

Merger on the right: the essential element to the Conservatives winning government

Bob Plamondon

In this excerpt from his book *Full Circle: Death and Resurrection in Canadian Conservative Politics*, veteran Conservative strategist Bob Plamondon pieces together the inside story of the delicate merger talks between Canadian Alliance leader Stephen Harper and new Progressive Conservative leader Peter MacKay over the summer of 2003, climaxing in their decision over Thanksgiving weekend to proceed with a merger of equals. The last remaining obstacle, of how leadership convention delegates would be chosen, was resolved in favour of the PC model that all ridings were created equal as opposed to the Alliance one-member, one-vote method. Harper conceded more to get what he wanted: the power of the Conservative brand name with Canadian voters.

Dans cet extrait de son livre intitulé *Full Circle: Death and Resurrection in Canadian Conservative Politics*, le vétéran stratège conservateur Bob Plamondon révèle les dessous des délicates négociations de l'été 2003 entre le chef de l'Alliance canadienne Stephen Harper et le nouveau leader du Parti progressiste-conservateur Peter MacKay, qui ont culminé lors du week-end de l'Action de grâce avec l'union des deux formations. L'ultime obstacle, c'est-à-dire le mode de sélection des délégués du congrès à la direction, s'est réglé en faveur du modèle conservateur d'égalité des circonscriptions plutôt que pour le vote individuel préconisé par l'Alliance. Stephen Harper a fait ce compromis pour obtenir ce qu'il désirait vraiment : le pouvoir du label conservateur auprès de l'électorat canadien.

Political leaders are often judged by their first hundred days. Without the levers of government, and burdened by flak over a deal with David Orchard, there was little Peter MacKay could have been expected to accomplish in the summer of 2003. Yet, within a hundred days of being elected leader of the Progressive Conservative party, MacKay had set in motion the process that would ultimately result in the loss of his leadership and the dissolution of his party.

Post-convention, the Tories under MacKay remained comfortably ahead of the Harper-led Canadian Alliance — 16.7 percent to 11.2 percent — although both parties were dwarfed by the whop-

ping 54.0 per cent Liberal support in an EKOS poll. The Tories enjoyed a two-to-one margin over the Alliance in second-choice support. In the battle of the parties of the right, Ekos president Frank Graves gave the PC party the decided edge. "What you have is a reduced core of loyal Canadian Alliance voters who really have very little room to pick up additional support and no sign of being able to capture the public's attention. The Tories, on the other hand, are now looked at as the only party besides the Liberals who could credibly be seen as forming a national government."

Harper and his advisers had anticipated a MacKay win and were particularly glad that Joe Clark would be taken

out of the equation. Since taking over the Alliance leadership, Harper had become convinced that a deal with the Tories was not only desirable, but essential. One event a few weeks before the Tory leadership convention sealed this conviction. Harper had been leader of the Alliance for more than a year and had invested much of his time trying to build support in voter-rich Ontario. An important test of his progress would be plain to see in a by-election in Perth–Middlesex on May 12, 2003. The rambling southwestern Ontario constituency was ideal territory for the Alliance. It was rural, and heavily influenced by local farmers who were angry with the Liberal government about the

firearms registry. The by-election was a perfect opportunity for Harper to demonstrate he could overpower the Tories in Ontario. The results were Harper's worst nightmare: the Tories won. Gary Schellenberger bested his Liberal opponent, Brian Innes, by 1,001 votes. The Tory vote was almost double that of the Alliance. And the Alliance received 4,385 fewer votes than they had received in the 2000 general election. More than any poll or optimistic forecast, the Perth–Middlesex by-election left a deep scar on the Alliance psyche. If Alliance couldn't win seats in Ontario, it couldn't win government. "Stephen made the decision he had to merge with the Tories after the Perth–Middlesex by-election," said Tom Jarmyn, a political adviser from Harper's staff. There was only one answer to the Ontario question: an Alliance-PC merger.

