



## CANADIAN SUMMER 2014: FEDERAL PICTURE CLOUDY, PROVINCES CLEAR

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In summer 2013, there was considerable confusion regarding political prospects for the federal government and the Quebec and Ontario provincial governments. The federal government was beset by scandal, notably fiscal irregularities among Tory senate appointees. There even were questions regarding Prime Minister Stephen Harper's continuation in office. Both Quebec and Ontario had minority governments making it only a "matter of time" until official opposition (or the governments themselves) pulled the plug and forced elections.

Now the political situation is considerably clearer. Having patched some of the holes in its ship of state, the Tory government appears to have righted itself, albeit still rather battered. Quebec's separatist *Parti Quebecois* was comprehensively defeated, and the Ontario Liberals won a defining majority government.

Separately, the Canadian Armed Forces (CAF) remain in limbo: major procurement and/or operational questions remain for all three major services, and now ballistic missile defense is emerging from purgatory.

Finally, U.S.-Canadian bilateral issues are fraught. The word is "Keystone"—earlier an issue "a cloud the size of a man's hand" has now generated heavily clouded skies. For American officials, it is analogous to a scratch on a well-performing, attractive vehicle. Canadians do not agree; they repeatedly express puzzlement over decision delay and why "a pipeline" should be generating such angst.

But to specifics.

### FEDERAL POLITICS: WHAT A DIFFERENCE A YEAR MAKES

In the spring and summer of 2013, Prime Minister Stephen Harper and his government clearly looked past their "best before" date. They were politically besieged by the Senate scandal in which three Harper appointees were enmeshed in travel/housing fund irregularities with the PM's chief of staff, Nigel Wright, forced to resign over providing \$90,000 in his personal funds to one of the senators to reimburse his inappropriate claims. This specific problem was extrapolated with predictions that Wright would be prosecuted for this action and that a just-begun financial review of the expenses of all senators would reveal comparable difficulties for many more senators than the three already caught in these legal/fiscal toils.

Consequently, there was a steady media drum beat against Harper of the "what did you know and when did you know it" nature expressing predictable skepticism that he could have been ignorant of Wright's actions and/or the fiscal irregularities of others. Belabored by New Democratic Party (NDP) official Opposition leader Thomas Mulcair in the daily parliamentary Question Period, Harper appeared unconvincing in his denials of foreknowledge

of wrongdoing.

Simultaneously, the Liberal Party, having selected Justin Trudeau as its new leader, surged into the lead in polls. Just-in-time Trudeau benefitted from being the son of iconic Canadian Prime Minister Pierre Trudeau, but also enjoyed telegenic good looks, personal dynamism, and cute-as-buttons young children. Such contrasted with the rather stodgy Harper who once said that he became an economist because he didn't have the charisma to be an accountant. Yes, a joke, but illustrating an element of self-knowledge reflecting Canadian attitudes toward him.

Liberal enthusiasm was barely muted; for them, Harper was "toast." Tories were glum. Although they made the obvious point that there was no scheduled election until approximately October 2015, many resented the very tight control Harper maintained over the parliamentary caucus. Nobody predicted outright party revolt; however, MPs had accepted the strict discipline partly because Harper's leadership, over a decade, moved the Tories into majority rule. Now he appeared to be stumbling into problems that could have been avoided—a circumstance disconcerting to those appreciating previous sure-handedness.

But the proverbial "a week in politics..." is even more true when a year has passed (again with the caveat that it is still more than a year before the next scheduled federal election leaving obvious opportunities for further twists/turns).

The Tories still trail the Liberals in the polls. They have not recovered their 2011 voters, but remain within striking distance of the lead, and new political demographics make it easier to graph a Tory victory (majority or minority) than even a Liberal minority government. Some of the positives:

- The much-bruited-about "worst" hasn't happened. There have been no more disgraced senators and, while investigation into general fiscal irregularities has been glacially slow, the issue is off the front pages even for Ottawa-centric media (it never resonated provincially beyond Ontario);
- The RCMP has announced that it will not bring charges against former PM chief of staff Wright. His role remains murky but apparently not criminal. Intimations of wrong doing by others remain just that—unspecific intimations;
- The Canadian economy continues to perform well—better than most other G-7 members (notably the USA). Specifically, the budget will be officially balanced with the next announcement in February-March (in fact, it is already balanced). Such status will provide the government with a surplus that can be distributed in electorally beneficially tax cuts and expenditures. Canadians will appreciate the end of fiscal restraint and perhaps reward the "good steward" Tories;
- Harper's foreign policy positions (unswerving support of Israel; tough line on Ukraine) are more popular than critical media depictions. Despite tish-tishing by chattering class and Canadian diplomats who deplore the departure from traditional nuance, foreign policy doesn't lose elections. Moreover, Jewish-Canadians are now less committed to Liberals; Ukranian-Canadians (approximately 1.3 million) are at least 10 percent of the electorate in 26 ridings (federal electoral districts). Consequently, Harper projects an image of strength not always a hallmark of "Mr. Dithers" style Canadian leaders. Moreover, withdrawing the last military personnel from Afghanistan eliminates a neuralgic issue for Canadians never convinced that freeing little boys to fly kites in Kabul was worth body bags containing CAF soldiers;
- Political demography, the addition of 30 parliamentary ridings, primarily in areas of Ontario and the West regarded as Tory-leaning, should help Harper's election chances;
- Moreover, the bloom is off the Trudeau rose. He has provided media with gaffes on foreign affairs and difficult-to-explain organizational/ideological decisions pointing up his general inexperience. The more he talks, the more he inflicts gratuitous damage.

*The Liberals.* Polls continue to project a Liberal lead, but such “snapshots” 16-17 months before an election are hardly definitive. As outlined above, Harper’s Tories are not the 1992-93 Mulroney-Kim Campbell party so battered by inflation, increased taxes, scandal, and repeated failure on constitution revision to be dead-(wo)men-walking.

While Trudeau continues to be more popular than any other political leader, he has yet to prove that he can be trusted to lead Canada. It is increasingly difficult to give him the “youth and inexperience” pass since he is now 42 and been leader for over a year. In the key battleground of Quebec, he is either loved or hated. One observer noted, “He has his father’s arrogance but not his father’s intelligence.” Consequently, his continued “unforced errors” bother those without blindfolds. For example, he blithely suggested the Russians would take action in Ukraine because they lost an Olympic hockey game to Finland. Even less explicable was his praise for Chinese economic policy based on their GNP growth.

Comparably difficult to rationalize was his ouster of all Senate Liberals from the party caucus. Trudeau acted apparently without consulting anyone beyond an inner circle lacking career life experience other than working to make Trudeau party leader. Nor were any senators alerted prior to his action, which obviously disconcerted many lifetime Liberal Party members believing themselves to be working for party interests and supporting Trudeau. Perhaps in their new Senate incarnation, they need a symbol equivalent to that of “the artist formerly known as Prince” to handle their nonperson status.

And most recently, in late-May, Trudeau declared that all Liberals running for MP nominations must support “pro-choice” regarding abortion. The announcement left speechless a range of observers including those believing abortion was a matter of conscience not subject to party ideology/discipline, those seeing no chance of it being raised in Parliament, and those that had believed Trudeau’s affirmation when campaigning for leader that he wouldn’t interfere in riding nomination selections and would be “transparent” in his party/political dealings. However, the back-story for the “pro-choice” decision apparently was concern that a key “star” candidate was being out-campaigned for the riding nomination by a pro-life candidate (and several other ridings either had pro-life candidates and/or old pro-life party warhorses, defeated in the 2011 election but believing Trudeau’s dynamism would get them back into office). Declaring that “pro-choice” was a litmus test for Liberal nomination was a too-clever-by-half move to rid Trudeau of some inconvenient Liberals. What it demonstrated, however, is that Trudeau does politics “just the same” and effectively neuters criticism of Harper as being “over controlling” regarding his caucus.

*The Socialists (New Democratic Party or NDP).* Although the NDP is the Official Opposition with 98 seats to 35 Liberal seats, nobody except perhaps some NDP household family members regards it as the government-in-waiting. Of their 98 MPs, 57 hold Quebec ridings. Most of these Quebec MPs are first-term victors from the 2011 election, often regarded as ciphers nominated simply to provide an NDP candidate in a no-hope riding. However, the Jack Layton tsunami<sup>1</sup> swept away virtually all of the *Bloc Quebecois* MPs (and many Quebec Liberals as well). NDP leader Layton had one of the great days in Canadian electoral history, but his death in August 2011 raises the obvious question whether the NDP victory was a one-off bubble that will deflate with the next election.

