

period ended. In contrast to stagnation in Canadian TFP growth in the 1980s, however, all other G-7 countries experienced positive growth over the past decade (see Table 6).<sup>21</sup> Only part of our weaker performance can be explained by the greater impact of the oil shocks of the 1970s on the Canadian economy, the result of the greater intensity of industrial energy use in Canada and our slower adjustment to the reality of higher energy prices.

**TABLE 6**  
**Productivity Growth<sup>1</sup>**  
(Percentage Changes at Annual Rates)

COUNTRY	1960 - 73	1973 - 79	1979 - 90
Canada	2.0	0.8	0.0
United States	1.6	-0.4	0.2
Japan	5.8	1.4	2.0
Germany	2.6	1.8	0.8
France	4.0	1.7	1.8
Italy	4.4	2.1	1.4
United Kingdom	2.3	0.6	1.6
<b>Total OECD</b>	<b>2.8</b>	<b>0.5</b>	<b>0.8</b>

**1. Business sector.**  
Source: OECD, **ECONOMIC SURVEYS - CANADA**, 1992, p.56.

Our poor productivity performance has been undermining our ability to sustain economic growth in, and the social well-being of Canada. The government has reacted by addressing the competitiveness dilemma in a comprehensive manner. Progress has been made in restoring macroeconomic balance through reducing budget deficits as a proportion of GDP (although recession-induced revenue shortfalls have

<sup>21</sup> Organization for Economic Co-operation and Development, **OECD Economic Surveys - Canada** (Paris: OECD, 1992), pp.52-9. See also the discussion, which does not modify the overall conclusion of a comparatively weak Canadian performance, outlined in David Slater, et al., "The Contribution of Investment and Savings to Productivity and Economic Growth in Canada" Investment Canada Working paper No.10 (March 1992), pp.21-6, 97-8, 107-09.