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Policy



Campaign 2015



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weather
outside is
frightful.

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From the Editor / L. Ian MacDonald

Campaign 2015

Welcome to our special issue on Campaign 2015. The election may not be until October 19, but the campaign has already begun. One of the unintended consequences of a fixed election date, coming out of a majority House, is a permanent campaign.

In this context, the parties can spend as much as they want on their leaders' tours, and on ad buys, until the writ is dropped five weeks before the vote. Not to mention earned media, actually free media, on outlets such as YouTube. Only when the election is called do campaign spending limits kick in.

It all comes down to a struggle for control of the agenda, to the message and the messenger.

Andrew MacDougall, now a senior consultant at MSLGROUP in London, is a former communications director for Prime Minister Stephen Harper. MacDougall knows of which he writes, and says the struggle will frame the ballot question.

Brad Lavigne was communications director for Jack Layton in the NDP's successful 2011 campaign and later Layton's principal secretary when he was opposition leader. He looks at the disruptive innovation of social media in elections—from Facebook and Twitter to LinkedIn and Tumblr—and its impact on campaigns. Twitter may be an echo chamber, but what an echo.

Respected political strategist Robin Sears takes a look at what the parties need to do in the campaign. Sears asks: why not have an election about issues? If only.

Tom Axworthy, who was principal secretary to Pierre Trudeau, and his conservative co-author Rana Shamoon consider Harper's bid to win a fourth consecutive election, a feat accomplished only by Sir John A. Macdonald among Conservative leaders (though he won four consecutive majorities, while Harper won a majority only in 2011). For most of the last century,

the Liberals were considered Canada's Natural Governing Party. For nearly a decade, Harper and the Conservatives have replaced them in government. But now in Justin Trudeau, they write, "the Liberals have a leader with the most identifiable name in Canadian politics, and even his severest critics will acknowledge that Trudeau is a tremendous retail politician with a sunny personality."

Then we look at four policy boxes that might well frame the ballot question—the economy, foreign affairs, the environment and social policy, notably child care and family benefits. BMO Financial Group Chief Economist Douglas Porter provides an overview of the Canadian economy and fiscal frameworks, and in spite of plunging oil prices, finds the fundamentals in pretty good shape.

Foreign policy isn't usually a factor in Canadian election campaigns, but 2015 may prove to be an exception. As prime minister, writes Jeremy Kinsman, "Harper enjoys an Airbus-borne platform with on-board media channeling stories that spokesmen script," as seen at the G20 leaders' summit when he told Vladimir Putin "I'll shake your hand, but you need to get out of Ukraine." Theatrical gestures aside, Kinsman suggests the country needs a change on the foreign policy front and comes down hard on Harper for his secretive and polarizing style.

On the environment and climate change, the road to COP21 in Paris in November and December runs through the Canadian election in October. Canada is set to get only halfway to its 2009 Copenhagen target of reducing GHG emissions to 17 per cent below 2005 levels by 2020. And that was before the even more ambitious goals announced by Barack Obama in the US-China accord in November. David McLaughlin provides us with an environmental update for Campaign 2015.

On social policy, it's clear that the Conservatives have played for home ice advantage in putting out their family and child care benefits programs nearly a year ahead of the election. Spouses with children will be able to do income splitting up to a ceiling of \$2,000, and the Universal Child Care Benefit will be increased from \$100 to \$160 per month. The first seven months' increase—\$420 for each child under the age of six—will be deposited in voters' bank accounts in July, just weeks before the election writ is dropped.

Geoff Norquay provides a short history of child care policy in Canada, going back to the 1980s. Minister of Social Development Candice Bergen, herself a mother of three children, offers a spirited defence of the government's family policy, while Opposition Leader Tom Mulcair explains the NDP's proposal for \$15 a day national daycare.

Two important regions, Quebec and the Greater Toronto Area, tell us a lot about what to look for in the campaign. Bernard St-Laurent tells us why Quebec is different, and Patrick Gosage reflects on lessons of the Toronto mayoralty campaign for the federal GTA vote.

Finally, Green Party Leader Elizabeth May tells us why her party should be included in the leaders' debates and the larger national conversation, which is one of the reasons why we have included her on our cover. She's earned her way there.

Elsewhere, in a timely and poignant piece, Yaroslav Baran reflects on the situation after the parliamentary elections in Ukraine, where he has been a leader of Canadian observer teams for several elections.

Finally, Paul Miller of the University of Alberta writes of the impact of winter on Canadian rail operations. There's a "tipping point", he suggests, of -25 minus degrees, where the Polar Vortex makes railway operations challenging. **P**



The messengers: Laureen and Stephen Harper at the Calgary Stampede in 2014. Framing the choice of the ballot question is as important in the run-up to the election as during the campaign itself. PMO photo

Communicating the Writ Stuff: Who'll Be First to Frame the Ballot Question?

Andrew MacDougall

In this 2015 pre-writ period, Stephen Harper has the advantage of incumbency, Justin Trudeau has to convince voters he can be trusted governing and Tom Mulcair has to try to neutralize them both on substance to compensate for the lack of Mulcairmania brewing. Let the games begin.

The denizens of official Ottawa often labour under the misapprehension that people across the country pay attention to them to the same degree to which they pay attention to themselves. They don't, of course, but that will begin to change now that the calendar has flipped to 2015 and a federal election is in the offing.

To the average citizen, Ottawa is the place where your taxes go to be squandered, and where politicians go to yell at each other. Concentrating people's minds on the legitimate differences between the political parties and the consequences those differences will have

on their lives can't be done solely in the writ period. Framing the choice in the run-up to the election will be as important, if not more important, than any announcement made on the campaign trail.

Two of the major parties have acted early and decided to frame the looming electoral debate by announcing new policy: Stephen Harper and Thomas Mulcair have drawn clear lines around child care and tax issues. Justin Trudeau has, to date, resisted the urge to join the policy party and has instead been selling himself to Canadian voters, with the promise of substance at a later date.

How to mold this policy and personality clay into a clear choice for Canadian voters? Each party faces different obstacles to victory. What communications challenges do the leaders of the three major parties face?

Let's start with the incumbent. Prime Minister Harper is a known quantity to voters; there is precious little room for re-introduction or re-invention, not that the prime minister would care to do either. He is also a polarizing figure: those who like him, like him a lot, while those who don't, including several public sector unions, will be mounting a vigorous campaign to topple him.

The Conservative base appears to be holding, but many of the voters who supported Harper in 2011 will need some reminding of why they pulled the lever for him and his party in the last go around. Conservative strategists know they need to tap the rich seam of voters who don't care for the prime minister, but respect him, and would choose him if either circumstances, or a poor choice of opponents, dictate it.

For Justin Trudeau, the challenge becomes convincing Canadians that he can be trusted with governing. Trudeau and his advisers have so far crafted a positive introduction that is heavy on fluff and light on the stuff Canadians usually need to hear about before they hand over the keys to the country.

Trudeau will also need to prove that

Conservative strategists know they need to tap the rich seam of voters who don't care for the prime minister, but respect him, and would choose him if either circumstances, or a poor choice of opponents, dictate it.

he can handle the increased scrutiny of the press. It might not feel like it for Team Trudeau, but the Parliamentary Press Gallery has been fairly docile. That will change now that he shifts from being the leader of the third party in the House of Commons to a potential prime minister. Coping with that scrutiny will take a discipline and quick thinking that hasn't yet been aptly demonstrated.

It might not feel like it for Team Trudeau, but the Parliamentary Press Gallery has been fairly docile. That will change now that he shifts from being the leader of the third party in the House of Commons to a potential prime minister.

And what of Thomas Mulcair? The leader of the opposition is respected for his prosecutorial skill by the Ottawa Gallery and political junkies. The main problem for Mulcair is that he's little known outside of the Parliamentary precinct. The record number of people who voted for the NDP in 2011 did so for many reasons, but outside of the riding of Outremont that reason was likely not Thomas Mulcair.

Mulcair faces a Herculean task. He will have to take a party that is currently lagging at 20 to 25 per cent in the polls, and take it above and beyond the record levels attained in the last election by his more charismatic predecessor, the late Jack Layton. To compound his challenge, he will need to do this against Trudeau, who is also infinitely more charismatic than Layton's opponent, Michael Ignatieff, was.

In short, Mulcair can't expect to out-image or out-charisma Justin Trudeau, and, if NDP electoral history is our guide, out-policy or out-competence Stephen Harper and the

Conservatives. What path can he climb to victory?

This is where incumbency has its advantages.

Using the bully pulpit of government, Prime Minister Harper has successfully re-focused the agenda on substance (i.e. policy), which is his strength versus Justin Trudeau. He will also surely craft a budget that gives him more policy nuggets to front over the coming months. The Prime Minister will now have to find communications opportunities that allow him to play to his strength. As always, these opportunities will come outside of Ottawa, and away from the Parliamentary Press Gallery.

The Prime Minister's Office will instead continue to have the PM participate in a number of moderated question and answer sessions with local chambers of commerce, or economy-focused lobby groups. These opportunities allow him to demonstrate his mastery of the economic brief, i.e. the issue that is likely to be the number one concern for voters.

It would benefit the Prime Minister, however, to also stretch his legs in a series of meaty interviews with the Peter Mansbridges or Bloombergs of the world. Canadians who respect, but don't like him, need to meet him again, and this is where the meeting is most likely to happen. Thoughtful 20-minute interviews on policy and the challenges facing Canada would be an effective platform for Harper to make the case for his re-election. The world in 2015 is an unsteady place, and it would be smart for the PM to talk about that. It would also put pressure on Trudeau to follow suit.

Of course, a long-form interview with a serious journalist would also open the door to the main threat to the PM's communications agenda: that which he

cannot control; first and foremost a senator who will soon be in the dock. But these are threats that will surface during the campaign—the opposition parties will see to that—so dealing with it head on before a writ is preferable.

While he should continue to generate buzz through softer platforms, Justin Trudeau will at some point have to make forays into substance. He, too, should do that away from the glare of cynical Ottawa journalists. Once some policy is in place, Trudeau should instead do rounds of interviews with leading outlets in regional markets, supplemented with a heavy diet of third-language press. In addition to getting his message out, this training will help to prepare him for future encounters with the national press.

The benefits are clear. Local reporters, while certainly not pushovers, aren't as process-oriented as journalists who cover politics for a living, and their questions tend, for obvious reasons, to be about substantive local issues. As former U.S. House Speaker Thomas P. "Tip" O'Neill famously said: "All politics is local." Third language media, on the other hand, are more respectful, less confrontational, and are often the primary source of news in their communities. They also represent groups that have fond memories

of Trudeau's father. They are communications no-brainers.

The path for Thomas Mulcair is less clear. There's no Mulcairmania out there waiting to be tapped. Logic would dictate that he be aggressive in courting the press in Quebec. Any national growth can only come after his base in Quebec is solidified. Using Quebec provincial policy as their guide, the NDP have put child care front and centre; Mulcair can only hope that audiences across the country are willing to hear about it.

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In a universe where the press will want to make it Harper vs. Trudeau, his main task will be simply to get noticed. In that sense, he might as well swing for the fences. If he's to be the left's standard-bearer to stop Harper, he'll first need to stop Trudeau. The trouble is, Trudeau's team isn't likely to give Mulcair a platform to take on their guy.

No matter the particular challenges facing a party, a massive problem for all parties will be staying on message. With every gaffe likely to be amplified to distraction during the campaign, parties will be applying an unprecedented amount of control to their live events, and relying even more on paid and owned channels.

Repeating a message drives reporters crazy, but it's the best way to ensure your word gets filtered through to voters. In the noisy era of digital and social media, the temptation is to say many different things to many different audiences. It's all too easy to lose the ballot question in a blizzard of tweets.

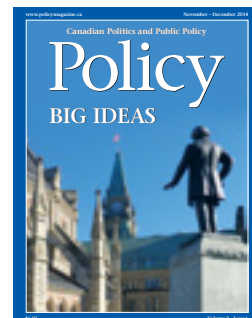
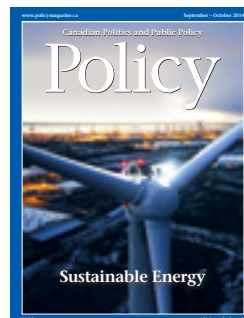
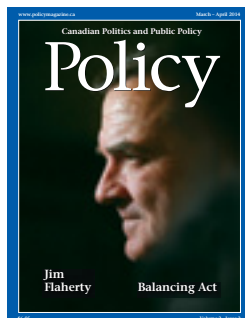
Of course, the best way to come out of a campaign with a clear message driving a favourable ballot question is to go into a campaign with a clear message and ballot question.

Whichever party spends the run-up to the writ framing a clear choice in the most positive light will be the one that has the pleasure of governing our great country come November 2015. **P**

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The Whole New Ballgame of Social Media

Brad Lavigne

The disruptive innovation of social media in election campaigning really began with the Obama campaign of 2008. But that was before Twitter took hold. Now, the perpetual publication cycle of social media has revolutionized everything about Canadian election campaigns, from supporter mobilization to media relations. The most important thing to know about the 2015 federal election campaign and social media is: It's already started.

We sat silently in the make-shift holding room in Ottawa's National Arts Centre. I was with Karl Belanger, Jack's Layton's senior press secretary, and we were listening to the closed-circuit TV feed of the 2011 federal leaders' debate taking place live just a few meters away.

We were also intently monitoring our Twitter feeds on our Blackberries to see what members of the National Press Gallery, candidates, campaign staff, volunteers, supporters and opponents were saying about the debate. We were in the first hour of the English language debate and Jack was about to use a line in the debate to challenge Stephen Harper on the issue of youth crime prevention. We didn't know precisely when he was go-

ing to use it, and we had no idea what the reaction was going to be.

Then it happened. In an appeal for effective youth diversion programs and a critique of Conservative policies on youth and crime, Jack wrapped up his interjection with a line we knew was coming: “That’s been a hashtag fail.”

According to the *Globe and Mail*, the phrase “was seized upon gleefully by the Canadian Twitterverse; ‘hashtag fail’ was a trending topic for hours after the NDP leader’s remark, generating thousands of tweets and re-tweets.”

The line worked because it was well-delivered, authentic and it got thousands of debate watchers, especially the media reporting on the debate, talking about the leader of the fourth party who, at the time, was dead last in the polls.

But equally important, it became the point in Canadian federal politics when the lexicon of social media, in this case Twitter (barely around in the previous election), had quickly found its way into the Canadian political arena, leaving many non-Twitter savvy Canadians to ask, “What’s a hashtag?”

In social media terms, the 2011 election campaign could be described as the “Twitter campaign.” Facebook, YouTube, and even blogs all emerged over the previous decade as important social media tools used by political parties in the lead-up to and during the 2000, 2004, 2006 and 2008 election campaigns.

Social media and digital campaigning have fast become the latest frontier and a permanent fixture for political practitioners of the modern campaign. With the next election right around the corner, the question isn’t, “Will social media be important in the 2015 campaign?” Rather, the question is, “How will social media further evolve the way in which political parties campaign in Canada?”

Why have social media and online campaigning become so important in Ca-

Canadians spend more time online than people in almost any country in the world. In its 2013 annual survey, the Canadian Internet Research Authority found, on average, Canadians spend over 40 hours per month online, more than any country except for the United States.

nadian politics? The short answer is because that’s where Canadians are. They’re online, and they’re using social media on their desktops, tablets and smart phones.

In fact, Canadians spend more time online than people in almost any country in the world. In its 2013 annual survey, the Canadian Internet Research Authority found, on average, Canadians spend over 40 hours per month online, more than any country except for the United States.

According to Facebook Canada, more than 19 million Canadians log on to their Facebook account at least once a month and 14 million check their Facebook newsfeed every day—including over nine million who do this daily ritual on their mobile device. Meanwhile, Twitter has 5.6 million monthly users in Canada, second only to the United Kingdom in terms of percentage of the population.

These social media tools have created new channels for politicians and campaigners (and businesses) to recruit, engage and mobilize supporters—all without leaving the campaign headquarters:

Recruiting: Social media helps political parties by organizing Canadians into groups, whether it’s geographic, typographic, demographic, or categories less tangible but equally as valuable, such as interests and values. That’s why social media is a key source for leads for practitioners to find and cultivate their supportive communities.

Engagement: Social media and the digital campaign allows for constant engagement of the supportive community. This allows supporters to receive ongoing information from their preferred political party that helps reinforce their support, gives them a sense of belonging and serves as an

outlet for input into party activities.

These tools have helped usher in the Permanent Campaign in Canada.

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Through 140 characters on Twitter or a Facebook social sharable, war rooms can cheaply and effectively communicate their message—or push out opposition research—that, in the past, would have required press releases and willing journalists. Social media now allows for this campaigning to go on unfiltered as part of constant engagement.

Mobilization: The culmination of these steps is to mobilize the community. The call to action may be to donate money, volunteer time, recruit friends and family, and, of course, get out and vote. Political parties are constantly asking people to take action because when it does come time to vote on election day, they are more likely to do so than if their first activity was to vote on E-Day.

It’s not just the use of social media

platforms such as YouTube, Twitter, Facebook and Tumblr; politics has been altered dramatically by the entire online digital space and the tools that come with it.

The increasing segmentation of the Canadian audience has accelerated the value of the digital and social media world. Today, both in politics and in the private sector, we can micro-target a message with a level of precision unheard of just a few years ago. Messages can now be customized and delivered not just to a city, an electoral district or even a postal code, but based on users' digital footprints.

Today, both in politics and in the private sector, we can micro-target a message with a level of precision unheard of just a few years ago. Messages can now be customized and delivered not just to a city, an electoral district or even a postal code, but based on users' digital footprints.

