

WHAT SHOULD THE CONSERVATIVES DO NEXT?

William Watson

How close was the election on June 28? If only 1 in 29 voters had voted Conservative rather than Liberal, the election would have been a dead heat in the popular vote, producing a minority Conservative government rather than a Liberal one. "What should the Conservatives do now?" asks economist William Watson. The leadership question is moot, Stephen Harper having decided to stay on, and having earned a second kick at the can. But his second chance is likely to be his last, and the Conservatives need to do a better job of explaining their policies to key swing voters in the centre and centre-right of the political spectrum. This doesn't mean they need to abandon their convictions or purge outspoken dissidents on the Right. "Over time," Watson writes, "especially after the new party's policy convention, Stephen Harper may be able to make clear that dissident members within the party are just that and do not determine policy." In the end, he concludes, the Conservatives lost because not enough voters trusted them, and for the next election they must either "adopt politically expedient policies or hold fast to policies they believe will work and try to persuade more Canadians they should believe in these policies, too."

À quel point l'élection du 28 juin était-elle serrée ? Si seulement un électeur sur 29 avait voté pour les Conservateurs plutôt que pour les Libéraux, les deux partis auraient été tête à tête dans le vote populaire et ce sont les Conservateurs plutôt que les Libéraux qui auraient formé un gouvernement minoritaire. Que devraient faire les Conservateurs maintenant ?, se demande l'économiste William Watson. La question du leadership du parti ne se pose pas puisque Stephen Harper a décidé de rester à son poste et s'est mérité une deuxième chance. Mais cette deuxième chance sera probablement sa dernière, et les Conservateurs devront faire davantage pour expliquer leurs politiques aux électeurs-pivot au centre et au centre-droit de l'éventail politique. Cela ne signifie pas pour autant qu'ils doivent abandonner leurs convictions ou purger les dissidents au franc parler qui se trouvent à droite. Au fil du temps, écrit Watson, et en particulier après le congrès politique du nouveau parti, Stephen Harper devrait pouvoir indiquer clairement que les membres dissidents du parti ne sont que des dissidents et que ce ne sont pas eux qui déterminent les politiques du parti. Au bout du compte, souligne-t-il, les Conservateurs ont perdu parce que pas assez d'électeurs leur ont fait confiance. Lors des prochaines élections, ils devront ou bien adopter des positions qui évoluent au gré des circonstances partisanses, ou bien s'en tenir à des politiques dont ils croient qu'elles produiront des résultats positifs et essayer de convaincre un plus grand nombre de leurs concitoyens qu'ils devraient eux aussi croire à ces politiques.

If victory has a thousand fathers, defeat brings out millions of know-it-alls. After their defeat in the June 28 federal election the Conservatives are getting lots of advice on how to win next time round, whenever that may be. There's hardly anyone in the Canadian political community, Conservative or not, who hasn't offered suggestions.

The *Toronto Star* editorial board advises surrender: the Conservatives should (in effect) adopt Liberal policies. Andrew Coyne thinks they need to embrace the "Trudeau

Reformers," Canadians who are "receptive to the core messages of the Conservative Party, and of the Reform and Alliance parties that preceded it: limited government, equal rights, and democratic reform. But they are equally protective of the core principles of Trudeauism: bilingualism, the *Charter of Rights*, the *Canada Health Act*, and the need for a vigorous federal authority in a fractious federation." Lysiane Gagnon suggests Stephen Harper should focus on Quebec, especially its Albertan bits ("the blue belt around

Quebec City, the Eastern Townships and the Beauce, a region of successful, self-made entrepreneurs”). Conrad Black believes the Tories should stay the course and respond to a leftward drift in the country by tugging the electorate resolutely rightward, as Ronald Reagan did in the 1970s and 1980s, with “relentless persuasive advocacy.” Either that or pursue a stealth strategy, imitating Lady Thatcher, who arrived in office “unlike Ronald Reagan, an unknown quantity..., but governed with such skill and courage that she moved the country, including the official opposition, well to the Right of where it had been.” Commentators too numerous to mention have suggested the Conservatives either ditch or muzzle their social-conservative wing.