It would have been easy for Harper to conclude that the MacKay–Orchard agreement precluded any meaningful liaison with the Tories. And Harper did what he could to use the agreement to split the Tory party and undermine MacKay's leadership. A weakened Tory party, he thought, would ultimately bring the rank-and-file Tories to their senses, and then to the Alliance fold. In the days after the convention, Harper could not resist ridiculing the Tories for moving to the left of the political spectrum. Harper went so far as to refer to the Tories as the new "socialist" party of Canada. Speaking through the media to Canadian conservatives, Harper expressed shock and bewilderment: "I think [PC party members] would rather see a conservative alternative — a party that works with the Canadian Alliance — not a party that works with the socialists. The choice for Tories is no longer the status quo. The choice is a coalition with the Canadian Alliance or a coalition with the Orchardistas." The term "Orchardistas" evoked the memory of the Sandinista National Liberation Front that ruled Nicaragua

from 1979 to 1990 and was Harper's way of saying the Tories had gone "radical" and "socialist."

In the summer of 2003, most commentators seemed to accept that a deal between the Alliance and PC parties was not going to happen. MacKay made his first next move in a speech to party supporters in mid-June, where he reportedly offered an "open hand" to Stephen Harper: "I said the door is open for discussions. I'm not only open; I'm enthusiastic about having discussions with Mr. Harper." Harper quickly responded: "I am encouraged by Peter's remarks today and his openness to discussing a common cause."

Before the leadership convention, rank-and-file PC party members might

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have expected that Brian Mulroney, the only Conservative who could compare electoral records with Sir John A. Macdonald, would be angry with MacKay for hinting at cooperation with the Reform-Alliance gang, which had split Mulroney's coalition. However, Mulroney staked out new ground during his convention speech. He reminded delegates of the damage done by Preston Manning and the Reform party, then concluded it was time to end the civil war and "turn the page."

The first face-to-face encounter between Harper and MacKay occurred without notice or warning. It was late June, only a few weeks after MacKay won the leadership. MacKay

approached Harper in the lobby of the House of Commons in plain view of other members. He told Harper that he had just instructed PC party legal counsel to drop a lawsuit Joe Clark had launched against the Alliance in May 2000. MacKay said to Harper, "You and I have to talk." Harper was taken aback — pleasantly so — and immediately accepted the offer.

Harper and MacKay met secretly on June 26, 2003. There was no formal agenda. On the table was a discussion about a process by which an agreement on co-operation might be struck. Both leaders agreed to appoint emissaries to initiate "talks" between the parties. The emissaries were to meet over the course of the summer and report back to their leaders on what they thought could be achieved in the short term. Three ground rules were established for the emissary process. First, the emissaries would be free to explore any and all options. Second, the initiative was to be kept strictly secret. Finally, during the period of secret negotiations, public statements by party leaders and their representatives would refrain from any negative comments about each other.

At the outset, both Harper and MacKay were hoping the talks would lead to co-operation in the House of Commons and perhaps a way to deal with vote splitting in the next election. Harper was on record advocating an institutional merger, but he didn't expect that could be achieved in the short term. MacKay knew the conservative family would eventually reunite, but a merger was not in his thinking in June 2003. Both Harper and MacKay thought the emissary process was an important first step in what would become a multiyear process.

MacKay tapped Bill Davis and Don Mazankowski to be his lead emissaries. Bill Davis had been premier of Ontario and Don Mazankowski, from Vegreville, Alberta, had been a revered deputy prime minister in Mulroney's administration. The two had iconic status in the party.

They did not come easily to the task, and MacKay and others had to persuade them to accept. Mazankowski had seen many of his colleagues go down to humiliating defeat at the hands of the Reform party in 1993 and felt bitter towards those who he felt had broken up a family compact. Brian Mulroney called from Spain to ensure Mazankowski was on the PC negotiating team. Mazankowski might not have accepted the role had it not been for a chance encounter with Alliance senator Gerry St. Germain in a Winnipeg airport in early August. St. Germain remembers a conversation that went something like this:

St. Germain: "Maz, I hear they've asked you to negotiate this thing. Are you going to do it?"

