



NOTES FOR AN ADDRESS

BY

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IPSCO INC.

ENTITLED

**“THE CANADIAN WAY– NOT BROKEN – IT JUST NEVER
WORKED”**

TO THE CENTRE FOR LIVING STANDARDS’ CONFERENCE
ON THE CANADA-U.S. MANUFACTURING PRODUCTIVITY GAP

OTTAWA

CHECK ON DELIVERY

21 JANUARY 2000

GOOD AFTERNOON:

THE PROGRAMME CALLS FOR ME TO ADDRESS QUESTIONS WITH RESPECT TO MANUFACTURING PRODUCTIVITY DIFFERENCES BETWEEN CANADA AND THE U.S.

I BELIEVE MY PRACTICAL AS OPPOSED TO ACADEMIC QUALIFICATIONS JUSTIFY MY VENTURING INTO WHAT HAS BECOME OF LATE SUCH A CONTROVERSIAL TOPIC.

MY FIRST JOB AFTER GRADUATING FROM UNIVERSITY WAS IN A MANUFACTURING PLANT. I SPENT THE NEXT 21 YEARS WITH ALCAN IN EVER INCREASING RESPONSIBILITIES, ALL TO DO WITH MANUFACTURING. IMMEDIATELY BEFORE COMING TO IPSCO I WAS PRESIDENT OF AN ALCAN SUBSIDIARY THAT HAD THE TASK OF OPERATIONAL SURVEILLANCE OF ITS WORLDWIDE MANUFACTURING ACTIVITIES INCLUDING THOSE IN THE UNITED STATES. AT IPSCO I PRESIDE OVER A BI-NATIONAL

COMPANY WITH JUST OVER HALF OF ITS PRODUCTION CAPACITY IN THE UNITED STATES, THE BALANCE BEING IN FIVE CANADIAN PROVINCES.

DESPITE MY ACADEMIC BACKGROUND – PHYSICS – I WAS APPOINTED TO THE NOW DEFUNCT ECONOMIC COUNCIL OF CANADA AND FOR SEVERAL YEARS ATTENDED FULL COUNCIL AND COMMITTEE MEETINGS. AS YOU CAN IMAGINE MUCH OF OUR WORK INVOLVED ANALYSIS OF CANADIAN PRODUCTIVITY QUESTIONS.

ALL OF US HAVE BEEN TOLD AD NAUSEAM THAT THE CANADIAN ECONOMY IS NOT AS PRODUCTIVE AS THAT OF THE UNITED STATES. INDEED, EXPRESSED AS GDP PER CAPITA, WE ARE FALLING FURTHER AND FURTHER BEHIND. AT CURRENT EXCHANGE RATES OUR GDP PER CAPITA IS ESTIMATED BY THE CONFERENCE BOARD OF CANADA TO BE ABOUT \$29,500, JUST 60 PERCENT OF THE CANADIAN DOLLAR FIGURE OF \$47,500 FOR THE U.S. IN LAYMAN'S TERMS EACH MAN, WOMAN, AND AMERICAN CHILD REPRESENT ALMOST \$20,000 MORE IN ECONOMIC OUTPUT THAN THEIR CANADIAN COUNTERPARTS.

GETTING INTO MORE DETAILED ANALYSIS, NUMBERS SHOW – AND INDEED THESE HAVE FORMED PART OF YOUR DISCUSSIONS AT THIS MEETING – THAT CANADIAN MANUFACTURING PRODUCTIVITY IS LOWER THAN THAT OF THE U.S.