We can now speak to individuals cheaply and effectively, and can customize the message that works best for them. This specialization means more work for political parties—but it also helps to ensure they are delivering the best message to the most receptive audience.

Everything in the social media and digital campaign sphere is measurable. This allows us to constantly test and refine the messaging. In traditional media, a party takes out an ad in a newspaper. You know what the circulation of that day's edition—usually plumped for sales purposes—but that is it. How many people who subscribe or bought the paper looked at your ad? You have no way of knowing.

With online ads, we can measure click-throughs, how long the person

With online ads, we can measure click-throughs, how long the person spent on the page, and through heat mapping, you can track the reader's interests by mapping where their pointer goes. This data helps campaign practitioners test, refine, make adjustments and be far more strategic in delivering the right message to the right person.

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Despite all the important and exciting opportunities offered by these digital tools, it would be a mistake to suggest that social media will replace other, more traditional aspects of recruiting, engaging or mobilizing. Social media augments rather than replaces the telephone or door-to-door canvass. As long as voting still consists of a registered voter marking an 'X' at a polling station in person, then the human connection will still be extremely important.

Conversely, social media and the digital world have created an unprecedented level of intimacy and access to politicians by regular people.

For the politician, these tools allow an unfiltered vehicle to send messages, either through tagged tweets or messages on their Facebook timeline.

Prior to these tools, an activist might have mailed a letter to a leader or waited in line to shake their hand and have a quick word at a rally if they came through their town. Today, any person with a Twitter or Facebook account can have instant and direct access to a politician.

This intimacy allows politicians to extend their brand by communicating in an unfiltered way with an individual or group. For instance, Calgary Mayor Naheed Nenshi helps his fellow citizens find lost cats and helps promote safety during floods by retweeting messages from individuals to his 204,000 followers. Twitter, though, doesn't create

the persona, it merely amplifies it through an authentic use of it.

Social media also amplifies the so-called bozo eruptions. In previous campaigns, if a candidate at an all-candidates meeting said something off- message, or worse—it may have made it into the local newspaper at some point. Today, missteps of leaders or candidates become instant national stories, regardless of where they took place.

The coordinated effort by parties to destabilize their opponents also means old postings on blogs or Facebook now come back to haunt candidates of all major parties, throwing parties off their message. This has forced opposition research units to undertake a new level of crisis communications that didn't exist just a few campaigns ago.

Social media is accelerating the rate at which modern campaigning is evolving.

The 2015 election will be the longest, nastiest and most expensive campaign in Canadian history. It will be the most targeted and sophisticated as well, which is why to the average observer, they won't even realize that the campaign is already well underway and they are already a part of it. **P**

Contributing Writer Brad Lavigne, vice-president of H&K Strategies in Ottawa, was director of communications and later principal secretary to Jack Layton as Leader of the Opposition. He is the author of the bestselling Building the Orange Wave. lavigne.brad@gmail.com



Parliament Hill in the grip of winter. When the House rises in June, the 41st Parliament will be done, but Election 42 is already under way in a game of tactics rather than a contest of ideas. *Policy archives*

Why Not Have an Election About Issues?

Robin V. Sears

In an era of voter apathy and cautious campaigning, voters have proven again and again that, given a true choice of ideas, they will engage. As the 2015 election approaches, veteran strategic and policy adviser Robin Sears suggests what Stephen Harper, Tom Mulcair and Justin Trudeau might do to make this campaign about more than tactics.

It is a cliché among political hacks that “campaigns matter.” As a self-referential thesis it makes perfect sense to political warriors. If campaigns matter, then campaign skills matter, and those who excel at them are essential to any party or leader’s success.

What voters have declared with increasing determination in recent years is that ideas matter more. From the US presidential election in 2008 to Kathleen Wynne’s

election as premier of Ontario to the recent Toronto mayoral campaign, voters have proven that when they are provided with a distinct choice among big ideas, they will turn out.

In Ottawa, we are now descended into the sullen endurance of another long winter, but soon to explode into a spring and summer of electoral jousts. Okay, really just another boring Canadian federal election made more insufferable this time for its being nine months long. How did we fall so low that at least one out of two Canadians are once again, more likely to be watching “Breaking Bad” re-runs on their iPhone than bothering to choose their next government and prime minister?

Imagine how different we might feel, waking on the morning of October 20 next year, to see that we had elected a government committed to big ideas and big changes; that we had turned out in great numbers, after an exciting and emotional election campaign and chosen among competing platforms a new vision of the future?

Both Harper and Tom Mulcair know how to defend ideas both inside and outside the box. Justin Trudeau does not have that experience, but for that reason alone he needs to present something more than good hair and a relentless smile as a reason for placing the country in his hands.

The Harperites’ vision of their mandate is not to deliver anything like a socially conservative Canada, or even one with a smaller government, despite their claims. Stephen Harper probably does hold a far more radical vision but it has been so far mostly subsumed to the vulgar game of power at all costs.

In 2015, we have two seasoned pros going toe to toe. Both Harper and Tom Mulcair know how to defend ideas both inside and outside the box. Justin Trudeau does not have that experience, but for that reason alone he needs to present something

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more than good hair and a relentless smile as a reason for placing the country in his hands.

So what do the three leaders need to do, and what should they not do?

The big policy idea should either be something that is consistent with and a logical extension of previous policy stances, or a dramatic break with the past to shake off a damaging legacy.

Here are two big idea campaign planks for each party, most of which fall into the extension of their brand baskets, rather than dramatic brand shifts. Each would be transformative of Canadian politics and Canada.

For the Conservatives, my two suggestions are—ending supply management in agriculture and eliminating barriers to interprovincial trade.

It is somewhat bizarre that Canada’s self-proclaimed pro-market, pro-trade economic management experts have clung to two relics of a Canada that disappeared half a century ago. They are the so-called “supply management” regimes that buttress the prices of eggs, chickens, and dairy products. It is our now nearly unique form of agricultural subsidy, roundly attacked by virtually all our trading partners. The second is internal barriers to trade.

Supply management was a post-war invention designed to keep Canadian small farms from being overwhelmed by American agri-business. It was a fairly nutty policy idea from conception, allowing small farmers to sell their “dairy quota” separately from their farmland. It led to the destruction of hundreds of family farms within a decade as cash-poor farmers sold their quota to large—ironically, often American-owned giant dairy operations—ren-

dering their farmland economically useless.

There was serious discussion about getting rid of the system at the time of the free trade debate in 1987-88. It was rejected mostly on political grounds—small farmers were essential to political victory in a swath of Conservative ridings along the St. Lawrence and Ottawa River valleys and in parts of southwestern Ontario. The cost was estimated publicly, as costing somewhere between \$4-6 billion to buy out the farmer’s quotas. Today the estimates range from \$12-20 billion. Taking the low end, and phasing over a decade, as the Australians did, it would be less than \$50 per Canadian. Most of that would be recovered by most families in lower food costs.

The arguments in favour of abolishing supply management are virtually unassailable in terms of export development. But the resistance to change from Canadian farmers, as in New Zealand and later Australia, makes the decision one requiring political courage. The arguments in favour of change from a consumer perspective are absurdly one-sided. In Canada, some foreign dairy products face tariffs that would double the supermarket cost if anyone were so foolish as to attempt their sale.

In the same vein of the obsolete and wrongheaded is the provinces continuing use of tariff and non-tariff barriers to keep out “foreign” business. There is no believable claim that there is something special about how Ontario highway contractors pave a highway compared to their Alberta peers, but each faces serious obstacles to winning business outside their own province—especially where government contracts are concerned.

Predictably it is usually not Manitoba or New Brunswick who play dog-in-the-manger. It is giants such as Ontario and Quebec—each of whom

have pledged for decades to break down these barriers to interprovincial trade (BITs) and somehow fail to actually get around to doing it. Our new trade agreement with the European Union—CETA—requires us to open up procurement to European competitors. So we now have the ludicrous proposition that a Bavarian engineering firm would have guaranteed access to a Montreal transit project, and an Alberta firm wouldn't.

As proofs of a commitment to a process of market-opening, export development, and "one Canada" such a pair of pledges would be powerful proof that the Harper team still has some ideas worthy of support—a challenge for an increasingly tired looking, nearly 10-year-old regime.

The NDP has long championed social justice, often forcing Liberal and Tory governments to do things they have promised and not delivered—medicare, pensions, health and safety, the environment—the list is long. Mulcair has placed a couple of small bets to advance that agenda in the form of a universal child care plan and a commitment to raise minimum wages substantially. Both are worthy planks but neither is game changing. His childcare plan is a clear knock-off of an established program in Quebec, and his wage plan is already being essentially implemented in several US cities by progressive mayors.

We have a much bigger issue that needs tackling. That is the bowl of spaghetti that is Canadian social assistance programming. From the use of employment insurance as a form of family subsidy in northern and eastern Canadian communities, to the widely varying levels and definitions of provincial social assistance, the Canadian system of social assistance supports—like most of the developed world's—is a mess. Costly to manage, full of overlaps and duplication, open to abuse both by politicians and by clients, it is long overdue for the policy scrapheap.

The variety of approaches that have been developed and advocated for such a universal single payment sys-

Our new trade agreement with the European Union—CETA—requires us to open up procurement to European competitors. So we now have the ludicrous proposition that a Bavarian engineering firm would have guaranteed access to a Montreal transit project, and an Alberta firm wouldn't.

tem approach to social assistance is wide, and the implementation approaches in a federal system would need to be flexible. But like medicare, which faced similar issues, it would be tweaked and improved over time. The political challenge is simply in defending its logic and its relevance to a Canada that has always cared about inequality and fairness across the regions.

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A more challenging Mulcair plank could be dropping foreign ownership rules entirely. This is likely to be better understood by Quebec voters than many in English Canada, as they have always led on free trade and market opening efforts, despite their reputation as Canada's leading lefties. Is there a good reason why Canadian record companies, book publishers, broadcasters, satellite firms and cable companies should be owned only by Canadian investors? Is there any national interest in keeping out foreign banks or even uranium mine owners? The limitations we place on foreign ownership in banking, telecoms, national defense etc. serve, once again, to drive up Canadian prices, prevent the development of Canadian export champions, and limit the market cap of Canadian firms in those sectors.

We could retain the right to impose "net benefit tests"—as we always have in foreign investment rules—an investor would be required to show

how their ownership would bring benefit to Canadians. We would still be able to vet purchasers on security grounds. Chinese investors might be no more welcome to attempt to buy BlackBerry than they would be today.

But Bell Canada might be tempted to take on foreign markets to win the scale to compete and remain independent.

From Mulcair's point of view it would demonstrate his courage and his openness to non-traditional NDP positions as a preparation for power. From Canadian consumers' point of view the immediate impact would be small initially, but new Canadian giants might emerge as a result of this nudge to them to play on a global stage.

For the Liberals, the need is different than the Tories' need to prove they still have some energy. Different, too, from the NDP's need to demonstrate they are not prisoners of history or to orthodoxy. Justin Trudeau needs to prove that he is both a 21st century grown-up and a serious potential statesman.

His twin planks might include one for each side of his emerging brand identity. On the innovation side, he might revive a plan killed in the Chrétien /Martin wars of the last Liberal regime, when Brian Tobin's dream of creating a truly national high-speed digital highway ran into the ditch. Canada is once again falling behind not only Asia but the US in terms of access and speed of our internet networks. Finland has made it a legal right that every home should have access to an internet service that delivers 10 megabit speed today, aiming at 100 by the end of the decade. Australia built—but its current conservative government may yet kill—a national broadband network crown corporation to offer the same fibre backbone for their highly dispersed

and often remote communities. No country is more like Australia both demographically and geographically than Canada. We could do that here.

For the Liberals, the need is different than the Tories' need to prove they still have some energy. Different, too, from the NDP's need to demonstrate they are not prisoners of history or to orthodoxy. Justin Trudeau needs to prove that he is both a 21st century grown-up and a serious potential statesman.

The Liberals have also always been justly proud of their status as the party of national programs—big ideas that touch all Canadians. Perhaps it is now time to fix Canada's pension system. Mackenzie King famously accepted an offer of support from Stanley Knowles to create the primitive beginnings of our retirement system. Liberals later added Registered Retirement Savings Plans (RRSPs), and the Harper government added Tax Free Savings Accounts (TF-SAs). Sadly, none of these layers has

addressed the collapse of the private defined benefit pension that nearly three generations of industrial and resource sector employees depended on to supplement a still modest Canada Pension Plan or Quebec Pension Plan (CPP/QPP) payment.

The Ontario government's announcement of its plan to create its own pension plan, may be admirable from a compassionate point of view, it is not from wise from a national policy perspective—the bigger the pool of contributors and beneficiaries the lower the costs.

It may be enough for the Liberal campaign to simply to commit to the broad principles of pension reform: a guarantee of a sustainable pension system with generous support for all equally assured. The plan could be negotiated in detail in an immediate federal-provincial negotiation process, as a priority of their new government, just as the Pearson government did so successfully half a century ago.

So imagine what a campaign this might be. Competing visions of how to build a stronger, more equal Canada with powerful arguments to be made for each

party's innovative campaign planks.

Sadly, it is far more likely that the Liberals will simply say Justin Trudeau is a nicer person than the PM and offer a Harper-lite agenda. Tom Mulcair will attempt to seize the toughest Harper-killer crown, as his appeal to the nearly two-thirds of Canadians who have never voted for, and are aching to see the back of a very divisive prime minister. The Conservatives' hard-edged campaign bosses will simply repeat endlessly that Harper may not be likeable but he is competent, and change is risky.

Social psychologists tell us that we are far more risk-averse than gain-seeking as a culture and the Conservatives have vastly greater resources than their two opponents. For the Liberals and the NDP therefore to mount an election based on a "game of inches" is probably most unwise. As the old campaign cliché has it: against a strong incumbent the riskiest campaign is often the low-risk campaign. **P**

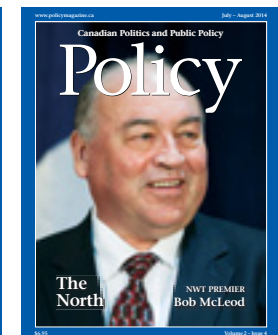
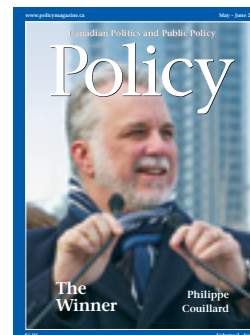
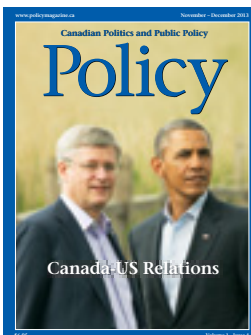
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Former Prime Minister Jean Chrétien, campaigns with Liberal Leader Justin Trudeau. Chrétien was the leader of the last Liberal dynasty. Will Trudeau be the next one? Photo by Adam Scotti

Then and Now: Liberal to Conservative Dominance?

Thomas S. Axworthy and Rana Shamoon

Has Stephen Harper effectively ended the historic reign of the Liberal Party of Canada as the “Natural Governing Party”? With Justin Trudeau presenting the first credible threat to Harper’s evident mastery of Canadian politics since 2011, the 2015 election may be historically important for providing an answer to that question. Will it mark the death of a “tough old bird”, or “Some chicken, some neck”?

In 2015, Stephen Harper could win his fourth straight election, a feat no Conservative has achieved since Sir John A. Macdonald. To be eligible for selection to the same electoral pantheon as the legendary Sir John A. is an indication of how much Harper has mastered Canadian politics since becoming prime minister in 2006. The 2015 election will be important, like every electoral contest in deciding who forms government. But beyond the horse-race perspective is a larger historical question: will 2015 confirm that the Conservatives have, in the early 21st century, established a new dynasty replacing the once dominant 20th -century Liberal party coalition?

V.O. Key Jr., the great Harvard political scientist, published in 1955, *A Theory of Critical Elections*, which called attention to the fact that not all elections are the same: occasionally, there are electoral realignments “in which the decisive results of the voting reveal a sharp alteration of the pre-existing cleavage within the electorate.” If the realignment is confirmed in subsequent elections, and endures overtime, then there has been a “critical election” leading to a fundamental shift.

Key’s criteria apply to the 1896 Canadian federal election, for example, as Wilfrid Laurier, the francophone leader of the Liberal Party, won 49 seats in Quebec to the Conservative Party’s 16, making Quebec the bedrock of the Liberal Party for the next hundred years. In their book, *Dynasties and Interludes*, Lawrence LeDuc and his co-authors write that the Laurier dynasty was established in 1896, tested in the election of 1900, then confirmed in the elections of 1904 and 1908. The authors posit that there are three keys to establishing a political dynasty: to be well positioned on the key economic questions, to ensure confidence on issues of national unity, and expanding or sustaining the welfare state.

Known as the Natural Governing Party of the 20th Century, the Liberal Party was adept at positioning itself on these three key requirements. In the 2000 election, Jean Chrétien won his third majority government in a row, and the Liberal dynasty seemed well placed to go on and on. But as the ancient Greeks wrote, “Those whom the gods wish to destroy they first make mad.” Through hubris, the Liberals embraced the madness of civil war, and in doing so, they destroyed a coalition that had taken them a century to build.

It is instructive to compare the electoral pillars of the “Big Red Machine” in 2000, the last year of a Liberal majority, with the results of the 2011 election, which saw the Liberal Party not only lose for the third time in a row (that had hap-

If the Liberals have fallen spectacularly, the Conservatives of Stephen Harper have built incrementally. The Harper breakthrough is not due to an eruption like the Jack Layton’s “orange crush” in 2011, or charismatic appeal like Pierre Trudeau in 1968.

pened only once before in Canadian history) but fall to third place behind the NDP, a calamity that had never happened before. From first to third in a decade takes some doing.

