

# ANNUAL REPORT

2024



**MEI**

Ideas for a  
More Prosperous  
Society





research in an accessible format. In 2024, they looked at the problems of patients leaving ERs without being treated, and of young nurses leaving the profession before the age of 35. Our researchers shone a light on the negative impacts of the announced capital gains tax hike, and of the cancelled energy projects we've seen in recent years. And they criticized the federal law banning replacement workers, as well as the ill-advised government policies that conspire to keep housing supply limited and prices high.

The institute moreover launched its ambitious new Liberty & Leadership program to train the next generation of young leaders so they will better understand and appreciate the ideas that allow our societies to function and prosper. Daniel will tell you more about this exciting initiative in his Message from the President and CEO.

The MEI's ability to bring its rational, fact-based contributions to the public debate, and to carry out its educational mission more generally, depends on the generous philanthropic investments of our donors. I invite you to renew your support this year, so that we can help Canada rise to the occasion during this challenging period.

In closing, I would like to welcome two new members of our Board of Directors, Michael Kaumeyer, Vice Chair of Ultra-High-Net-Worth at Nicola Wealth, and Carl Vallée, Managing Director at Teneo. I also want

to thank for his service François Morin, a VP at First Hydrogen, who joins our Board of Governors, and I welcome Romel Dhalla, Managing Partner of Blumont Business Acquisition LP, who also joins our Board of Governors.

*Aéline Desmarais*

# MESSAGE FROM THE PRESIDENT AND CEO



It is the mission of the MEI to conduct rigorous policy research and to bring our rational, market-friendly voice to the public debate. Last year, we pursued this mission with gusto.

Indeed, we continued to promote the ideas that are dear to us, namely those of freedom and prosperity for all Canadians.

We do this notably through our media interventions, and 2024 was our best year ever in this regard, with over 12,000 media mentions of our work across the country!

This achievement was built on over 600 interactions with the media, including interviews, articles, and opinion pieces. These in turn were the result of our quality publications, as well as our ability to react quickly to breaking policy news and to be ready with incisive analysis when called upon to comment. Even more importantly, this shows to what extent the ideas that we defend remain relevant in the world today. I am very proud of the whole team for its dedication and hard work.

Our Founding President, Michel Kelly-Gagnon, continues to spearhead our fundraising efforts, which also hit a new milestone in 2024. Michel's diligent work, combined with the generosity of our donors, allows our organization not only to keep doing the important work we do, but also to expand our activities.

For one thing, we have now opened a third office, this one in our nation's capital. Having a physical presence in Ottawa reflects the increasingly pan-Canadian nature of our work, though the provinces of Quebec and Alberta still occupy a significant portion of our attention.

An even bigger part of our expansion last year involved the launch of our new Liberty + Leadership program, which aims to provide training and practical guidance to the next generation of young Canadian leaders. Through seminars, paid internships, and mentoring, participants learn about the workings of our democratic government and about the ideas and ideals of freedom that underpin our prosperity.

In the immediate term, graduates of our program will be better equipped to become effective leaders, whether in the world of politics or public service. This of course includes potentially working as political staffers, and we know that each new government is inevitably in need of bright, young individuals. In the longer term, our sincere hope and belief is that some of our most promising alumni will end up playing prominent roles in future governments in this country, both federally and provincially.

Meanwhile, we continue to take every opportunity to bring the results of our research directly to influential stakeholders and interested policymakers through our external relations efforts. We offer these

# DANIEL DUFORT

free advisory services to politicians of any stripe, whether in government or in opposition, who are open to listening to what we have to say on a given topic for which we have built up an expertise.

One of those topics that we focused on last year the increase in the capital gains inclusion rate. This tax hike on investment comes as Canada is faced with stagnating productivity, a problem that would only have gotten worse with this measure. Many middle-class Canadians would have seen their retirement plans undermined as well, whether they were counting on the proceeds from the sale of a rental property or a small business.

Thankfully, the increase, which had yet to be enacted in law, has just been postponed as I write these lines. The MEI can take its share of the credit for this welcome reversal, and we will keep hammering away at this topic in the hope that the ill-advised capital gains tax hike will be cancelled outright.