THERE MUST BE HUNDREDS OF THOUSANDS, IF NOT MILLIONS, OF CONSULTANTS IN NORTH AMERICA READY AND WILLING TO ADVISE HOW TO IMPROVE PRODUCTIVITY IN ANY PARTICULAR PRODUCTION FACILITY. NOW, A SPECIFIC PLANT'S PRODUCTIVITY WILL DEPEND ON SEVERAL FACTORS INCLUDING THE QUALITY OF ITS MANAGEMENT, THE TECHNOLOGY AND EQUIPMENT BEING USED, THE PLANT LAY-OUT, ITS DETAILED MANUFACTURING STRATEGY, THE SKILL LEVELS AND MOTIVATION OF THE WORKFORCE, THE LEVEL OF INSTITUTIONALISED FEATHER-BEDDING, TO NAME A FEW. SOME BARRIERS TO ENHANCED PRODUCTIVITY MAY BE DIFFICULT TO CURE, ABSENT REBUILDING A PLANT. THESE WOULD INCLUDE OUT-OF-DATE TECHNOLOGY AND POOR PLANT LAYOUT. BUT CONSULTANTS CAN HELP YOU MAKE THE BEST OF A BAD LOT THROUGH MINOR CAPITAL IMPROVEMENTS. OTHER ISSUES CAN BE MORE

READILY CURED: POOR DETAILED MANUFACTURING STRATEGY THROUGH AN IMPROVED SCHEDULING SYSTEM, WORKER SKILL ENHANCEMENT THROUGH TRAINING PROGRAMMES. ALL THESE ALSO AVAILABLE FROM CONSULTANTS.

BUT I DON'T BELIEVE THE PRODUCTIVITY GAP HAS ANYTHING TO DO WITH SPECIFIC PLANT LEVEL DIFFERENCES BETWEEN OUR TWO COUNTRIES OR FOR THAT MATTER ITEMS SUCH AS R & D EXPENDITURES. MANUFACTURING PRODUCTIVITY IS ULTIMATELY DETERMINED BY COMPETITION. CANADIANS ARE JUST AS WELL EQUIPPED GENETICALLY AND MENTALLY TO COMPETE AS AMERICANS. THE DIFFERENCE IS CLEARLY SYSTEMIC AND CAN BE LAID SQUARELY AT THE FOOT OF DIFFERENCES IN PUBLIC POLICY AND POLITICAL GOVERNANCE BETWEEN THE TWO COUNTRIES, DIFFERENCES WHICH BLUNT COMPETITION. PLEASE NOTE THAT I WAS TEMPTED TO SAY "POOR CANADIAN PUBLIC POLICY" BUT I BIT MY TONGUE. THERE ARE THOSE THAT BELIEVE THAT THE COST OF BEING LESS PRODUCTIVE IS JUSTIFIED BY THE SO-CALLED "BETTER" QUALITY OF LIFE WE SUPPOSEDLY GET IN RETURN. THAT IS

THE SUBJECT OF A DIFFERENT DEBATE. TODAY I SHALL CONFINE MYSELF TO POINTING OUT HOW PUBLIC POLICY DIFFERENCES TRANSLATE INTO DIFFERENCES IN NATIONAL PRODUCTIVITY AND CONSEQUENTLY MANUFACTURING PRODUCTIVITY.

LET'S LOOK AT THE FAVOURITE BÊTE-NOIR OF MANY CANADIAN BUSINESS LEADERS: PERSONAL INCOME TAX LEVELS. UNFORTUNATELY THE CANADIAN DEBATE HAS ALL TOO OFTEN BEEN DERAILED BY ARGUMENTS OVER TAX LEVELS FOR THE SO-CALLED RICH AND WE'VE MISSED THE IMPORTANT POINT: EVEN RELATIVELY LOW PAID CANADIANS ARE MORE HIGHLY TAXED THAN THEIR AMERICAN COUNTERPARTS. AT OUR COMPANY'S ANNUAL MEETING LAST YEAR I CITED THE EXAMPLE OF A REGINA EMPLOYEE EARNING \$47,000 PER ANNUM (EQUIVALENT TO U.S. \$31,000) WHO, AFTER TAXES, HAD \$5000 LESS DISPOSABLE INCOME THAN AN IOWA-BASED EMPLOYEE EARNING THE IDENTICAL PAY. I MAKE THIS POINT NOT TO CITE "UNFAIRNESS" BUT TO DRAW TO YOUR ATTENTION THAT \$5000 LESS PER CANADIAN WORKER IN DISPOSABLE INCOME TRANSLATES TO BILLIONS OF DOLLARS OF SPENDING OVER

