

Canadian Politics and Public Policy

# Policy



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# Policy

## Canadian Politics and Public Policy

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### Policy

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The Trudeau cabinet, class of 2019, with Governor General Julie Payette after their swearing-in at Rideau Hall, last November 20. *Adam Scotti photo*

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From the Editor / L. Ian MacDonald

## Now What?

Welcome to our special issue on the results and aftermath of the 2019 election, probably the most bothersome campaign of the modern era, which produced one of the most interesting outcomes—a minority Parliament in which no single opposition party holds the balance of power.

The unveiling of the Liberal-minority ministry on November 20 was more like a Cabinet shuffle than the swearing-in of a new government—with one exception, the emergence of Chrystia Freeland as a uniquely powerful second-in-command.

As deputy prime minister and minister of Intergovernmental Affairs, Freeland is clearly “At the Centre”, as we say in the caption for our cover package, in which our fascinating lead articles are focused on her.

It wasn’t long before Freeland was meeting provincial and territorial leaders to hear them out on challenges facing the second Trudeau government. Far from the “sunny ways” proclaimed by Justin Trudeau in 2015, the numbers of the new Parliament reflect linguistic and regional divisions as old and profound as Confederation itself—English and French, East and West.

It’s a situation made for a leader like Freeland—an Alberta girl born and raised, she now represents Toronto Rosedale, perhaps the most cosmopolitan neighbourhood in the country. Along the way, she’s studied at Harvard and Oxford, worked at the upper levels of global journalism in Moscow, London and New York as well as Toronto, written bestselling books and raised three children to adolescence.

And she wasn’t long on the new job when her retained responsibility for Canada-U.S. relations came to the fore with the re-signing of the updated North American Free Trade Agreement with the United States and

Mexico. Expanding on an agreement reached only last year with the Trump administration, the new deal could be called NAFTA 2.5. There was Freeland, “At the Centre” of it all.

Our lead foreign affairs writer, Jeremy Kinsman, has known Freeland for a quarter century, from their overlapping posts abroad, he as ambassador to Moscow and high commissioner to London, while she was creating a remarkable career in journalism. As Kinsman writes: “it’s worthwhile to look back at who she is, where she’s from, and what she’s done.” He’s got the whole story.

Veteran Liberal strategist John Delacourt writes that with the newly updated NAFTA, “Freeland’s political capital is both affirmed and enhanced around the cabinet table.”

And the opposition Conservatives, since Andrew Scheer’s sudden resignation in mid-December, find themselves in a real leadership race, a story fast developing over the holidays. Yaroslav Baran looks at the way ahead, and the one behind where Scheer was let off at the side of the road.

Tom Axworthy knows a lot about the difference between majority and minority governments, having worked in both categories in Pierre Trudeau’s office during the 1972-74 Liberal minority, and during the subsequent Trudeau majority of 1974, followed by the Joe Clark Conservative minority of 1979. When the Liberals regained majority territory in 1980, Axworthy stayed on as Trudeau’s principal secretary from 1981-84. Of minority governments, Axworthy writes: “Representation of the regions is crucial, but so, too, are policy outcomes.”

Robin Sears looks at the history of minority governments and concludes that the 1963-68 Liberal-NDP alliance set the standard for progressive and productive legacies. The partnership

between Lester B. Pearson and NDP Leader Tommy Douglas was about nation-building, resulting in achievements such as Medicare, the Canada-Quebec Pension Plan, new federal-provincial fiscal arrangements, and the Maple Leaf Canadian flag.

Graham Fraser writes of the similarity between François Legault’s Coalition Avenir Québec government, conservative nationalists along the lines of Maurice Duplessis, as the model for Yves-François Blanchet’s Bloc Québécois deputation rather than the former sovereigntist-leaning Bloc.

Sarah Goldfeder, a former U.S. diplomat in Ottawa, writes that “Canada’s reliability as a partner and ally is often taken for granted. But that is no small part of the intrinsic value of Canada to the United States—that it acts predictably in the best interests of North America.”

Investment executive Chand Sooran writes that the Liberals have promises to keep with Indigenous Peoples on social procurement, and points to a well-developed system in the U.S. under the federal Small Business Administration and states such as New York.

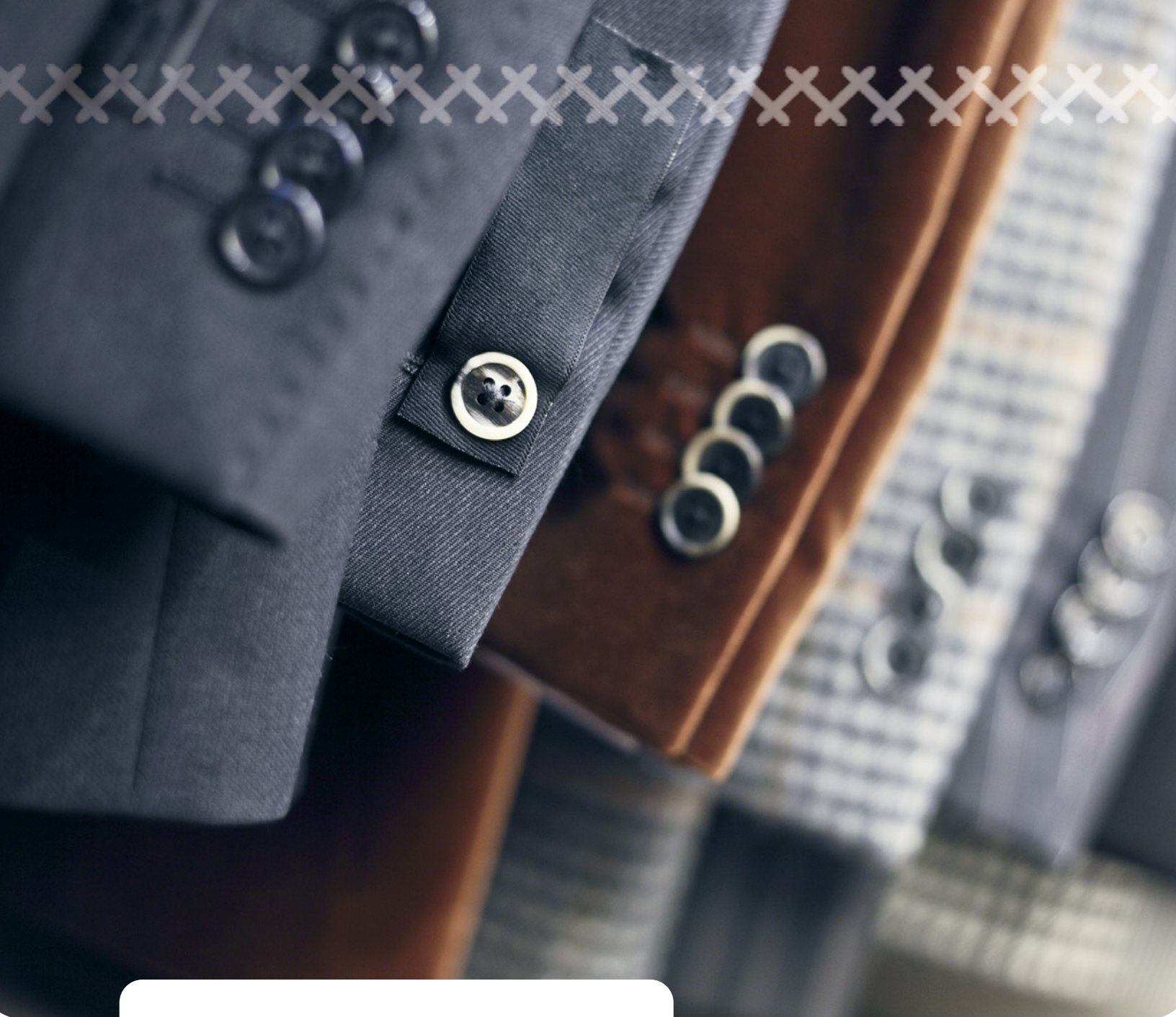
Finally, columnist Don Newman looks at the issues on the bonfires of Trump and Brexit, and takes comfort from the fact that we’ve been here before.

In *Canada and the World*, we offer a thoughtful article on our changing political environment from Chamber of Commerce President Perrin Beatty, adapted from Western University’s Thomas d’Aquino Lecture.

Elizabeth May’s column offers a situational update on climate change—from Paris to Madrid. And in a notable *Verbatim*, former Prime Minister Brian Mulroney looks at the many current challenges of the environment and says: “There still is place for daring in the Canadian soul.”

Enjoy. **P**





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Foreign Minister Chrystia Freeland and Prime Minister Justin Trudeau at the successful conclusion of the NAFTA 2.0 trade talks in October 2018. She retained responsibility for Canada-U.S. relations in the post-election cabinet shuffle and was in Mexico City as deputy PM for the signing of the further updated NAFTA 2.5 in December 2019. *Adam Scotti photo*

## The Many Stages of Chrystia Freeland

*Policy foreign affairs writer and veteran diplomat Jeremy Kinsman first met Deputy Prime Minister Chrystia Freeland over dinner at a mutual friend's apartment in Moscow in the tumultuous early 90s, when he was Canada's ambassador to Russia and she was a young journalist. Since that moment, he has seen her dance on a tabletop at the Hungry Duck pub, provoke Vladimir Putin, finesse Donald Trump and become the most powerful woman in Canada. It's been a trip.*

### Jeremy Kinsman

Seeing Deputy Prime Minister Chrystia Freeland on December 10, holding up the just-signed NAFTA II agreement in Mexico City on live television alongside President Manuel López Obrador, towered over by U.S. and Mexican negotiators, was a reminder of how very far she has come.

Freeland was named foreign affairs minister in January, 2017 to defend Canada's vital interests against a hostile overturning of the very notion of North American cooperation by Donald Trump.

It was doubtful that anybody else in government had the chops, the knowledge, the chutzpah, and perhaps decisively, the status beyond



Canada to effectively counter the bullying, grandstanding, and outright misrepresentation that can characterize White House negotiation in the age of Trump. With a superb professional team, Freeland pulled it off.

As evidence mounted over the course of the last year that the prime minister's judgment could use buttressing from people with significant experience, he called on Chrystia Freeland to step up as a clear number two in the country. He needs her help.

Given that the dangling question—how much farther can she go?—has only one answer, the situation is a bit delicate for both Freeland and Trudeau. In the meantime, it's worthwhile to look back at who she is, where she's from, and what she's done.

I have known Chrystia Freeland since she turned up in Russia 25 years ago as a newbie reporter, stringing out of Kiev in newly independent Ukraine for several A-level UK publications. We first met her for dinner in Moscow at John and Elizabeth Gray's, back when the *Globe and Mail* and every other Canadian outlet of consequence maintained a Moscow bureau to cover the monumental story of the end of communism, the Cold War, the Soviet Union, and in effect, the 20th century. Canadians, especially—possibly because of the culturally and politically potent Ukrainian-Canadian community—had also to cover the new story of how an independent Ukraine was working out. This bright, Ukrainian-and-Russian-speaking, high-energy, dauntless young woman fresh out of Oxford, a Rhodes Scholar from Alberta, was a real find.

She had come to Kiev to join her mother, Halyna, who was helping the Ukrainians draft their inaugural constitution. Both Chrystia's parents were legal professionals. Halyna was a scholar, who had met Donald Freeland at law school in Edmonton. He is also the son of a lawyer, whose family roots were on a farm in Alberta's Peace River district, though Donald earned his living mostly practising law in the provincial capital. Donald's dad had returned to Peace River from over-

seas war duty with a war bride from Glasgow. Grandmother Helen dressed Chrystia and her sister in kilts as little girls; Scottish blood mingles with Slavic in those ministerial veins.

But back in Moscow at the Grays, the dinner table talk wasn't about Scotland: it was all Ukraine. Chrystia was trying out the idea, then simmering in Kiev, that maybe Ukraine ought to hold on to its Soviet-legacy nuclear weapons to bargain for air-tight security guarantees from Russia, which clearly had trouble coming to terms with the idea of Ukraine as a separate state, no matter what deal Boris Yeltsin had struck with Ukrainian President Leonid Kravchuk to bust up the USSR and thereby enable Yeltsin to replace Mikhail Gorbachev. For a Canadian ambassador then in the thick of a massive and costly NATO campaign to help Ukraine and Kazakhstan rid themselves of their worrisome "loose nukes", this was a destabilizing and unwelcome thought.

We settled warily but amicably, and parted as new friends. Ukraine did become officially a non-nuclear weapons state, and Chrystia soon after joined the swelling crowd of Westerners in Moscow, hired as a reporter by the *Financial Times*. John Lloyd, who was the *FT*'s Moscow bureau chief recalls "It was very clear she was bright, driven to get the story right, always after the minister/official/dissident who could tell the story best. She was, of course a Ukrainian patriot: but she was clear about keeping her views out of the reportage."

And she did, doing excellent reporting from Russia, initially on the economic chaos that nobody understood, detailing how Western treasury departments and multilateral institutions (notably the International Monetary Fund) were whipping shock therapy on Russia—at the grotesque cost, as *The New Yorker*'s David Remnick put it, of "the destruction of everyday life."

There was an exuberance to Chrystia. Montreal take-no-prisoners freelancer Sandy Wolofsky recalls our post-Chrétien visit "wheels-up" party in

the unforgettable, Canadian-operated Hungry Duck pub, when Freeland was late-night dancing on a tabletop. Still, to quote Lloyd again, she came across as a young "woman of huge intelligence, energy, and good sense." When John left Moscow at last, Chrystia, still in her twenties, was named bureau chief for the *FT*.

She had been super-bright as a kid, winning a scholarship out of high school in Edmonton to a world college stint in Italy followed by a scholarship to Harvard where she studied Russian history. But she didn't surf her way through exams—she did all the work, all the way.

And so she did at the *FT*, in London, before being hired away to be deputy editor of the *Globe and Mail* in 1999, then heading back to the *FT* in London as its Deputy Editor. When a male colleague 20 years older got the top job, Chrystia went to New York as the *FT*'s U.S./Americas editor and columnist on international finance and business. In 2010, looking for new challenges, she got hired away as *Reuters* global editor at large, based in New York, and then spearheaded their leap into the new media world as editor of Thomson Reuters Digital. Her rise in journalism had been phenomenal. As a journalist, Chrystia produced top-flight deadline copy that was out there for all to see. As an editor of top-flight operations, she got the best out of talented people and, said Lloyd, was "loyal up and down."

Along the way, she had married a soft-spoken, fine British writer, Graham Bowley (now with the *New York Times*, commuting to NYC from Toronto). Together, they have raised three non-passive children. But it would have been impossible without help, especially from her mother, Halyna, who, having done her best on Ukrainian constitution-drafting, moved into the New York household for her grandkids. When she tragically died a decade ago, it was "the Ukrainian ladies" of Nannies International who helped keep it all afloat.

Chrystia somehow found time to write two big books. *Sale of the Century*



(2000), about Russia's rigged privatizations, remains a must-read for those of us who still care about what the hell went wrong with the naive best intentions for Russia's forward journey from Gorbachev's heroic acts that changed the world. *Plutocrats* (2012) is a sweeping survey of the landscape of international capitalism, in the wake of its breakdown, which exposed 2008's financial frauds, and led to the near-collapse of the global system. It is clear from her scathing narrative that Freeland is no neo-liberal.

So, she was super-busy. It wasn't her ambition to get into politics, but as she did tell me over some Chardonnay on a shared flight to Newark a decade ago, she wanted to come back to Canada. But Canadian media space doesn't offer many opportunities to operate at the very top. When the Liberals came calling, having done a big and ambitious book, and with enough-already of New York City, she wondered if public service could be a rewarding Canadian alternative.

Chrystia agonized about running for office. The Liberals were in third place, going nowhere fast. But party politics is actually pretty close to the family bone. Halyna had run in Edmonton Strathcona in 1988—for the NDP! And father Donald Freeland's paternal aunt Beulah was married to long-time Peace River MP Ged Baldwin, who was Progressive Conservative Opposition House Leader for years.

She went for the Liberal nomination to replace Bob Rae in a by-election in Toronto Centre in 2013 and was elected to Parliament. It was around then that Ukraine began to boil. The Conservative Party had been trying under Jason Kenney's organization to break into the Liberals' traditional appeal to immigrant communities. The Canadian-Ukrainian community, more than a million strong, was a prime target.

Ukrainian Canadians, refugees from the Soviet Union's revolution and oppression, especially from the tragic Holodomor, the forced famine of the early 1930s that killed an estimated 3.5 million Ukrainians (and many Russians), are mostly sourced to Gal-

icia, Western Ukraine. It was historically part of the Austro-Hungarian Empire, which was more permissive of Ukrainian cultural autonomy and language rights than the Soviet Union, which repressed them. So, there is ample historic anti-Moscow nationalist sentiment in Lviv, which was the capital of Galicia, that still animates Canada's Ukrainian community.

When the Euromaidan protests broke out in 2014 between the wary union of reformist and nationalist Ukrainians and the Moscow-supported regime of Viktor Yanukovich, Stephen Harper, Kenney and the Conservatives chose the side of Ukrainian diaspora votes. Harper wouldn't shake Vladimir Putin's hand at a G20 meeting without (so he boasted to Canadian media) snarling, "Get out of Ukraine."