The state of health care in this country remains a top concern for the MEI, as Canadians continue to suffer needlessly from a lack of timely access. Other countries with universal coverage do a much better job than we do in this regard, and it is simply unconscionable that we are not emulating their proven best practices.

Among our health-related outputs last year was a publication highlighting how European-style non-

profit hospitals and activity-based funding could improve access to care here at home. Countries like Germany, France, and the Netherlands allow greater managerial autonomy in non-profit hospitals, letting health professionals tailor their care to the communities they serve, which has been shown to encourage excellence.

We also examined how a pan-Canadian public drug insurance monopoly—also known as pharmacare—would reduce coverage quality for a large number of Canadians while considerably increasing public spending. Since private drug insurance plans cover more treatments than governmental plans, some 21.5 million Canadians would likely see less extensive coverage. We argued that a better approach would be to target the small minority who are currently ineligible for coverage.

Quebec's lack of electricity for industrial projects is a drag on the province's development. Early in the year, we cheered the government's announced intention to allow the business-to-business sale of electricity. When Bill 69 was tabled in June, however, it only allowed renewable energy producers to sell electricity to a single consumer located next to their production facilities. This falls far short of what would be needed to begin to address Hydro-Québec's lack of generating capacity.



In this same context, we roundly criticized the Quebec government's announced ban on the use of conventional natural gas in residential, commercial, and institutional buildings by 2040—and on any natural gas, conventional or not, in new residential constructions as of 2026. These measures will place additional strain on the province's tight electricity supply.

We also kept pointing out the folly of capping GHG emissions specifically on Canada's oil and gas sector, on top of the country's other climate change policies. Every barrel of oil Ottawa keeps in the ground here will be replaced by a barrel of oil produced elsewhere in the world. Yet this ineffectual measure will lower Canadian GDP by an estimated one per cent by the year 2040, and cause the loss, or prevent the creation, of some 112,900 jobs in Canada.

Helping us do all of this work are three new staff members who joined our team in 2024. We hired a dynamic young woman, Kate Marland, to coordinate our new Liberty + Leadership program. Prior to joining the MEI, Kate worked as a lawyer in Ottawa, and was also the Senior Fellow and Project Manager of the Canada Strong and Free Network's Conservative Values Tomorrow mentorship program, where she developed a passion for identifying, organizing, and empowering young people to promote responsible government and individual freedom.

Samantha Dagues first joined the MEI team as an intern in January 2023 while completing her Juris Doctor degree at the University of Montreal. Now, as a communications manager, Samantha helps us craft our messages and disseminate them far and wide, and also keeps the team abreast of breaking news.

Finally, Conrad Eder is a graduate of our inaugural Liberty + Leadership seminar. Initially helping us with research on a freelance basis, we quickly brought him on board as a public policy analyst. With degrees in Economics and Economic Policy from Laurentian and Carleton Universities, Conrad joins Kate in our new Ottawa office.

Let me close by thanking all of the generous donors who support our essential research and educational mission. As our valued partners, you make it possible for the MEI's message of freedom and responsibility to be heard loud and clear from coast to coast.



# THE MEI'S INTERVENTIONS IN FIGURES

## MEDIA MENTIONS



27

Ad hoc press releases



88

Opinion pieces



27

Publications



2

Briefs



3

Surveys

## SOCIAL MEDIA FOLLOWERS

42,629



FACEBOOK  
33,205



X  
8,278



LINKEDIN  
1,146



Short videos published: 9



# KEY MEDIA INTERVENTIONS

## How to get 'working-class' voters to support Reagan-Thatcherism



*"At a recent Liberty and Leadership seminar sponsored by the Montreal Economic Institute, I heard former Harper policy adviser and current conservative ideas merchant Sean Speer grapple with the political puzzle of the age: how to enable conservative political parties that increasingly draw their support from "working-class" voters to implement the Reagan-Thatcher-style tax cuts and deregulation [...]."*