If the Liberals have fallen spectacularly, the Conservatives of Stephen Harper have built incrementally. The Harper breakthrough is not due to an eruption like the Jack Layton’s “orange crush” in 2011, or charismatic appeal like Pierre Trudeau in 1968. Instead, carefully and methodically, Harper united the right-leaning parties, therefore consolidating his base. Then he worked to make the Conservatives the preferred party on economic issues, a competence of most concern to Canadian voters, while reducing fears that he has a radical right-wing agenda on social issues. Governments traditionally defeat themselves, but Harper has added two percent to his vote total and 20 seats in each election since becoming prime minister. The Conservatives had 29.6 per cent of the vote and 99 seats in 2004 and this grew to 39.6 per cent of the vote and 166 seats in 2011. Like a batter who steadily increases his average month by month, year by year, no matter who is pitching, Stephen Harper has become a political all-star.

However, Harper never faced Jean Chrétien in an election: Chrétien has all-star credentials too, and comparing his last majority in 2000 with Harper’s first in 2011 demonstrates what has happened between then and now.

The last Liberal dynasty of Chrétien and his partner—then rival—Paul Martin had many of the same pillars of support as past eras of Liberal success. The Liberal Party became the governing party because of great support from francophones, Catho-

lics, immigrants (especially visible minorities) and women. In 1980, with Pierre Trudeau as leader, for example, the Liberal Party took 68 per cent of the vote in Quebec and 74 of 75 seats. In 2000, under Jean Chrétien, despite the rise of the Bloc Québécois, the Liberals still had 44 per cent of the vote and 36 seats in Quebec. In 2000, more than half of Catholic voters supported the Liberal Party, as did 80 per cent of visible minorities and 46 per cent of Canadian women (compared to 24 per cent for the Canadian Alliance).

40 per cent of voters identified with the Liberal Party in 2000. This meant that the Liberals could win by turning out enough voters from their core while at least breaking even with independent or swing voters.

In addition to keeping the traditional Liberal coalition intact, the Chrétien-Martin partnership strengthened Liberal appeal in the crucial area of the economy. Elections from the 1960s to the 1990s more typically had the Liberals trying to make unity and just society concerns the dominant issues, while Conservatives spotlighted the economy. By eradicating the deficit, creating jobs and reducing taxes, however, the Chrétien government gained legitimacy in economic management. In the 2000 election, the Liberals were slightly ahead of the Alliance on which party was closest to voter opinions on the deficit (a traditional strength of the Reform Party). While neutralizing this issue on the right, the Chrétien Liberals also enjoyed the support of 43 per cent of

union households, far above the NDP at 30 per cent.

For all these reasons, the Chrétien Liberals enjoyed the support of the largest core of partisans: 40 per cent of voters identified with the Liberal Party in 2000. This meant that the Liberals could win by turning out enough voters from their core while at least breaking even with independent or swing voters. In fact, they did better than that, winning 40 percent of independent voters in 2000 compared to 30 per cent for the Alliance. The most sincere compliment is to emulate and the Harper Conservatives soon became masters of the Chrétien strategy by turning out the base, encouraging the splits in the opposition and gaining enough swing votes to replace the Liberals as Canada's dominant party.

Harper's step-by-step demolition of Liberal dominance began with his successful effort to unite the right through the merger of the Alliance and PC parties. No longer would Liberals enjoy the split between conservative-inclined voters. To the traditional Conservative base of the West (in 2011, Harper won 67 per cent of the vote and 27 out of 28 seats in Alberta), Harper added Ontario. By courting the ethnic vote, a constituent group identified by the Party as ideologically similar to the Conservative base, Harper offset losses in Quebec. The Conservatives swept Ontario, where 28.5 per cent of the population was foreign-born, taking two-thirds of the seats in 2011, including 30 seats in the GTA, the former Liberal fortress. The Conservative ballot question on the economy registered as voters thought Stephen Harper was the best leader on the economy compared to 11 per cent for Michael Ignatieff. The West-Ontario base is now as central to Stephen Harper's success as the Quebec-Ontario axis was to the Liberal Party in its glory days.

The Chrétien era Liberal coalition fell apart in 2011: only 15 per cent of Catholics, 20 per cent of visible minorities and 20 per cent of wom-

The budget deficit has at last been eradicated, and tax cuts and credits, the tried and true elements of a Conservative platform, are on the way. Once again, the Conservatives will campaign as the party of economic management and stability.

en supported the Liberals, and the Party lost over 850,000 votes from the election of 2008. In 2011, only 20 per cent of respondents in a pre-election survey identified themselves as Liberals, a drop of 50 per cent since the days of Jean Chrétien. Now, the Conservatives have the largest base of partisans at 30 per cent, still below the Liberal high, but loyal, durable and active.

In Justin Trudeau, the Liberals have a leader with the most identifiable name in Canadian politics and even his severest critics will acknowledge that Trudeau is a tremendous retail politician with a sunny personality.

As we approach the 2015 election, there is no obvious crack in the Conservative base, but Harper cannot afford too many errors. The Conservatives have been very efficient in turning out the base, but it is a smaller base than the Liberals used to enjoy. In Justin Trudeau, the Liberals have a leader with the most identifiable name in Canadian politics and even his severest critics will acknowledge that Trudeau is a tremendous retail politician with a sunny personality. Current surveys place the Liberals tied or even slightly ahead of the Conservatives, a large jump from third place in 2011.

But Stephen Harper has a few things going for him too. Redistribution will increase the number of House of Commons seats by 30, 27 of them in the West-Ontario Conservative stronghold, with 15 new seats in Ontario and six each in Alberta and British Columbia. The budget deficit has

at last been eradicated, and tax cuts and credits, the tried and true elements of a Conservative platform, are on the way. Once again, the Conservatives will campaign as the party of economic management and stability.

Brian Mulroney once described the Liberal Party as a "tough old bird". In 2004, Stephen Harper ruffled its feathers and then in the elections of 2006, 2008, and 2011, he plucked the old bird clean. In 2015, he hopes he can finally wring its neck. Then again, as Winston Churchill famously said in the Canadian House of Commons in 1941: "Some chicken, some neck!" **P**

Figures cited are largely taken from *The Canadian Election Study*, the flagship project of Canadian social science, which has surveyed voters in every Federal election since 1965.

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First Canadian Place in the heart of Toronto's financial district at the corner of King and Bay. BMO Financial Group Chief Economist Douglas Porter looks at 10 economic and fiscal fundamentals going into this election year. Photo Matthew Liteplo. www.liteplo.com

Ten Reasons Why We Can Still Appreciate This Economy

Douglas Porter

At the end of a year that closed with an oil-price shock and 10 months ahead of a scheduled federal election, BMO Financial Group Chief Economist Douglas Porter looks at the fundamentals of the Canadian economy which, while not “blemish-free” may be living through what we’ll one day call “the good old days.”

Canadian financial markets ended 2014 in a suddenly sour mood, dimming the outlook for economic prospects in the new year. In particular, there has been intense concern over the impact of lower oil prices in Canada, even with the recent run of surprisingly upbeat domestic economic data. While sagging commodity prices will no doubt drag on the resource rich areas of the country, there are still a number of improving trends at work as well. For example, there have been steady gains in employment over the last six months, and the jobless rate is close to its lowest level in more than six years.

Still, even the Bank of Canada often highlights the downside risks for the economic outlook and any areas of underperformance, while anxiously awaiting a return to “normal”. Yet, by many metrics, Canada has long since returned to normal. In fact, we may look back on current conditions as the good old days. Consider the many positives at play on the economic landscape.

- 1 **THE JOB MARKET:** This is probably the most oft-cited component of the economy’s underperformance, with many pointing to persistent underlying slack (e.g. part-time workers who want to work full time). But the simple fact is that over the last three months, our unemployment rate was the lowest in the past 40 years (6.6 per cent average), aside from a three-year slice of Nirvana from late-2005 to late-2008 (at the tail end of the commodity boom). While some highlight the fact that the employment-to-population ratio is still close to its post-recession low, this is largely due to demographics (the early baby boomers retiring). The employment rate for 15-64 year olds has been steadily grinding higher since the 2009 low, and was only above current levels during the 2006-08 spell.
- 2 **CONSUMER SPENDING:** While the US consumer is finally getting back to normal, the Canadian consumer barely blinked this cycle. Auto sales are easily on track to shatter 2013’s record high in 2014, headed for 1.88 million units. That’s roughly 13 per cent above the already-frothy pace in the six years prior to the recession.
- 3 **HOUSING:** Another area responding in spades to persistently low borrowing costs is the unstoppable housing market. While the big gains in 2014 were largely confined to the big three cities (Toronto, Vancouver, and Calgary), that doesn’t detract from the broader picture that housing surprised—yet again—to the upside in 2014. National home sales and values were both headed for

Rising home ownership rates, strong home prices, robust global equity markets, and good old-fashioned savings have driven household net worth to a record high as a share of disposable income (i.e. after netting out the record levels of debt). Put another way, households have \$5.40 in assets for every \$1 of debt.

roughly 5 per cent gains, with average prices hitting yet new record highs in recent months.

- 4 **HOUSEHOLD BALANCE SHEETS:** The nasty stepsister of record home prices is record household debt, which many have highlighted for years. What doesn’t get nearly the attention is the rapid rise on the other side of the ledger—assets. Rising home ownership rates, strong home prices, robust global equity markets, and good old-fashioned savings have driven household net worth to a record high as a share of disposable income (i.e. after netting out the record levels of debt). Put another way, households have \$5.40 in assets for every \$1 of debt.
- 5 **GOVERNMENT FINANCES:** While the US is celebrating the fact that Washington’s budget deficit has dropped below \$500 billion, Ottawa is on course to balance the books, even with the increasing pinch of lower oil prices and the cost of the recent tax relief for parents. Of course, many provinces still face important medium-term challenges, but overall, net government debt is slowly receding again. And, at around 50 per cent of GDP, it is much lower than most of the rest of the OECD.
- 6 **INFLATION:** Even as much of the industrialized world grapples with inflation that’s too low for comfort, Canada’s rate is still very close to its 2 per cent target. In fact, Canadian inflation rose to 2.4 per cent in October, among the highest in the industrialized world. While relatively high inflation would seem no cause for celebration, most major economies would welcome a small dose of slightly faster price increases at this stage of the cycle. In any event, the steep slide in oil prices is likely to pull Canadian CPI

lower, although the good news for consumers will be blunted by the falling Canadian dollar. Concern over “lowflation” is very much a rich world problem, as inflation in developing economies is approaching its highest level in nearly two decades (aside from the oil-related spike in 2008).

- 7 **TRADE SURPLUS:** After dipping into the red for four of the past five years, Canada’s merchandise trade was headed for a small surplus in 2014. True, the black ink is a fraction of the pre-recession level, and the steep oil price drop threatens the gains, but an improving U.S. economy and a falling Canadian dollar point to non-energy export growth in 2015. Even with the oil price dive, we look for the current account deficit (the broadest measure of trade) to stay around a manageable 2.5 per cent of GDP in 2015.
- 8 **FINANCIAL CONDITIONS:** Even with the late-year swoon in stocks, Canada’s overall financial conditions are close to the strongest in 15 years (topped only by the 2009 bounce out of the recession). Contributing to solid financial conditions are low interest rates, tight corporate bond spreads, a lower loonie, strong home prices, and easier lending conditions. According to Bank of Canada surveys, businesses find that credit conditions in the past two quarters have been the easiest in 13 years of data.
- 9 **PRODUCTIVITY:** Often cited as the weak spot of Canada’s long-term economic performance, there is even good news on this front. In the past year, business sector labour productivity has vaulted 3.3 per cent, the fastest pace since the heady days of the tech boom in 2000.

10 LABOUR PEACE: Workers have not only been much more productive recently, but they have also been much less likely to strike. While this is not a particularly new development, it seems to be becoming even more obvious—the number of days lost to work stoppages over the past four years has been the lowest in Canada since the mid-1960s.

The list of good news stories is not to suggest that the Canadian economy is blemish-free; there are still many areas where improvement is needed. For instance, more full-time jobs, firmer wage growth, a narrower current account gap, and stronger provincial finances would all be more than welcome. As well, sagging oil and metals prices are a drag on the Canadian dollar and will weigh heavily on growth in 2015. But, it is to suggest that this cycle is a lot more mature than many give it credit for (including, it seems, the Bank of Canada), and we shouldn't overlook the many economic positives that are already staring us straight in the face.

OUTLOOK FOR 2015: We look for Canada's economy to grow 2.2 per cent in the coming year, as growth

Even as much of the industrialized world grapples with inflation that's too low for comfort, Canada's rate is still very close to its 2 per cent target. In fact, Canadian inflation rose to 2.4 per cent in October, among the highest in the industrialized world.

benefits from stronger US activity and a weaker Canadian dollar, but low oil prices will weigh. The Bank of Canada will likely not pull the trigger on rate hikes until the late fall (or even possibly longer if oil prices keep softening), at least a few months after the Federal Reserve finally begins to tighten its policy. This delayed reaction by the Bank of Canada, along with the pull from low oil prices, points to further weakness in the Canadian dollar. We look for the currency to dip below 85 cents (US) in 2015, after averaging just slightly above 90 cents in 2014.

On the fiscal side, the federal government was easily on track to balance the books in the coming fiscal year, despite a heavy dose of tax cuts and benefit increases announced in late 2014. However, the deep slide in oil prices does put that outlook in some danger. The deficit for this fiscal year remains pegged at \$2.9 billion (0.1 per cent of GDP), as a better-than-expect-

ed handoff from FY13/14 offsets the initial impact of lower oil prices and new policy measures.

Importantly, the \$3 billion fiscal cushion remains fully in place throughout the forecast horizon, so we could still see balanced books by the time FY14/15 is officially wrapped up. Ottawa is targeting a \$1.9 billion surplus in FY15/16 and an average of \$5.4 billion per year in the three subsequent years, quite a bit smaller than expected in the spring, but that includes the impact of the policy moves announced in October 2014 and still leaves some margin for error from lower crude prices. Net debt is expected to gradually fall as a share of GDP, dipping below 25 per cent by FY19/20—the downward trajectory is a tad less steep now with smaller surpluses ahead. **P**

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Prime Minister Harper speaks to reporters at the closing of the G20 leaders' summit in Brisbane, Australia. As PM, Jeremy Kinsman writes, he "enjoys an Airbus-borne platform with on-board media channeling stories that spokesmen script." Jason Ransom, PMO photo

For a Pre-election Harper, All the World's a Stage

Jeremy Kinsman

While foreign policy doesn't usually take up much bandwidth in Canadian elections, Stephen Harper knows these are insecure times with plenty of international opportunities for convincing voters to stay the course. Former ambassador Jeremy Kinsman argues there's also ample space for the case to be made for changing Canada's role in the world.

A few months before she died, Margaret Thatcher was asked how worried UK Prime Minister David Cameron should be that his approval ratings had sunk to the mid-30s. "They should be lower," was the Iron Lady's judgment. She explained that halfway through the mandate is when he should be unpopular because he should be doing the unpopular, necessary things. Then, he would have time to win them back.

Is this comforting advice for Stephen Harper, whose approval ratings have generally been lower than Cameron's? Not really. Prime Minister Harper isn't unpopular because he has forced Canadians to tighten belts and face harsh facts. Canadians have had a relatively easy time of it. The Pew Center's polling shows that 55 per cent of Canadians are

pretty much satisfied with the overall economic direction of the country. Harper is unpopular for reasons that have to do with him, his divisive and aggressive partisanship and his secretive style which many believe is degrading of public life.

His approval ratings have crept up recently for reasons that transcend those considerations, and that have much to do with why foreign policy, which usually doesn't compute in Canadian elections, is likely to count for more in 2015.

Stephen Harper's claim on a fourth term as prime minister is going to be staked not on trying to project likeability, but on the proposition that "like" Harper or not, he is the experienced and hard-nosed leader without illusions Canadians need in dangerous times. His voter intention numbers, which were in a nosedive, began inching up steadily after the October attacks in Saint-Jean-sur-Richelieu and Ottawa.

Leadership on Canada's relations abroad and on defending Canadian security will still be less decisive than judgment on who will be the best leader to fix issues that Canadians care about on the home front (watch out: the Canadian economy lost 10,000 jobs in November while the US gained 321,000). But the foreign policy and national security stage offers Stephen Harper at least the opportunity to rise above the Ottawa trash-talk. A series of events over the fall of 2014 have aimed to position his image as a Canadian leader consorting as a respected equal with the world's top deciders to confront the world's clear and present dangers, which he is all too happy to magnify.

The foreign policy and national security stage offers Stephen Harper at least the opportunity to rise above the Ottawa trash-talk.

As Prime Minister, Harper enjoys an Airbus-borne platform with on-board media channeling stories that spokesmen script. NDP and Liberal leaders are limited to

On the proposition that "like" Harper or not, he is the experienced and hard-nosed leader without illusions Canadians need in dangerous times. His voter intention numbers, which were in a nosedive, began inching up steadily after the October attacks in Saint-Jean-sur-Richelieu and Ottawa.

commenting on world affairs as principled spectators, issuing hypothetical policy pronouncements that pretty much blow in the wind, although the anti-ISIS deployment of CF-18s exceptionally led to a Parliamentary debate, vote, and controversy.

The NDP position was clear going in. Especially given their base in Quebec, where public sentiment is historically pacifist and isolationist, they were going to oppose participation in any combat operations. The Liberals were less doctrinaire. They realistically assessed that Canada's aging and expensive-to-operate CF-18s weren't going to change many facts on enemy ground with costly sorties against occasional vehicles in the desert. On the other hand, the US had less need of value-added effectiveness than of coalition participation as broad as possible. Uneasy about leaving the non-combat position in the hands of the NDP alone, Liberals hoped for an alternative non-combat military contribution more aligned to specialties that would be more demonstrably value-added—protected field hospitals for refugees, for example.