WHICH MARKETPLACE FORCES ARE NOT EXERTED. RATHER, THESE FUNDS ARE SPENT BY GOVERNMENT AND THAT, AS ADAM SMITH AND GENERATIONS OF LIBERAL ECONOMISTS HAVE TAUGHT US, RESULTS IN LESS EFFICIENT SPENDING. IN GROSS TERMS OECD FIGURES SHOW GOVERNMENT RECEIPTS AMOUNT TO 30.8 PERCENT OF U.S. GDP AS OPPOSED TO 42.5 PERCENT IN CANADA.

I AM NOT ARGUING THAT A MAJOR CUT IN INCOME TAXES WOULD, ON ITS OWN, HAVE A POSITIVE EFFECT. ABSENT CUTS IN GOVERNMENT SPENDING WE'D JUST MAKE MATTERS WORSE BY DRIVING UP THE DEBT AND DEBT SERVICING COSTS. WHILE I AM SURE THERE WILL ALWAYS BE EFFICIENCIES OF SOME SORT TO BE HAD, LOWER GOVERNMENT SPENDING WILL NEVERTHELESS REQUIRE FEWER GOVERNMENT SUPPLIED SERVICES. IN TURN THOSE DESIRING THESE SERVICES WILL PURCHASE THEM ON THE PRIVATE MARKET WITH THEIR TAX SAVINGS. TO EFFECT SUCH A MOVE WILL REQUIRE AN ATTITUDINAL CHANGE BY CANADIANS GENERALLY. WE'LL HAVE TO BE PREPARED FOR LESS SECURITY AS A TRADE-OFF FOR GREATER NATIONAL PRODUCTIVITY.

AT THIS POINT I'D LIKE TO CORRECT A FALLACY REGARDING THE LEVEL OF SOME SERVICES PROVIDED BY GOVERNMENT IN THE UNITED STATES, IN PARTICULAR, HEALTH CARE. NOT ONLY DOES THE COMBINED PRIVATE SECTOR PLUS PUBLIC SPENDING ON HEALTH AMOUNT TO ABOUT 14 PERCENT OF GDP COMPARED TO NINE PERCENT IN CANADA, THE PER CAPITA AMOUNT SPENT BY GOVERNMENT IS ACTUALLY HIGHER IN THE U.S. IN 1997 U.S. SPENDING ON HEALTH CARE BY ALL LEVELS OF GOVERNMENT WAS 6.5 PERCENT OF GDP COMPARED TO CANADA'S 6.4 PERCENT. BUT AMERICAN GOVERNMENT SPENDING WAS SOME \$2800 PER PERSON COMPARED TO OUR \$1900!

SO MUCH FOR OUR VAUNTED CANADIAN HEALTH CARE. BY MAKING HEALTH CARE AVAILABLE TO ALL REGARDLESS OF THEIR ECONOMIC CIRCUMSTANCES WE HAVE DEVELOPED A SYSTEM WHICH IS OVERSTRESSED, UNRESPONSIVE TO MARKET FORCES, AND ONE WHICH MEANS LESS MONEY IS SPENT ON EVERYONE, PARTICULARLY THE POOR. FOR THOSE INTERESTED, THE OECD TABLES GIVING THIS DATA ARE ATTACHED TO COPIES OF MY SPEECH.

SIMILAR NUMBERS CAN WE WORKED UP FOR OTHER TYPES OF SPENDING, UNIVERSITY EDUCATION FOR EXAMPLE.

UNIVERSALITY HAS MEANT FREE GOVERNMENT SERVICES FOR THE MIDDLE CLASS LEAVING INSUFFICIENT FUNDS FOR THE LESS WELL OFF.