But the diminished Liberals had one Ukrainian/Canadian parliamentary card to play. They sent Chrystia off to Kiev, where she encouraged the young reformers occupying the Maidan. Speaking the language, being a master communicator, owning an apartment with her sister, Natalia, overlooking the Maidan, she was a hit, carrying weight precisely because she was an old Moscow hand. The Russians noticed.

After the Liberals won in October, 2015, Chrystia was a shoo-in for a top economic portfolio. She must have been hoping for Finance. Over-reaching? Hardly—read her book. But Bay Street doesn't read books, so she became minister of trade.

There haven't been that many political leaders in Canada who actually had a record of running operations of consequence—Brian Mulroney and Paul Martin stand out. Chrystia stood out in that first Trudeau cabinet for competence and experience, including a sound instinct for knowing whom to connect with and what made them tick.

**H**er biggest task was to deliver the CETA trade deal with the European Union. As a 21st-century economic partnership treaty that breaks new progressive ground,

CETA makes the new NAFTA look almost clunky. It's said that it took seven years to negotiate. Actually, it began in 1972, but that's another story. Jean Chrétien reanimated it, Premier Jean Charest forced the issue with France, and ultimately it fell to the Harper government to open formal negotiations. But it would take Chrystia's leadership to pull off a complex and ground-breaking comprehensive deal through very hard work, superb personal connections with top Europeans, and political persuasion of parliamentary doubters in several capitals.

Cut to November 2016, and the world gets Donald Trump and his vow to tear up NAFTA. It was hard to imagine the all-important NAFTA re-negotiation with the America Firsters under anyone else, and so she replaced Stéphane Dion as foreign minister.

At the top, it was Chrystia Freeland head-to-head against U.S. Trade Representative Bob Lighthizer. They seriously underestimated her (always a plus for a negotiator) and weren't very nice, resenting her exceptional media impact, especially in Washington. Who the hell did she think she was? Only Canada's foreign minister. And she was about as good as any, ever. As John Delacourt writes elsewhere in this issue of *Policy*, she never negotiated in public but somehow came out with all the good lines, that, bit by bit moved the political dial in our direction.

She was tough and she and her team were tough-minded enough to know Canada could live without a deal if we had to. It showed. In the end, it was Trump who ended up most needing the win. It was Chrystia who could say at the end win-win-win, and who made Bob Lighthizer dinner in her Toronto kitchen with the kids.

The U.S. deal was the essential national existential defensive save. It was historic. But as foreign affairs minister, she began some other things that are also very important. I thought they would rank her tenure with Joe Clark's and Lloyd Axworthy's as among the very best if she stayed to press these themes across the global board. They have laid the groundwork for her suc-

cessor, François-Philippe Champagne, to pursue, especially mounting a like-minded rally in support of inclusive democracy and liberal internationalism. In the pro-Russian, anti-Western, pro-nationalism media out there she is caricatured as an adversary, a human rights interventionist.

In reality, her much-publicized stand in favour of Saudi women was not from some longstanding human rights vocation. She had been primarily an international business writer. But in the summer of 2018, the facts were eloquent and dark. University of British Columbia mentors reported that Loujain al-Hathloul, who had done a degree there while becoming committed to gender equity was being tortured back home for advocating women's rights. She wasn't a Canadian citizen but the news distressed Chrystia, and when Samar Badawi, the sister of jailed and flogged blogger Raif Badawi, got arrested a few weeks later, the minister took a critical stand against Saudi behaviour on behalf of Raif Badawi's wife, Ensaf Haidar, who had fled to Canada for asylum.

Freeland believed the sincerity of our values was on the line. She wasn't content just to signal our virtue. She believed we had to help.

A tweet from our Embassy in Riyadh that they should at once release Samar Badawi provoked the Saudi theocracy to a massive over-reaction. Chrystia was then slammed by some pro-business groups for letting do-gooder naïveté put Canadian jobs at risk. She didn't get much international support at first—until Jamal Khashoggi was butchered.

The experience was jarring. It made Chrystia Freeland want to use her ministry for value issues as well as macro-trade deals.

Trump's reversal of U.S. policy on human rights and international cooperation, notably climate change, as well as what he was doing to democracy's reputation were preoccupying other like-minded democratic leaders. Chrystia found herself building a caucus, an informal alliance with her colleagues in Berlin, Paris, Stockholm and elsewhere.

Last year, German Foreign Minister Heiko Maas invited her to address Germany's heads of mission from around the world. Germany awarded her the prestigious Warburg Award—for the first time to a Canadian—for steering Canada's firm commitment to multilateralism and to shared transatlantic values. He praised Chrystia for standing by her convictions. "You are an activist in the best sense of the word—both principled and realistic."

She has tried to apply the rights and democracy value proposition to other relevant international conflict issues where Canada had some standing. But a few outreach efforts fell flat or didn't happen. For example, as minister, she didn't go to Africa. She would have, but had to triage her time. Overall, our relationship with Russia could scarcely be worse. It's partly their fault, obviously. Chrystia Freeland actually did want to connect even though she was on their sanctions list. But when she did meet Putin and Foreign Minister Sergei Lavrov at a G20 event, Putin's well-known inner misogynist seems to have reacted badly to this rather small, very bright Russian-speaking minister setting out some ideas that weren't wholly congenial to Putin's souring world view. The relationship flat-lined near zero.

On China, the ruination of relations is not her fault. She wasn't part of the Meng Wanzhou ambush but has loyally defended what happened as respecting the rule of law. The cruel reprisal captivity of the two Michaels sears at her, as it should. China insiders confide that her Beijing counterparts respect her. Still, however the immediate hostage situation plays out, things with China have changed. We'll not be as friendly with Beijing as we once thought we would be, but nor can we be hostage to an emerging epochal duel for global leadership between the world's two biggest economies.

**A**s last year produced government blunders and polls indicating minority government prospects, her own performance in

the government stood out. As veteran Liberal strategist Peter Donolo puts it, "Her well-tuned sense of political theatre was a contrast to the slavish attachment to talking points exhibited by most of her cabinet colleagues," who seemingly hadn't been given her latitude. Once the election results were in, it became inevitable that she would be transferred out of foreign affairs because of the Alberta credibility deficit and the evident need of Trudeau to have a strong deputy.

It now makes her a potentially decisive figure across the Canadian landscape. Let's be candid. Her good judgment is going to be calling some big shots in this minority government, in place of big shots in the PMO calling them in the last one. When the ministerial mandate letters surfaced on December 13, Freeland's described an unprecedented level of deputized executive power. Justin Trudeau ought to be the beneficiary, and good for him for understanding her value.

Howard Balloch who was a long-time ambassador to China, comments:

"Chrystia Freeland listens, deeply and intently, to as wide a spectrum of informed views as possible as she formulates her own." In this, she reminds Balloch of previous very successful foreign minister Joe Clark whose "same respect for both facts and the complex prisms that refract perception of those facts when seen from other cultures and backgrounds," also put him in charge of federal-provincial relationships at a vexed time in our history.

Let's hope it works out for Freeland, for Trudeau, and for the country; that the Peace River part of the Alberta girl clicks in enough to win back the public's trust that the government is listening while it leads.

Chrystia Freeland has risen to new heights. Everyone knows she may go higher. It's an impressive story. We should count ourselves lucky that she had a hankering for home. **P**

*Contributing Writer Jeremy Kinsman is a former Canadian ambassador to Russia, and the EU, and high commissioner to the U.K. He is a distinguished fellow of the Canadian International Council.*





Chrystia Freeland is sworn in as deputy prime minister and minister of intergovernmental affairs during the cabinet swearing-in ceremony at Rideau Hall in Ottawa, November 20, 2019. *Adam Scotti photo*

# Chrystia Freeland's Domestic Pearsonian Mission

*In facing Donald Trump's surrogates in the NAFTA II negotiations, Chrystia Freeland proved she could navigate the novel conflict terrain of triangulated social media pressure and weaponized trade tweets. As veteran Liberal strategist John Delacourt writes, the environment of her new fed-prov mandate may not look that different.*

**John Delacourt**

**Y**ou could take it as an auspicious start to the 43rd Parliament. As the Liberals returned to Ottawa for the new session under grey skies, with fresh snow on the ground, their second throne speech strained to summon a few bright beams of inspiration from the sunny ways of 2015. Justin Trudeau's team is ostensibly chastened; the aspirations of their minority mandate were reflected less in the top line messages adroitly woven through the Speech from the Throne than in the last paragraphs, in a quote from the late Lib-

eral prime minister and Nobel Peace Prize laureate Lester B. Pearson:

*“Tonight, we begin a new chapter in our country’s story. Let the record of that chapter be one of co-operation and not conflict; of dedication and not division; of service, not self; of what we can give, not what we can get. Let us work together as Canadians to make our country worthy of its honoured past and certain of its proud future.”*

Such sepia-toned optimism. Prime Minister Pearson spoke those words on December 31, 1966, as he lit the Centennial Flame for the first time in front of the Parliament Buildings.

**“ Pearson could look south to our largest trading partner and be assured of a congenial reception for any bilateral with President Lyndon B. Johnson, a figure as historically remote as a Roman senator in relation to the current U.S. president.”**

At that moment, Pearson could look back on nearly four years and two terms of the most successful minority parliament in Canada’s history—and probably the most successful Canada will ever experience. It was a government that managed to introduce the Canada Pension Plan, our health care system—and our Maple Leaf flag. It was capable of bold thinking and ambitious projects, and an implicit transactional rapport among all parties, regardless of the requisite theatrics in the House, to get those projects done.

Pearson’s speech, televised to a baby boom generation not yet old enough to vote, resonated strongly to Canadians who could be realistically as-



Justice Minister Pierre Trudeau and Prime Minister Lester B. Pearson at the conclusion of a 1968 constitutional conference, as Pearson’s second minority term as PM came to a close and Trudeau’s time drew near. The two Pearson minorities of 1963-68 and the later Trudeau minority of 1972-74 were among the most productive Canadian governments of the modern era. *Reg Innell, Toronto Star Photograph Archive, Courtesy of Toronto Public Library*

sured of playing a part in this “proud future.” The lines of division between the provinces and the parties were less pronounced. The coarsened, polarized rhetoric of free-ranging hostility and alienation had yet to emerge, perhaps because it didn’t have the echo chambers of two social media platforms to enable it.

Pearson could look south to our largest trading partner and be assured of a congenial reception for any bilateral with President Lyndon B. Johnson, a figure as historically remote as a Roman senator in relation to the current U.S. president. And perhaps most important as a point of differentiation between now and then, fears of climate change and “extreme weather events” would have seemed like the most dystopic of science fiction tales to Pearson’s electorate.

**I**f the first four years of Trudeau’s Liberal government are any indication, the chapter in the country’s story this parliament is fated to write features a shift in the dynamics of executive leadership itself. Trudeau’s team within the Prime

Minister’s Office began this subtle recalibration of statecraft back in early 2017.

This was when it became clear the Trump administration’s plans to rip up the North American Free Trade Agreement could send our economy into a tailspin, and that the government’s best person on the front line to negotiate the new agreement was Chrystia Freeland, backed by a dream team of senior officials and staffers working closely with Ambassador David MacNaughton’s office in Washington.

The drama and high-stakes crisis management this team worked through over the last three years is a story that has yet to be written. But any conversation with those close to the Canada-U.S. file will confirm for you that Freeland and team pulled off a remarkable feat with the newly signed agreement, despite the damage the negotiations have caused to the steel and manufacturing sectors in particular. For anyone close to the centre of this government, it is considered the signal achievement of the first four years. As the bill is set



to move quickly through the House now, Freeland's political capital is both affirmed and enhanced around the cabinet table.

There were two principles behind the best practices of Freeland and team. First and foremost: no negotiating in public. Throughout the many scrums Freeland lived through over the last three years, she perfected a technique of saying just enough that the news media had a sense of the direction negotiations were taking while revealing virtually nothing about how marked the divide might have been in intentions and objectives across the table.

The second principle: execute a "doughnut strategy." This is a process of building political capital among the influencers on policy outside the inner circle of decision making. As the political capital accumulates the pressure from these influencers increases. The result: intractable positions at the start of the negotiations begin to shift and soften. Win-win propositions begin to emerge. Given the burgeoning chaos at the heart of the Trump administration, that such a strategy actually worked is a minor miracle.

**N**ow, with Freeland in the role of deputy prime minister, that strategy will be directed where it is needed most: at the intergovernmental level. To see a portrait of the first ministers in 2019 is to acknowledge that there is a remarkably different cast of characters than those around the table in 2015. British Columbia's Christy Clark, Ontario's Kathleen Wynne and Alberta's Rachel Notley have been replaced by premiers who, in gender and age, look a lot more like Trump's inner circle. The Liberals have no illusions about the tense negotiations that will take place on carbon pricing, on universal pharmacare and, with perhaps the most difficult of conversations, on support for the energy sector in its transition to a radically different economy over the next two decades.

More worrisome for Trudeau is the potential impact of this dynamic on federal party politics. Earlier this year Jason Kenney's United Conservative Party (UCP) and Doug Ford's Progressive Conservatives (PCs) did some interesting, strategically savvy polling on whether their voters would give their leaders licence to take on the federal government on issues that were not necessarily provincial in nature; in essence, were both able to cut Andrew Scheer's grass and not pay for it in terms of political capital.

**“Chief negotiators and key stakeholders all come away from their interactions with Freeland and her team with at worst a begrudging sense of respect. More often than not, it's admiration for how well she knows her files and how ably she manages difficult conversations.”**

The results were encouraging, if you were a premier with designs on an eventual federal run. In contrast to the challenge the Liberals face from Legault's Coalition Avenir Québec (CAQ) and Blanchet's revived Bloc Québécois (BQ), neither Ford nor Kenney have stuck to their knitting and solely spoken to what they deem good for their respective provinces; they have taken on the mantle of speaking for the larger Conservative project—on regional alienation, on national unity, on the potential of a resurgent conservatism that Andrew Scheer failed to grasp. To be Justin Trudeau in a room with such potential adversaries is to limit the scope of what can be achieved.

**W**here Freeland and team have excelled is in their diligence in swaying in-

fluencers among those who would be inclined to work more congenially with Conservative governments. During the worst of the negotiations with the U.S. on the Section 232 steel tariffs, Freeland surprised by her accessibility and responsiveness, texting CEOs to provide them with updates and to hear their concerns. She accomplished this without sacrificing any of the discretion and confidence high level negotiations required. She can achieve that magical balance of being perceived as both principled and tough, flexible and constructive. Chief negotiators and key stakeholders all come away from their interactions with Freeland and her team with at worst a begrudging sense of respect. More often than not, it's admiration for how well she knows her files and how ably she manages difficult conversations.

With the release of the cabinet mandate letters on December 13, we now know what we already knew—Freeland will continue her oversight role on Canada-U.S. relations along with her other responsibilities.

And, as any colour-coded map of party seats in each province and territory will confirm, her mandate in intergovernmental relations will be to stitch together a functioning dialogue from a stark patchwork of regional interests. To create, as Pearson hoped, "co-operation not conflict ... dedication and not division" is to fulfill a promise that requires more than the prime minister's tarnished charisma and renewed focus on caucus management. It will require the transposition of Freeland's winning strategy into an arena that may prove even more challenging than dealing with Trump. **P**

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Jason Kenney and Andrew Scheer walking down from the West Block during the Alberta premier's working visit to Ottawa December 9-10. When Scheer resigned as Conservative leader, Kenney immediately took himself out of the running to succeed him. *Andrew Scheer Flickr photo*

# Ten Lessons for the Conservatives as They Seek to Rebuild

*The conventional wisdom about parties that lose an election is that they need time in the 'wilderness' to reassess their priorities. The Conservative Party of Canada won the popular vote in October, increased its seat count and then dumped its leader. While the wilderness therefore may not be in order, some soul-searching still may be. Veteran Conservative strategist Yaroslav Baran provides this thumbnail post-mortem and action memo for moving forward.*

## Yaroslav Baran

Currently embarking on a leadership race, the Conservative Party of Canada is poised for collective introspection and renewal, the result of which will determine the likelihood of the party emerging from the next election with a mandate to govern the country.

Much has been written, stated and overstated about the state of the party in recent weeks. It is not teetering at the edge of an abyss. It is not fatally divided between factions—most notably social conservative versus the others. It does not suffer from a fundamental existential crisis. Conservatives know who they are, just as Liberals and New Democrats do. Moreover, not all members—within either of the parties—are the same. All political parties enjoy, and benefit from, an in-



ternal diversity that pollinates difference of perspective.

In short, the vast majority of Canadian voters voted in the last election to oust Prime Minister Justin Trudeau and his government. A plurality of voters voted for the Conservative Party to be that vehicle of change. The party gained ground in a majority of provinces. It increased its seat count by more than any other party in Parliament. Proportionally, it had the second-largest growth. This is not a crisis—this is more than a halfway step, very similar (though admittedly not identical) to the party's feat in 2004, when it brought the Martin government down to a minority and finished the job two years later.

There is no crisis.

There are, however, important lessons to be learned. Depending on its collective choices, the party can set a one-election path to victory or mire itself in prolonged difficulties before it again sorts itself out and emerges with an efficient, disciplined and united machine ready to vie competently for power.

