Hi ,

Government procurement policies often place a premium on buying Canadian goods, but do lawmakers do the same thing when it comes to seeking "Canadian" policy advice?

Canada polices country-of-origin labels for boots and berries. But we don't do the same for the perspectives that shape our laws.

Ottawa is flush with stakeholders and interest groups whose advocacy and efforts to catch the ear of government is an important part of the democratic process.

However, some of these groups engage in a type of "maple-washing" when they claim Canadian-ness despite representing Silicon Valley Big Tech firms and the interests of other foreign businesses.

Policymakers and the public may think they are "buying" Canadian advice, but the reality is more murky.

Scholar Jennifer Robson recently pointed out that "Buy Canadian" consumer practices only work if the labelling rules are clearly spelled out. A "Made in Canada" label must be earned through definitions and disclosures, and not allowed to be slapped on like stolen valour.

The same bar should apply to lobby groups: if they want maple-leaf authority, they should disclose whether their members are truly headquartered here.

Activist and author Maude Barlow warned Canada about this risk twenty years ago in her book *Too Close for Comfort*. She cautioned that "deep integration" between the United States and Canada was being driven not by Parliament but by business councils — especially the Canadian Council of Chief Executives (now the Business Council of Canada) and its U.S./Mexican counterparts. She warned this "secret marriage of government and big business" would harmonize Canadian rules downward and sideline democratic oversight.

The fact is, when the government wants to listen to "Canadian" businesses, foreign multinationals too often squeeze into that mix. The often do this by simply adding the word 'Canada' after their company name.

Consider the country's biggest umbrella groups: the Business Council of Canada is a CEO club whose public roster includes major tech players like Amazon, Meta, Microsoft and IBM; the Canadian Chamber of Commerce doesn't publish a single, comprehensive corporate member list, but Big Tech is clearly embedded in its committees and programming (think Amazon and Google); TECHNATION's membership directory reveals heavyweights such as Amazon Web Services, Google Canada and Meta with a seat at the influence table.

Sector-specific bodies matter too. In emerging tech and aerospace, the Aerospace Industries Association of Canada (AIAC) membership spans both Canadian firms and the Canadian arms of major global contractors, reflecting the industry's deeply integrated North American and transatlantic supply chains; in defence, CADSI similarly organizes domestic and foreign contractors alike.

Taken together, these aren't neutral "Canadian voices" but coalitions blending Canadian subsidiaries with global parent companies, who may have positions that diverge from our country's domestic priorities.

Representation sets the agenda and defines who can veto change. When business groups rely on foreign giants, those giants can monopolize the entire effort.

Alternatives exist, like the Council of Canadian Innovators, the business council for Canadian-headquartered scale-up technology companies. The group is comparatively young — just ten years old — a reminder of how the country has been slow to privilege the voices of truly Canadian firms. (Full disclosure: the Canadian SHIELD Institute was initially incubated by CCI, though we operate independently). And Build Canada supports technology CEOs as policy change champions. These are more sovereign alternatives to the usual suspects, but they're younger, smaller and too often engaged last.

In a trade war, advice from Big Tech and other foreign multinationals serves their shareholders, not the national interest.

In the crunchy moments that actually determine national capability, these so-called Canadian coalitions show their hand — they're often lobbying fronts for foreign firms, not champions of Canadian interests. It's time to stop playing along. We can't afford to stay cozy anymore.

Which brings us to trust. In a trade war, you need **advice that is credible under stress.** Would you rely on a coalition brief drafted by firms whose revenue and retaliation exposure are primarily outside Canada's borders? As the United States continues to escalate tariff threats or deploys digital leverage on our country, whose lawyers, whose data centres, whose export permits, and whose IP are actually on the line, and under whose laws?

Looking ahead to the CUSMA review, Canada needs consultation architecture that earns trust. The old SAGIT model brought academics, labour and business into sectoral talks. We should revive it for an era where algorithms and cloud sovereignty matter as much as autos and agriculture. When Ottawa hears what "Canadian industry" needs, the advice should be anchored at home and resilient to external pressures.

We should also consider reviving a version of the Economic Council of Canada, an independent economic advisory body that was established as a federal Crown Corporation by the Government of Canada in 1963 and dissolved in 1993 after it published a report that the Prime Minister's Office didn't like (estimating that Quebec's potential separation would be "low cost"). Below is a story from *The Globe and Mail* on November 1st, 1991 on how the report was received.