The verdict on NDP parliamentary performance is mixed. Layton’s replacement as NDP leader, Thomas Mulcair, is excellent in Question Period (QP) with sharp lawyerly questions and adroit followup. He clearly wins most exchanges, notably in comparison to nonlawyer Trudeau who is less experienced in parliamentary give-and-take. Moreover, Trudeau spends the bulk of his time traveling Canada raising interest (and funds)—probably a better use of his time than spending it in parliament with limited opportunities to shine. It will, however, lay him open to the same zinger employed in 2011 debate by Layton against then-Liberal leader Michael Ignatieff: Ignatieff had the poorest attendance record in Parliament of party leaders, and Layton asked why he expected a promotion to prime minister when he didn’t show up for work. Ignatieff had no rejoinder; Trudeau will need one.

Mulcair remains the NDP’s greatest strength—and weakness. He isn’t Jack Layton epitomizing the image of the “leader with whom you would prefer to share a beer.” Indeed, there is a “smiling Tom” who could charm birds from the trees (if he wanted squab for diner), but there is also a long history of an angry, snarky, snarling Tom who emerges not infrequently. Clearly, the NDP needs the “smiling Tom” as its campaign image.

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<sup>1</sup> The “Jack Layton tsunami” refers to the 2011 election when Layton’s New Democrats almost completely destroyed the *Bloc Quebecois* in Quebec, picking up about 59 seats and reducing the BQ to four. The entire NDP performance in the 2011 election was far above expectation, vaulting them into Official Opposition status (for first time ever) and reducing the Liberals to third place (also for first time ever).

So far as the Trudeau challenge is concerned, the NDP is ignoring, not attacking, him. One observer noted with a smile, “We just want him to keep talking.”

## FEDERAL ELECTION 2015

It is a mug’s game, but nevertheless amusing to play out election scenarios. Legislation sets a four-year timeframe for the next election, scheduled approximately mid-October 2015. Although there are techniques to force an earlier election, it is not regarded as likely.

One plausible scenario has the Tories bringing down their federal budget in February-March; it will have a reasonably substantial surplus designed to be dispersed as promised by the Tories when they earlier announced stringent spending constraints and cuts designed to create a balanced budget. Specific spending increases, tax cuts, and projections for even better times to come will outline the Tory election platform. Essentially, Tories will argue they have been good stewards of the economy, bringing it through parlous times, and can be depended upon to provide more of the same. Tories will campaign on these chickens-in-every-pot themes throughout the summer and call the election in September.

The classic judgment is that governments are not defeated; they defeat themselves. Consequently, opposition campaign themes will be less how NDP/Liberal/Greens will bring a milk-and-honey millennium to Canada than how Harper Tories are systematically failing to make Canada all it can be. Yes, the economy has survived, but less well than selected other states. And, other than natural resource-rich Alberta/Saskatchewan, economies have sputtered. Moreover, Harper has failed abysmally in environmental protection; weakened Canada’s international standing with its hard-line foreign policy; and mismanaged the bilateral relationship with the United States. That is, regardless of the ultimate resolution of the Keystone pipeline, Tories bilaterally bungled the entire process.

Moreover, there is an exhaustion factor. By 2015 the Tories will have governed for nine years—frequently a change point for popular opinion (except perhaps for Tories in Alberta now over 40 years in power). Asking the electorate for “four more years” could be a stretch. And the continuing economic prosperity may not be the plus Tories expect. While one could argue in previous elections “Don’t change horses in mid-stream,” Canadians could conclude that the horse has reached the opposite bank and a new rider wouldn’t risk prosperity.

Finally, Harper remains unlovable—respected but endured rather than admired. A U.S. commentator once compared President Nixon to a sanitary fixture: functional and useful but not irreplaceable. Harper is well aware of this liability. In a eulogy for former Finance Minister Flaherty, Harper noted that Flaherty was a man that even his enemies liked. In contrast, Harper said that he was a man that not even his friends liked. At best, the Tories get approximately 40 percent of the vote. The other 60 percent ranges between accepting Harper/Tories with irritated indifference to those that hate and despise Harper with almost un-Canadian intensity.

