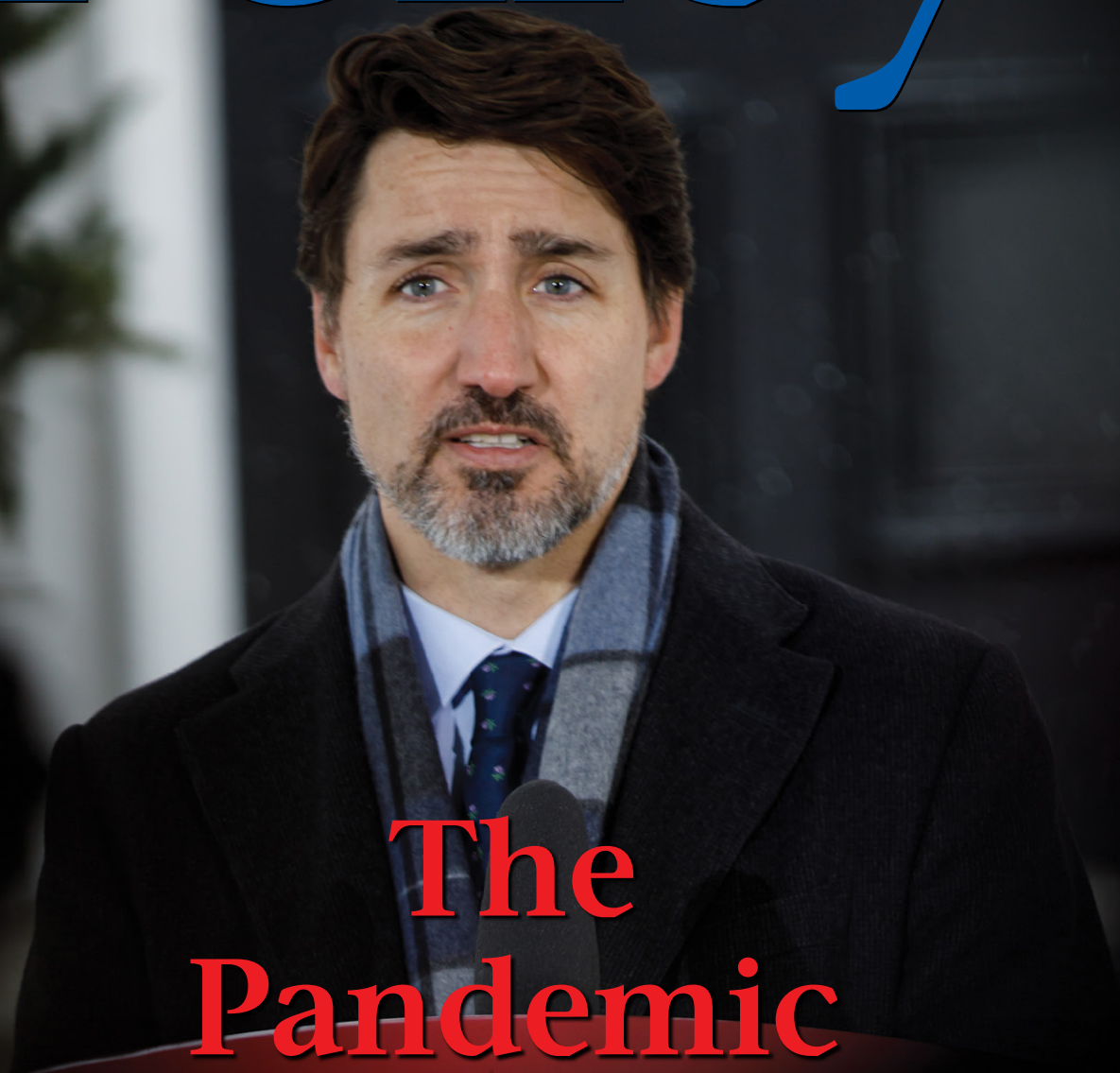


Canadian Politics and Public Policy

Policy



The Pandemic

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Policy

Canadian Politics and
Public Policy

EDITOR AND PUBLISHER

L. Ian MacDonald

lianmacdonald@policymagazine.ca

ASSOCIATE EDITOR

Lisa Van Dusen

lvandusen@policymagazine.ca

CONTRIBUTING WRITERS

Thomas S. Axworthy,

Andrew Balfour, Yaroslav Baran,

Derek H. Burney, Catherine Cano,

Margaret Clarke, Rachel Curran,

John Delacourt, Susan Delacourt,

Graham Fraser, Dan Gagnier,

Helaina Gaspard, Martin Goldfarb,

Sarah Goldfeder, Patrick Gossage,

Frank Graves, Shachi Kurl, Brad Lavigne,

Kevin Lynch, Jeremy Kinsman,

Peter Mansbridge, Carissima Mathen,

Elizabeth May, Velma McColl,

David McLaughlin, David Mitchell,

Don Newman, Geoff Norquay,

Fen Osler-Hampson, Kevin Page,

Robin V. Sears, Brian Topp,

Lori Turnbull, Jaime Watt,

Anthony Wilson-Smith

WEB DESIGN

Nicolas Landry

policy@nicolaslandry.ca

SOCIAL MEDIA EDITOR

Grace MacDonald

gmacdonald@policymagazine.ca

GRAPHIC DESIGN & PRODUCTION

Monica Thomas

monica@foothillsgraphics.ca

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From the Editor / L. Ian MacDonald

The Pandemic

Welcome, if that's the right word, to our special issue on *The Pandemic*, the COVID-19 coronavirus contagion that has swept into our lives this winter and spring, leaving death and destruction worldwide like nothing seen in a century.

How to measure it, how to get over it, how to move beyond it, are global themes explored by our writers amid this devastating health and economic crisis. And all we know about a post-recovery world is that it will likely be different from the one we knew. Abnormal is the new normal.

Our extraordinary team of contributing writers, as well as guest contributors, have brought the best of their talents to this story: how it has unfolded in Canada and elsewhere; how it has changed our lives; and in many cases brought out the best of Canadians being there for each other.

Robin Sears begins our journey by borrowing the question asked at family Seders: "Why is this night different from all other nights?" He asks: "Why is this crisis different from all other crises?" In Canada, Sears suggests the pandemic has brought us together as never before, even across the partisan lines of politics. "There has been an outbreak of political comity," he writes, "unseen even during the two world wars."

Donner Award-winning Lori Turnbull looks at Ottawa and concludes both politicians and public servants have stepped up, but adds: "There is no substitute for Parliament. The elected legislature is the link between the governors and the governed."

Looking globally, our lead foreign affairs writer Jeremy Kinsman observes that as "the coronavirus pandemic cuts a traumatic swath through vari-

ous national timetables and trajectories, it wraps the crowded globe in a shared fearful narrative that will likely alter the way we all live."

Kevin Lynch, who was Clerk of the Privy Council during the financial crisis of 2008-09, says there's really no comparison between then and now. "The COVID-19 global recession is significantly worse than the global financial crisis, which severely traumatized Western economies," he writes, adding: "This is the first truly global recession since the 1930s."

Perrin Beatty, president and CEO of the Canadian Chamber of Commerce suggests that "After the immediate dangers have passed, we will need to take stock." How so? "Every institution will have to ask whether it was prepared to deal with the pandemic."

In a guest column, Bruce Power President Mike Rencheck writes of business giving back to communities, such as the ones served by his company in Ontario. "These are difficult times," he writes, "and they bring out the very best in our people." Well said.

Kevin Page, Canada's first Parliamentary Budget Officer and founder of the Institute for Fiscal Studies and Democracy, looks at the numbers, and doesn't like what he sees. "It is the perfect storm that depresses both demand and supply," he writes.

One of the biggest shocks has been to the airline industry, in Canada and worldwide. McGill University's Karl Moore notes that "Even when the crisis has passed, people will be reluctant" to fly again.

Helaina and Valencia Gaspard grew up in southern Ontario with Detroit in their backyard. Now public policy practitioners in Ottawa, they have an instinctive understanding of differing governance issues in Canada and

the United States. "The comparative management of the COVID-19 crisis," they write, "is a case in point."

Sarah Goldfeder is also an Ottawa policy specialist on Canada-U.S. files at Earncliffe, but grew up on the American side and served as a State Department adviser to two ambassadors to Canada. She sees COVID-19 as a narrative of two Americas, the haves and have-nots.

Our associate editor, Lisa Van Dusen, has lived and worked as a journalist in Washington and New York, and sees the COVID-19 storyline as just the latest crisis further catastrophized by Donald Trump's leadership.

The streets of Ottawa have been deserted for months as part of the social distancing lockdown, but John Delacourt has been working his high-level Liberal and government sources and shares his impressions of how they're running the country.

Canada's health care providers are already absorbing the lessons of success and failure from the COVID-19 pandemic. McGill's Dr. Tim Evans, a leading authority, was appointed by the prime minister to the COVID-19 immunity task force as we were going to press. A key source of expertise in the recovery process will be HealthCareCAN President Paul-Émile Cloutier, who shares his immediate recommendations.

Finally, on the mood of Canada in the pandemic, Shachi Kurl checks in from the Angus Reid Institute with new data on how Canadians are faring, and how they are feeling about all this.

And columnist Don Newman looks ahead to the so-called new normal after the crisis passes, but concludes that "normal won't be the same normal as it was before."

Be well and safe. **P**



Prime Minister Justin Trudeau speaks to the House and the country during an unprecedented sitting Easter Saturday on the government's emergency job legislation. By all-party agreement, only 30 MPs attended for a bare quorum necessary to pass Bill C-14. Adam Scotti photo

Why is This Crisis Different From all Other Crises?

Humanity has endured and prevailed over catastrophes both man-made and natural since the dawn of time. In a chapter of that saga when both the management and repurposing of crisis as opportunity have become policy art forms, how will we learn from the mistakes of this pandemic to create a better world than the one it ravaged?

Robin V. Sears

One of the most powerful moments in a family Seder comes when the youngest at the dining table asks before the group begins to eat, "Why is this night different from all other nights?" The child then runs through four questions that define the painful history of the Jewish people in Egypt and their celebration at winning their freedom. They are a powerful teaching moment, in an emotional night of bonding. A "lest we forget" moment. That happened only on screens during this somber Passover season, but under the shadow of the pandemic, many of these Seders have had even greater emotional impact.

We might well all ask ourselves, "Why is this crisis different from all other crises?"

One answer might be: “We have never had a pandemic globally in a few days, overwhelming the entire world.” At a deeper level, we must examine how and why this epidemic became more broadly tragic in more places, than any before it. We need to remember this pandemic’s lessons, and ensure that we never forget them.

Four specific crisis questions might be:

1. We had several smaller crises in the past two decades, from the same source, with the same method of attack, why was the whole world caught flat-footed—again? Why did we not listen to all the warnings?
2. How can we use this painful experience to build bridges across partisan, ethnic, religious and national divides—not allow the suffering to become an excuse for cementing divisions more deeply?
3. What innovations and learnings should be made permanent? Which of our former foolish behaviours should be forever banished?
4. How can we build a better Canada in a better world as a result of the lessons we have learned?

Perhaps, as we commemorate wars and other emotional anniversaries, we should develop a ceremony to those whom we lost to during this awful assault. Each year, we would honour their memory in ceremony and by ensuring our defences are in place and ready at the push of another pandemic button.

It is incredible to reflect that until two decades ago, Canada—a nation overweeningly proud of its health care system—did not even have a national public health agency. Dr. David Butler-Jones was its estimable first head for a decade following SARS. Dr. Carolyn Bennett was our first Minister of Public Health, working closely with Butler-Jones to set up the Public Health Agency of Canada, and the Canadian Public Health Network, connecting medical officers of health and related officials across the country.

Yet by the time of Butler-Jones’ departure in 2014, public health was sliding back down the policy agenda across the country, funding was

cut, its independence from the other giants of the health care sector was undermined. It became the victim of what public health advocates call the “tyranny of the acute.” A heart attack is highly visible and a successful intervention must come within minutes. A long-term campaign’s success against childhood diabetes is measured in years, even decades, and is mostly invisible.

So, the health care sector in Canada, always pressed for adequate levels of funding to heal the sick, found it much easier to cut the champions of public health rather than trim funding for the acutely ill. The giants in the sector—hospitals, drug companies and doctors’ unions—fell victim to one of Henry Kissinger’s favorite cautions to new political leaders: “Never let the urgent drive out the important.”

That tale of the world forgetting the three virus threats we have already faced in this century—SARS, H1N1, MERS—is how and why the whole world paid no attention to the worst health crisis in a century until the middle of March this year. Where China—the source of this virus and several predecessors—is concerned, they knew of their explosion in Wuhan in November, but only revealed it in late January.

America will have the highest death tolls in the world, mostly a result of a late and incompetent response to the epidemic, one that President Trump declared he took “no responsibility for,” jeering that the pandemic was a Democratic “hoax” until the end of February. With less than five percent of the world’s population, by mid-April, the United States represented nearly one out of four deaths globally. It is surely not too harsh to ask how many thousands of American lives would not have been sacrificed if there had been a competent leader in the White House.

Thucydides’ description of the impact of the worst plague Athens had until then faced is a tale of violence, cruelty and selfishness on the part of its citizens in their panic to save themselves or to die in a last indulgent night of

wine, rape and debauchery. Plagues throughout history have typically brought out the best and the worst of humanity. We always recover, but sometimes it takes decades, and sometimes it leaves scars for generations.

So far, we can be grateful that the heroes far outnumber the fools. The millions of front-line workers, too many of whom have died on the job due to inadequate preparation and protection, have not quit. The hostile idiots who deliberately endangered the health of friends and neighbours have been mercifully few. With the exception of the usual oligarchs, who have used the crisis to seize ever more power, most democratic governments have honoured the values of the Enlightenment—that their first obligation is to protect the safety and freedoms of their citizens.

As Angela Merkel, using her powerful credentials as a physicist, as a survivor of tyranny, and as the most respected leader of her nation in half a century, said as she resisted demands for the use of the military to enforce social control, and rallied her country one more time, “We are a democracy. We don’t achieve things by force, but through shared knowledge and co-operation.”

In Canada, there has been an outbreak of political comity unseen even during the two world wars. Our leaders have responded too timidly and too slowly in some cases, but were wisely open to quick course correction. More importantly, almost without exception they have avoided partisan games or damaging attacks on opponents. How improbable was it for Deputy Prime Minister Chrystia Freeland, a Liberal, to declare that Ontario Premier Doug Ford, a Conservative, had become her “therapist” in a marvelous exclusive by the *Toronto Star*’s Susan Delacourt.

The public reaction to this dramatic change in what was becoming far too regularly a pugilistic approach to politics has been enormously positive. Quebec Premier François Legault has reached the stratospheric height of a 90 percent approval rating. Let us hope that we can preserve at least

some of this new civility, this focus on policy, not personal attack. And that it is matched by a sense of unity in Canada across regional, racial and religious lines.

Perhaps the most startling aspects of global responses to the pandemic have been in the domain of upended mythologies and the death of sacred cows. Worrisome national debt ceilings—pshaw! We have a nation, an economy, a world to rebuild. Thousand-dollar cash gifts with few limitations on who can qualify? Do it, now! Governments triaging who will get taxpayers' money by sector, by company, by province—even Conservative politicians and commentators are demanding such surgical intervention in the economy.

Will this lead to permanent changes in monetary, fiscal, and economic policy? Maybe. Blue ribbon panels are being assembled, wise policy veterans are coming out of retirement to offer their counsel. Canadians of all types are beginning to listen to advocates of a universal basic income, of the importance of teaching wellness and not merely treating sickness, of the role of governments in the economy, with a more open mind.

Will we travel less? Certainly, business travel seems unlikely to rebound given the immersion we have all had in the power of a variety of communication technologies. Will we demand more local food, local products, even at higher prices? Probably, but it may not last unless legislation and regulation support the changes. Will regionalization supplant globalization? Again, probably and along continental lines immediately. The NAFTA countries, the EU and the members of the Asian trade agreements, are all likely to see their fellow trade pact members as partners, and others, not so much.

But as the history of the past two decades, even the past two millennia, amply demonstrates we all have a strong tendency to recidivism, unless we take strong measures against it. I have a large print of a London we will never see. It depicts what the City of

London commissioned from Sir Christopher Wren. It is a vision for the city after the massive destruction of the Great Fire of 1666. It included broad sweeping avenues, many new public squares and parks. It also recommended the beginning of new garbage, sanitation and water treatment systems, partly to prevent a return of another massive fire and subsequent epidemic.

Instead, the city was rebuilt much as it was. Few of the public engineering recommendations were implemented, and less than two centuries later, the city was devastated by a rat-fed cholera plague.

When I first walked down the congested, narrow streets of older parts of Tokyo, framed on all sides by wooden buildings, I imagined they must have been relics from another century, before the Great Kanto earthquake or the firebombing of the Second World War. But no, many of them were fewer than 50 years old.

Crises define leaders and reveal national culture. America has a new hero in Andrew Cuomo as the epitome of a wartime leader—conveying competence, confidence and empathy every day. In Florida and Australia, too many young people—with the complicity of local politicians, indulged in the same behaviours that Thucydides warned Athenians against. Many of them carried the virus back home with them, as we now know.

