimum wage contributes to an increase in poverty due to the jobs it destroys

OPINION

Quebecers don't want to pay for the carbon tax

Germain Belisle, senior associate researcher at the Montreal Economic Institute

Published December 12, 2018

79 COMMENTS

The Pact for the Transition in Quebec and the latest IPCC report of climate change have given rise to much debate in recent weeks. The Montreal Economic Institute asked Leger to poll the opinions of Quebecers regarding carbon taxation and the province's greenhouse gas (GHG) reduction targets. The results of the poll will certainly give decision makers some things to consider.

When it comes to the principle of the new carbon tax, 62 per cent of Quebecers are in favour, while 25 per cent are against. This support principle climbs to 76 per cent if the tax allows the GHG reduction to be fully reached. Only 37 per cent of Quebecers, though, continue the tax if it does not allow those targets to be fully reached.

However, even though they are prepared under certain circumstances support the taxing of carbon, only 40 per cent of Quebecers were prepared to pay more for a litre of gasoline from this tax. A little less than a quarter of Quebecers (24 per cent) are ready to pay up to 5 cents and less than 9 per cent up to 10 cents. And only 2 per cent of Quebecers are prepared to pay up to 50 cents more a litre, yet this is the minimum

THE SUN

BEDARD: Higher taxes mean fewer entrepreneurs

Special to Toronto Sun

Published: September 27, 2018
 Updated: September 27, 2018 2:34 AM EDT

Filed Under: Toronto Sun's Opinion & Commentaries

RELATED

EDITORIAL: Taxless just his interests about ours

OPINION: TALENT Conservation say it's time to call in the cops

OPINION: WAREY: Get ready for one of the most desperate acts of the past 100 years you've ever seen

OPINION: PRUSAC: Let's come, they

Entrepreneurs need passion, but they also respond to incentives. Entrepreneurs, when asked, generally deny that taxation had any influence on their decision to start a business. The passion to create and to run a company, as they see it, was the only factor in their choice. And yet, taxation has an undeniable effect on an entrepreneur's income.

Does the heart have reasons which overrule economic reasoning? The answer to this question has many implications for public policy.

One of the challenges economists face is to resist the tendency to want to withdraw a whole range of phenomena from economic analysis and entrust these to psychology, or worse, to magical thinking. In the same way, many try to divorce entrepreneurship from any fiscal questions.

MONTREAL GAZETTE

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OPINION COLUMNISTS EDITORIALS ASIAN AND OTHER EDITORIAL CARTOONS

Opinion: 'Free' university tuition would be bad for Quebecers

While it might look attractive, such a policy would be costly and unfair for taxpayers, and be apt to have little impact on graduation rates.

ALEXANDRE MOREAU, SPECIAL TO MONTREAL GAZETTE & MIGUEL OUELLETTE, SPECIAL TO MONTREAL GAZETTE
 Updated: August 16, 2018

CALGARY HERALD

NEWS | OPINION | SPORTS | BUSINESS | ARTS | LIFE | CAREERS | OPINION

Opinion: The First Nations are the first entrepreneurs

Updated: November 13, 2018

As soon as a natural resource development project gets underway, an outcry can be expected from environmental activists and First Nations members. If we follow the news, we may come to believe that Indigenous Peoples are unanimously opposed to development. But this is not the case.

OUR OPINION POLLS: DID YOU KNOW ?



QUEBECERS AND TAX REDUCTIONS

Leger

FEBRUARY 1ST, 2018

63%

of respondents agree that the tax reductions announced by the Quebec Finance Minister in his recent economic update are a positive thing.

59%

of respondents think that tax cuts are good for the economy.

67%

of respondents believe they pay too much in taxes.



QUEBECERS AND CARBON PRICING

Leger

DECEMBER 12, 2018

When it comes to the principle of the new carbon tax, 62% of Quebecers are in favour versus 25% against. This support in principle climbs to 76% if the tax allows the GHG reduction targets to be fully reached.

Only
2%

of Quebecers are prepared to pay up to 50 cents more per litre, yet this is the minimum needed for Quebec to fully reach its GHG reduction targets.

70% of Quebecers agree that private entrepreneurs should be able to offer more health services, as long as the government covers the costs.

58% of Quebecers are dissatisfied with the health care system.

Only **22%** of Quebecers believe the additional health care spending over the past 10 years has produced good results.

QUEBECERS AND PRIVATE HEALTH CARE

Leger

SEPTEMBER 5, 2018

66% of respondents favoured Western Canadian oil, versus just 7% who preferred to import oil from the United States, followed by Algeria (3%), Nigeria (1%), and the countries of the Middle East (1%).