Economic Council slammed on Quebec report

Study failed to factor in hefty transitional costs of separation, critics say

BY ALAN FREEMAN
Parliamentary Bureau

OTTAWA — The Economic Council of Canada was accused yesterday of playing into the hands of Quebec separatists by failing to factor in some of the major costs of independence in its study of constitutional alternatives for Canada.

"I think that, politically, they obviously presented the Parti Québécois with great ammunition," said John McCallum, chairman of McGill University's economics department and editor of a series of studies on the economic consequences of separation for the C. D. Howe Institute.

Mr. McCallum said the federal economic advisory board's study ignored some of the substantial costs of Quebec sovereignty and assumed benefits for a separate Quebec that are far from certain.

The council study estimates that a harmonious political breakup of Canada, in which an independent Quebec retains close economic ties with the rest of the country, would cost the province as much as 3.5 per cent of its gross domestic product. That works out to about $1,800 a family.

The report has been hailed by Quebec separatists as showing the cost of Quebec independence to be minimal, but has been denounced by federalists as irresponsible for failing to take into account the possibility of an acrimonious breakup and not quantifying the transition costs involved with secession.

"Some of us are of the view that these transaction costs could be very big and not necessarily very temporary," says Douglas Purvis, director of the John Deutsch Institute for the Study of Economic Policy at Queen's University in Kingston.

"The rest of Canada doesn't have to be vindictive towards Quebec for Quebec to have substantial transitional costs."

For example, Mr. Purvis said that the day after independence Quebec could no longer count on supplying almost half of Canada's milk, something guaranteed under current federal supply management quotas.

"I think there would be substantial costs even under a friendly breakup," says Mr. McCallum, who is completing a similar study on the consequences of separation for C. D. Howe.

For one thing, he said the report doesn't take into account that a separate Quebec would have to pay higher interest costs on its share of the national debt than Canada does now. Quebec already pays higher interest costs than Ottawa and that would be exacerbated if it had to take on additional debt.

"It would certainly be a transition cost and it could be permanent," Mr. McCallum said, noting that even a 1-per-cent spread on a debt of $100-bilion would be substantial.

He also disputes the council's assumption that Quebec would be responsible for about 22 per cent of the national debt, based on its taxation ability, rather than based on its 25.5-per-cent share of population or its 23.3-per-cent share of the GDP.

Economic Counci' chairwoman Judith Maxell has argued that it couldn't look at transitional costs of sovereignty-association because it is too speculative an area, and that predicting the results of an acrimonious breakup would be like forecasting the aftermath of an earthquake.

"Our economic models can't tell us what will happen if we tear the country apart," said Roger Phillips, one of 21 members of the council's board, who admits that transition costs could be "monumental." Mr. Phillips is president of Ipsco Inc., a Regina-based steel maker.

William Robson, senior policy analyst at C. D. Howe, said he was surprised by the council's assumption that a sovereign Quebec would reap gains from increased government efficiency.

That idea is a favourite of Quebec nationalists, who claim the federal system is full of costly duplication between levels of government.

"Unitary governments don't tend to have smaller public sectors. In fact, it's the opposite," Mr. Robson said, citing Britain as an example.

Mr. McCallum also disagrees with the council's view that a separate Quebec could make so-called "dynamic gains," because it would have a cohesive society that would "produce a better business and political climate." Such gains would not accrue to the rest of Canada, according to the council.

Mr. McCallum says this idea of "a honeymoon" between government, business and labour in a separate Quebec is speculative, and large unions and corporations aren't necessarily a positive for society.

Jean-Pierre Voyer, who headed the council's research team on the issue, said that if Quebec achieves a social consensus it could benefit from economic gains. "Quebec has managed things a bit better than the rest of Canada."

At the time, it was anticipated that the private sector would step up and fund intellectually independent research organizations that could provide supplementary advice.

Instead, the business advisory world has settled into a status quo where membership models obscure the interests motivating (and funding) research, risking intellectual capture. Advice is always political, but it's not always transparent.

(Side note: In the 1990s, there was also drama between the Crown and the Department of Finance. The latter wanted a "monopoly on the supply of economic analysis and advice to the government." The story below was in *The Globe and Mail* on March 4th, 1993).