Mazankowski: "I don't think so."

St. G: "I can't believe you're not. Do you know that they're prepared to call it the Conservative Party of Canada?"

Maz: "Oh, they'll never do that."

St. G: "Believe me. I know what they're thinking and this is a given."

Maz: "Oh, they can't do that."

that his caucus would not be directly represented. Newfoundland MP Loyola Hearn was a trusted confidant to MacKay and could help bring caucus on side with an agreement.

Harper's emissaries were Gerry St. Germain, Ray Speaker, and Scott Reid. Senator St. Germain, the most controversial of the three, was also the most persuasive. He was the only Alliance emissary who had been active in the PC party. His duties as a PC included one term as Member of Parliament, its caucus chair, party president, and senator. In October 2000, St. Germain became the only senator in the Alliance caucus. After Preston Manning, Ray Speaker was the closest thing the Alliance had to an elder statesman. A farmer from Enchant, Alberta, Speaker had served in the Alberta Social Credit cabinet of Ernest Manning and the Progressive Conservative cabinet of Don Getty, had been leader of the Representative Party of Alberta, and was a founder of the Reform party. Scott Reid MP was added as an emissary after MacKay advised Harper that he had added Loyola Hearn to the PC team. He

"It wasn't easy for me to walk into that room and start negotiating because of the old wounds and what they did in splitting the party. But I was also excited and enthused by the fact that we could restore the Conservative Party of Canada."

While all options were open for discussion, Mazankowski suggested, and all emissaries agreed, that the one-party option should be the first priority. The rationale was that a single party would represent the best opportunity to defeat the Liberals in the next election.

It took little time and no debate to choose the name "Conservative Party of Canada." Dropping the "Progressive" moniker would be viewed by exuberant Red Tories as evidence that the new party would be positioned further to the right of the political spectrum than had the PC party. Such an assumption ignored the fact that the term "progressive" had been adopted in 1942, when the party chose as its leader Manitoba's former

Progressive Party premier John Bracken. Historically the Progressive Party was a closer cousin to Reform than it was to the Red Tories. The new name was hardly a concession on Harper's part. He always wanted to be part of a single principled Conservative party. Recognizing that some PC supporters would feel slighted by the change in name, the "first principles" of the new party included a statement that the party would follow "progressive" social policies.

For the PC emissaries, the most encouraging development from that first

meeting was an agreement that the new party would follow the aims and principles embedded in the constitution of the Progressive Conservative Party of Canada. The founding principles of the new Conservative Party of

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MacKay understood that caucus support would be critical to the acceptance of any agreement. Even though he had agreed with Harper that there would be only two emissaries from each side, MacKay was uncomfortable

had a reputation for his knowledge of constitutional matters and was not known to make compromises.

The first emissary meeting was held on August 21. It was both historic and emotional for Don Mazankowski.



The Gazette, Montreal

Peter MacKay on the floor of the Conservative policy convention in Montreal in 2005. MacKay got what he needed in the October 2003 deal to merge the Alliance and the Progressive Conservatives — a merger of equals on terms favourable to the PCs on a leadership process. Harper got what he wanted — the power of the Conservative brand.

Canada were lifted virtually verbatim from the PC party constitution — the same words, in the same order. The aims and principles in the new constitution would contain virtually none of the elements fundamental to the Reform party constitution drafted by Preston Manning. There was no Triple-E Senate; no protections for the family unit; no references to democratic inclusiveness, such as referenda; no assemblies or recall; no requirement that allegiance to a constituent would supersede party obligation; and no requirement for balanced budgets. The Tory emissaries had prepared themselves for a tough negotiation; the first meeting was anything but.

In many ways, the progress was more than MacKay had bargained for. He expected slow and steady progress from his emissaries — not a break-

through. The PC emissaries were surprised at how well the negotiations were going because they had limited insight into what the Alliance team really wanted. Harper knew the Reform party constitution was not the product of a bottom-up populist outreach; rather, it was a Preston Manning creation, written hastily by one man in an afternoon at a political convention. When all was said and done, Stephen Harper had few firm conditions. “We didn’t give them anything that we didn’t already believe in,” said Harper staff member Tom Jarmyn.