As in most arenas, Canada sits somewhere between those poles. We have been good at physical distancing and hygiene. But we came to it a month later than our political leaders should have prescribed.

Some will argue that permanent changes have now been ingrained into the social fabric: working from home, telemedicine and schooling, better general hygiene, tougher hygiene rules for nursing homes and prisons, a greater civility in public discourse. Perhaps.

One thing is indisputable, if we work at it, we need never return to some of the foolishness of our past: deep inequalities, dependence on suppliers

thousands of miles away to come to our rescue in a crisis when their own citizens need supplies just as badly.

This crisis was unlike any other. It skipped from Wuhan, to Shanghai, to Los Angeles, to London in the time it took to fly a virus-afflicted passenger. It will happen again, and our response must be faster, more competent, and more universal as a result.

But, hopefully, there is another truth. That we can rebuild a better Canada and a better world out of the pain of this experience. In the parliamentary showdown over tweaking the various relief packages, NDP Leader Jagmeet Singh laid out such a vision and once again offered the core of his political values:

"The decisions we make in the next weeks and months will be some of the most important of our lives—some of the most important that any Canadian government has been faced with..."

I hear a lot of people talking about 'when will things return to normal?' But I believe we need to do far better than normal.

Normal is workers not having paid sick leave. Normal is families struggling on a minimum wage. Normal is people who are essential to health and safety not getting paid enough to live.

Normal is a public health care system that has been starved of funding. Normal is a society that is neither fair nor resilient. We can't ever go back to normal. Canadians are showing their compassion. They're showing their desire to care for one another...Let's not return to the old normal. Let's build a new normal where we take better care of each other. Where we have a strong social safety net that lifts us all up together.

Let's build a Canada that is fair and resilient. Canadians are counting on us. They're counting on us to learn from this crisis, to build a better Canada for all of us." **P**

Contributing Writer Robin V. Sears is a Principal of the Earncliffe Strategy Group in Ottawa, and has lived and worked in London, Tokyo and Hong Kong. He was national director of the NDP during the Broadbent years.



Deserted downtown Ottawa on April 20 in the Byward Market at the corner of York and Sussex Drive, with Parliament up the hill. Asif A. Ali Flickr photo

Democracy Locked Down: Canada's Institutions Respond

The combined public health, social, political, geopolitical and economic impacts of the COVID-19 pandemic present unprecedented challenges to Canada's democratic institutions at a moment in history when democracy worldwide was already under attack. So far, those institutions—including Parliament and the federal public service—have risen to the occasion.

Lori Turnbull

Whatever the social, economic and public health prognoses may be for our post-pandemic future, COVID-19 has already transformed how we live.

Non-essential businesses are closed, parks and gathering spaces are empty, pubs are shuttered, and classrooms and meetings have moved abruptly into virtual spaces. Though public health officials and other leaders assure us that we will get through this period, particularly if we follow directives to stay at home, there is no certainty about when physical distancing requirements might be lifted and when we might commence efforts to create a new normal.

The response to COVID-19 in Canada has demonstrated strength, agility, cre-

ativity, and commitment in all jurisdictions and sectors. With the utmost gratitude, we celebrate public health professionals as heroes who are risking their own lives to keep the rest of us safe. Public servants have deployed benefits programs both for individuals and businesses with unprecedented speed and continue to work on solutions and bridges to get us through the COVID-19 period. Businesses have demonstrated their capacity to evolve and adapt operations to emerging COVID-19 realities, many of them working with partners on innovative strategies for delivering services and sharing risk. Charities and non-profits are working to respond to an overwhelming demand for their services.

Political leaders are under enormous pressure to provide clarity and assurance amid increasing anxiety about how difficult recovery will be.

During this period of isolation, we actually see quite a lot of the prime minister and provincial premiers, who give press conferences almost daily. Some of these briefings are substantive and come with announcements about new programs or updates in COVID-19 statistics and models, while others are aimed primarily at checking in, providing visibility and reassurance.

Politicians are making strategic choices about how to approach crisis communications. For example, the Prime Minister has positioned himself as a Canadian working from home. In the beginning, he was self-isolating as a result of Sophie Grégoire Trudeau's COVID-19 diagnosis. He has chosen to remain largely at home, giving his press conferences from his driveway, perhaps as a way of reinforcing the importance of the "stay at home" message. If the prime minister can do it, you probably can, too. Premier Doug Ford has been praised for his direct communication style and his authenticity. Premier Stephen McNeil has made international headlines (and has inspired a line of merchandise) by telling Nova Scotians to "stay the blazes home".

The role and relevance of Parliament as a democratic institution has be-

come a subject of debate and analysis. In the COVID-19 era, when gatherings are prohibited, what does democratic accountability look like?

It's close quarters in the chambers, both in the House of Commons and the Senate. And the thought of a bunch of MPs flying back and forth between home and Parliament Hill every week is completely offside with what governments are asking us to do.

Back in March, the decision was made to adjourn Parliament until April 20, due to physical distancing requirements. The media have certainly had access to political leaders for questioning, so it cannot be argued that leaders haven't been held to account. We've never seen the prime minister and premiers with as much regularity as we do now.

That said, there is no substitute for Parliament. The elected legislature is the link between the governors and the governed and, without parliamentary accountability, our claim to democratic legitimacy becomes tenuous. Confidence cannot be merely assumed, particularly in a minority government context such as the current one at the federal level. The government is making the kinds of decisions that would have been unimaginable just months ago. Arguably, the confidence of the House in the government has never been more vitally important.

Parliament passed a motion on April 20 that will allow in-person sittings on Wednesdays (including a question period of over two hours) and virtual sittings on Tuesdays and Thursdays. The major question is whether Parliament can be effective virtually.

What is lost if Parliament works online and what are the criteria by which we would judge its effectiveness? There is some appeal to holding virtual sessions. For instance, heckling and noise would not translate well to the online format. No one is going to heckle while sitting alone at their computer (at least one would hope not).

It is possible that online sittings will generate a more collegial tone, which might carry over once physical distancing is behind us. Admittedly, a major concern with online sittings is the potential for problems with connectivity, which could undermine inclusiveness and equal representation.

When it comes to the scrutiny function, the most important consideration here is that parliamentary committees are able to meet and work. They have been doing so electronically, with some manageable hiccups. In the COVID-19 era, we have all found new ways of connecting with one another. Parliament has no interest in being the exception.

It is not clear when a post-pandemic restart will occur, or what it will look like. There are serious differences between provinces in terms of the spread of COVID-19, and so economic recovery might happen at a sporadic pace across the country. Sectors will reopen at different paces as well.

Many Canadians will not be financially able to be active consumers, as a result of the impacts of COVID-19, and so governments and businesses will have to be both patient and innovative in revitalizing parts of the economy and creating new areas for growth.

None of this will be possible without immediate first steps, including increased testing and contact tracing so that the spread of COVID-19 can be contained while physical distancing restrictions are relaxed. Provinces are not all the same in their capacity for this.

COVID-19 has shone a revealing light on inequities that exist in Canada and around the world, with its most devastating effects felt by those who are already vulnerable. It is imperative that, as we look toward rebuilding, we create the conditions for inclusive, compassionate growth in all parts of Canada. **P**

Contributing Writer Lori Turnbull, a co-winner of the Donner Prize, is Director of the School of Public Administration at Dalhousie University.



Justin Trudeau with Donald Trump at the 2019 G7 Summit in France. In the pandemic crisis, Jeremy Kinsman writes that “Trudeau remains focused on outcomes over attitude, biting his lip to avoid criticizing the mercurial American president.” *Joyce N. Boghosian White House photo*

Canada’s Leadership Challenge

As widely predicted so loudly, vehemently and repeatedly by so many observers over the past three years, Donald Trump’s presidency has veered from preposterous to downright dangerous—amid the crisis management demands of a global pandemic. Canada has an immediate responsibility to first do no harm to our bilateral relationship, and then to help the global recovery, both economic and geopolitical.

Jeremy Kinsman

As the COVID-19 coronavirus pandemic cuts a traumatic swath through various national timetables and trajectories, it wraps the crowded globe in a shared fearful narrative that will likely alter the way we all live.

After the Berlin Wall fell on November 9, 1989, Serge Schmemmann of the *New York Times* wrote that “something essential had changed (and) that things would not be the same again.” This pandemic feels like the epidemiological version of that geopolitical before-and-after moment. No question, COVID-19 will change how we live, travel, work, learn, and keep track of

each other. On global cooperation, French economist Thomas Piketty warns, we can't just press the "resume" key. International institutions and economic presumptions need reform.

Past seismic events have suddenly altered the global agenda by episodes of violent human disruption—world wars, the Russian Revolution, or 9/11. This pandemic has no human force or ambitions behind its global shock wave, whose indifference to borders should deepen essential international cooperation. But retrograde nationalist competition is instead thickening protective borders. If great powers do not cooperate, the world economy will fail. We expect a hit to the U.S. and other economies as great as the Great Depression's. Already-high stakes for Canada are aggravated by the collapse of oil markets.

Internationalist, multilateralist, but with national interests intricately interlinked with the U.S., Canada must pursue two parallel tracks: re-building global cooperation, and sustaining efficient synchrony with our neighbour.

Both have been disrupted by the U.S. President's mantra of "America First," a deficient slogan intended to conceal America's relative decline in the world order.

While Donald Trump may be a one-term president, the motif of "America First" won't entirely exit—it was a popular theme of Pat Buchanan and Ross Perot decades before Trump—Canada needs a policy framework we can count on for all kinds of weather. Clearly, reliance on NAFTA to lessen our vulnerability to abrupt unilateral measures by Washington is not enough. As Ontario Premier Doug Ford—earlier, a Trump admirer—lamented recently, "I just can't stress how disappointed I am in President Trump ... I'm not going to rely on any PM or president of any country ever again."

So, Canada needs an open-eyed strategic plan that integrates our different

“Internationalist, multilateralist, but with national interests intricately interlinked with the U.S., Canada must pursue two parallel tracks: re-building global cooperation, and sustaining efficient synchrony with our neighbour.”

imperatives: strengthening national self-reliance, while tightening the reliability of continental supply chains; internationally, deepening and expanding other bilateral partnerships; while working multilaterally to support forces of greater international cooperation. Globally, all governments are scrambling to provide economic and social relief for affected workers and businesses, printing money and incurring massive public debt. International cooperation is vital to mitigate public disarray.

It is a stress test for democratic governance. All countries missed early warnings of the pandemic. But, as World Policy Conference founder Thierry de Montbrial recently observed in this magazine, "populism is the great beneficiary of inefficiency." Indeed, populist nationalists are ramping up authoritarian control while disparaging inclusive liberal democracies as "ineffective." German Chancellor Merkel points to the "democratic edge" of transparency that can successfully mobilize social commitment to rise to great challenges. Coming out of the crisis, democratic governments will face accountability for their management, but with dependency on science and on collective action through essential services strongly reinforced. Leaders who have unified their countries—Canada's Justin Trudeau, Emmanuel Macron of France, Giuseppe Conte of Italy, Pedro Sanchez in Spain—are standing higher.

In Ottawa, and in provincial capitals, the health and economic crises are all-consuming. The COVID-19 crisis is our national stress test. We seem more united than we thought via elected leaders deferring to science-based assessments of trust-

ed health authorities. The consensus commitment to flatten the curve and crush the virus through self-denial reflects a stronger social contract and degree of trust in government than exists in the U.S., where Trump's role as a daily lightning rod means each and every public issue gets media-raked through the coals of seething political and social polarization.

Canadians reel from random, provocative presidential news-bursts that the U.S. is about to station troops on the border, block contracted exports from a U.S. company of vital protective equipment, or unilaterally "open the border." Like a mongoose staring-down a cobra, Trudeau remains focused on outcomes over attitude, biting his lip to avoid criticizing the mercurial American president. The high-maintenance bilateral relationship is similarly managed with skills patience, tact, networks and tactical know-how that are NAFTA battle-hardened by a disciplined team under Deputy Prime Minister Chrystia Freeland that manages to work with practical Americans to put out the flames again and again.

For Global Affairs, the extraordinarily complex operation to repatriate as many Canadians as possible from shut-down locales around the world has been its greatest effort in consular crisis management ever. Trade commissioners have pivoted to solicit and screen almost 4,000 leads for supply, most of which were fanciful or phony, to enable urgent delivery of life-saving equipment.

When the health crisis eases, what will Canada do to mitigate the longer-term effects? The government counts on

a healthy balance sheet to carry a remedial deficit unprecedented since the Second World War until economic recovery enables pay-down over time. But as stated at the outset, we need separate but interlocking action plans to reduce our current vulnerabilities—to the effects of “America First” on our border, and to the world’s current adversarial and fragmented state.

Sometimes in our history, political shock has produced abrupt policy change. In 1972, unilateral and highly damaging U.S. tariffs from President Nixon persuaded Pierre Trudeau to reduce our vulnerability to U.S. political decisions over which we had no control by strengthening our national productive self-sufficiency, the “Third Option.” Later, Trudeau struck the Macdonald Commission on the economy and, in 1985, Brian Mulroney happily accepted its major recommendation of a free-trade pact with the United States. It later became NAFTA.

The worldview of Ronald Reagan, who was indispensable to that bilateral boom, is nowhere in evidence in the Trump administration, but the benefits of economic inter-dependency and productive cooperation remain valued by many Americans, provided they are fair. We need our connections with state, local, and business interests who support what Freeland defines as the long-haul defence of such an essential relationship.

But concomitantly, we need an ambitious national effort to shore up our self-sufficiency. RBC CEO Dave McKay calls for a collective plan to make Canada more self-reliant—in capital, trade, technology, and skills. BMO’s Darryl White sees an opportunity to “leapfrog” in productivity gains through innovation. Then, there is the urgency of getting a national act together on the energy-environment swirl that threatens national unity. Canada needs a new royal commission, on the consequences of the COVID-19 crisis and how to face these national priorities.

Of the wider world on which we also depend, Foreign Minister Philippe Champagne has already engaged international counterparts, in part via an ad hoc solidarity group, the “Alliance for Multilateralism” that Freeland had initiated with France and Germany and other countries—minus the United States—to bolster essential international institutions that Trump has repeatedly attacked. However, shifting from crisis management to creative re-construction can be a challenge for organizations exhausted by the struggles to save ourselves from a plague, and to re-knit our finances. There is a temptation to relax.

“Canada needs to dialogue with everybody. In hoping the U.S. will sort itself out, Canadians should keep the faith with supportive U.S. civil society. We must connect to China, despite objections to the regime’s stance on openness and human rights.”

After the Cold War, Western democracies had the chance to reach out to consolidate an inclusive one-world spirit for the future that was fairer to all. But we complacently slipped into the self-involved belief that democracy, freedom and open markets had “won” and would remain the uncontested way of the world.

Again, the industrialized world managed the 2008-09 financial crisis by saving Big Finance, but ignored the destructive effects of monetized globalization, unfettered capital flows, and widening income disparity.

This pandemic’s effects and economic costs will be especially grave for Africans, without substantial health

care and infrastructure. As ex-President Ellen Johnson-Sirleaf of Liberia warned, if the world is too self-involved to think of Africa, African problems will become everybody’s, for a world that is becoming phobic about migration. Yet, international financial and trade organizations are too hobbled by lack of political will from the competing great powers and unremitting U.S.-China hostility to reform. Among political institutions, the United Nations Security Council has had no role in mediating this world crisis for the same reasons. The G-7, and the G-20, have buckled under self-interested U.S. and Saudi chairs.

U.S. “continental drift,” its evacuation of world leadership, absolutely does not mean Canada should shelter in place.

As the “other North America,” Canada needs to dialogue with everybody. In hoping the U.S. will sort itself out, Canadians should keep the faith with supportive U.S. civil society. We must connect to China, despite objections to the regime’s stance on openness and human rights. The notion that Canada today can deny the need to interact with energy and ambition with the massive Chinese economy is delusional.

As an internationalist country with citizens from everywhere, that knows the value of borders as well as the existential necessity of international cooperation, Canada has to lead by leaning into the project of making cooperative diversity work for human survival. The project to define Canada’s continental and global responsibilities and opportunities is a participatory task for all Canadians. It equals our active engagement in the creation of the post-war world. It offers a rendezvous with human destiny.

Let’s see if we’re up to it. **P**

Contributing Writer Jeremy Kinsman is a former Canadian Ambassador to Italy, to Russia and to the European Union, and High Commissioner to the U.K. He is a Distinguished Fellow with the Canadian International Council.

Beyond the Shutdown:

THE PROGNOSIS FOR A POST-PANDEMIC RECOVERY

While there are aspects of this pandemic recession that echo the wreckage of the 2008-09 global financial crisis, the differences, including the uncertainty of having the pace of containing its human and economic damage susceptible to the whims of both a virus and unpredictable policies in certain countries, are crucial. Outgoing BMO Financial Group Vice Chair Kevin Lynch lays out the possibilities for a recovery.