Federal axing called political

Ottawa chopped Economic Council as part of '92 budget

BY LARRY WELSH
Canadian Press

OTTAWA — By axing the Economic Council of Canada, the federal government plucked a long festering thorn from its paw, one economist suggests.

Finance Minister Donald Mazankowski chopped the council as part of 1992 budget measures to streamline 46 government agencies.

But he made the move for political not financial reasons, said William Stanbury, a business administration professor at the University of British Columbia who once worked at the council.

The federal think-tank often produced reports that either didn't toe the federal line or openly challenged government policy.

"The Department of Finance has had it on its check list since the beginning of time," Mr. Stanbury said. "They just want a monopoly on the supply of economic analysis and advice to the government."

Judith Maxwell, the council's former chairman, wouldn't speculate on the government's streamlining motives. But she acknowledged the council didn't win any friends in government with a 1991 study on Quebec's possible separation.

"There's no question that annual review called a Joint Venture, which focused on the constitutional debate, created a firestorm," she said.

Just hours after the report was released, Prime Minister Brian Mulroney told the House of Commons: "The council didn't study the real question. The real question is the cost of independence."

Four months later, the federal government chopped the council in its 1992 budget.

The council was joined by several other federal bodies that generated heat for the federal government from time to time, including the Law Reform Commission, the Science Council of Canada and the Canadian Institute for International Peace and Security.

Mr. Mazankowski said the government wanted to save money and become more efficient.

Janet Halliwell, former chairman of the science council, called these cuts short-sighted, since the government's own Prosperity Initiative later called for more research and development to help make Canada more competitive.

"We seem to be overly concerned with elimination of redundancy without the thought of where we should be going."

Ms. Maxwell said the 1992 budget streamlining measures, projected to save a net $12-million this fiscal year, had little impact on the government's deficit fight.

"I don't think scrubbing agencies that were as small as those is really a question of dealing with the deficit. That's a different set of issues altogether," she said.

"The process of simply killing something that was alive and productive and thinking about the future — that is really self-defeating."

Buying Canadian is easy, consumptive rhetoric. *Building* Canadian is slow, cumulative work.

It starts with clarity about motivations, and with institutions that disclose the difference between a home-grown firm and a dressed-up branch plant.

Until next time,
Vass Bednar

In the Sovereignty Conversation This Week

- The Canadian Chamber of Commerce's Business Data Lab podcast hosted us for a chat, *The Algorithm Rules: Who Governs the New Economy?* The extended (and extensive) episode examines how digital platforms have quietly become "shadow regulators," shaping markets and opportunity through code rather than law. In it, we unpack how Canada can close its regulatory gaps with smarter, adaptive rules that restore democratic oversight in the digital economy.
- At the *Future Skills Centre's* conference on Securing Canada's Prosperity, our Chief Economist Kaylie Tiessen challenged the assumption that Canada has a skills gap. The real issue, she argued, is a *skills utilization* gap. Canadians are among the most credentialed workers in the OECD, yet too many are underemployed, underpaid, or structurally sidelined by systems that fail to recognize their full capacity. Her bold idea reframed the debate: prosperity depends less on producing new skills and more on designing institutions that use the ones we already have. That means system-wide assessments to map existing competencies, manager training that rewards skill recognition over cost-cutting, and apprenticeship pathways in emerging fields. Canada's future growth, she argued, hinges not on retraining workers—but on finally using the talent we already built.
- Finally, *The Logic* noted SHIELD's pre-budget submission in their overview of *What business wants from the 2025 federal budget*. In it, we call on Ottawa to use Budget 2025 to reassert control over Canada's economic foundations — from patents to payments to platforms. The recommendations urge the creation of a sovereign patent pool and compute policy to keep Canadian IP at home; the modernization of financial rules protect monetary sovereignty; and a rethink of CBC and digital taxation to rebuild public value in the ad stack. Together, these initial proposals aim to close the sovereignty gaps left by legacy trade deals and position Canada to govern — and grow — on our own terms.

Afie Jurvanen (aka Bahamas) opens *Bootcut* with a tender conversation between father and daughters that swells into something quietly profound. It's understated, country-tinged — just a song, but a perfect one.