The following are 10 pieces of advice the Conservative Party would be wise to heed:

- Reconcile the role of social conservatives in the party. There is nothing wrong with social conservatism or social conservatives. They deserve no more ridicule nor scorn than any other group of Canadians. Social conservatives should be welcome just like any other group, but any ideological or zealous wing of social conservatism must be held at bay. No special interests should be permitted to either try to hijack the party for its own narrow agenda, nor to bully the leader or caucus.
- Get over the aversion to express the values for which the party stands. Many conservatives roll their eyes at “virtue signaling”—not so much because they disagree with the values themselves, but because they detest the constant talk backed up by little or no action. What conservatives need to better understand, however,

**“We need to get over the mental tether to ‘equality of opportunity’ and recognize that government can and should actively defend and protect. That includes gay rights and that includes women’s rights.”**

is the value of—and need for—validation. Many Canadians and groups of Canadians do face systemic challenges and barriers. It's a fact. We need to get over the mental tether to “equality of opportunity” and recognize that government can and should actively defend and protect. That includes gay rights and that includes women's rights. We tend to herald certain values anyway—things like human rights and our governing institutions—so we are already in the signaling game. Well, if we are, then it's inexcusable to not be proactive on both women's rights and LGBTQ rights because we know there is lots still to be done.

- Climate change. The more quickly conservatives get past the idea that “our voters don't vote on climate change”, the better. Yes, it is true that all parties have a different aggregated profile of supporters, and that different concerns rank differently among parties. But something has changed in recent years. Even if climate change is number five or six on the average conservative's ranking of top concerns, it needs to be treated very seriously. For one thing, it is climbing as a concern for Canadians at large, so avoiding it only distances the party from the Canadian trendline—especially the young replacing the older cadre of voters as they die off.

The party needs to accept the full importance of climate change as a major concern, and not only have a plan but to actively talk about its plan. They need to demonstrate it's not just a check box (“yes, we have a climate plan”) but that they genuinely recognize the full import.

They would also be wise to reconsider their model. The party pledged to

regulate large final emitters sector by sector, similarly to Barack Obama's climate GHG plan. This can be effective but economists agree that a carbon tax is more efficient. It is also the quintessential small-c conservative approach. It harnesses market forces and follows a polluter-pay model. It's by no means the only way forward, but the party may want to get past its political rhetoric on carbon pricing (a carryover from the 2008 campaign against Stéphane Dion), and give it a second look.

- Taxation. On that note, the party would be wise to get over its general mantra that “all taxes are bad”. This is an importation from American libertarianism, and not a traditional Canadian conservative notion. Yes, conservatives tend to want taxes to be low and for state activity to be restricted to where necessary or overwhelmingly more beneficial. But taxation is a critical tool for achieving policy objectives. We have always had “sin taxes” and for good reason. The tax system is a powerful tool for incenting desirable behaviours and disincenting harmful ones. We provide tax credits or reductions for the good stuff, and levy fines for the bad. It's not only legitimate; it's smart. Let's please move past the rhetoric—it makes the party sound ideological and naïve.
- Reclaim environmental policy. The Conservative Party has a proud legacy in environmental stewardship. It's time to get back to that. Be it protection of land, water and air, be it habitat remediation, be it fighting critical pollutants, or be it establishment of national parks, Conservative governments have in fact done more than any other on the traditional measures of environmental protection. It is time to reclaim that

conservationist heritage and continue building on that legacy. This isn't a Liberal issue. It is very much a Conservative one. It always has been. Again, let us stop hiding from issues we *think* don't work for us, and embrace who we are—particularly as that is where the Canadian public is increasingly heading.

- Have a comprehensive policy platform. Before the last election campaign, the Conservative Party put tremendous energy into devising a non-carbon-tax GHG emissions reduction plan, then proceeded to not talk about it. Campaign managers were told that when residents note climate change as a top issue at the door, to not waste their time and move on. That is madness. Similarly, the 2019 platform had virtually nothing on Indigenous policy. This is a critical error and underappreciation of voters' sophistication. Cost of living may well have been the appropriate "ballot question" in 2019, but voters what to know that *the man or woman who would be prime minister* has thought about, and has something meaningful to say, about *everything*.

The biggest mistake of the 2019 campaign was that it was a mile deep on tax credits and pocketbook perks, but it was only an inch wide in policy breadth. Fifteen years ago—even 10—you could win an election by laser-targeting certain more accessible demographic profiles. That simply is not enough anymore. Voters collectively will not reward a party that has only a partial agenda. They appreciate that governments need to be comprehensive, so rightly expect that from their politicians. And let's not be allergic to big and bold ideas. We cannot assume that people only want small-stakes retail. The leadership race—and the next election—should not be shy about showcasing some vision.

- Bring in good, seasoned senior staff. The next several months will be chaotic. The party will be managing a leadership race. The caucus has an interregnum, so critics will feel emboldened. On the staff side, one lead-

er's office official notes "the kids have taken over the orphanage" since the post-election ouster of senior staff. The strongest people at the party's disposal need to be brought in to take charge of this rudderless mess and keep the ship on course until after the leadership contest is done. They're out there, and some of them are the best political strategists Canada has to offer. They need to be brought back in from the cold. Yesterday.

**“There is indeed something to be said for a traditional delegated convention where the strongest faction wins and gets to govern for a while. It guarantees the new leader has an army of foot soldiers to later come to his or her defence.”**

- Have a short race. Prime Minister Trudeau is governing in a minority parliament. As stable a minority as it might be, nobody knows when the next election is going to be. A prolonged leadership race will only delay a new leader's onboarding and transition hiccups, defer the ability of a new team to gel, and postpone all the critical pre-election work of nominating candidates, raising funds and preparing a platform. The party currently has a convention booked for Toronto in April. This should not be a mid-campaign debate opportunity. This should be the culmination of the leadership race—voting time to select the new leader.
- Fix the balloting system. If at all possible for this race, the party would be wise to rethink its single preferential ballot for choosing a leader. Events, post-election, illustrate why. Andrew Scheer won the helm with an "everybody's second choice" strategy. He was inoffensive, didn't stick his neck out (beyond supply management) and was generally well-liked by all

the other candidates, so he steadily inched up in each round of tabulation as opponents dropped off the ballot. This is a great strategy to win, but a poor one for building a strong loyal support base for when the going gets tough. There is indeed something to be said for a traditional delegated convention where the strongest faction wins and gets to govern for a while. It guarantees the new leader has an army of foot soldiers to later come to his or her defence.

- Reach out to unions and Indigenous groups. There is no reason organized labour and Indigenous Canadians should be rolling their eyes or instinctively bristling when they hear the word "Conservatives". A generation ago, the party had similarly weak ties with most ethnocultural groups, but recognized the many reasons that was a liability. It now has deep roots and new support bases in many communities. It needs to follow this same path of good-faith outreach with labour and Indigenous groups. There is plenty to work with, fruitful policy partnerships to be had, and plenty of headaches to be avoided if done well.

The Conservative Party is not in existential crisis. It is on an upward track. Continuing this trajectory, however, does require that it learn from the Harper decade and from the brief Scheer era—including the deficiencies of the 2019 campaign and the mistakes of the 2015 campaign, which was much worse. The party has all the tools and talent of a formidable and modern machine, but it needs to choose to learn and adapt. It cannot just try the same thing again but with a different face. The leadership contenders are starting to line up. Let's hope that they—and the party hierarchy—have the wisdom to do what they ought to do to fashion a modern Conservative party for the 21st century. **P**

*Contributing Writer Yaroslav Baran is a partner with the Earncliffe Strategy Group. He was communications director in Stephen Harper's successful leadership race, and ran Conservative Party communications through three election campaigns.*



# All Parliament, All the Time: Life in a Minority Government

*When Pierre Trudeau's first, Trudeaumania-fueled majority was followed by the hangover of his 1972 minority government, the Liberal team adapted its approach and tone, writes longtime Pierre Trudeau advisor Tom Axworthy. Axworthy, who remained with Trudeau during Joe Clark's minority government of 1979-80 and beyond, provides invaluable perspective on the minority governing experience from both sides of compromise.*

## Thomas S. Axworthy

**"T**wo cheers for minority governments," exclaims Professor Emeritus Peter H. Russell of the University of Toronto, one of Canada's most distinguished political scientists. Russell's argument is that majority governments are too easily dominated by the prime minister and the coterie of unelected advisors in the Prime Minister's Office which, in turn, reduces the role of ministers and MPs, "thereby weakening parliamentary democracy itself."

The main difference between majority and minority governments in the parliamentary world, he writes "is in their method of decision making. The difference is fundamentally between a system in which the prime minister dominates the decision-making process and a system in which policy-making is subject to the give and take of parliamentary debate and negotiation." As Eugene Forsey, another constitutional sage, put it: "A government without a clear majority is more likely to stop, look, and listen."

Russell and Forsey are correct. Parliament can't be ignored by a minority

government as the government's very existence depends upon securing a majority of members on votes of confidence. I served as a junior policy advisor in Pierre Trudeau's minority government of 1972-74 and was in his Opposition office during Joe Clark's minority government of 1979-80 and, in both cases, it was "all Parliament, all the time."

A prime minister still has the predominant role in deciding upon the government's agenda and legislative priorities in a minority situation. But, unlike in a majority government context, his will alone does not resolve the issue. Compromise, adjustment, and understanding the priorities of the other parties are the order of the day. So, a parliament of multiple parties with none commanding a majority is a countervail to the growing power of an imperial prime ministership.

Countervail, however, is a checking mechanism. There is a broader, more positive, even idealistic vision of Parliament. The key starting point is that governments are not elected, MPs are and governments arise out of Parliament if they can command a majority of members. Another dis-

tinguished Professor Emeritus, David E. Smith, thus writes: "Government and Opposition are part of a shared community-Parliament." As the only elected part of Canadian government, "the House of Commons," Smith writes "is Canada's premier institution for the authoritative expression of electoral opinion and for approval of public policy formulated in response to that opinion. The House of Commons is the voice of the Canadian people, the one place where the people's representatives from all regions can debate and legislate." To quote Smith again, "Parliamentary debate is a great leveller of conflicting interests as well as a calming influence on intense feeling".

**C**anada will need Parliament as a national articulator and conciliator of conflicting interests and, even more hopefully, as a calming influence, because the 2019 election revealed a country deeply divided on critical issues of the environment, the economy and regional fairness.

The campaign was bitter and nasty (recall that in his opening remarks, in the English-language debate, Conservative Leader Andrew Scheer began by calling Justin Trudeau a "phony and fraud"). Social media trolls were hard at work, too, spewing rumor, disinformation and scurrilous personal attacks.

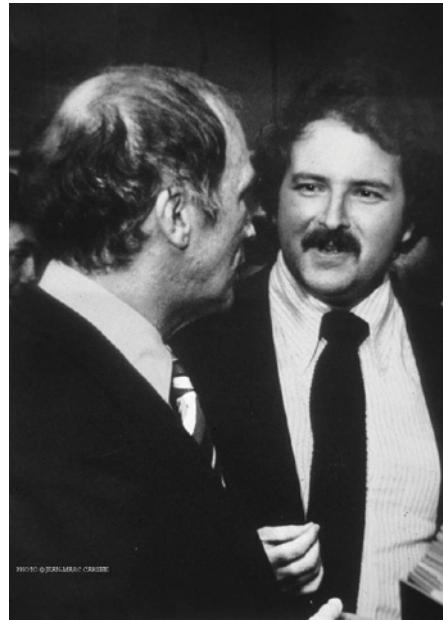
The election results reflected this mood, with no party being happy about the result except the Bloc Québécois. But the Liberals can negotiate with either the Bloc or the NDP to win majority votes in the House, so there is room for manoeuvre if the Trudeau Liberals are adept.

But the results may be a portent of a looming national unity crisis book-ended in two regions: in Quebec, the Bloc was a close second to the Liberals with 32 percent of the vote compared to the Liberals' 41.5 percent and 32 seats to the Liberals' 35. A party espousing sovereignty is again a major force in La Belle Province. On the Prairies, it was a stupendous victory for the Conservatives and a near-shutout of the Liberals: in Alberta, the Conservatives rolled up 69 percent of the vote to the Liberals 13.7 percent, and in Saskatchewan the Liberals did even worse with only 11.6 percent of the vote compared to 64 percent for the Conservatives. Of the Prairie provinces, only in Manitoba did the Liberals have a decent showing, with 26 percent of the vote and four seats—the only seats won by the Liberals between Ontario and British Columbia.

Given the startling polarization of the 2019 election, is there any chance that the hopes of scholars like Russell and Smith for collaboration and positive outcomes in the new minority government will be realized?

History, at least, offers one positive precedent—the 1972-74 minority government of Pierre Trudeau. There are significant parallels between the two Trudeau minority governments: in 1972, Trudeau faced an American president who had recently imposed economic penalties on Canada and had little love for the Canadian PM, although Richard Nixon was not as erratic as Donald Trump. The Parti Québécois was steadily building support for separatism at the same time as a “New West” was being proclaimed by the dynamic Peter Lougheed in Alberta.

So, as today, regional tensions were felt on two fronts. Back then, the federal government had a core policy—the Official Languages Act—based on a fundamental principle of national bilingualism that went down particularly badly in the Prairies (the National Energy Program was still nearly a decade off). Today, the regional irri-



Prime Minister Pierre Trudeau and advisor Tom Axworthy in the mid-1970s. Minority governments, Axworthy writes, present challenges but also opportunities for change. *Jean-Marc Carisse photo*

tant is a carbon tax to reduce greenhouse gas emissions in the fight against climate change, which the recent Speech from the Throne said was “the defining challenge of the time.” That’s not a definition that appeals to the Conservative Party as the carbon tax is stoutly rejected by the conservative premiers of Alberta, Saskatchewan and Ontario.

Pierre Trudeau responded to these multiple pressures (and the shock of being nearly defeated in October 1972) with a fundamental change in approach and tone. Liberal House Leader Allan MacEachen, the parliamentary wizard from Cape Breton, was given a mandate to negotiate secretly on the legislative agenda with David Lewis, the leader of the NDP and the new Liberal stance was one of contrition, accommodation and compromise. The creation of Petro-Canada and other positive measures were the result. And it was not just the NDP who were accommodated: in perhaps the most significant and long-lasting reform of the 1972-74 minority government, Finance Minister John Turner, in 1973, adopted the major plank of the 1972 Conservative platform to index the country’s personal tax rates

to inflation, thereby eliminating the hidden revenues accruing to governments through the effects of inflation on a progressive tax system. In 2019, the Justin Trudeau government pledged to be as accommodating as its long-ago predecessor, proclaiming in the Speech from the Throne that in the 43rd Parliament “this government is open to new ideas from all Parliamentarians.”

Regional tensions are endemic to Canada—they can never be eliminated, only managed. The starting point in managing them is to ensure that regional perspectives are well articulated in all policy debates. Facing a resurgent Bloc, a prominent Quebecer should be recruited to the PMO and with no cabinet representation from Alberta and Saskatchewan, the need is even greater to have senior advisers from the Prairies at the centre of the action. Responding to a similar Prairie political drought in 1972, Joyce Fairbairn and Jim Coutts, both from Alberta, became key advisors to Pierre Trudeau. Cabinet-making is a key part of the puzzle too: Justin Trudeau’s options were limited by the Liberal shut-out in Alberta and Saskatchewan but he made some astute moves to quell the Prairie fire by naming Chrystia Freeland deputy prime minister and minister of Intergovernmental Affairs (after negotiating NAFTA II with Donald Trump’s team, even Jason Kenney will be a relief) and she was born and raised in Alberta.

Wise appointments can fill some of the regional gaps, but a more fundamental change is long overdue. One of the key functions of the Senate when it was created in 1867 was to represent the interests of the regions: instead, through most of its history, party interest, not regional representation was its organizing focus. In one of his most significant reforms, Justin Trudeau broke the excessive partisanship of the Senate by appointing independent senators without party affiliation. Such independents are now a majority of the Senate. But as Hugh Segal and Michael Kirby, two former



senators, make clear in their 2016 report, *A House Undivided*, the regional role of the Senate is still underdeveloped. The Senate is now organized into various groups: the largest, at 49 members, is the Independent Senate group; next is the Conservative group (26); nine senators in the Progressive group, various non-affiliated Senators, and, just recently formed, a Canadian Senators Group of 11 members largely made up of former Conservatives. The new group is dedicated to representing their various regions. The next stage of Senate reform should be to ensure the original vision of the Fathers of Confederation to have a second House alert to the fundamental characteristic of Canada's polity—the enduring strength of regions.

Representation of the regions is crucial but so, too, are policy outcomes. Here, the new minority government could have lots of running room. Often it is best when faced with pronounced regional divides not to make it a zero-sum game by a frontal assault on a given position but instead to achieve the objective by finding new routes to the promised land. The throne speech posits a new goal of net-zero emissions by 2050, but the problem is Canada has made little progress in achieving much less ambitious goals.

**H**ow should Ottawa proceed? The carbon tax is but one of many policy instruments, albeit one that's like waving a *muleta* to the Conservative bull. So, maintain the existing tax, but concentrate on a massive building-refit program to ensure that the built environment contributes mightily to energy efficiency. Similarly, some Albertans are upset with the federal equalization formula negotiated by Stephen Harper (with Jason Kenney a senior member of that government).