Kevin Lynch

For those who managed companies, steered financial institutions and helped run governments during the global financial crisis of just over a decade ago, it is hard to imagine a more challenging time, but we are in the midst of one now. As the new managing director of the International Monetary Fund (IMF), Kristalina Georgieva, noted without hyperbole at the first-ever global virtual meeting of the venerable institution, “this is a crisis like no other”. And, as the political scientist Robert Kaplan once observed, “crises put history on fast forward.”

Context is helpful in these circumstances. First, the COVID-19 global recession is significantly worse than the global financial crisis, which severely traumatized Western economies. Global growth in 2009 declined by -0.1 percent whereas IMF estimates of the COVID-19 recession for 2020 are for a fall of -3 percent in global growth. This recession will be the worst since the Great Depression.

Second, this is the first truly global recession since the 1930s, unlike 2009 when advanced economies bore the

brunt of the downturn while countries like China and India maintained growth of roughly 8 percent and developing countries overall experienced positive growth. This year, China and India will barely grow and developing countries overall will experience negative growth.

“ This is the first truly global recession since the 1930s, unlike 2009 when advanced economies bore the brunt of the downturn while countries like China and India maintained growth of roughly 8 percent and developing countries overall experienced positive growth. ”

And third, with such volatility in economic statistics, it is important not to confuse growth rates and levels of economic activity: simply put, recovery does not mean recovered. For ex-

ample, the IMF forecasts growth in the advanced economies to rebound 4.5 percent next year, which sounds robust, but after a 6 percent decline this year this will still leave levels of economic activity in 2021 some 2 percent below 2019, and even further below (5-6 percent) where they would have been in the absence of the pandemic.

At the end of 2019, global debt across all sectors was a whopping \$255 trillion, or 322 percent of global GDP. This mountain of debt was \$87 trillion higher than at the onset of the 2008-2009 global financial crisis.

Governments have accounted for the lion's share of this increase in indebtedness since 2007, followed by non-financial corporate debt and then households, with financial institutions being the virtuous exception. Emerging markets account for almost a third of this total global debt and, outside of China, there is significant foreign currency exposure to this debt, which is problematic at a time of widespread flight to safety among currencies.

The global debt mountain is about to get much higher. With massive new stimulus programs coming onstream and the worst of the downturn expected to hit in the second quarter, government debt will soar over the remainder of 2020 and into 2021. As a result, the IMF expects a sharp upward trajectory in global debt-to-GDP ratios, with long lasting implications.

Prior to the pandemic, Canada stood out globally for a highly indebted household sector and high nonfinancial corporate debt-to-GDP ratios but with a relatively low government net

debt-to-GDP compared to other G20 countries. Large and lasting increases in Canadian government, central bank and private sector debt will be a consequence of measures to respond to the COVID-19 pandemic and recession. Once the recovery is firmly underway, governments (and firms) will need determined strategies to address this surge in debt in order to protect longer-term growth, competitiveness and living standards.

Economic forecasts typically have a number of core underlying assumptions, usually about monetary and fiscal policy, perhaps commodity prices, sometimes geopolitics affecting confidence, and recently U.S. trade and tariff actions. Never before have global economic forecasts confronted today's range of unknowns and the intersection of a public health crisis and an economic crisis.

“At the end of 2019, global debt across all sectors was a whopping \$255 trillion, or 322 percent of global GDP. This mountain of debt was \$87 trillion higher than at the onset of the 2008-2009 global financial crisis.”

In this environment, forecasting must include epidemiological modelling on the effectiveness of COVID-19 containment measures such as social distancing, travel bans and curtailment of non-essential business, estimates of the timing of the development of new therapeutics and vaccines and, finally, projections on when and how the shut-downs will be lifted. In addition, forecasters have to come to a behavioural view on how lingering health concerns of citizens may alter their normal patterns of working, buying, saving and leisure.

Drawing on this analysis in developing its baseline forecast, the IMF assumes that the shutdowns result in the loss of up to 8 percent of working days in affected countries, that the pandemic fades in the second half of the year as the result of containment measures and shutdowns are significantly unwound by the end of the second quarter, that governments protect lives through investments into public health systems and livelihoods through income support to households and liquidity support to firms, that stimulus measures targeted to rapid recovery are implemented when

World Economic Outlook April 2020 Growth Projections (real GDP, annual percent change)

	ACTUAL FORECAST			REVISED FORECAST
	2019	2020	2021	Forecast change for 2020 from January forecast
World output	2.9	-3.0	5.8	-6.3
Advanced economies	1.7	-6.1	4.5	-7.7
United States	2.3	-5.9	4.7	-7.9
Euro area	1.2	-7.5	4.7	-8.8
Germany	0.6	-7.0	5.2	-8.1
Japan	0.7	-5.2	3.0	-5.9
United Kingdom	1.4	-6.5	4.0	-7.9
Canada	1.6	-6.2	4.2	-8.0
Emerging markets and developing economies	3.7	-1.0	6.6	-5.4
China	6.1	1.2	9.2	-4.8
India	4.2	1.9	7.4	-3.9
Other				
Russia	1.3	-5.5	3.5	-7.4
Brazil	1.1	-5.3	2.9	-7.5
Mexico	-0.1	-6.6	3.0	-7.6

Source: IMF

the shutdowns unwind, and that adequate monetary stimulus and support to financial markets are provided.

The key risk to this forecast is non-economic: namely, the duration and intensity of the pandemic. Michael Osterholm, a leading researcher in the field, has cautioned that pandemics typically come in waves and the ultimate public health response is not social distancing but a vaccine and effective therapeutics which could be up to 18 months away. The alternative scenarios considered by the IMF reflect these cautions.

“Never before have global economic forecasts confronted today’s range of unknowns and the intersection of a public health crisis and an economic crisis.”

Globally, after an expansion of 2.9 percent last year, most forecasters as recently as January expected relatively smooth growth for the world economy in 2020. How quickly things can change.

The revised world economic outlook of the IMF suggests the global economy will sharply contract this year, by some –3 percent, before recovering at a 5.8 percent pace next year. In this global forecast (see Table 1), the U.S. economy declines by –5.9 percent in 2020, Japan by slightly less, Canada and Britain by slightly more and the Euro area by more still. China ekes out small positive growth (1.2 percent) as does India, but overall, the emerging/developing world contracts. Not surprisingly, world trade volumes tumble by double digits (11 percent). For 2021, there is a recovery forecast in the range of 4-4 ½ percent for advanced economies and somewhat stronger for emerging/developing markets.

For Canada, the forecast projection is a dramatic decline of –6.2 percent in growth this year. Underlying this is a huge decline in economic activity during the first half of this year followed by a fairly sharp rebound from these historic lows in the second half. For 2021, a recovery in growth of 4.2 percent is projected but this still leaves activity levels next year below those of 2019. Recent Canadian private sector forecasts are in the same ballpark—RBC projects a decline in growth of –5 percent, BMO forecasts –4.5 percent and TD estimates a –4.2 percent—and all stress these are moving targets given the uncertainty surrounding the path of the pandemic.

Underscoring this uncertainty, the Bank of Canada stated in its recent Monetary Policy Report that “it is more appropriate to consider a range of possible outcomes, rather than one base-case projection.” In one Bank scenario, very much mirroring the IMF baseline forecast, Canada experiences a recession in 2020 that is abrupt and deep but relatively short-lived, with a robust rebound in growth, particularly if oil prices firm. A second scenario, characterized by the pandemic and shutdowns lasting longer, loss of productive capacity due to bankruptcies and lingering low oil prices, would see a deeper and longer recession, a less robust recovery and longer-term structural damage to the economy.

While the immediate priorities for all countries are slowing the spread of the coronavirus among their populations and providing liquidity and income support to firms and households during these unprecedented shutdowns, there are other policy matters that we ignore at our peril.

The first is the importance of international coordination since the pandemic is, by definition, global and the resulting economic recession is also pervasively global, something we have not experienced since the 1930s. As former British Chancel-

lor of Exchequer Gordon Brown eloquently set out in *The Guardian*, unless we tackle the pandemic with a coordinated global approach utilizing the G20 and the WHO, we risk second and third waves of the virus rolling around the world. And unless we respond to the recession in developing economies through G20 and IMF leadership, we run the risk of an emerging-markets sovereign debt crisis washing into international capital markets.

The second is what will happen to global supply chains, and the likelihood that companies will be increasingly required, by markets or regulators, to map out their supply chains, accompanied by pressures for “re-localization” beginning with health care supply chains. Third, moves towards greater corporate concentration may be a structural consequence of a deep recession and a shift to more online commerce. The fourth is inequality, which was a concern in most countries before the pandemic and the recession, and we now face the additional risk of “COVID-19 inequality” with respect to economic and health impacts during the crisis.

And finally, the general theme with respect to policy at these virtual meetings of the Bretton Woods institutions was “we need to do what we need to do.” There was widespread praise for the actions of central banks and a generally supportive view of fiscal actions to date. But, as was frequently stressed, health care systems are as critical as macroeconomic policy in a pandemic-induced recession. And here, concerns were raised about the ability of countries to effectively unwind shutdowns and restart economies without significantly allaying public concerns of contagion and personal fears of contracting the virus as work resumes. **P**

Contributing Writer Kevin Lynch, former Clerk of the Privy Council, is retiring as Vice Chair of BMO Financial Group.



Downtown Toronto, heart of the Canadian business community, which is essential to leading the country out of the deepest recession since the Great Depression. Daryan Shamkhali, Unsplash photo

Managing Change Amid a Pandemic

As the world has learned from previous crises, society's responses to catastrophe can range from adaptation to innovation to over-correction. In Canada, so far, our governments have managed the pandemic response as well as could be expected given the uncertainty involved. But what can we learn about how to make Canada better as we move from crisis to aftermath?

Perrin Beatty

The COVID-19 tsunami is far from over. But even as lives are still being cut short and families are reeling, we must start looking for lessons from this disaster.

Crises remake societies. The Great Depression led to the New Deal and taught a generation about frugality. The Second World War ended American isolationism and led to seven decades of international collaboration and institution-building. The events of September 11, 2001 destroyed old assumptions of international security and diplomacy and refashioned how

we saw privacy and security here at home. The Fukushima disaster led Japan and Germany to pull back from nuclear power to meet their energy needs. And the SARS outbreak here in Canada 17 years ago forced large businesses and public institutions to create business continuity plans to prepare for future outbreaks of disease.

As the present crisis continues, we improvise. Businesses and governments alike are piecing together solutions based on partial information, without the time needed to understand the implications of the options they choose. In normal times, our goal might be perfection. In a crisis, it's to find something that's good enough under the circumstances. Surgical masks don't deliver the protection of N95 respirators, but they beat having no protection at all.

“The lessons of fascism, of terrorism, of climate change, of the 2008 economic crisis, of AIDS and of COVID-19 all teach us that the best way to combat international threats is through international collaboration. None of these issues can be adequately addressed by even the richest and most powerful countries acting alone.”

The same applies to hard decisions now being made by all levels of government. Societal lockdowns are crude and often cruel instruments, but they are the tools we have. The lists of essential businesses we need to keep open are a rough form of triage. Government aid programs that would ordinarily take months to design are now conceived in days or hours and may need to be redesigned several times when we discover problems they miss. And once they are unveiled, govern-

“After the immediate dangers have passed, we will need to take stock. Every institution will have to examine whether it was prepared to deal with the pandemic and if its response met the need.”

ments strain to implement them with the speed that's needed.

After the immediate dangers have passed, we will need to take stock. Every institution will have to examine whether it was prepared to deal with the pandemic and if its response met the need.

In addition, Canada should launch a much broader review, at arms-length to governments, run by leaders from medicine, science, business, labour and technology, to consider our overall response as a society. Its purpose should not be to assign blame, but to examine what we did right and what we did wrong, so we can save lives and avoid the immense human and economic cost of future crises.

What we don't need is to simply prepare better for a recurrence of COVID-19. Instead, we must learn the lessons that will prepare us in an increasingly connected world to overcome crises we haven't had to face before now: pandemics that take a different and even more menacing course, cyberterrorism that collapses our economic and administrative infrastructure or devastating natural disasters that could threaten hundreds of thousands of lives.

It's important not to simply refight the current battle but to prepare for ones that seem inconceivable today. After our experience at the epicentre of SARS in 2003, we were in good shape to respond to a health crisis on the same scale, but we remained unaware and unprepared even as we watched this new virus ravage the Wuhan region of China. We hoped the stringent measures imposed by the Chinese would contain the disease. Unfortunately, hope is not a strategy.

At some point, the disease will subside to the point where we can restart our lives and our economy, but the world into which we emerge will be different from the one where we lived just a few weeks ago.

Some changes are already evident, starting with the nature of globalization itself.

Since the Second World War, Canadians have been resolutely internationalist. We should remain so. The lessons of fascism, of terrorism, of climate change, of the 2008 economic crisis, of AIDS and of COVID-19 all teach us that the best way to combat international threats is through international collaboration. None of these issues can be adequately addressed by even the richest and most powerful countries acting alone. More than ever, we need global solutions to global problems.

But supporting internationalism does not require abandoning national strategies. In ordinary times when supply chains remain open, it's simple logic to allocate production to the least-expensive locations. N95 respirators would be an obvious candidate for global supply. They are comparatively low-value products. A small number of manufacturers can produce them at the scale needed, they don't spoil and they are light and cheap to ship. Hand sanitizer and simple protective equipment like face shields and gowns can also be easily supplied in the quantities needed in ordinary times.

Sadly, these are not ordinary times. Global demand for these products has skyrocketed and governments around the world are engaging in pandemic protectionism that, cou-

pled with the disruption of Asian manufacturing operations, threatens lives here in Canada.

Simon Evenett, professor of international trade and economic development at the University of St. Gallen in Switzerland, tracks restrictions on international trade. His most recent report paints a stark picture:

“As of 21 March 2020, 46 export curbs on medical supplies have been introduced by 54 governments since the beginning of the year. Thirty-three of those export curbs have been announced since the beginning of [March], an indication of just how quickly new trade limits are spreading across the globe.”

By Easter, the number of countries imposing beggar-thy-neighbour export controls on medical goods had risen to 75, including the United States, where the American president used Korean War legislation to temporarily force 3M to cut off Canada’s access to their N95 respirators. Particularly in election years, logic, fairness and even basic decency fall victim to self-interest

When China shuttered much of its industrial capacity to control the coronavirus, its customers discovered the risk of stuffing too many eggs into a single basket. The *Wall Street Journal* reports that, following China’s shutdown, the smartphone industry shipped 38 percent fewer units world-wide in March compared with a year earlier. It was the biggest single-month decline in industry history, reflecting both the production bottleneck and anticipated customer decline.

To prevent future problems like this, manufacturers have a number of options, starting with securing suppliers of key components from more than one country. They may also decide to nearshore their production or to repatriate it altogether. Or they may move from-just-in-time production to stockpiling inventory. Unfor-

tunately, all of these options drive up costs that get passed down to customers.

The crisis will transform businesses in other ways as well. Having endured a trial run of employees working remotely, many businesses will not return to traditional office operations. Retailers that have moved online will focus more of their efforts there and less on brick and mortar. Many of their customers will shift further towards click and buy instead of making the trip to the shopping centre or the grocery store.

And the spread of telemedicine will make services much more accessible to people with disabilities, seniors and people who live in remote areas. The pandemic has forced us to adapt to a much more digital world. We must not attempt to return to the *status quo ante*. Our governments and businesses should build on the transition that has been forced upon us to make Canada one of the most digital economies on the globe.

“*The daily realities of business require that companies move at a speed that governments can’t match. Having discovered that capacity, how do we intend to use it once the immediate crisis has passed?*”

The experience will inevitably shape public policy in other areas as well. We have allowed Canada’s manufacturing sector to atrophy and lost many of the traditional skills like tool-and-die making that underpin successful manufacturing. But just as our national security requires a defence industrial base that can meet our needs in an emergency, we must fortify our capacity to meet future

public health needs from a Canadian base. We can meet those requirements with a combination of Canadian and multinational companies as long as we can be confident that supplies will be there when we need them.

When the government called for businesses to retool to produce emergency supplies, the response overwhelmed its capacity to evaluate potential suppliers and match them to the needs. The daily realities of business require that companies move at a speed that governments can’t match. Having discovered that capacity, how do we intend to use it once the immediate crisis has passed? We need both to retain the new capacities we have developed and to avoid reimposing excessive regulation that hampers innovation.

The lessons the pandemic teaches us are sobering and come at a high cost, but we are better-positioned to rebound than most. Canada’s rich resource inheritance means we can meet our energy needs from domestic sources and that we have vast supplies of precious metals, food and forestry products. Our universities and colleges can help provide the technology and the skills we need to become more self-reliant. And despite years of official neglect, we still boast some of the most innovative manufacturers in the world.

Most important of all, our democracy is both diverse and strong. Our resilience and ability to adapt can help us chart where we want to go as a country and sustain our determination to do whatever it takes to get us there. **P**

Perrin Beatty is President and CEO of the Canadian Chamber of Commerce, which has more than 200,000 members across Canada. He has held seven federal cabinet posts, five of them during the Mulroney years, 1984-93, including Defence, Health and Communications.



