

Full transcript - Check Against Delivery

Ben Woodfinden: Okay, well, hello, good evening and welcome to our first ever, we're going to call this an episode, but our first ever episode of MBP Intelligence Briefings. I'll give you two minutes here of exactly what you'll be getting from us here. So as I'm sure you'll know if you're listening to this, Meredith, Boessenkool & Phillips have launched a new retainer service called, MBP Intelligence. And a couple of times in your inbox every week, you're to get some written policy briefings that will keep you up to date on important insights that you need to know from various happenings in the political and policy landscape. And then we're also going to be once a week delivering to you these audio briefings.

And so what we're going to be doing with these is that you'll get every other week what we're calling the round table. So this tonight is going to be the first inaugural edition of the round table where I will talk with our three partners, Ken Boessenkool, Tyler Meredith and Shannon Phillips, and we're going to go through kind of interesting, timely, important, relevant topics of the day. And we'll go around the hall and we'll interrogate these things. And then every other week, what you'll be getting from us will be guest interviews. And these guests are going to bring unique insights from their fields, expect topics to include things like labour, the climate, environment, fiscal and economic issues and and trade policy and obviously what's going on in the United States.

So keep an eye on that, more to come on that. So we're going to go through a few different major topics today. And these are things that we think you should be thinking about. And then we're going to try and give you insights that you're not getting anywhere else. And that will help you think about not just what's going on in your lives and in your work, but also how to think about the political landscape more broadly.

So what we're going to start today with, because what else would we start with, is the latest in the, let's call it the trade war, in the 51st state talks. And just a couple of days prior to this, the president of United States returned to one of his favourite topics and brought up the 51st state again. He made these comments in a speech he was giving to military leaders, this bizarre gathering of generals that they pulled together earlier this week. And he specifically mentioned in the context of this Golden Dome missile defense that Canada has had discussions with the United States on joining. And so Trump mentioned the 51st state again and

This is obviously important because we're Canadians, we don't want that to happen. But it's also important because public consultations have now begun on, I'm going to call it CUSMA, everyone calls it something different, the Americans call it USMCA. But the CUSMA review has begun. And that means public consultations have begun in advance of a joint review that's happening next summer. The American ambassador to Canada has already suggested that this review next summer is unlikely to produce an extension.

What that would actually mean is that CUSMA would go into an annual review every year until 2036. But you think about this on top of the slate of the latest sectoral tariffs that Trump had

imposed. It seems like every day there's something new. The latest ones, I did a review this week of which ones he's imposed, the latest sectoral tariffs include heavy trucks, kitchen cabinets, upholstered furniture, pharmaceuticals, which obviously matters for Canada immensely. And then movies was the one of the more interesting ones this week. The Canada US trade minister Dominic LeBlanc said on Thursday that he's still holding out hopes for a deal before before the the review next year. But you know, we have to look at these comments within the broader context of that. So, Ken, I'm going to have you open the floor here. How did you interpret Trump's comments this week? And what does it tell you? What's it signaling to you as the CUSMA review really does start to heat up?

Ken Boessenkool: Let me say three things, Ben. Thanks for that set up. Number one, I often wonder if Trump goes to bed at night surprised at what he said and did during the course of that day based on what he thought he would do and say during the course of that day when he woke up in the morning. And the reason I start with that is because I think the reality is we just don't know. And we should be careful about saying too much about what we know Trump is doing or what he's trying to do.

Because I'm not sure the people around him do, and I'm not sure sometimes he's entirely clear about what he intends to do. And so some humility is called for when we're doing these things.

But my second point is, know, Trump clearly believes at some deep level in this 51st state rhetoric, he clearly believes at some level that Canada, and he's talked about Greenland, and I think there's a whole Arctic belief around this, that Canada would be better off if we joined the United States or certainly that Canada should be part of the United States. And I think what we take from that is fundamentally Donald Trump is not our friend. Donald Trump is not trying to help us. Donald Trump is not trying to do things that are in Canada's best interest. And I'm not saying the Prime Minister has to run around and slag the President of the United States, but from a negotiating perspective, I think we need to take the basic position that he does not have our fundamental interests in mind.

And the third thing I would say is that I think when it comes to this CUSMA renegotiation, we should hope for the best, but we should plan for the worst. These are things that we've been telling our clients right from the last six to nine months that Trump's been there, hope for the best, plan for the worst. And I think what does the worst mean? I think it means that CUSMA gets cancelled in some real sense, that Trump imposes some version of a universal tariff on Canada with higher tariffs on strategic industries like he's already done on autos and steel and aluminum and lumber. And I think we should ask ourselves, what should we do in a world that ends up in there? And again, that's the worst case scenario, but I think it'd be wise for us to plan for the worst. And just to close it out, what's the best? I think part of the best is a US recession this fall that turns Americans against Trump's tariff policy that Americans connect the recession this fall to the tariffs. And again, I'm not saying that's a likely outcome. I suspect the US economy is starting to slow and will continue to slow. But if if Americans turn against the tariffs, I think that's the best chance of a better outcome than where it seems like more likely that we're going now.

Ben Woodfinden: Tyler, you're our kind of, you're our resident Liberal here. So, you you're also our resident Carney whisperer I'm gonna decree you. How do you think the government is feeling about this? you, know, Minister LeBlanc was out today expressing optimism. So he's still hoping for the best. But how much of that is public rhetoric that the minister has to say? How much do you think the government has actually resigned itself to the fact that one, there may not be a deal coming before this review and if there is no deal before next summer when the CUSMA review fully starts, the government see that as a new kind of problem or is this the kind of internal working expectation now?

