



ANNUAL REPORT 2022



MEI

Ideas for a
More Prosperous
Society



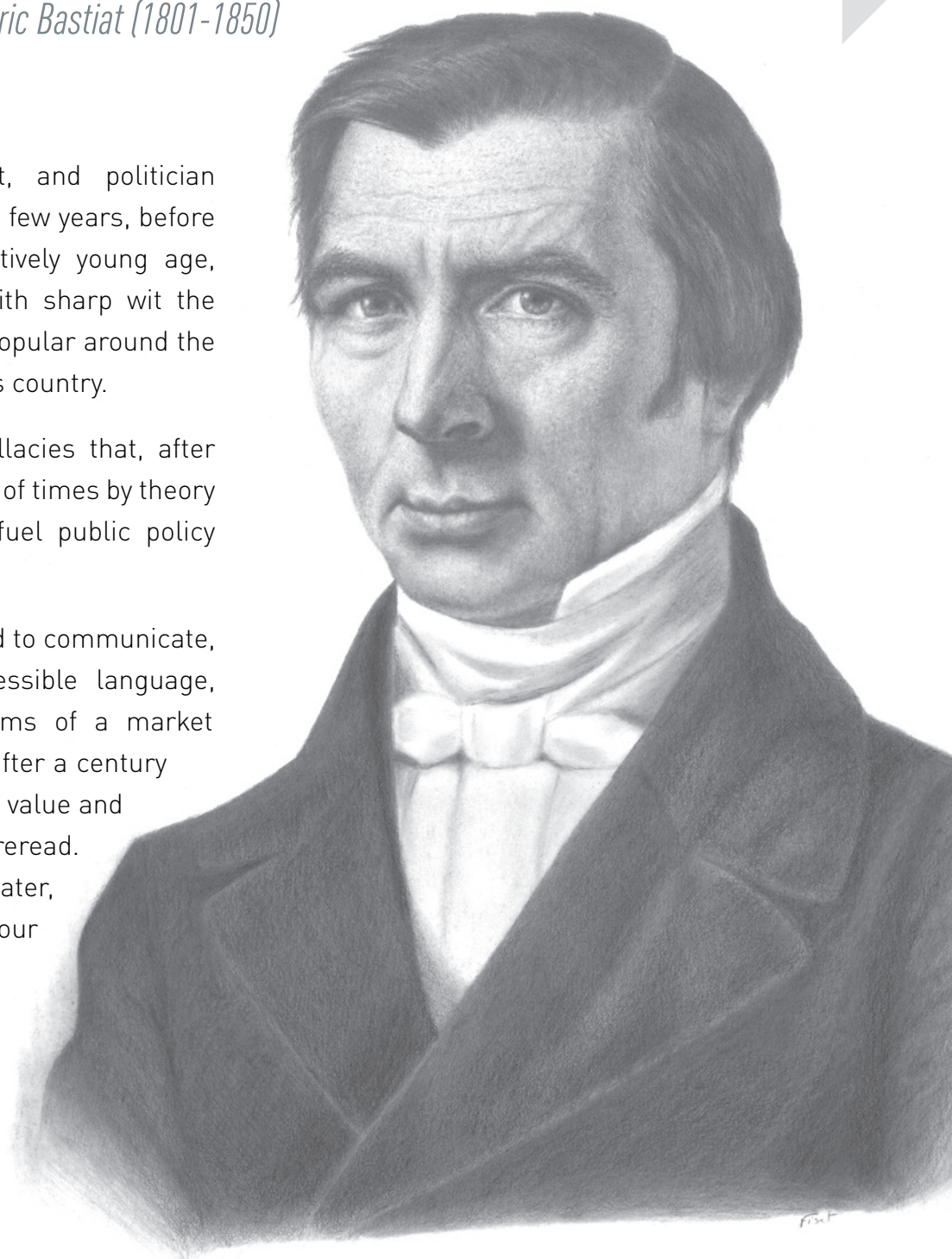
No, no, the obstacle is not at the Ministry; at most, that's where it is summed up. To modify ministerial thinking, you have to modify parliamentary thinking; and to change parliamentary thinking, you have to change electoral thinking; and to reform electoral thinking, you have to reform public opinion.