June 6, 2024

## L'État québécois est-il devenu trop gros



*« Gabriel Giguère, chercheur à l'Institut économique de Montréal, affirme qu'il aurait été plus rassuré si Québec avait engagé des employés qui livrent directement des services aux citoyens plutôt "qu'une armée de fonctionnaires dans les organismes et les ministères".*

March 27, 2024

## Comment l'administration Plante contribue à la hausse des prix du logement



*« Entre 2017, année de l'entrée en poste d'une administration Projet Montréal à l'hôtel de ville, et aujourd'hui, nous avons recensé 23 760 logements dont le développement a été entravé par les décisions prises à la mairie. »*

February 5, 2024

## Dear Ontario: Corporate subsidies aren't the path to prosperity



*"When governments spend billions on corporate handouts, there's a trade-off cost that most politicians never want to talk about. For all of the billions governments give away in corporate welfare payments, governments could instead be cutting taxes to attract businesses of all shapes and sizes."*

March 26, 2024

## We need faster, fairer assessments of major energy projects



*"More often than not, there is a trade-off between the economic benefits provided by a development project and its environmental costs. But it is economic growth that gives us the means and inclination to better deal with environmental degradation and ultimately even reverse it. In short, the richer we are, the easier it becomes to protect the environment."*

March 6, 2024

## Rétention du personnel infirmier: le Québec est l'exemple «à ne pas suivre», selon une étude



*« La décision du gouvernement du Québec d'interdire au système public de faire appel à des infirmières indépendantes en agence «ne fera qu'aggraver la situation» selon l'IEDM, qui estime que les autres provinces «ne devraient pas suivre l'exemple du Québec, et devraient plutôt faire tout le contraire». »*

September 24, 2024

# EXTERNAL RELATIONS

Thanks to the quality of its publications and the relevance of its interventions, the MEI's conclusions are frequently cited by politicians, and our spokespersons are called upon to comment on legislative efforts. Here are certain citations and key interventions from the past year.

In 2023, our Founding President, Michel Kelly-Gagnon, was asked to join a panel of experts set up by the Alberta government in order to review the provincial government's decisions during the public health emergency associated with the COVID-19 pandemic and to propose recommendations designed to better protect the rights of the population. This work was conducted throughout the year and produced some concrete results, leading to the modification of certain laws, as will be explained later on in this section.

In January 2024, Conservative Party leader Pierre Poilievre cited the MEI in a short documentary on the unaffordability of housing in Canada, and its causes. The publication cited emphasized the role of Montreal's municipal administration in the lack of housing supply. Our researchers had identified construction projects totalling nearly 25,000 housing units in Montreal that had been obstructed by the decisions of elected municipal officials.

In April, two MEI employees were called upon to testify before the Standing Committee on Finance of the House of Commons concerning the bill to implement the measures announced in the fall economic update. We took the opportunity to warn the MPs about the harmful effects of the increase in the capital gains inclusion rate, announced a few days earlier as part of the 2024 federal budget.

In May, we testified before the House of Commons Standing Committee on Environment and Sustainable Development regarding the risks of forcing publicly listed companies to publish ESG (environmental, social, and governance) reports. We explained that this measure would harm small and medium-sized companies, whether publicly listed or not, as it would have the effect of indirectly imposing such requirements on all companies integrated into the complex supply chains of large companies.

In June, Senator Elizabeth Marshall cited the MEI's annual healthcare poll, emphasizing the fact that fewer than half of Canadians are satisfied with their provincial healthcare system, and more than half of the population is in favour of letting independent entrepreneurs help restore access to healthcare.

In August, Senator Julie G. Seidman cited an MEI publication in order to inform her colleagues about the problems that would arise from the imposition of a federal drug insurance monopoly. Our research showed that all across the country, private plans cover a greater number of drugs than public plans do. By gradually imposing a federal government monopoly over more and more categories of drugs, the government would risk reducing the quality of the coverage currently enjoyed by over 20 million Canadians with more generous private plans.