Tyler Meredith: Well, I don't think we would be saying anything out of turn by noting that the Prime Minister even going back as far as when the G7 was being held here in Canada, in Kananaskis this spring, indicated that the potential negotiations on the larger process with the United States that would involve CUSMA 2.0 potentially could take up to 18 months. And that would take you well past the timelines that go into the formal review of the deal and potentially create the setup that Ken described where it's possible the US may just walk away. I think the challenge, of course, is the government's trying to undertake a kind of a two-track strategy, right? So track one is how can we pull back the sectoral-based tariffs of the stuff that has already been put in place? And the challenge there, of course, is that even as we're negotiating with the U.S. on track two, which is the negotiation of CUSMA comprehensively as an agreement and really largely just trying to keep it in place in its current form, the problem is that every day or every other week the president is a new sectoral tariff. people will say, adherents of free trade will say, well, but those are not targeting Canada specifically. They're global in nature.

Canada still has this very special relationship with the United States, and we have to hold on to that. But the reality is that as long as you're trying to still turn off these tariffs that have affected a number of our businesses, and many of our industries are far more dependent on the United States and far more affected by trade flows and even small changes in tariff rates than any other country that's much farther away, right, it becomes difficult to kind of see how you're actually going to get to a deal on steel, aluminum, lumber, for example. And I think what's been interesting to watch is that, you know, initially when we were back in the spring and it was hoped there would be an early agreement that at least would clear up some of these initial tariffs, you know, we were only talking about three odd sectors, more or less, that had been affected. And now that number is much larger.

And as there's been more sectoral-based tariffs, the government has actually just kind of stopped commenting every time that the president has actually announced something, right? You saw, for example, this past week when we saw the announcement on movies, there was no statement from the government, right? In the same sense, when they announced an additional surtax tariff on top of the additions that had already been made previously on softwood, no comment from the government. And that's not a bad thing necessarily. I just think it reflects the fact that there's kind of like a powerlessness on the Canadian side as to how we deal with this stuff. And we have to start from the realization that we are the most affected and dependent, even to a certain extent in some ways more so than China and more so than Mexico, by what

happens with the United States. And that compels us to, as the prime minister would say, focus on the things that we control, to double down on the ways in which we can look at things like industrial strategy and an industrial pivot in order to make ourselves far less dependent. Last thing I'll just say here is, you know, we're recording this on Thursday earlier today, the prime minister announced the creation of the Defense Investment Agency.

About 80 cents on the dollar of every defense dollar that we spend ends up in the US defense Industrial complex if we are going to spend billions and billions of dollars more in defense. We have got to damn ensure that that money ends up in Canada that it employs Canadian workers many of whom for example in the auto sector I've been affected by the loss of of shifts and jobs at plants so it's less about trying to come back to your question it's less about trying to actually get a deal so much as to manage the direct implications of it. And maybe the last thing I'll just say, you know, it's also been interesting that as the government has gone into this quiet kind of more quiet approach, they've also stopped engaging as directly with stakeholders. There are meetings that, you know, that Ambassador Hillman is having with affected groups, but the Canada U.S. Council has, you know, effectively only met once since the election. And I think that that's interesting because I think there there may be as an anxiety about how much information can be shared, given how fluid the situation is and given that

You know, even the US ambassador to Canada frankly clearly doesn't know what the heck is going on because he will say on one day, the president's not serious about the 51st state. And then as you said in your intro, he's brought it back again into the discourse.

Shannon Phillips: I'll just add one thing to what Tyler and Ken have said, which is there's another actor at the table here right now. We are looking at everything that is coming at us and is being done to us from the outside. But there are actors within Canada that are going to increasingly have a say on how we respond. And they're on talking about the provinces. So far, we've had the provinces mostly with the exception of some of the early days of Danielle Smith kind of doing her own thing. We have mostly had the provinces all on one page, but these tariffs are sectoral. The effects are both sectoral and geographic. the political economy of Canada is such that development is regionally specific. And so as tariffs begin to bite, whether it's in lumber, steel, or other export markets. I'm thinking here of value added in seafood markets, for example, or those kinds of goods. You are going to see more regional effects and you're going to see provinces who have been so far fairly quiet, I would say, start to push back on the federal government. Because I will say that much of the response, the reinvestment of the sectoral tariff response, some of the EI reforms or EI responses has been pretty I think we could all agree, fairly bog standard. They've been from a certain playbook and there's going to come a time when a lot of this shows up on provincial balance sheets. We're seeing the worsening of their fiscal position, a number of them on their fiscal position. They're going to start to ask for different things from the federal government. in always in Canadian politics, it's a good bet that all politics comes back to federalism.

Ben Woodfinden: Yeah, it's exactly, it's a good point. it's probably not a complete coincidence, right, that last week, the US ambassador was touring Alberta. And he did, I'll note he did a very

friendly interview, joint interview actually with The Hub, with Premier Smith. And one imagines that the ambassador, they see the fact that Canada is a country of provinces and provinces have different interests. As this stretches out as well, it's quite possible that it's almost certain that these tensions are going to grow and that they're going to become more visible. know, can you say it's hard to know what Trump is thinking, it's quite possible that this probably is a deliberate strategy, right?