The PM's evident hope is that in the game of comparisons, Justin Trudeau can be shown up as inexperienced and politically naïve about the world. From his election as Liberal leader, Conservatives tried to frame Trudeau as an elitist son of privilege who hadn't earned Canadians respect, much as they succeeded in bringing down Michael Ignatieff as "just visiting." But it hasn't worked with Trudeau. As Brian Mulroney noted: "What's not to like?"

Is the image of Stephen Harper as a world leader, punching above Canada's weight, grounded in reality? His confrontational tone with Vladimir Putin at the Brisbane G20 summit generated headlines when he told the Russian president: "I'll shake your hand, but you need to get out of

Ukraine." But to Angela Merkel and Barack Obama, Ukraine is a practical problem to be solved. In describing Republican Senator John McCain's approach to the issue in *The New Yorker*, George Packer could have been writing about Stephen Harper, as being "more preoccupied with the need to display toughness against America's former Cold War adversary than with events in Ukraine themselves."

Contrast Harper's brief but publicized moment to the four hours of late-night negotiation in Australia behind closed doors between Putin and Angela Merkel. The German chancellor enabled an exchange to take place that may, with Ukrainian input, translate eventually into a solution. Merkel firmly promised Putin that sanctions and distancing from Russia will not abate without a change in behavior. She has left Putin with the job of pretending to Russians that they can weather an economic downturn he blames on a malicious US plot to humiliate and weaken their country. When senior Russian officials confide to Europeans that they know things have "gone too far," it's not because of Harper's stunt but because Merkel's straight talk in private left no doubt that Russia's cost-benefit analysis had been a delusion.

Predecessors, Liberal and Progressive Conservative, have pursued Canadian interests every bit as ardently but have always included among those interests the strengthening of international capacity for cooperative global outcomes.

Canada's constructive internationalism became a definitional part of its global brand. That is now gone. Conservative pundits such as Derek Burney and Fen Osler Hampson deride attachment to internationalism in the national interest as "time-warp" addiction left over from the 1960s and 1970s.

Not at all. Only a decade ago, the European Union designated Canada as one of the EU's six "strategic partners" precisely and explicitly because of Canada's commitment to combat climate change and because of Canadian leadership in prompting a paradigm change in international norms on issues of human security, both key priorities of EU common foreign policy.

"Human security" as a policy emphasis and even as a permissible phrase has been ruled out at the Department of Foreign Affairs, International Trade and Development. It's a typically tribal repudiation of a successful international campaign that emerged from a Liberal government, and in effect repudiates the efforts made by many Canadians as well as the credit they garnered for the country. A former member of the Board of the Pearson Peacekeeping Centre in Nova Scotia, which partnered around the world in the cause of conflict mediation and resolution, sought clarity from a PMO staffer for the reasons behind the withdrawal of government support that led to the Centre's closing. "Two words," was the answer—"Pearson" and "peacekeeping."

Prime Minister Harper has never given a convincing speech on climate change. He is vulnerable to a suspicion he is at home among the diminishing number of crank deniers of a global threat on which the US and China have begun to make progress. For all intents and purposes, Canada has no policy, though we are the one country that desperately needs to put one forward, especially to help the president of the United States help Canada on the Keystone pipeline.

The Harper government's declaratory impulse is too often uninformed macho lecturing from the outside. US strategic interests are heavily invested in difficult negotiations with a moderating but still defiant Iranian government for a verifiable agreement that averts an Iranian nuclear weapon. Crucial to the outcome will be the number of Iranian centrifuges in operation, adequate for peaceful purposes but short of enrichment potential to build a bomb. Well-informed experts from US negotiating partners

Trudeau has to convince Canadians that on Day One of a new government, representatives to international organizations will be put on notice that under his leadership, the Canadians are back, again at work in the long game to make the system work better.

Germany, France, the UK and the EU credit that number at a few thousand. Yet, Foreign Minister John Baird saw fit following a policy statement denying any change in Iran's political culture or posture to distribute a speech stating Iran should be held to 200 centrifuges, clearly a non-starter for a sovereign country. What does Baird, who unprofessionally shut our embassy in Tehran, know that the deeply engaged allies have somehow missed?

In Canada, critics see the syndrome as part of the dicing and slicing of domestic ethnic electoral constituencies. I have no doubt that Stephen Harper's admiration of Israel's narrative is sincere. But I sure doubt his support for the state of Israel surpasses that of fellow conservatives Angela Merkel or Nicolas Sarkozy, or for that matter that of the vast majority of Canadians. But unlike others, Harper shows not even a pro forma recognition of what life must be like for Palestinians in today's circumstances and has locked himself into the more confrontational side of Israeli attitudes. In consequence, Canada has no influence nor potentially positive role in any search for a resolution to the enduring conflict.

The opposition has the chance to present an alternative vision. Marc Garneau, the Liberal foreign affairs critic, sums up the Trudeau approach this way: "From finger-wagging and lecturing to practical engagement and problem-solving: a new foreign policy for Canada." That will be music to a lot of ears but music alone won't do it. Trudeau has to convince Canadians that on Day One of a new government, representatives to international organizations will be put on notice that under his leadership, the Canadians are back, again at work in the long game to make the system work better, that Canada is more interested in solving vital problems than in hectoring people about them, and that Canada can listen.

Canadian aid will again be about the reduction of enduring poverty, relying on the commitment of our civil society and NGOs who have contributed so much to our world reputation for engagement but who have been marginalized, disrespected, and defunded by a controlling top-down government machine. Canada will be ready and willing to do heavy military lifting through our alliances and in service of the UN, but not as part of a cartoon cult of the "warrior nation." Canadian interests will be vigorously pursued with commercial partners but supported by the enhanced profile and access of a country again demonstrably interested in problem solving as well. A new prime minister will enable a fresh start in relations with the presidents of the United States and Mexico and the opportunity to strengthen our common economic space.

Above all, the Liberals—and the NDP—have to help Canadians again believe that a constructive role in the world matters to them. The Prime Minister seems to need foreign enemies to bolster his projection as a strong leader but he's lost when it comes to promoting solutions. His belligerent approach to domestic policies is an extension of his dire outside threat assessment, painting his adversaries as ill-equipped to deal with reality when what he markets is an age of fear. These are fundamental and even existential issues. It will be fascinating to see how they play out in what could be a defining national election. **P**

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The Road to Paris and COP21 runs through Campaign 2015 in Canada. Will the environment and climate change be an election issue? Will Canada be a leader of a laggard on climate change and global warming? Shutterstock photo

Will the Environment be Election Road Kill on the Road to Paris?

David McLaughlin

This year sees two seminal political events for Canada: a general federal election and a major global climate change conference in Paris designed to agree on a new binding treaty on limiting carbon emissions after 2020. The environment generates a lot of political heat but typically has not driven voting preferences in Canada. Canadians are primarily concerned with jobs and the economy. All the parties are wary of the political complexities of climate change policy and how the average voter sees it. The Liberal “Green Shift” carbon tax platform of 2008 still resonates. But oil sands development and pipeline projects are current hot-button issues linked to climate change and the Harper government’s own climate policy target for 2020 will not be reached. So, will this year be different?

As the three major Canadian political parties prepare to roll out their policy priorities ahead of this year’s election, there are two major externalities to factor into their thinking on the environment: The UN Climate Change Conference in Paris—beginning just a month after the October vote—and the U.S.-China agreement on carbon emissions.

But to what extent those external factors will influence platform formulating here will hinge on where the environment fits in the election-year public psyche. For all the policy linkage between a strong economy and a healthy environment, in Canadian politics it is the inverse that is true. A weak economy means less public attention on the environment. As jobs and the economy rise as a personal concern, environmental concerns drop.

This has been the Canadian pattern for some time. The figure below from Environics Research Group illustrates the priority trade-off Canadians have made on the economy and the environment over the years. Asking Canadians what was the most important problem facing them between 2007 and 2011, it shows environmental issues trumping economic issues in 2007 but falling off completely after that when the global financial crisis hit in 2008 and Canada entered economic recession. While economic concerns moderated subsequently, environmental concerns did not rise in response. Nothing suggests this dynamic has reversed itself.

This makes campaigning on the environment a less assured strategy for political parties. All major party platforms in 2015 will note the environment. How central this will be to each party's election strategy remains the question.

The closest example of an environment/economy election in Canada occurred in 2008. The "Green Shift" election promise by Liberal leader Stéphane Dion returned Stephen Harper's government to office with a strengthened minority. Dion's Green Shift platform of implementing a carbon tax while cutting income taxes and increasing social spending

certainly argued the environmental benefits of doing so. It echoed British Columbia's successful introduction of a carbon tax that same year. But Dion's campaign fell short illustrating in part the risks of this approach. Three reasons account for this.



In the 2008 campaign Liberal leader Stéphane Dion proposed his Green Shift to implement a carbon tax while cutting income taxes and increasing social spending. That didn't go very well. The Liberals lost.

First, it was characterized as a 'tax on everything' by opponents, making its economic impact much more concerning to voters than any environmental benefits it would bring. Second, Dion's own leadership skills were never readily accepted by voters who failed to see him as a potential prime minister, making him an ineffective agent of this type of complex policy change. Third, the environmental need for such a strong dose

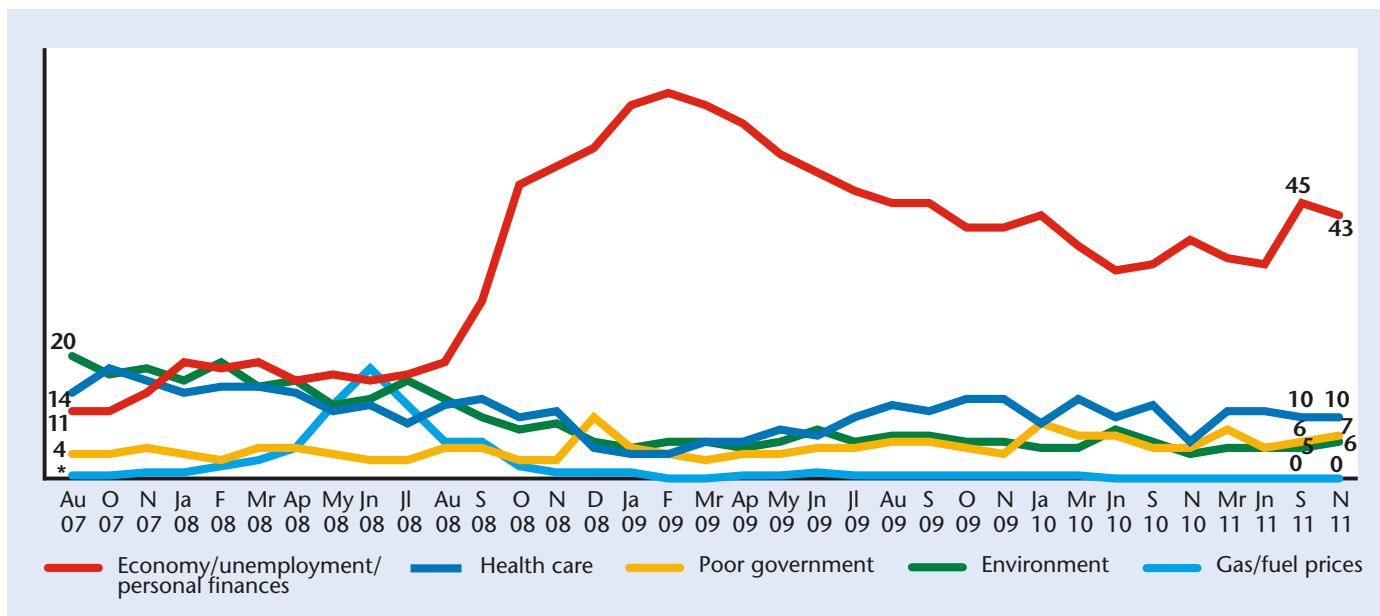
of tax reform was never effectively communicated and understood or accepted by the electorate, leaving the economic calculus as the most salient one.

It is this last point that remains a *condition precedent* for significant political action by governments on the environment.

Even though concern about the environment was close to concern about the economy generally for Canadians at the time of that election (as seen in Figure 1) as a voting issue motivating people, the economy still trumped it. By the time of the 2011 election, the Conservatives won their first majority government on the basis of two core appeals, one positive and one negative: strong economic management under Harper and manufactured fear about a coalition opposition government. The environment was simply ignored.

The 21st United Nations Conference of the Parties (COP 21), scheduled for November 30-December 11, guarantees a year of rising attention on climate change issues and Canada's carbon reduction ambitions. Its goal is to achieve a legally binding, successor treaty to both the Kyoto Protocol and the Copenhagen Accord for limiting and

Figure 1: Most Important Problem Facing Canadians Today



Source: Environics Research Group, 2011.

reducing GHG emissions after 2020. This is a tall order but one that places obvious political pressure on Canadian performance and commitments.

To date, Canada's carbon reduction performance has been fitful and inadequate to meet our target of reducing emissions 17 per cent below 2005 levels by 2020. The governing Conservatives' plan is to take a sector-by-sector regulatory approach, as has been done for fuel efficiency standards for cars and trucks but not for oil and gas, while letting provinces contribute on their own accord.

Figure 2 shows progress to date in achieving the 2020 target. This latest chart released by Environment Canada shows that without additional measures, Canada will miss its target by 116 megatons or almost 50 percent.

Compared to both meeting its own GHG target and by any international comparison, Canada remains a serious climate policy laggard. In a 2013 performance index of the biggest global emitters, Canada ranked last among all industrialized nations as well as within the G8 countries. (see Figure 3)

COP 21 promises to ramp up the pressure on parties to detail their goals for Canada's next climate pol-

icy commitments. Even though the actual negotiating meeting takes place after the election, all countries are requested to submit their proposed post-2020 commitments in advance, by March, 2015. This guarantees public focus not just on the politics of the positioning of the Conservatives, Liberals, and New Democrats, but on their substantive plans.

Compared to both meeting its own GHG target and by any international comparison, Canada remains a serious climate policy laggard. In a 2013 performance index of the biggest global emitters, Canada ranked last among all industrialized nations as well as within the G8 countries.

The federal government's approach to Paris was formalized in a June, 2014, submission to the UN. It calls for "nationally-determined contributions" from countries of GHG mitigation targets as part of an "internationally legally

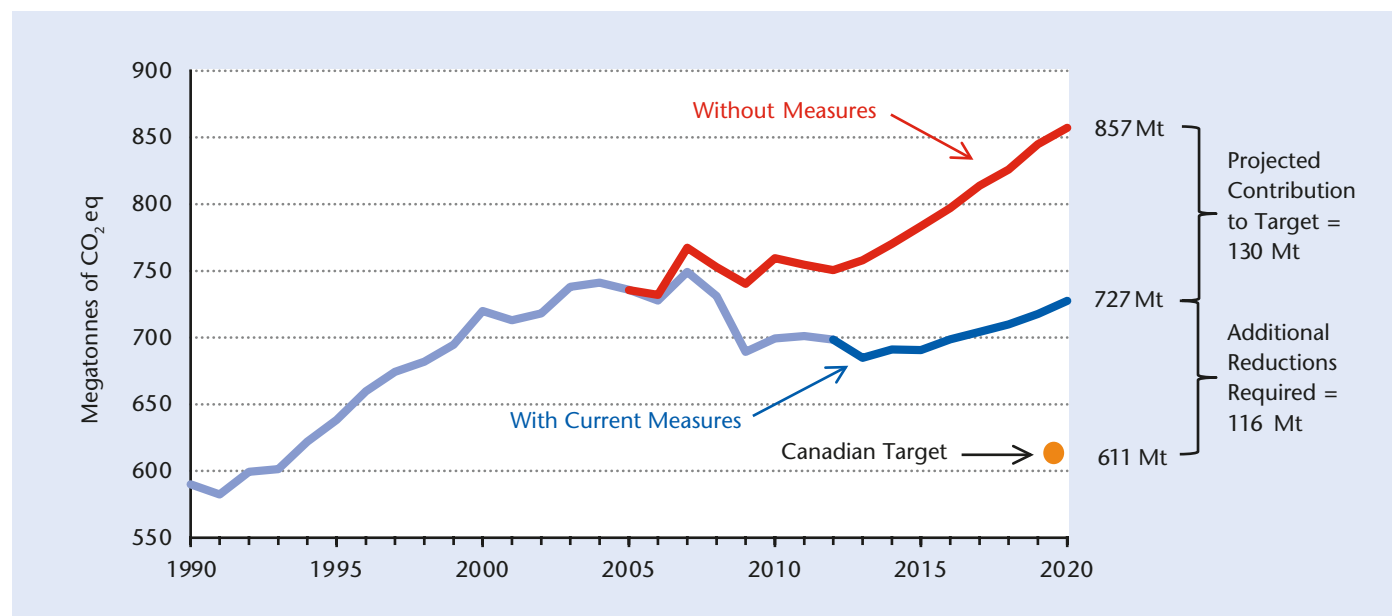
binding" agreement. Canada called for all countries to make contributions with this proviso:

"...Parties' contributions under a new agreement will be differentiated to reflect unique national circumstances and capabilities. We recognize that Parties need to continue to grow their economies in order to achieve sustainable development while reducing emissions well into the future. Various domestic factors will shape Parties' efforts to reduce emissions, including for example the structure of their economy, population growth, the cost of abatement, geography and climate." There is little here to suggest a shift in the government's current approach is forthcoming. First, it trumpets economic growth over environmental mitigation. Second, it takes issue with conventional scientific assessment on the need to act now to reduce emissions only "well into the future". This explains why the Prime Minister characterized global efforts on climate change this way:

"No matter what they say, no country is going to take actions that are going to deliberately destroy jobs and growth in their country. We are just a little more frank about that..." (June, 2014)

The only consistent feature of the government's climate policy approach has been on the means to reduce emissions. It will not bring in

Figure 2: Progress Toward Canada's 2020 GHG Emissions Reduction Target



Source Environment Canada Emissions Trends, 2014.

any form of economy-wide or sector-specific carbon pricing scheme, calling it “job-killing”. No matter the effectiveness of such a measure in reducing emissions as seen in British Columbia, for example, it will not countenance it.

