

CANADA

In Canadian Election Battleground, Financial Anxieties Weigh Heavily

Prime Minister Justin Trudeau and his Conservative rival are vying for Toronto's suburbs, where voters feel squeezed

By Paul Vieira

Oct. 11, 2019 7:00 am ET

VAUGHAN, Ontario—The suburbs of Toronto have become a central battleground in the Canadian election, with Prime Minister Justin Trudeau fighting for his political survival in a region where rising costs are fueling widespread financial anxieties.

With Mr. Trudeau and his Conservative rival Andrew Scheer locked in a tight race ahead of an Oct. 21 election, this fast-growing sprawl of single homes, strip malls and broad thoroughfares is expected to play a decisive role, much as swing states like Florida do in U.S. elections.

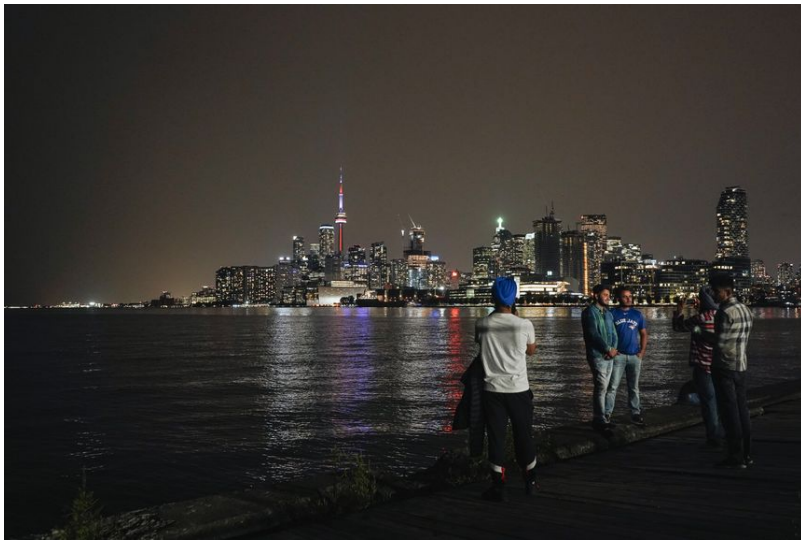
The diversity of Toronto's suburbs, home to large populations of ethnically Chinese, Indian and Pakistani populations, could make them treacherous terrain for Mr. Trudeau after images emerged recently of the leader wearing blackface and brownface as a younger man.

For many here, however, those decades-old images are taking a back seat to the financial strains they feel now, with housing prices in greater Toronto up 46% over the last five years and a new carbon tax raising the cost of their commutes.

"I can't even get enough for a down payment," said Jerry Janik, a 29-year-old geologist who owned a series of homes in northern and southern Ontario before moving to the Toronto area for work. With child-care expenses eating up a chunk of his income, he has been forced to rent for now.

The winner in Canada's last two elections has carried the region, known as "the 905" for its telephone area code. Mr. Trudeau's Liberals largely swept the region in the 2015 election, reversing a Tory landslide here four years earlier.

Mr. Trudeau's prospects have been battered this year by allegations that he tried to prevent the criminal prosecution of a Montreal engineering firm, SNC-Lavalin Group Inc., and more recently by the publication of images that have damaged his reputation as a champion of diversity,



Toronto is Canada's largest city and its suburbs have recently gone with the winning party. PHOTO: LIBBY MARCH FOR THE WALL STREET JOURNAL



Prime Minister Justin Trudeau, leader of the Liberals, greeting supporters last month in Toronto. PHOTO: RYAN REMIORZ/THE CANADIAN PRESS/ASSOCIATED PRESS

including a photo of him in brownface at a 2001 costume party and a video of him in blackface in the early 1990s.

Mr. Trudeau has apologized, saying he didn't see his get-ups as racist at the time but now does. Polls suggest many voters might be willing to accept his explanation. While support for the Liberal Party dipped immediately after the images were published last month, it has since recovered, according to nightly polling by Nanos Research.

Sam Ifejika lives in Brampton, a suburb northwest of Toronto where ethnic minorities make up more than half of the population, after emigrating from Nigeria decades ago. He said he was extremely disappointed after seeing images of Mr. Trudeau in blackface, particularly because the leader's father, former Prime Minister Pierre Trudeau, formalized multiculturalism

as a national policy in 1971. Nevertheless, Mr. Ifejika said he intended to vote Liberal because the party is more aligned with his social beliefs.