Guest Column/Mike Rencheck

Being There for Our People

Times like this bring out the best in people, and we are seeing that every day at Bruce Power and in our communities. I truly believe we will get through this pandemic by working together and supporting each other.

At a time of so much uncertainty, we see people from all walks of life perform, every day, extraordinary acts of kindness, generosity and compassion. They are too many to mention, but they certainly start with the front-line workers in health care, emergency response, food supply, environmental services and other essential services.

It's important that we all do our part and that's why I was so humbled and proud to announce on April 1 on behalf of our employees that Bruce Power would be donating 600,000 items of personal protective equipment to support the province's fight against COVID-19, ensuring that front-line workers have the protection they need as the heroes supporting our families and communities.

As I write this, Bruce Power is generating 34 percent of Ontario's power and you can be assured that our team is unwavering in its focus to do its part by keeping the lights on, generating low-cost power in the province, and maintaining global isotope production for medical equipment sterilization during this time.

Cobalt-60, a medical isotope produced at Bruce Power, is used in Gamma irradiation to ensure that medical equipment and supplies—surgical gloves, syringes, and COVID-19 test kits used by front-line medical professionals to treat patients—are sterilized, clean and safe for use. Gamma irradiation is one of the most effective methods for sterilizing this equip-

ment quickly and in large volumes.

We're living in different times when it comes to connecting with family members, friends, neighbours and co-workers. Hand shaking is no longer the way we greet each other, and hand washing may now be the most important thing we can do to keep ourselves safe. Family time can be over FaceTime or other technological means. Meetings in a room or around a table have been replaced by video-conferences with social distancing now part of our everyday vocabulary.

Communication has been a key initiative in our response efforts to keep people connected, and we've worked with our local health care officials to host three Virtual Town Halls in Grey, Bruce and Huron counties which played a pivotal role in getting out necessary information to more than 75,000 residents in our region. Bruce Power and its partners created the Grey•Bruce•Huron Strong app to help people in our communities stay in touch—and properly informed—during this extraordinary time.

We have also collaborated with local Chambers of Commerce and Business Improvement Associations to distribute \$100,000 in locally-sourced essential items to assist community members in need during the COVID-19 pandemic.

Along with our union partner, the Power Workers' Union (PWU) we provided a \$400,000 donation to University Health Network (UHN) in Toronto to be used in the fight against COVID-19. UHN, which includes Toronto General Hospital, Toronto Western Hospital, Princess Margaret Cancer Centre and Toronto Rehabilitation

Institute, is accelerating research in treatment for vulnerable people to the novel coronavirus, and faster testing capability for front-line workers. Bruce Power and the PWU are stepping up to help fund this research and are issuing a challenge to other companies in the energy sector to show their support.

We understand these are extraordinary times, and extraordinary times require extraordinary effort. We must all work together on the prevention and management of COVID-19, to continue to get through this together.

We also have people faced with economic difficulties, not of their own doing. To help, we've distributed \$300,000 to local food banks and Personal Protective Equipment (PPE) for volunteers as the work they are doing is more important than ever. With hundreds of people out of work in our region, these funds are going fast and people are counting on the community to be in this together like never before. It is crucial that people in Bruce, Grey and Huron counties have access to basic necessities. There are many that are unable to put food on the table and we can all make a difference. A Go Fund Me page has been created to collect donations for the Fight Against COVID-19. All money collected will go to support the local food banks that will continue seeing increased demands in the coming months.

These are difficult times, and they are bringing out the very best in the people who live in our corner of rural Ontario, as in every corner of our country. **P**

Mike Rencheck is President and CEO of Bruce Power.

The Lockdown Recession and the Federal Response: \$100 Billion and Counting

In the history of economic catastrophes, the COVID-19 coronavirus pandemic is more akin to a natural disaster or a meteorite than a cyclical or systemic shock. As former Parliamentary Budget Officer Kevin Page points out, the virus has wiped out both supply and demand by paralyzing human activity and mobilizing worldwide fear. Governments have responded accordingly, with outcomes TBD.

Kevin Page

Scientists say we are planet of microbes—things like bacteria and viruses. The human body could not survive without them. Notwithstanding, the late British biologist Peter Medawar, a Nobel Prize winner said “a virus is a piece of bad news wrapped up in a protein”. It turns out that the novel coronavirus COVID-19 will almost certainly result in the worst economic news since the Great Depression of the 1930s.

What will be the longer-term impact on globalization, the role of the public sector and the way we work are important questions. Which way the world will pivot may depend in part on how governments respond to the pandemic. Either way, “A change is gonna come”, as Sam Cooke famously sang.

Almost since the beginning of the breakout of COVID-19 in China late last year, economists have been progressively revising their projections for 2020 and beyond. The direction has been downward. The storm clouds on the horizon have gotten darker and heavier.

COVID-19 is hitting the world with

three shocks at once. It is the perfect storm that depresses both demand and supply.

First, a medical shock caused by a virus that is highly transmissible and many times more deadly than a flu. Second, a double whammy economic shock. In the absence of a vaccine, governments around the world have had little choice but to shut down their economies through containment policies including social distancing and border controls. Also, a commodity price shock, including a dramatic lowering of world oil prices—starting with a geopolitical tussle between the Saudis and Russians and moving to a sharp drop off in global demand. Third, an uncertainty shock. People are living in fear and confidence in the future has plummeted.

Recent economic indicators are hitting policy makers right where it hurts. First-quarter output numbers in China, where this crisis began, indicate that the world’s newly ascendant, second-largest economy has witnessed its first year-over-year decline in output in 50 years.

In mid-April, Statistics Canada released employment and early output

estimates for the month of March. The government health containment measures started in mid-March. Employment levels dropped by 1 million in March (wiping out years of net employment gains in one month). Real output is estimated to have declined by 9 percent in March (the largest decline on record). Real GDP is estimated to have declined by 2.6 percent in the first quarter. The recession has already started.

“COVID-19 is hitting the world with three shocks at once. It is the perfect storm that depresses both demand and supply.”

In this environment of uncertainty, both the Department of Finance and the Bank of Canada have shied away from outlining base case (or planning) economic forecasts. The Bank of Canada has developed some recession scenarios but without much public detail. Personally, I think this is a problem. How do you provide confidence in your policy responses if you are not open about the size of the economic problem facing the country?

The most up-to-date forecast numbers are made available by the International Monetary Fund (IMF). They are projecting a decline in global GDP of 3 percent in 2020. This is the steepest decline since the Great Depression. By comparison, global output growth was effectively zero in 2009. Bottom line, the Lockdown Reces-

sion of 2020 is much more devastating economically than the global financial crisis some 12 years ago. The IMF developed three alternative scenarios. All scenarios involve a deeper recession and slower recovery reflecting greater struggles dealing with the pandemic and the likelihood of a second wave early in 2021.

IMF is projecting Canada will decline by 6.2 percent in 2020. This is about the same as the U.S. and a little less

than projected declines in many European economies. The recovery is expected to be weak. Do not expect to be back to recent GDP levels until 2022.

To provide updated fiscal estimates, the Parliamentary Budget Office developed an economic scenario with an annual decline of 5.1 percent in 2020, including a drop of 25 percent in real GDP in the second quarter. Both economic numbers would be unprecedented in modern times.

The Bank of Canada and the Government of Canada have responded to the COVID-19 pandemic as a crisis like none other. Sadly, this is the reality. The world has not seen a crisis like this since the 1918 Spanish Flu.

The Bank has unloaded its full toolbox and then some. While it is hard to boost demand in an economy while governments are telling people to stay at home, the Bank lowered its policy rate to 25 basis points (effec-

TABLE 1
Summary of Monetary and Fiscal Support Measures: Bank of Canada Monetary Policy Report, April 2020

Bank of Canada actions to support the economy and financial system	
Monetary policy: <ul style="list-style-type: none"> Lowered the target for the overnight rate by a cumulative 150 basis points to the effective lower bound of 0.25 percent Support for the functioning of key financial markets: <ul style="list-style-type: none"> Launched Bankers' Acceptance Purchase Facility Introduced program to purchase Canada Mortgage Bonds in the secondary market Introduced Provincial Money Market Purchase program Introduced Commercial Paper Purchase Program 	<ul style="list-style-type: none"> Launched program to purchase Government of Canada securities in the secondary market Enhanced term repo operations Activated Contingent Term Repo Facility Liquidity support for individual financial institutions: <ul style="list-style-type: none"> Coordinated with international policy-makers for U.S.-dollar liquidity and announced that a U.S.-dollar term repo facility would be made available on a contingency basis Launched Standing Term Liquidity Facility
Fiscal policy to support household and businesses	
Government of Canada: <ul style="list-style-type: none"> Increase Canada Child Benefit for the 2019-20 benefit year Paid one-time enhanced goods and services tax credit Introduced Canada Emergency Response Benefit and Indigenous Community Support Fund Launched Canada Emergency Business Account Introduced Canada Emergency Wage Subsidy Extended maximum duration of Work-Sharing program Established Business Credit Availability Program through the Business Development Bank of Canada and Export Development Canada Increased lending capacity for Farm Credit Canada Deferred business and personal income tax payments (until September 1, 2020) and sales tax remittance and customs duty payments (until June 30, 2020) 	<ul style="list-style-type: none"> Reduced minimum withdrawals for registered retirement income funds Implemented temporary enhancements to the Canada Summer Jobs Program Established a six-month interest-free moratorium on repayment of National Student Loans Provincial, territorial and municipal governments: <ul style="list-style-type: none"> Implemented transfers, rebated and subsidies to businesses, households and community organizations Deferred taxes and student loan payments and interest
Financial policy to support lending	
Office of the Superintendent of Financial Institutions: <ul style="list-style-type: none"> Lowered the Domestic Stability Buffer by 1.25 percentage points to 1.00 percent of risk-weighted assets Introduced additional measures of regulatory flexibility for federally regulated financial institutions 	Government of Canada: <ul style="list-style-type: none"> Launched Insured Mortgage Purchase Program through the Canada Mortgage and Housing Corporation.

This table includes key policy measures up to, and including, April 13, 2020. Source: Finance Canada and Parliamentary Budget Officer.

TABLE 2
Finance Canada and PBO Estimates of Federal Budgetary Measure

\$ billions	2019-20	2020-21
COVID-19 Response Fund	0.5	0.6
Funding for Personal Protective Equipment and Supplies	0.2	1.8
Canada Emergency Response Benefit*	-	22.3
Enhanced GST Credit*	-	5.7
Enhanced Canada Child Benefit*	-	1.9
Temporary Business Wage Subsidy	-	1.0
Canada Emergency Wage Subsidy	-	71
Canada Student Loan Payments*	-	0.2
Support for Indigenous Communities	-	0.3
Support for the Homeless	-	0.2
Support for Women's Shelters and Sexual Assault Centres	-	0.1
Support for Seniors, Children and Youth	0.0	0.0
Lower RRIF Minimum Withdrawal*	-	0.5
Support for the Air Transportation Sector*	0.0	0.1
Other	0.0	0.0
Total	0.7	0.0

Note: *Indicates a PBO cost estimate. All other estimates are based on Finance Canada costing.
Source: Finance Canada and Parliamentary Budget officer. Totals may not add due to rounding.

tively zero). The hope is that this will encourage commercial banks to lower their lending rates and give people a break on big-ticket items like mortgages. Every possible instrument to increase liquidity in the financial sector has been eased (Table 1). The Office of the Superintendent of Financial Institutions also eased capital-to-loan ratios. The liquidity measures are valued in the hundreds of billions.

Since mid-March, the federal government has been progressively announcing fiscal support measures to offset the devastating economic impacts of containment.

With a vaccine still many months away, governments across the world have chosen to lock down their economies as an instrument of public health—to slow the spread of the virus (flatten the epidemiological curve) and ease pressure on health care systems. To flatten the recession curve, governments have provided historic supports.

Canada's fiscal supports total well in excess of \$100 billion in budgetary-type measures. PBO estimates in early April totaled

TABLE 3
Projected Federal Budgetary and Deficit Projections (PBO Estimates)

	2019-20	2020-21
Federal budget balance		
\$ billions	27.4	184.2
% of GDP	-1.2	-8.5
Federal debt		
\$ billions	731.1	897.3
% of GDP	31.0	41.4

Source: Finance Canada and Parliamentary Budget officer.

\$105 billion (Table 2). Additional (un-costed) supports have been announced in recent weeks, including additional funds for Canada Student Jobs, broader access to the Canada Emergency Recovery Program and additional funds for essential workers. The federal government has also introduced its own liquidity measures (delays on tax remittances) and credit supports through organizations like the Export Development Corporation and Farm Credit Canada. Provinces have also introduced supports worth many billions of dollars for households and businesses.

This level of fiscal injection in Canada is without precedent. It needs to be. New budgetary support measures are at least five times greater than the annual fiscal stimulus measures provided in 2009 and 2010. IMF comparisons of fiscal supports highlighted in its April 2020 Fiscal Monitor—both budgetary and non-budgetary—indicates Canada is well within the range of supports provided by countries across the world.

The fiscal supports and expected drops in budgetary revenue will swell federal (and provincial) budgetary deficits and debt (Table 3). PBO currently estimates the federal deficit will rise from \$27 billion (-1.2 percent of GDP) in 2019-20 to \$184 billion (-8.5 percent of GDP) in 2020-21 while the federal debt will go from \$731 billion (31 percent of GDP) to \$897 billion (41 percent of GDP). With additional federal supports expected, we can expect deficits and debt to go higher.

How do these numbers look from an historic perspective? They are big but not unprecedented. We have seen federal budgetary deficits in the 8 percent range after the deep recession in the early 1980s. We saw federal debt-to-GDP ratios north of 40 percent in the early 2000s. When the IMF compares Canada's total government net debt to GDP (gross debt less financial assets) with other countries, we are still less than half the average for "advanced" economies. The saving grace, and what is different now from years gone by, is record-low interest rates.

Is a fiscal reckoning coming? Maybe, but it cannot be anytime soon. Expect many governments across the world to move forward with public investment programs. After the support, we will need fiscal stimulus. It will not be easy to restart a global economy without a COVID-19 vaccine, improved treatment and a lot of testing. **P**

Contributing Writer Kevin Page, Canada's first Parliamentary Budget Officer, is founding President and CEO of the Institute for Fiscal Studies and Democracy at University of Ottawa.

Canada's Airlines Are an Essential Service

Not since 9/11 has the international airline industry experienced such a crisis of demand. In the wake of that shock, multiple air carriers, including Air Canada, filed for bankruptcy protection. Once again, the existential threat to the industry is fear, but this time it's not fear of terrorism, it's fear of innocent people traveling while infected. And the economic impact of the COVID-19 pandemic could last much longer. McGill University management professor Karl Moore makes the case for rescuing Canada's airlines.

Karl Moore

The COVID-19 pandemic crisis is unprecedented in living memory. At least that is what I was told when I interviewed Paul Tellier, Dick Pound, and Dick Evans for this article. Tellier was the Clerk of the Privy Council and later in his career, the CEO of CN and Bombardier. He still sits on global boards today. Pound is the longest-serving member of the International Olympic Committee (IOC) and Evans was the CEO of Alcan and now sits on multiple boards, including Montreal's IT giant, CGI. All three are in their 70s or 80s and have been at the heart of global organizations for decades. When they say that this crisis is unprecedented in their long experience, it means something. "It's global, it's the best illustration of the global village that we live in, and there is no end in sight," said Tellier. "This is by far the biggest crisis that we have seen in our collective lifetimes."

Among the industries hit the hardest is the global airline industry. The

numbers are staggering, and the situation has gotten dramatically worse since the onset of the pandemic, as more and more countries add travel restrictions. Just a few weeks ago, the International Airline Transport Association (IATA) suggested that the global industry would take a US\$113 billion revenue hit. By mid-April, IATA's estimate ratcheted up the loss in annual passenger revenues to US\$314 billion, a whopping 55 percent decline compared to 2019. In North America, that figure represents a more-than 50 percent decline compared to last year.

IATA estimated that by early April, worldwide flights were down almost 80 percent. At this point, three months of travel restrictions appears realistic, if not optimistic. IATA sees post-lockdown air travel likely returning in stages, with domestic markets open in the third quarter but international most likely slower to return. This is an important estimate for Canadian airlines, for which the U.S., Europe, and Asia are particularly important and profitable routes.

Two other factors will probably impact the slow return of air travel. First, the global recession we are in and will probably stay in for a while, which means less business and leisure travel by Canadians and others. In mid-April, the International Monetary Fund (IMF) forecast the deepest recession since the Great Depression to the end of 2020, with economic growth of developed nations down 6.1 percent, Canada falling 6.2 percent and the U.S. economic growth engine declining 5.9 percent by year-end.

Secondly—and this is difficult to quantify—depending on the medical trajectory of the pandemic, for some time, people will be reluctant to spend hours on a plane amid recirculated air with strangers unless they absolutely have to. To put it simply—how would a passenger feel about sitting in a middle seat in economy, in close proximity to fellow passengers? It is going to be some time until global airline activity is back to where it was in late 2019.