UNFORTUNATELY THERE IS NO EASY WAY OUT OF THE BOX. UNIVERSALLY AVAILABLE SERVICES DROVE US TO HUGE DEFICITS IN THE PAST. WHILE WE HAVE BROKEN OUT OF THE VICIOUS CIRCLE OF EVER INCREASING DEBT THE SERVICING COST IS STILL WITH US, A HANGOVER THAT WILL MAKE IT NECESSARY TO HAVE LOWER GOVERNMENT SPENDING ON SERVICES THAN THE AMERICANS FOR SOME TIME TO COME. WE'LL HAVE TO HAVE BOTH FEWER GOVERNMENT SERVICES AND LOWER ECONOMIC OUTPUT.

MUCH HAS BEEN MADE OF THE BENEFITS OF FREE TRADE, CREATING A LARGER MARKETPLACE IN WHICH TO GROW AND COMPETE. THE SAD FACT OF THE MATTER IS THAT CANADA'S SO-CALLED "ECONOMIC UNION" IS

LESS THAN THAT. WE STILL DON'T HAVE THE FREEDOM OF MOVEMENT OF GOODS OR PEOPLE WITHIN OUR COUNTRY THAT EXISTS IN THE UNITED STATES, DESPITE YEARS OF ATTEMPTS BY SOME PROVINCIAL AND FEDERAL LEADERS. OUR CONSTITUTION ALLOWS PROVINCES TO LEGISLATE AND REGULATE WITH RESPECT TO COMMERCE AND EMPLOYMENT IN WAYS THAT SUB-OPTIMIZE OUR NATIONAL ECONOMIC EFFICIENCY. ADD TO THIS SUCH SO-CALLED NATIONAL PROGRAMMES AS EMPLOYMENT INSURANCE (PROBABLY MORE APTLY CALLED BY THE OLD NAME "UNEMPLOYMENT" INSURANCE) THAT DISCOURAGED NATIONAL MIGRATION IN SEARCH OF NEW JOBS, NOT TO MENTION ENCOURAGING UNEMPLOYMENT PER SE BY OFFERING TO PAY VOLUNTARY QUILTS. THE POINT HERE IS THAT EVEN TODAY WE DO NOT HAVE A TRULY NATIONAL MARKET ECONOMY.

TO WORSEN THE SITUATION WE HAVE IMPOSED NATIONALISTIC AND IDEOLOGICAL ANTI-EFFICIENT POLICIES ON OURSELVES.

AS SOMEBODY SAID TO ME THE OTHER DAY “I DIDN’T KNOW THE AIRLINES WERE CULTURAL OR HERITAGE ICONS”. YET THE ENTIRE DEBATE ON THE POSSIBILITY OF AIR CANADA COMBINING WITH CANADIAN AIRLINES CENTRED ON TWO ISSUES. FIRST, THE NATIONALISTIC THEME: “DON’T LET FOREIGNERS OWN AN AIRLINE”. THE SECOND ISSUE HAS BEEN SAVING AIRLINE JOBS AT SEEMINGLY ANY COST. NO CONSIDERATION HAS BEEN GIVEN TO THE MANY MORE JOBS LOST BY OTHER CANADIANS FOR LACK OF AN EFFICIENT, COMPETITIVE LOW COST AIRLINE SERVICE – SURELY THE PREREQUISITE OF A PRODUCTIVE NATIONAL ECONOMY IN SUCH A THINLY POPULATED AND SPACIOUS COUNTRY.

THE PROPOSED BANK MERGERS WERE ANOTHER EXAMPLE OF POLITICS OUTWEIGHING GOOD POLICY. WHILE EUROPE AND THE U.S. CONTINUE WITH MERGERS UPON MERGERS WE HAVE CONDEMNED OUR BANKS TO A SECOND OR EVEN THIRD TIER ROLE BECAUSE THEY LACK THE SCALE TO PLAY A MAJOR ROLE IN INTERNATIONAL CORPORATE LENDING.