“I will give him a chance to redeem himself,” said Mr. Ifejika, a retired government employee.

The issue that appears to be weighing more heavily on voters here is their concern about keeping up with rising expenses. Affordability—incorporating the cost of living and stagnant wage growth—ranks as the top issue for voters surveyed across Canada, followed by health care, climate change and taxes, according to polls conducted by Ottawa-based Abacus Data.

Measured as a share of after-tax income, Canadians are among the most indebted in the developed world, largely because of the rising cost of housing. Consumer insolvencies rose 7% in August from a year ago, according to Canada’s bankruptcy watchdog.

“There is a high level of affordability anxiety in Canada,” said David Coletto, chief executive of Abacus Data, an Ottawa-based polling firm.



The Toronto suburb of Richmond Hill. PHOTO: LIBBY MARCH FOR THE WALL STREET JOURNAL

In the seven biggest Toronto suburbs—some of them among Canada’s fastest-growing communities, with a combined population of 2.5 million—the average price for a house is more than 850,000 Canadian dollars (\$675,000), up 46% over a half decade. A carbon tax,

which kicked in this year, has added to the burden for suburbanites who depend heavily on their cars. As of April, drivers here started paying 5 Canadian cents more per liter of gas because of the carbon tax—the equivalent of about 20 cents a U.S. gallon.

Both parties have taken notice, tailoring their messages to voters’ perception that they are being squeezed.

“Families are really feeling the crunch,” Mr. Trudeau said days after the blackface revelations at a campaign event in Brampton, where he promised to deliver C\$5.6 billion (\$4.2 billion) in breaks to households by increasing the amount of annual income exempt from tax. “Everyday essentials are getting more expensive, and wages aren’t rising fast enough to keep up,” he said.

Besides tax relief, Mr. Trudeau is promising to expand a program to help first-time home buyers in places like greater Toronto, offer richer benefits to parents with infants, and drive down cellphone bills by 25%.

The Conservatives have offered a broad-based tax cut, which they say would amount to C\$850 a year to the average family. Further, the Conservatives intend to repeal the Liberal government's carbon tax and offer tax credits to help parents pay for their children's sports and arts activities.



Conservative leader Andrew Scheer campaigning in Toronto last month. PHOTO: CARLOS OSORIO/REUTERS

“The question of this election is very clear: Who can you trust to help you and your family to get ahead?,” Mr. Scheer said at the kickoff of the election

campaign on Sept. 11. “The answer is certainly not Justin Trudeau.”

Peter Panagiotakopoulos, a cabinet maker in Vaughan, voted Liberal in the last election. Not this time, he says, upset with the Liberal government's tax changes affecting entrepreneurs like himself.

“I don't like Andrew Scheer, but I am not voting for Trudeau again,” Mr. Panagiotakopoulos said.

Others, such as Edi Antonini, a retired administrative assistant in an older Vaughan neighborhood, don't like the prescription offered by Mr. Scheer and plan to vote Liberal. “They are talking about cutting taxes—the problem is you can't do that without cutting something else,” she said.

Alla Linetsky, the owner of a Vaughan-based design firm specializing in concrete-based countertops and sinks, is planning to vote Conservative. She said the Liberal government's carbon tax is squeezing her margins. She relies on her white GMC Savana cargo van to commute to her shop, pick up supplies and deliver finished goods to customers. The increased pump prices, she said, are forcing her to charge customers more.

“We are trying to find ways to save money,” Ms. Linetsky said. She doesn't believe the federal



Alla Linetsky in Vaughan, Ontario, says she plans to vote Conservative because the Liberal government's carbon tax is narrowing her margins. PHOTO: LIBBY MARCH FOR THE WALL STREET JOURNAL

carbon levy “is going to do any good,” she added. “It is just another tax.”

SHARE YOUR THOUGHTS

Can Prime Minister Justin Trudeau's record and message carry the Toronto suburbs -- a vote he needs to win? Join the conversation below.

Write to Paul Vieira at paul.vieira@wsj.com

Copyright © 2019 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <https://www.djreprints.com>.