Consequently, the Tory objective is to hold what they have, particularly west of Ontario while limiting losses in vulnerable spots in Atlantic Canada and Ontario, and picking up the bulk of the 30 newly created seats.

Conversely, the Liberals and NDP are in a zero-sum dogfight. Essentially, each needs the other’s seats to have a chance at obtaining a majority or even a minority government. West of Ontario both parties are closer to being endangered species than politically competitive.

## BATTLE FOR QUEBEC

At this point, the NDP has 57; Liberals eight; Tories five; and *Bloc Quebecois* four seats. In 2011, the Tories did what was previously regarded as politically impossible: construct a governing majority without needing Quebec seats. That reality stands. Consequently, it doesn’t matter to Tories whether Liberals, NDP, or back-from-the-dead *Bloc Quebecois* hold the Quebec seats.

At this juncture, polls and observers argue over whether the NDP is “holding its own” or whether the Liberals will rebound anywhere between regaining the seven seats they lost in 2011 to sweeping out the NDP from the BQ seats the Layton orange tide seized. Not that the BQ has given up hope; however, it will need a dynamic leader and new funding sources to mount any significant recovery. So the projection is for an increase of a few seats by the BQ.



And as for the Tories, they should retain their existing five seats and (perhaps) add a few.

Liberals see it differently. They project winning virtually all Atlantic province seats (32); the bulk of the 2015 Quebec seats (78); recovering most of the 27 Ontario seats they lost (as well as a good portion of Ontario's 15 new seats); and becoming competitive west of Ontario, most strongly in British Columbia. Not impossible, but don't bet your pension on it.

#### CANADIAN ARMED FORCES (CAF): A STILL UNRESOLVED MUDDLE

The problems plaguing the CAF remain unresolved. Essentially, Canadian national security is a partisan issue. In contrast to the United States, where the political arguments revolve over how best to make U.S. armed forces the world's strongest and most effective, Canadian parties, other than the Tories, are essentially dubious over the utility and objectives of national armed forces. Hence, every significant procurement decision is politicized, often highly so, and even for the Tories, defense and "jobs" are coterminous. Hence, there are new requirements that any procurement proposal include judgments regarding how the purchase will increase employment.

Consequently, defense procurement decisions continue to hang fire.

*Air Force.* The F-35 "follow on fighter" decision for the Canadian Air Force was a hot potato tossed to an Independent Review Panel in 2012. Comprehensive bungling in public relations management of the decision and confusion over lifetime costs (plus increased projected purchasing expenses and furious Opposition criticism) drove the government into this review. Ostensibly, it was to be a transparent process carefully assessing pluses and minuses of the F-35 and competitors. Results were announced in mid-June without a specific recommendation but weighted to endorsing the F-35.

However, the ultimate decision is not military-technical but political. The F-35 is far and away the best aircraft—if Canada wants to remain NATO-integrated with European and U.S. partners. However, a clear decision to purchase F-35s will be immediately attacked by Liberals and NDP, particularly targeted by Liberals in the forthcoming election in terms reminiscent of 1993 when Chretien assailed projected EH-101 search and rescue helicopters as "gold-plated" and promised to cancel the contract. But if the government makes no final decision, F-35 proponents will just keep quiet while opponents will lack a target.

Some propose a temporizing decision to stage another "competition." Essentially, however, the F-35 already competed against other alternatives and won. To do so again, according to experts, would require adjusting the mission specifications/requirements or the results would be the same. If mission requirements are changed, the question arises whether they have been dumbed down with the Air Force getting a less capable aircraft. Nevertheless, if the F-35 still wins, critics still will claim that competition was rigged. At a minimum, it will waste upwards of two years to script and conduct a competition. Moreover, reportedly there are cost benefits to purchasing later in the production run.

So skeptics project there will be no final/final decision until after the 2015 election. Just think of it as Canada's Keystone XL pipeline imbroglio, but a decision not to decide is still a decision.

*Navy.* The air force problems are crystal clear in comparison to the Navy's muddle. In 2008 the ambitious "Canada First" defense strategy projected an Arctic icebreaker, Arctic patrol craft, new frigates and destroyers, and new supply vessels. To date, nothing has been accomplished and the program is sinking in cynicism. To wit, the icebreaker plans have not advanced. The specifications for ice resistance for the Arctic patrol vessels have been reduced to the point that one observer said, "The only 'Arctic' element of the vessels will be their name." The government explored purchasing the projected two supply vessels from European shipyards; however, the estimated costs were above the funds allocated for them—so back to the drawing boards regarding specifications/costs. It appears that the frigates/destroyers will be morphed into one type of vessel, and the Irving shipyard in Nova Scotia where construction is planned has yet to build required infrastructure.