Inevitably, news of the talks leaked to the media. The source of the leaks has never been identified, but based on his conversations with various journalists MacKay believes it came from the Alliance camp. “They

just about blew the whole thing with the leaks,” said MacKay, who suggested that the half-truths and incomplete information might have made his caucus and party officials unnecessarily anxious and uncontrollable. However, given the coincidence that the CBC was holding a conference in the same hotel and at the same time the negotiations were underway, it is amazing that both sides kept the negotiation secret as long as they did.

After the talks became public, MacKay issued a news release confirming the discussions. He reiterated the five core values he had communicated to his emissaries and offered his commitment that any firm proposals “would have to be considered by my party’s caucus and membership.” MacKay was careful to keep expectations low. “It was more sensitive for us

because we were trying to keep the talks quiet. We knew the negotiations might get sidetracked if party members were given incomplete or erroneous information. It made sense to provide details if and when we had a deal," MacKay said.

Most in the media gave Harper credit for kick-starting the merger discussions, although Harper declined

what was to be resolved at a third meeting, scheduled for September 29. She noted that the PC emissaries were expected to present detailed written proposals on the outstanding issues before the next meeting. Alliance emissaries clearly thought they had the makings of a deal. They reported to Harper that a deal was close and would be finalized at the September 29 meeting. However, the PC emissaries still thought substantial

issues. The emissaries had contemplated meeting on Monday to sign off on the agreement, but given that there is no such agreement and no proposal from the PC emissaries, we have advised them yet again that we will not be attending any such meeting."

Senator St. Germain was worried that the Tory side might be going through the motions without any real commitment to the merger process. He said: "As much as they knew it had to happen, their enthusiasm was fairly low. Nothing concrete was developing in the negotiations so we put down in writing what we wanted. But nothing was coming from them. We weren't sure if they really wanted a deal because they didn't want to show us their cards." When no written proposals came from the PC side before the scheduled meeting on the twenty-ninth, Harper made the decision that the Alliance emissaries should not go to the meeting. If this was brinkmanship, it was coming fairly early in the negotiating process.

MacKay chose to call the bluff. "We were at the negotiating table. They would have to explain their absence." When Belinda Stronach heard that the Alliance side had broken off talks, she called St. Germain at home the night before the meeting. "Put your boots on," was Stronach's opening line. "I will have my driver pick you up at the airport." St. Germain was already uncomfortable with the decision not to show up for the meeting. "My feeling was that if we didn't show up we would lose by default. The PC side was going to the meeting and would be able to claim they weren't the ones holding things up. So I called Harper and he reluctantly agreed that I should go." St. Germain rushed to the airport and caught the red-eye to Toronto with no time to spare. "When I showed up the next morning Mazankowski was shocked," St. Germain recalled. "Maz said, 'What

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comment because discussions were "ongoing." One of Harper's MPs was at greater liberty to speak and anonymously offered some tough talk to the press: "It is a very serious offer. Brian Mulroney wants it to happen, and so do a lot of other Tories." Only later would the Tories discover how the Alliance side knew Mulroney wanted it to happen: Mulroney was speaking with the PC team, and also with Harper. He wanted the merger to happen.

The second emissary meeting was held on September 22-23. The six emissaries were joined by CA lawyer and political staffer Tom Jamyn, MacKay chief of staff Rick Morgan, PC party national director Denis Jollette, and Belinda Stronach. Of her own accord, Stronach drew up minutes from the meeting; her notes suggested there was agreement on every issue except for

issues needed to be resolved, most significantly, leadership selection. While the Alliance side was looking for written proposals from the Tory emissaries, none was forthcoming. "Everything we gave them was leaked," said Mazankowski, "so we were reluctant to do that."