- *Frédéric Bastiat (1801-1850)*

French economist, journalist, and politician Frédéric Bastiat wrote in just a few years, before his untimely death at a relatively young age, a series of texts attacking with sharp wit the economic fallacies that were popular around the middle of the 19th century in his country.

These are often the same fallacies that, after having been exposed hundreds of times by theory and experience, continue to fuel public policy debates today!

Like us at the MEI, Bastiat tried to communicate, using simple, colourful, accessible language, the principles and mechanisms of a market economy. His didactic fables, after a century and a half, are undiminished in value and still deserve to be read and reread. One hundred and fifty years later, he remains an inspiration for our mission and our work.



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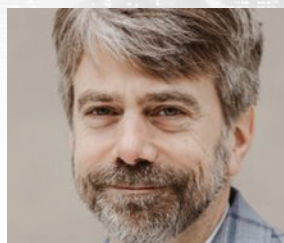
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Senior Policy Analyst
and Alberta Project Lead

MESSAGE FROM THE CHAIRMAN OF THE BOARD



In 2022, we fortunately experienced a gradual return to a semblance of normalcy. We will, however, be suffering the consequences of recent policies for several years to come, in particular the highest inflation in a generation and the restrictive monetary policies central banks have had to adopt to address it.

The MEI, whose board I have the honour of chairing, has for over two decades already carried out an enormous amount of research and educational work about the inherent dangers of this unsustainable spiral of private and state indebtedness. This new inflationary context, which impoverishes citizens and complicates the management of businesses and governments, makes it more urgent than ever to adopt sustainable fiscal policies that encourage wealth creation. Our researchers and communicators will continue their tireless efforts to take part in the public debate on these issues, in both official languages.

The other major event of 2022 was without a doubt the Russian invasion of Ukraine, and its sudden impact on the supply of energy and natural resources to several parts of the world, including our European allies. For this reason, the naive scenario of a quick and easy energy transition to so-called green energy sources has gone up in smoke. Not only will the world continue to need large quantities of oil and gas for decades to come, but it is more and more obvious that no such transition will be possible without a substantial increase in the production of key metals.

Canada is among the countries in the world with the most abundant natural resources, and these must absolutely be developed more to ensure its prosperity and that of its trading partners. This has been one of the MEI's main research themes for years, and it is a theme that will surely take on even more importance in 2023.

Indeed, that is why, in November 2022, we opened an office in Calgary.

Moreover, our long-time President and CEO, Michel Kelly-Gagnon, announced in November 2022 that he will be leaving his current position in early April 2023. Having said this, I would like to point out that Michel will continue to collaborate regularly and actively with the MEI, notably by developing our activities and our presence in Alberta in the new stage of his personal and professional life that is beginning in Calgary. As Founding President and as a member of our Board of Directors, he will remain the primary person responsible for fundraising in addition to being in charge of two major international projects. I know that his successor as CEO, Daniel Dufort, will build on the Institute's excellent reputation.

Michel has done no less than build the MEI from the ground up since the late 1990s. He leaves behind him an organization that is enormously influential across Canada. We are particularly happy to be able to count on his assistance in the future as we pursue our growth and

expand our influence. Indeed, it is with this happy mix of renewal and continuity that we will celebrate the MEI's 25th anniversary in the fall of 2023.

This influence of course depends on the work of our skilled and devoted employees, but also, first and foremost, on the financial resources at our disposal, which are the essential precondition that makes all the rest possible.

A new tax provision has raised, from 3.5% to 5%, the minimum proportion of the value of their investments that charitable foundations will have to donate annually to registered charities like the MEI. We sincerely hope that many foundations will include us in their plans.

Very exceptionally in nearly 25 years of activities, we recorded a substantial deficit in 2022, amounting to nearly \$600,000, of which approximately half is due to accounting losses related to our investments.

The management is already putting in place a plan to control spending and increase our revenues from donations which will allow us to significantly reduce this deficit, at least the portion we control, namely the operating deficit. Michel will provide you with all the relevant details in his annual message, which follows. I will point out, though, that in spite of everything, the MEI remains an organization in excellent

financial health, with a current reserve fund of \$1.2M and, in addition, an endowment fund of \$1.7M. Therefore, the sustainability of our research and educational activities is in no way compromised by this deficit.