53% of respondents would rather Quebec develop its own oil resources than continue to import the oil it consumes.

45% of Quebecers believe that pipelines remain the safest means of transporting oil.

QUEBECERS AND OIL

Leger

DECEMBER 19, 2018

SOCIAL MEDIA

THE MEI IS GROWING FAST

Another 2018 highlight for our organization was the spectacular growth of our presence on social media. We are devoting more resources than before to this area, which allows us to share our messages in both languages with a vast audience, thanks among other things to the posting of simple, bold graphs, caricatures, and short video clips produced in-house by our Social Media Coordinator.

In all, we sent 794 tweets and published 809 Facebook posts (English and French) throughout the year. Our total French Facebook page “likes” almost doubled (+95%) compared to last year.

The MEI was #1 in terms of “likes” and shares per Facebook post compared to twenty other Canadian think tanks (Fraser, Broadbent, C.D. Howe, MacDonald Laurier, etc.). While the MEI’s French page does not yet have the most followers, its growth is the fastest among these organizations.

The MEI’s English Facebook page also benefited from the additional resources that we devoted to social media this past year. Our publications on this page are now more frequent, and its content and the target audience of the page are tailored for pan-Canadian reach. The number of “likes” of this page more than doubled last year. Although it has fewer “likes” than our French page, the number of interactions is proportionally higher, which bodes well for the future.

Moreover, it is worth noting that the MEI is the only organization of its kind in Canada that, in addition to sharing its own publications, also shares external content, which gives it a big advantage over the others.

The MEI was #1 in terms of “likes” and shares per Facebook post compared to twenty other Canadian think tanks (Fraser, Broadbent, C.D. Howe, MacDonald Laurier, etc.).

SOCIAL MEDIA

SOME OF OUR BEST FACEBOOK CAMPAIGNS

f FACEBOOK IN FIGURES

FRENCH PAGE

- **455 posts** in 2018
- **95% increase** in the number of “likes” of the page (from 4,049 to 7,900)
- **3.3 million** views of our posts
- **111,200 interactions**, including:
 - 57,000 reactions (“like,” “love,” “angry,” etc.)
 - 29,500 comments
 - 25,700 share

ENGLISH PAGE

- **354 posts** in 2018
- **124% increase** in the number of “likes” of the page (from 882 to 1,973)
- **706,000 views**
- **43,000 interactions**

t TWITTER IN FIGURES

- **794 tweets** in 2018
- **32,752 visits**
- **2,222 mentions**

To respect taxpayers	
Instead of:	Say:
The government's money	Taxpayers' money
The government is "investing" in...	The government is spending taxpayers' money on...
We are asking those who can afford it to pay their fair share.	We are forcing some people to pay more taxes.
Free	Paid for with taxpayer money

MEI Ideas for a More Prosperous Society

46,000 VIEWS
 2,000 INTERACTIONS
 INCLUDING 600 SHARES

MEI Published by Alexandre Bernier 11:29 May 2018

Surprise! Canadians are now the owners of a pipeline purchased by the federal government with \$4.5 billion of their money.

Trans Mountain is a private project that received all necessary approvals, but instead of making sure the law is respected, the government is nationalizing a pipeline. It's a poor decision that sends the wrong message to investors.

★ May contain traces of subsidies

40,000 VIEWS
 1,300 INTERACTIONS
 INCLUDING 360 SHARES

MEI Published by Kevin Brookes 11:11 July 2018

This Thursday, the MEI is releasing a publication on the evolution of waiting times in Quebec emergency rooms.

In the meantime, let's recall the magnitude of the problem: nearly half of patients wait more than 5 hours in emergency rooms.

That's a lot more than elsewhere in Canada and the world!

THE WORST EMERGENCY ROOMS?
 Proportion of adults who waited more than 5 hours during their last emergency room visit.

Source: CIBC, 2017

130,000 VIEWS
 4,400 INTERACTIONS INCLUDING
 1,300 SHARES AND 1,500 COMMENTS

MEI Published by Alexandre Bernier 11:25 May 2018

In Quebec, when the liter of gas costs \$1.51, governments recover a third of that amount in taxes.

This includes the federal excise tax, the Quebec fuel tax, and the GST and the GST. For the Montreal region, there is also a special gas tax. Yes, we even tax taxes!

Source: Régie de l'énergie du Québec, in La Presse.

