

The Development of Economic Consulting in Canada

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This article provides an historical overview of the development of the economic consulting business — in particular the commercial ventures — in Canada since World War II. Many of those involved have been interviewed, but quotations or direct attributions to individuals have not been used.

The Early Postwar Years

Economic consulting in Canada really began in the first half of the 1950s although individual economists certainly had worked as advisors or consultants earlier. Two entities appeared at that time. Both were created by academic economists principally motivated by the need to supplement their then meagre university salaries. Canadian Economic Research Associates (CERA) was founded by Professors Douglas Hartle, William Hood, and Edward Neufeld at the University of Toronto; at McGill University, Professors Donald Armstrong, Earl Beach, Peter Briant, and others became associated with Economic Research Corporation (ERC). In each case, the company had non-academic management and/or marketing professionals (George Bain and Herbert Andrae at CERA; L. Nicol and Eric Sievwright at ERC). Their work included specific project assignments and retainer-based macroeconomic services. Both companies remained active during the first half of the 1960s, eventually fading from the picture as their academic principals and professional staff pursued careers in other directions.

Allan Beckett was among the first to set up a “lone wolf” entrepreneurial economic consulting organization in Canada. After public service positions in the Saskatchewan and

federal governments — in the latter he worked at the Department of Industry, Trade and Commerce with Don Daly on developing business-cycle indicators — he began consulting in 1957 while teaching at the University of Toronto. He authored the chapter on the Canadian business-cycle indicators in the 1961 National Bureau of Economic Research publication, *Business Cycle Indicators*, edited by Geoffrey Moore, and adapted this work to develop a set of (composite) leading, coincident, and lagging economic indicators, geared to foreshadowing short-term business cycle movements (dominated by the business inventory, construction sector and durable goods production fluctuations). Beckett’s publication, the *Monthly Business Analysis*, was well received by private and public sector economists, as well as corporate managements. With this also came considerable publicity — which he always enjoyed. The indicators successfully forecast the 1957 and the 1960 recessions. In anticipation of these recessions, he grew a beard that would be shaven off as the recovery came into sight. In later years his associates would often be asked whether or not Beckett was getting ready to grow another beard.

Beckett also developed a market for seasonally adjusted series produced from a program of the U.S. Bureau of the Census; the program was run on a Univac computer at an initial cost of more than \$100 per series. Early business sector clients for this service were the Newsprint Association of Canada and the (Ontario) Brewers’ Warehousing Company.

One of the first brochures of Beckett Associates was entitled “Why Same-month-year-ago Comparisons Won’t work.” His favourite example, easily understood by non-economists, was a rope-linked group of 13 mountain climbers wrapped in a deep fog. Only the

first and thirteenth climber were allowed to call out their altitudes. For as long as the first climber was higher than the thirteenth, the inference was that the peak of the mountain had not been reached; this was erroneously thought to take place when both called out the same altitude, forgetting that by that time the first man could have been descending from the peak for some time. In statistical terms, a 12-month moving average should be centred on the sixth month of the period; this is still ignored by those who use same-month-over-a-year-ago comparisons.

The bulky printouts of the seasonally-adjusted series included data on trend-cycle and irregular factors, providing a variety of information applicable to practical production and inventory management decisions. The processing of corporate data thus became an entrée for the sale of other services. Along with macro- and microeconomic projections geared to managerial decisions, the Beckett organization (which I joined in 1962) developed retainer relationships with firms covering a broad spectrum of Canadian manufacturing, resource, and service sector industries during the 1960s and early 1970s. Special studies would be produced for Royal Commissions and on topics such as trade and tariffs; other public policy issues also became an important part of the business.

Also dating back to this time was the establishment of an economics practice by the management consulting firm of Woods, Gordon under the leadership of Jack Smith. After working in Ottawa and at the Newsprint Association of Canada, Jack joined the Royal Commission on Canada's Economic Prospects (the Gordon Commission), where he co-authored a study of the pulp and paper industry. This led to his joining Woods, Gordon, where he headed a group that would include, at various times over the next 10 to 12 years, William Walsh, John Allan, Peter Andersen, and Thomas McCormack. A significant part of the work in the early years was in applied public policy projects; macroeconomic services were also provided. The group has been managed by Stephen Tanny for more than 20 years. Like many other consulting businesses, it has become a niche player, specializing in consumer sector economics.