Ken Boessenkool: I'll wrap up with this, but just saying Doug Ford can clearly say things that the Prime Minister probably can't. And I think that that's helpful to the Prime Minister to have some of those things that Doug Ford's been saying about retaliation and David Eby and others. And so, from a political perspective within Canada, that's important. But I also think from a negotiating perspective, the US needs to know that, as Tyler said, when the federal government is quiet, that doesn't mean everybody's happy.

Tyler Meredith: And can I just say, you mentioned Ambassador Hoekstra there for a second. Like, as I kind of referenced earlier, he has been out trying to the extent that he can put a decent spin on every time the president has a bozo eruption. God love Ambassador Hoekstra. I'm not a fan, obviously, if you've seen my Twitter. he's tried to do his best to put a positive spin. I think what we are learning is that the ambassador is just not engaged. He actually does not know what is going on. And so when he says the president is not interested in 51st state and then literally in front of a room full of generals, the president says 51st state, president actually is thinking about the 51st state. And so I just think anyone in Ottawa or any trade association or any group that's looking for signals about what's going on, stop listening to Ambassador Hoekstra. He does not know what's going on. And I think we should just be honest with ourselves to Ken's point earlier. A lot of what's going on is largely in the head of Donald Trump.

Ben Woodfinden: So let's shift topics a little bit here. Tyler, I'm looking forward to unleashing you here on this. in the last week or so, the PBO, which I also know, Ken, you're big fan of, but the PBO came out with its semi-frequent report, kind of the fiscal outlook. with budget season coming up, this obviously is particularly timely. And I think because this is Carney's the first budget he's delivered, course, is going to be a very interesting, uniquely important, a lot of attention paid is going to be uniquely important to get a sense of where this government's going. And as I recall quite well, he campaigned on spend less and invest more. And then a few weeks ago, he was talking about a budget that was going to be one of austerity and investment. And, you know, I'm not a comms director anymore, but I wouldn't advise him to use those two words and the same sentence.

The interim parliamentary budget officer, and I think it is important to note that he is interim for now, Jason Jacques came out and he told that the government operations committee last week that the track that the government is on in terms of debt is quote unsustainable. I use some other words as well, stupefying, shocking. But the broader point he was making here is that the PBO's projections are that the federal deficit is going to balloon to, \$68.5 billion this year.

up from an estimated \$51.7 billion last year. And then also importantly, that they expect the federal debt to GDP ratio, which was a previous major fiscal anchor in Ottawa, will no longer decline in the coming years. And that puts the total annual borrowing over the next four years to about \$255 billion. There's been plenty of discussion about this. I did a kind of media tour over the weekend, and I think he's got his message out pretty clearly and pretty effectively there the CD Howe institute actually took issue ever so slightly with and by ever so slightly I significantly with what the PBO was saying and actually said that the PBO's projections are actually too too moderate and that they factored in things like defense spending and election promises and said that the deficit was going to be closer to something like \$92 billion. So tell I'm gonna let you take the lead here because this is obviously you've had lots to say on this, but this is going to be a big question around the budget, right? And it's coming up in a few weeks and people are going to have lots of questions to ask about these numbers. And I wonder if you can offer your perspective on this.

Tyler Meredith: Sure. And look, I've also been involved previously in selecting a PBO with the selection of Yves Giroux. So I know a little bit about that process and and I can comment a bit about what I think is to your point earlier, we have to keep in our minds that he is the interim PBO. And I think that may in fact be colouring a little bit of some of the things that are being said here. So the first point is in terms of is the size of the deficit and the debt that we anticipate to see actually sustainable or unsustainable?

A few points on that. It's likely true that the deficit will come in somewhere between 2-3 % of GDP. And at least in this year's terms, that would be somewhere between 60 and 90 billion. So in terms of the CD Howe, in terms of the PBO's estimate, when you factor in both the additional spending on defense that's already been committed to since the election plus some degree, not all of it, because governments obviously reprioritize things as they come into government and look to implement their platform. If you factor those things in, it's probably true that the deficit would be somewhere between 2-3 % of GDP. I suspect it will then go down over time, as the prime minister has committed to. And remember that, of course, we're starting from a place where we have the smallest deficit as a share of GDP and the lowest debt as a share of GDP at the federal level, at least, of any of our G7 competitors, and we still maintain a AAA credit rating. So we're starting from a good place. So it's not untrue that that forecast estimate is probably in the ballpark. The question, though, is to use the word of the PBO, is that in and of itself sustainable or unsustainable? And what's interesting here is despite all the adjectives that Mr. Jacques used, the PBO actually has had a model for how to assess these things over time. And it has typically used a fiscal sustainability report as its anchor for doing that, trying to estimate when we look at the fiscal space available to the federal government and how that will change over time relative to the provinces, how sustainable is that?

In a fiscal sustainability report which it filed just last fall it made the conclusion and I'll read it here current fiscal policy at the federal level is sustainable over the long term we estimate the federal government could permanently, permanently increase spending or reduce taxes by 1.5 percent of GDP equal to \$46 billion in current dollars. That's 2024 growing in line with GDP thereafter while maintaining fiscal sustainability. So \$48 billion. That's a little bit higher in today's

terms of \$48 billion. Well, you know, what that really means is when we add on the additional money we're going to have to spend on defense and housing and infrastructure, which it seems all political parties seem to agree on, we're going to probably bite into some of that fiscal space of 48 billion dollars. But to date, we have not come close to eating up all of that fiscal space. So it seems weird to me that before we even know the details of the budget, Mr. Jacques has already concluded that it is somehow unsustainable, that we're going to fly off a cliff, and that the apocalypse effectively is coming for a government, by the way, that has a AAA credit rating and a deficit that's not even a third of the size of what it is in the United States. So I just find his

comments perplexing. strikes me as somebody who probably hasn't had very good media training in his career. I think he maybe froze up and to a certain extent in front of committee thought that he should be rather bold in what he said. And a skeptic might look at this and say, well, because he's interim and he is interested in the job, he might be trying to create the kind of political pressure that would have the opposition push forward his name. Because remember, we're in a minority parliament. There's a legal requirement for the PBO when they're appointed to have been consulted.

upon with the opposition party by the government, there could be an argument there that he may be trying to advance his own agenda. Now, I'm not saying that he is. I'm not trying to make that case. But I think it would be useful in this context, given how aggressive he has gone, for him to clarify that he's not interested in the job permanently.