In such an avalanche of advice perhaps one more shovel full will not hurt. In my view, the Conservatives should work to improve their presentation and their cabinet but should neither make big changes in policy nor purge the social conservatives.

Whether you believe major changes are required depends on how large you think the Conservative loss was. The daily SES-CPAC poll, which, despite its small sample size and large

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margin of error, came closer to the final result than most other polls, showed that it was a very close election. The Conservatives were ahead for a week, from June 6 to 12, even in all-important Ontario. The election was essentially tied for the two weeks before and after that and the Liberals were ahead for the campaign’s first and final days.

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been just 3.5 percentage points lower and the Tories 3.5 percentage points higher, the result would have been a dead heat in the popular vote and a Tory minority government. But 3.5 percentage points represents just 1 vote in 29. If that one in 29 had switched from Liberal to Tory, the Conservatives would have won. (In fact, given the large undecided vote even in the campaign’s last few days, the Conservatives’ problem wasn’t so much that voters abandoned them but that late-deciders broke disproportionately for the Liberals. But the general point remains: relatively small numbers of voters caused the last-minute turnaround.)

Does anyone really feel confident explaining why this small but for the Tories fatal shift in voter opinion took place? Was it because of the Liberals’ negative advertising? If so, was that because the ads described Conservative policies accurately and Canadians — or at least one in 29 Canadians — decided they didn’t want any part of them? (Of all of them, or just some?) Or was it because the ads described the Conservatives’ policies inaccurately and Canadians decided they didn’t like policies the Conservatives weren’t in fact offering? If so, is the lesson for Conservatives (a) to choose policies that can’t be mischaracterized, (b) to

do a better job of responding to mischaracterizations, or (c) to behave in ways that minimize the possibilities for mischaracterization — by, for instance, silencing everyone except the leader during election campaigns? And before election campaigns, since Randy White and Cheryl Gallant made their apparently damaging remarks about judges and abortion, respectively, before the writ was dropped?

Or was the problem the Conservative campaign more generally? For a week or so Canadians did seem ready for a Conservative government. But Stephen Harper failed to seal the deal. According to the SES-CPAC poll, he started the campaign well behind Mr. Martin in terms of who would be the best prime minister, pulled even by mid-campaign but then tailed off. Given the small proportion of voters whose change of mind could have produced this trajectory, what was the problem? The “bimbo eruptions” of Conservative MPs pushing a social conservative agenda? Mr. Harper’s boasting quest for a majority? The war-room breakdown over the child pornography headline? The (ironic, given the two men’s reportedly poor relations) appearance of connivance with Ralph Klein? The lacklustre finish to the Conservative campaign?

Or was it Mr. Martin’s rejuvenation following his mid-campaign day off? Or the fact that the Liberals had more star candidates and, on balance, a more impressive line-up of potential Cabinet ministers? (The Conservatives will either have to find star candidates or show that their current caucus includes many could-be ministers.) Or, finally, was the Conservatives’ real problem reluctance among many centrist or even centre-right Canadians to send Mr. Martin into retirement without a chance at being prime minister in his own right?

The bottom line? A close election turned on a small shift in public opinion. To my mind, major changes are not justified, either in leadership or policy.

Two possible objections to this minimalist conclusion are that the Conservatives did much, much worse than they should have, given the ideal electoral conditions created by the sponsorship scandal, and that the 29 percent they did get represents their current strategy’s ceiling. Perhaps. The

sponsorship scandal truly was a golden opportunity but the Conservatives were a new party with no member-sanctioned platform, an essentially unknown leader and an apparently thin front bench. Forming a government under those circumstances would have been difficult, especially in the face of considerable goodwill, albeit rapidly depreciating goodwill, toward Mr. Martin.