It is instructive to look at the experience of a related industry—tourism. One of the first major tourist attractions that reopened as China's pandemic began to ebb was Walt Disney Co.'s Shanghai Disney Resort. Or, at least a part of it reopened. However, the *Wall Street Journal* reported that, "a trip to Tomorrowland may never be the same." Guests must wear masks at all times, removing them only for eating. Hours and number of guests are considerably limited. To merely gain entry, visitors must submit to a temperature check and present a government-controlled QR code on their phone that indicates they are virus-free.



Air Canada and other carriers at passenger gates at Toronto's Pearson International, the country's busiest airport. Canada needs to get those planes flying again as part of a post-pandemic recovery, writes Karl Moore. *David Preston, Unsplash photo*

At the end of March, IATA CEO Alexandre de Juniac warned that "The airline industry faces its gravest crisis in its history. Within a matter of a few weeks, our previous worst-case scenario is looking better than our latest estimates. But without immediate government relief measures, there will not be an industry left standing. Airlines need \$200 billion in liquidity support simply to make it through. Some governments have already stepped forward, but many more need to follow suit."

De Juniac is right; governments around the world have promised to help. The list of governments that have already announced measures to support their airlines is long, and one may be a source of inspiration for what forms aid might take here in Canada.

Why is the airline industry deemed so important? Let's consider the impact of the industry here in Canada. It's not just the airlines that are impacted by the number of flights permitted by governments here and abroad, it's also airport operators, airport on-site enterprises (restaurants and retail), aircraft manufacturers, and air navigation service providers. IATA estimates that the airline and allied industries employ more than 241,000

people in Canada. The airline sector is estimated to support a further 55,000 jobs through the wages it pays its employees, some or all of which are subsequently spent on consumer goods and services.

Foreign tourists arriving by air to Canada who spend their money in the local economy are estimated to support an additional 190,000 jobs. In total, air transport and tourists arriving by air support 633,000 jobs. But beyond the industry and its closely allied sectors, Canadian businesspeople need to get out there after the crisis to get business to sustain and hopefully grow their firms for Canadians and our jobs. Our airlines constitute a vital lifeline to a global network of clients.

The Canadian government should consider some form of restriction on share buybacks and executive compensation packages as part of any rescue going forward, though the industry has begun doing this on its own. Air Canada senior executives have voluntarily agreed not to take a salary for the next quarter or make considerable cuts to their workforce. They have also announced that they are terminating the share buyback program. After announcing layoffs in late March, WestJet executives took a 50 percent pay cut and vice-presidents and directors

took a 25 percent cut. In mid-April WestJet sent additional layoff notices to 1,700 of its pilots, who will also benefit from the same Federal emergency wage subsidy package. At Canada's third largest airline, Porter Airlines, CEO Michael Deluce Porter and Executive Chairman Robert Deluce are not receiving any pay at all until the end of 2020 and all managers will take cuts of up to 30 percent until operations resume. Air Transat also announced that senior executives and members of the board of directors will also take pay cuts.

The Trudeau government has stepped up with an emergency wage subsidy package available across Canadian business, allowing Air Canada to bring more than 16,000 workers, whom they had laid off in the two weeks prior, back onto the payroll. Meanwhile, WestJet in early April was able to rehire 6,400 out of the 6,900 workers they had let go in late March. Rehiring workers helps them and their families, but the vast majority of these workers will be idle as airlines only need reduced teams to operate the few domestic routes that are still active.

The measures taken by the government are a good start, however, these are unprecedented times and they call for unprecedented measures. The emergency wage subsidy package helps families in the employ of Canadian airlines, but it does not solve the problem of the airlines' freefall in revenue.

The airline industry generates substantial revenue in Canada and supports more than half a million jobs, but just as importantly, it acts as our lifeline to the world. When we move to restart our economy, which depends on trade and partnerships with the U.S., China, and the rest of the world, we will need our airlines, particularly Air Canada, to take us there. We must make sure that they are still around. **P**

Karl Moore is an Associate Professor at the Desautels Faculty of Management, McGill University, and a long-time airline industry observer.



The Ambassador Bridge between Windsor and Detroit. For thousands of Southern Ontarians, including nurses and health workers, the bridge is the road to work in another country, in a city whose death rate from COVID-19 is many times that of all of Canada. *Policy Archives photo*

A Tale of Two Responses: CANADA-U.S. NEIGHBOURING IN THE TIME OF COVID-19

The relationship between Canada and the United States—our similarities our differences, our interests and irritants—can and has filled scores of books, studies, memos, briefings, podcasts and postcards. But no presidency in history has challenged the bilateral dynamic as much as Donald Trump's has, and no crisis has challenged the Trump presidency as much as this pandemic.

**Helaina Gaspard
and Valencia Gaspard**

Growing up in southern Ontario near the border with Detroit, Michigan, we constantly compared ourselves to the United States. Their presidents had more international presence and sway, but we had better social programs. The local news would report the weather in Fahrenheit because that's what everyone used, even though we were taught Celsius at school. Even with the lower value of the Canadian dollar, the shopping trip across the border was always worth it because the volume, value and variety of goods was always better there.

Make no mistake, we were and are proudly Canadian, but there was a constant and proximate comparison at the doorstep and in our daily live. Our uncle Tony would take us to the company box for the Red Wings games, because his company was Detroit-based. And our family would fly out of Detroit Wayne County (DTW) airport (even to some Canadian destinations) because it was closer than Toronto's Pearson Airport.

As sisters, growing up in Southern Ontario, Detroit was down the street in the next neighbourhood. The border's porousness was convenient and largely unnoticeable, until it was not. Without question, 9/11 was a cruel reminder that borders exist, and they can harden in an instant. While we now call Ottawa home, the borderless COVID-19 pandemic gave us reason for reflection on the border and that constant comparison of our childhoods.

This time, however, what's on our minds is twofold: calm from the centre and coordinated responses with collaborative action. Federalism in Canada and the United States has expressed itself differently in response to COVID-19.

While each country's states and provinces enjoy latitude across a number of policy areas, Canada's national coordination through the existence of legislatively defined standards in health (Canada Health Act) and basic fiscal equity (Equalization), favour coordination and collective action.

By contrast, while the United States may have national social policy in areas such as education, the operationalization of the legislation in practice is less cohesive. These differentiated expressions have led to different actions from the national governments and coordination with their state and provincial governments. The comparative management of the COVID-19 crisis is a case in point.

No matter how you vote, one can only appreciate the calm daily briefings from Rideau Cottage. Prime Min-

“No matter how you vote, one can only appreciate the calm daily briefings from Rideau Cottage. Prime Minister Justin Trudeau, his cabinet and crisis team have proven themselves to be steady hands charting a course in uncertain waters.”

ister Justin Trudeau, his cabinet and crisis team have proven themselves to be steady hands charting a course in uncertain waters. Surely, history will identify missteps that could have been avoided and actions that could have been taken sooner, but for now, Canada appears to be managing the crisis. (This is not to downplay the pain of the thousands of families who have lost loved ones, those who are suffering with illness, and struggling with financial and business challenges, as well as the sacrifices of those serving on the front lines).

Canada's response and actions are bolstered by higher levels of trust in our government and institutions that other countries do not enjoy. And perhaps, we'll be a little less begrudging at tax time because we are watching our tax dollars at work in real time.

In the United States, we have witnessed a series of missteps and misstatements as the country grapples with the crisis. From accusing China of taking advantage of the U.S., to blaming the Obama administration for this “full scale disaster,” to claiming that the United States outpaced South Korea's COVID-19 testing, the misinformation and confusing messaging from the Oval Office is echoed in the lack of consistency and coordination in responses across America.

President Trump has accused hospital staff of stealing personal protective equipment (PPE), suggested no one really knows what the virus is, and assured Americans the pandemic is going to disappear. Trump has also taken to Twitter to antagonize General Motors and accuse them of “wasting time” and trying to “rip off” the government while the company committed to making venti-

lators. Suffice to say that the president's approach has been neither calm nor confidence-building. While there have been some improvements, Americans are paying for the chaos of their national government.

The fact remains that Canada is not getting through this pandemic without the United States. When President Trump tried pulling back 3M's exports of millions of N95 respirator masks to Canada, Prime Minister Trudeau and Deputy Prime Minister Chrystia Freeland were quick to publicly remind Canadians and Americans of the thousands of nurses and health workers from Windsor serving Detroit, the fifth most-infected metro area in the U.S.

For his part, Ontario Premier Doug Ford pulled no punches when he declared he was “deeply disappointed” by Trump. As Ford put it unambiguously at his daily briefing: “They cut out part of the family,” adding, “never again are we going to rely on another government.” In the end, after Freeland's back-channel conversations with U.S. Trade Representative Robert Lighthizer, whom she came to know well during the NAFTA talks, 3M was allowed to resume its shipments to Canada.

There was also the not-so-subtle mention of the Canadian pulp used by American companies to make surgical grade masks. The people and products that cross the border daily are stark reminders of how closely intertwined our two countries really are, even when our approaches in managing the same crisis differ.

There has been a rallying of federal and provincial efforts in Canada. In mid-April, Premier

Jason Kenney of Alberta announced he was sending \$41 million of surplus PPE and resources to his eastern counterparts, as well as British Columbia. “We are all in this together,” he said. “Not only as Albertans but as Canadians.” Quebec Premier François Legault, facing a PPE shortage, tweeted: “Thanks for your help, Jason.” It was a long way from Alberta and Quebec feuding over pipeline routes.

A once-combative Premier Ford in Ontario is now praising the federal government, particularly the PM and Deputy PM (he himself has emerged as a calm and persistent leader in the face of the pandemic). The pandemic has hit hard in Quebec, Ontario and B.C., with major economic ramifications for Newfoundland. Premier Dwight Ball openly wrote to the federal government about the major financial challenges the province will be facing and the need for immediate federal action. The bottom line, however, is that premiers have taken the pandemic and its multiple facets, from health and economics, seriously, and have responded accordingly. The same cannot be said of all of the United States.

The reactions of states to the pandemic have varied, with two broad camps of governors emerging: those acting decisively and those who have dithered (or worse), some mirroring Trump’s dithering and inconsistency.

While Ontario and Ottawa are collaborating, Michigan and Washington, D.C. are sparring. There are more confirmed cases of COVID-19 in Michigan than there are in all of Canada, and more people have died there than across this country. Michigan Governor Gretchen Whitmer criticized Washington’s response to COVID-19, alleging that the Trump White House “did not take this seriously early enough.” As matters worsened in Michigan and requests for federal support through equipment were made, Trump instructed Vice-President Mike Pence to not, “call the woman in Michigan,” as she was not “appreciative” of his efforts. Striking a conciliatory tone, Governor Whitmer stated she was willing

to work with anyone who could provide Michiganders with the equipment needed to fight the virus.

Governor Andrew Cuomo of New York comes to mind as an example of a leader who has had to compensate for a lack of federal support and action. A positive *Financial Times* profile in early April was a testament to his work. Louisiana, which is much poorer and less equipped than New York, has drawn on its past experiences of rebuilding after Hurricane Katrina. Governor John Bel Edwards has transformed existing infrastructure into the public health support sites required.

“The people and products that cross the border daily are stark reminders of how closely intertwined our two countries really are, even when our approaches in managing the same crisis differ.”

By contrast, Florida has been slow to act, following Trump’s advice. Florida, for instance, adopted legislation declaring the Florida State University Seminoles the 2020 NCAA basketball champions by default, upon the cancellation of the NCAA tournament due to concerns raised by the spread of COVID-19. And yet, Florida appears to receive the health equipment it needs as soon as it’s requested; a luxury that New York, which has the highest rates of infection and death in the country, and Michigan, which is also struggling, do not enjoy. With the upcoming presidential election in November and the state dominant math of the Electoral College, swing states such as Florida take on increasing importance for Trump’s campaign.

To be sure, it is far easier to coordinate among 13 premiers and territorial leaders with manageable population sizes, and some basic standards

thanks to Equalization and the Canada Health Act, when compared to governors of 50 states with significant variance in wealth, education and polarized political views. But that is no excuse—the world’s largest economy has a death toll higher than Italy’s and climbing. Sub-national governments can be laboratories for differentiated action and distinct policy responses that meet the needs of their populations. The challenge, however, is when closely connected territories do not act in a broadly coordinated fashion to respond to a challenge that does not recognize their borders.

There are substantive differences in response, management and action from Canada and the United States. While there has been important and regular cooperation between the two neighbours (most of it unseen), public attention has focused on the terse comments and exchanges between the world’s two largest trading partners, who share the longest unmilitarized border.

Not for nothing do Canada and the United States conduct and manage a \$2 billion-a-day relationship, with millions of jobs in each country, relying on smooth and seamless passage at the border. In the auto industry alone, in the Windsor-Detroit area, countless vehicles cross the border six and seven times during their assembly.

As we’re reflecting on the comparative calm, coordination and collaboration of Canada’s response to the pandemic, George Grant’s *Lament for a Nation* seems unnecessary and outdated. Rather than being subsumed by the elephant that is the United States, Canada is perfectly comfortable being the polite beaver adapting its strategy to meet its changing environment. **P**

Helaina Gaspard is Director of Governance and Institutions at the Institute for Fiscal Studies and Democracy (IFSD), at University of Ottawa, where she completed her doctorate.

Valencia Gaspard, a public servant in Ottawa, holds a doctorate from University of Guelph and is an Adjunct Professor at University of Saskatchewan.



An African American woman preparing a window in her home for general cleaning. Visible minorities have suffered a disproportionate share of COVID-19 infections far beyond their percentage of the U.S. population. *Dawn Arlotta CDC photo*

Inequality in the Time of COVID-19: A Narrative of Two Americas

As the coronavirus pandemic swept through the wealthiest nation in world history, it reminded Sarah Goldfeder that “our multiple Americas are experiencing COVID-19 in very different ways.” In metro areas where two-thirds of the population is white, two-thirds of the victims have been routinely African Americans. Latinos, Indigenous Americans and other diverse communities have also been deprived of quality health care. She hopes that out of great suffering, “we can find a way to bring lasting changes that, if not eliminate, then at least reduce, the systemic racial inequality that marks America.”

Sarah Goldfeder

At some point, usually during Black History Month, every American schoolchild studies the Langston Hughes poem, *I, too, am America*. We learn it, sitting side by side in our classrooms—some including students that instinctively understand the sentiments in that poem, and others not.

Some of us grow up understanding (with or without Langston Hughes) that there are at least two Americas. The one we see on TikTok, with cookie-cutter mansions, multiple car garages, two six-figure income house-

holds with housekeeping support, a landscaping service, located a short drive from big box discount retailers and sprawling pedestrian village-style malls. On the other end of the continuum, large, multigenerational families living in small, rent-subsidized apartments in giant, run-down complexes, usually in the innermost parts of large cities, underserved by retailers and essential services.

The reality, like in most things, is that most live somewhere in the middle. But what we have learned in America is that our multiple Americas are experiencing COVID-19 in very different ways. From Seattle, where we experienced it first, to Louisiana, where the virulence and speed took us by surprise. From inner city Detroit and Chicago, where the numbers indicate that black Americans are far more likely to need ICU care and to die from the disease, to New York City, where we watch field hospitals go up in Central Park, just next door to the most coveted real estate in the world.

As this pandemic picked up speed here in Canada, I ended up on a bit of a road trip to pick up my son from his university at Waterloo, Ontario. As we drove through escarpments of Canadian Shield, we listened to Floodlines, a podcast on the response to Hurricane Katrina. The reporting was focused on how the response was influenced by the racial make-up of the city. The timing on the story was interesting, because in mid-March, most weren't thinking about inequalities in the response or in the spread of the virus.

As COVID-19 tore through Asia, Iran, Italy, we did not focus on the racial or economic indicators of the individuals afflicted. Any discussion on racism centered around discrimination against Chinese, especially as the first cases in North America were attributed to travelers from China. But as the virus settled into the racially, ethnically, and socio-economically diverse environment in North America, we discovered that it wasn't an equitable contagion.

“What this crisis is demonstrating in an undeniable fashion, is that the inequalities that mark my country manifest themselves in ways that kill people.”

We know that black Americans, Latinos, and Indigenous persons appear to suffer from most severe effects of the virus at a much higher rate. We can discuss the implications of our DNA, relative access to medical care, propensity for asthma, diabetes, obesity, and other underlying medical factors that COVID-19 exploits, but none of that addresses the real issue. What COVID-19 should teach us, should remind us, is that inequality is deadly.

If you are a white American you are less likely than a black American to end up in jail, to be a victim of violent crime, to be exposed to environmental toxins, and more likely to have access to clean drinking water, to graduate from high school and university, to have access to routine health care, and less likely to die from COVID-19. In other words, as a white American, life is easier, healthier, and not only is your chance of achieving some sort of success greater, your chance of surviving is better.

That said, there are still divisions within every race, and the plight of the impoverished American is not exclusive to any one race or ethnicity. The pressing question is if the lessons we learn as part of this crisis are lasting—and if we can find a way to bring enduring changes that, if not eliminate, at least reduce, the systemic racial inequality that marks America.