Adding to this pressure is a significant new commitment in November, 2014, by the world’s two largest emitters—China and the United States—to limit and reduce their own emissions. China will peak its emissions by 2030 and reduce subsequently; the US is now setting a new reduction target for 2030, for the first time committing to reducing emissions 26 to 28 percent below 2005 levels by 2025, with “best efforts” to hit the higher end of that range.

This is meaningful for two reasons: First, it is the first time China is committing internationally to domestic reductions. This highlights the prospect of a global deal involving all major emitters (a Canadian policy goal

in Paris. Should this hold, it places major pressure on Canada to go beyond its current 2020 commitments and offer to reduce emissions further.

With the US now going further, then Canada must decide to either concur with the US despite not being on track to meet the original 2020 target or consciously show that it is not willing to match the US, thereby undermining a key component of Canadian climate policy.

Second, it illustrates the dilemma for Canada in adopting climate policy targets aligned with the United States. With the US now going further, then Canada must decide to either concur with the US despite not being on track to meet the original 2020 target or consciously show that it is not

willing to match the US, thereby undermining a key component of Canadian climate policy.

None of the other parties’ final environmental platforms have been announced as election year begins. But elements of each are already in play based on leaders’ statements.

In a speech to the Economic Club of Canada in December, 2013, Opposition Leader Tom Mulcair stated:

“We will rise to meet our international climate change obligations by creating a cap-and-trade system that puts a clear market price on carbon. We’ll use the revenue generated by that cap-and-trade system to reinvest in the future of our energy sector.”

Many important details are lacking, including: the actual carbon price, timing of implementation, link to 2020 or other targets, economy-wide vs. individual sector coverage, trading allowances, and so forth. Each of these is material to determining both the effectiveness and the impact of such a policy. But it is also materi-

Figure 3: Climate Change Performance Index for OECD Member Countries

Rank	Country	Score	Rank	Country	Score	Rank	Country	Score
4	Denmark	75.23	17	Slovak Republic	63.17	40	Czech Republic	53.93
5	United Kingdom	69.66	18	Italy	62.90	42	New Zealand	53.49
6	Portugal	68.38	19	Germany	61.90	43	United States	52.93
7	Sweden	68.10	20	Mexico	61.50	45	Poland	52.69
8	Switzerland	66.17	22	Spain	60.37	47	Greece	51.50
10	France	65.90	23	Luxembourg	60.27	50	Japan	47.21
11	Hungary	65.17	24	Norway	59.32	53	Korea	46.66
12	Ireland	65.01	29	Austria	57.19	54	Turkey	46.47
13	Iceland	64.89	31	Netherlands	56.99	57	Australia	41.53
14	Belgium	64.65	32	Finland	56.57	58	Canada	40.39

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Figure 4: Climate Change Performance Index for G8 Countries

Rank	Country	Score	Rank	Country	Score	Rank	Country	Score
5	United Kingdom	69.66	19	Germany	61.90	56	Russian Federation	43.64
10	France	65.90	43	United States	52.93	58	Canada	40.39
18	Italy	62.90	50	Japan	47.21			

© Germanwatch 2013

PERFORMANCE ■ Very good ■ Good ■ Moderate ■ Poor ■ Very poor

Source: GermanWatch, CPPI, 2014.

ally different than the Conservatives' approach.

Justin Trudeau's Liberals have been less explicit on their climate change policy. But he has been consistent on the need to price carbon as part of it, as he stated in a speech to the Calgary Petroleum Club in October, 2013:

"I would have joined and contributed to the provincial government, industry, and civil society efforts to build a national energy strategy. Part and parcel of that strategy ought to be a national approach to pipelines and development, within an overall framework that includes a policy that puts a price on carbon pollution."

So, both opposition parties agree on the need for some form of carbon pricing in Canada. The

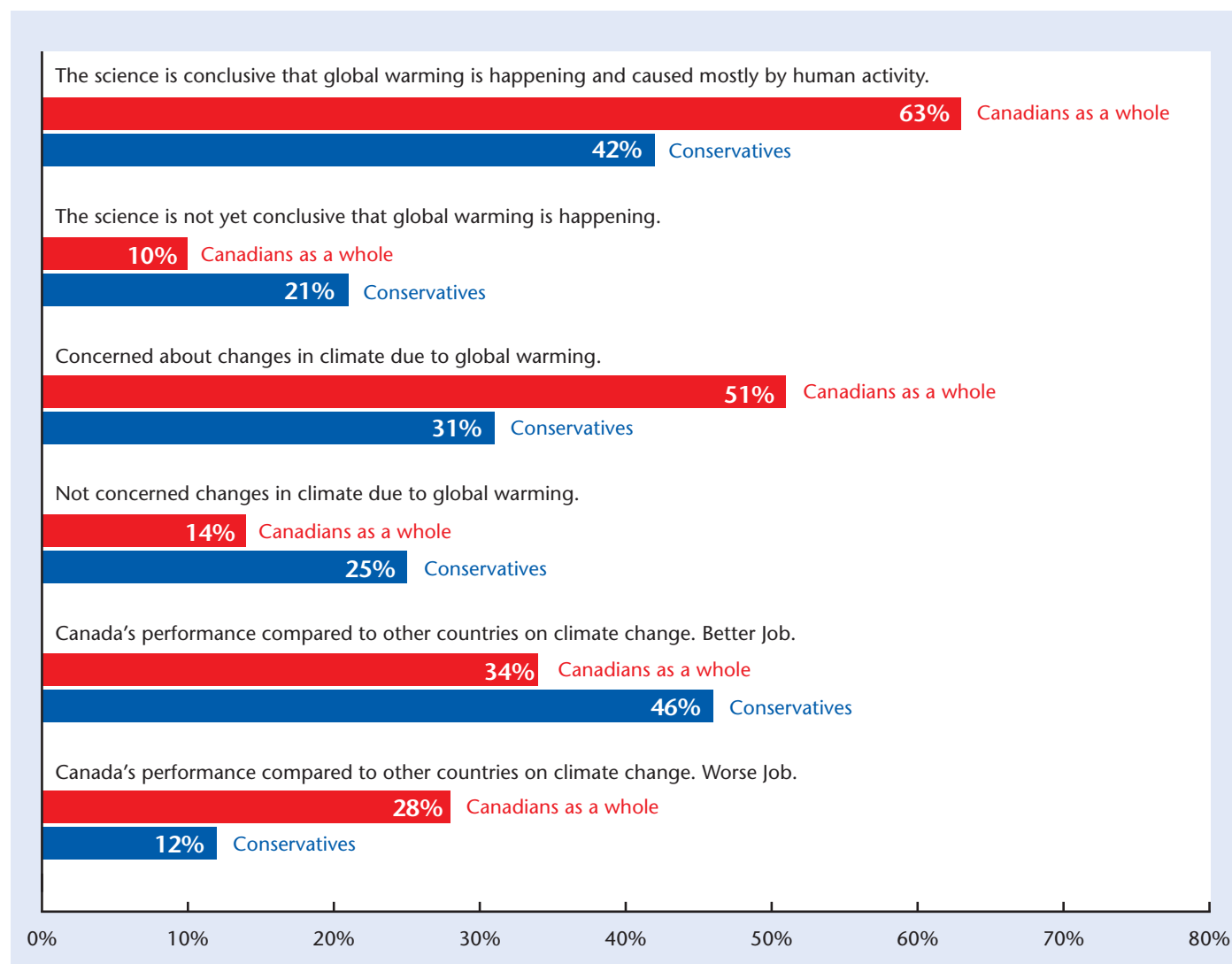
Think of climate change as a "sword" or "shield" issue for the parties; the former being offensive, the latter defensive. The NDP and Liberals cite climate change in order to contrast offensively with the Conservatives, letting them say the Conservatives have done little to tackle this issue.

NDP favour a cap-and-trade system while the Liberals have not pronounced. It is this ambiguity on details but clarity on carbon pricing that continues to allow the Conservatives to label the NDP and Liberals as both being in favour of a "carbon tax", even though neither has stated such.

Politically, think of climate change as a "sword" or "shield" issue for the parties; the former being offensive,

the latter defensive. The NDP and Liberals cite climate change in order to contrast offensively with the Conservatives, letting them say the Conservatives have done little to tackle this issue. The Conservatives, knowing they are weak on climate action, cite carbon tax as their sword issue against the opposition, knowing they need to shield themselves from neither caring nor acting on climate change. It buttresses their position-

Figure 4: Canadians on Global Warming—By the Numbers



Source: Environics Research Survey Institute, Detailed Tables 2014.

ing as the 'low tax' party and deflects the argument to the economy rather than the environment.

This simple framing—useful for political messaging, as we saw in 2008—will carry through to election day. Who stands to profit?

These poll results show Canadians are more ambiguous about acting on climate change and makes the likelihood of climate change becoming a top 2015 election issue less guaranteed.

Public opinion tells a less forthright story. New research released by the Environics Institute for Survey Research and the David Suzuki Foundation in November, 2014, shows Canadians believe 63 per cent to 33 per cent that there is scientific evidence that global warming is occurring and is caused by human activity. They are also concerned about the effects of climate change and would like to see Canada take "significant new actions" by almost 90 per cent.

The issue is not as clear-cut in two other areas: perception of Canada's overall climate performance (where 34 per cent of Canadians believe we are doing a better job than other countries, compared to 28 per cent who say the opposite) and overall concern about climate change (with 50 per cent saying they are very or definitely concerned compared to 48 per cent who say they are somewhat or not at all concerned). Taken together, these poll results show Canadians are more ambiguous about acting on climate change and makes the likelihood of climate change becoming a top 2015 election issue less guaranteed.

The most compelling public opinion results about possible Conservative action on climate change can be found in the party breakdowns. For

every question, in every category, self-identified Conservative party supporters are less inclined to believe the science of climate change is real, the issue is of significant concern, or more actions need to be taken. Not surprisingly, Conservative supporters are also more likely to believe Canada's climate performance is better than other countries. (See Figure 4)

Conservatives are plainly more satisfied with the government's climate change approach. The Conservative Party's 'shield' is working—enough for its own supporters.

Elections are unpredictable. There is no guarantee a party's intended campaign strategy will hold as outside events, opponents' stumbles, and media coverage influence voters. What is clear is this:

- Conservatives are vulnerable on the issue of climate change but it has not risen to a salient voting issue for Canadians. The economy continues to trump the environment.
- There is a clear policy distinction between the Liberals and NDP on the one hand and the Conservatives on the other in their climate policy positioning. The other parties will be splitting this vote, which leaves a strong minority pool for the Conservatives.
- Conservatives will campaign against carbon taxes rather than for more climate change action. They will paint the Liberals and NDP as ready to bring one in.
- A core of Conservative support remains in their camp and basically satisfied with the government's actions to date or suspicious of climate change reality.

The road to a global climate deal in Paris in 2015 remains an uncertain one for the world, let alone Canadian political parties. The initial political skirmish will come in March, when the government must submit publicly its negotiating position on post-2020 emission reductions to the United Nations. The Conservatives

will be vulnerable at this point based on their failure to meet their own 2020 target and their likely prevarication on committing to anything substantive beyond. It will be up to the opposition parties to use this to get the attention of voters if they are to have a real chance of making 2015 a climate change election.

If the outcome is a minority government, as polls suggest, then climate politics will become much more relevant to Canadians with a subsequent election looming.

Much of the action will, in political terms, occur after the federal election, in December rather than in October. If the outcome is a minority government, as polls suggest, then climate politics will become much more relevant to Canadians with a subsequent election looming. The year 2015 may then prove quite decisive for climate change politics in Canada, but its real impact could be in an election to come. **P**

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Prime Minister Brian Mulroney at the wheel of his press bus in the 1988 campaign. When the election writ dropped, his government's \$6.4 billion universal child care bill died on the Order Paper in the Senate because of a Liberal filibuster over the free trade bill. In today's terms, the child care package would have been worth twice that amount. *Montreal Gazette* archives

Family Policy in the 2015 Election: Back to the Future

Geoff Norquay

The broad outlines of the current debate over the federal government's role in child care support date back to the 1980s, when the influx of women into the full-time work force of the previous two decades put pressure on Ottawa to formulate a national child care policy. As former Prime Minister Brian Mulroney tells his former social policy adviser Geoff Norquay, his government's solution was a compromise that should have worked. The same stakeholders who made that impossible will be highly vocal in the upcoming election campaign.

As we look ahead to the issues that will dominate the 2015 federal election, it's clear that family policy will be high up the list. The reason is obvious: the head-to-head confrontation between NDP Leader Thomas Mulcair's national child care proposal and Stephen Harper's family tax cut package, both revealed last fall.

In the past 30 years there have been three major attempts to hit the reset button on family policy in Canada. First, there was the Mulroney government's child care

strategy of 1987-88, followed by the Martin government's child care plan of 2005. The choices on offer from Mulcair and the Prime Minister today present another two conflicting visions from which to choose.

Looking back over the history of family policy, it is instructive to consider what has changed and what has stayed the same in this long-running debate. The Martin and Mulcair proposals both narrow the idea of family policy to child care. The Mulcair/Harper proposals represent the two divided sides of family policy, child care versus broader tax support for families with children. Only the Mulroney proposals actually unified the child care/tax support divide into a comprehensive and balanced family policy.

The Mulroney plan was very much a product of the social changes sweeping the country in that period. Between 1961 and 1980, the percentage of married women in the paid labour force in Canada jumped from 22 per cent to 50 per cent, and these swelling ranks put huge pressure on the country's child care resources. By the 1980s, child care was funded through the social services provisions of the Canada Assistance Plan, the joint federal-provincial cost-sharing arrangement created in 1966.

Provinces had taken starkly different approaches to delivering child care. Some had taken advantage of federal cost-sharing and pursued the public provision route, while others had opted to develop their services through the licensing of commercial, for-profit child care centres. Most provinces had varying mixes of the two approaches. In addition, provinces also ranged significantly in their fiscal capacities and many were wary of a huge new spending commitment. They wanted to see stronger federal leadership and greater assistance with growing child care costs, but they were concerned about their ability to provide the matching funds required by the Canada Assistance Plan.

The Mulcair/Harper proposals represent the two divided sides of family policy, child care versus broader tax support for families with children. Only the Mulroney proposals actually unified the child care/tax support divide into a comprehensive and balanced family policy.

Parental views across the country diverged as well. Among those families where only one spouse was working outside the home, there was strong support for increased tax breaks for stay-at-home parents. They argued they should not be "disentitled" because one spouse chose to stay home and not make use of formal child care.

Finally there was the child care advocacy community, whose members had one objective and one objective alone: universal, fully-accessible, publicly-funded and publicly-run institutional child care, or nothing at all.

And finally there was the child care advocacy community, whose members had one objective and one objective alone: universal, fully-accessible, publicly-funded and publicly-run institutional child care, or nothing at all. For them, any money spent via the tax system to recognize the costs of families raising their children at home, or to support the care of children in commercial centres, was an unacceptable diversion of funds away from creating the public and universal child care system they demanded.

If the Mulroney child care plan was a product of its time and shifting demographic realities, it was also a delicately balanced compromise designed to bow towards a complex set of constituencies at the same time. No side was going to get everything it wanted, but there were a lot of positives to go around.

Introduced in December of 1987 with a promise to create 200,000 new child care spaces across the country, the National Strategy on Child Care had three key components:

- The Canada Assistance Plan would be amended to expand cost-sharing for the operating costs of both non-profit and commercial child care services, and to provide expanded cost-sharing for operating costs as well as enriched support (75 per cent federal/25 per cent provincial) for capital costs, but only for the public, not-for-profit sector.
- A seven-year Initiatives Fund of \$100 million would fund delivery innovations such as "non-profit community-based child care services."
- Tax assistance to families with young children would be increased by raising the child care deduction in the Income Tax Act, and refundable child tax credits would be introduced for parents caring for their children at home.

The Mulroney family package represented a federal commitment of \$6.4 billion over seven years, or \$11.2 billion in today's dollars. This was a huge financial commitment for a government at that point running a \$30 billion annual deficit and facing a rising national debt.

All in, the Mulroney family package represented a federal commitment of \$6.4 billion over seven years, or

\$11.2 billion in today's dollars. This was a huge financial commitment for a government at that point running a \$30 billion annual deficit and facing a rising national debt, even though the deficit was falling year over year, government spending had been restrained, and the rate of increase in the debt had been significantly reduced.

Looking back today, former Prime Minister Mulroney points out that he had every confidence that a growing national economy, buttressed by the recently signed 1987 Canada-US Free Trade Agreement, would provide the funds necessary to support the investment. "I felt," he says today, "that the positive impacts of free trade, combined with the GST reform we were planning, were going to generate significant economic wealth and job creation for the country. So we could sustain this program."

Mulroney had another reason for putting his faith in child care and it was a political one. In a meeting with his pollster Allan Gregg that fall, he recalls that Gregg had expressed his "worst fears that the focus on the mercantile aspects of free trade threatened to cast the Progressive Conservatives as little more than a bunch of black-hearted accountants. So I went with the child care package because it met an obvious social need and to counteract that argument politically."

The first part of the strategy, namely the increase in the child care expense deduction and the refundable child care tax credit, was brought in for the 1998 tax year. The balance of the package, the federal-provincial funding changes, including the enhanced funding for both capital and operating cost, was all contained in Bill C-144.

