

WHY GOOD PUBLIC POLICY MATTERS

An address by
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Thank you Neuczki Mathurin for your generous introduction and for presenting me with this Award. Armed with a Masters in Public Policy from the University of Calgary School of Public Policy, I have no doubt that you have a promising and exciting future ahead of you!

Danielle Smith, what a pleasure to share this evening with you. You have travelled the highways and byways of public policy throughout your political career here in Alberta. No one should be surprised that your voice and opinions can be heard prominently on television and radio. An interest in public policy early in life stays with you for a lifetime.

And Professor Pierre-Gelier Forest, thank you for reaching out to me. I know how privileged you feel that you are the Director of Canada's pre-eminent, university-based school of public policy. I commend you and your colleagues for the outstanding work you do.

Frank Graves, who lives in my neighbourhood in Ottawa, it is a pleasure to see you. Congratulations on your Honourary Fellowship award.

It's terrific to be in Calgary – a city I know well and where I cherish long-standing friendships. Peter Lougheed was a special friend and mentor to me. He introduced me to the soul of the province. And I also see in the audience my great pal Ron Mannix with whom I have shared many wonderful life experiences. Over the years, Ron has been one of Canada's most fervent supporters of sound public policy initiatives. I also see my old friend Dick Haskayne, one of Alberta's most admired business leaders and philanthropists.

My first meeting with Peter Lougheed got off to a frosty start. I was pitching him on a plan to remedy the damage done by the National Energy Plan. You'll remember the language of the day – "let those eastern bastards freeze in the dark". The Premier looked at me with a hint of suspicion and asked "Why should I trust an easterner?" He was startled when I replied with a bit of cheek, "Premier, where I grew up over the mountains in British Columbia, to us, Albertans are easterners." The ice melted! And in short order, the Business Council on National Issues launched a six month policy study involving some thirty chief executives with the direct involvement of Premiers Lougheed and Davis and federal Minister of Energy, Jean Chrétien. This bold public policy initiative proved to be a success.

Alberta is a special place to me for another reason. Just shy of 100 years ago, my father left his career and family in his native Italy to escape the dark shadow of Fascist dictatorship. His first job and first winter was in Alberta. Were it not for his brave voyage and that of my mother who followed, I would not be here tonight.

Ladies and gentlemen, thank you for coming out tonight. While I see many friends and acquaintances in the room, I know it's mostly due to the immense drawing power of Nancy Southern who is being honoured here along with me. I have had the pleasure of knowing Nancy and her family for many years. Nancy and I shared experiences on the Canadian Council of Chief Executives where her seasoned business acumen always commanded respect. I first met her father Ron and mother Marg, who I am delighted is with us this evening, in connection with Spruce Meadows - the world class centre of excellence that proudly sits not far from here. The Southern family's contributions to Alberta, to Canada and the world are the stuff of legend.

I have followed the work of the University of Calgary School of Public Policy with great interest since its beginnings in 2008. Its founder, Jack Mintz, is an old friend and fellow collaborator - and over the years we have worked closely on public policy issues touching taxation, fiscal policy, trade and North American relations. I first discovered how smart he was when my wife Susan, who is with me tonight, served alongside Jack at the federal Department of Finance.

In PG Forest, The School of Public Policy is fortunate to have a worthy successor to Jack. PG, I salute your creative and energetic leadership!

I have been a public policy activist and innovator for the past fifty years. Beyond the halls of academe, I first cut my teeth on public policy issues in the late 1960s when I served for close to four years as a special assistant to Prime Minister Pierre Trudeau.

There I saw first-hand how challenging it is to develop sound public policy in a vast country such as ours with multiple jurisdictions and complex and differing interests.

Three decades as the Chief Executive of Canada's CEO and entrepreneur - based business association...first known as the Business Council on National Issues, subsequently as the Canadian Council of Chief Executives and now the Business Council of Canada, offered an unparalleled journey into the public policy domain. Along this journey, I had the privilege of working with over 1,500 chief executives and entrepreneurs, seven prime ministers, and scores of other leaders both within Canada and abroad.

As a student and practitioner of public policy, what is it that stood out during my travels?

First, it is clear to me that good public policy is **the** cornerstone to a society's and a country's progress. It is the catalyst for fresh thinking - what today we call innovation. Good public policy helps generate an educated workforce, good jobs, fiscally responsible economic growth, equality of opportunity, sound health, a clean environment and public security.

I believe that good public policy germinates only where the rule of law is respected, where politicians are genuinely dedicated to the public good, where strong values count, where destructive partisanship is kept in check.

Tragically, these principles are now under heavy assault in a number of democratic countries...most disturbingly in the land of our closest friend and ally, the United States. Not so, at least not yet, in Canada. But we must be vigilant. And remember always that a well-governed, law-abiding country is our greatest competitive advantage in a troubled world.

Good public policy, my friends, cannot be created on the fly, and most certainly not in storms of Twitter bursts. It requires knowledge and hard work. It often requires arduous research. It requires collaboration. It requires consultation. To be credible, it must be evidence-based.