It is the principle of equalization that is important, not the details of a particular formulation. The Fiscal Stabilization Program is intended to help provinces when they experience a sudden drop in revenues, a comple-

ment to equalization where richer provinces contribute to providing an equal base for public services across the land. If Alberta and Saskatchewan have a good case that the stabilization fund needs to be topped up to help with the very real difficulties that they are in, then Ottawa should do it. The point is to ensure that Canadians know that their region has received a fair hearing and that the Confederation dice are not loaded against them.

**“ If Alberta and Saskatchewan have a good case that the stabilization fund needs to be topped up to help with the very real difficulties that they are in, then Ottawa should do it. ”**

In response to the western dissatisfaction of his day, in July 1973, Pierre Trudeau and his key ministers met the Western Premiers at the Western Economic Opportunities Conference, (WEOC) the first time the prime minister had met a subgroup of premiers in an official gathering. The political situation today is very different (Pierre Trudeau had to contend with three NDP premiers and one Conservative, Justin Trudeau instead would meet three Conservative premiers and one NDP stalwart) but the concept still has merit today.

**I**f the Trudeau government must respond to the changed circumstances of a parliament without a one-party majority, so, too, should opposition MPs. One crucial area that they should cooperate on is reforming Parliament itself to enhance the role of MPs and roll back the excessive powers of the executive. In a minority setting, much can be done to correct past abuses while giving MPs

a more meaningful role.

New Zealand has a protocol, agreed to by all parties, on how parliamentary business in a minority government should be conducted. Canada has need of such a protocol, which should cover topics such as the election of chairs of parliamentary committees, the prorogation issue, the misuse of omnibus bills, more strict definition of non-confidence motions which would encourage MPs to vote their conscience, and a review of what accountability should mean for a 21st century parliament, since so many ministers deny their personal responsibility for what departments are doing. It is especially important to make the committee system work. Becoming a committee chair should be one of the desirable and important jobs in Parliament, open to MPs of all parties and decided by secret ballot. One step in the right direction was taken in December, when members of Parliament voted to create a special committee on Canada's relationship with China.

In 1973, the minority Trudeau government, prodded by the opposition parties, strengthened Canadian democracy by amending the Elections Act to regulate election expenses for the first time, establishing the election regime, which still stands, of disclosure of donations, political tax credits and the reimbursement of political party election expenses. It was a landmark achievement.

Today, the 43rd Parliament has a similar opportunity to make our parliamentary democracy work better both by strengthening the powers of individual MPs and parliamentary committees and by enhancing the representation of regional interests at the centre of government. If that occurs in this new minority parliament, it will earn not two cheers but a grand “Hurrah!” **P**

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# Minority Mood Music

*Canada has a notable history of minority governments, some of them the most productive and successful of their times. The Liberal minorities of 1963-68, supported by the NDP, left an enviable record of achievement. This was due to the leadership of Lester Pearson as prime minister, and the vision of Tommy Douglas holding the balance of power. Their record includes Medicare, the Canada-Quebec Pension Plan and, not least, the Maple Leaf flag. As Robin Sears writes, Pearson and Douglas set the standard for success.*

## Robin V. Sears

Successful minority governments are more a matter of nuance than numbers, more about mood and motivation than method. Canadians, not surprisingly, are quite good at managing minority governments both federal and provincial. We've had many and most had impressive records of achievement.

Two seasoned House leaders, given a broad mandate, can facilitate the smooth passage of even challenging legislation in a minority Parliament, often better than a majority government House leader with a hammer.

In the irrational digital *sturm und drang* that passes for political gamesmanship today, what is often lost is the reality that the geniuses of parliamentary mastery always understood that there needs to be something for both sides, or even all sides. The "I win, so you must lose" zero-sum game of the Harper era can work, but not for long, and not without high cost. The losers—often including government backbenchers—eventually unite in "working to rule" or even open revolt.

Marshalling the votes for a tough legislative victory in the United States Senate is similar to our minority House management, but harder because you

have dozens of interests to balance and placate. As Robert Caro describes it in his magisterial biographies of Lyndon B. Johnson, the Democratic majority leader in the Senate persuaded, cajoled, threatened and pleaded for months to get the Senate votes required to pass Republican President Dwight Eisenhower's civil rights legislation in the 1950s, and his own landmark civil rights bills as president in the 1960s.

The final 100 pages of his *Master of the Senate* are devoted to a day-by-day chronicle of that epochal achievement. As Caro says, "...there are cases in which the differences between the two sides are so deep that no meeting placed can be located, for no such place exists...[then] it is necessary for the legislative leader to create a common ground." This is what LBJ achieved several times, notably working with President Eisenhower during the Little Rock crisis of 1957, when the governor of Arkansas barred African Americans from a local school, in violation of the landmark 1954 Supreme Court ruling in *Brown vs. Board of Education* against segregation of public schools. Johnson's own civil rights bill of 1965, passed by his former Senate colleagues, completed the historic work begun by President John F. Kennedy.

When Lester Pearson and Tommy Douglas worked together in those same years in two minority governments from 1963-68, we had a seasoned international Nobel Prize winning diplomat in one chair, and the premier who had dragged Saskatchewan from bankruptcy to stability through years of painful compromises on programs, taxes and creditor battles, in the other. They were leaders who well understood that the winner cannot take all.

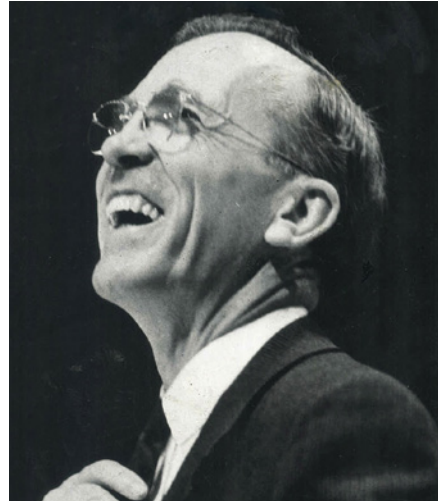
The parallels with today are fascinating. It was the time of nationalist sentiment rising in Quebec, strong pressure from Conservative premiers for a larger share of the fiscal pie, and deep concerns about national unity.

A strong cabinet, capable advisers to the prime minister in Tom Kent, Richard O'Hagan and Jim Coutts, along with shared political agenda items with the New Democrats made for formidable and lasting achievements. Among them were the Canadian Maple Leaf flag, universal health care, the Canada-Quebec Pension Plan and the beginning of new fiscal arrangements with the provinces.

The next minority period, 1972-74, was shorter and more intense in every respect, but equally full of legislative landmarks, including consumer price controls, limits on election expenses, and more generous pensions. As he had been in the earlier period, NDP House Leader Stanley Knowles was an effective go-between.

NDP Leader David Lewis and Pierre Trudeau had a cooler relationship than did Douglas and Pearson, but it was respectful and effective. Only when it became difficult for each party to defend to their own activists why they were "sleeping with the enemy" did the compromise process come to an abrupt end in the spring of 1974, when the Liberals famously arranged





For Lester Pearson and Tommy Douglas, their partnership in two minority Parliaments from 1963-68 was more than an alliance of convenience, it was about nation-building. With Pearson's strong Liberal minority only a few seats short of majority territory, and Douglas leading an NDP caucus holding the balance of power, their achievements included progressive policies such as Medicare and the Canada-Quebec Pension Plan, as well as the Maple Leaf Canadian flag. *Toronto Star Photograph Archive, Courtesy of Toronto Public Library*

their own defeat over John Turner's budget and were returned with a majority government. Interestingly, David Lewis' son Stephen then stepped into a similar minority success, as Ontario NDP leader, with Ontario Conservative Premier Bill Davis for another two-year period from 1975 to 1977.

**N**either the Martin nor the Harper minority eras in the early 2000s could be seen to have reached the same heights as those earlier periods, in terms of either co-operation or achievement. Politics had hardened and the activist cores of each of the parties were even more skeptical of the wisdom of co-operation.

Martin's 2004 minority of a year and a few months was also hobbled by the continuing civil war in the Liberal Party, between his often over-confident and too-confrontational advisers and the Chrétien-ites still bitter at what they saw as their leader's ouster. They misjudged NDP Leader Jack Layton and he organized their defeat in the House in late 2005, and hurt them on the hustings as well. The result was the 2006 Conservative minority replacing the Liberal one.

Harper's approach was unique in Canadian politics, and will hopefully not be repeated in this minority or in any future governments seeking col-

laboration and partners in pushing through their legislative agenda.

It was a high-wire act that consisted mainly of threats and provocation directed mostly at the Liberals. The Liberals were deeply weakened by a succession of poor leadership choices, and the residue of the decade-long civil war between the Chrétien loyalists and the Martin insurgents. Tory partisans of the era maintained it worked well, as they forced the Liberals to vote with them more than 100 times over the period from 2006 to 2011, in two separate minority governments.

A more nuanced view, perhaps, is that it hardened the Harper approach to his majority government when he won it, and poisoned the view of many Canadians towards his style of politics. The content was less Draconian than advertised, but promoted with heated and aggressive partisan rhetoric, which deeply soured Canadian federal politics. The seeds of his heavy defeat in 2015 can be traced, in part, to the manner in which he managed power when he needed partners.

**T**he tone-deaf arrogance that is often seen to be in the DNA of federal Liberals has led many commentators to suggest that Trudeau will be more of the Harper school than Pearsonian in his approach to minority management. That appears doubtful

for two reasons. The first is that the Liberals have many more challengers to balance and appease than most federal governments, with hostile premiers in more than half of the provinces.

Those premiers will be tempted to push the federal Tories, and the Bloc, to be more difficult if they feel Ottawa needs pressure to bend on their grievances. Secondly, it seems likely that enough Liberals of an older generation remain who will point to the truncated success of Stephen Harper—and the continuing reputational damage the party still carries—as a result of his rougher, more American style of politics and governing.

For harder-edged Liberal advisers, the distraction of the leadership campaign within the Conservative Party will be tempting to make even more disabling through rough House tactics. The political success of Jagmeet Singh in leading the New Democrats in staving off a resounding defeat in the recent campaign is not matched by their financial health—bluntly stated, the New Dems are broke. For the same political pounders around Trudeau, humiliating New Democrats will be similarly tempting, as the enthusiasm to bring the government down will not become a real threat until this time next year at the earliest.

If Trudeau has matured sufficiently to understand that his best chance of regaining a majority is campaigning on some achievements, won by partnership and compromise in this Parliament, Canadians can look forward to another successful minority chapter probably lasting two to three years. If not, an election forced over their second budget in the spring of 2021 would be more likely, if our minority history is any guide.

Perhaps the stars will align for a return to a more mature minority government style again. And the math of a minority House such as this one, where the balance of power is shared, is impossible to predict. **P**

*Contributing Writer Robin V. Sears is a Sunday columnist with The Toronto Star and former national director of the NDP during the Broadbent years.*

# François Legault's Doctrine of WWDD: 'What Would Duplessis Do?'

*You don't have to be a fan of Shirley Bassey to know that history—especially its most ignominious entries—tends to repeat if not rhyme. There have been many moments since Coalition Avenir Québec Leader François Legault became premier of Quebec in October of 2018 that have evoked his conservative populist predecessor, Maurice Duplessis. As Graham Fraser writes, the enacting of Bill 21 has been one of them.*

## Graham Fraser

Last October, Quebec Premier François Legault met Serge Savard, one of the pillars of Les Canadiens when the team was winning Stanley Cups. In addition to lamenting that the team no longer had a monopoly on Quebec hockey players, Legault made an allusion to Savard's preferred party, the old Union Nationale—the conservative nationalist coalition created by Maurice Duplessis that dominated Quebec politics after the Second World War.

"Now it's called the CAQ," Legault quipped, referring to his own coalition party, the Coalition Avenir Québec.

It was hardly a joke; the CAQ bears a remarkable similarity to the Union Nationale: a coalition between conservatives and nationalists with a rural and small-town base that had virtually no support in Montreal, fought for Quebec autonomy but not independence, was contemptuous of universities and vilified religious minorities.

At times, it seems as if Legault and his ministers ask themselves "What would Duplessis do?" when faced with a policy decision.

To begin with, the electoral map produced by the 2018 Quebec election is almost a replica of the Union Nationale electoral base: a sea of CAQ blue interrupted by a peninsula of Liberal red up the Ottawa River and across the island of Montreal (with the exception of two seats in Montreal's east end).

Duplessis encouraged the election of 50 Progressive Conservative MPs in 1958, who became part of the sweeping Diefenbaker majority. Legault has looked on benevolently as Yves-François Blanchet leads a group of 32 Bloc Québécois MPs to Ottawa, depriving Justin Trudeau of a Liberal majority.

Duplessis exercised his power over universities, insisting that dissident academics be fired or transferred, and refusing federal funding for post-secondary education.

Legault did his best impression of Duplessis when there was a massive outcry against the abolition of the Programme de l'expérience québécoise, which allowed foreign university students to acquire residency in Quebec, and its replacement with a dramatically smaller program. Before he reversed himself, he snarled that university presidents were simply complaining

because they wanted the money those students brought, and business leaders only wanted cheap labour.

The most embarrassing case, which made the front section of *The New York Times* and headlines around the world, was when a doctoral student from France was refused a residency permit because one of the chapters of her PhD thesis for Université Laval was written in English. After mockery unmatched since the Pastagate scandal—when a restaurant was found in contravention of the Charter of the French Language for having pasta on its menu rather than using the French word "pâtes"—the decision was reversed.

Duplessis used his power to arrest Jehovah's Witnesses and take away the liquor licence of a restaurant owner, Frank Roncarelli, who had provided funds to bail them out.

McGill law professor F. R. Scott challenged him, taking the case to the Supreme Court and winning.

Legault's echo of this is Bill 21, the Laicity Act, which forbids government employees, including teachers, from wearing anything that displays religious affiliation. Despite the fact that the government used the notwithstanding clause of the Charter of Rights and Freedoms to exempt it from a Charter challenge on the grounds of religious freedom, legal and equality rights, the question of the law's constitutionality is now before the courts.

The English Montreal School Board (EMSB) has chosen to intervene on Article 23 of the Charter, which deals with the criteria for access to minority language education, and Article 28, which deals with rights guaranteed



equally to both sexes. The notwithstanding clause does not apply to either language rights or gender equality.

Article 28 is very clear: “Notwithstanding anything in this Charter, the rights and freedoms referred to in it are guaranteed equally to male and female persons.”

In its statement of claim, the EMSB argues that the Act exercises “an illegitimate control of the right to management and control of English language school boards in Quebec, regulates the cultural setting of English-language education, and interferes with the cultural concerns of Quebec’s English-speaking community.”

Furthermore, the statement continues, the Act “specifically targets and has a disproportionate effect on women, specifically Muslim women wearing the hijab.”

It is worth noting that in Bill 40, his legislation to abolish school boards, Legault has made an exception for English-language school boards, implicitly acknowledging that the Supreme Court’s Mahé decision guarantees the rights of language minorities to control their school boards. And his use of the notwithstanding clause was an indication that he wanted to avoid a court challenge. No such luck.

During the federal election, Legault declared that federal leaders should commit themselves to not intervening in the case, and Justin Trudeau was the only one to point out that the federal government has an obligation to examine every case that goes to the Supreme Court, and left open the possibility that his government would intervene.

There is a long history of Liberal prime ministers being asked to intervene on—or use the federal power of disallowance against—legislation passed by provinces.

When Ontario Hydro was created in 1909, there was a petition for disallowance from a group of private investors who argued it was unconstitutional. Wilfrid Laurier’s response,



Quebec Premier François Legault at the Francophone Summit in Yerevan, Armenia in October, 2018. Legault represents a conservative stream of Quebec nationalism, the old school of Maurice Duplessis, rather than the pro-independence movement, Graham Fraser writes. *XVIIe Sommet de la Francophonie à Erevan Flickr photo*

in a letter to a prominent Liberal businessman who had interests in the Electrical Development Company was this: “The local legislature has certain powers vested in it. These powers may be abused, but we have always held that the remedy was not in the exercise of the power of disallowance in Ottawa, but by the people of the Province themselves.”

This was almost exactly what Pierre Trudeau said in response to the Protestant School Board of Greater Montreal, which had begged him to disallow Robert Bourassa’s language legislation, Bill 22, in 1974.

Both those cases, of course, were before the introduction of the Charter of Rights and Freedoms in 1982. The federal power of disallowance is considered by many to have shrivelled through lack of use (It has not been used since 1943, but most dramatically in 1938 when the federal government disallowed Social Credit legislation in Alberta governing credit), and it is highly unlikely that the federal government will use it now.

However, intervening on a Charter case is a different matter.

The storm of public disapproval over the reckless abolition of the foreign student residency program, and Legault’s churlish reaction to it before reversing himself has been widely seen as the end of a year-long honeymoon.

In addition, it has damaged the reputation of the cabinet star and Minister of Everything (technically, he is Minister of Immigration, Francization and Integration, Minister Responsible for the French Language, Minister Responsible for Laicity and Parliamentary Reform and Government House Leader) Simon Jolin-Barrette—particularly when Denis Lessard of *La Presse* reported that public servants had warned him of the problems that would occur, but were ignored.