What this crisis is demonstrating in an undeniable fashion, is that the inequalities that mark my country manifest themselves in ways that kill people. The disparity in health care, increased exposure to air pollution, unsafe water supply, and other environmental hazards that contribute to increased underlying health conditions have created easy prey for a virus that turns our own bodies against us.

On the other side of this crisis, will we agree for once and for all that all Americans have a right to health care? That all Americans should be able to access primary care doctors—ideally family doctors, as well as specialists. Will we ensure that our citizens are afforded access to health care commensurate with our country's wealth? Can we accept that the pathway to economic opportunity for all might not be building more to buy more, but to build a set of safety nets that allow unemployment to be affordable?

The Pope released a letter for Easter than crystallized this thinking, in response to the strife in the world, he noted as part of a much longer plea for universal basic income: “Our civilization—so competitive, so individualistic, with its frenetic rhythms of production and consumption, its extravagant luxuries, its disproportionate profits for just a few—needs to downshift, take stock, and renew itself.”

I'll be honest. I don't know if the United States of America is ready for a concept like universal basic income. But there are a lot of steps between that and what we live with now. What I am sure of, is that there will be a window of time where policy makers will have the political capital to level the playing field for all Americans. We have had these moments before—on gun control post-Sandy Hook, for example—and then lost them. Government moved on, making no or few changes to policy.

My former boss, Ambassador David Jacobson, used to remind Canadians that the United States tends to move slowly until it doesn't. That big shifts in policy happen once in a generation, and all at once. The American system was designed to function best this way—incremental changes that



The towers of midtown Manhattan, “the most coveted real estate in the world,” as Sarah Goldfeder writes, symbol of one of two Americas, the “haves” not struggling with the economic disaster pandemic as are the “have-nots”, usually people of colour. Ben O’Bro, Unsplash photo

reflect both the will of the people and protect (select) minority views. Even with the disruption of the Trump presidency, there has been little significant policy change.

These big shifts in policy require three things: first, an underlying shift in the prevailing paradigm; second, a catalyst; and third, dumb luck. The landmark Civil Rights Act of 1964 followed years (decades) of work to re-inform and re-shape the American electorate to a point where a majority understood the need for the legislation. But arguably, if President Kennedy had not been assassinated and a certain Texan had not been both his Vice-President and wise enough to see the imperative to navigate his way successfully through passage of the Act, it would have suffered the same fate as gun control legislation post-Sandy Hook.

So here we are. A president unique in all of history, not partisan as much as tribal. A re-election race underway with an outcome that has never seemed as unsure as it does today. Governors standing up to support their citizens and aligning in new, bipartisan ways—challenging the executive power of the president and eclipsing their Congressional delegations and senators. Americans, as dis-united as ever, disagreeing on when and how to re-open the economy. The divisions, the sense of ineq-

uity, exacerbated as the brunt of this virus is felt in inner cities, in black America, while the economic fall-out hits the many hourly wage workers that support the economies of the fly-over states in white America.

“The divisions, the sense of inequity, exacerbated as the brunt of this virus is felt in inner cities, in black America, while the economic fall-out hits the many hourly wage workers that support the economies of the fly-over states in white America.”

In the end, COVID-19 will leave behind two Americas once again. In New York City, this narrative played out outside of Carbone’s—an a-list Italian restaurant famous for \$80 veal parm and \$140 rib-eye that has remained open for take-out and delivery. Photos of a mob of masked delivery drivers waiting outside the restaurant and the police that had to disperse and manage the crowd circulated on social media. The pictures spoke a thousand words about the experiences of the two Americas.

One, middle-class, suburban enclaves where residents have access to medical care, are able to isolate in their homes while going outside to exercise, have access to fresh produce, can easily afford take-out or delivery, and are able to work from home. The other, full of complicated and crowded households, working to make rent, wearing home-made masks as they expose themselves to others—delivering groceries, take-out restaurant food, booze, and providing essential services. The underlying factors that separate these two Americans only intensify the inequities.

The potential for change is dependent upon the realization that change is needed. The challenge for America, as it emerges from this crisis, is if it is able to recognize the deadly effects of our divisions. Would universal basic income fix the underlying inequality? No, probably not. What we have understood from our inception is that the races have been treated unequally and that has both informed and continued through our history.

We saw the inequality on display post-Katrina, nearly four decades after the Civil Rights Act. We see it now, in that same city and others. The question, as it has been for most of our history, is how much evidence do we need that a change is necessary? How much death will it take for us to understand that our fellow Americans are not living in our same America? And do we have the political and societal will to make that change happen. We fail each other time and time again. Social safety nets and equal access to the world-class health care that is available in America is critical. Not just for the success of our neighbors, but for the ideals that define our country. **P**

Contributing Writer Sarah Goldfeder, a Principal of the Earnscliffe Strategy Group in Ottawa, is a former career officer of the U.S. State Department, and was an adviser to two American ambassadors to Canada, after previously serving in Mexico.

Oh, America: The Wartime Election

In normal times, Donald Trump would not be a candidate for re-election in November. The former reality-show host and current reality-show star would never have become president, or would have been convicted by the Senate and removed from office after his impeachment. Indeed, in normal times, Joe Biden likely would have run in 2016 and won. Events have conspired to make this Biden's moment instead.

Lisa Van Dusen

Oh, America. Besieged by lunacy, tormented by division and, most days, lucky to muster a glimpse of its former self in an Obama sighting or a Reagan anniversary montage. How are the mighty fallen.

Interestingly, the original version of that phrase from the Old Testament 2 Samuel 1:19, was “Oh, howe are the myghtie ouerthrowen.” The substitution of “fallen” for “ouerthrowen” from the *Great Bible* (1539) surfaced in the King James version in 1611. As an editor, seeing that swap via Google was a bit of a shock—fallen and overthrown are two very different words, as any lothario or dictator will tell you.

In America's case, the distinction is a crucial one. Is the superpower that has, for more than half a century, been the world's flagship democracy, military cop on the beat, rules-based international order enforcer and cultural mecca falling or being overthrown? To watch its current president every day, which nobody should really do unless their livelihood strictly depends on it, the answer, buried in a core fallacy, seems obvious: Nobody that stupid could be that powerful. There are just too many built-in self-selection safety valves for anyone achieving the most powerful office in

the free world to be that ignorant and incompetent when they get there, no matter how unlikely and odds-defying the trajectory that propelled them. And even if—as in a Jerzy Kosinski satire of dodgy presidential quality control come ghoulishly to life—they did somehow manage to stumble into the Oval Office, they couldn't possibly stay there and continue to be that ignorant and incompetent. Not in real life. Not with the resources and advisors and analysts at the disposal of any president to stop them from destroying their own country.

Sadly, real life—like America, democracy, and “me time”—isn't what it used to be. Donald Trump's presidency is a product of and testament to a new brand of corruption that is not your grandfather's political corruption. It's not about kickbacks or conflicts of interest or wheel-greasing, at least not in its most impactful manifestations, and it is what keeps him in his gravity-defying, impeachment-flouting role. Corruption Classic was about the cutting of ethical corners and contempt for the law. The new, hyper-corruption that has so altered political narratives worldwide and elevated so many inherently unelectable actors to positions of terrible influence is about the perversion of reality and contempt for the intelligence of the audience. It is

far more insidious because it's not just about money, it's about abuse of power simply as a means to accruing and consolidating even more power until all the obstacles to absolute power have been obliterated.

In many ways, this phenomenon isn't entirely new. I first ran across it—and afoul of it—when I was living and working as a journalist in Washington during the late 1990s. At that point, the use of narrative engineering to produce political outcomes was simply a more sophisticated iteration of the old Nixonian dirty tricks playbook. In the years since then, the fourth industrial revolution has scaled up such hijinks to produce, among other well-documented circuses worldwide, an entire American presidency that amounts to a weaponized content stream of self-inflicted degradation evidently designed to isolate, marginalize and discredit the nation it claims to represent. Trump's apparent maximum-mortality approach to crisis management since the dawn of the COVID-19 coronavirus pandemic is just the most recent, and deadliest, thematic thrust of it. America hasn't fallen, it is being overthrown.

Which makes the 2020 presidential election the most important presidential election since the country's *last* civil war. It also makes it the most vulnerable election in U.S. history. In the context of hyper-corruption and narrative warfare, the 2020 election was a target-rich environment long before the additional complication of a global pandemic became a force multiplier for sabotage. Already, Trump's targeting of the same mail-in voting he has identified as a threat to his re-election—a stunt which, in itself, says something about the priceless penetrability of computerized election



U.S. President Donald Trump joined by Vice President Mike Pence at the daily White House briefing on COVID-19 at the April 16 announcement of the states gradually ending the lockdown and re-opening for business. *Joyce N. Boghosian White House photo*

infrastructure—the state-level voter suppression tactics and fog-of-war propaganda barrages emanating from the president’s Twitter account and other sources are providing early indications of the campaign to come. Yes, as per the president’s recent claim, he is indeed a wartime president.

Enter Joe Biden. After funnelling the Democratic Party’s fears and hopes behind his candidacy with the help of African American elder statesman Rep. James Clyburn in South Carolina, securing the endorsement of rival Bernie Sanders followed by the endorsement of former President Barack Obama, Biden is now sheltering in place in Delaware. It’s a pandemic isolation requirement that, in classic narrative warfare style, has been re-cast as under-exposure, “keeping a low profile” and “not winning the internet” on Twitter despite Biden’s daily video statements, interviews and virtual town halls.

One of the markings of the new politics is that, in a battlefield populated by strange bedfellows, the source doesn’t matter as much as the intended impact. The arsenal of juvenile, lizard-brain triggering ammunition against Biden—whose status as a target of this sort of junk is not new... see Trumpian Ukraine investigation gambit—includes the usual exploitation of perceived weaknesses he can do nothing about, including his age and stutter-averse elocution gaffes. Against that soundtrack, Trump has started deploying his own trademark

trolling, such as the flagrantly misdirectional hashtag #BeijingBiden, meant to project Trump’s most dubiously productive geopolitical allegiance onto his rival.

In a normal, organic environment in which perception, interpretation and analysis of events were not distorted to legitimize a president who, by all standards of personal behaviour, leadership and basic human decency is absolutely preposterous, this election would be an unquestioned blowout. But in a normal environment, Trump would not be president. In a normal environment, Biden likely would have run in 2016 and won. Since then, the array of tricks designed to keep a candidate like Biden—authentic, patriotic, empathetic, service-driven, resilient, competent, prosaically-as-opposed-to-fatally-flawed and with a reliable moral compass—from winning and, especially this year, reversing the assisted-death narrative of America’s decline, have multiplied.

In an atmosphere in which all of the tactics that have transformed not just American politics but politics in every jurisdiction where new world order thugs have been installed to rationalize the global trend away from democracy and freedom and toward surveillance-state totalitarianism, Biden was already going to have to fight a different kind of fight. Amid a pandemic that has hit America like a military attack and is being exploited as an excuse for all manner of previously un-

thinkable decision, including and especially by Trump, the long-time senator will have to operate without any margin for unforced error.

Biden’s decision to essentially function as an administration-in-waiting, providing a counter-narrative to Trump’s daily, deadly absurdity as a public health crisis briefer, is laying a foundation and clarifying the choice, which is really a referendum on Trump. His choice of running mate shouldn’t be a difficult one given both that he has already said he’ll choose a woman and the genuine debt he owes the African American community. The field of qualified, exceptional women candidates for the job, starting with Kamala Harris, Elizabeth Warren and Amy Klobuchar, only reassures that the division of labour in a Biden administration will be competently covered, regardless of who ends up in his old residence at the U.S. Naval Observatory.

But Biden’s most relentless rival in this contest won’t be Donald Trump. It will be the firehose of professionally curated, manufactured malarkey—to coin a euphemism—of which Trump is just one purveyor, designed to systematically make any outcome seem plausible, even the outcome of Joe Biden losing this election in defiance of all reason, logic, truth and sanity, against a president whose tenure has become an existential threat to his own people.

When Winston Churchill assumed the prime ministership of the United Kingdom in May, 1940, he was not the candidate of least resistance. He was derided by some as a loose cannon, dismissed as a drunk, smeared as an unreliable weathervane, a has-been. But he was the candidate of greatest value because he clearly understood the threat facing Britain and the world. The comparison of men is not precise, the parallel between moments is awfully close. **P**

Lisa Van Dusen is Associate Editor of Policy Magazine and a columnist for The Hill Times. She was Washington bureau chief for Sun Media, international writer for Peter Jennings at ABC News, and an editor at AP in New York and UPI in Washington.

Only Connect: The Politics of COVID-19 Crisis Management

For students of both politics and government, the entwined health and economic crises of the COVID-19 pandemic have turned the overquoted Harold MacMillan warning against “Events dear boy, events” into a sad punchline. As complicated as this crisis is, it has in some ways forced a return to the most basic principles of government-public communication, starting with a prime minister’s daily briefing from his front stoop. Longtime Liberal strategist, strategic communicator and novelist John Delacourt elaborates.

John Delacourt

Oh, America. It was a moment easily missed in the barrage of reporting on the COVID-19 crisis from political capitals around the world. British Prime Minister Boris Johnson, in self-isolation prior to his recent hospitalization with the virus, let slip one telling line in a video from 10 Downing Street: “There really is such a thing as society.”

Those who well remember the Thatcher years, looking back in either anger or in admiration, recognized this passing comment as a not-so-subtle rebuke to the Iron Lady’s defining declaration: “There is no such thing as society. There are individual men and women and there are families. And no government can do anything except through people, and people must look after themselves first.”

Johnson, like Prime Minister Trudeau and his cabinet, was clearly coming to terms with how a crisis of this magnitude has ripped up the old scripts of leadership and transcended current partisan notions of government’s role in the lives of its citizens.

You could qualify that read on the new normal as applying only for now,

but it is a now that will stretch into months. The current operating principle for governing evokes a famous quote not of a statesperson but of the novelist E.M. Forster: “Only connect.” Communicate effectively and relentlessly, forge alliances and partnerships for maximum effect in flattening the curve of this pandemic and keeping an economy in life support.

Those working within the Trudeau government have taken consolation where it can be found over the last four months of this *annus horribilis*. If you’re on the front lines in the Prime Minister’s Office or with a minister’s team, it is possible to look back on the Iran plane crash in January and the blockades of Canada’s rail lines in February as dress rehearsals for this, the big show in emergency preparedness and crisis response.

The same tactical toolkit has been applied: each day is focused on a situation report, while Deputy Prime Minister Chrystia Freeland and select members of cabinet lead the tricky negotiations behind the scenes, often with those not naturally aligned, either by temperament or ideology, with the current government. Freeland’s close working relationship

with Ontario Premier Doug Ford is a case in point.

Trudeau’s team have staked their political capital on the assumption that Canadians have recognized the inherent complexities within each of the challenges the pandemic is creating, and the grave implications of reacting, in order to project decisiveness, rather than negotiating to make the best decisions. The operating assumption has been that Canadians just want to know the government is “on it,” and is focused on connecting and listening to those most impacted by the shutdown of the economy. And, as with the society Johnson evoked, industry, all levels of government and citizens working in all sectors have a place at the table to be active in response and recovery.

The approach has given new latitude to cabinet to communicate. A frequent criticism of the first Trudeau term was how top-down the leadership style was, and that ministers were being handled by their staffers whose effectiveness was defined by how dutifully they carried out direction from the PMO. The logistical impossibility of a staffer being on every call their minister makes these days means that Freeland’s more direct and untethered form of engagement has been increasingly adopted by other ministers. The cabinet’s special committee on the pandemic does a virtual meeting each day, lines are established on the measures being implemented, and then they are urged to “get out there” and communicate via webinars, conference calls with councils, NGOs, or online outlets for the business community like The Bay Street Bull.

Major policy announcements that in normal circumstances would take months to



Prime Minister Justin Trudeau behind his West Block office desk on April 8 for the first time after a month of working in isolation at Rideau Cottage. He's briefed by Deputy Prime Minister Chrystia Freeland (R), while Privy Council Clerk Ian Shugart (L) looks on with PMO Chief of Staff Katie Telford, and senior Freeland staffer Jeremy Broadhurst. *Adam Scotti photo*

finalize have been rolled out on a daily basis, and it has tested the public service in unprecedented ways to be “creative” and nimble. One senior advisor on Trudeau’s team suggested to me that the relative success in implementation—so far—would not have been possible if there hadn’t been a strong working relationship established between political staff and the team on the other side of the boardroom table over the last five years. This may indeed be the case, or it could simply be the nature of good public servants to focus more on outcomes than process when the need for service delivery is urgent.