To add grief to grimace, a fleet oiler caught fire during an exercise and had to be towed to Hawaii; reportedly it is a total loss. It was towed to the West Coast in June to be rendered into scrap, having been assessed as too old/expensive to repair. This leaves the Canadian navy with one oiler. And the four submarines are vessels that

dare not speak their names. Plagued by accident and repair/refit problems, it is rare that more than one is operational at a given time.

*The Army.* Actually, the army is in relatively good shape, still able to dine out on its Afghan experience. Its Delta Force equivalent is well regarded, and the CAF is taking pains to be compatible with analogue NATO-U.S. elements. Although observers expect some force reductions, they hope such will come from logistical/administrative “tail” rather than “tooth.” And they believe that at least for the near term, Canada will be able to deploy a light infantry combat battalion for joint operations with allies, either UN-endorsed or part of a “willing” coalition. This may be sanguine thinking as some observers question the quality of such a unit, larded with reservists, to supplement active duty professionals.

*And Now a Wild Hare—Ballistic Missile Defense (BMD).* If there was not already sufficient angst in Canada’s defense-security constellation, BMD—like the rise of the undead—has again appeared on the scene. Both House of Commons and Senate committees have taken testimony and received presentations on ballistic missile defense. Exactly “why?” and “why now?” remain salient questions.

Nevertheless, the BMD discussion appears serious. Speculation includes appreciation that rogue state nuclear missile threats are rising and that U.S. technical ability to stop such attacks has also improved. CAF reportedly believe that being absent from BMD planning at NORAD is a liability and wants a seat (no matter how small/constricted) at the table. All concerned appreciate that little to nothing will be asked of Canada—and other than the implicit endorsement of BMD from its participation such is all Ottawa is prepared to give.

Once burned in 2006 when then PM Paul Martin withdrew from what Washington believed was a commitment to BDM participation, the United States is twice shy. The old adage pertains: a cat that sat on a hot stove never sits on a hot stove again—or for that matter a cold one. Thus we are asking no questions of Ottawa regarding BMD. If ultimately Ottawa sorts the question and proposes to join the NORAD BMD framework, it would presumably find a cautious welcome. Canada, however, would be well advised to make such a proposal an “all parties” agreement, akin to how it managed military participation in Afghanistan. We are not interested in a BMD partner dependent on the vagaries of the next election.

*Bottom Line.* One observer claimed to be a “cock-eyed optimist” regarding defense funding, citing the prospective end to budget austerity with a return to balanced budget/surplus starting in 2015. CAF members were pleased at the 9 May day honoring veterans of Afghanistan and the announcement that Afghanistan would be engraved on the Ottawa war memorial and battle honors accorded to 92 units.

Others, however, remained pessimistic; their position essentially is that funding will not be available to purchase the equipment projected for Canada First force modernization. Where the cuts will land remains unknown. More essential, however, is that Canada is (un)willing/able to reach a national consensus on its defense-security role. Unfortunately, at a time when dynamic senior leadership is necessary, the current Chief of Defense Staff (General Thomas Lawson) is virtually invisible. He has been characterized as the weakest and most ineffective CDS in modern memory. Lawson reportedly was chosen as an “anti-Hillier,” the noteworthy prominent/competent CDS between 2005-08. Historically, the CDS believed himself equal to the Defense Minister (or at least the Deputy Minister). Lawson, reportedly, is content to take orders from DND officials without complaint.

## QUEBEC SOVEREIGNTY EVISCERATES ITSELF

In the spring-summer of 2013, the political potential for Quebec sovereignty was the strongest it had been in this century. The *Parti Quebecois* (PQ) had won the September 2012 election, admittedly with a narrow minority government, but viewed itself as well-positioned against a weak/corrupt Liberal Party with a new, untested leader. The other significant party the *Coalition Avenir Quebec* (CAQ) had not achieved its pre-election potential.