On whether 29 per cent is the best that can be achieved with the current strategy: It would be surprising if, given time, a persuasive leader could not sell the Conservatives' current policies, which are in fact not at all far from the mainstream — proof of which is that the Liberals did much better running against the Conservatives' secret agenda than their public one. Much has been made of the country's leftward shift in this election. The NDP, the Greens and the Bloc did do better than they have in recent elections. Still, the Liberals and Conservatives together won two-thirds of the vote. This country's political centre of gravity remains in the centre-right.

The question of leadership is now largely moot, Stephen Harper having decided, without serious objection from his party, to stay on. My own view is that his strengths outweigh his weaknesses, while his weaknesses — that he is not a natural campaigner, for instance — can be reduced. (People can force themselves to engage in small talk.) Beyond that it should be said that a political organization that claims to be conservative but in the last 15 years has had five different incarnations (Progressive Conservative, Reform, United Alternative, Canadian Alliance and Conservative) under seven different leaders (Mulroney, Manning, Campbell, Clark, Day,

Harper, and MacKay) wants to think very carefully before changing leader again. The Conservatives are right to keep Mr. Harper.

But they may not keep him long. There are few successful second entrances in Canadian politics. The list of Canadian prime ministers who lost their first election as their party's leader

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and came back to win is not long. Paul Martin won first time round. So did Jean Chrétien, Brian Mulroney, Joe Clark and Pierre Trudeau. Lester Pearson didn't, but he had a Nobel Peace Prize to keep him afloat during the Diefenbaker flood. John Diefenbaker himself won his first national campaign, as did Louis St-Laurent. Among the first-time losers who never won are Stockwell Day, Preston Manning, Kim Campbell, John Turner, Robert Stanfield, and a host of Tory leaders in the 1940s and 1950s. Harper probably has just one more chance to win.

Which brings us to policy. The consensus of many observers — a majority of them, admittedly, neither conservative nor Conservative — is that to attract Ontario city-dwellers the party must be more "disciplined," which is code for silencing social conservatives, those whose views on abortion, homosexuality and so on offend the sensibilities of Torontonians. There are two ways to do that. The first is to *increase* the democratic deficit by imposing what amounts to Cabinet discipline on all party members, certainly on all candidates, so

that those who disagree with party policy may not say so, a restraint that can only compound the problem of "the secret agenda." The second is to purge party members whose social-conservative views are not acceptable to the perhaps hundred thousand swing voters in swing Ontario ridings. Some purging has proved necessary in

the past and doubtless will be in future. The party will not approve candidates who believe, for instance, that homosexuality should be illegal. But should the range of proscribed beliefs be extended further? Should the party invite pro-lifers, believers in traditional marriage, gun registry opponents and death-penalty advocates to leave?

My own inclinations on social matters are libertarian, not "So-Con," as I suspect are fellow economist Stephen Harper's. But libertarians, of all people, understand dissent. The reform (and Reform) tradition of a Parliament in which MPs engage in real debate and power no longer reside solely in the Prime Minister's Office is immensely appealing — all the more so under a prime minister whose viscera are not so finely-tuned to the wishes of the average Canadian as were Jean Chrétien's and who is therefore more likely, if left to decide all things from the centre, to make a hash of it. We do need to reduce the democratic deficit. But how is it possible to both encourage democracy and exert

iron-clad control over — or, in the vernacular, bullet-proof — MPs' speech? Harper tried to explain as much during the campaign. If you run an open party, you're going to get dissident opinion. You can see to it dissidents aren't made party spokesmen. But you can't shut them up. You wouldn't want to. That's democracy.

Over time, especially after the new Conservative Party's first policy convention, Harper may be able to make clear that dissident members within the party are just that and will not determine policy (as, indeed, a Liberal dissident like Sheila Copps did not determine liberal policy). If need be, he can back up that point with party procedures that forbid Conservative governments from changing policies that have been ratified in an election unless such policies are again brought before the people, either in an election or referendum. The party may also want to consider its own sanctions against Conservative ministers who change policies in mid-term — party recalls, for instance. Why should ministers not serve at the pleasure of the party as well as the prime minister?