It became, as Radio-Canada host and columnist Michel C. Auger put it, a question of competence. And incompetence can be a fatal flaw for any government. **P**

*Graham Fraser is a senior fellow at the Graduate School of Public and International Affairs at the University of Ottawa and the author of René Lévesque and the Parti Québécois in Power and Playing for Keeps: The Making of the Prime Minister 1988.*

# Isotopes: Canada's opportunity to lead in the fight against cancer and disease around the world with some of the rarest drugs on earth.

For more than 60 years, Canada has been a leader globally in the research, development and production of medical isotopes and radiopharmaceuticals. The world has always counted on Canada, but the fragility of our efforts has threatened the critical supply of these materials.

## THE CANADIAN SITUATION

Canada's nuclear isotope program pioneered a new era in cancer-fighting treatments, and research and development around health care. Without champions, however, Canada risks not only ceding that leadership role but living in a future world where people have no access to life-saving cancer treatments. 2018 marked the end of an era for medical isotope production in Canada, as the National Research Universal (NRU) reactor was taken out of service after six decades of supplying medical isotopes to the world's health-care community. This has happened as new advances are quickly being made in the field of targeted therapeutics for the treatment of cancer.

The landscape of medical isotope production in Canada is diverse, due in part to the long-standing and world-class research into reactor and accelerator technologies. Canada is a leader in the development and production of medical isotopes that have been used globally for the past several decades. Canada relies on both domestic production and the global supply chain to provide medical isotopes to our hospitals.

To find solutions and guarantee future production and advancements of medical isotopes, the Canadian Nuclear Isotope Council (CNIC) was created.





# The Canadian Nuclear Isotope Council (CNIC)

The CNIC is an independent organization consisting of representatives from various levels within the Canadian health sector, nuclear industry and research bodies, convened specifically to work with governments and advocate for our country's role in the production of the world's isotope supply.

The CNIC represents organizations across Canada and around the globe.



## WHAT CANADIANS THINK

Canadians want to remain at the forefront of research and development, commercializing, and supply of medical isotopes. Two-thirds of respondents in a national survey expressed concern that Canada was losing its leadership position in isotope supply with nearly one-third of respondents being seriously concerned. This support goes so far that a further 63 per cent of Canadians support the provincial and federal governments adopting a Pan-Canadian strategy to secure the global supply of isotopes. Taken together, these two indicators clearly demonstrate that isotope leadership is important to Canadians, and they are largely in favour of government playing a critical role in pushing that forward.

Canadian policymakers should be acutely aware of the previous challenges faced by Canadians and global citizens during a past isotope supply shortage and take measures to ensure this doesn't happen again.

*These results, generated from a survey of n=1804 adult Canadians, was conducted online by Innovative Research between July 26-31, 2019. The results are weighted to n=1,200 based on Census data from Statistics Canada.*

## THE FUTURE OF MEDICAL ISOTOPES IN CANADA

Nuclear medicine is rapidly following the trends in personalized medicine. One example is the combination of therapy and diagnostics, called "theranostics", which is an emerging application of medical isotopes. Theranostics allows the treatment to be targeted and modified for maximum effectiveness and the fewest possible side effects.

Dozens of clinical trials using medical isotopes are currently underway in Canadian hospitals. A new Lutetium-177-based drug that targets metastatic prostate cancer is being investigated. The medical grade isotope is used to destroy cancer cells while leaving healthy cells unaffected. Another is the first-ever clinical trial of an Actinium-225-based TIRT agent known as [225Ac]-FPI-1434 was launched in Canada in 2019. This investigational drug targets a receptor that is common to many solid tumours, and therefore has potential for treating a range of cancers.

Patients fighting cancer and other medical conditions all over the world rely on Canada for the safe and stable supply of medical isotopes. This presents a major challenge — and opportunity — for Canadian leadership in the training, research, development, deployment and export of medical isotopes for the global market.

## Global Isotope Needs

ISOTOPE	Number of procedures using medical isotopes worldwide in 2017	Expected trend in the next 10 years
<b>Technetium-99 (Tc-99)</b>	35 million	+
<b>Iodine-131 (I-131)</b>	1 million	=
<b>Radium-223 (Ra-223)</b>	10,000	++
<b>Xenon-133 (Xe-133)</b>	100,000	--
<b>Yttrium-90 (Y-90)</b>	20,000	+
<b>Holmium-166 (Ho-166)</b>	400	++
<b>Lutetium-177 (Lu-177)</b>	15,000	+++
<b>Alpha emitters (Ac-225, Ra-223 etc.)</b>	2,000	+++
<b>Strontium (Sr)/Rhenium (Re)/Samarium (Sm)</b>	10,000-20,000	---
<b>Iodine-125 (I-125)</b>	120,000-140,000	+
<b>Iodine-123 (I-123)</b>	1,000,00	+
<b>Iodine-111 (I-111)</b>	100,000	+

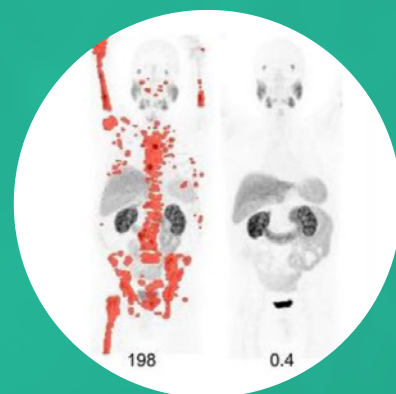
Drafted based on data from the OECD, IAEA and RG

## 63% of Canadians

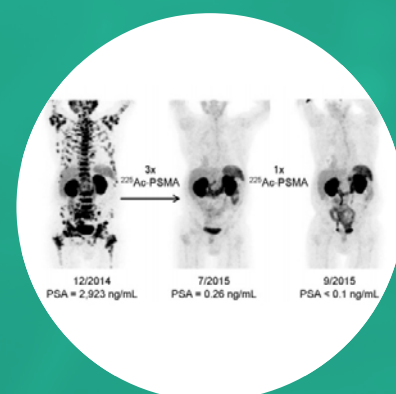
support the development of a national strategy for isotopes to ensure Canada remains at the forefront of this sector.

## 66% of Canadians

are concerned about ceding our leadership position in isotope production and research and development



68 Ga PSMA11 PET images at baseline and 3 months after 177 Lu PSMA617 showing significant response. *J. Nucl. Med* 2018; 59: 531



New targeted radiotherapy Reference: C Kratochwil et al, *J Nuc Med* (2016) doi:10.2967/jnumed.116.178673



Worldwide there are over  
**40 million**  
**nuclear medicine**  
**procedures**

performed each year using isotopes, with approximately 36 million for diagnostic nuclear medicine and four million for therapy.

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**Nuclear**  
**technology**  
**saves lives**

through the use of isotopes for screening, diagnosis and treatment of a wide variety of medical conditions.



**60%**

of the world's market of Iodine-125 is produced at The McMaster Nuclear Reactor at McMaster University.



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**Canada has**  
**45 approved**  
**radiopharmaceuticals**

23 currently approved radioisotopes, and is the world's leading supplier of two key medical isotopes.

## WHAT CANADA MUST DO

Recognizing the opportunity presented by continued Canadian leadership in isotope development, the CNIC has seven recommendations:

### 1. Develop a Pan-Canadian Strategy for Isotopes

There's an opportunity with the support of the federal and provincial governments, through a forum such as the Council of the Federation, to adopt a Pan-Canadian strategy which integrates and supports Canada's leadership role in the supply, distribution and development of isotopes for medical and industrial applications.

### 2. National Supply Infrastructure Framework

Designate the supply of isotopes as a key element of strategic national infrastructure for domestic and international use, allowing the same access to funding and other tools as is the case with roads, bridges, energy projects and many other initiatives.

### 3. Federal Strategic Innovation Fund (SIF)

Designate Canada's isotope community as a key focus area within the SIF to help Canada leverage its infrastructure advantage and strong network of researchers, clinicians and entrepreneurs to position our country as a global leader in medical isotope innovation.

### 4. Break down barriers within Canada and abroad

Removing regulatory red tape will help to accommodate new treatments and new clinical trials to give patients easier access, and support the interprovincial trading and international export of critical isotopes.

### 5. Technology Applications for rural, northern and remote Regions

Deploy new technologies accessible to Canadians in rural, northern and remote communities that will reduce travel requirements, improve outcomes and equality around the standard of care.

### 6. Promote Canadian isotope leadership abroad and continue with international co-ordination

Canada's focus should be on the promotion of exporting our products, allowing for affordable and reliable cancer care.

### 7. Secure Canadian talent and expertise by supporting our isotope research institutions

With government support, we can ensure the right projects are being funded and facilitate partnerships with the private sector to continue leading isotope innovation.

Support of these recommendations would demonstrate a firm commitment to Canada's role as a leader in nuclear medicine, and dramatically bolster the country's capacity to innovate while delivering substantial economic and societal benefits to both Canadians and patients around the globe. With the size of the global isotope market projected to grow to more than \$17.1 billion (US) by 2023, Canada stands on the edge of a tremendous opportunity to bolster this industry.

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FIND OUT MORE AT [WWW.CANADIANISOTOPES.CA](http://WWW.CANADIANISOTOPES.CA)



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Canadian Nuclear Isotope Council





Prime Minister Justin Trudeau meets U.S. President Donald Trump at the 70th anniversary NATO Summit in London in December. Sarah Goldfeder writes that the Trump administration has made the Canada-U.S. relationship “far less predictable than either side is used to.” *Adam Scotti photo*

# Beyond Realism: Canada and America’s Trumpian Discontent

*As the United States copes with the domestic and international consequences of the manufactured commotions of Donald Trump’s presidency, Canada is doing its own adapting to the unprecedented nature of the current bilateral dynamic. Former American diplomat Sarah Goldfeder delivers a notably unvarnished assessment of the relationship heading into a new decade.*

**Sarah Goldfeder**

**T**he relationship with the United States has never been simple for Canada. From the beginning, Americans have pushed and prodded Canadians to act in ways that, while undeniably in the national interest of the United States, are not always in the best interest of Canada.

As the larger partner in population, economy, and military power, the United States, it could be argued, has the upper hand. That said, Canada has often benefitted from the asymmetry. But with the clouds of a great power rivalry and a softening global

economy promising a darker decade in front of us, how does Canada manage this relationship moving forward?

American Domestic Politics:

Americans are not global thinkers. From the beginning, we have been focused inward, proudly mercantilist and isolationist. It took the horrors of World War II for us to recognize our shared destinies and assume a mantle of responsibility for global security and prosperity. While Americans reluctantly took on a role of global leadership and most were proud of what we could bring to the table, this shift was not without controversy both at home and abroad. Many would argue that it is no small miracle that the post-WWII international rules-based order has sustained as long as it has.

**“As we barrel along into the 2020 election, the rest of the world holds its collective breath, waiting to see what new manufactured commotion will drown out the best interests of the international rules-based order.”**

Meanwhile, at home, for two generations, Americans have watched their centres of industry crumble. Both large and mid-sized cities have suffered—Detroit, Buffalo, Cleveland, Youngstown. And yet, at the same time, hubs of emerging technologies are thriving—Plano, Austin, Irvine, San Francisco, Seattle. The gap between haves and have-nots is not just increasing, the factors that influence an individual's likelihood of being in one or the other of those groups are hardening. The result is a deep suspicion of Americans by Americans, not to mention a gulf in the commitment to the role the U.S. plays on the world stage.

**“The gap between haves and have-nots is not just increasing, the factors that influence an individual's likelihood of being in one or the other of those groups are hardening. The result is a deep suspicion of Americans by Americans.”**

Are Americans concerned about how the rest of world perceives them? Not really. Only when it means that individuals or groups are out to do us harm. Our core values are rooted in libertarianism, meaning that we don't much care about what goes on beyond our borders as long as it doesn't encroach on our way of life. But that has changed in the last generation—since September 11th, into less of a “live and let live” mentality and more of a fortress America.

While, since the election of Donald Trump, the U.S. has hovered with one foot in the international community and one foot out, the rest of the world endures the churn of American domestic politics. At the moment, those politics are particularly disruptive to our foreign and trade policy and undermining the international and multilateral engagements we have maintained since the mid-20th century. As we barrel along into the 2020 election, the rest of the world holds its collective breath, waiting to see what new manufactured commotion will drown out the best interests of the international rules-based order.

**T**he Risks for Canada:

Canada often cites its special relationship with the United States. And for Canada, that relationship is paramount. But the United States has always maintained multiple special relationships, each one more special than the others. The result is that Canada's reliability as a partner and ally is often taken for granted. But that is no small part of the intrinsic value of Canada to the Unit-

ed States—that it acts predictably in the best interests of North America, which usually translates into being a reliable partner. We know when Canada will push back, what it will push back on, and what we have to do to eventually gain their support. It's a predictable relationship—and that is what makes it special.

The past three years of the Trump administration have been far less predictable than either side is accustomed to. Beginning with the newly elected president's rejection of the Trans-Pacific Partnership and declaration that the North American Free Trade Agreement would be re-opened and re-negotiated in order to get the United States a better deal, but not stopping there. The deployment of the 1962 Trade Expansion Act's Section 232 national security tariffs on steel and aluminum created a level of economic angst that frayed the nerves of investors, industry, and politicians as well as government officials. The U.S. trade war with China has disrupted supply chains continentally as well as globally. Continued threats of future 232 national security tariffs against automobiles, uranium, and other commodities continue to undermine investor confidence.

Arguably, any Canadian government would have been ill-suited to manage Donald Trump. Despite the obvious inconsistencies in values and approach, the Trudeau team has done as well or better than any other rules-based, market-based, democratic government in the world. Despite some missteps and presidential twitter-tantrums, the relationship between the two countries appears to have endured in fine fashion.

That said, there are still some areas where Canada is at risk.

**T**rade:

Geography is destiny. Canada has lived this truth through the years, but most notably perhaps, these past three years. Since the renegotiation of NAFTA was announced, the focus of the Canadian corporate world has been on holding the North American market together. While the new and improved NAFTA 2.0 has been signed by all three partners, it has yet to be ratified. The U.S. remains in the throes of some of the most partisan political fights in its history and the chances that this renegotiated renegotiation falls flat in the Senate persist.

House Speaker Nancy Pelosi made a calculated political decision to announce both the impeachment charges and the agreement on the trade deal on the same day. It mollified her caucus and provided “purple district” members of Congress some good news to soften the blow of impeachment. But the Senate does not share her political concerns—only one third of the Senate is up for reelection in 2020. That one third includes Senate Majority Leader Mitch McConnell and Trump supporter Lindsey Graham. They may choose to punish Pelosi for her timing by ragging the puck on the trade agreement and blaming impeachment for the delay.

All that said, agreements mean nothing if one partner is not acting in good faith. President Trump has proven repeatedly that if he wants more tariffs, he will go after more tariffs and international norms and rules are meaningless. He has also used Twitter to impact business and international trade in unreasonable fashion—something that no trade deal will mitigate.

Simply put, the uncertainty of American trade actions will persist for the immediate future. Meanwhile, Canada continues to suffer from punitive

trade actions by China that are political in nature. Expectations that the American president could be helpful with China have so far come up short, and Canada should expect that trend to continue.

**“Agreements mean nothing if one partner is not acting in good faith. President Trump has proven repeatedly that if he wants more tariffs, he will go after more tariffs and international norms and rules are meaningless.”**

**P**olitics:

The Prime Minister’s comments about Donald Trump’s behaviour during a reception for NATO leaders in December became a viral sensation. In the rest of the world, the story was that world leaders also see how rude and boorish the U.S. president can be, but in Canada, the story was politicized as another lapse in judgment by a naïve Prime Minister.

The former is the right story. President Trump showed no respect or courtesy for the other 28 NATO leaders and has appeared to have missed the briefing note where the consensus model for NATO was explained.

Canada Needs More Canada:

Canada just emerged from what is generally thought to be one of the nastiest election campaigns in its history. The divisiveness that characterized 2019 is often thought of as an American export. Regardless of origin, it is toxic. The Westminster system as it is practised in Canada might be the antidote, with the strong minority Liberal government required to work collaboratively with other parties in order to move legislation.

The incumbent Liberals recalibrated over the past four years in order to both manage and minimize the relationship between Canada and the United States. The further divided America becomes, the more Canada moves closer to other allies. The Comprehensive Economic and Trade Agreement with the European Union and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership both facilitate trade diversification and the cultivation of new strategic partnerships.

Canada’s global value is far more than neighbour to the United States, and as it participates in reform of the World Trade Organization and re-fortifies itself in other multilateral fora, the predictable support that Americans have taken for granted will be embraced by others.