Ben Woodfinden: Yeah, that is exactly what I was hoping for from Tyler. Clearly the interim tag does matter here. The PBO puts these reports out frequently. This is not a once in a blue moon thing. But the significance of this is precisely that this is starting to set expectations around this coming budget. there's been, you know, as of right now, there's no dance partners for the government. I would caution people, this is, we're in minority government, minority parliament politics again, and this brinksmanship is part of it. So I think people should expect Brinksmanship to carry on for at least a few more weeks. But there is clearly going to be some challenges here for the government. And they are going to have to find dance partners. And the question is going to be that there's going to be pressures from one side on it's going to be hard for someone like my former boss to be able to support a deficit if it's this size. But it's also going to be hard for parties, the other parties in parliament, especially the NDP, if they're going to support something that gets framed as, you know, quote, austerity. So, Shannon, I'm to have you jump in here. what do you get the sense of how this is all playing out in advance of the budget? Do you think there is just kind of the usual brinksmanship and politicking going on? Or do you think there might be a more trouble on the horizon here.

Shannon Phillips: I'm going to say what I know Ken is thinking, which is that if a parliamentary budget officer wants or a parliamentary budget officer, an officer of parliament or the legislature should be the last person to be describing a deficit as stupefying. That's the job of the opposition either way. so that's the first thing is that this office needs to be restructured. This whole editorializing on the government's fiscal position, particularly given the facts that Tyler laid out, that there are the PBO's own facts, in fact, is I think an affront to the whole process. It is for the

opposition to light their hair on fire or not about the level of the deficit. Now, in terms of dance partners, we've forgotten about the Bloc Québécois here who, know, last I checked in their last back and forth with government on budgets wanted an absolutely bananas expansion to seniors benefits in this country and don't seem at all worried about the level of the deficit or debt. And so there might be a willing dance partner there or there may just be enough absences to be able to carry the day. I don't think that we're in the same brinksmanship position that we have been in the past, particularly given the state of the NDP, but also because the other parties are not much interested in an election right now, but also they can find things that they don't mind, I'm sure, this fall, where reasons to just not show up.

Ken Boessenkool: I'm going to be the old man on this podcast for a minute because when I worked for Preston Manning in 1994, I was the economic advisor to the Reform Party of Canada. And I wrote an alternative budget called the Taxpayers' Budget that formed the basis of criticism. So I'm going to build on what Shannon knew I was thinking and say, like, these are things, the PBO shouldn't exist in my view. There should be all kinds of external bodies. We have the major banks, we have think tanks, we have all kinds of other bodies.

We don't need a government funded body to tell us what the fiscal situation is. That's the job of the opposition to criticize and the job of the government to put forward a plan. And the reality is when you sublet all of these jobs and these responsibilities to independent parliamentary ~ officers, you make the opposition just wanna do memes and clip things in parliament and not do the hard work of the opposition, which is to figure out exactly what it is that the government is doing, what they should be doing better. Work that, again, as the old man on this podcast, I used to do for Preston Manning. And I think that's a shame because we're reducing the jobs of MPs to social media gurus as opposed to serious people making serious criticisms. And so I think it's unfortunate, whether I agree with the PBO, whether I think the fiscal track is unsustainable. Let me just finish with this.

I think Pierre Poilievre has had some difficulty finding an issue that works for him since the election, which is not surprising when you lose an election, you know, and he had to get his seat. So it's not necessarily a criticism, but I think this budget is going to be the first test for him to see if he can find an issue, whether it's deficits or debts or runaway spending or some version of those traditional conservative criticisms that he can latch onto and make a big difference in the public debate.

And I suspect he's going to try very hard and he's a very good communicator. I say that also as a compliment to you, Ben, but he's been a good communicator in the past, but he's definitely has skills. So think this will be a real task for Poilievre to see how he responds to the framing that the Carney government doesn't.

Tyler Meredith: And can I just say I agree with Ken to a certain extent on the last

point in particular because I want to tip my hat actually, Ben, to some of your former colleagues in the OLO because whatever we think about the PBO and whether that was a responsible

report to put out or to wait for the budget, he gave the opposition a hell of a lot of political ammo. And I do think the opposition has been effective. If there's one issue where they've been effective since parliament has returned, it's probably in raising this issue as a concern and trying to lay it at the feet of the government.