52 cents
 Total taxes when the liter of gas costs \$1.51

68,000 VIEWS
 2,200 INTERACTIONS
 INCLUDING 800 SHARES

MEI - Quebec, Subsidies Champion

QUEBEC IS THE CHAMPION OF CORPORATE SUBSIDIES

40,000 VIEWS
 1,000 INTERACTIONS
 INCLUDING 230 SHARES
 AND 360 COMMENTS

MEI Published by Alexandre Bernier 11:21 November 2018

56,000 young workers have lost their jobs since Ontario raised its minimum wage to \$14/hour less than a year ago. Source: <http://bit.ly/2O0FcJj>

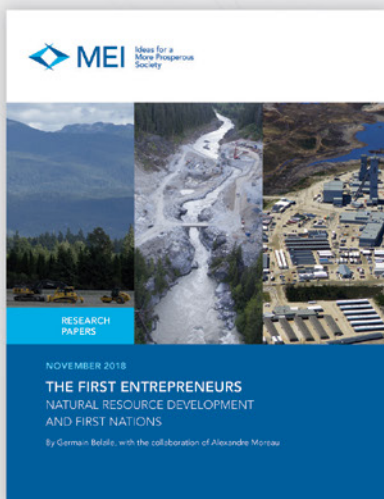
Increasing the minimum wage has proven to be the wrong way to reduce poverty.

50,000 VIEWS
 1,100 INTERACTIONS INCLUDING
 360 SHARES AND 310 COMMENTS

OUR THEMES

ENERGY AND NATURAL RESOURCES

In the wake of the challenging or the cancelling of several large energy projects in Canada, the MEI launched a publication explaining that to stop the exodus of investment from the country, governments should eliminate the discretionary power of politicians to block a project once it has received all of the necessary approvals, and even that it should impose budgetary sanctions to agencies that do not respect the timeframes established in the law. This study echoed widely in English Canada, and its conclusions were reported on by *The Globe and Mail* and by BNN Bloomberg, among others. We also intervened more specifically when the Trans Mountain pipeline project was suspended, and when it was purchased by the federal government.



We too often have the impression that First Nations wish to earn a living from traditional activities alone and are opposed to mining and forestry or the building of energy infrastructure. The underappreciated truth is that many favour such development and wish to take advantage of the resulting wealth and jobs. This was the message of one of our Research Papers, which not only enjoyed good media coverage across the country, with 300 mentions, but also had an impact within the industry and among indigenous communities. Notably, the Canadian Council for Aboriginal Business (CCAB) promoted our publication among its members and on social media. Our Director of External Affairs also participated in a National Coalition of Chiefs (NCC) event in Vancouver, where he had the opportunity to officially present the publication to the indigenous leaders who were present.

Certain themes are particularly important to us because they have a direct link with the economic vitality of the country, or because they contribute to the elaboration of public policies that achieve their objectives and respect the ability of taxpayers to pay. Here, then, are the main publications that went to the heart of the Institute's mission.

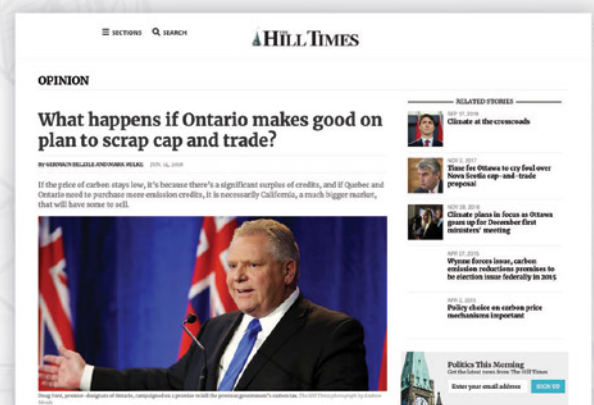
In Ontario, new Premier Doug Ford announced that Ontario would be withdrawing from the carbon market, which also counts Quebec and California as members. The same week, the MEI launched a publication showing how the imposition of a price on carbon through the cap-and-trade scheme will have a negligible effect on GHG emissions, all while having a sizeable negative impact on the economies of Quebec and Ontario.

In addition to having insisted on numerous occasions and in different ways on the importance of the energy sector for the Canadian economy, we also published the results of two polls showing, once again, the disconnect that can sometimes exist between the media's take on an issue and public opinion. One of them looked at the preferences of Quebecers regarding the provenance of their oil and how to transport it, and the other at the level of carbon taxation that they were ready to accept.

These two polls echoed widely from coast to coast with nearly 450 media mentions. Our opinion pieces were published in *The Globe and Mail*, *La Presse+*, the *National Post*, and *Le Journal de Montréal*. We also gave nearly thirty radio and TV interviews, and *La Presse+* even devoted its letters page to reactions to our poll.

Finally, always ready to correct misconceptions, we also published a study showing that contrary to a widespread myth, forest harvesting is not synonymous with deforestation and does not threaten the sustainability of our forests, which are actually under-harvested. This message, too seldom heard, also bears repeating.