Finally, in December, the Alberta government adopted Bill 24 and Bill 27, implementing better protection for property rights, individual freedom, and access to education during emergencies. These measures stem directly from recommendations formulated by the panel for governance in times of health emergencies, in which our Founding President, Michel Kelly-Gagnon, participated the year before.



# LIBERTY + LEADERSHIP

SEMINAR

- APPLICATIONS RECEIVED: 120
- 2024 SEMINAR PARTICIPANTS: 40
- 2024 INTERNS: 8
- 2024 MENTEES: 6

POWERED BY:  MEI Ideas for a More Prosperous Society

In 2024, we worked to launch our Liberty + Leadership Program. This is an initiative we developed to cultivate the next generation of leaders who are passionate about responsible government, sound economics, and individual freedoms.

The Liberty + Leadership Program is built on three pillars: an annual seminar, internships, and a mentorship program. Each pillar plays a crucial role in identifying top talent and equipping participants with the knowledge, skills, and connections they need to become effective future leaders.

Between May 26-31, 2024, we proudly hosted our inaugural Liberty + Leadership Seminar in Montreal. We received over 110 applications and selected 40 participants from coast to coast for the seminar, including a majority of women. Over half of the participants received funding support to subsidize their travel costs, and the MEI provided meals and accommodation free of charge for all participants. A clear majority of the participants indicated a strong interest in working in politics in the future. Our cohort was primarily made up of students, but also included

early-career professionals working in consulting, politics, and think tanks.

The first edition of our seminar featured a curriculum rooted in first principles of classical liberalism, delivered by a diverse faculty of world-class academics, politicians, activists, and media figures.

These speakers delivered a variety of sessions dedicated to emphasizing the importance of civil liberties and individual autonomy, the widespread benefits of private property and free markets, and the critical role of a constitutionally limited democratic government with broadly defined civic values. In the words of one participant, the seminar inspired her “to see school as exciting once again” as she “truly enjoyed every lecture, and felt engaged and energized.”

In order to create a comprehensive talent development pipeline, we identified several promising participants from the seminar who were paired with paid internships in the fall. Of these promising participants, the top six were selected for our structured mentorship program and matched with interested and engaged mentors





**90%**

**NUMBER OF ATTENDEES WHO SAID ATTENDING THE SEMINAR EXPANDED THEIR NETWORK**



**100%**

**NUMBER OF ATTENDEES WHO WOULD RECOMMEND ATTENDING THE SEMINAR TO A FRIEND**

well positioned to help develop their leadership skills, provide career advice, and assist them in making the key strategic connections that are critical to sustained success.

We are proud to say that our participants are deeply involved in the political landscape across Canada. Currently, four of our participants are working as staffers on Parliament Hill. With provincial elections across the country in the fall, we were thrilled to see the involvement of over 70% of our participants in on-the-ground efforts to have an impact on civic society by volunteering for various campaigns.

In order to ensure that we are identifying and recruiting Canada's top young talent, we undertook a cross-country tour in the fall of 2024, hosting and attending over 20 events in Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia, where we connected with over 200 students and young professionals. We are thrilled to report high levels of enthusiasm for this program, and we are looking forward to continuing to develop our network in 2025.



# 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 2024. Here, then, grouped thematically, are the main publications that helped advance the mission of the Institute last year.





# ENERGY AND NATURAL RESOURCES

We were pleased by the Quebec government's announcement at the beginning of 2024 that it intended to allow the business-to-business sale of electricity, as we had recommended the previous year in a brief we submitted as part of a public consultation on the province's energy future. By allowing independent electricity producers to lend a hand, Hydro-Québec's lack of power for industrial projects would be less of a drag on the province's development.

The scope of Bill 69, tabled by the government in June, is rather more limited, however. There was some welcome news, in that the production ceiling for independent dams supplying the Crown corporation will be increased from 50 megawatts to 100 megawatts, in line with our recommendations. As for independent energy producers supplying other businesses, though, they will be allowed to sell electricity only to a single consumer situated on land adjacent to their production facilities. This unnecessarily limits the potential contribution of such producers.