The Bank Credit Analyst (BCA) Research Group was founded in Montreal in 1949 by A. Hamilton Bolton, who was a pioneer in using shifts in financial liquidity, the supply of money, and the rate of credit expansion in the analysis and forecasting of financial markets. In 1961, the firm's original publication, *The Bank Credit Analyst*, was joined by *The International Bank Credit Analyst*. It provides a monthly forecast and analysis of trends in currencies, interest rates, and equity markets in the major developed countries. Other publications of the BCA Research Group now include *The BCA Interest Rate Forecast*, *BCA ForeTrends*, *ForexCast*, *Emerging Markets Analyst*, and *The China Analyst*, each with its own managing editor. The analytical philosophy of the BCA has been maintained and expanded during the last 30 years by J. Anthony (Tony) Boeckh, the editor-in-chief. In addition to the growing volume of publications, the BCA Research Group organizes annual conferences in Bermuda and New York City; attendance at these conferences is considered a "must" in the world of international economics and finance. Although not a "storefront" consulting organization, the BCA Research Group has developed into the pre-eminent publishing organization in the field of international investment strategy consulting.

Thus, in the early to mid-1960s, the consulting economics business in Canada was in the hands of a few, relatively small-scale organizations that provided advisory services to business firms, industry organizations, and others requiring economics inputs who found it more advantageous to buy those services than to have their own economists on staff. By that time, the Conference Board in Canada had also appeared on the scene, and it would, in time, significantly expand economics services to its members.

The Econometrics Revolution, 1965-80

Beginning in the mid-1960s the development of econometric models produced on mainframe computers brought important changes to the economics profession in general, and to the consulting market specifically. The developmental work for the various Canadian

models initially took place in Ottawa in the late 1940s at the Department of Industry, Trade and Commerce, and later, in the 1960s, at the Bank of Canada, the Economic Council of Canada, and the University of Toronto's Institute of Policy Analysis; this history has been described in detail by Mervyn Daub in his book, *Canadian Economic Forecasting* (McGill-Queen's University Press, 1987). In time, five organizations emerged in the Canadian market to provide the new kind of quantitative economic analysis. These organizations faced relatively high initial fixed costs of entry into the market and had to operate on a larger scale than the other consultants.

While the research and developmental work was still going on in various agencies and departments in Ottawa, the "first out of the gate" model to be published was the TRACE model of the Institute of Policy Analysis. This was in the form of an initial annual forecast that first appeared in 1969; it was subsequently supplemented by a quarterly model. The Institute has never been a commercial consulting organization, and the economists who have built and operated the model for more than 25 years have always been teaching faculty members of the University of Toronto. Directors of the Institute have included Doug Hartle, Tom Wilson, Jack Sawyer, Richard Bird, Jim Pesando and Frank Mathewson; Greg Jump, Peter Dungan, and others have worked with the model. In its early years, the Institute had a partnership arrangement with Data Resources Incorporated (DRI). To this day, the Institute produces a quarterly forecast and simulations of alternative policy assumptions that are widely distributed (by fax and with brief write-ups) to private and public sector users. Like the Conference Board of Canada, it occupies an important place in the Canadian economic consulting market.

The (U.S.) National Industrial Conference Board established a Canadian base in 1954, which came to be known as the Conference Board of Canada. Arthur Smith was responsible for enhancing the economic capabilities and presence of the organization, as described in the article on the Conference Board in this issue of *Canadian Business Economics*. The forecast publications and conferences held by the Conference Board of Canada achieved widespread participation; later on,

the Board would respond to the new wave of econometrics by building its own Canadian model. Because of its large number of business (and particularly U.S. subsidiary) members, the Conference Board became an important *de facto* competitor in the consulting market, even though it has not operated as a for-profit, storefront consulting organization.

In 1972, Michael McCracken established Informetrica Incorporated. Mike (with others) had worked on the development of the CAN-DIDE model at the Economic Council of Canada. Similar to Beckett's some 15 years earlier, his was an entrepreneurial economics venture, although on a substantially larger investment and operating scale, given the costs of developing and operating an econometric model. From the outset, Informetrica provided long-term, annual projections, while other models provided quarterly, or sometimes semi-annual, forecasts. Informetrica developed and now maintains three models — one for the national economy, one for each of the provincial economies, and one for the construction industry — and associated large databases. The models provide forecasts to the year 2020, which are updated twice yearly. Each forecast cycle covers events and trends on the demand and supply sides of the economy, including the impact of changes in macroeconomic policies, capital investment (an on-going roster of major capital spending programs is maintained), and construction activity. The company also produces regular information reports on the activities of Parliament.