"IT'S NOT BY SENDING CAPITAL OR JOBS ABROAD THAT QUEBEC AND ONTARIO ARE GOING TO REDUCE GHG EMISSIONS."



TAXATION AND PUBLIC FINANCES

When taxes are high, there are fewer entrepreneurs, and fewer businesses are created, which means that less wealth is created. This is the key takeaway from the Research Paper entitled *Entrepreneurship and Fiscal Policy – How Taxes Affect Entrepreneurial Activity*. Politicians and commentators love talking about entrepreneurship, but they rarely consider the impact of high taxes on business creation and on the number of entrepreneurs there are. This MEI publication disseminated this important message. Moreover, our researcher spoke before a group of students at McGill University to explain the conclusions of his research.

“ENTREPRENEURSHIP IS A HOT TOPIC, A BUZZWORD THAT LEAVES NO POLITICIAN INDIFFERENT. HOWEVER, POLITICAL DECISION-MAKERS SHOULD BEAR IN MIND THAT ENTREPRENEURSHIP IS AFFECTED BY FISCAL POLICY. WHEN TAXES ARE HIGH, THERE ARE FEWER ENTREPRENEURS, AND FEWER BUSINESSES ARE CREATED, WHICH MEANS THAT LESS WEALTH IS CREATED”

As always, our Department of Current Affairs responded quickly to the hot topics of the day. On the occasion of the federal budget, we pointed out that the current government had systematically broken its fiscal promises since taking power.

(Indeed, it continues to spend more and more, and has shut the door on returning to a balanced budget.) We also pointed out that Ottawa should first of all lower corporate income taxes to address our competitiveness problem. One of our publications thus described how the bipartisan effort to reduce the corporate income tax in Canada, at the start of the 2000s, led to more investment and growth and to higher wages. Our researchers also gave interviews across Canada on this important question.

Through its multiple interventions, the MEI continues to have an impact on the sound management of public finances. One publication explained how Ontario is tending more and more toward the Quebec model with increasingly high levels of spending, taxation, and indebtedness. In Quebec, on the contrary, the first economic update of the new government thankfully showed that it is following in the footsteps of its predecessor in terms of reimbursing the public debt—a theme on which we have intervened many times—which gave us the opportunity to underline the soundness of this policy.



FREE TRADE AND THE LIBERALIZATION OF MARKETS

The conflict surrounding NAFTA and Canada-US free trade was an occasion for us to reiterate the fact that protectionist measures are lose-lose, hurting American companies and consumers as much as Canadian companies and consumers. We continued to be active on the crucial issue of free trade, both internationally (the renegotiation of NAFTA and the imposition of tariffs) and domestically (interprovincial trade).

In Quebec, our researchers seized the opportunity created by a strike of SAQ workers to revive the debate on the liberalisation of trade in wine and spirits. In the wake of the debate that followed and that the MEI helped launch, then-Premier Philippe Couillard said he was in favour of opening this sector up to competition. This is an important breakthrough for the spread of our ideas among the political class, and we plan to follow this file closely in order to continue to influence the discussion. Members of the MEI staff also expressed their views on the relevance of other public monopolies, notably the one set up by the creation of the SQDC.

The MEI had started the year strong with a publication on corporate subsidies that elicited a lot of reaction. Quebec pays out twice as much as Ontario, in proportion to the size of its economy; and yet, this policy does not enrich Quebecers. Indeed, if the use of subsidies led to a higher level of wealth, Quebec would be the richest province in Canada. This is far from being the case.



Montreal Economic Institute
Published by Alexandre Bernier [?] · 8 August 2018 ·

Did you know that Quebec is a corporate subsidy "champion" among Canadian provinces?

For each dollar the government collects in taxes from private companies, 41 cents are spent on various forms of subsidies!

Instead of favouring certain companies or industries, the government should reduce taxes for all.

\$3.1 billion
Corporate subsidies granted by Quebec in 2016-2017

HEALTH CARE



We published a Viewpoint describing the cumbersome regulatory process that delays the reimbursement of new drugs by Canada’s public plans. This publication also showed that new drugs help people live longer, healthier, more productive lives. They also allow our health care systems to save substantial amounts of money.

We showed moreover that we need to make more room for entrepreneurship in health care, notably to care for seniors: With the population aged 75 and over expected to double by 2031, Quebec should rely more on entrepreneurs to meet the demand for senior housing and care. Our publication on the topic pointed out among other things that some sixty of the public system’s 432 long-term care facilities (CHSLDs) are managed by entrepreneurs and that these private “funded” CHSLDs, which have the same resources as those run by the government, provide better service and even succeed in turning a profit, without cutting on care.

