

# When the Automobile Was Invented, They Didn't Bail Out Ravenna

February 24, 2016 – for The Globe and Mail

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Ravenna is 12 km inland from the southern shore of Georgian Bay, up the side of the Beaver Valley, in the rolling farmland of Southern Ontario. If you blink as you hit the intersection of Grey County Roads 2 and 119, you will miss it, because today, Ravenna is barely a sign and an intersection of two rural roads.

Yet once upon a time, Ravenna was a bustling community, with 2 hotels, a blacksmith, stables, a feed store, a general store. Ravenna existed because it was pretty much halfway between Barrie and Owen Sound by horse and buggy. But then someone had the nerve to invent a new-fangled thing called an automobile. Soon, nobody needed the hotels, the stables or the blacksmith. The local farmers could get more of what they needed in the larger towns of Thornbury, Clarksburg and Collingwood, so the feed store and general store were closed too. It certainly wasn't the fault of the folks from Ravenna – but their world had changed.

Why tell this story? Because the same thing is happening all around us today. Technological changes allow supply and demand chains to change. They allow opportunities for people to work in new and different sectors and places. They can also reduce demand for certain products and services, and reduce demand for various skills and labour in previously busy industries. But a major part of the history and economic success of Canada – of North America – has been one of internal migration, as people adapted and moved to where the opportunities were.

Unfortunately, our memories are all too short. These days, each time there is a disruption, a technological change, a shift in demand for products, services or for labour, the default reaction is to expect governments to step in to maintain the status quo. “We need help to keep our young people here.” “We can't let this town die.” “The government must support this industry.” “We need to protect the family farm.” In most cases, that is exactly what the government should *not* do.

Let's go back to little Ravenna. Should the government of the day have stepped in and artificially kept those two hotels open? Should it have given public money to the blacksmith with which to keep his employees paid, even if there was nothing left for them to do? Should it have given the general store a bail-out, in the hopes that somehow it could generate sales again? Of course not. Ravenna was a lovely place to live and call home, but not when doing so was no longer sustainable. When did we develop the notion that one has the right to stay 'home' even if there is no longer any work there, or the right to continue working at the same job if there is no longer sufficient demand for it, all at the expense of other taxpayers?

A more recent example: It is not the fault of the Toronto, Montreal or Calgary taxi drivers that their regulated (and protected) system is being disrupted by Uber's innovative and popular service which new technology has now made possible. Yet trying to prevent or deny access to new and innovative products or services for which there is great demand, while artificially maintaining less effective and less efficient alternatives, makes no sense.

The good people of Ravenna, like so many people in our history, moved homes, found new work and started new lives, all on their own, without public assistance. But changing jobs, changing skill sets, even more so uprooting and changing homes, can all be difficult for people and their families. We want to be compassionate, and our society can afford to be. Publicly-funded support for people in need as they transition to other jobs and/or other places is not only compassionate, it makes sense economically - but only if it assists people through *transition* to something else, not to protect an unsustainable status quo. This type of support could include money for moving if needed, for income bridging, for training for different occupations that are more in demand elsewhere, and perhaps even easier access to start-up capital for new businesses. (A good number of people who lost their jobs during the major 1980s oil patch downturn started what became successful enterprises.)

It is unrealistic (and irresponsible) to expect government to use public money to artificially support a town, an industry or an individual company if the need for that town no longer exists, if there is no longer demand for what that industry produces, or if a company, for reasons of bad management or otherwise, cannot sustainably supply what demand there is for its products or services.

No one would argue that government should have artificially kept those two hotels open in Ravenna.