Informetrica's growth benefited from the expansion of economic and social programs in various departments and agencies of the federal and provincial governments during the 1970s. This expansion peaked in the mid-1980s; coincidentally, this was also the time when the first signs of decline in the demand for the services of private-sector economists began to appear. But there was more to come, as subsequent retrenchments and cost-cutting swept the federal and provincial governments, particularly in recent years.

Mike McCracken is one of the most articulate and visible business economists of this generation. Along the way, he has been an unsparing critic of monetary and fiscal policies whenever he thought they were inappropriate.

ate. This may not have been helpful to the business of Informetrica, considering that over the years there has been an increasing concentration of economic power in Ottawa at the Department of Finance and the Bank of Canada. Nonetheless, Informetrica today has a full-time staff of more than 20 professionals (led by Mike and Carl Sonnen), the largest private group of consulting economists in the country.

As mentioned earlier, DRI — a leading U.S. economics consulting firm, founded by the late Otto Eckstein of Harvard University, which achieved major success in developing the commercial applications for models — came on the Canadian scene through an association with the Institute of Policy Analysis in 1968. The Institute initially built its quarterly Canadian forecast model on the DRI system; the *quid pro quo* arrangement granted DRI the U.S. distribution rights for this model. DRI subsequently established a separate Canadian operation in 1975, with William Empey as the first chief economist/manager of the Toronto office, responsible for building DRI's own Canadian macroeconomic model. The company targeted economists in large corporations as clients for its model, and marketed time-sharing and Canadian and international economic databases. Following Bill Empey, the later chief economists and directors of the Canadian economic services have been Tom McCormack, George Vasic, and currently Robert Fairholm. Today, DRI supplies all of its various services electronically to desktop and personal computers; hard-copy publications are also available. Clients have access to a wide range of services, including the DRI quarterly Canadian economic model with a number of alternative scenarios, and the capability for clients to develop their own forecasts, special product projections, international economic forecasts, contract research, and access to databases (Statistics Canada and DRI International). Close to one half of DRI Canada's business originates abroad.

The last econometric consulting firm to enter the Canadian market was Chase Econometrics, an independent subsidiary of the Chase Manhattan Bank, established in 1970. Leo de Bever opened Chase's Toronto operation in 1980 and built (with others who had worked with him at the Bank of Canada) a model with

industry details, price forecasts, and other information of interest to private-sector clients. Because the economics consulting business did not fit the operations of a commercial bank in the longer run, Chase sold this business to Wharton Econometric Forecasting Associates (WEFA) in 1987. WEFA was founded in 1963 by Lawrence Klein, a pioneer in econometric model-building. For several years, WEFA Canada was headed by Ernie Stokes, and in 1995 Ross Preston became its managing director. Ross had earlier worked as an executive director at WEFA in the United States from 1969 to 1976, and subsequently spent 15 years at the Economic Council of Canada. Today, WEFA operates a worldwide link of fibre-optic computers and offers expertise in all sectors of the international economy and the corporate planning process. The specific Canadian products include national economic services (macroeconomic developments, financial markets, industrial and consumer markets, industry performance, inflation, and long-term movements in energy, inter-industry relationships, and demographics), regional economic services, other Canadian services related to the Ontario and Alberta economies, and a publication, the *Canadian Cost Planner*. WEFA's worldwide services provide analysis of activity in more than 45 countries. In addition, the company provides consulting services for corporate planners and sells online data services comprising millions of time series. All of this is delivered worldwide. Ross Preston sees WEFA operating not on a Canadian but a global scale.

Economic Consultants

In addition to these econometric-model consultants, a relatively large number of other consulting economists began to operate during the 1960s and 1970s.

Following an academic and marketing research career, Verne Atrill in 1968 became an independent economic consultant specializing in public policy assignments and marketing research: from 1976 to 1981 he was the director of special projects at Gallup. Verne devoted the final stage of his career to research and writing, focusing on balance-sheet economics featured in his much-debated

book, *How All Economies Work*. At the time of his death in 1989, he chaired an interdisciplinary group engaged in reviewing and editing a textbook on the principles of accounting dynamics.

Eric Sievwright, after working at Shell Canada and the Economic Research Corporation, established (in the mid-1960s) a consulting business specializing in the energy sector, which continues to this day.