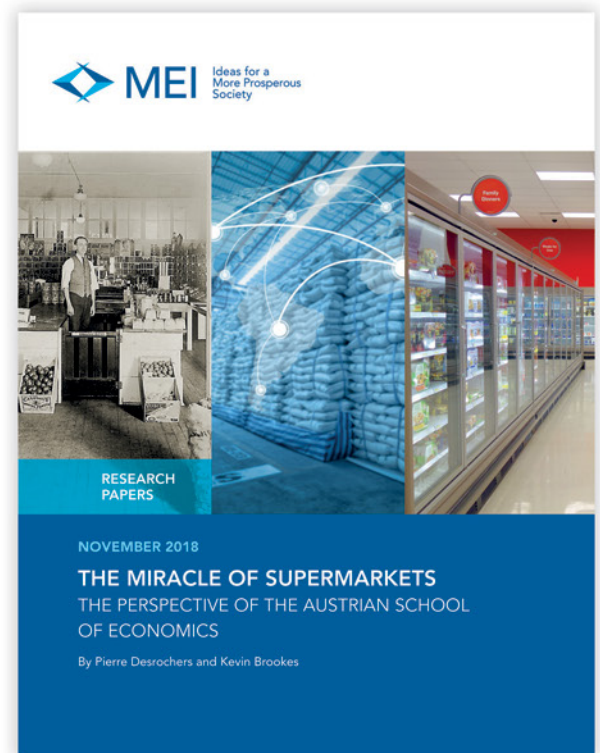
While the defenders of a bureaucratic health care system were celebrating an apparent reduction of nearly two hours in the average time spent on a stretcher in Quebec emergency rooms, our researchers wasted no time in throwing some cold water on this claim. An MEI publication indicated that the median time spent in an emergency room, more representative of the typical patient experience, actually increased slightly. This publication was

mentioned nearly 300 times in the media, and forced the Minister of Health and Social Services, Dr. Gaëtan Barrette, to react publicly. A media blitz made our publication one of the day’s most popular stories, notably on the TVA network, and our researcher gave a dozen interviews on the topic.

RESEARCH PAPERS THAT GET PEOPLE TALKING

Pursuing its role of economic education, the MEI also published a Research Paper on the “miracle” of supermarkets. This publication, which adopts the perspective of the Austrian School of Economics, shows how, by transmitting information through the food supply chain, intermediaries help improve the quality and diversity of foods, all while reducing their price. Our researchers notably presented their results at the University of Guelph, which is the gold standard in Canada when it comes to agri-food economics and reflections on the elaboration of public policies in this sector, as well as at the Université de Montréal, before numerous young economists and future leaders.

The launch of our popular telecom paper was also a big success. This publication alone generated nearly 450 media mentions, including texts in *La Presse+* and the *Financial Post*. Our paper shows among other things that the prices of Canadian wireless services are competitive, despite the results of certain simplistic comparisons, and questions the relevance of the CRTC now that Canada is in a competitive situation. The Canadian Press also shared the conclusions of the paper, which helped ensure coverage in many media outlets and specialized magazines across the country. Numerous radio and television interviews were given, including for BNN Bloomberg.



A FEW EXCERPTS FROM OUR OPINION PIECES



MARCH 17, 2018

LOOMING TRADE WAR ISN'T THE ONLY PROBLEM FOR CANADA'S ECONOMY



Falling investment is a very big problem, as living standards are directly related to productivity, which is itself closely linked with business investment. If we continue down this path, Canadians will become poorer and poorer compared to Americans. Our future does not only depend on President Trump; our to-do list is considerable, so we'd better stop sitting on our hands.



APRIL 10, 2018

INNOVATIVE DRUGS NEED A NEW REGULATORY APPROACH



In 2015-16, the economic assessment process added an average of 450 days, or about 15 months, between the moment when drugs are approved by Health Canada and the moment when they are reimbursed by public insurers, and sometimes a lot more. In the recent case of a breast cancer drug, registration on the list of drugs reimbursed by Régie de l'assurance maladie du Québec (RAMQ) only happened 23 months after Health Canada's approval.



APRIL 11, 2018

A CARBON TAX – ON TWO CONDITIONS ONLY



This is the heart of the problem. At prices ranging from \$10 to \$50 per tonne of carbon, as is the case now and for the medium term, a carbon tax is not much more than "virtue signalling," a kind of phoney commitment rather than a serious effort to achieve objectives. People will sooner or later contest policies that cost them money but have little effect.