In September, we released a study showing how the federal government's intervention to protect certain herds of caribou in Quebec would entail major economic costs for several rural regions, both in terms of job losses and reductions of economic activity in the forestry sector. In order to protect three herds totalling just 265 animals—a small fraction of the province's boreal woodland caribou population—the proposed federal decree would reduce GDP by over \$175 million and put almost 2,000 Quebecers out of work. As of early 2025, the federal government had yet to intervene, with Quebec still opposing the decree.

Our annual energy-related opinion poll, which we released in October, found among other things that seven in 10 Canadians are concerned about the negative impact of cancelled energy projects on Canadian jobs. Slightly more than three in four (76 per cent) say the federal government's environmental impact assessment process takes too long. As for the electrification of transportation, more than half of Canadians are against the federal mandate forcing all new cars sold in Canada to be electric

by 2035. Meanwhile, 66 per cent consider that plan “unrealistic.” The poll also showed that 73 per cent of Canadians, including fully 64 per cent of Quebecers, agreed with the idea of further developing energy corridors in Canada—and that was before the threat of U.S. tariffs generated a swell of patriotism and pragmatism when it comes to energy matters.

In November, we reacted to newly published federal regulations capping GHG emissions in the energy industry, which will cost Canadian workers dearly while having a negligible effect on the environment. Our news release pointed out that the federal government has no control over global oil demand, which means that limiting oil production here will only redirect that demand to other countries. One study estimates that by 2040, these new regulations will lower Canada’s GDP by one per cent, a \$34.5-billion drop in constant 2017 dollars, and cost us 112,900 jobs. These are well-paid jobs, moreover, with workers in oil and gas extraction, for instance, earning almost 2.4 times the Canadian average.

Later the same month, we came out against the Quebec government’s announcement curtailing the use of natural gas in the province. The ban on the use of conventional natural gas in residential, commercial, and institutional buildings by 2040, and on the installation of all gas heaters in new residential

constructions as of 2026, comes as Quebec is facing an electricity shortage. Indeed, as recently as 2023, Hydro-Québec itself asserted that it would have difficulty meeting demand if new buildings could not heat with natural gas.

Finally, we prepared a research paper in the fall—released in early January 2025 for strategic reasons—proposing reforms to accelerate project approvals in order to strengthen investor confidence and allow for the responsible development of the Canadian oil and gas sector. Canada’s regulatory environment is so onerous and uncertain that the country has developed a reputation as a jurisdiction where major projects simply cannot get built. Measures that are hostile to large projects, such as the Impact Assessment Act, are the reason why we’re missing out on tens of billions of dollars of potential investment in our economy, and failing to show up for our allies around the world who are clamouring for Canadian energy.







# HEALTH CARE

Our first health-related publication of the year reiterated some key elements essential to the success of the Quebec government's promised independent mini-hospitals project: activity-based funding, proper emergency rooms and operating rooms, and independent administration. Our 2024 healthcare poll, released in early April, found 73 per cent of Quebecers in favour of this project, versus just 17 per cent opposed. More generally, half of Canadians are dissatisfied with their provincial health care systems, including two-thirds in the Atlantic provinces.

Another study we published in the first part of the year showed that ER wait times in Quebec are stagnating, highlighting the need to modify the incentives of administrators in order to encourage innovation and efficiency gains. We also examined how a countrywide public drug insurance monopoly would reduce coverage quality for a large number of Canadians and considerably increase public spending. A better approach, we suggested, would be emulating Quebec's mixed public and private system, which offers default coverage to all Quebecers.

Two publications in the spring focused on Alberta's healthcare system. The first suggested that the province embrace activity-based funding, whereby patients are viewed as a source of revenue, not merely as a cost. This model has significantly improved hospital performance in Australia, and is beginning to be adopted in Quebec. The second study sang Alberta's praises for paving the way on pharmacist-led clinics, which can help patients get timely access to primary care, especially when pharmacists enjoy full scope of practice.

In the summer, we released a study showing that more patients are leaving Quebec ERs without being treated, and more of them are leaving with urgent health problems. We also pushed back, with prominently placed opinion pieces, against the federal government's attack on telemedicine, warning that federal interference would cut a vital lifeline of care. And we released a publication highlighting how more autonomous European-style non-profit hospitals and activity-based funding, as seen in Germany, France, and the Netherlands, lead to faster care and better patient outcomes.