This new demonstrated expertise in crisis management is still led from the top, however. It is a truism that events define leadership; the more provocative and salient question is what, during Trudeau’s time in office, has produced the kind of Prime Minister he is now becoming. The Trudeau who talked over his own finance minister at the podium during the worst days of Morneau’s struggles with a controversial launch of tax changes is markedly different from the Prime Minister who emerges from Rideau Cottage each day now as chief consoler, as millions of jobs are lost and the most vulnerable remain at fatal risk. Like an anchor on a newscast, Trudeau gives Canadians the top line messages and then defers to his cabinet colleagues and senior

mandarins to provide the substantive details of each new announcement later in the day. Whether it is a question of taking wise counsel or trusting his intuition—or more likely the result of a complex interplay of both—Trudeau, like Premier Ford, has understood that tone and plain speaking about what citizens, not governments, must do is what Canadians actually want to hear from him.

Call it a catastrophe of good political timing. Trudeau was poised and ready for a new shift in tone, coming out of the precarious descent in his approval ratings during the worst days of the 2019 election campaign. In the midst of the “blackface” revelations, he had salvaged his campaign—and just barely—by realizing explanations were secondary to acknowledging the gravity of his actions. Any attempt at minimizing the betrayal of trust Canadians felt at that time would have given Andrew Scheer, Jean-François Blanchet and a surging Jagmeet Singh enough momentum to unseat the Liberals. In the wake of this near-defeat, re-establishing trust and focusing on competence and steady hands were already defining the new managing style within the PMO. Freeland was provided a staff of some of the strongest advisors to fortify efforts from the centre. This new approach in getting down to business filtered right down to the social media strategy; much like

Stephen Harper during his time in office, the directive was to focus on the PM at work, not smiling for selfies.

But Canadians had yet to see this new approach in action. Until the pandemic hit. It is an open question as to what it might mean for the political fortunes of Trudeau in the long term. It is instructive, in comparison, to see how Trump’s approval numbers have begun to trend downward as this unfolding crisis puts his leadership style—and his competence—under a microscope through daily briefings, while Trudeau and his team have found their footing, with over 70 percent of Canadians supporting the team’s new playbook.

But to extend the sports analogy, this is a crisis that is still very much in the second, not the third period. Ministers and their staff will openly admit they’re not getting everything right, and that there is much work to be done to address the challenges of Canadians who are falling through the cracks between stimulus and assistance measures. There is talk of reintroducing the Advisory Council on Economic Growth—perhaps more aptly named economic rehabilitation and recovery—to summon the best thinking outside of the prime minister’s current inner circle. There are few certainties about a post-pandemic economic recovery, except for the central fact it will take years, not months, to see the kind of broad-based growth and job numbers Trudeau campaigned on just a year ago. But for the time being, the prime minister and his team can find some consolation in connecting like never before.

Whether he can credit the trust of an engaged society—pace Johnson—focused on others rather than themselves first, or the foundations of a just society that another Trudeau once spoke of, that trust has been granted for the time being. **P**

*Contributing Writer John Delacourt, Vice President and Group Leader of Hill+Knowlton Strategies in Ottawa, is a former director of communications for the Liberal Research Bureau. He is also the author of three novels: *Ocular Proof*, *Black Irises* and *Butterfly*.*

Nothing Like the Real Thing: Lessons So Far from the Pandemic

As any general will tell you, simulations and war games will only take you so far in preparing for battlefield conditions but any preparation is better than no preparation. Dr. Tim Evans, Inaugural Director and Associate Dean of the School of Population and Global Health at McGill University and member of the COVID-19 immunity task force announced by the prime minister on April 23, provides us with an invaluable assessment of what we know so far, what we need to find out and how we can better prepare for future pandemics.

Dr. Tim Evans

As a veteran of the global health frontlines, I have become an advocate for simulations or table-top exercises as helpful in preparing for pandemics. In October, 2019, I participated in a pandemic simulation hosted by the World Economic Forum in New York City. With a small group of public and private sector leaders representing diverse interests and industries globally, we were confronted with an unsettling pandemic scenario: a novel coronavirus breaking out in Asia causing atypical pneumonia and escalating rapidly to become a crushing pandemic that kills millions over a six-month period and brings the global economy to a standstill.

Less than two months later, there was evidence that this simulation in New York had hit the ground in Wuhan. And now, as we reach the peak of the first wave of the SARS-CoV-2 pandemic in Canada, it is all-too-clear that despite preparations including simulations, we were massively ill-prepared for such a crisis. The magnitude of this pandemic and its devastating im-

pact on our loved ones, our lifestyles and our livelihoods cannot be overstated. Nor can it be written off as a one-off or short-lived. Already, there are reasons to be concerned about subsequent waves of the SARS-CoV-2 infection together with the spectre of prolonged economic contraction and depression-levels of joblessness.

While a formal report card on Canada's response thus far is premature, there are several areas where reflection may be helpful moving forward:

First, it's deeply troubling that four months into this pandemic, our data on infections remain so incomplete. To date, testing has followed the epidemic rather than getting on top of it. The initial focus on testing symptomatic travelers returning from high-risk areas underestimated the potential for asymptomatic and community transmission. To date, due to a wide range of problems including the availability of testing equipment or personnel to perform and analyze tests, there is still no population-based testing that is shedding light on asymptomatic and

community transmission. We know from South Korea, Taiwan, Hong Kong and Singapore that well-managed systems for testing are the way to get on top of the epidemic. Canada and many other countries need to take stock of these countries' testing capabilities as best practices and learn to do much better.

Second, with the advent of blood tests that check for an immune response, there is an opportunity to understand the total numbers infected by the novel coronavirus. This information is critical as it will help not only determine more accurate assessments of the true magnitude of the epidemic but will begin to provide insights on levels and trends in immunity. Should large numbers of the population show signs of immunity for example, it is likely that a second wave of infection will be less severe. In addition, knowing the immune status for essential workers like health professionals will be helpful in their deployment in terms of minimizing risks that they will either transmit infection or get the infection themselves. Canada has an important opportunity to get antibody testing in much better order than the molecular assay testing. A new Canadian consortium aims to ensure rapid and reliable rollout of surveys to assess rates of infection as well as the immune status in high-risk groups such as health workers. Provided high quality tests and concerted attention to the evolving state of science on COVID-19 immunity are central to the consortium, it has tremendous potential to help get Canada truly on top of the epidemic and to inform the re-opening of the economy.

Third, the sourcing of key commodities critical to responding to the

pandemic such as masks, protective gowns, ventilators and tests has been sloppy and slow. National stockpiles were severely underpowered virtually everywhere to meet the crescendo demands arising from staff working in hospitals and long-term care facilities. Likewise, efforts to procure these life-saving commodities in the global markets have been especially difficult given the concomitant flood of demands from many countries much larger than Canada that, in aggregate, vastly outdistanced global supply capacity. A major re-think is required moving forward to develop more road-worthy strategies for stockpiles and tapping global supply for essential pandemic commodities.

Fourth, Canada's hospitals appear to be standing up quite well to the challenge of the acute surge in hospitalizations and needs for intensive care. This may reflect a lower-than-expected peak in the numbers requiring care due to the impact of physical distancing measures or that the models predicting hospital needs were simply exaggerated. Less clear, but equally important is how the health care needs above and beyond COVID-19 are being managed given the widespread cancellation of elective procedures and the reluctance that people feel toward going to health care facilities.

More worrisome is the performance of long-term care facilities for the elderly and infirm where infection appears to be rampant and mortality rates very high. Media reports of massive understaffing together with unconscionable living conditions of residents points to an urgent need to develop options to improve long-term care in the setting of pandemics.

Fifth, Canadians appear thus far remarkably compliant with the severe physical distancing measures that have been imposed now for close to a month. Sustaining these will become increasingly difficult as the first peak of infection declines, the weather warms and the imperative to restart the economy grows. More nuanced

options for managing public health risk in a re-opened economy need to be assessed as a matter of urgency. Chief among them is to tailor appropriate responses to communities with disproportionate risk including First Nations, the homeless and the swelling numbers of unemployed.

Sixth, fast-moving pandemics require a commensurate ability to surge or grow the response quickly in order to avoid getting overwhelmed. Surge capacity is not only constrained by slow decision making but more fundamentally by assets that can't be mobilized easily without advance preparation such as a qualified workforce. The severity of workforce shortfalls is starkly felt system-wide: in elderly care centers, among hospital workers whose prolonged use of masks has resulted in facial scars, and also amongst critical public health workers who lack the time to fill out vital information on persons newly detected with infection. It is imperative to explore innovative solutions that bring appropriately trained persons in the numbers needed to these clinical, long-term care and public health front-lines.

Finally, the current pandemic makes it clear why the health of anyone anywhere matters to everyone everywhere. In this regard, Canada's response to the pandemic must be considered not only within its borders but also beyond. One of these areas relates to global efforts to find a SARS-CoV-2 vaccine. In the wake of the Ebola crisis in West Africa in 2014, many of the reviews of lessons learned pointed to the need for a proactive and ongoing vaccine development capacity for pathogens with pandemic potential. This led to the creation of the Coalition for Epidemic Preparedness and Innovation (CEPI) in 2017, a global NGO with a mission to advance development of vaccines for pandemic pathogens. Among CEPI's initial priorities is the development of vaccines for coronavirus and investments over the last two years on this front have provided an important head start for many of the vaccine candidates that are currently being

tested for SARS-CoV-2. Canada's participation in CEPI allows it to leverage the best science globally to accelerate vaccine development with a very modest investment.

Creating new public good institutions like CEPI to shore up gaps or enhancing the performance of existing institutions is critical to better management of global pandemics. Canadians should not forget that it was the SARS epidemic in 2003 that exposed many shortfalls in Canada's epidemic readiness and led to the creation of the Public Health Agency of Canada (PHAC).

We tend however to lose sight of the importance of these institutions. As Jeffrey Lewis pointed out in his recent book *Fifth Risk*, the biggest risk we face is undervaluing these public assets by either under-investing in their growth and further development, or worse, by co-opting them for short-term political gain. While PHAC's integrity has not been questioned thus far in the pandemic, the same cannot be said of other institutions like the World Health Organization (WHO), the essential work of which has been the focus of misguided and misplaced attacks. Canada's public efforts to stand up for and support WHO at this time are important and appropriate.

Nevertheless, no institution should escape scrutiny and accountability, and at an appropriate time, WHO and other multilaterals like the World Bank as well as PHAC and its provincial/territorial equivalents should be duly assessed regarding their institutional performance during the pandemic with appropriate measures taken to address any shortfalls. Fostering a culture of improvement and learning across all institutions will mean more lives saved in the future. **P**

Dr. Tim Grant Evans is former Senior Director, Health, Nutrition & Population at the World Bank. He has been Inaugural Director and Associate Dean of the School of Population and Global Health at McGill University since September 2019.

The End of the Beginning:

WHAT WE'VE ALREADY LEARNED ABOUT PANDEMIC RESPONSE

Canada's health care providers, policy makers and elected officials are already absorbing the lessons of success and failure from the COVID-19 pandemic. A key source of expertise in that process is HealthCareCAN President Paul-Émile Cloutier, who shares his immediate recommendations here.

Paul-Émile Cloutier

As the difficult—and in too many cases, tragic—lessons from the global COVID-19 pandemic continue to be learned as we go, there are two overarching ones to keep in mind: We underestimated the power of this virus and COVID-19 respects no geographic or social boundaries.

Our own national battle against the invisible, insidious, and all-but intractable foe that is COVID-19 has conscripted not only dedicated and frontline health care workers but indeed every Canadian. “Stay home, stay safe” has been the mantra.

Heeding the advice and direction of public health leaders such as Dr. Theresa Tam and her public health colleagues across the country, an overwhelming majority of Canadians are practising physical distancing. Together, we have helped “plank the curve” of the contagion in many parts of the country. Those efforts have helped keep our hospitals and health care systems from being overwhelmed, as has happened in other countries.

Hospitals, community-based health care professionals and, most recently, Canadian Armed Forces personnel have stepped up to fill the gaps in long-term care facilities besieged by

COVID-19 cases. The vigilance and collective effort of Canadians have also helped advance the peak of the pandemic so that now, the data are beginning to show we may be through the worst of the pandemic sooner than was predicted just a month ago.

The temptation is strong to ease up, to get back to “normal”. However, now more than ever, we need the federal government to continue to work collaboratively with provinces, territories, municipalities, and Indigenous leaders to strengthen health care in Canada, especially in the recovery phase.

We have seen the federal government quickly respond to shore up supplies and provide support to prop up the Canadian economy. Further action is needed to support both health research and frontline health care staff who are working flat-out to meet the soaring demand for health care services. And, we must all continue to do our part by continuing to physically distance to protect against another COVID-19 wave.

Our national response has been critical, but not nearly sufficient. Our focus going forward must be to develop a more robust public health strategy, one that recognizes and ad-

dresses the gaps in the system. Fighting this virus has been like waging a war and the pandemic continues to have the potential to wreak havoc in places where large numbers of people are in close contact, such as nursing homes, homeless shelters, and prisons. It is a tragic irony that as we have moved to shore up and prepare the health care system, residents of nursing homes and other long-term care facilities have borne the brunt of the COVID-19 scourge.

Experts such as Dr. Samir Sinha, Director of Geriatrics at Mount Sinai and the University Health Network in Toronto, remind us that long-term care facilities have dealt with influenza outbreaks and other infections themselves for decades. COVID-19 shows us clearly that a more integrated, systemic approach is required: one that is focused on protecting the health of those in care and the safety of those providing care.

The COVID-19 crisis has clearly exposed the gaps in the public health system and the health care system more broadly. One of those gaps is the fact that Canadian health care facilities, designed for another time and place, are among the oldest public infrastructure in use today with approximately 48 percent of facilities being over 50 years old. The picture is worse in cities, where 69 percent of health care institutions are over 50 years old.

Further, Canadian hospitals are constantly forced to defer much-needed maintenance due to budget constraints in order to ensure high-quality, frontline care for patients. We have not adequately funded the upkeep of our health institutions. Once COVID-19 is behind us, it is imperative that we



"Our national response has been critical, but not nearly sufficient," writes Paul-Émile Cloutier. "Our focus going forward must be to develop a more robust public health strategy, one that recognizes and addresses the gaps in the system." Rawpixel photo

complete the unfinished business of Medicare by closing the gaps in long-term care and our traditional institutional health care system.

As we continue to marshal our collective forces to deal with COVID-19, we must ensure that addressing the short-term crisis does not preclude us from tackling the long-term challenges facing Canada's health care system. Health care providers and facilities on the frontlines deployed exceptional emergency response measures and procedures to deal with the outbreak and manage capacity.

Looking ahead, as health care leaders now turn to addressing the backlog created by the huge numbers of cases and procedures delayed in the face of the pandemic, the situation will be far from business as usual. Health care will need much more strategic support from our federal government to address the coming, different surge of patients who have been waiting for care due to COVID-19 demands.

Of course, governments tend to conflate strategy and structure. This mindset leads some to think that the answer to better prepare for the "next pandemic" is to create a new structure, such as some

sort of pandemic 'super agency'. As every business school student knows, strategy must always precede structure. We do not need to add yet another layer into an already crowded health bureaucracy.

The SARS crisis in 2003 led to a series of recommendations from a special review chaired by Dr. David Naylor, which highlighted the need for a more concerted national public health strategy and led to the creation of what is now the Public Health Agency of Canada (PHAC). The Naylor report charted a clear course forward, but we only followed the roadmap partway. We created PHAC but failed to maintain the necessary resources and processes to deal with an outbreak of the scale and scope of COVID-19.

The lack of a truly integrated public health strategy, that can be easily mobilized when and as-needed most is why we end up with long-term care homes with insufficient staffing to properly care for residents while family doctors sit idle. On this front, we were again warned, this time in the 2006 review of pandemic preparedness co-authored by Dr. Tam. If SARS was not the wake-up call, then surely COVID-19 is the clarion call that needs to produce real, sustained action.

In a truly integrated health system, with an up-to-date, comprehensive pandemic plan, the federal government would have a national stockpile of readily accessible emergency supplies and the ability to flow supplies and materials as needed to the frontlines because lines of communication and processes would be clear and practiced. That has proven not to be the case in our COVID-19 response. How often did we hear that hospitals only had three days of critical supplies left?

As a prosperous G-7 country, there is no reason why we did not have clear procedures ready and in place to bring in mandatory containment measures, physical distancing rules, business closures and provision of personal protective equipment (PPE) for frontline health care workers.

Going forward, our nation's political leaders must come together on a plan now to ensure our health care system can respond to future threats and meet the needs of our growing and aging population. HealthCareCAN looks forward to participating in an "after-action review" once COVID-19 is behind us, to bring forward the lessons learned and to look for opportunities to strengthen and fully integrate our public health system.

As Winston Churchill said famously following Britain's first major victory in the Second World War: "Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning." These words ring true now, given we are at or near the peak in terms of the numbers of Canadians infected with COVID-19, but a vaccine remains months ahead on the horizon.

Team Canada may well be at or near the end of the beginning in terms of our battle with COVID-19. What lies before us is a true nation-building opportunity, one where we transcend our 13-jurisdiction provincial patchwork of health systems and create a true system that functions in the service of health, not bureaucracy. **P**

Paul-Émile Cloutier is President and CEO, HealthCareCAN.