MANY PEOPLE, INCLUDING ECONOMISTS, FAIL TO UNDERSTAND WHY ADAM SMITH'S FAMOUS INVISIBLE HAND IS SO POWERFUL. IT IS NOT BECAUSE ANY ONE INDIVIDUAL IS SMARTER THAN A COMMAND AND CONTROL STYLE "BIG GOVERNMENT". RATHER IT IS BECAUSE MILLIONS AND MILLIONS OF INDIVIDUAL DECISIONS BEING MADE CONSTANTLY CONSTITUTE A GLOBAL SIZED EXPERIMENT. THE BAD DECISIONS ARE FAIRLY QUICKLY RECOGNIZED AS SUCH AND IF NOT CHANGED BECOME FAILURES WHICH WILL NOT CONTINUE. THIS CAN AMOUNT TO WORLD SCALE ECONOMIC DARWINISM. NOWHERE IS OUR FAILURE TO PROFIT BY SUCH CONCEPTS MORE EVIDENT THAN IN CANADIAN LABOUR MARKETS. WE MAKE THESE RIGID THROUGH PUBLIC POLICIES SUCH AS EMPLOYMENT INSURANCE AND THROUGH GOVERNMENT SUBSIDIES.

I HAVE ALREADY COMMENTED ON THE FORMER.

AS TO THE LATTER, AS I AM WRITING THIS SPEECH THE CBC IS CARRYING NEWS OF A CAPE BRETON MINERS STRIKE, A STRIKE PROTESTING LOW AND NON-EXISTENT SEVERANCE PAY BEING OFFERED

WORKERS TERMINATED BY COAL MINE CLOSURES. I WON'T COMMENT ON THE TERMINATION PAY ISSUE BUT YOU SHOULD UNDERSTAND THESE MINES HAVE BEEN OPERATED DECADES PAST THEIR ECONOMIC LIFE IN ORDER TO "SAVE JOBS". IF THEY HAD BEEN LEFT UNSUBSIDIZED IN THE PRIVATE SECTOR THE MINES WOULD HAVE BEEN LONG GONE AND THE WORKERS LONG AGO FITTED INTO THE ECONOMY IN OTHER FUNCTIONS.

WE ALSO INTRODUCE COUNTER-PRODUCTIVE LABOUR MARKET RIGIDITIES THROUGH OUR LABOUR LAWS. NOW THERE IS NOTHING WRONG WITH WORKERS BANDING TOGETHER TO FORM UNIONS. FREEDOM OF ASSOCIATION IS A LONG CHERISHED DEMOCRATIC RIGHT. YET WE DO NOT RESPECT THE PRINCIPLE WHEN IT COMES TO THE FREEDOM NOT TO PARTICIPATE IN A UNION. EVEN THE EUROPEAN UNION MAKES CLOSED SHOPS ILLEGAL. THE UNITED STATES CONSTITUTES AN EXPERIMENT AS TO THE EFFICACY OF DIFFERING LABOUR LAWS. ROUGHLY HALF OF THE STATES ARE TERMED "RIGHT TO WORK STATES" WHERE CLOSED SHOPS (COMPULSORY UNIONISM) ARE ILLEGAL. THE OTHER HALF PERMIT CLOSED SHOPS. THE COMPARISON IS DRAMATIC: ON AVERAGE,

MANUFACTURING EMPLOYMENT INCREASES BY ONE-THIRD WHEN ONE STEPS OVER THE BORDER FROM A STATE WITHOUT RIGHT-TO-WORK LAWS TO A STATE WITH RIGHT-TO-WORK LAWS. THE ABSENCE IN CANADA OF A UNION MEMBER'S RIGHT TO VOTE WITH HER OR HIS FEET MAKES FOR UNRESPONSIVE INSTITUTIONS WHERE THE HIERARCHY PURSUES ITS OWN OBJECTIVES.