As politicians headed back to their ridings for the holidays, fresh on the heels of a revised NAFTA and with their partner heading into a grueling impeachment battle, Canadians should have felt confident. Their government believes it still works for them. That’s something Americans no longer take for granted, but that quiet Canadian certainty will do the world good. **P**

*Contributing Writer Sarah Goldfeder, a principal with the Earncliffe Strategy Group in Ottawa, has served as a special assistant to two former U.S. ambassadors to Canada and was previously a career officer at the U.S. State Department.*



# Indigenous Procurement: Too Important to Fail

*In other jurisdictions from the United States to Australia, government procurement is leveraged as an economic development tool for communities traditionally hindered by discrimination, including Indigenous businesses. After an election campaign during which the Liberal Party adopted a 5 percent Indigenous procurement target in its platform, entrepreneur and investor Chand Sooran lays out what the government's Indigenous procurement policy could look like.*

## Chand Sooran

The federal government looks set to announce a substantial policy on procurement from Indigenous-owned businesses. It is a high risk-high reward strategy for all stakeholders. A successful outcome can transform economic development for this beset community. Failure would mean the ossification of the obstacles that this policy ostensibly seeks to overcome.

What would an effective policy look like?

In the 2019 election, the Canadian Council for Aboriginal Business (CCAB) was successful in lobbying for the inclusion in Liberal Party policy of a 5 percent set-aside of federal procurement spending with its Supply Change initiative:

"Federal procurement spending through the Procurement Strategy for Aboriginal Business (PSAB) has accounted for an average of less than 1 percent (0.32 percent) of total annual federal procurement spending since 1996," the Council noted in a campaign statement, adding: "Now that a realistic and more than achiev-

able 5 percent Aboriginal procurement spending target has been adopted in the Liberal Party platform, CCAB encourages other political parties to do the same or even better."

The Prime Minister's 2019 Mandate Letter to the Minister of Public Service and Procurement Canada follows through with this commitment instructing her to "work with Minister of Indigenous Services and the President of the Treasury Board to create more opportunities for Indigenous businesses to succeed and grow by creating a new target to have at least 5 per cent of federal contracts awarded to businesses managed and led by Indigenous Peoples."

This parallels the policy the Trudeau government announced in the 2018 Budget in which they announced a 5 percent target of federal procurement spending from businesses owned by women.

These policies are an expression of a global phenomenon called "social procurement". The City of Toronto, for example, defines social procurement as: "The achievement of strategic social, economic and workforce development goals using an organi-

zation's process of purchasing goods and services."

Toronto's definition of supplier diversity is consistent with that of other buyers:

"A diverse supplier is a business that is at least 51 percent owned, managed and controlled by an equity-seeking community or social purpose enterprise. These communities include, but are not limited to, women, Aboriginal people, racial minorities, persons with disabilities, newcomers and Lesbian, Gay, Bisexual, Trans, Queer, Two-Spirit (LBGTQ2S) community."

These set-asides are consistent with international experience.

The European Union's public procurement directives permit the allocation of some portion of public procurement budgets to "disadvantaged persons".

In the United States, support for social procurement goes back to the civil rights movement of the 1960s. Martin Luther King Jr. delivered his famous "I Have a Dream" speech at the March on Washington for Jobs and Freedom. Its primary organizer, the bold activist Bayard Rustin, writing in the event's organizing manual, cited the "twin evils of racism and economic deprivation" as motivation for the march.

The Small Business Administration sets out a government-wide statutory small business contracting goal of "not less than 23 percent of the total value of all prime contract awards for each fiscal year." Further minimum targets include 3 percent for small businesses owned by service-disabled veterans, 3 percent for HUBZone small businesses, 5 percent for small businesses "owned and controlled by socially and

economically disadvantaged individuals,” and 5 percent for small businesses owned and controlled by women.

State governments also have versions of their own targets. New York State has been in the vanguard of social procurement. Governor Andrew Cuomo aims to have 30 percent utilization of what Americans call “MWBEs” (Minority and Women-Owned Business Enterprises) in state contracts, a target the state came just short of hitting in the fiscal year 2018-2019 at 29.13 percent. When he was first elected to office in 2011, Cuomo’s target for MWBE contracting was 20 percent.

The focus on empowering businesses owned by members of historically-disadvantaged communities cascades in the U.S. into private sector purchasing activities. Large corporations that sell to different levels of government are encouraged and, in some cases, required to purchase from disadvantaged businesses. Organizations like the National Minority Supplier Development Council certify, mentor, and advertise MWBEs to corporate buyers.

**W**hat is the public policy problem?

Set-asides are a novel concept in Canada. Cities like Toronto, seeking to benchmark themselves against global contemporaries, have embraced the concept, with mixed success. Governments have resisted the push for set-asides from communities like the First Nations, preferring instead non-binding guidelines with limited effect.

In the United States, when a company advertises the status of its ownership or control as a minority-owned business, or a women-owned business, the general understanding is that this is just another facet of their marketing. The supplier can provide a non-pecuniary benefit to the buyer who can demonstrate his commitment to meeting self-imposed or external thresholds for social procurement.

In Canada, in the absence of government leadership on the topic and data showing the performance of these firms, buyers may tend to view com-

panies who identify as Indigenous-owned as sub-par, as if to say that these firms require special treatment.

Divergent public policy in the two countries leads to different perceptions of supplier risk for the same company. It may be easier for Canadian Indigenous businesses to sell in the U.S. than at home. The public spillover effect is that economic development is slowed, leading to more government transfers.

Buyers (in government or the private sector) want “value-for-money”: buying the right thing from the right supplier at the right price, with the least risk.

There are three classes of risk for buyers:

- **Capacity and Capabilities:** Do these firms have the capacity to deliver at sufficient scale and the capability to deliver complicated goods and services? Have they been shut out of so much business previously that they have not been in a position to mature commercially?
- **Bona Fides:** Are these firms really owned by Indigenous people, or are they just trying to game the system?
- **Access to Capital:** Is there something about the disadvantage these firms face that makes it more difficult for them to finance themselves, making them riskier as suppliers? For example, Indigenous-owned firms may not be able to obtain credit because of the inability to use property or contracts located in First Nations territory as collateral.

The most competitive Indigenous firms may either end up concealing their provenance or deciding to compete outside of Canada.

**W**ith the right policy, Ottawa can help mitigate these risks.

- **Capacity and Capabilities:** Make data available about the performance of Indigenous businesses on set-aside government contracts. Connect buyers to one another to share market intelligence. Make available a platform for government and commercial buyers to

find, engage, and mentor Indigenous-owned suppliers. Connect Indigenous suppliers to one another for teaming.

- **Bona Fides:** Set a standard by having the federal government impartially verify the Indigenous ownership, control, and management of these suppliers, and vet their commercial qualifications, while sharing this information with buyers. Without a credible, disinterested, and enforceable mechanism for certification, there remains the possibility of buyer skepticism. American law enforcement is rigorous in prosecuting procurement fraud.
- **Access to Capital:** Establish working capital financing for contracts into which the government enters with Indigenous-owned firms. Guarantee real property lending to this community by third-party financial institutions. Encourage private sector sources of working capital finance. Link financing to performance on government contracts.

Ideally, whatever solution the federal government chooses will be extensible to other disadvantaged groups.

Presumably, there has been pressure on government and commercial buyers to purchase from disadvantaged groups for some time. Their disappointing performance points to the fact that historical approaches, essentially Yellow Pages directories of putatively relevant suppliers vetted opaquely, have been profoundly inadequate.

Our hypothesis is that buyers have been kept at bay by worries about supplier risk, perceptions that have been exaggerated in a way that government is uniquely positioned to mitigate.

Failure to deal with these factors after an optimistic, idealistic announcement without material improvement in actual procurement from Indigenous businesses may cement misperceptions of risk for years to come. **P**

*Chand Sooran is the Founder and CEO of EdgeworthBox, which seeks to make it easier for SMEs to sell to corporations and governments. He is a graduate of RMC, Queen’s, and the Massachusetts Institute of Technology*



Column / Don Newman

## Keep Calm...or Not. We've Seen Worse.

Alberta and Ottawa at each other's throats. Separatists winning votes in Quebec. Britain collapsing over Brexit. And the rolling cataclysm of Donald Trump's presidency colliding with impeachment proceedings in the United States.

The world's going to hell in a hand-basket, right? Don't worry. We've seen it all before. Most of it, 30 or more years ago. And by and large it turned out not too badly.

Alberta and Ottawa are at odds over the lack of new pipelines and additional capacity to transport oil—and particularly oil sands bitumen—to tidewater and Asian export markets. To show their displeasure, in the recent federal election Albertans elected no Liberal MPs to support Prime Minister Justin Trudeau's government, or to sit in his cabinet. Nobody from Alberta at the federal decision-making table.

But today's imbroglio is nothing compared to the fight between Ottawa and Alberta in the late 1970s and early 80s. That was over the high price of oil, not the low price in place now. It was about whether Alberta and the oil industry should charge world prices for their product, and how the revenues collected should be distributed among the federal and provincial governments and the oil industry.

There were no Liberal MPs from Alberta supporting the Pierre Trudeau government either. As the dispute grew, Ottawa moved to unilaterally impose an oil price regime and revenue-sharing plan. Alberta retaliated by staging planned cutbacks to oil

shipments to Central Canada. Finally, cooler heads prevailed. Trudeau and an Alberta premier named Peter Lougheed had their governments negotiate a deal both sides could live with. Now, Justin Trudeau will have to do the same thing with another Alberta premier, Jason Kenney. Given the history, that doesn't seem too difficult a task.

The revival of the Bloc Québécois was perhaps the greatest surprise of the October election. Running only in Quebec, the party went from just a handful of seats to 32, under a dynamic and experienced leader named Yves-François Blanchet. While still officially espousing the separation of Quebec from the Canadian Confederation, the party says it isn't going to happen any time soon.

Certainly, the resurgence of the Bloc is nothing compared to its emergence—after the 1993 election and the constitutional failure of the Meech Lake Accord—with 52 seats under the dynamic leadership of Lucien Bouchard. That result heralded an almost disastrous set of circumstances, including a Quebec independence referendum in 1995 that almost passed and broke up the country.

But since then, independence passions have slowly cooled in Quebec. The recent election results for the Bloc mean that they are not dead yet, but careful management and monitoring of the situation should keep things under control.

Beyond our borders, Brexit is presenting Britain with its worst crisis since the Second World War. The referendum three years ago and the elec-

tions, minority governments and multiple rejections by Parliament of various divorce agreements have underscored the political cost of the plan against a soundtrack of warnings as to its economic costs.

All of this pales beside the crisis Britain went through in the 1980s. Then, the showdown between Margaret Thatcher and the National Union of Mineworkers brought the country to its knees with a yearlong strike from 1984-85 that served as a scaled-up version of Ronald Reagan's 1981 showdown with air traffic controllers. The standoff provided the proof of politically risky resolve that Thatcher used first to decimate the miners' union and its powerful figurehead, Arthur Scargill, before privatizing and deregulating much of the rest of the U.K. economy.

And finally, the impeachment of Donald Trump. As interesting as it sometimes is, it is nothing compared to the impeachment proceeding that led the firing of a special prosecutor, the revelation of secret tape recordings in the White House, and ultimately the resignation of Richard Nixon from the presidency.

What has been happening with Trump is often fascinating. But, given the arithmetic in the Senate and the math of the Electoral College, rather than resigning or being removed from office, there is a better chance than either that Donald Trump will be re-elected in November. **P**

*Columnist Don Newman, who has joined Rubicon Strategy as Executive Vice President based in Ottawa is a lifetime member of the Parliamentary Press Gallery.*





# Seeking Canada's Place in a World Transformed

*The United States under Donald Trump is retreating from its role as a reliable, predictable, values-driven, rules-based leader on the world stage. While America's democratic institutions process the constitutional implications of Trump's corruption, Canada must re-evaluate its own geopolitical footprint. Former Conservative cabinet minister and current President of the Canadian Chamber of Commerce Perrin Beatty offered a way forward in the d'Aquino lecture, delivered at the National Gallery of Canada in November.*

## Perrin Beatty

Sixteenth century cartographers didn't have anything like the mapping technologies we use today, so mapmakers often filled in unknown areas with illustrations of exotic creatures such as sea serpents or mermaids.

On the Hunt-Lenox Globe, one of the oldest terrestrial globes in existence, the notation "HERE BE DRAGONS" appears in Latin near the east coast of Asia. It was a warning that travelers to the region would find themselves beset by unknown dangers of the gravest kind.

Today, Canadians looking for our place in the realms of diplomacy, security and commerce find ourselves in *terra incognita*, where the dragons may be very real.

Amid the geopolitical upheaval, one of our most pressing priorities is to decide what role we want to play—in diplomacy, security and business—in the global community *as it is today*. It's an issue on which none of our political parties has presented a coherent vision, where the questions

are confusing and the stakes are high, and where the pace of events leaves little time for thoughtful study.

The challenge of finding our way in this new world is further complicated by a growing distrust of institutions and leaders throughout much of the Western world.

We all view how the world is progressing based on our own experiences. In my case, I received a close-up view of the world during my time in the federal cabinet in the 1980s and early 1990s.

Three characteristics of this period stand out in particular. First, it was a time of tremendous hope. We watched as hundreds of millions of people moved from dictatorship into freedom. This progress was most evident with the collapse of Soviet Communism, but it extended to much of the world.

Second, Canada enjoyed a seat at the table when the most critical decisions were being made in the G7, NATO, NORAD and on the Security Council of the United Nations. This was partly a legacy from our role in World War

II and the subsequent post-war reconstruction, but it also reflected the personal relationships that existed between Prime Minister Brian Mulroney and other key heads of government.

The third difference between that period and today was the sense that the leaders were bigger than the issues. When Reagan, Thatcher, Kohl, Mitterrand and Mulroney met, we were confident that global issues would be resolved. In contrast, when the G7 met in Biarritz late last August, success was defined by the fact that the talks did not break down.

Many of our instruments for global governance and security, including the Bretton Woods institutions, NATO and the United Nations Security Council, are products of the post-World War II era. Their structures exclude many of the players that have risen to new prominence in the intervening years, and more recent institutions like the G20 and the World Trade Organization appear lost in a cacophony of competing voices.

Compounding this problem is the U.S. shift away from multilateralism to a grumpy, mercantilist nativism that prefers having clients to allies. The Trump administration's trade, security and diplomatic policies have cost its friends while empowering its strongest opponents. As the United States pulls back from its traditional allies, it has also turned against some of its own creations, including the WTO.

If job one on the international scene is to define Canada's role in the world, it starts in Washington, where Canada faces a sometimes hostile administration.



The G7 leaders at Hart House in Toronto in 1988 when, as Perrin Beatty notes, the G7 was a powerful force for positive change in the world. From left, Italian Prime Minister Ciriaco De Mita, British Prime Minister Margaret Thatcher, American President Ronald Reagan, Canadian Prime Minister Brian Mulroney, French President François Mitterrand, German Chancellor Helmut Kohl, and Japanese Prime Minister Noboru Takeshita. *Wikipedia photo*

It's tempting to assume that this will be a one-term aberration and that things will return to normal after either the 2020 or 2024 presidential elections, but we simply no longer have the luxury of quiet complacency that all will be for the best. Instead, we need to lessen our vulnerability to capricious actions by reducing our economic and diplomatic dependence on the U.S.

A final difference from how we expected the world to evolve 30 years ago is the challenge posed to Western liberal values by competing systems of politics and ideology. The fall of the Berlin Wall and the collapse of Soviet Communism seemed to symbolize precisely that. Nor did it seem unreasonable to think that bringing China into international organizations and encouraging partnerships with its government would advance human rights in that country.

The events of the last three decades show that, while others may want to *have what we have*, they may well not want to *be what we are*. The forces that explicitly reject the basic tenets of Western society—democracy, equality, human rights, individualism, tolerance and diversity—present a credible and, to many, attractive al-

ternative to a democracy they consider undisciplined, divided and weak.

So, where do these developments leave us? What are our options, and what should be our priorities? And on what assumptions should we plan a new role for Canada in global affairs? Here is my assessment.

First, Canada is more alone today in the world than it has been at any previous period in our lifetimes. While the United States will continue to be our most important partner, customer and ally, we can no longer take our relationship for granted.

Second, while our role as a middle-power country gives us a platform, it provides no guarantees that we can get our way in international affairs, particularly when we are dealing with much larger players. As a result, Canada's interest is ensuring that other countries play by the rules. That is why multilateral institutions like NATO, the UN and the World Trade Organization are essential to us.

We will need to fight for a seat at the table when decisions are being made and demonstrate why we deserve it, as Canada's uphill struggle to win election to the UN Security Council demonstrates. A starting point would be to give a clear explanation of what

we hope to achieve if we are accepted.

Third, our actions need to be guided by a sense of modesty or, at least, by realism. We should speak clearly and work tirelessly in defence of human rights throughout the world, but we also need to engage all countries, including those whose systems of government we find oppressive. We must do so with clear eyes, with a focused view of Canada's interests and with an understanding that the game won't be won in the first period.

Fourth, we need allies among countries that share our values and interests and that are not so large that they believe they can go it alone, such as the countries of the European Union and Scandinavia, Japan, Australia, New Zealand, Mexico and South Korea.

I want to be very clear here. While the challenge of asserting Canada's leadership is more complex and difficult than in the past, we can exercise global influence well beyond what the size of our population or our GDP would suggest if we have a coherent view of what we want and a strategy to get us there.

Finally, we need to rebuild a multi-partisan consensus on our international role. In recent years, consensus has frayed and Parliament is increasingly dividing along partisan lines on issues, including how to manage our relationships with the world's most powerful countries, the amount and nature of our international aid, our role in the UN and whether the purpose of our trade agreements should be to permit Canadian businesses to compete or to promote a multiplicity of social policy goals.