The institutional child care lobby, backed by the Liberals and NDP, strenuously attacked the income tax aspects of the program as a cynical attempt by the government to curry favour with conservative stay-at-home parents, many

With the 1988 federal election fast approaching, time ran out on the legislation and having already passed in the House, it languished in the Senate. There, the Liberals, led by Senator Allan J. MacEachen, effectively killed the bill by refusing to pass it before the election was called.

of whom were likely to vote PC. The advocates and the opposition made common cause and demanded that every penny of the promised federal funds be devoted to the institutional bricks and mortar approach.

Throughout this period, PMO made several attempts to bring around the opponents of the bill. Among them was a Langevin Block meeting in mid-1988 with the child care advocates who continued to demand that the family-friendly tax measures be withdrawn and that all of the federal investment be directed towards publicly-sponsored child care spaces. At one point in the meeting, PMO colleague L. Ian MacDonald asked the advocates, "What if we miss this window and the bill dies on the Order Paper when the election is called? It may never come back." The response? "Oh, that would never happen."

Well, actually that's exactly what *did* happen. With the 1988 federal election fast approaching, time ran out on the legislation and having already passed in the House, it languished in the Senate. There, the Liberals, led by Senator Allan J. MacEachen, effectively killed the bill by refusing to pass it before the election was called.

Did the child care initiative return after the election, (the one, by the way, in which the free trade issue dominated all discussion)? It did not and for a variety of reasons. Issues changed, new challenges and priorities emerged, the government moved on to other questions. Also, as former PM Mulroney recalls, the economy unexpectedly turned for the worse. "The Department of Finance paid me a visit that fall after the election to warn that the economic numbers had changed, the

world outlook was bleak, and that a recession was on the way," he recalls. "But not to worry, they told me, because Canada would have a 'soft landing.' As I recall it, the landing was anything but soft."

As we approach the upcoming debate over family policy in the 2015 federal election, it is clear that while the social landscape has seen some change, many of the arguments have stayed the same. The proportion of two-earner families has grown since the late 1980s, and many families still struggle with the costs of child care. The child care system itself remains mixed, with publicly-run, private for-profit providers, parental co-operatives and family home day care options all on offer. Quebec's \$7.50 per day public system has been a major innovation, but it is hugely costly and serious questions are being raised about its financial sustainability by Premier Philippe Couillard's Quebec Liberal government, which is introducing a sliding scale of fees according to parents' ability to pay.

The modern debate over family policy began in the 2006 federal election campaign, when then prime minister Paul Martin committed \$5 billion over five years to create 250,000 new child care spaces by 2009. By 2006, most of the provinces had signed on to the program and it was in the early stages of implementation. Conservative opposition leader Harper made his family policy alternative a key part of the 2006 campaign—a promise to roll-back the Liberal program and to provide instead a \$100 per month universal child care benefit. Once in office, Harper collapsed the Liberal program and brought in the tax break.

Interestingly, the Martin child care

program was taken down by the Harper Conservatives with nary a ripple of public outcry, suggesting perhaps that there was not nearly as much support for the Liberal plan as they had assumed. In addition, provinces were still wary of federal programs creating public demands for matching provincial commitments, so they did not complain loudly at the demise of the Liberal program.

Mulcair's return to a national child care plan is in the grand tradition of such approaches; the question is whether it is still relevant, and how families with children will assess the two in the upcoming election campaign.

In many ways, then, the 2006 campaign re-set the terms of the family policy debate in Canada. The muted public and provincial reaction to Harper's abolition of the Liberal child care plan gave him free reign to pursue the tax support alternative to the exclusion of the child care approach. In that light, Mulcair's return to a national child care plan is in the grand tradition of such approaches; the question is whether it is still relevant, and how families with children will assess the two in the upcoming election campaign.

Mulcair has promised an initial four-year plan to fund 370,000 new child care spaces at an annual federal cost of \$1.9 billion to be transferred to the provinces, on a 60/40 cost-sharing basis with the provinces. After eight years, the federal share would reach \$5 billion annually.

Harper has countered by building on the family tax breaks he brought in back in 2006, with three new initiatives:

- A tax credit with a cap of \$2,000, calculated by allowing the higher-

An interesting aspect of the debate is sure to be the question of who gets what benefits under the two opposing schemes, and how fair is the distribution of those benefits?

earning spouse in a couple with children to transfer up to \$50,000 of income to the lower-earning spouse, also known as "income splitting";

- An increase to the Universal Child Care Benefit, from \$100 to \$160 a month for each child under the age of six, plus a new \$60-a-month payment for each child between six and 17; and
- A higher income tax deduction for child care expenses, to \$8,000 a year from \$7,000. And an increase in the tax deduction for child care expenses for children with disabilities from \$10,000 to \$11,000.

Given that most users of child care are double-income families with small children, it stands to reason that more of the financial benefits of public child care are delivered to middle income family units than to poor and single parent families.

So, the lines of debate over family policy in Campaign 2015 have already been drawn. It will be the traditional bricks and mortar child care approach versus ensuring that "parents have choice in the type of child care that works best for their family," as the PM's spokesperson recently told the Globe and Mail.

At this point, the Liberals have been largely absent from the family and child care debate other than leader Justin Trudeau opposing income splitting as a tax break for the rich—affluent parents such as Harper and himself.

An interesting aspect of the debate is sure to be the question of who gets what benefits under the two opposing schemes, and how fair is the distribution of those benefits? Mulcair will go hard against the tax progressivity of the income splitting approach, and Harper will counter that if income splitting is fair and works well for seniors, it can hardly mean the end of the world for tax fairness if it is applied to one income earner families with children up to a \$2,000 cap.

Mulcair will argue that the Harper approach delivers far too many financial benefits to middle and upper income-earning families, but will likely say nothing about the redistributive impacts of his child care plan. Given that most users of child care are double-income families with small children, it stands to reason that more of the financial benefits of public child care are delivered to middle income family units than to poor and single parent families.

Ladies and gentlemen, start your engines. **P**

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Minister of State for Social Development Candice Bergen taking a question on the Harper government's family package in the Commons.
House of Commons photo

More than Income Splitting: The Harper Government's Child Care Solution

Candice Bergen

While the three major parties will spend much of the next six months rolling out their policy platforms, the debate on child care has already begun. The NDP has proposed a national child care program, outlined by Tom Mulcair in this issue of Policy, and the Conservative government has opted for enhanced benefits and tax breaks. Here, Minister of State for Social Development Candice Bergen provides a spirited defence of that option.

When it comes to life choices such as careers, how to raise children, and preferences regarding child care, Canadian families are as varied as our nation's landscape. Coming from rural Manitoba, I experienced first-hand that one-size-fits-all solutions are not realistic, nor are they generally helpful. Admittedly, my experiences raising children, both in rural and in urban settings while balancing work and family commit-

ments, have informed my views as Minister of State for Social Development: Government investments should, as much as possible, go directly to those impacted by a particular policy. In the case of decisions surrounding child care, it's parents.

This is the underlying philosophy differentiating the Harper government from other political parties. The belief that money is better directed to decision makers rather than to large and expensive government programs is what led to the recent policy announcement of the Family Tax Cut and Benefits package.

Overall, the proposed measures will provide approximately \$4.6 billion in annual relief to about four million families. In fact, all families with children under the age of 18 will receive a direct benefit and, as I'll explain, an overwhelming majority of these benefits will go to low- and middle-income families.

There are three main elements to the plan, all designed to direct resources to individuals and families to spend on what they deem important.

The first element is the Family Tax Cut. This new federal non-refundable tax credit recognizes that under Canada's personal income tax system, a one-earner couple, or a two-earner couple in which one spouse earns significantly more than the other, often pay more federal personal income tax than a two-earner couple who has the same combined income, but where the spouses have equal earnings.

Under the Harper government's changes, the higher-income spouse will be able to, in effect, transfer up to \$50,000 of taxable income to a spouse in a lower income tax bracket for federal tax purposes, up to a maximum benefit of \$2,000. This will provide about \$2.4 billion in tax relief in 2014-15 and \$1.9 billion in 2015-16. Over 1.7 million families are expected to benefit from this new income splitting measure.

The second element is the enhancement and expansion of the Universal Child Care Benefit (UCCB). The needs and priori-

Of the 46 per cent of families who reported using child care for their children in the past year, approximately 33 per cent used formal daycare, 31 per cent used home daycare, and 28 per cent made their own arrangements, such as grandparents, other relatives or nannies.

ties of families across the country differ greatly, especially when it comes to what type of child care arrangement works best for their unique situations. Results from a recent Statistics Canada Survey on Child care in Canada showed that parents don't just rely primarily on one type of child care arrangement.

In fact, of the 46 per cent of families who reported using child care for their children in the past year, approximately 33 per cent used formal daycare, 31 per cent used home daycare, and 28 per cent made their own arrangements, such as grandparents, other relatives or nannies.

Then there are single parents who may or may not be sharing parenting responsibilities with another person. Not to mention that in rural and remote areas, government-run daycare is sometimes simply not feasible.

Taking just these numbers into account, the NDP plan would help only a small fraction of the 46 per cent of families who rely on child care.

In fact, because the NDP plan would only be providing formal daycare spaces it would help less than 10 per cent of the 4 million families in our country overall. By contrast, the Harper government's plan provides direct support for 100 per cent of Canadian families.

Their plan also fails to take into account parents who work outside of nine-to-five hours. Many families choose careers that demand shift-work. Some decide to coordinate

working schedules with the other parent, also resulting in varied hours, in order to allow for extra time with the children. Some have special arrangements to allow each parent to be able to attend their children's extra-curricular activities. Some rely on other family members or friends for their child care needs, while some have one parent that has chosen not to work outside of the home. And then there are single parents who may or may not be sharing parenting responsibilities with another person. Not to mention that in rural and remote areas, government-run daycare is sometimes simply not feasible.

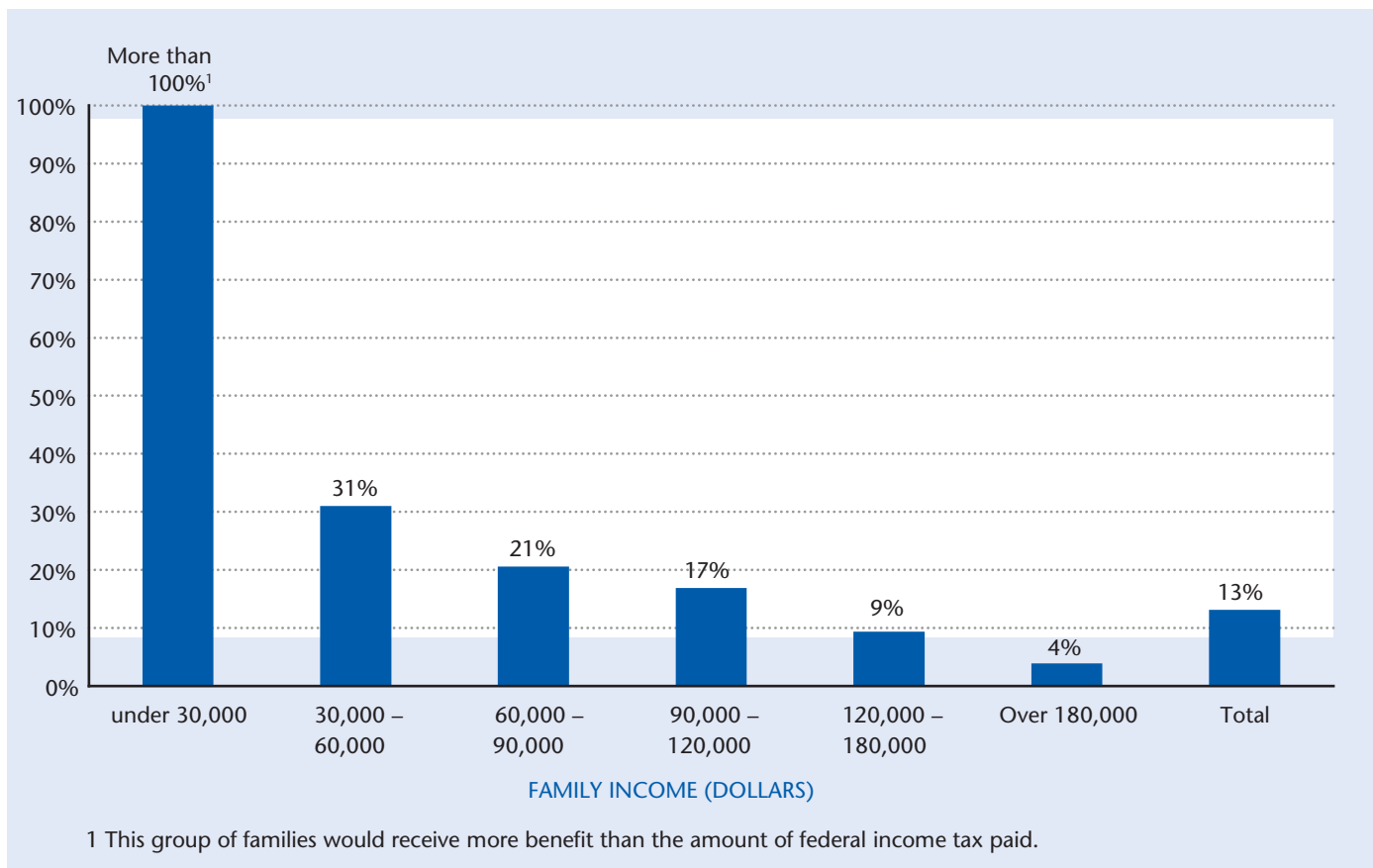
Whatever the case is, it cannot be disputed that each family faces a unique set of circumstances and they deserve choices to make the best decisions for their own situation.

Under the Harper government's plan, the UCCB will increase to \$160 per month (up from the current \$100) to parents of children under the age of 6. Additionally, the UCCB will be expanded for older children aged 6 through 17 by providing parents of these children with a benefit of \$60 per month. And families currently receiving the Child Tax Benefit will continue to do so, at the exact same level of funding. All families with children under the age of 18 will receive direct funds under these new benefits.

The changes to the UCCB will take effect as of January 2015 and begin to be reflected in monthly payments to recipients in July 2015. As a result, more than two million new families will now benefit—for a total of about 4 million families nationwide.

It's clear that the intention of the UCCB is not to subsidize or cover all child care costs. That's simply not re-

Chart 1: Relief from the Proposed New Measures as a Share of Federal Income Tax Paid, Families with Minor Children, by Family Income (2015)



Source: Department of Finance.

alistic. Rather, it is meant to be a financial support to empower and enable parents to do what they believe is best.

As well, it should not be forgotten that since 2006, the federal government's social transfers to the provinces and territories have increased by nearly 50 per cent. Alongside a new 25 per cent investment tax credit to businesses that create new child care spaces for their employees, this funding has been used to create more than 216,000 daycare spaces across the country.

The final element of the government's new package is a \$1,000 increase per year, per child, in the dollar limits of the Child Care Expense Deduction in each category. This allows child care expenses incurred while earning employment or business income, pursuing education or performing research to be deducted from income for tax purposes.

The Harper government has also announced a doubling of the Children's Fitness Tax Credit to \$1,000 to further help families with costs associated with their children's fitness activities.

While families at all income levels will benefit from the new measures, it's clear that low- and middle-income Canadians would receive proportionately greater relief as a share of federal income tax paid, as seen in Chart 1 above.

About 68 per cent of the tax relief and benefits provided by the proposed measures would go to low- and middle-income families (i.e., those with family incomes less than \$120,000 a year). Further, those with annual family incomes below \$30,000 would receive 25 per cent of the benefits and relief provided by these measures.

Governments should not tell parents how to raise their children. That's why creating

new billion-dollar programs that will only help a few parents with child care needs is not in the best interest of all Canadian taxpayers. When it comes to the role of government, directing money to primary decision makers for them to invest according to their needs is paramount. Because they are the ones who are most directly affected and are best placed to make decisions. That's why these policies for families are purposely designed to empower Canadian parents rather than impose a "government knows best" ideology upon them. **P**

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NDP Leader Tom Mulcair proposes a national child care program at \$15 a day. He writes: "It's not uncommon for families to pay more for child care than they do for their mortgage." NDP photo

Affordable Child Care: A Smart Investment in a Priceless Resource

Tom Mulcair

Families in which both parents work have been commonplace for decades. Yet Canada still lacks a national child care policy. Ten months before the scheduled federal election, New Democratic Party Leader Tom Mulcair, reasserts his focus on the issue as both a social and economic priority.

Her voice betrayed exasperation, frustration and more than a little confusion. This was late last summer, and I was meeting with parents and early childhood educators at Waterloo's Emmanuel at Brighton Child Care Centre. Heather Stuart, mother of three, was among them. She told me how, after she moved to the region, a neighbour had shared a helpful warning: if she wanted a child care spot, she

would need to line up the day before registration began.

Heather ended up camping outside the centre overnight in February. As I heard her story, I wondered how this could possibly be. Parents are literally freezing in our dark Canadian winters just to find a spot in our child care system. (I note that Emmanuel has now moved to a central list so parents don't have to line up overnight.)

Parents weren't just freezing through the night for child care spots, they were paying through the nose for them, and still are. In Waterloo, parents were lining up for spaces that would cost them \$1,016 each month. Many pay more. Today, it's not uncommon for families to pay more for child care than they do for their mortgage—as much as \$2,000 monthly per child. In Toronto, a single woman making the median wage might have to spend her entire month's income for one child care space, if she can find one at all.

When parents today manage to find a quality child care space for one of their kids, it can feel like winning the lottery. Then, when they see the price tag, it can feel like they'll have to actually win the lottery to cover the bill.

