Economic and Political Crisis and the Quest for a Stable Political Order in Canada

Federal Political Outlook

Presented to Peters & Co. Annual Energy Conference
Lake Louise, AB

January 30, 2009
On this day, we come to proclaim an end to the petty grievances and false promises, the recriminations and worn out dogmas, that for far too long have strangled our politics. We remain a young nation, but in the words of Scripture, the time has come to set aside childish things.

- President Obama. Inaugural Address. January 20, 2009

The morning after Harper’s re-election, someone wrote in the Globe and Mail: “the political action for the next year or two of the Harper government will be at the federal-provincial table, not in the Ottawa bear pit.”

Focus on four agenda items at FPT table:
- Economy — Fiscal federalism
- Health care – Climate Change
The Outcome: What We Got In Ottawa
Teams: The Conservatives

- Provocation of November 27 created a life-threatening situation.
  - Funding issue united the enemies
  - Tight fiscal policy offered a policy opening
- Release of negative energy inside Conservative Party.
- Maintenance of unity critical to survival.
- Zero interest in other options.

We're gonna stick together, just like it *used* to be! … And if you can't do that, you're like some animal, you're finished! We're* finished! All of us!
- The Wild Bunch
Teams: The Coalition

- Multiple agendas:
  - Dion: avoid Blake’s stigma
  - Layton: adjust trajectory
  - Duceppe: maintain relevance
  - May: bargain into the game
  - All: defeat funding cut-off
  - Policy opening

No man does it all by himself.
I said, young man, put your pride on the shelf,
- (It’s Fun to Stay at the) Y.M.C.A.
The Players: Stephen Harper

- Harper’s Midas Touch
  - How does a 28-38 percent party govern?
  - *Divise et imperare*
  - Wildly successful
    - November 2005
    - January 2006
    - 40 votes in Commons
    - October 2008

- But, *Ceterum censeo, Carthago delenda est*
  - Repeatedly ramming his divided enemies finally brought them together
  - Has cost him his chance to appear as the Grown-Up

Then he found to his dismay that whether he touched bread, it hardened in his hand...  
- *Bullfinch, The Story of King Midas*
The Players: Michael Ignatieff

- Parlayed unease with Coalition into early leadership victory
- Anti-Dion sentiment a key dynamic for Ignatieff’s final assault as well.
- Subsequent indecision about Coalition, now resolved
- Key issue has been when to take down Government, not whether.

To take him in the purging of his soul,
When he is fit and season’d for his passage?
No!
- Hamlet, III: 3
The Players: Gilles Duceppe

- BQ at a crossroads
  - 16th year of a 4-year assignment
  - Eclipse of sovereignty option inside QC
  - Generational demarche failed
  - Awkward straddle between bleunecks and urban souverainistes
  - Party evolving into a particularist, not separatist movement
- Duceppe has done 5 elections and wants out
- Harper now rejected in QC
- So BQ actually set aside sovereignty to support Coalition

It was meet that we should make merry, and be glad: for this thy brother was dead, and is alive again; and was lost, and is found.

- Luke 15: 32
Environment is currently the Ugg boots of politics

May’s aim was likely inclusion in a Dion-led Liberal cabinet

Now:
- No seat
- No coalition
- Harper secure
- Party restive?

HAMLET   You should not have believed me. I loved you not.
OPHELIA   I was the more deceived.
- Hamlet III: 1
The Policies:

- November 27, 2008 “Don’t worry; be happy”

- December 1, 2008 “Stop! In the Name of Love”

- January 27, 2009 “Anything You Want (You got It)”
The Quest: Ignatieff’s Choice

- Aimed at securing a majority
  - Let CPC wear the recession
  - Season Ignatieff
- Centre-right tilt
- Leadership profile
- Quebec opening
  - 2006: 20%
  - 2008: 23%
  - Current: 34%
  - Would translate to additional 13 seats
- Rural imperative

Party Performance in Quebec
Last 9 elections
The Era of an Absent Quebec

- Originates in Meech; extended by Sponsorship
- To measure the effect of Quebec’s 16-year boycott of the national parties, add 50% of the BQ seat count to the 9-election average performance in Quebec of the two major parties
  - In 1993, 1997 and 2000
    - Chretien majorities become big – avg 183
    - Conservative performance improves – avg 100
  - In 2004
    - Martin wins a bare majority and a 16-seat margin
  - In 2006
    - Split decision: Martin 154; Harper 147
  - In 2008
    - Harper wins a healthy majority: 176 to 118
- QED: The Bloc is a minority-making machine
- Whoever can bring Quebec back in can win the majority and bring stable government to Ottawa.
The consolidation of the right-wing vote in rural Canada has proven the key to the rise of the Harper Conservatives.

In the 2000 election
- the split right wing in English Canada won 41 per cent of English Canada's rural ridings
- the Bloc won 46 per cent of Quebec's rural seats.
- The rest went mainly to the Liberals.

In the 2006 election
- the unified Conservatives won 59 per cent of English Canada's rural seats.
- the Bloc's share of Quebec rural seats had vaulted to 69 per cent.
- the Conservatives' from zero to 31 per cent.
- No Liberals were elected in the Quebec countryside.

The Conservative government caucus after the 2006 election was 62 percent rurally-based, the BQ 45 percent, and the Liberals’ just 28 percent.
The Quest: Harper’s Counterstroke

- Main thing is to outlast the “Decession”
  - 66 percent of Canada’s changes of party in government happen in a downturn
  - 75 percent of downturns in Canada see a change in government
- Lower leadership negatives and define Ignatieff
- With Quebec now moving away from CPC, must prevent Liberals from making real gains in QC
- Must make gains in Ontario – beat Liberals deep into 416 and keep the NDP afloat in urban Ontario, BC and Manitoba
- Must keep Liberals locked out of Rural Canada
Key Issues: I

The Economy and Budget 2009

- Access to credit
- Counter-cyclical infrastructure spend
- Voter group satisficing
- Symbolic gestures
- Green economy/environmental agenda
- Pay equity court access
Fiscal Federalism

- Equalization largely off the table
  - Ontario now a “have not” and will receive funds
  - McGuinty’s “Fairness Campaign” ends in victory after 5 years
  - Quebec, NL seething

- Here comes health care
  - Provinces have no digested 2004 Accord money
  - New fiscal pressures, including matching infrastructure spend, put squeeze on HC
Key Issues: III

- Climate change
  - Harmonize overlapping regimes
  - Accord with continental developments per Copenhagen
  - Politics much easier now w/ Obama

- Congressional environmental protectionism threat

- Use of energy to lever openness

- Private sector role is key
Bringing It Together: Timing

- Length of Decession
- Liberal Election Timing
- Harper Strikes?
- Third Parties
Bringing it Together: Two Paths

- Rural/Exurban
  - Prairies, BC (interior), Ontario, Atlantic
  - Centre-right
  - “Producerist” on environment and energy

- Urban/Suburban
  - Ontario, Quebec, Atlantic, BC (GVRD + Victoria)
  - Centre and Some Left
  - Possible multi-party governing arrangement
  - “Consumerist” on environment and energy
Bringing It Together: Decision Points

- No economic transformation out of this Decession
- Continuing reliance on natural resources
- De-industrialization
- Some comparative enhancement of global footprint
- Handling the boomer cost-crunch
- Aboriginal reconciliation
- Energy-environment
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