We will, however, have to count more than ever on the generosity of our loyal donors to continue to carry out our essential research work and spread the message of liberty and economic prosperity during this period of uncertainty. I therefore invite you to renew your philanthropic investment in our institute, accounting for inflation if possible.

Finally, allow me to warmly thank all our employees, collaborators, administrators, governors, and friends who continue to walk this path with us!

Aéline Desmarais

MESSAGE FROM THE PRESIDENT AND CEO



It is with a real sense of accomplishment that I sign my 21st and final message as President and CEO in this 2022 MEI Annual Report. As was mentioned in the Message from the Chairman of the Board, I will be stepping down in April 2023. This will therefore probably already have happened as you read these lines. My successor, Daniel Dufort, is a young man with a keen intelligence and a strong work ethic, and he will surely help our think tank reach new heights.

I will continue to collaborate actively with the MEI, notably by developing our activities and our presence in Alberta, where I will begin a new stage of my personal and professional life in the summer of 2023. I have been visiting Alberta regularly for a number of years, and I feel right at home there. The MEI already has several generous donors in the province, most of whom are not tied to the oil sector, incidentally.

I will among other things contribute to the development and the expansion of our new Calgary office, opened in the fall of 2022, with the help of our talented Senior Policy Analyst, Krystle Wittevrongel. She just recently became the leader of our Alberta Project, which aims to deepen our presence in a province that plays a central role not only in the Canadian economy, but also as a trailblazer for public policies that are more favourable to economic growth.

Energy resources have always been one of the MEI's main research themes. For more than 15 years, our researchers have been repeating that we need favourable policies and a flexible regulatory framework to develop our

energy infrastructure. For an unfortunately tragic reason, international events in 2022 showed just how right we are, this issue having become more crucial than ever since the Russian invasion of Ukraine a year ago.

We need to start to change things now to be ready when the next crisis hits, and the political context suddenly seems much more conducive to advancing this debate. As our regular polls have shown for several years, a majority of the Canadian population is already in favour of more realistic policies such as these, notably regarding the transportation of our oil and gas resources to European and Asian markets.

What has changed, at least to a certain extent, is that several decision-makers who were up until now skeptical of, or downright hostile to, the idea of liberating the full potential of our oil and gas industry have opened their eyes and now realize that climate change is not the only criterion that needs to be taken into account. Canada's energy security and that of our Western allies will unquestionably be one of the key issues occupying governments over the next decade. By the way, our publications have shown that Canada and its entire population could vanish entirely from the face of the Earth without having even the slightest impact on the global level of greenhouse gas emissions.

The MEI is the main Canadian voice capable of carrying this message loud and clear across the country in both official languages. I plan to devote a substantial share of my efforts to this in my new role in Calgary. We will be there to respond to the media's growing demand for our expertise on this subject.

The other major economic development of 2022, the return of inflation, has also led to numerous reconsiderations, after three years of our governments' excessive reactions to the pandemic. The MEI was one of the main voices of reason during this period, warning against the consequences of over-indebtedness and of policies attacking the very foundations of a market economy. Several times, we had the opportunity to explain that this inflation is essentially the result of unrestrained monetary creation and not of any alleged sudden increase in corporate greed.

Today, many agree with us, and we are finally seeing the pendulum swing. A new generation of decision-makers, elected or hopeful, is beginning to emerge that is open to more realistic policies, fiscal and otherwise. It will therefore be more important than ever for the MEI (and other similar organizations elsewhere in the country) to have the expertise and the financial and human resources required to play an advisory role with them.

Indeed, we set up a "Civic Engagement" program several years ago offering, free of charge, to any organization or established political party the opportunity to draw on the knowledge and skills of our staff in a number of ways. This participation helps inform public policy debates on the basis of rigorous, factual research, in a non-partisan manner, and always in light of the MEI's own perspective. Let me take this occasion to invite whoever is interested in this program to communicate with us for more information.