The PQ sought to create circumstances for a well-timed election that would result in a majority government. From there it would build momentum through calculated confrontations with Ottawa that could lead to a successful third referendum for Quebec sovereignty. And indeed Prime Minister Pauline Marois worked deftly. She adroitly created a wedge issue Quebec “Charter” ostensibly designed to strengthen and assure Francophone rights, primarily with a dress code for public employees that would eliminate obvious religious symbolism. The Anglophone/Allophone

community saw it as prejudicial, but Francophones (with the noteworthy exception of senior former separatist leaders, e.g. Lucien Bouchard, Jacques Parizeau, Bernard Landry, and Gilles Duceppe) largely embraced it, pushing Marois/PQ polling numbers into majority territory.

Thus when the election was called for April 7, the PQ was poised for a majority victory (and Opposition was virtually in despair). Nevertheless, the outcome was a classic “snatch defeat from the jaws of victory” catastrophe. Not only was Marois’ party rejected—in the worst defeat of its modern history—but to add insult to injury, she was ousted from her own riding.

So why did what looked like a slam dunk victory backfire so explosively? The PQ simply did not learn from the comparable (actually worse) catastrophe that destroyed the *Bloc Quebecois*. One recalls the moment when Mme Marois’ received massive reaffirmation of PQ support immediately prior to the May 2011 election. Joined by BQ leader Gilles Duceppe, they said, in effect, with a strong Bloc in Ottawa and a PQ victory in the forthcoming provincial election, “everything is possible.”

“Everything” was extrapolated in the minds of beholders as return to sovereignty/referendum politics. And the frightened electorate bolted, overwhelmingly rejecting that federal level option by annihilating the BQ—indeed, even defeating Duceppe in his own riding.

But did the PQ learn from that experience? Hardly. The PQ unveiled its trump card: a star candidacy by Pierre Karl Peladeau (PKP), Quebec billionaire media mogul, who appeared to be icing on the cake for a PQ victory. But then all the wheels came off the victory parade float. PKP proved that billionaires are not oxen to be happily hitched to the party wagon. Indeed, PKP was a bull carrying his own china shop; his fist-pumping declaration that he entered politics to promote Quebec sovereignty stamped the “horses” to the Liberals, and there was no way to round them up.

The explanation that PKP was encouraged to demonstrate “out of the closet” dedication to sovereignty (and thus the prospective bridge between the entrepreneurial “right” and the PQ “left”) seems a disingenuous stretch at best.

More generally, observers describe the PQ campaign as the worst ever from the first day when Marois refused to answer questions, ostensibly so not to detract from the platform. Instead, the “story” became her refusal to answer questions. And it proceeded apace with unsuccessful, desperate efforts to put the referendum issue back in the box. PQ polling numbers fell like a stone; they won only the 54-65 demographic and would probably have fared even worse if the campaign had been longer. And “youth” in the 19-25 demographic reportedly places them as its fourth preference.

In another time; in another society, following April 7’s electoral defeat, the leaders of the PQ would have given Mme Marois a revolver with one bullet and escorted her to a closed room. She claims to “regret nothing.” But she should.

Essentially, Marois has destroyed the last hopes for Quebec independence in her generation. She has put proof to Lucien Bouchard’s observation that while he believed Quebec would become sovereign, he didn’t think that it would happen in his lifetime. Even the most dedicated separatists concede the political field to Prime Minister Coulliard’s Liberals for at least one—and possibly two—more elections. Coulliard is regarded as not just highly intelligent, but quickly learning political “ropes” he didn’t need to master earlier as health minister. Moreover, the endlessly grinding Charbonneau Commission, investigating primarily Charest/Liberal corruptions, may have a few rabbits still to be pulled from hats, but observers expect no major revelations.

A majority PQ government *might* have been able to manipulate a combination of demands, “grievances,” and weak federal leadership in Quebec/Ottawa into the proverbial “winning conditions” for a referendum. It is not that Quebecers are hostile to the concept of independence—they just are exceptionally hostile to the process for securing it.

Essentially, the hand of Canada lies lightly on Quebec; Francophones are indeed “masters in their own dwelling,” and the more discerning appreciate Ottawa provides considerable fiscal support.

Consequently, separatists face a from-the-ground-up rebuild. Amazingly, the most likely PQ leader is PKP who, having destroyed the party, may be the most effective choice to revive it, given his personal energy, money, and relative youth. His negatives, however, include a vigorously bad temper and a penchant for abrupt (and not always correct) decision making. A key question will be whether he has the patience to slog through the swamp for eight years?

