

CANADA AND GERMANY ELECTIONS REVIEW

September 27, 2021

Executive Summary

Canada and Germany each held federal legislative elections in the past week, Canada on September 20, Germany on September 26. In contrasting results, Canada's election resulted in an almost identical Parliament and Government to the one in place before the election was called, while in Germany, a major changing of the guard and passing of the torch took place with the decision by the major European Union leader of the 21st Century to date, Chancellor Angela Merkel, not to seek a historic fifth term and resign once a new Chancellor is selected, along with the narrow defeat of her party.

I. Canada

Election Results: In Canada's "snap" September 20 election, called by Liberal Party Prime Minister Justin Trudeau just two years into a four-year term, Trudeau managed to avoid one of the most spectacular "own goals" in modern political history by winning enough seats to be reelected to the head of a minority government almost exactly the same size as that of the parliament he dissolved in August. Trudeau, elected to lead a majority government in 2015, survived with a diminished minority government in the 2019 election. He called the election in August, gambling on strong polls that he could win a strengthened reelection with a new majority. Instead, the Liberal's polls sank through the 36-day campaign, in part due to voters' apparent anger at the "political engineering" and opportunism of what was seen as an unnecessary election, and were in a near tie with the opposition Conservative Party by Election Day.

In the result, Trudeau's center-left Liberals survived with 159 seats in the 338-seat Canadian House of Commons (170 needed for a majority), compared to 157, an almost identical minority status to the dissolved Parliament. The main opposition center-right Conservative Party won 119 seats (compared to 121 in the former Parliament); the Québec sovereignty-promoting Bloc Québécois won 33 seats (32 in the former Parliament); the leftist New Democratic Party, or NDP, traditionally Canada's labor party, won 25 seats (24 in the former Parliament); the leftist Green Party won 2 seats, (3 in the former Parliament); and the rightist People's Party of Canada, or PPC, was shut out with 0 seats, as in 2019. Trudeau held on to his own seat in the Québec riding (parliamentary electoral district), of Papineau in

north Montréal with 49.5% of the vote; his Deputy Prime Minister and Finance Minister Chrystia Freeland held her seat in the Toronto, Ontario riding of University-Rosedale, with 47.6% of the vote. Three other of Trudeau's cabinet ministers lost their parliamentary seats, however, and a substantial cabinet reshuffle is probably on the way. The Conservative and NDP leaders held their seats, but the Green and PPC leaders were not elected to Parliament. In one bright spot for the Liberals, they won a seat in Calgary, Alberta, Canada's fourth largest province by population, where they had been shut out for years.

Takeaways: Trudeau and the Liberals survived, but the gambit to gain majority status in Parliament failed, and the nearly identical result to the 2019 election highlights the issue of why Canadians were put to the trouble and expense of a snap election that achieved no significant change. Trudeau is no longer Canada's shiny new object, and while his government, with a significant plurality over any other party, and given Canadians' apparent weariness with elections, is unlikely to face a vote of confidence in any foreseeable future, he must be considered a diminished figure on the Canadian and international stage, forced, as he has been since 2019, to seek accommodation with the NDP and/or the Bloc Québécois to pass legislation.

II. Germany

Election Results: In the German election, a major passing of the torch and changing of the guard took place, with longtime and mostly lauded Chancellor Angela Merkel leaving office after 16 years in power, having decided not to seek reelection to a historic fifth term. Her party, the center-right Christian Democratic Union, or CDU, along with its Bavarian affiliate CSU, conducted a controversial leadership search for Merkel's replacement, resulting in the nomination of Armin Laschet. The main opposition was the center-left Social Democratic Party ("SPD"), led by Olaf Scholz, who was actually Merkel's Vice Chancellor and Finance Minister in the prior "grand coalition" government, allowing both Laschet and Scholz to claim to be Merkel's legitimate heir.

In the September 26 preliminary results, the SPD won 25.7% of the vote, or 206 seats (with 368 seats needed for a majority in the 735-seat Bundestag); the CDU/CSU won 24.1% of the vote, or 196 seats; the Green Party (leftist, environmentalist) won 14.8%, or 118 seats; the Free Democratic Party, or FDP (neo-liberal, free market) won 11.5%, or 92 seats; and the far-right, populist (anti-immigration, anti-EU) "Alternative für Deutschland ("Alternative for Germany") AfD won 10.3 of the vote, or 83 seats. Other parties were below 10%.

Takeaways: The results reflected the continued splintering of the German vote, with the two centrist parties, the CDU/CSU and SPD, taking 49.8% of the vote collectively, compared to over 53.5% in 2017. The SPD's 25.7% was up from 20.5% in 2017; CDU/CSU support at 24.1% collapsed from 33% in 2017. The Greens, though falling from a brief flirtation with all-out victory in early polling, turned in their best result ever. Assuming that Scholz becomes Chancellor in the new Government, he will have to seek a coalition of at least two other partners; on current results, not even a coalition with the CDU/CSU would yield a majority; it is the first time in post-war German history that a two-party governing coalition is not possible. The FDP and/or the Greens will therefore play kingmakers to the larger parties. Speculation as to what form the coalition may take is ongoing, often using color-based metaphors to indicate combinations based on the parties' trademark colors. For example, one possible coalition, and perhaps the most likely, is referred to as the "traffic light" coalition (SPD red, FDP yellow and Greens...you guessed it, green). Another would be the "German flag" coalition of CDU/CSU black, SPD red and FDP yellow; should Scholz fail to form a coalition, Laschet and the CDU/CSU would get a chance. Yet another possible coalition would be the "Jamaican flag" coalition of CDU/CSU black, FDP yellow and Greens green. All other parties have ruled out participation with the AfD (light blue).

A bright spot was the significant diminution as a force of the AfD. Its reduction in the Bundestag to 83 seats after its surprise 2017 entry with 94 may be seen as a cresting of the far right, populist wave in Germany, arguably in the same strain as the United States 2020 election results, and perhaps presaging a reelection of centrist French President Emmanuel Macron in French elections next spring against a probable principal opponent Marine LePen of the far right Rassemblement National ("National Rally") party, the renamed and rebranded Front National.

Although the overall election results reflect continued broadly centrist government for Germany, Merkel's departure is an authentically significant event for German and Europe. Widely popular through most of her tenure and now as she leaves, she will be the second longest serving post-war German Chancellor in history. There is some carping by talking heads that she was better at "kicking the can down the road" and managing, rather than resolving problems. In this writer's opinion, that idea ignores, among other decisive actions, her EU-leading decisions to go all in in bailing out EU member Greece in 2010 and leading the EU acceptance of Syrian Civil War refugees in 2015, both of which were widely unpopular, led to the AfD's formation and 2017 success, and each of which nearly cost her job before leaving now, on her own terms.

Scholz and the SPD versus Laschet and the CDU/CSU have varying domestic policies on taxation and regulation roughly as might be expected from center-left and center-right parties. On the EU and

international stages, of most concern to this audience, not much separation is visible. Both are pro-EU and pro-NATO. Both favor a less confrontational and more commercial stance towards China (a major export target for Germany) and Russia (a major energy supplier for Germany) than does the US Biden administration. Merkel's stature and German economic might and increasing emergence from post-war guilt has kept Macron from assuming the European leadership role he craves; it remains to be seen if the new German Chancellor, whoever it turns out to be, will be a dominant enough figure to continue to deny Macron that place. However that turns out, Merkel leaves a void and is likely to be missed, at home and abroad.

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