And it's a powerful issue because if you're the opposition, need to demolish the credibility of the prime minister on his own home turf, which is the economy. And so far, I don't think the opposition has come anywhere close to doing that. And I don't even think that this issue has done it entirely. But it is the closest we've come to starting to raise some questions about managerialness. And so I think the opposition has taken great use of the ammunition they've been given. And just to tell a very quick kind of anecdote, I got a call over the weekend from a former official in government, not on the political side of former public servant, who was just lamenting a little bit what has happened with this recent PBO report. And I said to them, I suspect what will happen very quickly is we're going to next week, i.e. this week, have a motion on an opposition day from the opposition calling on the government to do something with that report. And of course, right on schedule on Monday, the opposition tabled its motion. And so this is parliament coming back to its normal course of things as a minority, and we should expect that this turbulence is going to increase and continue as we go through because you know the government doesn't have a dance partner as you said.

Ben Woodfinden: Let me jump in here and make the case for my former boss that when Pierre is on his issues, there is no one better than him. Is Pierre the master of literally every single issue out there? Of course not. But he has his bread and butter issues. And one of the goals of Pierre and his team is going to be and is getting people back onto the issues that drove us 20 points up in the polls this time last year.

The budget is going to be one of those opportunities to get back onto these issues that the government is going to want to frame this around kind of big investments and, you know, Canada's strong, that kind of stuff. Pierre's job is going to be, and I think what, you know, do not underestimate his ability to do this is going to actually be how do we make that, how do we make people understand these numbers? I said this, I don't think I've ever said this publicly, but I said this on background to journalists for years when I was working for Pierre that...

One of people, something Pierre is uniquely good at, and to Shannon's point, I don't actually think the average person cares about deficits in the abstract. Something Pierre is uniquely good at for a few years was tying deficits in government spending to inflation. And what he did there was he made people realize, made people care about this because it affected them in their personal lives, right? They could actually feel the impact of it. And so this is the advantage that this budget season is going to bring for Pierre is that he's going to be able to start talking about things he wants to talk about. He's getting things back on his turf. And when Pierre is on home court, he's pretty hard to beat. So I think if the government is not thinking carefully about how they should approach the next couple of months, they do need to start having those meetings now, because it could be, I don't know if they think it's been rough already, but it definitely could

get rough for them pretty quickly. well, We will be coming back to the budget a lot in the next couple of weeks.

Our next topic, we're going to shift gears a little bit here. The other party, we've spent a bit of talking about the Conservatives here. The other major opposition party in of course, is the NDP. The NDP have been reduced, they're down to seven seats, 6 % of the vote, their worst ever historical result. They still do have representation in parliament. But they also have a leadership race going on. That race is going to matter. It might seem relatively inconsequential right now, given the relatively small size of the NDP in the federal parliament. But the fates of what happens to the NDP a few years from now may well decide the fates of the government and the fates of the conservatives. So I do think people should be paying attention to this leadership race is going on. Let me just give everyone a quick overview of where the race stands right now. So the race has started. The leader will be officially announced that March 29th, 2026. So we've got six months left for this race. And there's a few official candidates that have been approved by the party, provisionally approved by the party so far. I'll start, I'll just list no particular order here:

Heather MacPherson, who's one of the few remaining members of the NDP caucus, the MP for Edmonton Strathcona, the party's previous Foreign Affairs critic for the party, I think fairly well known within NDP world. I don't want to say she's the front runner, but she's definitely one of the major candidates. I'm going to defer to Shannon's expertise and all this, of course.

The next candidate that's kind of, I think, generating attention is Avi Lewis. A well known in kind of progressive circles as an activist. He was a former NDP candidate in 2021 and 25. He comes from NDP royalty if such a thing exists. His grandfather was the leader of the NDP in the 70s. His father was the leader of the Ontario NDP. His wife, Naomi Klein, is a well-known activist and he was involved in this, the Leap Manifesto. And he's, he generated some buzz and he's a kind of, you know, he was, he was always going to be a force.

The third major candidate here because I've been impressed by him so far is this guy named Rob Ashton, who's the president of the International Longshore and Warehouse Union. I think it was since 2016. And he's been doing, he's been generating, I've noticed at least he's been generating a lot of attention, of lefty friends I know and online kind of progressive activist voices. He's very much trying to be the kind of working class voice. And so we'll see how much success he carries, but so far he seems to actually be generating attention and picking up some interesting organizers. those are the three officially provisionally approved candidates.

There's some others. I won't name all of them. The only other one I'll mention is Eve Engler, who is kind of another activist type. He's the candidate of the NDP Socialist Caucus. He was one of the first to launch. He's been generating some online attention. So this is kind of the state of the race.

Shannon, I'm going to throw this open to you here in a second, but what do you think this race is about? Obviously, this race is going to matter a few years down the road, but is this a race, is

this the, you know, the quotes, a race, a fight over the soul of the party? Is this a fight about who can actually get the party back into fighting shape again? Obviously, the party's got some organizational and fiscal challenges. When you give us your sense of the delay of the land and the race and where you think it's where you think the race is at right now and where you'd like to see it go.

Shannon Phillips: I'm going to start with my usual throat clearing in that the federal NDP has not honestly been all that useful or relevant to me as a provincial partisan for literally almost a decade. Really. And when you talk to folks who have had their oar in the water for our party for a very long time.

Certainly in Western Canada you find a similar sort of, well, shrug, I guess they exist, and we have to talk about them again. quite frankly, especially in Alberta, but also to my friends in Saskatchewan, to a lesser extent in Manitoba and British Columbia, the federal party is a boat anchor. They're not a sail. And they are often used as a bat to beat us with by our conservative oppositions. And so that shows the distinction of what kind of members that you get within the party because we are affiliated, right? And so at the provincial level, at least in Western Canada, the party exists to govern. That's what it exists for. At the federal level, it has existed in the past, at least as a threat, right? It is a threat to the liberals and the conservatives. It is a threat from the left. It is a threat with working class voters.