It will take a certain amount of time to get our public finances in order after the excesses of recent years, but there have already been some positive developments in 2022. Alberta pursued its ambitious deregulation program, inspired in part by exchanges with our researchers over several years now. In Quebec, there is talk of tax cuts and the creation of independent mini-hospitals, managed entrepreneurially but providing treatment accessible to all and financed by taxpayers. This is an extremely positive development on a file we have come back to time and again since the early 2000s.

I would indeed like to highlight the fact that the Member of the National Assembly who is assisting the Health Minister in piloting this private mini-hospitals project, Youri Chassin,

is a former Director of Research at the MEI. Moreover, the new Minister of Higher Education in this same government, Pascale Déry, was our Director of Communications for a few years. Certain other MEI alums are active in federal politics or in Alberta. We are proud to have been an incubator of talent for other positions relevant to the advancement of our ideas for almost 25 years now. We will actually celebrate our 25th anniversary in the fall of 2023.


The following section of this annual report will present in more detail our production and our achievements for the year 2022. Briefly, we launched no fewer than 27 publications, commissioned and disseminated 6 opinion polls, produced 6 short educational videos, and published 13 ad hoc press releases on current events, above and beyond the press releases that always accompany all of our publications. We also published a considerable number of opinion pieces, namely 103, most of these in established media outlets, as well as 47 blog posts.

I hope the summary of these impressive accomplishments in the pages that follow will convince you to renew your generous support of our organization.

On a much less positive note, we recorded the biggest deficit in our history in 2022, only the third deficit in 24 years of operations. It amounted to \$596,277, of which \$323,910 was due to our operating expenditures exceeding our revenues in 2022, with the remaining \$272,367 being accounting losses related to the poor performance of our investments. Let me assure you that we have already put in place a realistic and responsible rationalization plan which, combined with an anticipated increase in our revenues (notably from new donors), will allow us to reduce our operating deficit by at least 75% in 2023. Hopefully, our investments will also rebound over this coming year.

Finally, as the Chairman of the Board already mentioned in her message, this financial underperformance in 2022 thankfully in no way endangers the sustainability of our operations given that we still have, as of December 31, 2022, combined financial reserves of over \$2.8 million. In other words, we have financial reserves equivalent to around 12 months of operations. Few companies or

of Pierre Lemieux, Richard Carter, Adrien Pouliot, Marc Meunier, Reford MacDougall, John Dobson, Frederick Kriebler, Leonard Liggio, Ralph Maddocks, Randy Kelly, Ari Kiriazidis, Brad Lips, Nouh El Harmouzi, Alejandro Chafuen, Michael Walker, Heather Rae, Preston Manning, Angela Webster, H  l  ne Desmarais, Paul Desmarais II, George Lengvari, Helen McLean, Anita Winsor, Eleanor Nicholls, Derrick Hunter, Jasmin Gu  nette, Martin Masse, Nathalie Elgrably, Claude Picher, Carole Fiset, Suzanne Charest, Bradley Doucet, Valentin Petkantchin, Youri Chassin, Gilles Gu  nette, and finally my beloved wife, Gala.



THE MEI IN FIGURES

27

Publications

6

Opinion Polls

13

Ad Hoc
Press Releases

103

Opinion Pieces

6

Short Videos

8,241

Media Mentions

ECONOMIC
NOTES

EDUCATION SERIES

AUGUST 2022

IMPROVING SCHOOLING OUTCOMES:
IT'S ABOUT CHOICE, NOT SPENDING MORE

By Vincent Gosselin

In the latest provincial budget, we learned that six in ten schools in Quebec are in poor physical condition. This prompted the government to announce a new round of investments to remedy the situation.¹ However, similar "crises" have erupted on multiple occasions in recent decades: disappointing performance on standardized tests, low completion rates, violence in schools, lack of preparedness for post-secondary studies, etc. Each of these crises prompted political actors to request further rounds of investments, reinvestment, new investments, refinancing, or improved financing. In other words, the conversation always revolves around securing improvements in educational outcomes by increasing the quantity of inputs used.