**B**ut however the government manages the process, what should be the basis of our strategy? In my view, Canada's diplomatic role should be what we have historically done very well: to engage, to convene, to present innovative ideas and to build consensus.

Our aspirations need to reflect our capabilities. We do not have unlimited resources and friends, and Canadians need to know why our internation-

al engagement is so important here at home. We need to pick the areas where our international involvement advances Canadian interests and explain to Canadians how what we do benefits them.

On this latter point, we should not be shy about promoting Canada's commercial interests. Canada, as a trade-dependent nation, should act like one.

Our success in international markets requires a rules-based global trading system overseen by a reformed and renewed World Trade Organization, in addition to our bilateral trade agreements and membership in other global standard-setting bodies.

Our NAFTA, CETA and CPTPP memberships give us privileged access to key international markets. No doubt we should be looking at others as well, but any new negotiations should be based on commercial considerations, not photo-ops. We need to focus on where bold leadership can achieve the greatest benefit for Canada and resolve barriers to our companies' market access in areas like agriculture, industrial subsidies and digital trade. And while trade agreements open doors into interna-

tional markets, we need to concentrate much more on how to get Canadian businesses through them.

**“History provides no guarantees of our future success, but it does demonstrate that the gravest challenges often produce the most transformative leaders.”**

Businesses can also play a key role by promoting Canadian objectives in fora like the G7, G20, and OECD. Each of these groups has business advisory bodies that provide a platform for Canadian companies. The government should work closely with the private sector to coordinate Canadian priorities rather than having us row in separate directions.

**A**s the threat posed by climate change demonstrates, the problems Canada and the

world face today are daunting, and principled, visionary leaders are in short supply. Yet, this is far from the first time that we have had to confront threats that seemed existential. In the last century alone, we were forced to deal with a global depression, pandemics, two world wars, and a protracted struggle between nuclear-armed superpowers with the capacity to destroy every living organism on Earth.

History provides no guarantees of our future success, but it does demonstrate that the gravest challenges often produce the most transformative leaders.

For all of our problems, we Canadians remain the most fortunate people on the planet. The challenge now is to ensure that our leaders have the vision, the principle and the strength of purpose to achieve our potential both here at home and in our relations with the rest of the world. **P**

*Perrin Beatty, President and CEO of the Canadian Chamber of Commerce, was a minister in the Mulroney government. Adapted from the 2019 Thomas d'Aquino Lecture on Leadership last November 6 at the National Gallery of Canada.*



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Column / Elizabeth May

## *From Paris to Madrid*

**T**he painful, one-step-forward, two-steps-back process of multilateral climate negotiations nearly came to its breaking point at COP25 in Madrid in December, my 11th United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP).

Our agenda was largely technical, focused on the details of how to establish a global carbon market. The debate centred not on our survival as much as on new sources of revenue from a trading scheme. The president of COP25, Chilean Environment Minister Carolina Schmidt, reminded delegates that “the eyes of the world are on us.”

With global demonstrations in the millions and millions of people this year, with the impact of Greta Thunberg’s extraordinary power and clarity in conveying the science and the urgency, the disconnect with the snail’s pace, backroom negotiations was incomprehensible. But then, consider the realpolitik. The U.S. was in the room. The Trump administration, having confirmed it would exit the Paris agreement next year, created obstacles to any progress this year. Likewise, Brazil under Bolsonaro blocked progress, as did Australia. A great deal of sabotage can come in effective use of diplomatic strangulation.

In the end, we did get a strong call for improved targets. And on that critical issue, COP25 language exhorts every country to “reflect the highest possible ambition in response to the urgency” of the climate emergency with new targets in 2020. All nations on earth are to revise upward their Nationally Determined Contri-

butions (NDCs) to meet the Paris goal of as far below 2 degrees as possible and aiming to hold to 1.5 degrees.

**T**he sense of failure that hung over the conference like a pall came from the inability to come to agreement on the international carbon trading regime, as set out in Article 6 of Paris. A whole range of technical issues have been punted to next year’s COP26 in Glasgow. And 2020 will be pivotal for climate action. It is the year, under the terms of the treaty, in which every country must revise its targets. Even before we negotiated in Paris, the experts told the delegates that global average temperature would increase above 3 degrees—even if every country delivered on their promises.

Media coverage of these seemingly trivial changes in global average temperature consistently fails to contextualize the threat of more than 1.5 degrees C global average temperature rise. One degree C is a huge change in global average temperature. We have already changed the chemistry of the atmosphere and driven that global average to a one-degree C rise. The October 2018 report of the Intergovernmental Panel on Climate Change made it very clear that in order to hold to 1.5, dramatic and transformative global action is required. The threat of hitting tipping points that take us past a point of no return is looming. At some point, and no one knows exactly when, we risk self-accelerating, unstoppable global warming where 3 degrees becomes 4 degrees and 4 becomes 5 degrees and we enter a

period of catastrophic instability. That is why we cannot risk politically convenient incrementalism.

If there is to be any hope of averting a climatic meltdown that destabilizes our hospitable biosphere such that it becomes quite inhospitable, then the 2020 NDCs have to be at least double what they are now. That is the direction that the European Union is trying to put in place in its Green New Deal (GND).

I heard quite a few ministers at this COP speculate that if the EU can get its ducks in a row for the GND, it could spark real action at COP26. There is speculation of an EU deal with China. The 15th Biodiversity COP will take place in October 2020 in Kunming, China. That creates a high-level opportunity for China to also improve on its climate commitments.

If the EU and China are able to ink a deal for substantial cuts in GHG before Glasgow, that could start bending the emissions curve toward a stable earth system.

In all of this, despite the track record of mediocrity from the Trudeau government, I continue to hope that Canada will seize the opportunity to demonstrate leadership. A strong and early NDC from Canada in spring 2020 could kick-start a year of significant global action. The stakes could not be higher. It is time for us to say “Canada is back” and actually deliver. **P**

*Contributing Writer Elizabeth May is the former Leader of the Green Party of Canada.*



Former Prime Minister Brian Mulroney gives the keynote at the Pollution Probe Ceremonial Gala last November 19 in Toronto, where he received the Environmental Leadership Award for a record that includes helping stop acid rain and saving the ozone layer. *Pollution Probe photo*

## ‘Still Place for Daring in the Canadian Soul’: How to Lead on Climate Change

*Former Prime Minister Brian Mulroney received the Environmental Leadership Award at the Pollution Probe 50th Anniversary Gala in Toronto last November 19. In his acceptance speech, he reflected on the accomplishments of his tenure on acid rain and GHG emissions, among other environmental issues, and shared his prescription for leading on the controversial questions of our time.*

### Brian Mulroney

I came to office as Prime Minister determined to place the environment at the top of our national priorities. Why? Well, for many reasons, but when I was young we used to swim in the waters of Baie-Comeau. Over time, they became completely polluted by the pulp and paper mills in the region. And so, no one swims in Baie-Comeau anymore. I had seen the same thing happening in hundreds of communities across Canada and decided to act.

Lorsque j'étais très jeune, aller jusqu'au bout de la rue Champlain pour se baigner dans la baie Comeau, d'où ma ville natale a tiré son nom, était un plaisir.

Aujourd'hui, là où nous nagions, se trouve un parc. Les déchets de l'usine à papier se sont accumulés, là où jadis l'eau était claire. Et plus personne ne se baigne dorénavant dans la baie.

From the perspective of our government, the environment was a priority from the day we took office. We knew we had to lead by example at home, and engage the international community on environmental issues that knew no borders.

At home, we established eight new national parks, including South Morresby in British Columbia, and our Green Plan put Canada on a path to create five more by 1996 and another 13 by 2000.

We began the long overdue cleanup of the Great Lakes, St. Lawrence and Fraser rivers, and we launched the Arctic strategy to protect our largest and most important wilderness area—the North.

We passed both the Canadian Environmental Assessment Act and the Canadian Environment Protection Act.

In Toronto in 1988, Canada hosted the first international conference with politicians actively present on climate change. Gro Brundtland delivered a powerful keynote address, and Canada was the first western country to endorse the historic recommendations of the Brundtland Commission, and the first to embrace the language of “sustainable development.”

In 1991, we signed the Acid Rain Accord with the United States, an issue we had been working on since taking office in 1984.

At the Rio Earth Summit in 1992, we helped bring the U.S. on board in support of the Convention on Climate Change, and we were the first

“Now is the time to act. Now is not the time to imprison ourselves in ideological arguments. Now is the time to test the outer limits of what we can achieve for future generations.”

industrialized country to sign the Bio-Diversity Accord Treaty.

Following the remarkable discovery by two British scientists in 1985 that a hole in the ozone layer had appeared over Antarctica—there was a hole in the sky—world action was urgently required.

And so came the Montreal Protocol, organized by Canada in 1987, which a *New York Times* headline has called: “A Little Treaty That Could”. Could it ever, as it turns out.

It has cut the equivalent of more than 135 billion tonnes of carbon-dioxide emissions, while averting the collapse of the ozone layer and enabling its complete restoration by the middle of this century.

Former UN Secretary General Kofi Annan has called the Montreal Protocol “the most successful international agreement to date.”

As *The New York Times* reported in 2013: “The Montreal Protocol is widely seen as the most successful global environmental treaty.”

In *The Guardian*, Mario Molina, the Nobel co-laureate in chemistry for his work on ozone depletion wrote that: “The Montreal Protocol has a claim to be one of the most successful treaties of any kind.”

Professor Molina continued: “The same chemicals that attacked the ozone layer also warmed the climate. Thus, in phasing them out, the Montreal Protocol has made a large contribution to protecting the world’s climate.

“The Montreal Protocol is, therefore, a unique planet-saving agreement.”

That was 30 years ago.

Thirty years on, we now witness daily examples of the perfect storms of global warming—the hurricanes slamming the Gulf Coast, incubated in the warm waters of the Gulf of Mexico and the Caribbean, wildfires from California to Australia that conjure up images of Dante’s Inferno, and the inexorable shrinking of the polar ice cap.

What were trends in 2006—the year I was honored to be chosen the Greenest Prime Minister in history by Canadian environmentalists—are now part of the new normal and are more frightening for that fact. More Category 4 and 5 hurricanes, hundred-year floods now seemingly become an annual occurrence, more severe tornadoes, more devastating hurricanes, rising sea levels, higher storm surges, an earlier spring, hotter summers and warmer winters.

Now is the time to act. Now is not the time to imprison ourselves in ideological arguments. Now is the time to test the outer limits of what we can achieve for future generations.

The climate change issue is admittedly a difficult problem to address but from my own experience as prime minister, I would say there are three elements to Canada playing an important and influential role on the environment: First, leading by example, with a clean-hands approach, claiming the high ground. Second, engaging the Americans at the highest level of government which, because of geography and history, no other nation can do. Third, involving industry in solutions.



The clean hands approach provided us moral leverage when I was given the high honour of addressing a joint session of the U.S. Congress in April 1988.

Here's what I told them: "You are aware of Canada's grave concerns on acid rain. In Canada, acid rain has already killed nearly 15,000 lakes, another 150,000 are being damaged and a further 150,000 are threatened. Many salmon-bearing rivers in Nova Scotia no longer support the species. Prime agricultural land and important sections of our majestic forests are receiving excessive amounts of acid rain."

And here's where the clean hands came in, allowing me to put the onus on the Americans to act. "We have concluded agreements with our provinces to reduce acid rain emissions in eastern Canada to half their 1980 levels by 1994. But that is only half the solution—because the other half of our acid rain comes across the border, directly from the United States, falling upon our forests, killing our lakes, soiling our cities."

I continued: "The one thing acid rain does not do is discriminate...It is damaging your environment from Michigan to Maine and threatens marine life on the eastern seaboard. It is a rapidly escalating ecological tragedy in this country as well."

"We acknowledge responsibility for some of the acid rain that falls on the United States. Our exports of acid rain to the US will have been cut in excess of 50 percent. We ask nothing more than this from you."

I left the joint session of Congress with this question: "What would be said of a generation of North Americans that found a way to explore the stars, but allowed its lakes and forests to languish and die?"

Fortunately, we averted such a damaging verdict of history, by forging ahead until we got an agreement. We must follow the same strategy again. No one complains about acid rain anymore because it is not around much anymore.



Prime Minister Brian Mulroney and U.S. President George Bush in Toronto for the Major League Baseball All Star Game in July 1991. The conversation included their agreement that year to end the threat of acid rain, culminating a Canada-U.S. campaign Mulroney began upon taking office in 1984. Rick Eglinton, *Toronto Star* Photograph Archive, Courtesy of Toronto Public Library

Just recently, on November 11, the Canadian Press reported:

"Canada's plan to meet its greenhouse-gas emissions targets is among the worst in the Group of Twenty, according to a new report card on climate action."

"Climate Transparency issued its annual report Monday grading all the countries in the G20 with large economies on their climate performance and finds none of them has much to brag about."

"Canada, South Korea and Australia are the farthest from meeting targets to cut emissions in line with their Paris Agreement commitments... Canada's per-capita emissions are the second highest in the G20, behind only Australia."

So, what are we, as Canadians, to do?

Lead.

As our politicians gather in Ottawa for the opening of a new Parliament, I would encourage them to dream big and exciting dreams for Canada. They should keep their eyes on the challenges confronting Canada's golden future and avert them from constant and misleading public opinion polls and focus groups that dictate the nature of many of their public policies, often choosing the easy way out.

Otherwise, when they leave office and history says: "What visionary or courageous policies did you introduce that improved Canada's en-

vironment and perhaps inspired the world?" If the answer is "none, but I was very popular", then, they will have an eternity to reflect on the tough, unpopular but indispensable decisions for Canada's progress they avoided, in order to bask in the fleeting sunlight of high approval ratings that served only their own personal vanity and interests.

They must realize that there still is place for daring in the Canadian soul.

As St. Thomas Aquinas admonished leaders everywhere, and for every age: "If the highest aim of a captain were to preserve his ship, he would keep it in port forever." That was not my way when I was prime minister and it cannot be our way now. In fact, Minister Catherine McKenna has worked in a highly challenging area for the last four years in a competent manner in which she sought to advance our national interest as she saw it.

All those who seek to lead would do well to remember the words of Walter Lippman that "these duties call for hard decisions...because the governors of the state...must assert a public interest against private inclination and against what is easy and popular. If they are to do their duty, they must often swim against the tides of private feeling."

In my opinion that is how it should be today.

Leaders are not chosen to seek popularity. They are chosen to provide leadership. There are times when voters must be told not what they would like to hear but what they have to know. There is a quotation from the book of proverbs carved into the Nepean sandstone over the west arch window of the Peace Tower of the Parliament in Ottawa that serves as both an inspiration and a warning for all who seek to lead. "Where there is no vision, the people perish".

The true test of leadership hinges on judgments between risk and reward.

Change of any kind requires risk, political risk. It can and will generate unpopularity from those who oppose change, but it is the job of political leaders to convince Canadians that there is opportunity to be found in accepting the challenge because achievement occurs when challenge meets leadership.

***“Time is the ally of leaders who place the defence of principle ahead of the pursuit of popularity. History has little time for the marginal roles played by the carpers and complainers and less for their opinions.”***

Those who aspire to national leadership must craft an agenda that responds to the hopes and aspirations of all Canadians. Small, divisive agendas make for a small, divided country. It is not enough to simply please "the base."

Leaders should be blessed with greater ambition than simply satisfying subsets of the population and they should leave niche marketing strategies to retailers.

But leadership is not simply possessing the vision that recognizes the need for action or change, it is also the process involved in making the case for action or change.

In the final analysis, successful leaders do not impose unpopular ideas on the public, successful leaders make unpopular ideas acceptable to the nation. This requires a compelling and convincing argument, one made from conviction and combined with the will, the skill, and the disciplined commitment to make that argument over, and over, and over again.

Time is the ally of leaders who place the defence of principle ahead of the pursuit of popularity. History has little time for the marginal roles played by the carpers and complainers and less for their opinions. It is in this perspective that great and controversial questions of public policy must be considered.

History tends to focus on the builders, the deciders, the leaders—because they are the men and women whose contributions have shaped the destiny of their nations. As Reinhold Niebuhr reminded us: "Nothing worth doing is completed in our lifetime; therefore, we must be saved by hope. Nothing fine or beautiful or good makes complete sense in any immediate context of history; therefore, we must be saved by faith".

As difficult as the process may be to arrest and to mitigate the effects of global warming, the work cannot be left to the next fellow. The stakes are too high, the risks to our planet and the human species too grave.

We are all on the same side, determined to leave a better world and a more pristine environment to all succeeding generations.

May our leaders summon the wisdom and courage to make this happen, knowing that history will celebrate such achievement and their children and grandchildren will be proud and grateful to them for such a brilliant and decisive legacy. **P**

*Brian Mulroney, Canada's 18th Prime Minister from 1984-93, spoke at the Pollution Probe 50th Anniversary Gala Ceremony in Toronto, where he received its Environmental Leadership Award. He was previously named Canada's Greenest Prime Minister in 2006 by national environmental activists.*

# What's Next for Pharmacare?

BY DALE SMITH  
*Sixth Estate*

Pharmacare was a major issue in the recent federal election, and the re-elected Liberal government has promised to implement national pharmacare, a legislative priority in a minority Parliament on which the New Democratic Party of Jagmeet Singh has concurred. The Liberals have endorsed the principles laid out in the report of the Advisory Council on the Implementation of National Pharmacare delivered last June, and set aside money in their fiscal framework for a “down payment” while they negotiate with the provinces on how to implement the system. How is that likely to work? Before the Bell assembled a panel of experts and stakeholders to discuss the current landscape.