ANOTHER ASPECT OF LABOUR RIGIDITY IS THE ABILITY TO NEGOTIATE ANTI-ECONOMIC WORK RULES AND JOB GUARANTEES. IN THEIR CRUEST FORM WORK RULES MANDATE THE USE OF MORE WORKERS TO PERFORM A TASK THAN IS NEEDED. WHILE THE PUBLIC AT LARGE MAY THINK THIS INAPPROPRIATE THEY TEND TO FEEL THAT ONLY THE SPECIFIC EMPLOYER GETS HURT. OF COURSE, A MYRIAD OF SUCH WORK RULES CONSTITUTES A DRAG ON THE WHOLE ECONOMY. "JOB GUARANTEES" ARE ALSO A DRAG. IF AN EMPLOYER GUARANTEES JOBS EVEN WHEN BUSINESS LEVELS ARE SUCH THAT THERE IS LITTLE OR NO WORK TO BE DONE THERE ARE ONE OF TWO OUTCOMES: THE EMPLOYER CAN'T COMPETE WITH THOSE WHO DON'T MAINTAIN SUCH A COSTLY BENEFIT AND

NEEDS

SUBSIDIES TO EXIST, OR, MERCIFULLY, IT GOES BANKRUPT. BUT IN THE MEANTIME THE PRODUCTIVE PART OF THE ECONOMY SUFFERS.

WHEN SUCH GUARANTEES ARE MADE BY CROWN CORPORATIONS AND GOVERNMENTS IT'S YOU KNOW WHO THAT SUFFERS. NOT SURPRISINGLY, ALTHOUGH U.S. LAW PERMITS GOVERNMENT EMPLOYEES TO BELONG TO UNIONS THEY DON'T HAVE THE RIGHT TO STRIKE AND CANNOT NEGOTIATE PAY RATES OR MAJOR WORK RULES.

NOW, ABOUT HALF THE AMERICAN STATES ARE NOT "RIGHT TO WORK" BUT THE OTHER HALF ARE. THOSE THAT PERMIT PRACTICES SIMILAR TO OURS SUFFER; THE OTHERS GROW FASTER AND PROSPER. CONTRAST THIS TO A HAVE NOT PROVINCE LIKE NEWFOUNDLAND SLITTING ITS OWN THROAT BY TRYING TO FORCE INCO INTO AN UNECONOMIC INVESTMENT.

ANOTHER ANTI-PRODUCTIVE CANADIAN PRACTICE HAS BEEN TO TOLERATE YEAR AFTER YEAR OF COMBINED FISCAL AND MONETARY POLICIES THAT HAVE USED AN EVER-DEPRECIATING CANADIAN DOLLAR TO

SHIELD US FROM OUR PRODUCTIVITY FAILURES. RATHER THAN KEEP OUR FEET TO THE FIRE WE HAVE HIDDEN BEHIND AN ALMOST CONSTANT DEVALUATION, WHICH IN TURN HAS ALLOWED US TO LET OUR COSTS GET OUT OF LINE WHILE AVOIDING SUSTAINED EFFORTS AT IMPROVING PRODUCTIVITY.

TIME DOES NOT PERMIT A MORE EXHAUSTIVE RENDITION OF THE COUNTER-PRODUCTIVE POLICIES THAT WE HAVE EMBRACED. SUFFICE IT TO SAY THAT SOMEHOW WE HAVE CONVINCED OURSELVES THAT AS A SMALL COUNTRY WE CAN AFFORD TO EXPERIMENT WITH LEADING EDGE “SOCIAL” POLICIES. TO THE CONTRARY, WE ARE NOT BIG ENOUGH TO GET AWAY WITH BEING CONTRARIAN, EVEN IF WE ARE RIGHT. DEVIATION FROM THE TRIED AND TRUE IS NOT A LUXURY WE CAN AFFORD.

TO SAY AT THIS POINT THAT OUR “KINDER, GENTLER SOCIETY” HAS NOT PAID OFF WOULD BE AN UNDERSTATEMENT. WE ARE CONTINUING IN A DOWNWARD SPIRAL. LOW PRODUCTIVITY MEANS LESS WEALTH AND LOWER WAGES AND LESS TO SPEND ON CREATING THE DEMAND THAT A

PRODUCTIVE SOCIETY NEEDS TO SUSTAIN ITSELF.