MAY 2, 2018

FREER MARKETS, FREER MEDIA



In Western Europe and North America, free markets and a free press generally go together. Countries with a low level of economic freedom—think Venezuela, Bolivia, Argentina or Algeria—also have a low level of press freedom. By increasingly controlling and regulating their economies over the past decade and a half, the governments of these countries have substantially wounded the media.



JUNE 14, 2018

THE HILL TIMES

WHAT HAPPENS IF ONTARIO MAKES GOOD ON PLAN TO SCRAP CAP AND TRADE?

Yet the main studies that have looked into the matter predict that the price of carbon in the cap-and-trade scheme will be between \$30 and \$100 per tonne in 2030, which will not be sufficient for people to change their behaviour. They will continue to emit almost as much, merely paying a little more than they do today for the right to do so.



AUGUST 16, 2018

MONTREAL GAZETTE

FREE UNIVERSITY TUITION WOULD BE BAD FOR QUEBECERS

The abolition of university and college tuition fees and related costs would mean an extra \$1.1 billion a year if applied solely to Quebec students, and \$1.3 billion if extended to Canadian and foreign students, supposing that the number of students remained constant. Did somebody say “free”? The central argument invoked by those who favour this policy is that it would considerably improve accessibility to higher education. This is a myth.



NOVEMBER 13, 2018

CALGARY HERALD

FIRST NATIONS WERE THE ‘FIRST ENTREPRENEURS’

As soon as a natural resource development project gets underway, an outcry can be expected from environmental activists and First Nations members. If we follow the news, we may come to believe that Indigenous Peoples are unanimously opposed to development. But this is not the case. Natural resource development has transformed many communities, which now have the means to provide decent infrastructure and services to their populations. We must let them continue in this direction.



DECEMBER 19, 2018

NATIONAL POST

SURPRISE! QUEBECERS WANT ALBERTA'S OIL

We need to stop conflating oil production with oil consumption. We can very well want to reduce our consumption of oil and reduce GHGs, without denying ourselves the economic prosperity that accompanies the development of our resources and that enriches us all. Instead of demonizing Western Canadian oil, Quebec politicians should adopt behaviours that are more in line with the desires of the people, and stop interfering with the production and transport of Canadian oil.

ONE COUNTRY, ONE MARKET

The vast “One Country, One Market” information campaign launched on social media, carried out in collaboration with the Canadian Constitution Foundation (CCF) and the Atlantic Institute for Market Studies (AIMS) throughout the year, was a resounding success. Canadians have a greater appreciation of interprovincial trade barriers than ever before, and the chances of bringing them down have never been better.



ONECOUNTRY ONEMARKET
United We Trade

FACEBOOK PAGE

- **6,800 followers**
- **32,000 people** reached in a single day
- **300 reactions** per day

WEBSITE

- **Over 31,000 users** over the year
- **79,000 page views**

PETITION

- Over **10,000 signatures**



One Country, One Market recently won a 2019 Reed Award for its social media campaign, and was also a finalist in the “Best International Campaign” category. Thanks to *The Zoldak Agency* for its valuable collaboration on this initiative.

All our work and our multiple interventions on the topic have made a difference. Thanks to striking short videos, press releases, opinion pieces, and studies, all released at key moments, the MEI and its partners have succeeded in making free trade one of the hottest national public policy debates at the moment. Indeed, this issue was on the agenda of the recent federal-provincial First Ministers’ Meeting. Ontario, Manitoba, Saskatchewan, and Nova Scotia are all provinces that are arguing for the reduction of trade barriers.

The Premier of Nova Scotia chose the occasion of the meeting to announce the abolition of numerous interprovincial trade barriers, notably those on alcohol, as well as others affecting various aspects of the regulation of businesses in his province.

“WE NEED TO MOVE TOWARDS BEING A MORE PRO-TRADE COUNTRY INSIDE OF OUR COUNTRY.”

STEPHEN McNEIL
PREMIER OF NOVA SCOTIA

“I SUGGEST WE CONSIDER GOING FURTHER BY FULLY REMOVING THOSE LIMITS, A MOVE STRONGLY SUPPORTED BY CANADIANS FROM EVERY REGION OF THE COUNTRY.”

BRIAN PALLISTER
PREMIER OF MANITOBA

“MOST OF BARRIERS WHEN IT COMES TO FREE TRADE BETWEEN PROVINCES IS REGULATIONS. WE’RE GOING TO PUT A LIST TOGETHER, BOTH MYSELF AND PREMIER MOE, OF DIFFERENT SECTORS—LET’S USE TRANSPORTATION FOR EXAMPLE—WHERE WE CAN START KNOCKING DOWN SOME REGULATIONS.”