SPENDING LEVELS ARE POOR PREDICTORS OF PERFORMANCE

There exists a large empirical literature, looking at both historical and contemporary cases, documenting the weak relationship between input levels and educational performance.² At best, the relationship shows a weak positive impact such that only very large sums per pupil produce additional benefits.³ That small effect is also highly conditional on the type of spending (for example, buildings and staff vs. child-oriented materials).⁴ At worst, the effect can actually be counterproductive under certain conditions.⁵ This finding, which is widespread in American

Increasing the resources devoted to the provision of education, however, sidesteps the crucial issue of how resources are used in the first place. The reality is that Quebec could gain immensely by downsizing the activities of the department of education (notably by reducing administrative staff), reallocating school funding so that parental choices determine where taxpayer funds go, and introducing greater school autonomy. This will likely lead to reduced government expenditures, as well as improved cognitive and non-cognitive outcomes for students.

MEETING QUEBEC'S ENERGY NEEDS (2022)

Montreal Economic Institute

Research Report
March 2022

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DECEMBER 6, 2022

**Economic update:
Interest rate hikes are
having an effect**

2 MINUTES

Montreal, December 6, 2022 – The Montreal Economic Institute (MEI) reacted to the Quebec government's economic update presented by Finance Minister Eric Gagné earlier today.

"While the results hanging over Quebec's budgetary situation seem to be dispersing, Minister Gagné is right to remain prudent," says Renaud Bruneau, senior director of communications at the Montreal Economic Institute. "Everything indicates that the rapid increase in government revenues this year is an exceptional situation, whereas higher interest rates are an ongoing threat for a government as indebted as ours."

Government revenues are \$6.4 billion higher than they were projected to be in the March 2022 budget. This allows the government to reduce the deficit, bringing it down to \$5.2 billion this year.

The increase in interest rates is being felt in the budget, raising interest payments on the debt by 27% compared to their pre-pandemic level. These will have cost Quebec taxpayers over \$10.5 billion this year.

Provincial government alone represented 28% of Quebec's GDP last

of government spending to GDP grew by an average of 5.34%

reintroduced by the pandemic, let's hope that the theme of his



In Quebec, 45 637
people are waiting
to receive home
care services.

WAITING
LIST

KEY MEDIA INTERVENTIONS



"Health reform has been talked about enough; it's time to take action and catch up to the other universal health systems in the world that have already embraced the role of entrepreneurs in the delivery of care."

- Toronto Sun, January 13, 2022

"En Ontario, par exemple, les [infirmières praticiennes spécialisées] peuvent ouvrir des cliniques publiques formées uniquement d'IPS, faisant ainsi diminuer le temps d'attente pour obtenir un rendez-vous avec un professionnel de la santé."

- Journal de Montréal, March 28, 2022



"The objective of reducing plastic waste in the environment must be pursued, but the solution has to come from entrepreneurs, not from a restrictive policy banning certain products."

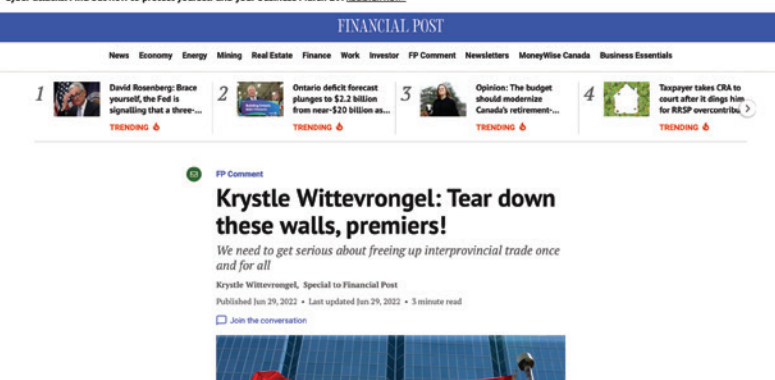
- Toronto Sun, May 13, 2022

"Comme l'achat de pétrole et de gaz naturel russes a permis, en quelque sorte, de financer cette guerre tragique, il est du devoir du gouvernement en place de revoir sa décision sur le projet GNL Québec, qui a déjà trouvé preneur en Ukraine."