The emissaries talked by conference call on September 26. This did not go well. When it became clear to the Alliance emissaries that the agreement would not be ready for signing on September 29, they reacted very negatively. In a letter delivered to Stephen Harper dated September 28, 2003, Scott Reid wrote: "As mentioned on several occasions, we have not received a specific counterproposal or statement of position (despite many requests) from the PCs and beyond the statements above, we cannot give any guidance with respect to their position on these

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The issue, in all its nuances, was now in full media play. Harper and his Alliance emissaries were trying to portray MacKay and the PC representatives as indecisive, disorganized, unprepared, and confused. MacKay and his emissaries replied to the Alliance leaks on September 30 with a full media briefing. The PC party press release suggested Stephen Harper was at fault. The accompanying twelve-page PC emissary report outlined that "substantial progress had been achieved on fundamental issues. These achievements, in our perspective, were meaningful and signified to us that the goal of a unified national Conservative Party was within reach and that the two parties were closer than ever before to finding common ground." The report described the twelve areas in which agreement was achieved and the two issues that were considered contentious. The first contentious issue was the leadership selection process. The second was an Alliance proposal that incumbent MPs be grandfathered as candidates for the next election, which meant existing MPs would not have to face a vote of constituency members to determine who would be the party's candidate in the next election.

MacKay brought Mazankowski into a PC caucus meeting to explain the progress that had been made and the issues that remained unresolved. "It was a rough meeting," recalled MacKay. Mazankowski concurred: "When I took the package to the caucus it was not a slam dunk. I remember what Senator Pat Carney said when she saw the wholesale adoption of the PC constitution. She said, 'I can live with this. No problem at all.' But others were very angry, belligerent, and very offensive. Others were opposed, but not as vicious. It was not a pleasant time."

The emissary report, along with MacKay's statements to the media, persuaded Harper that the PC team was

tions of another \$2 million. Because the Alliance books had much higher cash and other working capital bal-

On leadership selection Harper wanted a one-member, one-vote system. Under this system, the leader would be chosen by a majority of votes cast. There may have been some flexibility around the mechanics of the vote, such as whether it was a mail-in vote, a vote cast in a ballot box, or whether the ballot would be preferential. But absent technical issues, one-member, one-vote was democratic religion for Harper and the Alliance. MacKay wanted a leadership-selection system that gave equal weight to each constituency in Canada.

serious and prepared to deal. "As soon as MacKay sat down in front of the national press gallery and said he was committed, this deal was done," said Tom Jarmyn. The tone of Scott Reid's next letter, written to Don Mazankowski on October 3, was decidedly different from the tone of his earlier letter to Harper. "I have reviewed your report with my colleagues and it appears that there is a sound basis for further discussions and a compromise that could lead to our final recommendations to our leader with respect to an agreement in principle...it appears there is only one serious issue to be resolved — leadership selection."

Most mergers begin with a due diligence process designed to expose any hidden secrets or sins the parties might bring with them into the new entity. Rumours of Tory debt were so legendary that some Reformers thought a better merger strategy might be to let their conservative cousins die in bankruptcy. However, there was a surprise for everyone when the books were finally opened up. For the three years up to and including 2003, the Tories had recorded consecutive surpluses while the Alliance party had recorded deficits. At the time of the merger, both parties had bank debt of \$4 million, although the PC debt was effectively of lower value since it was interest free and payable over the following six years. In addition to the bank debt, the Alliance party carried loans from its constituency associa-

ances, Alliance maintained a slightly stronger financial position than did the Tories, but not by much.

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MacKay wanted a leadership-selection system that gave equal weight to each constituency in Canada. Under this system, each constituency — whether it had ten, one hundred, or one thousand members — would get the same number of votes to elect the leader. MacKay argued this system was fundamental to building a truly national party and consistent with how governments are elected in Canada. Under MacKay's "equal-weight system," leadership candidates would be forced to establish networks and members in every region and riding in Canada.