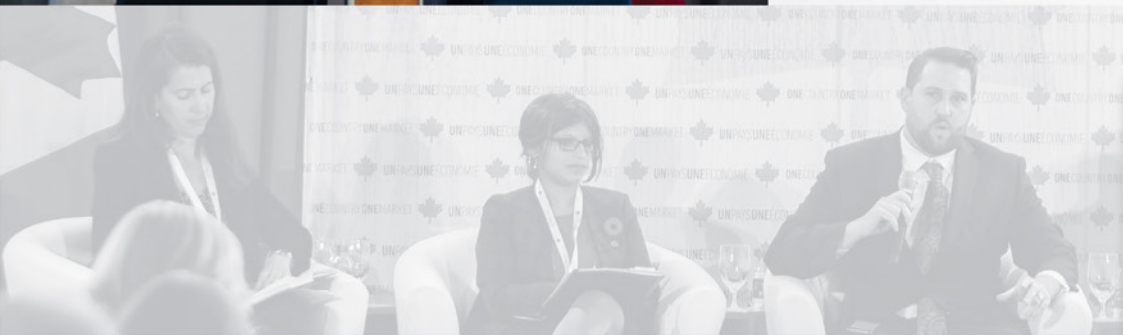
DOUG FORD
PREMIER OF ONTARIO

NATIONAL CONFERENCE IN OTTAWA

As a part of this collaborative initiative, we organized a national conference that was held on November 1st in Ottawa. It brought together some of Canada’s top economists and constitutional scholars, as well as organizations like the Canadian Chamber of Commerce, the Canadian Federation of Independent Business, and the Consumer Choice Center. The former Minister of Industry, the Honourable James Moore, former Liberal MP Martha Hall Findlay, and the Honourable Darrell Dexter, Former Premier of Nova Scotia, all shared their opinions about the future of free trade within Canada.



As our featured guest, the Honourable Dominic LeBlanc, Minister of Intergovernmental and Northern Affairs and Internal Trade, made a passionate appeal for the elimination of trade barriers. Renowned columnist Andrew Coyne, for his part, insisted on the fact that it is high time for politicians to take concrete steps to promote completely free trade within our borders.



Note that on Twitter, the hashtag #OCOMconference (for One Country, One Market) was ranked 5th among trends the day of the National Conference.

TrendWiki Canada
 @TrendWikiCanada

New Trend Alert

1. #Movember
2. Finnish
3. #FlaPanthers
4. #MLSCupPlayoffs
5. #OCOMconference
6. #FinancialLiteracyMonth
7. #Spooky

Traduire le Tweet

15:37 - 1 nov. 2018

THE MEI SURPASSES THE \$3 MILLION MARK!

Thanks to you, our generous donors, the MEI's annual budget hit a new record, exceeding the threshold of \$3 million for the first time. This is excellent news for an organization that, remember, receives no public funding. The MEI remains in good financial health, with a solid financial reserve equivalent to almost twelve months of operations, as recommended by the best practices applicable to the management of think tanks.

In 2018, the MEI's total revenues amounted to \$3,077,227, which represents an increase of 9.6% compared to 2017. Spending amounted to \$2,801,862, an increase of 8.6%. The surplus was \$275,365.

CHALLENGES AHEAD

Despite all of this good news, we will be faced with very real challenges in 2019. We already know that over \$400,000 of our revenues will disappear, notably due to certain foundations ceasing their activities. It is in this context that we need, more than ever, your renewed support.

Also, as you know, 2019 will be an election year at the federal level. Therefore, whether it's a question of public finances or the development of natural resources, it is crucial that a voice like the MEI's, both independent and favourable to wealth creation, be heard. Voters will then be able to make informed choices when it comes time to make their voices heard.

In conclusion, our solid financial reserve and the great loyalty of our supporters are robust pillars. They will allow us to successfully meet the challenges that the future holds. We will thus pursue, relentlessly and passionately, our mission of promoting "ideas for a more prosperous society."

EVENTS AND PRESENTATIONS

FEBRUARY 15, 2018

NAFTA: NEW CHALLENGES AND NEW OPPORTUNITIES FOR CANADA

Presentation by Mathieu Bédard, Economist at the MEI, before the members of Generation Screwed: McGill.

FEBRUARY 21, 2018

DEBATE ON THE MINIMUM WAGE

Debate between Alexandre Moreau, Public Policy Analyst at the MEI, and Robert Laplante, Director General of the Institut de recherche en économie contemporaine (IRÉC), before Collège de Bois-de-Boulogne students.