The free-vote Parliament Martin has talked about since Dec. 12 is uncharted territory for Canadians. As more and more free votes allow for less and less party discipline — assuming Mr. Martin follows through on his promises — Canadians will slowly learn that just because policies have been ratified by a party convention does not mean all MPs or party members must agree with them. Voters and journalists alike will have to judge just how strong various ginger groups within the parties are. To that end, parties may actually want to publicize the extent of disagreement among their members.

As asked during the campaign what the Conservatives would do if new abortion laws were offered in a private member's bill, Stephen Harper answered, not very reassuringly to pro-choicers, that such bills hardly



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The question of Stephen Harper's leadership is now moot, as William Watson writes. He has earned a second chance to lead the Conservatives into the next election. But, before then, Conservatives must fine-tune their message to offer a credible alternative to the Liberals. For Harper, there will be no third chance.

ever made it to the full House and that in recent years the only ones that had were from Liberal members, Paul Martin activists to boot. Only occasionally did he mention that when Reform Party members had been can-

vassed on abortion they had been substantially divided — as the country is. To pro-choicers who also understand *realpolitik*, that was a much more reassuring answer. Even if the Conservatives had won a majority in

the House, a radical pro-life law very likely would not have passed a free vote. The more general point is that in a Parliament that operates largely by free vote, the beliefs of individual MPs become important. In the interest both of transparency and of allaying concerns about the strength of dissident groups, parties may wish to commission and publish the results of internal polls of party members' preferences in such matters. They might also ask candidates to fill out and sign detailed questionnaires on their policy preferences and then post them on the party's Web site.

A second strategy for dealing with recurring anxieties and accusations about a secret agenda is to bring the agenda out into the open. Take abortion. By common media usage, the "moderate" position on abortion is the status quo, which is no abortion law at all — an internationally unique circumstance arising from the fact that when our previous law was struck down by the Supreme Court, Parliament was unable to agree on a replacement. Not even libertarians can be happy that we have no law at all on abortion. The libertarian credo is, in effect, "Do what you wish but don't hurt anyone." Abortion clearly has the potential of hurting someone. There will always be debate about whether life begins at conception but no one believes it begins at birth. Women should be free to choose, but in the seventh, eighth or ninth month? I doubt even libertarians would oppose penalties for late-term abortions when the health of the mother was not at risk. Canadians of more traditionally conservative views would be even less likely to oppose such legislation. In sum, substantially more than 29 percent of Canadians might well support a truly "moderate" abortion law.

On homosexual marriage, as well, there may be a latent majority for a less radical view than the courts so far have

offered. Public opinion polls suggest Canadians are about equally divided between those who favour homosexual marriage, those who prefer civil unions and those who are entirely opposed to recognizing homosexual unions or marriages in law. A middle position that recognized civil unions but reserved use of the word "marriage" for the union of a man and woman might well satisfy enough urban Canadians to allow the Conservatives further inroads in Ontario. If current court decisions stand, Canada would be just the third country in the world to recognize homosexual marriage as exactly equivalent to heterosexual marriage. The leader of a moderate party can plausibly argue that

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Canadians should wait until this institution had become better accepted before giving it full legal equivalence.

The Liberal view on this question, as expressed by Prime Minister Martin during the leaders' debate, is that once the courts have spoken, "rights are rights," a position that may be motivated by deep principle but also conveniently allows controversial questions to be handed off to the courts. The courts themselves have argued that their Charter dialogue with the legislature should be exactly that, a dialogue. Martin's construction renders the

legislature mute and invites the courts to continue what in the Charter's first quarter century has been a constitutional monologue.

Harper made useful headway during the leaders' debates and afterward in explaining why in some cases a legislative override of the Charter would be warranted. The party should make clear at its upcoming policy convention whether in fact it would have a Conservative prime minister ask for use of the notwithstanding clause to override a Supreme Court decision that, for instance, the traditional definition of marriage violated the Charter. If the party would not go that far, having its reluctance on record would be very useful in the next election. If it did favour use of the notwithstanding clause, Harper would have to continue to prepare voters for a less deferential approach to the courts.