Arthur Donner came on the consulting scene in 1971, after spending almost 10 years in the public sector, academia, and banking. Arthur has specialized in public policy assignments: he was chairman of the Ontario Task Force on Hours of Work and Overtime (1986-87) and of the Federal Advisory Group on Working Time and the Distribution of Work (1994). Like a number of other consultants, he also maintained a long-standing association with a brokerage firm. Among his many publications, one deserves special mention because of the personalities and the issue involved: *The Monetarist Counter-Revolution: A Critique of Canadian Monetary Policy, 1975-1979*, co-authored with Douglas Peters, then the Toronto Dominion Bank's chief economist. This book did not endear them to the Bank of Canada of course, but they, along with Michael McCracken, showed a refreshing and laudable independence in critiquing Ottawa's economic policies.

In 1972, Frank Clayton started a consulting firm that initially focused on the residential construction sector. A quarter of a century later, Clayton Research Associates is a coast-to-coast organization working in the areas of urban growth and policy issues, economic and demographic projections, consumer spending/saving research, and real estate market and financing analysis. From a relatively narrow starting base in the housing sector, the firm has over the years expanded its niche significantly.

The Groupe Sécor was established in Montreal in the mid-1970s. Specializing in strategic planning and analysis, Sécor has over the years served more than 500 clients in both the business and public sectors throughout Canada, and increasingly abroad. Marcel Côté, one of the co-founders of the company, is the author of several books; the latest was co-

authored with David Johnston in 1995, and is titled *If Quebec Goes... The Real Cost of Separation*. In his long career as an economist, Marcel has worked as an economic advisor to the Premier of Quebec (from 1986 to 1988) and as director of strategic planning and communication in the office of the Prime Minister of Canada (1989-90).

After teaching at the University of Toronto's Faculty of Management from 1972 to 1978, Martin Murenbeeld established a consulting business, now located in Victoria, in the areas of international finance, interest rates, currencies, and gold markets. He is frequently quoted in the financial press on these subjects. His services, provided in two reports on a subscription basis (*The Financial Monitor* and *The Gold Monitor*) are widely used by corporate treasurers and money managers in North America. In addition to weekly and quarterly written communications, Martin makes in-house presentations to individual clients three to four times yearly. Notwithstanding the new modes of communication, regular face-to-face contacts remain a marketing tool for those consultants who specialize in subscription- and/or retainer-based client relationships.

Several other economists and organizations also started their consulting business by the early 1980s. The nature of their business has changed over the years; nowadays, they are predominantly (if not exclusively) specialists in applied microeconomics, performing little or no macroeconomic forecasting work. After the belt-tightening imperative hit the economics function of many non-financial corporations, these consultants offered the advantage of providing the required mix of services on an as-needed, cost-effective basis.

Fitting this description are the services of several large accounting and audit-management consulting firms.

The previously mentioned economics practice of Woods, Gordon today continues at Ernst & Young Management Consultants as a stand-alone practice, not related to the accounting side of the firm. It has been under the leadership of Stephen Tanny for the last 21 years. Up to about 1980, it was active in the forecasting area but gradually shifted its emphasis first towards the energy sector, and

more recently towards financial services, communications, and consumer sector economics, including retail advisory services.

The consulting firm of Stevenson & Kellogg was active in the resource-based and other industrial sectors over the entire period under review; it became part of the Peat Marwick organization now known as KPMG.

Since 1975, Michael Ross has headed an applied economics group in this organization. It has never been active in the field of macroeconomic forecasting; its strategy has been to apply the group's specialization and skills in microeconomic analysis to the issues of the day. Over the years, the group has focused on the energy sector, environmental problems, and infrastructure and privatization projects, using economic impact and input/output model approaches. The firm also compiles and publishes an annual *Survey of Economic Expectations*, now in its sixteenth year, which provides both short (one year), medium (five years), and long-term (ten years) projections of key economic and financial indicators made by 30 of Canada's leading economic forecasters.

Currie, Coopers and Lybrand (CC&L), a management consulting firm associated with the audit firm of Coopers & Lybrand, entered the economics consulting market in 1980 by purchasing the successor company of Beckett, which was led after his retirement in 1974 by Maureen Farrow and myself. I retired from storefront consulting in 1983, while Maureen headed the CC&L economics practice until 1995. During that time, she also served for two years as president of the C.D. Howe Institute. Her departure from CC&L marked the end of that organization's presence in the economics consulting field and, in a wider sense, of the business started by Beckett almost 40 years earlier.