September saw one of our most ambitious launches to date, with the release of a pan-Canadian report on which provinces struggle the most to keep young nurses. Our research found that for every 100 new nurses getting their license in Canada, 40 nurses below the age of 35 choose not to renew theirs. The communications department distributed tailored news releases containing figures from each province. This study received widespread coverage in both official languages and all across the country, garnering over 1,000 mentions in print, online, and broadcast media articles, including 44 interviews conducted by our researchers and spokespersons.

Also in September, the MEI partnered with SecondStreet.org and the Canadian Constitution Foundation to host a one-day health care forum in Vancouver, entitled “Prescriptions for Health Reform.” This event focused on examining policies that would improve health outcomes for patients in Canada. We also co-published a study with SecondStreet.org showing how a streamlined system in which Canadian patients can seek out medically-elective services abroad would help reduce wait times and give patients more choices.

Later in the fall, we released a research paper examining Canada’s primary care system, and what it can learn from our better-performing peers in Germany and the Netherlands. We found that the lack of access to primary care practitioners such as family doctors was responsible for over 960,000 emergency room visits across the country in a single year, as Canadians turn to their local hospitals to get the non-urgent care they have difficulty accessing otherwise.

Finally, we released a study in December on the importance of the “exceptional patient measure” amid concerns that it may be subject to budgetary cuts. This little-known mechanism serves as a safety valve for patients with no other options, allowing Quebec doctors to prescribe medications approved by Health Canada but not yet covered under the RAMQ. We also publicly criticized the Health Minister’s ill-advised plan to force doctors trained in Quebec to work exclusively in the public system for

five years upon graduating. Without addressing the underlying problems, such a punitive policy will not provide a long-term solution to our chronic retention issues.

As the year drew to a close, we were extremely pleased to learn that the Alberta government adopted Bill 24, the Alberta Bill of Rights Amendment Act, which implements several of the key amendments we recommended in our contribution to the Public Health Emergencies Governance Review Panel Report. With the adoption of this law, the rights of Albertans will be better protected in the event of a future crisis like the COVID-19 pandemic. This represents a historic gain for the MEI.





# PUBLIC FINANCES

In January, we launched an Economic Note proposing to reset the income tax calculator to zero for Canadians holding a second job. This measure would help a growing number of workers who, to make ends meet, need more than one job, at the cost of time spent with their families. Thanks to this measure, a larger share of the income earned at a second job would remain in these taxpayers' pockets, as they would be subject to a lower marginal tax rate.

Also in January, we published a Viewpoint illustrating the explosive growth of the federal civil service under the Trudeau government. Our researchers showed that under his leadership, the federal public administration came to employ 25 per cent more civil servants per 1,000 inhabitants than before. This is the largest growth in the public administration since the election of Brian Mulroney in 1984.

In February, an MEI study analyzed the effects of the Ralph Klein government's reforms in the 1990s on social mobility in Alberta. These reforms reduced the weight of both taxation and regulation on the economy. Our researchers observed that thanks to these measures, the incomes of the poorest

10 per cent of Albertans grew 73 percentage points faster over five years than they would have grown otherwise.

Still in February, our team reacted to the Alberta budget, lauding the government's prudent approach of allocating budget surpluses to the Heritage Fund, which aims to reduce the weight of the public debt.

In March, an MEI Viewpoint calculated the effects that the wage increases granted to provincial government employees had on Quebec's public finances. We showed that these represented a \$2.8-billion increase in recurring expenditures and would jeopardize the return to budgetary balance. This publication served as the basis of our press release reacting to the tabling of the Quebec budget.

In April, we also reacted to the federal budget and the increase in the capital gains inclusion rate. We followed this up a few weeks later, in May, with a study explaining that this increase in the inclusion rate would have a negative effect on entrepreneurship and venture capital investment in Canada.