Although many Canadians are not yet as dissatisfied with "the court party" as Rainer Knopff and Ted Morton (see their "Judges, the court party and the Charter revolution" in *Policy Options*, April 2000 at www.irpp.org) or Randy White in his infamous videotape, their misgivings may be growing. After two high-profile cases that emerged right after the election — one of a couple sentenced to only nine months each for chronic abuse of children in their care and the other of Martin Ferrier, a clearly dangerous 31-year-old convicted of 63 offences, many violent, who was released into the community — Canadians at large may not be quite so content as the prime minister evidently is to leave judicial questions to the legal establishment. In view of the record, it would hardly be demagoguery for the Conservative justice critic to make Ferrier Canada's Willie Horton. We may not want the "three strikes and you're out" rule that several US states have adopted. But "sixty-three strikes and you keep batting" will

strike most people as absurdly lenient. In sum, substantially more than 29 percent of Canadian voters may well support an approach to law and order and the relationship between the courts and Parliament that goes beyond the Liberal status quo.

Despite all expectations, Harper also made modest headway during the campaign in de-mythologizing at least one health care taboo. The Conservative platform essentially aped

care paid for by the public sector need not be produced by the public sector. Polls of Canadians who must use the health care system show widespread sympathy for the idea that private suppliers compete with public suppliers, and of course, despite the Liberals' har-rumphing on this issue, in several provinces they already do. Mr. Harper said during the leaders' debate he didn't care whether health care was produced by private or public agencies so long as no one had to pay for essential services.

The idea that MPs and their leaders will disagree in public may be hard for Canadians to understand at first. They are more used to episodes such as former health minister Pierre Pettigrew being marched out in front of the cameras to apologize for the independent and sensible exercise of his brain on such matters as the private supply of publicly funded health care. But free speech for MPs is an attractive idea and one Canadians should at least try before giving up on.

the Liberal program of providing more money — though with less grandiose ambitions. Allowing Martin to get away with the brazen claim that only a Liberal government would shorten waiting lists was a major failure of the Conservative campaign. It's not so much that Martin's mid-1990s cuts in fiscal transfers created the waiting lists. The provinces were perfectly capable of reallocating money to what should have been their top priority. But the Liberals have been in power for 11 years, the very period in which waiting lists became a major public concern, and for at least half that time the country's political establishment (which is dominated by Liberals) consistently denied there was a problem. Moreover, the idea that spending just a few more billion dollars and having one final sit-down with the provinces without making any significant changes to the way Medicare works would "fix health care for a generation" is simply laughable.

Harper at least was able — despite his advisers' best advice, he said — to get on the table the idea that health

That the Liberals turned this into "Harper doesn't care about health care" merely confirms Kim Campbell's maxim that policy debate often is ill-served by election campaigns. For the short term the exchange probably hurt the Conservatives. For the long term, however, the point is getting across. More and more Canadians understand that the debate surrounding the public administration part of the *Canada Health Act* is really about whether the system will be run by public sector unions. My bet is that if Canadians were asked that question straight out, a healthy majority would prefer that it not be.

Less progress was made on the rationalization or elimination of subsidies to business. The Conservative platform addressed the problem quite cleverly, offering corporate tax cuts only if the business sector accepted subsidy cuts. It thus put the onus on non-subsidized businesses — there are one or two in Canada, surely — to help in the political task of persuading the public that the subsidies should end. Toward the end of the campaign, however, the Liberals promised several hundred million more dollars to

southern Ontario's automobile industry and the Conservatives essentially caved, promising to honour the Liberal commitment. It is very difficult, especially in the middle of an election campaign, to withdraw subsidies that may well cost specific people their jobs, but a conservative party must persist with the argument that competitive subsidization is essentially a transfer of wealth to the shareholders of footloose multinational corporations. We market-oriented economists

have nothing against multinational firms but fail to see why their no doubt worthy shareholders deserve gifts from Canadian taxpayers, most of whom make less money than they do.