The ARA Consulting Group was formed in the early 1970s and over the years has evolved to offer private and public sector services in strategic planning, program evaluation, socio-economic and environmental analysis, and sector specialization in the health care, land use, resource management, and tourism industries. Along with several others, it is also an exporter of consulting services through its international development assignments. In

the economics area, ARA offers cost/benefit, impact (including input/output modeling), and econometric and simulation modeling. The firm also has capabilities in the analysis of sub-provincial regions, regional development policy, and program development. The economics part of the business has been headed since 1991 by Bill Empey, a 20-year consulting veteran previously affiliated with DRI and CC&L. Like others participating in this survey, Bill has experienced a significant change in his work from macroeconomic modeling and forecasting to applied microeconomic project consulting.

The Niche Specialists: Consulting in the 1980s and 1990s

As discussed above, the work and business of economists were drastically altered by the main-frame computer/econometric model revolution in the mid-1960s. In turn, this would be dwarfed by the next wave of technological change, which would, in time, revolutionize the manner in which information could be stored, analyzed, transmitted, and communicated. Nearly 20 years after their relatively modest beginnings, mini-computers, followed by desktop personal computers and portable laptop and notebook machines, have fundamentally altered the work of economists. They have significantly changed the operations of the large, established organizations in the consulting business; moreover, in many cases they have facilitated the entry of a still-expanding number of lone-wolf consultants.

To conclude this survey, let me now turn to the growing numbers of these consultants who have come on the scene over the last 10 to 15 years. As a group, they eschew macroeconomic forecasting as a product and as a business. To paraphrase several of the people I interviewed, GDP and other macro-indicator forecasts inundate the market; providing another forecast would have no value-added. The new-wave consultants target their services as inputs into production, marketing, and capital investment decisions in the non-financial sectors; into investment management decisions in the financial sector; into the work of

legal firms and regulatory agencies; and into a broad mix of public policy issues. Frequently, these consultants have identified niches on which they focus their marketing; several of them are active in offshore assignments.

After a career at the Bank of Canada and the Department of Finance, Patrick Grady in 1981 established an Ottawa-based consulting business in general economics, program evaluation, taxation, energy, and finance. After a two-year stint as director of economic analysis and forecasting at the Department of Finance, he and David Husband (also an Ottawa veteran who had started the Canada East-West Centre, an economic and public policy consulting firm in 1983) formed Global Economics in 1988. Their list of assignments for government agencies, trade associations, and business interest groups reads like a census of economic and social public policy issues of the last 15 years; along the way there have also been numerous macroeconomic assignments and commentaries. One area of expertise deserves special mention because it involves the premier political and economic policy issue of the day: Patrick is the author of *The Economic Consequences of Quebec Sovereignty* (1991) and (with Alan Freeman) of *Dividing the House: Preparing for a Canada Without Quebec* (1995). The two principals of Global Economics complement each other. The bulk of Patrick's work is focused on domestic aspects, while David is a specialist in international development work.

Peter Andersen has been — on and off — a consultant for almost a quarter of a century. In the 1970s, he was member of the Woods, Gordon economics practice. After working in the brokerage industry, Peter became an independent economic consultant in 1984. His clientele includes a cross-section of manufacturing and other private sector companies. His role is that of a non-resident corporate economist, providing specific economic advice for short- and long-term planning decisions on the scale required by individual organizations. This is not unlike the consulting business in the 1950s and 1960s. However, the high-tech delivery of the services and the communications with the clients are now much more efficient.

George Pedersson, based in Vancouver, is on his second "term" as a consultant (from 1981-

83, and again since 1989); before and in between he worked as a corporate and brokerage house economist, with a total of 25 years experience as an economist. His client list is concentrated in private sector industries in western Canada, along with governments and Crown corporations. He maintains an independent Canadian macroeconomic forecast, and also regional forecasts for the western provinces; these serve as inputs into his own decisions and are not principally marketed as end products. His emphasis is on cost-effective consulting on the economic environment, integrating economic analysis and methods with corporate planning, and on improved investment portfolio management decisions.

Travelling by a different route, Nuala Beck has become a well-known personality in the 1990s consulting market. Nuala's career began quite conventionally in financial economics, with the BCA Research Group and two brokerage houses from 1974 to 1983. Initially, her consulting business related principally to stock market analysis and strategy. Paying attention to the "big trends" and avoiding telling clients what they already knew, she began an extended research program that eventually led her to develop economic indicators pertinent to the changing structure of the "new economy." Her timing turned out to be opportune. The initial efforts to restructure manufacturing industries occurred in the United States in the mid-1980s and somewhat later in Canada. This trend has subsequently swept through the service sectors of both countries. Although Nuala was immobilized by back ailments for long periods of time between 1988 and 1990, her research and databases for the new indicators progressed significantly (she calls this research "distraction therapy").