The role of governments as incubators of good public policy is seminal. The best results usually come about when governments can count on a professional, non-partisan public service. I have worked closely with public servants over the past five decades - serving both at home and abroad. Many of them are the smartest people I have known. I am married to one of them.

Which reminds me of an anecdote. It was when Paul Martin was Minister of Finance and my wife Susan was a senior official in the department where she served five finance ministers over a sixteen year period. He reacted very badly to my public call for a \$100 billion tax cut. A call late at night from an exasperated Minister told me that this was nothing short of outrageous and simply unattainable.

When I argued the contrary, he burst out saying “If you don’t understand the arithmetic of budget making, have Susan explain it to you!”

The reality is, of course, that governments are nonetheless prone to mistakes – serious ones at times – as we all know. This reality underscores the vital role of other contributors to public policy – our universities, our think tanks, our business and community organizations – and gifted individuals. And I have to mention the transformative role that social media now plays in providing a platform for the exchange of ideas.

Let me say that advocating good public policy often takes - not just incredible perseverance – but real courage. How often have I heard – it will never fly, it’s too radical, people won’t buy it.

Possibly due to a masochistic streak somewhere in my character, this never deterred me. When in the company of my fellow CEOs, we led the private-sector charge for free trade with the United States, I was on the receiving end of death threats, I was burned in effigy, a truck load of cow dung was dumped on my driveway. And my offices were occupied by masked protesters. But we pressed on and victory was ultimately achieved.

I vividly recall similarly tough times around our advocacy for eradicating public deficits, establishing the GST, and pushing back hard on attempts by separatists to break up our country.

And then there was the so-called “d’Aquino tax” put in place by the Mulroney Government. When Prime Minister Mulroney finally decided to tackle the deficit, he did not spare the public pensions of low-income seniors. I said without hesitation that this was a mistake – deficit reduction should not be fought on the backs of low-income seniors. In the face of this and a famous televised encounter that the Prime Minister Mulroney had with a feisty older woman, he retreated. You may recall that this was known as the “de-indexing” affair.

What you have probably mercifully forgotten – or never knew - is that the corporate tax increase that the Prime Minister then put in place to compensate for lost revenue from his retreat was known in inner circles as the “d’Aquino tax”. Despite our differences, in later years I described Prime Minister Mulroney as one of our most accomplished leaders. Today, we are friends.

The School of Public Policy has itself taken on some sensitive priorities and ensured that your recommendations have travelled from the research desk to the streets. I commend you for this. Keep it up.

Let me conclude my remarks by offering you some thoughts on what to my mind are some of the central public policy questions that confront us as Canadians as we look to the future and seek solutions.

The challenge here, as always, is to be ahead of the curve – to know where the puck is going to be, not where it is at the moment.

1. At the top of my list, how can we best take advantage of the breath-taking opportunities of Artificial Intelligence while crafting sensible and timely public policies to cope with the profound impacts on jobs and existing economic models?
2. How can we build a strong national consensus in support of the responsible development of our country's massive natural resource endowments – including hydrocarbons and pipelines – for the benefit of Canada and the world?
3. Canadian competitiveness is in decline. What can be done about it? We must urgently break out of the shackles that are stifling our potential – a deteriorating fiscal position, a chill on investment, misaligned tax policy, oppressive regulation, and the failure to build vital infrastructure. Let us again seize the challenge I put forward some decades ago at the Business Council when Canada faced a serious competitiveness decline – *“Let’s make Canada the best country in the world in which to live, to work, to invest, and to grow.”*
4. Having been shaken by the unimagined experience of a hostile US presidency hell-bent on punishing Canada with tariffs and treating our exports as a security risk, what do we do now? Answer – we do not give up on the US market – far from it. We must continue to fight for our share of the most important market in the world. Trade diversification - now being wisely pursued by Ottawa – is a good insurance policy. How do we make it happen? Without a much more strategic buy-in by Canadian businesses, progress on this front will be negligible.
5. Demographic-driven health care costs are coming at us like a run-away freight train. How do we respond? Technology will help meet our needs, but how quickly can we mobilize to meet the challenge?
6. In the debate about environmental sustainability and economic growth, the two sides are on a collision course that will hurt us badly as a country. The deepening partisan divide is not helping. Public policy solutions coupled with principled leadership can bring sanity back to the debate. But time is running out. We need to move now.
7. Democratic governance and the rule of law in many parts of the world are under attack. International institutions such as the World Trade Organization are being questioned. Canada has been a strong advocate of a global rules-based order which is vital to our national interest. How can Canada and like-minded countries work more closely together to advance the rule of law and stem the tide of nationalism and protectionism?
8. It has now become clear that China and the United States are increasingly defining themselves as rivals. Unless there is a course correction, the result will be bitter enmity and the real possibility of conflict well beyond trade wars. Where can Canada position itself in this geo-political contest of wills? Is there a role for us to play?

Ladies and gentlemen, I leave you with much food for thought. And to the School of Public Policy, I leave you with some mighty challenges. Thank you.