Also in May, we published an Economic Note analyzing the effect of greater economic freedom on poverty reduction. We found that if Quebec's level of economic freedom had been comparable to Alberta's, nearly 140,000 Quebecers could have avoided living through episodes of poverty between 2013 and 2020, and the proportion of persistent episodes of poverty, namely those lasting eight years or more, would have been 50 per cent lower.

In July, we published our annual taxation and public finances poll. We found that nearly two in three Canadians think the federal government spends too much, while seven in 10 think their taxes are too high. A key point emerged from this analysis, namely that 73 per cent of Canadians recognize that the increase in the capital gains inclusion rate would affect the middle class.

In August, the MEI team responded to two studies on the matter of the capital gains tax. The first, published by the Parliamentary Budget Officer, showed that the planned increase would generate less revenue than initially estimated by the federal government. Our team took the opportunity to reiterate that such a measure would undermine business investment and personal savings, notably hurting the middle class. The second study, published by IRIS and the Centre for Future Work, presented an incomplete picture of the effects of this reform, claiming that the middle class would not be affected. Our researchers showed, however, that the vast majority of taxpayers who declare exceptional capital gains do so just once, often when selling a major asset like a cottage, for example, and that this hike would therefore have a direct effect on the savings of many in the middle class.

In October, we published a Research Paper on the connections between economic freedom and social mobility. Our study shows that a high level of economic freedom favours greater social mobility by providing people with better opportunities to improve their lot and favouring economic growth, which tends to improve the lives of the least fortunate. Looking at the case of Quebec, our researchers showed that if the province had exhibited a level of mobility

comparable to Alberta's, 25,400 more Quebecers could have climbed out of poverty and into the middle class, or beyond, from 2016 to 2020.

In November, a Viewpoint looking at Quebec's Quiet Revolution showed that it had little significant positive effect on Quebecers' living standards. Between 1960 and 1975, the only measurable effects that could be attributed to the expansion of government were an increase of 40 days to average life expectancy and an increase of nearly a year in the average number of years of schooling. On the other hand, the growth in government spending led to a permanent increase of 4.7 percentage points of GDP being gobbled up by government.

The economic updates presented by Quebec and Ottawa toward the end of the year gave our team yet more opportunities to reiterate the loss of control in the management of public finances and the importance of a return to budgetary balance.





# CURRENT AFFAIRS

In February, our team reacted to the tabling of Quebec's Bill 51 proposing a slight decompartmentalization of the 25 construction trades recognized in the province. We stated that this was a step in the right direction, but that the approach was too timid considering the lack of workers in the industry and the ongoing shortage of housing. This response served as the basis for the preparation of a Viewpoint published in March, showing that Quebec is the province with the highest number of regulated construction trades, including 13 of them that are unique to the province. Our researchers explained that this lack of versatility hurts the industry, as well as its workers, and recommended eliminating mandatory certification for those trades that are regulated only in Quebec.

In early June, we looked at Bill C-58, prohibiting the use of replacement workers for federally regulated industries. We showed that such laws are the exception and not the norm in Canada, as only the provinces of Quebec and British Columbia have adopted them. We also found that wherever such laws do exist, work stoppages are longer and more

frequent, and investment in productivity tends to suffer in the long run.

Still in June, our team looked into the question of non-market housing units—long a topic of debate in Montreal—in order to counter the myth that the problem of unaffordable housing is due not to a lack of supply, but to insufficient government intervention. We showed that Montreal has many non-market governmental housing units, and they are in deplorable condition. Our researchers pointed out that among the more than 20,000 units managed by the Office municipal d'habitation de Montréal, nearly four out of five are considered to be in poor or very poor condition. We repeated that the best way to bring prices down is to let developers increase supply by building new units.

In July, we pushed this reasoning further with the publication of a Viewpoint showing how the growth of regulation directly contributed to the increase in housing prices in Montreal. By using the regulation index developed by the Canada Mortgage and Housing Corporation, we demonstrated that there is a direct relation between the weight of regulation





Alberta, and Saskatchewan, these provinces have yet to fully open their markets to products coming from elsewhere in the country. By using the example of Canadian wine, beer, and spirits, we illustrated the beneficial effects that the development of new domestic markets could have for Canadian companies subject to these trade restrictions.

and the level of housing prices relative to residents' incomes. Our researchers explained that regulation has the effect of reducing the flexibility of supply and raising the price of new housing by reducing the overall profitability of new construction.

