

# Intelligence MEMOS



To: Our Faithful Readers

Date: January 2, 2025

Re: INTELLIGENCE MEMOS: 2024 IN REVIEW

Intelligence memos are a key way C.D. Howe Institute researchers share their insights about current events.

And 2024 had no shortage of material: Canada's healthcare struggles, the Bank of Canada's inflation fight, a host of questionable fiscal policies from Ottawa and the provinces, and, of course, the return of Donald Trump.

Here's a sampler of the year.

## Fiscal and Tax Policy

John Lester and Alexandre Laurin – [The Federal Debt is Not Sustainable](#): Three ways federal GDP ratio projections are implausible.

Munir A. Sheikh – [Cure for the Public Debt Pandemic: An Economic-Principles-Based Fiscal Anchor](#): It is time for a fiscal anchor rooted in economics.

Jack Mintz – [Let's Abandon Vacant Property Taxes](#): Some politicians believe underused property is an economic dead weight. That's hogwash.

William B.P. Robson and Don Drummond – [Junk Fiscal Policy Can Cost More than Mere Billions](#): Canadian governments are loud and zealous about protecting us from potentially addictive stuff that could hurt our physical and mental health. Yet they push fiscal junk.

## Monetary Policy

Jeremy M. Kronick, Steve Ambler and Mawakina Bafale – [New Tools to Analyze the Real Economy](#): A key part of the Institute's new Centre on Financial and Monetary Policy is a set of unique data that offers insights not necessarily available with other publicly (or for policymakers, privately) available data.

Jeremy M. Kronick and Steve Ambler – [Bank's Big Rate Cut an Exercise in Risk Management](#) – The Bank of Canada's 50-point cut in December was a tough call, but the right one. And more is likely coming.

## Financial Services

Bourque and Caracciolo – [How to Improve Financial Regulation. Pruning Would Help](#): Regulation is an important part of Canada's financial landscape. And to ensure the rules support an efficient and effective financial regulatory framework, regulators need to be "constant gardeners."

Mark Zelmer – [Change is Afoot. Prudential Regulation Must Change](#): Canada has not had a bank failure in over 30 years. But banking is changing, and so prudential regulation of deposit-taking institutions may need to change, too.

## Trade and International Policy

Lawrence Herman – [Preserving Brian Mulroney's Free Trade Legacy](#): Three decades after the Mulroney government's achievements, at least two overarching trade differences with the Americans are percolating.

Chris Christie – [Canada Should Embrace the Opportunities of a Second Trump Presidency](#): A second Donald Trump presidency, if approached strategically, offers Canada more opportunities than risks.

## Innovation and Business Growth

John Lester – [Rethinking How We Support R&D](#): Ottawa is considering reforms to its scientific research and experimental development support program. Its review should recognize some realities.

Brian Lewis and Damian Dupuy – [Nostalgia Should Not Drive Ontario's Economic Development Policy](#): The province needs to move past the nostalgic view of the manufacturing sector in its subsidies, and instead focus on an economy based on innovation and advanced technologies.

## Demographics and Immigration

Mikal Skuterud and Parisa Mahboubi – [Shrinking Canada's NPR Population: How Best to Do It](#): As Canada recalibrates its immigration policy, it must do a delicate balancing act between reducing the non-permanent resident population and doing it soundly, effectively, and sustainably.

Henry Lotin – [Ottawa has No Process to Determine Skills for Half all Migrants](#): Without accurate information on new arrivals' skills, we cannot effectively gauge whether they are matched with employment opportunities.

## Health Policy

Chris Bonnett – [Aspiration and Ambiguity. That's the Pharmacare Story](#): The transition to a national, universal, and comprehensive pharmacare plan may be a little closer now, but more likely it is a long way off, if it happens at all.

Rosalie Wyonch – [Ozempic: Economic Ripple Effects, Equity and Side Effects: The surge in demand for Ozempic \(and other GLP-1 medications\) has implications for healthcare's future, creating opportunities for complementary products and services and disrupting other markets.](#)

## Energy and Natural Resources

# Intelligence MEMOS



Charles DeLand – [Let Consumers Lead the Way on Green Vehicles and Heat Pumps](#): Historically, consumers drove energy transitions. The same will be true for EVs and heat pumps: If they are better choices, people will choose them.

Charles DeLand – [Inhibiting Investment: Don't Let the Oil and Gas Emissions Cap Limit Canada's Prosperity](#): Ottawa's latest climate initiative – a cap on oil and gas emissions – is like bringing an excavator to plant flowers. It's unnecessary, expensive, and likely to do more harm than good.

## Public Governance and Accountability

Michael J. Trebilcock – [Cracking Canada's Policy Silos](#): In the absence of institutional innovations, we are not optimistic that Canada's deteriorating performance in many key policy areas can be effectively redressed.

Peter Weltman – [What Our Winter Tires and Infrastructure Have in Common](#): We know that maintaining assets in a state of good repair is critical for reliability. But with so many unknown variables about the future do governments need to add to their long-term budget outlook?

Michael Wernick – [Unlocking Productivity in the Public Sector: Focusing on Internal Services](#): It is difficult to have a wide-ranging, national conversation about having a more productive economy without touching upon the public sector's role and its efficiency. Here's how to measure it.

*To send a comment or leave feedback, email us at [blog@cdhowe.org](mailto:blog@cdhowe.org).*