An ostensibly popular alternative, former BQ leader Gilles Duceppe, declined to run; realistically, he has no “roots” within the current PQ. Media-reported polling popularity would not translate into PQ acceptance of Duceppe as leader.

Quebec sovereignty is not dead, but detecting a heartbeat beneath the lawn is akin to finding Malaysia FL 370.

#### ONTARIO: LIBERALS NOW—AND FOREVER?

The 12 June provincial election provided another illustration of rip-defeat-from-jaws-of-victory.

The minority Liberal government, much beset by scandal and fatigue during its period governing as a minority, won a clear majority victory. Premier Kathleen Wynne, a gay grandmother, won a personal victory against daunting odds. Her principal opponent, Tory leader Tim Hudak, who entered the election as putative premier, lost resoundingly (and immediately announced retirement). The New Democrats (socialist) third party, led by Andrea Howarth, essentially broke even electorally.

For generations Ontario has been the “motor” driving Canada. However, if not now completely broken, it is badly in need of comprehensive retuning. Ontario was (and still is) the province with the largest population, the largest city in Canada (as well as the national capital), the region with the greatest wealth, and the national cultural center (at least for Anglophones). As a consequence of its demographic and economic power, it also held political primacy; it was a “have” province that, with federal redistribution rules/transfer payments, contributed the greatest amount to Canada’s “have nots.” Its demographic leverage gives it massive presence in the federal Parliament (121 of 338 seats in next election); it is Canada’s 800-pound gorilla.

Coinciding with this political, economic, and social primacy comes more than a scintilla of arrogance and hubris. Consequently, Ontario (and particularly Toronto) is the region/city other Canadians love to hate. They are more than amused that the Toronto Maple Leafs continue to demonstrate even greater athletic incompetence than the (momentarily proficient) Toronto Blue Jays.

But Ontario’s primacy is no more. Ontario has been belabored by the apparently irreversible “rust belt” syndrome also afflicting north-central U.S. states epitomized by the collapse of the automobile industry and associated “big ticket” manufacturing. This contraction is continuing. It is not that Ontario’s economy has collapsed, but bad choices made during periods of wealth and/or residual belief in wealth-to-come has left the province in a parlous state.

Thus Ontario packs a debt that in percentage terms is five times that of California (the professed basket case of USA indebtedness). It has been accentuated by a plethora of politicized and/or “politically correct” decisions that will burden Ontario voters for decades. Illustratively, the Liberal government has doubled the provincial debt during its tenure. But, quite remarkably, until and throughout the 12 June election, Ontario voters appear surprisingly indifferent to their problem.

Faced with an election in 2011, “Premier Dad” Dalton McGuinty was beset by a legion of his lies: no tax increases; health care efficiencies; energy production. For transparently political reasons, he cancelled two gas power plants at a cost of over a billion dollars. The result was substantial defeat, dropping from a strong majority (70 of 107 seats) to 53 and a minority government. Playing scapegoat, McGuinty decamped to Harvard permitting his replacement by “Premier Mom” Kathleen Wynne, who rather disingenuously suggested that she had nothing to do with the McGuinty era disasters and scandals, but was almost Paul Martinesque (“mad as hell”) in her professions of political virtue and determination to run a trustworthy, transparent government. And she continued to apologize profusely for specific errors (signing off on eliminating the gas power plants) throughout the election campaign.



After 15 months of keeping a minority government afloat, while Tories and NDP read the polling entrails to determine whether to vote it down, Wynne presented what experts judged to be a totally unsustainable, pie-in-the-sky budget; it promises increased funds for education, infrastructure, a provincial pension plan and, consequently, an even larger budget deficit. (Having won a majority, Wynne presumably will move forward with this budget.)