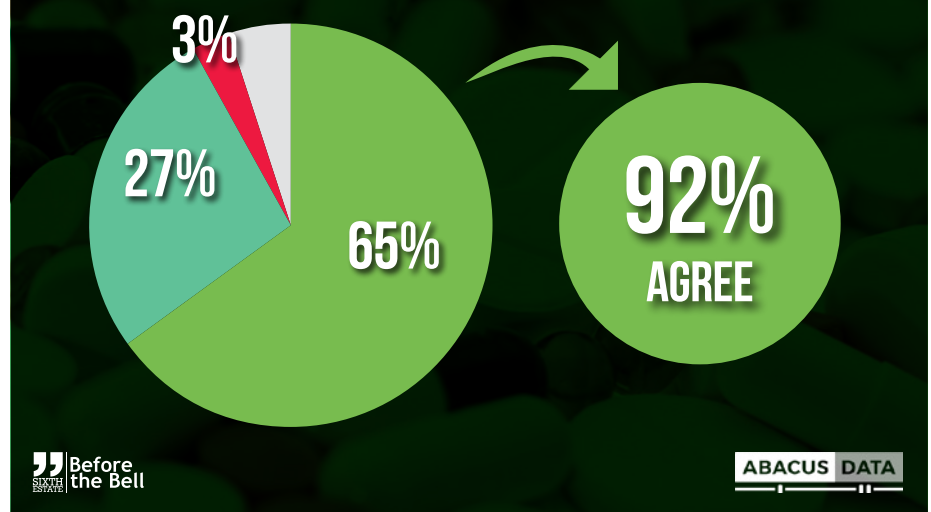
Ihor Korbabic, executive director of Abacus Data, said that during the election campaign, 18 percent of Canadians polled stated that they were driven by trying to reduce out-of-pocket health costs like pharmaceuticals, and that 92 percent of Canadians polled said that nobody should suffer because they can't afford medicines that they need. As well, 78 percent of those polled felt that pharmacare was an area where the Liberal government and the NDP could work together in the new parliament.

During the Pulse segment of Before the Bell, with special guest co-host Derick Fage, Jennifer Stewart, president and founder of Syntax Strategic said that pharmacare was likely to be a priority for the government after Prime Minister Justin Trudeau's adoption of the Hoskins report.

“It will be very difficult in terms of how you implement this, how do you work with the provinces, how do you get the premiers on board that don't necessarily have the best relationship with Trudeau right now?” said Stewart. “Not an easy path forward, but definitely a priority.”

Rachel Curran, principal with Harper and

**“NO ONE IN CANADA SHOULD SUFFER BECAUSE THEY CANNOT AFFORD MEDICINES THEY NEED”**



Associates, said that while the country can afford it, the question was whether it was the best use of \$15 billion.

“That's going to be the discussion with provinces and territories because they have to deliver healthcare — they are constitutionally responsible for this,” said Curran. “If they push back at all, it's going to be around how they have other pressing needs and looking at models that fill the gap, that provide support or coverage to Canadians who are under-insured and uninsured, and the estimates for those are between eleven percent and twenty percent of the population.”

The Pulse on Before the Bell. From left to right: Special guest co-host Derick Fage, Rachel Curran with Harper and Associates, Peter Cleary with Santis Health and Jennifer Stewart with Syntax Strategic.

Peter Cleary, senior consultant with Santis Health, said that there is a real discussion happening among bureaucrats across Canada because drugs for rare diseases are the number one growth item for drug budgets across the country.

“It's unsustainable, and nobody has a good answer for it right now,” said Cleary. “There are actual questions that will be driving the conversation behind the scenes, that will be happening while we have a fun show of health ministers meeting.”

During the Policy segment of the event, with host and Before the Bell president Andrew Beattie, Dr. Seema Nagpal, vice president of science and policy with Diabetes Canada, said that having a national formulary to ensure equal but limited access to drugs across the country is not what the government should be aiming for,

**CONTINUES ON PAGE 2**

**Before the Bell**  
**THE REVIEW**

Opinions expressed are those of the author and do not necessarily reflect the policy or position of the Sixth Estate

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**caffeine  
and  
content**



## CONTINUES FROM PAGE 1

but that the goal should be broader access to a range of drugs.

“Patients are requiring medications across different disease groups, and require devices and supplies — in the case of diabetes, to test their blood sugar and to monitor their condition over time,” said Nagpal. “These are things that need to be included in the discussion about a formulary that defines what is covered by a pharmacare system.”

Nagpal also said that having a patient-centred policy and bringing patients into the discussion from the beginning is important to show that governments value their opinion.

Joelle Walker, vice president of public affairs for the Canadian Pharmacists Association, said that pharmacists do a lot of the background work with drug plan management. Because implementing a pharmacare program will be tricky, patients and healthcare providers should be included in the discussion.

“Developing a national formulary can be very difficult because we’re talking about not

just what is clinically effective, but what are provinces willing to pay for things, and you have to make very difficult choices,” said Walker. “Health providers and pharmacists can provide the clinical expertise, but developing a national formulary is going to take a lot of time.”

The Policy panel on Before the Bell. Pictured from left to right, Host Andrew Beattie, Dr. Jennifer Shulman with KPMG, Jody Cox with Canadian Generic Pharmaceutical Association and Biosimilars Canada, Joelle Walker with the Canadian Pharmacists Association and Dr. Seema Nagpal with Diabetes Canada.

Jody Cox, vice president of federal and international affairs with the Canadian Generic Pharmaceutical Association, and vice president of Biosimilars Canada, said that generic drugs currently fill about 73 percent of all prescriptions in Canada, and account for about 20 percent of the total expenditure on prescriptions, yet the use of generics in Canada is lower than in comparable jurisdictions.

“There’s a role in the new Canadian Drug Agency for the promotion of cost-saving alter-

native medicines, and that was clearly outlined in the Hoskins report,” said Cox. “If you’re just going to pay for products that have been on the market for twenty, thirty or forty years and continue to pay high prices for those products, then you won’t be able to afford innovative new therapies. That’s the value proposition for both generic and biosimilar medicines.”

Dr. Jennifer Shulman, partner with KPMG LLP, said that the Hoskins report specifically recommends the idea of covering 50 percent of currently prescribed medications as part of the first phase of the national pharmacare plan.

“Figuring out what that 50 percent is, is going to be challenging,” said Shulman. “They point to the price to the patient of the drug, as well as the clinical effectiveness of the drug itself. This notion of value for money is going to be quite critical. How that’s specifically going to be defined is still uncertain, and which drugs will fall on the initial formulary.”

Shulman said that supply will be a critical component of pharmacare, especially if Americans start coming north to take advantage of cheaper prices.



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# Technology: The Great Equalizer

Investing and  
Innovating to bridge  
socio-economic divides.



**Jill Schnarr**  
VICE PRESIDENT,  
CORPORATE CITIZENSHIP  
TELUS

One in five Canadian children live in poverty. There are 235,000 Canadians experiencing homelessness and one in eight Canadian households struggling to put food on the table. Thousands of youth will age out of foster care this year and be on their own for the first time. Millions of Canadians do not have a primary health care provider.

Social and economic barriers are complex: there is no one-size fits all approach to bridge these barriers and support vulnerable Canadians. Yet, when looking at this challenge, there are two things I know to be true: all humans value

connection, and technology enables connection. Let's start there.

Technology has the power to connect us all, but only if we all have access to it. At our core, TELUS believes that Canada is only as strong as its communities, which is why we are steadfastly committed to leveraging technology to help strengthen communities and ensure no Canadian, regardless of their socio-economic status or geographic location, is left behind.

With 5G on the horizon, we are on the precipice of unprecedented technological innovation and the possibilities for supporting communities

**CONTINUES ON PAGE 4**



## CONTINUES FROM PAGE 3

to drive improved health, social and economic outcomes for all Canadians are endless.

Take the TELUS portfolio of Connecting for Good initiatives for example. Our life-changing programs provide TELUS-subsidized access to the technologies that underpin the success of so many Canadians at risk of being left behind in our digital society.

TELUS Internet for Good currently offers 80,000 low-income families access to low-cost, high-speed Internet service and a computer, as well as digital literacy training and TELUS Wise support to help them participate safely in our digital world. This number will shortly increase to 200,000 as the next phase of the program rolls out. These resources will connect underserved families to their community and to the tools that characterize today's world. From searching for affordable housing to educational resources, every family deserves to be connected, regardless of economic status.

Through TELUS Mobility for Good, we are offering 20,000 young people ageing out of foster care a fully subsidized cell phone and data plan at no cost, as well as training and tools to participate safely in our digital world. For youth leaving foster care, a phone is often their lifeline. The Mobility for Good program allows them to build credit, access educational apps and websites, find education and job opportunities, and stay in communication with their critical

support networks, when they are on their own for the first time.

TELUS Health for Good is removing many of the barriers Canadians living on the streets face in receiving medical care and re-connecting thousands of patients to the public healthcare system. We will have nine mobile health clinics operating by the end of 2019 (with more to come in 2020), and we have already recorded

over 20,000 patient visits with some of the most vulnerable and chronically underserved Canadians since the program's inception in 2014. TELUS' fully-connected mobile health clinics provide essential primary medical care to this significantly marginalized population, including establishing electronic health records.

Speaking of electronic health records, TELUS is the leading provider of electronic medical records connecting physicians and pharmacists so they can provide better care across the healthcare continuum; secure access to patient files and detailed patient medical history helps to ensure more continuity of care.

According to Statistics Canada, today, more than five million Canadians are without a primary care physician. We believe that by placing patients at the centre of care and empowering them to manage their own healthcare, we can help deliver better health outcomes, for less money spent. Importantly, using technology, we can also shift the focus from the treatment of disease to the prevention of illness.

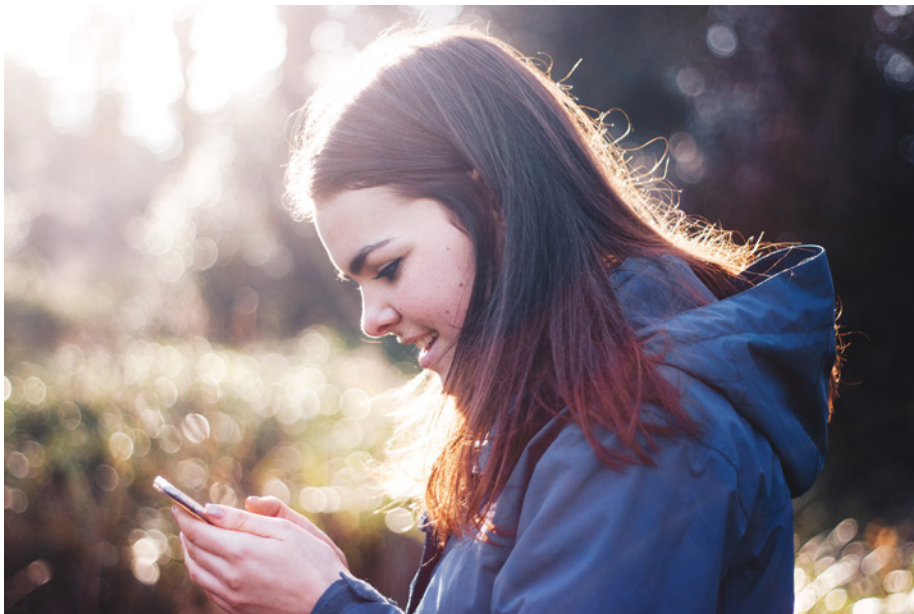
In March 2019, we launched the Babylon by TELUS Health virtual care service nationally. Delivered through a free smartphone app, Canadians can check their symptoms with the AI-powered Symptom Checker, and in BC, video consultations with a locally-licensed doctor are covered under the provincial MSP and available seven days a week including evenings, weekends, and holidays. This is a huge step forward in the evolution of how Canadians currently access healthcare.

Technology is also playing a significant role in emerging, sustainable agriculture practices. TELUS is committed to building a world that is safe and sustainable for future generations. By leveraging technology innovation and artificial intelligence, we are helping farmers and ranchers produce greater yields for the growing global population.

At TELUS, we understand the power of technology to bridge social and economic divides. We operate on the principles of social capitalism and we believe corporations have a responsibility to make social capitalism a standard business practice. Bringing this technology to all Canadians is core to who we are and remains a top priority, and that is why since 2000, TELUS has invested \$175 billion to connect Canadians to the people, resources and information that make their lives better.

We are a technology company, yes. We are a technology company using our network to enable remarkable human outcomes for all Canadians.

*All humans value  
connection,  
and technology  
enables  
connection.*





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Ottawa ↔ Toronto	Jusqu'à 20	450 km	4 h 25 min	4 h 46 min	487 \$	49 \$	438 \$
Ottawa ↔ Montréal	Jusqu'à 12	198 km	1 h 50 min	2 h 21 min	230 \$	37 \$	193 \$
Ottawa ↔ Québec	Jusqu'à 8	482 km	5 h 39 min	4 h 47 min	510 \$	49 \$	461 \$
Toronto ↔ Montréal	Jusqu'à 13	541 km	4 h 49 min	5 h 39 min	583 \$	49 \$	534 \$

Les employés du gouvernement du Canada sont admissibles à un rabais de 10 % sur leurs voyages personnels réservés auprès de VIA Rail. Les employés du gouvernement du Canada peuvent profiter de tarifs spéciaux pour leurs voyages d'affaires réservés par l'entremise des Services HRG de voyage partagés. Le rabais ne s'applique ni aux tarifs Évasion ni à la classe Prestige.

\* Donnée issue d'une application de voyage en date du 22 mars 2019, à 17 h.

\*\* Le coût du voyage en voiture est calculé selon la formule suivante: coût en \$ du voyage en voiture (taux de 0,58\$/km établi par le Conseil du trésor pour l'Ontario pour une voiture conduite par un employé du gouvernement X distance parcourue) + frais en \$ d'employé gouvernemental (taux horaire moyen d'un employé gouvernemental de 48\$/h selon un salaire de 100 000\$ par année, y compris les avantages sociaux X durée du voyage) = coût total en \$ pour le contribuable.

\*\*\* L'économie pour le contribuable associée aux voyages en train est calculée selon la formule suivante: coût en \$ du voyage en voiture – coût en \$ du voyage en train = économies en \$ pour le contribuable.

Les tarifs et les conditions peuvent changer sans préavis. <sup>MC</sup> Marque de commerce propriété de VIA Rail Canada inc.

# An Open Letter to the Prime Minister of Canada and the Minister of Finance

The Right Honourable Justin Trudeau, P.C., M.P.  
*Prime Minister of Canada*

The Honourable William Morneau, P.C., M.P.  
*Minister of Finance*

Dear Prime Minister and Minister of Finance,

## Re: Some Common Ground for all Political Parties in the 2020 Budget

As you now lead a minority government, it is a challenge to find some common ground with your upcoming 2020 budget. The proposal on increasing charitable giving provides a unique opportunity to demonstrate some common ground that will resonate with all parties. You can simply re-introduce the measure that was in the 2015 budget and remove the capital gains tax on charitable donations of private company shares and real estate, the same tax treatment that currently applies to gifts of listed securities.

All stakeholders in the charitable sector will be very grateful and it will strengthen your government's relationship with all provinces and municipalities. Hospitals and universities will be two of the greatest beneficiaries of this measure. The provinces will be grateful because they fund healthcare and education and 2/3 of the fiscal cost of the measure is borne by the federal government and only 1/3 by the provinces. Cities, towns and all communities across Canada will be grateful because hospitals, universities, social service agencies and arts and cultural organizations will receive additional funding.

There is no fiscal cost to the municipalities because they derive their revenues from property taxes, not income taxes. In addition, charities in the western provinces, particularly in Alberta, have been experiencing fiscal challenges because of the decline in the oil and gas sector.

It is reasonable to assume that the Conservatives, the NDP and the Bloc Québécois will be supportive because it was in the 2015 budget and Thomas Mulcair, the Leader of the NDP, was publicly supportive of the measure, as well as the Finance Critic of the Bloc Québécois with the support of their Leader Gilles Duceppe.

The Special Senate Committee on the Charitable Sector recommended **INCENTIVIZING THE DONATION OF REAL ESTATE AND PRIVATE COMPANY SHARES** in Section 3 of its June 2019 report.

Thank you for giving consideration to including this proposal in your 2020 budget.

Yours truly,

Donald K. Johnson, O.C., LL.D.

cc: Mr. Andrew Scheer, *Leader of the Conservative Party of Canada*  
Mr. Jagmeet Singh, *Leader of the New Democratic Party of Canada*  
M. Yves-François Blanchet, *Chef du Bloc Québécois*  
Ms. Jo-Ann Roberts, *Interim Leader of the Green Party of Canada*

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Toronto Homeless Man, A. Bielousov Flickr



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