In short: When parents today manage to find a quality child care space for one of their kids, it can feel like winning the lottery. Then, when they see the price tag, it can feel like they'll have to actually win the lottery to cover the bill.

I've met with countless parents over the past few months—each with their own unique needs and circumstances. Time after time, I've felt not just their frustration but their genuine confusion. Many simply can't fathom that in the 21st century, Canadians could be forced to line up overnight and empty their bank accounts just to meet their child care needs.

It's not uncommon for families to pay more for child care than they do for their mortgage—as much as \$2,000 monthly per child. In Toronto, a single woman making the median wage might have to spend her entire month's income for one child care space, if she can find one at all.

These stories should be a wake-up call to anyone who thinks we can keep waiting for a national child care plan. Ottawa's outdated approaches and misplaced priorities are putting a clamp on our economic future. If Canada is going to succeed, the families who make it work can't be falling behind. That's going to take a different vision for government—one that seizes opportunities and adapts for the future, one that recognizes the role government must play alongside business, and that doesn't ignore the challenges facing parents like Heather Stuart.

Families with two working parents have been commonplace for decades. All over the world, governments have adapted to modern realities. Yet in Canada, parents, and women in particular, are still missing work or downgrading jobs because they can't find reliable care. According to key OECD indicators, early childhood care and education in Canada lags behind other developed countries, including Norway, Sweden and France.

The Royal Commission on the Status of Women first proposed a national child care program in 1970. In the 45 years since, we've seen federal governments acknowledge the need for action yet utterly fail to deliver. In 1984, the Liberal government struck the Task Force on Child Care. When it recommended a national child care program in 1986, the Mulroney government ignored the findings. The Liberals promised universal affordable child care in their first Red Book in 1993—yet they refused to act until their government was set to be thrown out over the sponsorship scandal 13 years later. In 2006, the Conservatives promised to create 125,000 new child care spots in

just five years, yet—in their ninth year in power—they've yet to create a single space.

The Liberals promised universal affordable child care in their first Red Book in 1993—yet they refused to act until their government was set to be thrown out over the sponsorship scandal 13 years later. In 2006, the Conservatives promised to create 125,000 new child care spots in just five years, yet—in their ninth year in power—they've yet to create a single space.

Canadian parents deserve better. That's why I've laid out a plan for a national early childhood education and child care program. New Democrats believe parents should be able to find the quality child care spaces they need without paying more than \$15 a day per child.

This won't be easy, but I am committed to getting to work immediately with provinces, territories and indigenous communities. Our goal is to fund and develop national early childhood education and child care programs delivered with common principles such as universality, affordability, quality, accessibility, inclusivity and accountability. We will enshrine the program in legislation with measurable benchmarks, publicly-available reporting and long-term predictable funding so provinces and communities can plan ahead.

Quebec is already a leader when it comes to providing affordable child care. This is a success story to em-

brace and build upon. New Democrats believe the federal government can play a positive role to support Quebec's efforts and help maintain affordable child care services.

As a cabinet minister in Quebec, I saw this success story firsthand. After Quebec's child care program was implemented, women in particular were able to participate in the labour force at a much higher rate. Creating new child care jobs and increasing women's labour force participation boosted the Quebec economy by \$5.1 billion a year. This is the sort of smart investment Canada needs to make to compete in the 21st century.

I recently met with the Surrey Board of Trade in British Columbia. These business leaders are advocating for a national child care plan because they realize it's the kind of support a modern work force needs. Among parents with young children, incomes have stagnated in real terms since the 1970s, while child care and housing costs have increased. This struggle to keep pace with the cost of living hurts employers. Citing research by the University of British Columbia's Paul Kershaw, the board notes that work-life conflict among employees with preschool-aged children costs the B.C. business community more than \$600 million annually, and the Canadian business community more than \$4 billion.

Expanding child care access benefits our children and helps build our future. Education and skills development are keys to success in life and the learning that occurs during those first few years is vital.

Expanding child care access benefits our children and helps build our future. Education and skills development are keys to success in life and the learning that occurs during those first few years is vital. All children de-



"Expanding child care access benefits our children and helps build for our future," writes Mulcair. He adds: "I want every family in Canada to have that opportunity." NDP photo

serve a fair start and the evidence is overwhelming that early childhood education can help provide that. Studies show that beginning reading activities at 18 months can contribute to a child's reading ability and help maximize a child's vocabulary. Early childhood education programs can also help to identify learning or developmental delays at an early stage, and provide children and parents with appropriate support.

Governments that say they can't afford to invest in affordable child care are wrong. What we can't afford is further delay. After 12 years, Quebec's child care investment has more than paid for itself through mothers' higher income taxes and consumption taxes, according to Pierre Fortin, an economics professor at l'Université du Québec à Montréal. For every dollar invested, \$1.75 is returned to provincial and federal governments. Not many investments can offer such lucrative returns.

For too long, governments have ignored the real challenges facing families and avoided planning for

our future. The Harper government made its priorities painfully clear in October, when it committed billions of dollars to an income-splitting tax scheme that offers no benefit to 85 per cent of Canadians. This desperate attempt to curry favour with a small segment of voters will cost more than \$2 billion a year—with most of the benefit going to households with annual incomes over \$150,000.

The reviews have not been kind to Stephen Harper. While economists and business leaders are stepping forward to back the case for a Canadian child care plan, even think tanks like the C.D. Howe Institute are dismissing the Conservatives' tax schemes. While a child care plan could help build Canada's future, the Conservatives are more concerned with preparing for the next election.

I think Canadians expect more from us. That's what I heard from Heather Stuart. That's what I'm hearing from parents from coast to coast to coast. And that motivates me to move forward with the solutions Canadians deserve.

My wife Catherine and I raised two boys, who both went to daycare. Our grandson turned one this past spring. Our granddaughter is at that age of insatiable curiosity about everything in the world—and she too benefited from quality child care. I understand how important it is to give our kids a good start, with quality care in a stimulating, supportive environment. I want every family in Canada to have that opportunity. Quality, affordable child care is a clear signal that we value not only our children's future, but our country's as well. **P**

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Protesters demonstrating against TransCanada's proposed Energy East pipeline route along the South Shore of Quebec, including a proposed marine terminal at Cacouna, a breeding area of the Beluga whale, an endangered species. In Quebec, the environment is an election issue. *Montreal Gazette* photo

Quebec and Campaign 2015: TOM MULCAIR IS NOT JACK LAYTON AND JUSTIN TRUDEAU IS NOT MICHAEL IGNATIEFF

Bernard St-Laurent

Quebec surprised the rest of the country in 2011 by sweeping Jack Layton's NDP into Official Opposition status in the House of Commons. Polls ahead of the 2015 election show that Justin Trudeau could rob Tom Mulcair of the chance to coattail on that Orange Wave. Mostly, Quebec voters are keen on the person most likely to beat Stephen Harper. And, they have other issues.

Last November 19, about 1.3 million Quebecers tuned in Radio-Canada's popular TV Sunday night talk show, *Tout le monde en parle*. Many viewers wanted to find out to whom Gabriel Nadeau-Dubois, the 24-year-old former student leader, was going to donate the \$25,000 he received along with the Governor General's French language award for non-fiction.

At 24, Nadeau-Dubois is the youngest person to receive the prize, which

was created in the 1930s. The handsome, charismatic and passionate sovereigntist said he had struggled over whether or not he would accept the prize. He finally agreed when he learned it celebrates the arts and literature. More importantly, the money comes from the Canada Council for the Arts and not directly from the Queen's representative in Canada.



Former student activist Gabriel Nadeau-Dubois, 25, tells 1.3 million viewers on *Tout le monde en parle* that he's donating his \$25,000 prize for the Governor General's award for non-fiction to Energy East pipeline opponents. Radio-Canada image

Nadeau-Dubois, or GND as he is known, announced he would donate his prize money to a tiny collective of grass-roots community organizations that is fighting TransCanada's Energy East plan to build a pipeline across Quebec and set up a deep water port at Gros-Cacouna, near Rivière-du-loup.

The author of *Tenir tête* (Headstrong) told viewers he had set up a crowd sourcing site and called on them to match his donation in order to: "fight the powerful interests supported by the federal government who want to impose a project on us which will transform our country (Quebec) into a freeway for petroleum from the oil sands," he said.

Nadeau-Dubois asked viewers to match his \$25,000. Six days later, when he shut down the website, he had collected \$385,330.

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Environmental issues in Quebec, especially those connected to oil transport, have taken on enormous significance since the catastrophic train derailment which killed 49 people at Lac-Mégantic in July 2013.

Quebecers have also long felt a special connection to the beluga whale, which is native to the St. Lawrence River.

The very idea that the port would be built in the heart of the beluga's calving grounds made the project seem even more outrageous. The fact the federal government declared the Beluga an endangered species and that Quebec Premier Philippe Couillard told TransCanada to build the port elsewhere, while the project is under review by the National Energy Board, hasn't changed the underlying anger toward the project.

New Democratic Party leader Thomas Mulcair knows the impact an appearance on *Tout le monde en parle* can have in Quebec society.

In 2011, the NDP swept 59 out of 75 seats in Quebec. Clearly, that historic breakthrough happened thanks in part to Jack Layton's performance on *Tout le monde en parle* during the campaign. When the smiling man with the cane received a standing ovation from the studio audience during the rehearsal on his first appearance early in the campaign, it was clear that something big was going on.

So, on the Tuesday after Nadeau-Dubois began his crowd sourcing crusade, Mulcair published a long op-ed piece in *La Presse* denouncing the federal government's approach, calling for sweeping environmental evaluations and flat-out rejecting the Cacouna port proposal.

That positioning is important because the Bloc Québécois is the only federal party categorically and publicly opposed to the pipeline and the port.

Francophone Quebecers left the Bloc in droves to support the NDP in the last election. The Bloc's vote shrunk by nearly half

to 23 per cent of the popular vote, while they plummeted from 47 to only four seats in the House, losing recognized party status and staff, to say nothing of visibility in question period. The Bloc virtually disappeared from the news cycle.

The BQ had been on a steep downward slide, even before members elected Mario Beaulieu, a divisive, hard-nosed separatist as their leader last June. Two MPs, half the remaining Bloc caucus, have since quit over his hard line on Quebec sovereignty.

EKOS and Ipsos Reid surveys in late 2014 both suggested Bloc support may have bottomed out. Beaulieu has not backed down from the hard line. He attacked former leaders of the party, denouncing what he described as an attitude of complacency and defeatism. He even forced media mogul Pierre Karl Péladeau, the front runner in the race to become the new leader of the Parti Québécois, to backtrack after Péladeau publicly questioned the pertinence of the Bloc.

The last thing the NDP wants is to get into a battle with the Bloc on such a polarizing issue as the pipeline. Fortunately for Mulcair, Nadeau-Dubois told me he never personally takes a position in federal elections. But like it or not, the Energy East project will be an issue in the next election. More than in any other province, the environment is always an issue in Quebec.

By all accounts, most of the Quebec NDP MPs have been present and effective in their ridings. In 2011, Ruth Ellen Brosseau became the symbol of token candidates, or *poteaux* (telephone polls) the NDP was offering up to fill its roster of standard bearers in Quebec, when she ran in Berthier-Maskinongé, northeast of Montreal. A single mother then working as a manager of a campus bar at Car-

leton University, she took a week off during the campaign to take a long-scheduled vacation in Las Vegas. But in the Layton sweep, she won her Joliette-area riding by 10 points over the Bloc.

Only months after the election, local mayors were already praising her for the interest she was taking in their issues and how hard she was working at representing them in Ottawa where, as NDP deputy agriculture critic, she has become an effective champion of supply management in dairy and poultry, key agricultural sectors in Quebec.

On the south shore of Montreal, NDP MPs are highly visible in the campaign to prevent the Conservative government from establishing tolls on the new Champlain Bridge. In the Eastern Townships, Pierre-Luc Dusseault, the youngest member in the history of the country has maintained high-profile fights against cuts to Canada Post and for a respectable airport in the Sherbrooke region.

Mulcair will need the hard work on the ground put in by his Quebec MPs to keep the NDP in the fight to hold a majority of seats in the province in the next election.

That's because, in spite of all he is doing right, when it comes to voters hearts, Tom Mulcair is no Jack Layton and Justin Trudeau is not Michael Ignatieff. In 2011, the NDP took 59 seats in Quebec with 43 per cent of the vote and the Liberals held on to seven with only 14 per cent of the vote.

Many observers had predicted that Trudeau would be incapable of rebuilding the Liberal Party in Quebec. They expected he would not be well received in Quebec, unable to overcome his father's legacy, which, unlike everywhere else in the country, is negatively associated with the patriation of the Constitution over Quebec's objections.

But as it turns out, while it's true Mulcair is seen as competent and in-tune with Quebec values, Trudeau

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is far from being despised. In fact, a survey conducted for Abacus data in November 2014 states "Trudeau is seen as conveying the best image of Quebec and Quebecers elsewhere and better at motivating people to follow his leadership".

In 2011 the Liberals were only able to hold on to ridings in the Montreal region that were concentrated in allophone and anglophone areas.

In 2015, the first seats the Liberals should win back are those with the same demographic profile in Montreal's West End, on the West Island, in Laval north of Montreal and on the south shore.

There is no better sign that a party is making a comeback than how hotly contested the candidate nomination meetings are. Results for the selection of a Liberal candidate in the riding of Laval-les-Iles are under official review after a fierce race that pitted members of the local Greek, Lebanese and Armenian multicultural communities against each other.

Stephen Harper's Conservatives won only five seats in Quebec in 2011, with 16.5 per cent of the vote. An optimistic objective for the Conservatives would be to jump from five to 10, in the new 338-seat House of Commons, in which Quebec's representation will increase by three ridings, from 75 to 78 seats. All three new seats are in the Montreal region, where the Conservatives are weak. Their strength, such as it is, is concentrated in the 418 region in and around Quebec City.

Early in 2014, Denis Lebel, Stephen Harper's Quebec lieutenant, began trying to recruit top candidates for the next election. He met with municipal mayors from the Mauricie region, former Liberal cabinet ministers in the Charest government, and

members of the National Assembly who now sit as MNAs for the conservative-minded Coalition Avenir Québec, led by Francois Legault.

So far, no one has said yes to Lebel's invitation. Only Gérard Deltell, the CAQ member for the Quebec City riding of Chauveau, has kept the door open to a possible run. But Deltell sees himself as a true conservative and has serious misgivings about resigning his seat in the legislature and provoking a costly by-election.

Most public opinion polls show the Conservatives at or below their 2011 score. So the likely best-case scenario is for them to hold onto the four seats they own in the rural areas across from Quebec City on the south shore of the St. Lawrence as well as Lebel's own 418 riding in the Saguenay, but no more.

Political analysts often talk about the "mirror effect" between Quebec and Ontario. If voters are not passionately committed to a party or a specific leader, they will take a look across the Ottawa River at which way their neighbours in the other province are leaning and decide if they will go along.

The Abacus poll report showed Quebec francophones have a preference for Mulcair and the NDP. But the same survey also showed that a clear majority of francophones will vote for whomever they believe can beat Stephen Harper. And for the time being, they apparently believe that person is Justin Trudeau. **P**

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The winner: John Tory and his wife Barbara Hackett as he wins the mayoralty of Toronto. What does the Toronto election portend for Campaign 2015 in the GTA? Shutterstock photo

Lessons From the Toronto Election For the GTA Federal Vote

Patrick Gossage

With their focused appeal to new Canadians in the 2011 election, the federal Conservatives were able to take a significant bite out of the swath of seats in the suburban Toronto 905 area code. And in the recent Toronto municipal elections, the immigrant and minority-heavy inner suburbs remained loyal to Doug Ford and his socially conservative platform. Perhaps a good sign for the Conservatives. But in an election that will be dominated by local and regional targeting, the Liberals and the Trudeau effect will be an important factor.

The recent municipal elections in Toronto and the wider Greater Toronto Area were closely watched in Ottawa, and rightly so. There are 23 federal seats now in Toronto—the 416 area code—and 22 in suburban 905. What voters responded to going to elect their mayors is an indication of issues and strategies that may move them in October 2015 federal election.

The Conservatives' focus on new Canadians in the 2011 federal election—in the GTA and especially the 905—con-

tributed in large measure to their achievement of a majority. Where the Conservatives held 11 seats in 905 at last dissolution, they won 21 out of 22 in 2011. And where they had no seats in 416, and hadn't won a seat in the city since 1988, they won nine out of 23 seats in Toronto itself. In the new 338-seat House of Commons, there will be 15 new seats from Ontario, 10 of them from the GTA, including seven from 905 and three from 416.

In an Ipsos-Reid/Global News poll published in early December, the Liberals were ahead in Toronto's 416 region with 46 per cent of the vote, with the NDP at 26 per cent and the Conservatives at 25 per cent. In the 905 region, the Conservatives were at 41 per cent, with the Liberals at 37 per cent and the NDP at 20 per cent.

So what were the positive and negative signs for federal parties in the latest Toronto municipal vote? In Toronto, the Conservatives might take some comfort in the fact that a right-of-centre establishment figure, John Tory, squeaked a victory over Rob Ford's brother, Doug, a social conservative who was a late arrival in the campaign. He came within 64,000 votes of the frontrunner. The left-leaning Olivia Chow, widow of Jack Layton, was a distant third.

On the other hand, in the 905 races of Brampton, Markham, Mississauga and Vaughan, mayoral candidates with backgrounds in federal or provincial Liberal positions beat out the competition.