- Journal de Montréal, June 15, 2022



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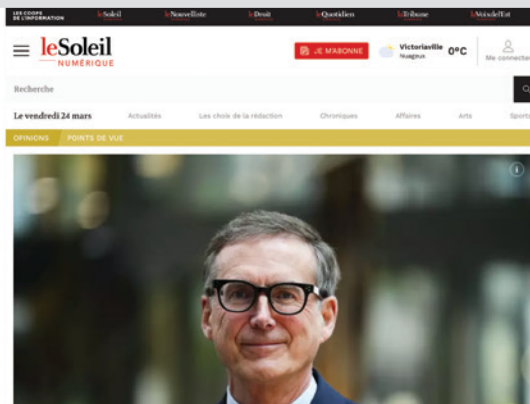


"In fact, it's a no-brainer: clearing away the barriers [to domestic trade] would spur economic growth and increase Canadians' prosperity by the equivalent of an estimated 3.8 per cent increase in GDP per capita, according to the IMF."

- Financial Post, June 29, 2022

"Si la banque centrale a trop attendu, il faut au moins lui donner cela: elle fait ce qu'elle doit faire pour se rattraper aujourd'hui."

- Le Soleil, November 3, 2022



"When given the choice, people prefer to live out their days in their homes, among their loved ones, rather than in impersonal government institutions with a set number of sponge baths per week."

- Toronto Star, November 7, 2022



"Une croissance plus élevée se solde par une plus grande amélioration du niveau de vie pour les moins nantis, comme elle aide d'abords à subvenir aux besoins de base."

- L'Express, December 9, 2022



SOCIAL MEDIA

Social media has become an indispensable part of any communications strategy. Traditional media is going through a structural crisis over how to monetize its content. The result is smaller and smaller newsrooms, reflected in the thinner print editions of big newspapers.

Social media has this advantage: that instead of having to go exclusively through journalists as “knowledge gatekeepers,” we can make our publications, opinion pieces, and other products of our public policy research directly available to the population.

One of the effects of this shift is to allow us to reach the growing number of our fellow Canadians who spend little to no time reading, listening to, or watching traditional media. Among other things, it allows us to reach a younger audience.

Our presence on social media has grown again this year. Altogether, the MEI’s various platforms have 39,099 subscribers. Our team works on promoting our publications, reinforcing our reputation with our traditional audience and allowing us to reach a different cohort.

In 2022, we made 1,914 posts or tweets on our social media accounts, generating over 200,000 interactions throughout the year. Altogether, the number of subscribers to our pages grew by 34% over the past twelve months.



FACEBOOK

31,129

subscribers to our pages

982

posts

34%

increase in the number
of “likes” of our pages for the year



TWITTER

7,970

subscribers to the page

932

tweets

37%

increase in the number of
subscribers to the page for the year

OUR MAIN PUBLICATIONS

Certain research themes are particularly important for us because they have a direct link with the economic vitality of the country, or because they concern public policies that concretely improve the quality of life of Canadians. Our researchers pursued their economic education and research work in 2022. Here, then, grouped thematically, are the main publications that helped advance the mission of the Institute last year.

HEALTH CARE



In February, we published a research paper looking at the liberalized universal health care systems of Britain and Sweden. Through this publication, we expanded the health care debate beyond the traditional duality of the Canadian and American systems, showing it is possible to do better. Our paper is an important guide for Canadian policy-makers in a context in which provincial governments are desperately trying to revive their dysfunctional health care systems. Indeed, some of this publication's proposals found their way into the campaign platforms of certain political parties in Canada. Toward the end of May, our team published an Economic Note on the shortage of doctors in Quebec and ways the government could reduce its severity

and impact. In the short term, delegating some of doctors' exclusive tasks and responsibilities to other qualified health professionals would help reduce the impact of the shortage on the health care system and patients. Quebec has already delegated certain responsibilities to pharmacists and specialized nurse practitioners, but these remain quite limited. A less immediate solution, though a lasting one, would be to increase the number of new doctors being trained each year by eliminating medical school quotas.

A few weeks later, in June, a Note prepared by our team described how Quebec patients could benefit from better access to electronic health care data. In particular, by allowing researchers to access anonymized databases, patients could benefit from improved health care policies, and from the simplification of the process of developing new treatments.