What a Difference a Crisis Makes:

HOW CANADIANS ARE UNITING IN A PANDEMIC

Before the COVID-19 coronavirus pandemic began to drastically alter the daily lives of Canadians, including with the behaviour modifier of mortal fear, the country was growing increasingly divided over energy, social issues and partisan bickering. The pandemic and Canada's response to it have moved Canadians to transcend those differences in a war-time spirit of unity that has registered in—among other places—polling on how we're feeling about our leaders.

Shachi Kurl

It has taken the worst crisis since the Second World War for Canadians to rediscover that their leaders, governments, and institutions and even each other, perhaps, aren't so bad after all.

In such circumstances, it is perhaps useful to reflect on the issues over which this nation had been pulling itself apart, and the corresponding fears about damage to national unity that existed before the pandemic hit.

Some of those issues centered on the ongoing left versus right, economy versus environment, east versus west tug-of-war over pipeline and climate policy files. Anger over equalization, carbon pricing, pipelines and jurisdictional fights over who should have the final say on major energy projects led the Angus Reid Institute to publish a public opinion study in January, 2019, headlined "Fractured Federation", revealing that those in Alberta, more than any other province, felt they were giving more than

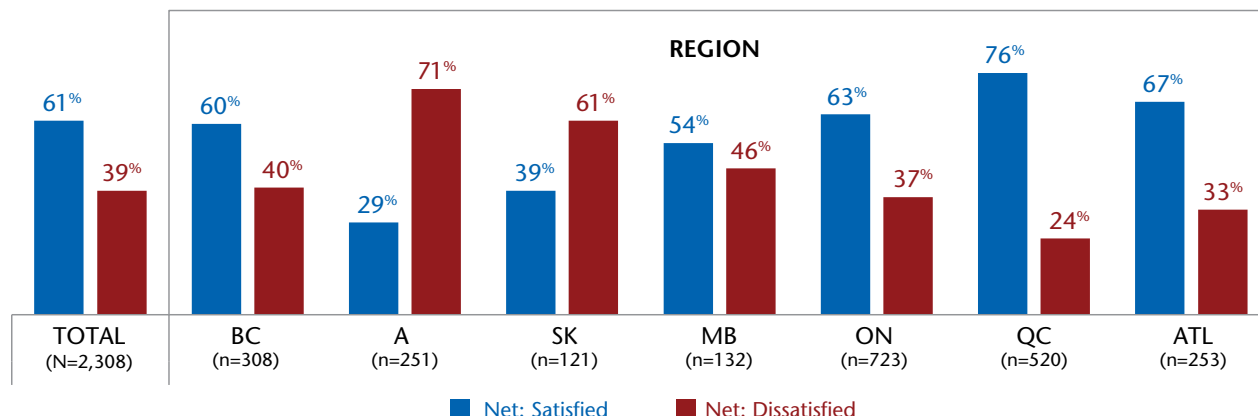
they got from being part of the country. Things were no better a year later, in early 2020, when 71 percent of Albertans said they were dissatisfied with the way things were going in Canada.

Some of those issues had centered on social values. It was the cleavage on which the 2019 election would hinge, a city-versus-rural, young-versus-older, secular-versus-religious (and once more, left-versus-right) tug-of-war over issues such as abortion, gay pride and transgender rights. Parties on the left of the political spectrum moved to a "take no prisoners" stance on abortion rights (an issue that remains divisive in this country) while the Conservative party took an equally hard-line stance on LGBTQ2 issues, a topic over which Canadians find more consensus, except among the centre right.

The result: an election outcome closer than any other in living memory, one in which support for the two "top" parties—the Liberals and Conservatives—was

Chart 1

Overall, how satisfied are you with the way things are going in Canada today?



Source: Angus Reid Institute (Survey of Canadian adults conducted December 18–26, 2019)

lukewarm: in the low 30-percent range for both.

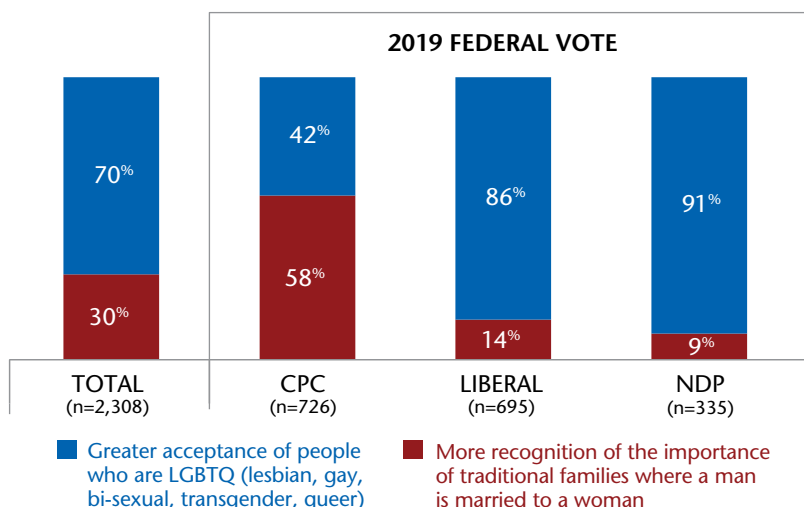
Political watchers opined that 2020 would be the year in which national unity would truly be put to the test against the backdrop of electorates in a mood to reject the usual political suspects.

But then, the novel coronavirus came.

At first, the COVID-19 coronavirus was seen as a foreign problem. One affecting people on the other side of the world, where domestic cases were mostly associated with those who had travelled overseas. In early March, skepticism that surfaced in our polling over the seriousness and risk of the threat of a Canadian outbreak was driven at least in part by political partisanship, as well as diminished trust—especially among Conservatives—in government and mainstream media.

Two weeks later however, life as we knew it had changed. The NHL had abruptly benched its own season. Major retailers were closing their doors (only for a couple of weeks, we thought). Schools first extended spring break, then closed physical classrooms indefinitely. Many Canadians lost their jobs. Many traded business attire for pajama pants. A national debate began on what constituted an “essential” outing.

Chart 2
Canadian society should work towards...



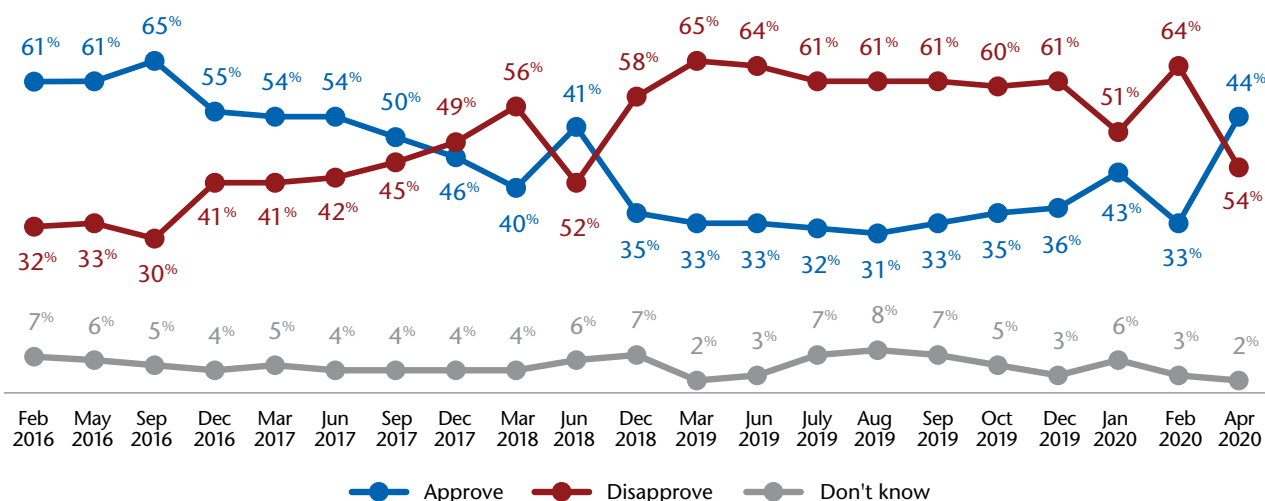
Source: Angus Reid Institute (Survey of Canadian adults conducted December 18–26, 2019)

Chart 3
[Trust a great deal/a fair amount] When it comes to information about the coronavirus, how much do you personally trust the information that you are seeing from each of the following:

	March 5 – 6	March 13 – 15
The news media	49%	55%
Your local health authority/medical health officer	79%	87%
The World Health Organization	76%	83%
The federal government	58%	67%
Your own provincial government	61%	73%

Source: Angus Reid Institute (Survey of Canadian adults conducted March 13–16, 2020)

Chart 4
Do you approve or disapprove of Justin Trudeau?



Source: Angus Reid Institute (Survey of Canadian adults conducted April 15–17, 2020)

Against this backdrop, a nation that had increasingly come to view politicians with cynicism while rejecting expert knowledge in favour of memes they'd seen on social media did something remarkable: it turned to these same leaders for guidance, and trusted in what they were being told:

More explicitly, people reacted positively to the combination of reassurance and action as Canada's provincial and federal governments dealt with the dual crises of trying to curb the deadliest health threat to darken our communities since the flu pan-

demic of 1918, while propping up the millions of households affected by an economy in sudden freefall.

As for Justin Trudeau, the prime minister whose personal approval had been mired at an anemic 30-ish percent for more than a year? That rating jumped 21 points as Canadians (even Conservative voters) offered support for his handling of the crisis.

It could be easy to dismiss such findings, to suggest they are the result of a numbed population too busy grappling with all that's happened to focus on or adequately scrutinize the ways

in which their leaders have performed.

But that would assume the collective Canadian nose for propaganda had been temporarily disabled, a symptom if not of the coronavirus itself, then all the suffering and uncertainty it has wrought. Indeed, even if our leaders haven't been getting it exactly right all the time—and they haven't—the general perception appears to be that their actions haven't been making things worse.

Contrast this with the way Americans feel about how their president and state leaders have tackled the COVID-19 crisis:

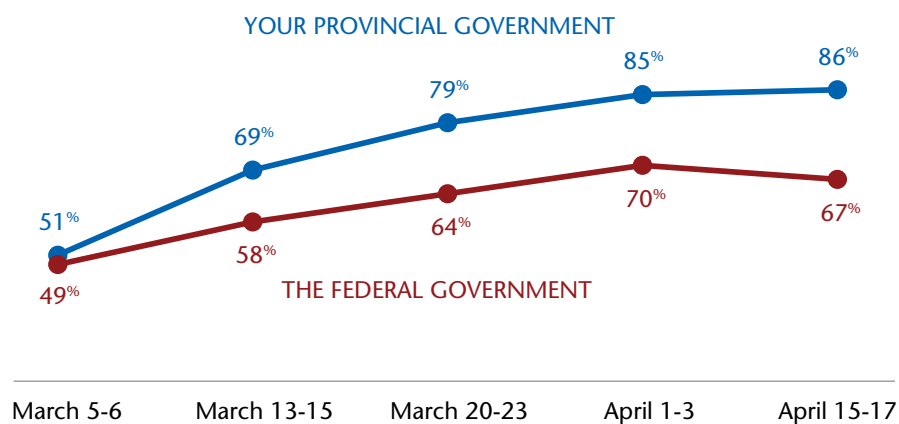
After the October election, so tender were federal-provincial relations that Prime Minister Trudeau eschewed a first ministers meeting in favour of one-on-ones with the premiers. But the issues that made those relationships shaky have been put aside to fight this disaster with a united front. There are no daily press conferences where premiers and the PM openly antagonize one another. There is instead an attempt—even in moments of disagreement—to keep the conversations civil.

The outstanding question is the extent to which this spirit of collective co-operation will last. A return to "normal"—or at least a path to recovery—in our health and economic lives will also bring with it a return of national policy issues that never really went away, but merely fell to the bottom of our priority lists.

Will Canada emerge from this crisis a gentler, more circumspect nation? Will we decide that the issues that felt so divisively unsolvable weren't so impossible after all? It would not be the first time that epic tragedy and suffering had produced positive change and innovation. While we can't predict the future, we'll be measuring those outcomes as Canadians live through them. **P**

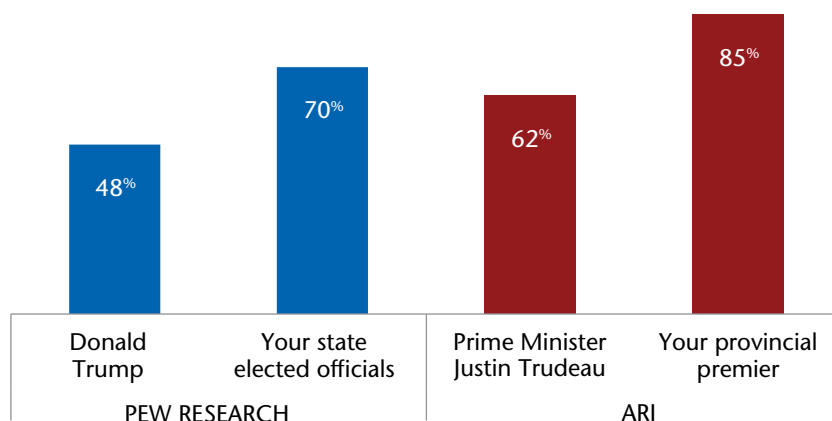
Contributing Writer Shachi Kurl is Executive Director of the Angus Reid Institute, a national not-for-profit research foundation based in Vancouver.

Chart 5
Percentage saying each of the following has done a good job responding to the COVID-19 outbreak



Source: Angus Reid Institute (Survey of Canadian adults conducted April 15–17, 2020)

Chart 6
Percentage saying each of the following has done a good job responding to the COVID-19 outbreak



Sources: Pew Research (Survey of U.S. adults conducted March 19–24, 2020)
Angus Reid Institute (Survey of Canadian adults conducted April 15–17, 2020)



Column / Don Newman

Towards a New Normal

Everyone wants to know when things are going to return to normal, but no one can say when the self-isolation will end. When standing next to someone isn't taking your life in your hands. Or when attending a concert, a baseball game or sitting on a warm summer evening with friends on a patio will again be permitted.

Whether it's in six weeks, six months or a year, we do know that a kind of normal will return. What is less clear is the type of economy Canada will have to support all the things that make life the pleasure it usually is and what type of world Canada and Canadians will be in.

The COVID-19 pandemic is the second thing in the first 20 years of the 21st century that will change life as it has been previously lived. The terrorist attacks of September 11, 2001 were the first. Before 9/11, security to board a commercial airline was relatively rudimentary. Certainly, rudimentary enough that the hijackers who flew the planes into the World Trade Center carried on board their weapons used to seize the planes without being detected by the security screening. Now, before getting on a plane, particularly on an international flight or to the United States, travelers practically have to do a striptease before being allowed to board.

COVID-19 will have a similar effect, not in terms of security directly but certainly in the way countries and people relate to each other. In fact, the pandemic that began in China and has swept the world could be the end of globalization as we've known

it. President Donald Trump with his "America First" agenda had already started down this road, but the beggarthy-neighbour moves in the scramble for the life-saving medical supplies that have been a signature of the response to the pandemic do not bode well for what could lie ahead.

For Canada, there have been some unforeseen revelations. Despite the revised free trade agreement between Canada, the United States and Mexico, President Trump and his administration initially blocked half a million surgical quality masks needed by front line medical workers in hospitals dealing with COVID-19 victims from being shipped to Canada, even though the masks had been ordered by the Canadian government. It took a full court press by federal and provincial officials to get the masks delivered, and then only because 3M, the manufacturer of the masks, weighed in on Canada's side. Despite that one success, it's clear that, at least as long as this president is in office, relations between Canada and the United States can no longer be relied on.

Ironically, it is China that became one of Canada's more reliable suppliers of masks and other personal protection equipment for the doctors, nurses and other hospital staff on the COVID-19 front line. The Chinese have been willing to do business with Canada despite the ongoing diplomatic stand-off over the detention of Huawei executive Meng Wanzhou and retaliatory imprisonment of Michael Spavor and Michael Kovrig in China.

The precariousness of international supply chains has led Prime Minister Justin Trudeau and his government to decide they had to adopt a "Made in Canada" strategy and convince Canadian manufacturers to begin producing masks, gowns, test kits, ventilators and other items used to fight COVID-19.

But the federal government was a little late to the game. The premiers of both Quebec and Ontario had announced that the same shortages, diverted shipments and unreliability of Trump's America had convinced each of them to create the capacity for home-grown manufacturing of essential supplies. Not just within Canada, but within their provincial boundaries. The longer the pandemic lingers the greater will become the manufacturing capacity. And once it does end the capacity will be shifted to other goods.

Other countries will react the same way. "Buy local" will gain adherents. COVID-19 has all but eliminated international travel for now, although some of it will obviously return. But the pandemic didn't start on this continent and people are likely to be more skeptical and hesitant about exposure to "foreign" things. The possibility of a smaller, more expensive world as the new normal looms in the future.

So, while sooner or later things will return to normal. It's just that when it does, normal won't be the same normal it was before. **P**

Columnist Don Newman, Executive Vice President of Rubicon Strategies in Ottawa, is a lifetime member of the Parliamentary Press Gallery.



We're Working From Home, Too

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