It is not necessarily the only time that it's ever become a real contender for government was under Jack, which took three, four elections to accomplish. So within that, you have to kind of understand that the leadership race is going to have a tension between are we electing someone to make ourselves feel good or to make the liberals and conservatives feel bad? Because that's actually the tension within the party. In Western Canada, we would like to compete for power, so we would like to make our opponents feel bad. And we are willing to not make ourselves feel as good and our own idealism in order to get there. And so you are going to see a tension between the sort of let's be practical crowd and let's make ourselves feel good crowd. And in that there are three candidates. There's Avi Lewis, there's Heather McPherson and there's Rob Ashton. I doubt that given the structure of the race and the \$100,000 at various time markers that has to be put in that you're gonna find the others make those financial requirements. So we're gonna be looking at those three.

You're going to see a few policy differences, but really I don't think it's going to come down to policy difference. It's going to come down to winnability and viability as it has always done, at least in my adult life in NDP leadership races, both federally and provincially. I have, you have to go back pretty far to see people making an actual ideological choice. People think that about the NDP, but I give you the actual examples of leaders. Jack Layton who beat Bill Blakie, who was an institution of the party. Jack was very good at using the media at the time and had come out of Toronto City Council. But people chose him because they thought that he could win. Same goes for Tom O'Carr. He beat Brian Todd because people thought that he could go up against the Liberals in a way that was, they made the practical choice. mean, it ended how it ended, but that was how the membership saw it at that time.

Where there are the most members in this country is in Alberta, where 80,000 people joined the party to be able to vote for Naheed Nenshi because they thought that he was the most saleable political commodity in that race at that time. So New Democrats are willing to be practical. They are willing to make that choice and to take those risks. And we'll see if Heather can kind of till that soil and make that connection with them as we go along, because she's really the candidate to be able to do that.

Ken Boessenkool: I think conservatives are watching this as a Harper conservative who celebrated the great success of Jack Layton, which helped to produce a majority government for Stephen Harper. By the way, I'll put a footnote on that. I still believe to this day that had Jack Layton not had his untimely passing, that the 2015 election would have been as likely that Jack Layton would be prime minister as anyone else.

And I know people disagree with that, but he had set himself up as Shannon said very well. But my broader point is that Pierre Poilievre, as he likes to say, had his best election result ever and didn't win the election. And that's because the NDP did badly. And so conservatives need to have a credible leader in this country, or they need to reconstitute themselves into a different kind of party.

The only point I'm making is that conservatives could, or sorry, conservatives should be paying a lot of attention to this race. And I think they should be saying a small prayer every night that they get a leader more like Jack Layton and less like, let me say, Avi Lewis.

Tyler Meredith: Well, I'm just to build on that. So I have two thoughts and I think probably important caveats that as a liberal, I do fear the NDP doing so well that they're back into the mid teens in support because that would significantly compress how I think a Carney government is going to get reelected. But what's interesting to me about this race is that you haven't seen anyone come out of either the BC government or the Manitoba government, which are the two areas of the country where there's been significant success of late for the NDP.

I think we can also say that the steps forward that were taken in Saskatchewan are a good sign. like the NDP in Ontario has been on the decline in the last three election cycles. The NDP federally obviously went through a historically bad result. And so it's just interesting that in the areas of the country where the NDP is doing best, right, you've not seen candidates come out of the EB government or the canoe government as a model that they could build on. And I just, I'm a little surprised by that, Shannon may have some views.

Second thing I would say, of course, that you know, if they don't choose Heather McPherson and they go with somebody who is not within the caucus, I think it'll be interesting to watch what that does around how the NDP behaves in parliament afterwards, right? And just having seen, you know, in recent experience through the eyes of the Ontario Liberals, where, you know, we elected a leader who didn't have a seat, we didn't have official party status, you know, in some ways, on one hand, it freed the leader because then they could focus on doing a lot of stuff. But,

you know, I can tell you, it's very hard to get attention when you don't have status and it's very hard to try to create relevance for yourself. And it's interesting because to go back to a little bit of the conversation we were having about parliament, right? Like I suspect those seven MPs or maybe six if you exclude Heather from that equation, you know, they probably think today they've hit bottom, right? And so if an election were accidentally triggered by the budget or something, they're okay. They can go get elected. The party as a brand nationally may not be able to run a national campaign, but those seven should get re-elected because we have seen an increase in support, a little bit of an increase of support for the NDP in most polling since the election.

Shannon Phillips: I think it's going to come down to honestly a question for the members of whether we are going to be, you know, whether we're going to think like winners or whether we are going to try to make ourselves feel good.

A lot of that assignment comes down to how Heather McPherson presents herself to the members. And in that, I watched all of their launches and of course, Avi Lewis's very Mamdani-esque launch video was very well done. I mean, full disclosure, I worked for Avi back in 2007 at the CBC and then went to war with him on the floor of the federal convention in Edmonton in 2016 and was the spokesperson to be swatting down the lead manifesto because it was the environment minister in Alberta at the time. That was my job.

Look, like I don't think he's a partisan. He's not an NDP or he's a Lewis-er. He is in it for himself. But in that, he did some really smart stuff in his launch video. Number one, he didn't do identity politics at all. He gave us the why of why he's doing this. He did hearken back to the old days of his dad and his grandfather, but he gave us his why, what gets him up in the morning. And he also made a really strong economic populist argument, like the actual policy prescriptions. I'm sure we will all pick them apart. Some of them are ridiculous, like national rent control. Like I'm laughing, I can't.