In August, our team responded favourably to the publication of the Quebec Housing Strategy, which rightly targets the role played by regulation and the bureaucratic maze in making housing unaffordable. This plan, which projects the construction of 560,000 new homes in the province by 2034, would increase the present rate of housing starts by almost 20 per cent.

And in November, we published a Viewpoint on the interprovincial trade in alcohol, looking specifically at direct sales of alcoholic beverages to consumers across provincial lines. At the moment, only Manitoba allows its residents to purchase wine, beer, and spirits online directly from manufacturers located in other provinces. While some reciprocal agreements exist for certain types of products in British Columbia,





# A STRONG FINANCIAL POSITION

It was a record year for the MEI in terms of fundraising, with \$3.43 million raised. This testifies to the quality of the Institute's work and to its relevance in the promotion of ideas likely to increase our prosperity. The MEI thus has a solid foundation upon which to pursue its growth and magnify the impact of its economic education projects.

In 2024, the MEI succeeded in deploying its funds optimally, maximizing their reach. The importance of the issues we address and the enthusiasm for our outputs were such that we actually spent more than the funds we raised, leading to an operating deficit of \$137,680.

Fortunately, the returns from our current reserve and our endowment fund allowed us to cover these additional expenses, and we ended the year with a budget surplus. In sum, the MEI's total revenues, including investment income, amounted to \$3,881,420, while total expenses were \$3,564,242.

We are maintaining our goal of having sufficient reserves to cover one complete year of activities, in accordance with best practices for think tanks. This reserve is currently \$3,362,745, representing a little over 11 months of operations. This reflects the significant growth of the organization over the past two years.

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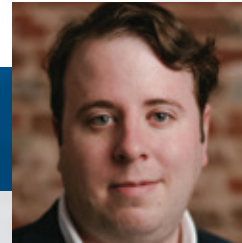
Yves Rabeau

Maureen Sabia

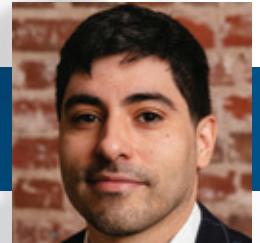
Guy Tremblay



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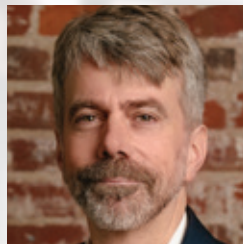
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ADMINISTRATIVE  
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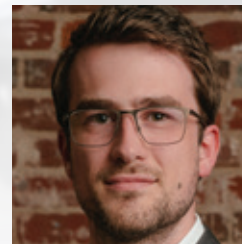
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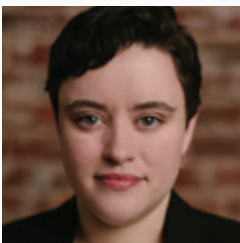
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**CONRAD EDER**  
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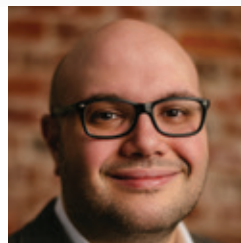
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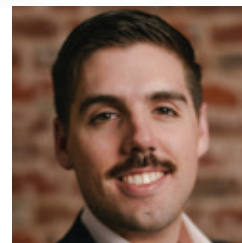
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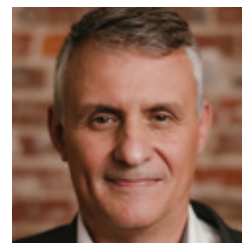
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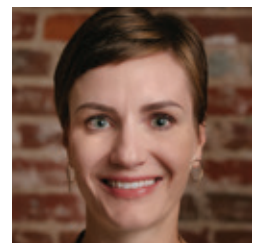
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