In October and November, we launched a pair of publications on the issue of home care. The first looked at the fact that, when polled, Quebecers say they prefer to age in their own homes, rather than in a long-term care centre. For this reason, the government should prioritize the development of home care over institutional care when it comes time to prepare its budget. The second publication, for its part, presented European care models as examples to follow in order to develop home care services in Quebec and across Canada. These models allow patients to choose either institutional care or periodic cash payments to spend on care options as they see fit, including home care. The German model, notably, allows many seniors to spend their golden years at home, all while reducing government spending.



Also in November, we commissioned our annual survey polling Canadians' perceptions of their health care systems, paying special attention to Quebecers' opinions. Among our findings was the fact that dissatisfaction with Canada's health care systems has risen, with 49% of respondents saying they were dissatisfied. Over half of Canadians say they are open to more entrepreneurial involvement in health care, with fully 67% of Quebecers in favour. This openness can be seen notably when it comes to the idea of introducing mixed systems, similar to those in France and Sweden, which is favoured by nearly two in three Canadians.

ENERGY AND NATURAL RESOURCES



In March, our team launched a publication and a poll on the issue of energy in Quebec, amidst discussions of the oil and gas development ban proposed by the provincial government. The publication looked at the negative effects that banning energy development would have on the Quebec economy, with no guarantee that it would have any positive environmental consequences. Given that oil and gas remain an important part of Quebec's energy mix, and that the gradual replacement of coal with natural gas has clear environmental benefits, such a ban, we maintained, would be ill-advised. Our poll confirmed that many Quebecers are of the same opinion, with 52% preferring local oil over imported oil.

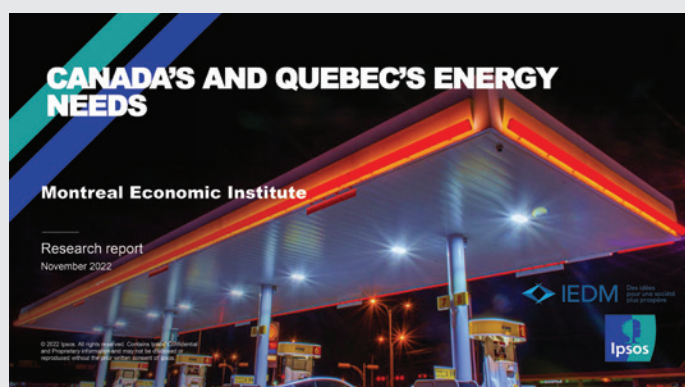


After having looked into energy issues in Quebec, our team published the results of a poll on Canada's energy strategy in April. In the wake of the invasion of Ukraine, we measured the support of Quebecers and all Canadians for the Canadian energy industry as an alternative to Russian gas for our European allies. Nearly three in four Canadians said they were in favour of exporting our energy resources to Europe in order to replace Russian gas. As for developing the necessary pipeline infrastructure to transport it, 68% of Canadians (including 54% of Quebecers) were in favour.

In June, our team delved into the eternal softwood lumber trade dispute between Canada and the United States, publishing an Economic Note on the topic. Backed with data, we showed that the American government's protectionist attitude cost the US economy a lot more than the Canadian economy, and that true free trade between our two countries would be mutually beneficial. This is because although there is a loss of revenue for Canadian softwood lumber producers, the higher price American consumers must pay because of their government's protectionism is very costly for the American economy, and holds back certain development projects. According to our calculations, tariffs on Canadian softwood lumber cost US consumers over 26 times more than they cost Canadian producers. Clearly, free trade is a win-win proposition.

ENERGY

In November, energy was a key theme, with an opinion poll and two publications related to this area. We first addressed the issue of capping emissions specifically for the oil and gas sector. Our researchers estimated that this federal government proposal, if it were adopted, would cost the Canadian economy between \$45 billion and \$80 billion a year, all while having a negligible effect on the climate. The reason for this is that the oil and gas not produced here would in all likelihood be produced in other parts of the world. We also measured pan-Canadian support, and more specifically the Quebec population's support, for energy exploration, development, and infrastructure projects in order to observe its change during the year. Unsurprisingly, in Quebec and across Canada, a majority of respondents remain in favour of using local resources and exporting them to international markets. And finally, we launched a study examining the factors that led to the nationalization of electricity in Quebec, which found that it was an unintended consequence of the electricity shortage in the nationalized Ontario market that raised prices in neighbouring parts of Quebec and fuelled the demand for nationalization here at the time.