The positions advocated by the Alliance and PC leaders were not devoid of self-interest. A one-member, one-vote system would naturally favour a western-based leader like Stephen Harper, whose party membership and activism were traditionally

strong. At the time of the negotiations, there were about 83,000 Alliance members and only 48,000 PC members. If the memberships of both parties were

flight. MacKay saw Harper when they were both off the plane and asked, "Are you stalking me?" Ignoring the quip, Harper replied, "We really should

On October 8 Harper revealed the extent of his desperation to get a deal with MacKay. Without any pre-arrangements, Harper followed MacKay to the Ottawa airport and then got on the same Toronto-bound flight. MacKay saw Harper when they were both off the plane and asked, "Are you stalking me?" Ignoring the quip, Harper replied, "We really should talk." A meeting was arranged for later that evening at a hotel suite under the name John A. Macdonald.

allocated to individual constituencies under an equal-weight system, the numeric superiority of the Alliance membership would be substantially diminished. A one-member, one-vote system guaranteed Harper the leadership. Under a weighted system, MacKay would have a fighting chance.

But self-interest was not MacKay's primary motivation. He maintained that the equal-weight formula was a necessary founding principle for the new united party. He said that for the party to be successful, any hint of regionalism had to be eliminated.

"Regionalism is the root cause of how we got ourselves in perpetual opposition," MacKay said at the time. "We must found a truly national party where every region of the country is fairly represented. The leadership-selection formula must reflect the way we elect the House of Commons. No riding gets half a member. No riding will be shortchanged in this new party."

The emissaries tried and failed to reach an agreement on the leadership-selection process. It was the only area of contention and the only issue over which voices were raised at the negotiating table. Ultimately, it was up to the leaders to negotiate face to face to resolve the leadership-selection issue.

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MacKay and Harper met alone. Harper suggested various compromises on the leadership-selection issue, but MacKay stood firm. Harper, known for his steady stare, looked directly at MacKay to gauge his resolve. MacKay stared right back and without flinching said, "This is my stepping-off point. The party will respect the equality of ridings or there will be no merger." Harper did not say yes or no.

Just before Thanksgiving weekend, Harper spoke with MacKay and offered to accept the equality of ridings, but with a formula that would be determined only at the party's founding policy convention. Again MacKay said no. Both leaders decided to take the long weekend to reflect.

Besides leadership selection, Harper was holding out on a clause that would have grandfathered sitting Alliance MPs as the Conservative party candidates in the next election. Bill Pristanski, MacKay's campaign chair, and Rick Morgan thought MacKay might get the leadership-selection terms he wanted if he gave in to Harper's demand for the grandfather clause. Pristanski called MacKay to urge him to compromise but was promptly rebuffed. "I am not giving the Alliance anything more than I have already," replied MacKay. Pristanski called a few of his Alliance friends and asked them to alert Harper that he would have to accept what was on the table or there would be no deal.

MacKay spent a comfortable Thanksgiving weekend at his Nova Scotia home. The line in the sand had been clearly drawn, and MacKay, convinced that he had offered Harper the best deal possible for the country and for conservatives, was at peace with himself. Harper had the more difficult task over the Thanksgiving weekend — either accept MacKay's vision for a national party, or fight the next election against another conservative party. Harper sized up the risks and went through his analysis. "Stephen had the longer-term view in mind," said Harper friend and CA strategist John Weissenberger. "It was better to get a deal than to get a deal that was good for us. It was a calculated risk to accept the PC party rules." That didn't mean Harper thought the equal-weight leadership selection process was a good idea. He still doesn't.

In his admiring and well-researched biography of Stephen Harper, William Johnson lavishes praise onto Harper for being principled, inflexible, and clear-headed. Yet when it came to the governance of the new Conservative party, Johnson wrote, Harper demonstrated a different persona: "Harper may have the image of an inflexible, ideologically driven politician; he was proving to be the opposite in these negotiations where he, rather than the Tories, made all the compromises."