On the question of income tax cuts, which the Conservatives were the only party to propose (the NDP would have cut taxes at the bottom end and raised them at the top for minimal net change) the politics are bound to be difficult. Despite much talk about loopholes and light tax loads at the top, the fact is that the federal income tax is strongly progressive. In the 2002 tax year, Canadians who made \$100,000 or more represented just three percent of tax filers but paid 32 percent of all federal income tax. Canadians making \$70,000 a year or more were exactly eight percent of all filers and yet they paid just under half (47.5 percent) of all federal income tax. At the other end of the income distribution, people who declared income below \$25,000 represented fully 54 percent of tax filers and yet paid just 5.8 percent of all federal income tax. It's not that they paid no income tax. The average federal rate of income tax for people making less than \$25,000 was 3.5 percent. And of course they paid other taxes, including sales and property taxes, though they were often eligible for rebates of those. Still, more than half of taxpayers paid just one-twentieth of income taxes. If

the Conservatives were unable to sell a majority of Canadians on income tax cuts, perhaps that was because a majority of Canadians pay essentially no income taxes.

Should the Conservatives therefore give up on tax cuts or change their tax-cut plans by, say, proposing a cut in the GST, which all Canadians

means they have higher per capita *public* spending on health care than we do *and* lower tax rates. The Conservatives should also stress that lower US tax rates may help explain why US per capita GDP is higher than ours.

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tially Liberal policies. At the very least, if a party based in western Canada had a turn at power every generation or two, that would help minimize the interregional resentments that so bedevil Canadian political life. As a political rallying cry, “change for change’s sake” is overly maligned.

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pay? No. Keeping income taxes constant and cutting the GST would leave Canadians with even less incentive to save than they have now. As for the income tax cuts proposed in the Conservative platform, they were carefully balanced, raising the basic exemption, which would affect all taxpayers, providing tax deductions for children, which would eliminate the anomaly that Canada is the only country that doesn’t provide at least some public support for all children, and gradually reducing the middle rate of income tax, which would lower the tax burden on middle-income Canadians. These modest and moderate proposals should be renewed, perhaps with a pledge that if deficits loom their introduction would be slowed down.

To the inevitable accusation that US-style taxes would require US-style health care, the Conservatives should respond again and again: Nonsense! Nonsense! Nonsense! The US spends the same share of GDP on *publicly* provided health care as we do, and their higher GDP per capita

so that they may impose a policy. They seek a policy so that they may impose authority.” If, understandably, some Conservatives are interested mainly in a set of policies that will allow them to replace the Liberals in authority, then almost any set of poli-

Evelyn Waugh wrote that “[i]n a democracy men do not seek authority so that they may impose a policy. They seek a policy so that they may impose authority.” If, understandably, some Conservatives are interested mainly in a set of policies that will allow them to replace the Liberals in authority, then almost any set of policies that will attract 35 to 40 percent of voters will do.

cies that will attract 35 to 40 percent of voters will do. If the policy set in question bears great resemblance to the Liberal platform, so be it: when only two parties can form a government, their policies will end up being similar for the very good reason that they are competing for exactly the same median voter. Moreover, a purely expedient political strategy such as Waugh describes is not without virtue. Our governors must understand they *can* be removed from office. At some stage it would be good for the country if the Conservatives took over from the Liberals even if they offered essen-

But the idea that parties would offer essentially the same policies and compete instead, as professional sporting teams do, on which has the nicer logo or Web site or T-shirts or personalities or for that matter on which is “due” for a turn at the top, will strike many Conservatives as unsatisfactory. In their view, politics is more than just another team sport. I suspect most Conservatives believe the country would be better off under a different set of policies, even if exactly which set of policies will differ from Conservative to Conservative and indeed from Canadian to Canadian.

There is a final reason not to change course too drastically. A common explanation for the Conservatives’ inability to solidify their mid-campaign lead was that late-deciding voters did not trust them. Conservatives must decide whether the way to win Canadians’ trust is to adopt politically expedient policies or to hold fast to policies they believe will work and to try to persuade more Canadians they should believe in these policies, too.

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