In December, we responded to a shoddy report from the Natural Resources Defense Council—a powerful American environmental lobby group—that painted a misleadingly bleak picture of the environmental record of our forestry companies. To set the record straight, we presented official data showing that deforestation is not a Canadian phenomenon, that Canada's forests are sustainably managed, and that they are a net carbon sink, thus reducing the amount of CO₂ in the air.

MONETARY POLICY AND PUBLIC FINANCES



In March, the time of the year for budgets, our team launched two publications related to public finances and monetary policy in Canada. On the matter of public finances, our researchers looked at the Quebec budget and the rapid growth of spending over the past twenty years. If spending had grown at the inflation rate plus population growth between 2000 and 2021, it would have been an average of \$18.4 billion lower per year over this period. We also found that during this same period, spending growth was higher on average than revenue growth, revealing the presence of a structural problem in the government's finances. On the issue of monetary policy, we published a Research Paper on the unintended consequences of keeping interest rates very low for an extended period of time. We made six recommendations, notably regarding the need for greater fiscal discipline and for public policies favouring economic development in a context of rising interest rates and consequently larger debt service payments.

In September, we published an Economic Note explaining that the annualized Consumer Price Index rate—the indicator traditionally used to quantify the level of inflation—is a poorly adapted measure, since it only measures past events. As the inflation affecting households changes quickly, our researchers recommended the use of a forward-looking measure, rather than a backward-looking one, based on the most recent data. They explained that such a measure would have allowed us to detect our current inflation much more quickly, which would have allowed the central bank to modify its strategy sooner in order to avoid the steep price hikes of recent years.

In April, we examined the question of capital gains taxation and inflation. Our study showed the importance, especially in our current inflationary context, of taking the level of inflation into account when calculating capital gains for tax purposes. This method would stimulate investment by preventing, for instance, a real loss from being compounded by a tax bill to be paid on a nominal gain. This is how many tax systems work, notably in the United States and Israel.



FINANCES

Later in September, we published a Research Paper analyzing the effects of policy proposals suggesting taxing the most fortunate as the solution to all problems. Armed with data and past experience, our researchers showed that these populist policy proposals tend to backfire for the jurisdictions that introduce them. Whether it's raising income taxes on companies and individuals, increasing the capital gains inclusion rate, or levying wealth taxes, these proposals have been tested many times in other jurisdictions and ended up reducing revenues, economic growth, or investment, or some combination of the three.



In October, we published an opinion poll of Canadians' perceptions of the tax system. We found that more than seven in ten think individual income taxes are too high. The vast majority also recognize that proposals aiming to increase taxes on companies and the most fortunate run the risk of pushing them to leave, and bring their capital with them.

A few days later, we published a Note looking at the famous GAFA tax proposals—or taxes levied on digital services companies—which explained, drawing on the French experience, that these taxes are generally passed on to consumers in their entirety. We estimated that a 3% tax on the revenues of digital services firms would cost Canadian consumers over one billion dollars. Our team also explained that, far from penalizing the Web giants, such taxes on digital services would instead penalize many local companies of all sizes.

In November, we delved into the recent economic history of Quebec in order to evaluate the fiscal performance of Premiers since the end of WWII. The table contained in this publication shows the almost constant growth of the Quebec government's per capita spending, with a few pauses. This publication was a way to revisit and evaluate the fairness of the dominant narrative regarding austerity in recent years. What we found is that, while former Premier Philippe Couillard ranks second for his fiscal record, state spending per person, adjusted for inflation, did not go down during his years in power. We hope that the current government will follow in the footsteps of the Quebec premiers with the best fiscal records in its efforts to return to a balanced budget.

OUR FINANCIAL POSITION

The MEI's total revenues in 2022, excluding investment earnings, were **\$2,621,309**, which represents an increase of 4% compared to 2021. Total spending amounted to **\$2,945,219**, which represents an increase of 23% compared to 2021. Our operating deficit is **\$323,910, or 11%** of our total budget.

We also registered **\$272,367** of accounting losses related to the poor performance of our investments.



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