MacKay did not feel pressured to compromise. He was comfortable driving a hard bargain. The pressure came only when it looked as if Harper was ready to let him have everything he had asked for. MacKay said, "Since the convention, my life was made miserable from all sides. My own loyalists were furious with me for having done this Shakespearean tragedy. They thought I had poisoned the chalice and that this would preclude me from unifying the party in any way, shape or form. Then as things progressed, and the quiet discussions with the Alliance leaked out,

the old Red Tory element, some of whom were with me, were incensed that I would even entertain talks of doing this. Then you had the Orchard faction that was screaming blue bloody murder for any thought of talking with Alliance. Added to that were the people who were close to me, including my father and girlfriend, who were saying, "What the hell are you doing?"

MacKay discussed what he should do with Brian Mulroney. The advice he received was to overlook the criticism and "bring the family back together." Whenever MacKay felt hesitant about moving forward with the negotiations, Mulroney was there with encouragement and support.

Others in the party were critical of MacKay's willingness to discuss merger with the Alliance. The critics included Senator Lowell Murray and former leader Joe Clark, who saw Reform and Alliance as mortal enemies. MacKay wanted to get past the emotional baggage the party had been carrying since 1993 and to focus more clearly on what was right for Canada. MacKay concluded that the civil war, that then turned into the cold war among conservatives, had to end. "As I look back on it now," said MacKay, "the thought of handing away my leadership just wasn't in my mind. I was thinking about how we could do this properly and cement the foundation back together for the long run; not for a quick fix. We had to do this right so it wouldn't fall apart or leave a sour taste in everybody's mouth."

The fateful telephone call from Harper came in the early morning of Tuesday, October 14. Both men were in their constituency offices, Harper in a Calgary strip mall and MacKay in a New Glasgow strip. The leaders proceeded clause by clause in a sombre and businesslike manner. As they arrived at the section of the document that dealt with leadership selection, Harper paused. "I have been thinking a lot about this. We have made a lot of progress," said Harper. "This is a very historic decision,"

MacKay replied. Signalling that he was accepting all MacKay's conditions, Harper said, "We should do this."

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In the end, Harper had given everything MacKay could have asked for. Harper had a blank cheque from his caucus to negotiate a deal and he ultimately sought only two conditions. First, the parties had to merge; and second, there had to be a leadership contest. This was a far cry from what Harper had offered Joe Clark in 2002. Effectively, MacKay could have imposed whatever terms he wanted, and that's exactly what he did. But he still had a decision to make. While he knew a better deal would not be possible, the enormity of the decision gave him pause. Was this the right thing to do for his party? Was this the right thing to do for Canada? Was he prepared to give up his leadership six months after it had been won? Was he prepared to face the ridicule that would come his way over breaking his agreement with David Orchard?

The leaders had agreed. It was left to the lawyers to work into the night and put it all down on paper. MacKay and Harper made their way back to Ottawa, and the agreement in principle was signed on Wednesday, October 15, 2003. Far from a glittering affair and media spectacle, the signing took place at Alliance party headquarters at 10:30 in the evening. It almost didn't happen because the elevator carrying Stephen Harper and his staff to the signing ceremony got stuck between floors. The par-

ties that had been divided for two decades would have to wait another ten minutes for the elevator to come back

into service. MacKay arrived at the meeting on crutches, having been injured in a Thanksgiving weekend rugby match.

Stephen Harper was downright gleeful when he announced the merger of the parties to the press on October 16. The painfully reserved and often emotionless Harper declared: "I could hardly sleep last night. It is like Christmas morning. Our swords will henceforth be pointed at the Liberals, not at each other." Sensing that many members of his party would receive the news with mixed feelings, the usually jocular and energetic MacKay was more reserved: "This is something that, when I began in June to pursue, quite frankly I didn't think it would go this far, this fast." MacKay asked party members to "join us in this historic initiative." MacKay told the press it was a tough decision to make, but what he signed was "not only an agreement in principle, it is a principled agreement."

With the agreement done, the next deadline to meet was December 12, 2003: the date when the ratification of the agreement by party members must be completed, or the agreement would be null and void. The heavy lifting was far from over.

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