Ben Woodfinden: It sounded to me like you were talking about gatekeepers. It sounded shockingly similar to talking about everything we were talking about.

Shannon Phillips: I mean, and okay, so fine, like in some of the prescriptions are absolutely ridiculous, right? They are laughably silly. But they are speaking to where people are at or a certain segment of the population that feels economically insecure. So he gave us his why, and he did in a really, really nice slick way. Guy's a filmmaker, so that's great.

Heather's launch was much more, you know, a large group, not least they're a very standard New Democrat. How many events just like that have I been to in my 30 years as a New Democrat? Too many, way too many. She didn't set up the natural contrast with her and obviously she didn't do a launch video. You know, she's done some clips from the rally and that kind of thing. Great. But she didn't give us really her why in the same way.

And I think for her to be able to grab some of the attention in the attention economy. She's going to have to kill some sacred cows. She's going to have to maybe even drive a wedge between those of us who are provincial New Democrat partisans and the federal party. She's going to have to say, look, you you're the most popular politician in the country right here in Wab Kinew. And Avi Lewis is running around saying everything he wants to do is bad for the environment and bad for the economy and a bunch of establishment New Democrats. She's going to have to put some daylight there because you're not going to fight it out on the left on this thing, on the policy left. Brian Topp tried that with Tom and it didn't work. People aren't thinking in that way. They're thinking about it in terms of winnability and that redounds to vibes, who's in my corner, who can I talk to, those kinds of considerations for the membership.

Ben Woodfinden: Let me close on this as well. Let me give my perspective watching as a federal conservative that of course it's true that a part of the reason we got the highest share of the votes, the highest share of the conservative got since Brian Mulroney and still lost was because of the NDP got 6%. Of course that plays a role. We also, but we also did, there's been a lot of discussion about this, right? But we did steal votes from the NDP. We took a lot of that kind of what was left of that working class vote.

A challenge for the conservatives is going to be that, of course, they want the NDP to return to a certain kind of level. It's just kind of, it's how the system has worked in the conservatives' favor in the past. But the conservatives are also fighting to keep NDP voters. They're especially fighting to keep those working class voters. So as much as the conservatives need a strong NDP, I do think there's probably some, there's subtle shifts now that have happened where we need a stronger NDP, but we don't necessarily need an NDP that returns to an ability to appeal to those working class roots. That's why something I'll be watching is whether any of these candidates can actually connect on that kind of more economic. I certainly think there's a path for kind of the left-wing economic populism that can peel a lot of votes away from the Conservatives that could be quite dangerous. So I'm not the only Conservative, think, watching for that as well.

Tyler Meredith: Can I just say one last thing before we leave this topic? So Don Davies did an interview, or I guess a press conference earlier this week, where just before he was gonna have a meeting actually with the Prime Minister, and he was asked, do you have a shopping list? And he said, no, I don't have a shopping list. I'm here to support working people. whatever we can do to help advance the cause of working people, the NDP will support. And I thought to myself, that's interesting because of a shopping list gives him maximum flexibility to be able to negotiate with the government on whatever he or they want. And so that's, you know, in the context of, you know, how we will eventually get to the number of votes to pass a budget, that's interesting and advantageous for both sides. But it's also interesting that in the context of a leadership race that's about to happen where he is the interim leader, he's probably, Shannon can correct me, he's probably also a little fearful of not wanting to put too far of a definition around what those red lines are for the NDP. And that may give the government a bit of additional space, at least before we get to the end of the leadership race, about whether those seven votes will come with them or potentially even just abstain.

Shannon Phillips: I think what Tyler is assuming is a level of organization in the NDP that isn't existing right now. No, and I see that to make a joke, but also to it matters to policy positioning strategy when you don't have any stuff. To Ken's previous point about how the professionalization of the vocation of politics and those of us who have had our names on the sign can attest, there has been a dumbification of elected members and in the absence of staff, you're not going to get the level of planning and coherence that you might otherwise have.

Ben Woodfinden: Resources as well, right? Tyler might have had a bit of sense of this with the, Ontario liberals, but I ran into an OLO colleague, a former OLO colleague the other day on the street who was telling him about his nice new office he has in Westblock, which is because the conservatives have taken over a bunch of the NDP offices in Westblock because now that they've lost official party status, that gives them more office space. And, know, that's a silly little story, but the resources that being an official party gives you gives you the capacity to, you do research, have, have organization that the NDP lack right now. We will come back to this another time, but the NDP are not on committees anymore, right? it changes the dynamics of committees completely. So yeah, we'll come back to this.

Shannon Phillips: The basics of whipping your vote. It's not there.

Ben Woodfinden: Yeah. Well, we'll wrap that up there, but I'm sure we'll have more to say about that in the next six months or so. We've got a little bit of time left here. So what I'm going to do is we're going to spend just a little bit of time going around the horn here. So Parliament's back. You know, we're going to be talking about this a lot, but we've had two weeks now. What have you seen? I'm going to go to each of you individually. I'm going to I'm going to go MBP because that's her name. So.

What I wanna know from you all is what have you seen so far, what have you been watching that has caught you by surprise, you find interesting, and what are you looking for going forward? So Tyler, I'm gonna start with you.