Based on this work, she has published two books: *Shifting Gears in the New Economy*, published in 1992 and dealing with the United States; and *Excelerate: Growing in the New Economy*, released in 1995 and devoted to Canada. Her approach is to classify the sectors in the economy according to their growth in output and employment, and to explain the degree to which "new indicators" such as investment in research and development, investment and assets in the knowledge base, the rate of return on intellectual property, and

the like are determinants of a high-growth performance. Today, the financial sector accounts for a small proportion of the business, while the majority of the “new economy” consulting work originates from non-financial private sector firms in the United States.

In 1985, Dennis DesRosiers founded DesRosiers Automotive Consultants. Dennis spent the first 11 years of his career as an auto industry analyst with the Ontario government and the Automotive Parts Manufacturers Association. In the mid-1980s, all the private consultants in the automotive sector were located in the United States, and sensing that there was a niche for such services in Canada, Dennis “jumped into the void” — a move he has never regretted. His organization now publishes a semi-monthly report that provides automotive statistics as well as analyses and commentary on the automotive industry, in addition to the *DesRosiers Automotive Yearbook*, which is Canada’s only comprehensive yearbook on the automotive market. Organized into three groups — vehicle sales, the after-market, and original equipment — the company has also completed over 2,000 individual consulting projects for raw-material suppliers, parts suppliers, vehicle companies, and car dealers.

After a career spanning more than 25 years in Ottawa and in a number of consulting firms — Woods, Gordon, Data Resources, Coopers & Lybrand, and Compusearch — Thomas McCormack founded his own business, Strategic Projections, in 1989. Tom’s work blends demographic and economic modeling techniques to provide detailed historical estimates and projections at the national, provincial, municipal, and county level. Reflecting his specialization in demographics, he is a partner in the Madison Avenue Demographics Group (with David Foot and Richard Loreto). He frequently works on public policy assignments and was one of the five members of the Premier of Ontario’s Task Force on the Future of the Greater Toronto Area and a member of the Who Does What Committee.

Earl Bederman established Investor Economics in 1992, after a long career in the investment and money management industry. The firm has developed a model of the household balance sheet that is designed to analyze and quantify strategic and structural develop-

ments in the retail financial services industry. In 1996, Earl launched INSIGHT, an advisory service with a comprehensive database, management information analysis, and tracking service on the investment funds industry.

With a 25-year university, government service, and telephone utility background, Dale Orr founded Economic Analysis Associates (located in Ottawa) in 1993. His niche is telecommunications and regulatory economics, marketed primarily to the private sector; about 25 per cent of his time is spent abroad. Essentially a lone-wolf consultant, Dale teams up with other consultants for specific projects; his competition is primarily found among U.S. specialists and academics.

Another macroeconomist who made a mid-career switch to consulting is Ernie Stokes, who had previously worked at the Conference Board, the Department of Finance, Alberta Energy, and WEFA. His consulting business began in 1994. To date, a major part of his time has been spent on overseas assignments.

There are many other lone-wolf consultants who have emerged, particularly from the ranks of retired corporate economists. After more than 30 years at Canadian Pacific — where he began work in the Economics Department and ultimately became vice-president Europe and vice-president corporate — Harvey Romoff now operates as a consultant in transportation and international trade. Similarly, Robert Varah spent his entire professional career at Dofasco, rising to be the company’s commercial research manager and providing all the services of a steel industry economist. Bob is now active as a consultant in marketing and international trade. Both Harvey and Bob go back to the early 1960s as participants in the Moneco-Econtro forum when its industry round-table meeting was a major function.

Concluding Comments

Almost half a century after the pioneering efforts of a small group of economists, economic consulting in Canada is now in the hands of a small number of relatively large organizations (corporate and other), and a large and growing number of individual practitio-

ners, many of whom have carved out special market niches. My survey deliberately avoided seeking financial information. My general impression is that the market for economics services is highly competitive and that the financial rewards are generally commensurate — or better — with the rewards for senior, experienced economists employed in the private sector. Over and above that, working as a consultant has the attraction of intellectual independence, diversity of assignments, and in a few but rare instances, creating the

opportunity for extraordinary pecuniary rewards. All of this is not unlike the conditions I encountered when I began my consulting career some 35 years ago. *Plus ça change, plus c'est la même chose.*

I hope to have interviewed a representative group of the new wave of consultants; a census was beyond my reach and also beyond the space available for this article. Those whom I have not mentioned should consider it an error of omission, not of deliberate commission.