MARCH 21, 2018

ENTREPRENEURSHIP AND FISCAL POLICY – HOW TAXES AFFECT ENTREPRENEURIAL ACTIVITY

Presentation by Mathieu Bédard, Economist at the MEI, at the University of Calgary, Hunter Hub for Entrepreneurial Thinking.

MAY 3, 2018

THE REDUCTION OF THE FEDERAL CORPORATE TAX RATE IN CANADA FROM 2001 TO 2012

Presentation by Michel Kelly-Gagnon, President and CEO of the MEI, and Mathieu Bédard, Economist at the MEI, before the Council of Economic Advisers of the White House in Washington on the positive effects of the reduction in the rate of federal taxation of corporate income on business investment, economic growth, and wages.

MAY 8, 2018

THE IAN SOUTAR LECTURE SERIES PRESENTED BY PEMBROKE MANAGEMENT

For the second edition of the Ian Soutar Lecture Series, the MEI welcomed Daniel Hannan, writer, journalist, and British politician.

AUGUST 3, 2018

WHAT IS A PUBLIC GOOD?

Presentation by Vincent Geloso, Associate Researcher at the MEI, at the Free Market Seminar organized by the Institute for Liberal Studies at McGill University.

AUGUST 4, 2018

SUBSIDIES IN THE CULTURAL FIELD

Presentation by Germain Belzile, Senior Associate Researcher at the MEI, at the Free Market Seminar organized by the Institute for Liberal Studies at McGill University.

AUGUST 4, 2018

SAY'S LAW: DOES DEMAND CREATE SUPPLY?

Presentation by Martin Masse, Senior Writer and Editor at the MEI, at the Free Market Seminar organized by the Institute for Liberal Studies at McGill University.

AUGUST 4, 2018

THE FLAWS OF GOVERNMENT INTERVENTION

Presentation by Kevin Brookes, Public Policy Analyst at the MEI, at the Free Market Seminar organized by the Institute for Liberal Studies at McGill University.

AUGUST 4, 2018

DOES ECONOMIC GROWTH ONLY BENEFIT “THE 1%”?

Presentation by Vincent Geloso, Associate Researcher at the MEI, at the Free Market Seminar organized by the Institute for Liberal Studies at McGill University.

SEPTEMBER 7, 2018

CATSA AND NAV CANADA AS POTENTIAL MODELS FOR U.S. REFORMS

Participation of Michel Kelly-Gagnon, President and CEO of the MEI, and Mathieu Bédard, Economist at the MEI, at an event organized by the MEI in collaboration with The Heritage Foundation in Washington on Canadian models for the reform of the Transportation Security Administration (TSA) and the Federal Aviation Administration (FAA).

OCTOBER 4, 2018

ENTREPRENEURSHIP AND FISCAL POLICY – HOW TAXES AFFECT ENTREPRENEURIAL ACTIVITY

Presentation by Mathieu Bédard, Economist at the MEI, at McGill University, Conservative Students Club.

OCTOBER 11, 2018

ENTREPRENEURSHIP AND FISCAL POLICY – HOW TAXES AFFECT ENTREPRENEURIAL ACTIVITY

Presentation by Mathieu Bédard, Economist at the MEI, at the University of Edmonton, Wirth Symposium, organized by Professor Peter Boettke.

OCTOBER 22, 2018

SHOULD THE GOVERNMENT PRE-FILL YOUR TAX RETURNS?

Presentation by Kevin Brookes, Public Policy Analyst at the MEI, at the Canada 2020 Tax and Competitiveness Summit in Ottawa.

OCTOBER 24, 2018

HOW MARKETS TRANSMIT INFORMATION - THE CASE OF SUPERMARKETS (UNIVERSITY OF GUELPH)

Conference featuring Professor Pierre Desrochers.

NOVEMBER 1ST, 2018

ONE COUNTRY, ONE MARKET CONFERENCE - A NATIONAL CONFERENCE ON THE FUTURE OF FREE TRADE WITHIN CANADA

Conference bringing together some of Canada's top economists, constitutional scholars, industry representatives, and politicians for a one-day conference in Ottawa to discuss the future of free trade within Canada.

NOVEMBER 5, 2018

THE FIRST ENTREPRENEURS – NATURAL RESOURCE DEVELOPMENT AND FIRST NATIONS

Presentation by Daniel Dufort, Director of External Relations at the MEI, at the National Coalition of Chiefs: Energy Summit.

NOVEMBER 14, 2018

THE MIRACLE OF SUPERMARKETS – THE PERSPECTIVE OF THE AUSTRIAN SCHOOL OF ECONOMICS (UNIVERSITÉ DE MONTRÉAL)

Panel discussion featuring Professor Pierre Desrochers and Kevin Brookes.