Polls suggested that 78 percent of Ontario wanted a new government and, rather than be voted down, Wynne called for a 40-day campaign with election on 12 June. Why then, with the overhang of scandal, blatant need for financial overhaul, and comprehensive appreciation that Ontario begs for change, did Wynne win? Perhaps partly because, as one commentator put it, “She’s not a meanie...a very nice lady.” Ultimately, however, her opponents beat themselves. On the left, NDP leader Andrea Howarth retained the legacy of distrust from Bob Rae’s 1990-95 mismanagement of Ontario. Additionally, she angered many NDP supporters by rejecting an NDP-friendly budget. On the right, Tory leader, Tim Hudak, having lost once, seemed to have learned the wrong lesson: be yourself. Hudak has the charisma of an armchair and promised sacrifice/pain, e.g., eliminate 100,000 public workers, rather than hope/change. Concurrently, he promised to create “a million jobs”—a commitment that was economically doggy at best and rejected as absurd by assorted technically qualified critics. He was a “take your castor oil” candidate while Wynne was a mistress of misdirection.

Nevertheless, Hudak was widely regarded as having won the only candidate debate on 3 June. While both Wynne and Howarth stumbled and flailed, Hudak appeared calm, controlled, and precise. Polls continued to fibrillate throughout the final week of the campaign with a minority Liberal or Tory government regarded as most likely.

Retrospectively, Hudak appeared undone by his essential tactic: tough love isn’t what Ontario wants. He believed he could galvanize the Tory base more than his opponents could stimulate theirs. Another miscalculation; voting participation increased and not only among Tories. His proposal to cut 100,000 public service jobs (even if most would be eliminated by attrition) struck unions like a bolt of lightning. Public service unions ran unprecedented anti-Hudak commercials (one, depicting Hudak as “The Joker” laughing as a hospital collapsed was sufficiently over-the-top to prompt an apology). Socialist leader Howarth was reduced to claiming that the choice wasn’t between “corrupt [Liberals] and crazy [Tories]” but a certain amount of strategic voting—that rare political phenomenon—appeared to gravitate to Wynne.

With the prospect of four years in majority government, the Liberals may address some of Ontario’s economic challenges. However, normal economic recovery/progress may also provide desperately needed jobs/tax revenue. Federally, for the 2015 election, political entrails readers suggest Wynne benefitted from running against PM Harper as much as against Hudak. Federal Tories cannot be comforted by Tory losses in metropolitan Toronto; Harper needs those seats for his majority. On the other hand, there is a somewhat shaggy political maxim that Ontario prefers to have one party governing in Ottawa and another in Toronto. For the foreseeable future, it is Liberals in Toronto.

## BILATERAL U.S.-CANADA RELATIONS

Keystone, Keystone, Keystone.

Why does the United States continue to delay a decision on the Keystone XL pipeline designed to move Albertan heavy oil to the United States? To Canadian commentators, the delay ranges from inexplicable to deliberately malicious. At the minimum, they conclude that President Obama is in thrall to extreme environmentalists (who have made defeating Keystone their cause célèbre for the decade) and seizing on one procedural/legislative/juridical device after another to semi-plausibly justify decision delay. Currently, any decision has been pushed past the November 2014 election where environmental activists are enlisted to help save a Democratic senate majority. In truth, given the virtually maniacal intensity of the opposition, the potential for further legal challenge, and the essential antipathy by senior administration officials to carbon-based energy, it is easy to hypothesize that there will be no decision until after the 2016 presidential election.

Thus an issue that at inception appeared “a cloud the size of a man’s hand” has extrapolated into serious cloudy skies for bilateral relations. PM Harper once memorably characterized approval of the Keystone pipeline as a “no brainer.” Alas, the decision appears to be managed by zombies in Washington. Ambassador Bruce Heyman, in an exchange with former Canadian ambassador to the United States (Frank McKenna) following a recent major

address by the ambassador, attempted to characterize attention to Keystone as obsessive concern over a “scratch” on an otherwise well-functioning vehicle. Technically, that may be true—but it is not what the Canadians believe. Keystone is certainly our decision to make. But its ramifications are sufficient that Canadians would be fools to be indifferent to the outcome.

Consequently, we are preparing a “you’re another” blame game to the effect that it is really PM Harper’s fault for blithely characterizing the Keystone decision in memorable terms (and subsequently saying that he “wouldn’t take ‘no’ for an answer.”). Or by failing to read the writing on the wall as U.S. environmentalists and their financial supporters surged politically at a time when the president needs all the support he can garner. Or by de facto interfering in U.S. domestic politics by attempting to generate support of a positive pipeline decision.

Blame Canada has its advantages (certainly won’t irritate U.S. citizens other than always hostile anti-administration critics), but it will make the relationship harder on a topic of greater importance to Ottawa than to Washington.

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