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Challenges for Trudeau's Second Government

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Following the federal elections of 21 October 2019, Justin Trudeau's Liberal Party of Canada (LPC) remains a prominent player in parliament. However, it lost its majority and will rule in a minority government. Concerning domestic issues, growing regional differences will demand the government's attention. The challenge in foreign affairs will be repairing relations with China and avoiding further trade escalations with the U.S. Amid the Chinese-American rivalry, Canada may look for closer relations with the EU.

Canada's electoral system is based on single-member constituencies in which the candidate receiving the most votes wins. For this reason, although the Conservative Party of Canada (CPC) gained more nationwide popular support (34.4%) than Trudeau's LPC (33%), it won fewer seats: CPC – 121, LPC – 157. Among the other parties in the 388-member parliament are Bloc Québécois, a regional party polling only in the province of Quebec (BQ – 32), the New Democratic Party (NDP – 23), and the Green Party of Canada (GPC – 3); there is one independent parliamentarian.

Reasons for the Drop in LPC Support. Several scandals erupted before the elections and strained Trudeau's image. In February, reports revealed that the prime minister and members of his cabinet had pressured Justice Minister-Attorney General Jody Wilson-Raybould to interfere in ongoing criminal proceedings against development company SNC-Lavalin, accused of accepting bribes for government contracts in Libya in 2011. The prime minister and others pressed Wilson-Raybould to offer the company a deferred prosecution agreement in which it would be issued a fine but would not be barred from future public contracts. The scandal resulted in the dismissal of Wilson-Raybould (who secretly recorded talks with Trudeau officials) and President of the Treasury Board Jane Philpott. The SNC-Lavalin case is being investigated in court. In addition, in September 2019 several photographs surfaced of Trudeau wearing brownface makeup in 2001. This caused a public outcry and accusations of racism, which forced the prime minister to publicly apologise.

Domestic Challenges. The elections confirmed that Canada is politically divided: the liberals received the majority of votes in eastern provinces while conservatives won the western provinces. Of the 37 federal ministries, most of the portfolios went to LPC members from the eastern provinces of Ontario (17) and Quebec (11). Since the LPC lost the seats in the western provinces of Alberta and Saskatchewan, the new government lacks ministers from both. This means that the two provinces lack any direct influence on the federal government and its policies. To mitigate possible tensions, Trudeau named former Foreign Minister Chrystia Freeland (a native of Alberta) deputy prime minister, charging her with maintaining a dialogue between the federal government and the western provinces.

Eastern and western provincial interests differ in various aspects. The oil-producing west demands increased investment and diversification in export markets—currently, 84% of oil exports reach the U.S., constituting about 17% of Canada's GDP. In 2018, under pressure from the government in Alberta, the

federal government bought the Trans Mountain pipeline, which links the province with the Pacific coast, from a private investor. Officials in Alberta proposed expanding the pipeline project by building a second line to increase exports to Asia, thereby stimulating regional development. However, those in the eastern provinces see climate change as a top priority. They are opposed to projects seeking to develop the oil sector with federal funds. Specifically, the BQ has proposed taxing high-emission provinces (Alberta) and redistributing the income among low-emission ones (Quebec). The BQ may pressure the new government to accelerate its timeline based on the promise of making Canada a zero-emission economy, initially targeted for 2050.

The aspirations of key provinces for greater autonomy are increasing internal tensions. Canadian provinces possess legislative and executive organs with wide-ranging competences over internal matters. In the west, the autonomy debate is primarily a tool for exerting added influence on the federal government in the important energy sector. Conservatives in Alberta and Saskatchewan oppose Trudeau's 2018 federal carbon tax. In eastern provinces, the autonomy debate centres on moral issues, especially Quebec's secularism law, which bars public employees from wearing visible religious symbols. Trudeau suggested challenging the law in federal court, claiming that it jeopardizes the tolerant image of Canada and minority rights. Quebec's provincial administration may use this issue against the federal government, offering to support Trudeau's climate or social policies in exchange for not challenging the legality of the secularisation law.

Foreign Policy between China and the U.S. Canada's short-term foreign policy challenge will be improving relations with China. At the request of the U.S., which has accused Chinese firm Huawei of violating sanctions against Iran, [Canada in December 2018 detained Meng Wanzhou, Huawei's chief financial officer and daughter of the company's founder](#) (she remains under house arrest awaiting extradition). In response, China detained two Canadians (including a former diplomat) on charges of spying and is holding them under arrest pending formal charges. Simultaneously, China suspended the import of Canadian products, especially canola (40% of which was exported to China). In November 2019, China declared its willingness to resume importing Canadian meat, which can be seen as a signal that it wants to de-escalate tensions. In the near future, Canada will need good relations with China, primarily to diversify its exports because 75% of them reach the U.S. market while only 4.7% goes to China (2018).

Canada will also look to avoid re-escalating tensions with the U.S. In May 2018, Trump placed tariffs on Canadian steel, aluminium, and lumber. Trudeau responded with tariffs on American steel and aluminium. This was accompanied by mutual criticisms by both leaders at Quebec's G7 summit in June 2018. Tensions subsided after the signing of a joint declaration ending the tariff war in May 2019 and the re-negotiation (with Mexico) of the NAFTA trade agreement (awaiting ratification by all three partners). Still, Trump is calling on Trudeau to ban Huawei from developing Canada's 5G sector and to increase defence spending. The president also cancelled a press conference with Trudeau planned for after the NATO summit in London this month. Trump's unpredictability is causing Trudeau to take into account the risks of bilateral tensions returning. Regardless of whether they return, the U.S. will remain Canada's strategic trade, defence, and intelligence-sharing (within the "Five Eyes" network) partner.

Amid the increasing China-U.S. conflict, Trudeau will continue strengthening Canada's position through multilateral forums. The LPC seeks a non-permanent seat for Canada on the UN Security Council (for the 2021-2023 term). [Within NATO, Trudeau intends to bolster Canada's image as a reliable ally](#). Maintaining his firm position toward Russia, viewed as a growing threat, the prime minister extended the Canadian military's commitment to leading NATO's multinational brigade in Latvia until 2023 and increasing the number of troops from 450 to 540. In addition, Trudeau also extended the Canadian military's training mission for Ukraine's armed forces (UNIFIER) until the end of 2022.

Perspectives. Above all, Trudeau's second government will spend considerable time mediating differing internal regional interests. This could draw the federal governments' attention away from foreign policy matters and make handling foreign issues more difficult. Chinese-American tensions may stimulate Canada to search for closer relations with, for example, the EU. Both share the vision of an international order based on multilateralism, free trade, and a rules-based system. Like Poland, Canada also faces the challenge of reconciling the dependence on fossil fuels in the country's energy mix with the necessity to fight climate change. Adopting Canada's experience in this field could help Poland develop climate policy that takes into account both aspects. Continuing high-level bilateral talks, for example by inviting Prime Minister Trudeau to Poland again and supplementing the visit with regular political consultations among various ministries, would serve to further strengthen Polish-Canadian relations.