Tyler Meredith: So I think the prime minister has been both steadier and better on his feet probably than I think a lot of people assumed because you know he let's remember ~ he was not in politics until basically the second week of January and now he's the Prime Minister of Canada and you know he's only had a few goes in question period. So I think he's performed actually a lot better on his feet than expected but he's also giving answers that I think are surprising and refreshing in some manner maybe to people and there was a interesting little back and between him and Poilievre last week, just on one of the first exchanges in question period since Pierre has been back in the House. In fact, actually on the question of the PBO. at one point, the prime minister said, you know, I will consult with the opposition, you know, on names. And like, he stunned the opposition. Pierre, I think, was actually kind of speechless. And there was a bit of a back and forth where the prime minister said, well, yes, of course I will. I will consult you. That may sound weird, but like, I'm different, I'm not the previous guy. And so I'm just saying we gotta remember that as much as he is, this is the continuation of a government

that is now in its 10th year of power, he is not Justin Trudeau. And I think we are continuing to see day to day small evidence of that in different ways.

Ken Boessenkool: From 2004 to 2011, I lived very close to the Harper minority governments and Harper very quickly became, he got some good breaks, but he very quickly became a very masterful person dealing with a minority parliament in those years. My less popular conservative from my perspective, Joe Clark, never learned that lesson and got defeated by accident. And so what I'm watching for is Mark Carney has had executive jobs and other jobs, but he's never actually looked over a parliament. And he certainly has never looked over or had to worry about a minority parliament. And will he turn out to be like Stephen Harper and learn the tricks of the trade of a minority parliament? Or will he, like, I think there's a possibility, I'm not going to put it at 100%, certainly not even 50, but I'd say there's a 20 % possibility that he can mess this up. I don't think he understands the wrong word. I don't think he loves parliament. It's not his place and there's a chance he could make a blunder. So are we gonna see Mark Carney be more like Stephen Harper or more like Joe Clark? That's what I'm watching for.

Shannon Phillips: I've actually been really impressed with Carney on his feet in QP. I know that we are more of a policy firm, on this, I am watching to award figure skating points. And he has landed a lot of those jumps. And I think that's to credit to him because Pirlie Everett is also really good in question, period. I've actually been really surprised at the extent to which the rest of the bench has sucked. And there have been some real, just like, poor performances both in in question period and in media for a new old government, you would think that there would be you know enough old hands that they wouldn't have you know stepped on as many rakes as I feel like they have in the first a little while in parliament here. I'm going to be watching for how he deals with that. Ananda Sangary, there's a couple of other weak ministers, the immigration minister's reasonably weak, there's a couple other players where I'm just like

Why are you there? And so how he deals with some of that weakness, how he changes up personnel, because that goes to caucus management as well. There's a whole bunch of new people in caucus who are quite convinced that they should be in cabinet. And so I'm going to be interested to see how some of those new folks perform on committee, how they do some of that private members work and how the PMO deals with some of these underperformers. I know I'm veering into punditry there but I've actually been a bit surprised the extent to which what is essentially a 10 year old government have kind of sucked on their feet in the first little bit here.

Ben Woodfinden: Let me conclude with, I'm also going to offer my own little bit of punditry here and I'll try and keep it substantive, but something you learn when you work in parliament, as I'm sure, or work in legislatures is how little anything on the floor of the House of Commons actually matters. The debates there are interesting to people like us, but normal people don't watch them. And so they're fascinating, sometimes I find them fascinating to watch to see what issues that I think are actually going on in the real world actually break through into the House of Commons as opposed to the other way around. And one issue that has been on the floor of the House of Commons a lot that I do think is a real world issue where I think a genuine vulnerability is emerging for the government was an issue for the, in the Trudeau era liberals have said

themselves that they think this may have been what cost them a majority in the end, but is the issue of crime. And I think you've seen the conservatives hitting heavily on this. And I think you're going to continue to see that. I think it's smart. I think it's good. And the government, it's not just that they have some weak ministers on these files, it's also that the government does not seem to have an interest in addressing these issues and wanting to deal with these issues or seeing the challenge there. And I think as long as that's going on, the Conservatives are going to see that as a weakness. And yeah, most people are looking to see how does the House of Commons break out into the real world. I always tell people to watch for what issues that you think are in the real world actually break out into the House of Commons.

Tyler Meredith: And can I just build on that just before we end? I think you're well, your diagnosis is correct. I do think the crime was one of the reasons why we at the end failed to or came up short in getting a majority. And I think that's part of the analysis that when you look at why we were a little weaker in places like Peel region and York region, it's definitely part of that. But I think what's interesting is the crime bill that the government has tabled is actually very aggressive on some levels.

I've started to see, as I'm sure you've noticed, Ben, online, I've started to see a lot of chatter actually about perhaps overreach on some things like internet regulation that are contained within that bill. And again, I haven't had a chance to go through the bill in detail yet. But if I had to guess at a potential sleeper issue that could get a bit of populist jet fuel, I think it will be the push and pull in that crime bill between wanting to be seen to be tough on crime, to deal with the rise of property crime and violent crime that has occurred, admittedly, in the data, although coming off of a low, in the last number of years, and the potential separate overreach of how the government deals with civil liberties, whether that's libertarians who care about online freedom of expression versus bail reform. But I think there's going to be a very interesting push and pull between the right and the left in this next parliament over that bill.

Ben Woodfinden: We'll end with that. Thank you for joining us. If you're listening to this today, like I say, you'll be hearing from this roundtable every every two weeks and then next week you'll be we'll be joined by a guest. We'll we'll dig more deeply into some specific topics, but we hope you found this informative and we hope we hope you'll we'll see you again, so to speak. So we'll leave it there.