HISTORIAN EDWARD GIBBON DESCRIBED THE FALL OF ATHENS FROM ECONOMIC MIGHT AS FOLLOWS:

“IN THE END, MORE THAN THEY WANTED FREEDOM, THEY WANTED SECURITY. THEY WANTED A COMFORTABLE LIFE, AND THEY LOST IT ALL – SECURITY, COMFORT AND FREEDOM....WHEN THE ATHENIANS FINALLY WANTED NOT TO GIVE TO SOCIETY, BUT FOR SOCIETY TO GIVE TO THEM, WHEN THE FREEDOM THEY WISHED FOR MOST WAS FREEDOM FROM RESPONSIBILITY, THEN ATHENS CEASED TO BE FREE.”

WE SHOULD VERY MUCH WORRY THAT OUR CANADIAN WAY WILL RESULT IN OUR LOSS OF ECONOMIC FREEDOM. THE VERY NATIONALISM THAT HAS PROPELLED US TO ACT DIFFERENTLY ECONOMICALLY THAN AMERICA MAY WELL SAP US SO MUCH ECONOMICALLY THAT WE ARE FORCED INTO

A FAR GREATER DEPENDENCY THAN HAD BEEN CONTEMPLATED IN THE WORST NIGHTMARES OF THE MAUD BARLOWS OF THIS LAND.

IT IS NOT AT THE MICRO-ECONOMIC LEVEL THAT WE SHALL SOLVE THE PROBLEM OF PRODUCTIVITY DISCREPANCIES BETWEEN U.S. AND CANADIAN MANUFACTURING. RATHER IT WILL SOLVE ITSELF GIVEN A DIFFERENT PUBLIC POLICY ENVIRONMENT.

**Expenditures on Health Care
% of GDP, 1990-97**

	<u>Total</u>		<u>Public</u>		<u>Private</u>	
	<u>United States</u>	<u>Canada</u>	<u>United States</u>	<u>Canada</u>	<u>United States</u>	<u>Canada</u>
1990	12.6	9.2	5.1	6.8	7.5	2.4
1991	13.4	9.9	5.6	7.4	7.8	2.5
1992	13.9	10.2	5.9	7.6	8.3	2.6
1993	14.2	10.1	6.1	7.3	8.1	2.8
1994	14.1	9.8	6.3	7.0	7.8	2.8
1995	14.1	9.4	6.5	6.7	7.6	2.7
1996	14.1	9.3	6.5	6.6	7.6	2.7
1997	13.9	9.2	6.5	6.4	7.4	2.8

**Expenditures on Health Care
Billions of U.S. Dollars, 1990-97**

	<u>Total</u>		<u>Public</u>		<u>Private</u>	
	<u>United States</u>	<u>Canada</u>	<u>United States</u>	<u>Canada</u>	<u>United States</u>	<u>Canada</u>
1990	699.4	52.3	283.2	39.0	416.2	13.3
1991	766.8	57.8	317.9	42.1	448.9	14.7
1992	836.5	57.9	353.3	42.9	483.5	15.0
1993	898.5	55.8	385.3	40.6	513.2	15.2
1994	947.7	53.6	422.8	38.6	524.9	15.0
1995	993.7	54.2	455.2	38.5	538.5	15.7
1996	1042.5	55.4	481.4	38.9	561.1	16.5
1997	1092.4	55.5	507.1	38.7	585.3	16.8

**Expenditures on Health Care
U.S. Dollars per Capita**

	<u>Total</u>		<u>Public</u>		<u>Private</u>	
	<u>United States</u>	<u>Canada</u>	<u>United States</u>	<u>Canada</u>	<u>United States</u>	<u>Canada</u>
1990	2,799	1,882	1,133	1,403	1,665	479
1991	3,035	2,055	1,258	1,497	1,777	523
1992	3,275	2,029	1,383	1,503	1,893	526
1993	3,461	1,928	1,493	1,403	1,988	525
1994	3,635	1,832	1,622	1,319	2,014	513
1995	3,776	1,830	1,730	1,300	2,046	530
1996	3,926	1,849	1,813	1,298	2,113	551
1997	4,095	1,832	1,901	1,278	2,194	555

Source: OECD Health Data, 1999