So, it's a challenge to parse the meaning of these outcomes. But a closer look at the Toronto race reveals fascinating divisions that remain between the inner city and inner suburbs, divisions so well exploited by Ford that Tory's "One Toronto" slogan looks a bit empty compared to voting patterns in the two distinct areas. The continuing polarization between poorer immigrants and the struggling denizens of the inner suburbs and the old downtown "elites" may foreshadow trends that will echo in the next federal election. As far as Toron-

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to goes, the immigrant and minority-heavy inner suburbs remained loyal to Ford and his socially conservative platform. Perhaps a good sign for the Conservatives.

Not to be overlooked is Ford's amazingly successful campaign strategy of focusing his campaign on Tory's privileged background. This very Republican strategy was evident when Ford told those most suffering from high unemployment and reduced expectations that an \$800 a plate lunch "is more money than some families make in a week!" He went on to claim that Tory "is down there to represent the downtown elites," throwing in "the lobbyists" and "political insiders"—obviously those who don't care about the travails of the working family.

This strategy might appeal to the Conservatives in taking what's left of the Liberals' fortress Toronto. Harper tried it in a speech to a Conservative convention in the fall of 2013: "Were not the party of entitlement, not guided by power or privilege." He may not want to go that far again, but his people are watching and all the goodies and tax breaks for families is in direct line with this kind of strategy. So is Justin Trudeau's pedigree as the son of a wealthy prime minister.

Trudeau rails against divisive politics, which are so much part of the Conservatives' playlist, simply because divisions exist and can be exploited. Finding local wedge issues with which to leverage support are a fact of the new political landscape. The cheap politics of setting one sector of the population against another almost worked for Ford. Harper's appeal to the immigrant and suburban vote is more subtle, but we will see more policy directed to their specific needs and concerns in the 905 as Oc-

tober 2015 approaches. In the GTA ridings won by Peter Kent and Joe Oliver, Harper's unrelenting support of Israel ensured support from the large Jewish vote.

The Toronto election was also a policy victory for continuing avoidance of raising taxes. This feeds the Conservative playlist. Public sector austerity is now received wisdom at every level of politics in Canada. Take the absurd counter claims made by Tory and Chow promising various versions of "no new taxes." This will be echoed in the federal campaign as Mulcair and Trudeau fight over who is the best guardian of the public purse. Harper has likely already won this debate.

However, in a federal election that will be dominated by local and regional targeting, the Liberals and the Trudeau effect will be an important factor. In the October 27 by-election in Whitby-Oshawa, a "safe" Conservative seat occupied by the late Jim Flaherty, the Liberal candidate came within 8.5 points of the Conservative and the NDP was reduced to a very distant third with only eight per cent of the vote. The Conservatives need the NDP to do much better than that in vote-splitting with the Liberals across the 905.

Overall, recent municipal and by-elections results have been bad news for the NDP. In Toronto, the "progressive" left was well represented by Chow. She talked after-school programs for kids, youth employment and social housing and was well ahead in polling in the spring, only to see her lead dissolve as Tory's slick transit-centred appeal and disciplined campaign seized the "anybody but the Fords" vote. She started 20 points ahead, and finished 20

points behind. It's clear that old style NDP rhetoric, and its focus on the less advantaged members of society, increasingly falls on deaf ears. And Trinity-Spadina, her old downtown Toronto seat, fell in a by-election to Trudeau Liberal recruit, former city councillor Adam Vaughan.

Unfortunately for the NDP, in this environment, "have-nots" get left behind as income gaps grow. A guaranteed annual income – recommended in 1985 by the Macdonald Royal Commission—is a long dead issue. Federally, we will be left with tinkering at the edges of major national issues like child poverty, social housing and the plight of aboriginal peoples. If Barack Obama—who once called income inequality "the defining issue of our time"—has barely mentioned it since, can we really expect any of our politicians to dare address this division in our society? And the NDP, as it tries to become a centrist party, is unlikely to make this even a rhetorical plank.

The "average Canadians" most affected by budget balancing and tax reductions are those that rely most on the services that get cut as a result. This connection between reduced services and tax cuts has been poorly exploited by other parties for obvious reasons.

A critical policy that helped Tory win in Toronto poses a huge challenge for federal parties. His multi-billion "Smart Track" for new above-ground transit requires major federal and provincial funding. The Conservatives' piecemeal and short-term approach to infrastructure funding shows little promise of coming to his rescue. So far, Trudeau has not released any more generous urban agenda. However, Adam Vaughan was lured into running by a Trudeau promise to address housing and transit in his platform. He is spearheading a social housing strategy that will be part of the Liberal pitch to urban voters.

Both Conservatives and Liberals will be looking riding by riding in the GTA to see how many votes there are

Degraded infrastructure and unsustainable levels of social housing pose a far larger conundrum for cities. They are unable alone to solve the social and transportation issues that so affect their working poor due to one of the most troubling current realities.

in enhanced urban goodies.

Degraded infrastructure and unsustainable levels of social housing pose a far larger conundrum for cities. They are unable alone to solve the social and transportation issues that so affect their working poor due to one of the most troubling current realities. The federal government has so many ways to generate revenue and cities have so few. However much cities and provinces (particularly Ontario) continue to rail against Ottawa's unwillingness to more fairly divide the revenue pie, it's doubtful any federal government would willingly meet these demands. Hardly a ballot question federally, in any case.

So, on balance, the results in the GTA overall—short of major and daring pro-urban policy moves by Trudeau—demonstrate that big new spending may not garner votes, that stability and good management still

trumps social spending, and that "wasteful government" spending and a feeling of disconnect between voters and "elites" can still be exploited politically.

It's somewhat shameful that the major fiscal challenges facing cities are unlikely to light up the next federal election. And that suburban, inner urban divisions will be exploited rather than bridged, as I vainly hoped in a spring article for this magazine. John Tory ran on the slogan of "One Toronto". We are still a long road away from any federal party running on "One Canada". **P**

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Green Party Leader Elizabeth May writes that contrary to voter apathy and even suppression, “where Greens succeed, voter turnout soars.” House of Commons photo

The Issue in 2015: Democracy’s Declining Health

Elizabeth May

In an impassioned plea for reform, Green Party Leader Elizabeth May argues that the major issue of the 2015 federal election should be not climate change or energy diversification but the sorry state of our democracy. From our first-past-the-post electoral system to low voter turnout to our all-powerful PMO to the circus of question period, May argues that Canadian democracy is in desperate need of an overhaul. And, P.S.: Her participation in campaign debates is part of it.

I predict that 2015 will be the year of the Green. Dismiss it as wishful thinking, but no national media coverage anticipated that I would win a federal seat in Saanich-Gulf Islands, nor that Andrew Weaver would win a provincial British Columbia riding in Oak Bay-Gordon Head, nor that David Coon would win a seat making the New Brunswick Greens the third party in that province.

Recent Green wins in municipal races on Vancouver Island have begun to get some attention, but, for the most part,

stories noting that Greens are rising in the polls tend to be attached to questions about “blips” and “parked votes.” It will dawn on political pundits slowly that Green votes are actually being cast to elect Green representatives.

We still face a near-hysteria against voting Green from NDP and Liberal supporters who strangely seem to think those parties are sufficiently aligned with Greens that we should just wither and die. Of course, if the NDP and Liberals had ever put the climate crisis ahead of their narrowest short-term political advantage, Stephen Harper could never have formed a minority parliament in 2006, nor in 2008. (In fairness, a caveat: Stéphane Dion did try, but the NDP reaction to any cooperation with Greens was swift and vicious). The preoccupation about “vote splitting” relies on tapping into voter fear and anxiety so effectively that the thinking process becomes paralyzed.

Thinking it through, it would be obvious that the real problem is not how many people voted Green in recent elections, but the terribly large number of people who did not vote at all (in 2011, this was 10 times as many as those who voted Green.) The single largest voting bloc in the last few elections has been the 40 per cent of electors who opted to stay home. That number exceeds those who actually chose to mark an X next to the name of a Conservative candidate—39.6 per cent of the 60 per cent who voted—or approximately 24 per cent of those with the right to vote. Our problem is not vote-splitting; our problem is vote abandoning.

Empirical support for this argument comes from the fact that in constituencies where Greens succeed, voter turnout soars. In 2011, in Saanich Gulf Islands, we had nearly the highest voter turnout in Canada: just shy of 75 per cent (only PEI ridings were higher). In 2013, when Weaver became the first Green MLA in B.C., Oak Bay-Gordon Head had the highest voter turnout in B.C. And in New Brunswick, when

Our perverse and archaic voting system—“First-Past-the-Post” (FPTP)—the winner-take-all variety of distortion of the wishes of the electorate, contributes to this malaise.

Coon’s victory made NB Greens an officially recognized party in that province, Fredericton South had over 70 per cent turnout. In other words, Greens don’t win when the voting public is turned off, disgusted or cynical. Greens win when voters are turned on, hopeful and inspired.

When the media and the larger parties succeeded in excluding a Green voice in the 2011 debates, our vote plummeted and Harper got his coveted majority. The Green Party went to Federal Court to argue that the public interest and fairness in the use of the public airwaves demanded our inclusion in the debates. Our argument was rejected by a then-little known Federal Court judge—Marc Nadon.

What turns voters off voting?

The nastiness and *ad hominem* attacks of question period contribute to voter disgust and reduced voter turnout. I believe this is the motive of those in PMO who script the contemptuous responses for question period. To be clear, these responses are not merely contemptuous of the questioner; such “answers” are contemptuous of Parliament.

Our perverse and archaic voting system—“First-Past-the-Post” (FPTP)—the winner-take-all variety of distortion of the wishes of the electorate, contributes to this malaise. Belief in the effectiveness of a vote begins to wane when the majority of votes in riding after riding is essentially discarded once the “winning” candidate has rung up a minority of the total—putting him (or her) over the top.

While looking at the evidence of recent elections, it should be noted that in the election in which the Green Party won the most votes (nearly one million in 2008) the Harper Conservatives were held to a minority. When the media and the larger parties succeeded in excluding a Green voice in the 2011 debates, our vote plummeted and Harper got his coveted majority. The Green Party went to Federal Court to argue that the public interest and fairness in the use of the public airwaves demanded our inclusion in the debates. Our argument was rejected by a then-little known Federal Court judge—Marc Nadon.

There is a lot of irrationality inspiring “strategic voter” panic.

For the average Canadian, it is counter-intuitive, if not irrational, that parties generally on the same side of the left-right spectrum reserve their harshest attacks for each other. Demonizing the party with the closest policy overlap to your own party is a routine tactic to spike strategic voting panic.

Nevertheless, the kernel of legitimate grievance is attached to the FPTP voting system. No other voting system allows for the election of a majority of seats with a minority of votes. The fear of strategic voting fuels the nastiness of hyper-partisan spin. For the average Canadian, it is counter-intuitive, if not irrational, that parties generally on the same side of the left-right spectrum reserve their harshest attacks for each other. Demonizing the party with the closest policy over-

lap to your own party is a routine tactic to spike strategic voting panic. In the early 1990s, stopping a Conservative from voting Reform was assisted through the two-step plan—threaten that voting Reform will “split the vote” and elect a Liberal, and throw in some attacks on Reform for good measure. Once the right consolidated with the creation of the Conservative Party of Canada in 2003, the NDP and Liberals followed the same plan: threaten the voter and demonize each other. If Canada voted using any form of proportional representation, the tenor of political discourse would be more respectful. The debate could focus on real policy differences—not exaggerated or imagined failings of another party.

If Canada voted using any form of proportional representation, the tenor of political discourse would be more respectful. The debate could focus on real policy differences—not exaggerated or imagined failings of another party.

The key issue in the next election should be the declining health of Canadian democracy. We—collectively, all parties—should knock ourselves out to inspire Canadians to understand that every vote counts. We—collectively, all citizens—should demand to know how the invented central agency called “PMO” became the sole decision-maker and enforcer. PMO has centralized power—reducing Parliament to an anachronistic vestige in which MPs engage in pretend debates whose outcomes have been predetermined by PMO. Restoring fundamental principles of our system of government requires first naming them. Core concepts such as that all MPs are equal and that the prime minister is first among equals; that the prime minister reports to Parliament, not the other way around; and that Parliament controls

the public purse have been hijacked by the trend toward presidentializing the role of prime minister. Canadians need to push the leaders of both large opposition parties to commit to dismantling the PMO as an instrument of total control. We need to restore the fundamentals of Westminster Parliamentary democracy. We need to insist that MPs be restored to our constitutional role—representatives of our constituents—not robotic enforcers of the party “brand.”

The Green Party already walks this talk. Our policies prohibit whipped votes. We demand transparency. That’s why I was the first Member of Parliament to post all my expenses on line. The Green Party already limits the powers of a leader through our by-laws. While other leaders can use the threat of withdrawing their signature on the nomination papers, only a super-majority of Green federal council can do that for Greens. And Bruce Hyer and I work for our constituents. We attempt to determine the will of the majority of our voters. We work to be of service. We believe MPs work for their constituents; not for their political party.

To inject these issues into the campaign, the leaders’ debates are critical. Assuming there is any integrity to the process, I will be participating in 2015. Preston Manning was in the 1993 debates even before he had won a seat after the first Reform MP, Deborah Gray, won in a by-election. So, too, were the Progressive Conservatives in the subsequent election debates with only two MPs—as the Green caucus is now. The Bloc Québécois was included when its leader had won a seat as an independent before the party was officially established.

It is in the interest of democracy that I be at the table to raise these issues and press Justin Trudeau and Thomas Mulcair to commit to addressing the democracy deficit. We need to ensure that the next occupant of the Prime Minister’s Office is committed to rejecting the powers consolidated by Stephen Harper. Our system of government is based on the supremacy of Parliament. We have never before

been controlled by an elected dictator. Sure, Jean Chrétien ran a “Friendly Dictatorship” as Jeffrey Simpson’s book was titled. But never in our history has PMO felt empowered to script parliamentary committees and block amendments—even those designed to fix drafting errors. Never before has legislation been drafted knowing that it will likely fail a Charter challenge. We have never passed laws primarily designed to provide slogans in an election campaign. Never before has a PMO harassed and gagged scientists. Should we have confidence that the NDP and the Liberals reject those reins of power?

This must be the key issue in the next election.

The Green Party goal in the next election is simple, practical and ambitious. We seek to elect enough Green MPs to be the balance of power in a minority Parliament. We will insist on moving to proportional representation. We will demand a meaningful, aggressive climate plan. This we can do.

The Green Party goal in the next election is simple, practical and ambitious. We seek to elect enough Green MPs to be the balance of power in a minority Parliament. We will insist on moving to proportional representation. We will demand a meaningful, aggressive climate plan. This we can do. It won’t happen because the pundits believe us. It will happen because Canadians do. **P**

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Ukrainian President Petro Poroshenko speaks to the Canadian Parliament in the House of Commons weeks before the October 26 parliamentary elections. The changes occurring in Ukraine are social, widespread, and deep. Deb Ransom, PMO photo

Ukraine One Year After the Euromaidan: Amid an Undeclared War, Deep Social Change

Yaroslav Baran

A year after Kyiv's Euromaidan protests ousted Vladimir Putin proxy Victor Yanukovich and unleashed the most significant crisis in East-West relations since the Cold War, Ukraine is still changing. In its politics, its media, its national identity and, most of all, its ultimate rejection of "Homo Sovieticus", the country is as noticeably different from its former self as it is from any other country in Europe.

A handsome couple walks down St. Andrew's Street, arm in arm, admiring the street paintings and architecture in this trendy and touristy corner of downtown Kyiv. They gaze at art, and at the beauty of the ancient winding roadway. They gaze at each other. They duck under an archway and kiss. Judging by this scene, this could be any major city in Europe—cobblestones, architecture, an artsy vibe, street lamps and romance.

But this city is different. It's the capital of a country the size of France, in the midst of an undeclared war with a former superpower: Russia. Moreover, it's days after an election—a high-stakes election, called by the new president to “clean the fifth columnists out of Parliament”—and by fifth columnists, he means the henchmen of Vladimir Putin. He means the MPs of the former Party of Regions, loyal to Putin proxy Victor Yanukovich, the MPs who voted for the draconian anti-protest laws that transformed Euromaidan from a student protest to a mass populist revolution. He is talking about the MPs who supported the regime that ordered snipers to shoot at their own people.

There are changes happening in this country—far beyond the regime change that occurred when Yanukovich fled the Euromaidan crowds and took refuge in Russia, far beyond the new pro-democracy and pro-European presidency of Petro Poroshenko, and far beyond the fact that Ukraine has since lost two provinces to a Russian invasion and faces active military combat against Russian regular soldiers and Russian-supplied mercenaries in two others.

The changes occurring in Ukraine are social. They are widespread. They are deep. And they may be the wave of social revolution that finally propels Ukraine forward, out of the shackles of its post-Soviet legacy and into the modern age as a fully functioning democracy that respects the rule of law, and respects its people above the interests of those in power.

Taken together, the zeitgeist of today's Ukraine is antithetical to the greatest obstacle the country faced in its post-Soviet progress: the phenomenon of the *Homo Sovieticus*. Coined by Soviet dissident Alexander Zinoviev as a satirical response to the Stalin's *New Soviet Man* concept, the *Homo Sovieticus* was the true legacy of 80 years of communist hegemony: indifference, cynicism, passive acceptance of government's actions, and unwillingness to strive for change.

These were the values rejected first by

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A granddaughter watches her grandmother cast her vote in Kyiv in the parliamentary election on October 26. Photo courtesy Yaroslav Baran

the Orange Revolution of 2004, and again by Euromaidan in late 2013. And it is a rejection of those *Homo Sovieticus* values that continues to define Ukraine's social revolution.

Perhaps the most striking manifestation of this social change is in the energy of the youth: they are increasingly involved, interested in politics, aware of domestic and global current affairs, and expect—demand—to live on par with their peers in other European countries in opportunity, civil rights, and a corruption-free government. Democratic civil society groups are growing in number, size and sophistication. They are overwhelmingly populated by youth. And they operate with both professionalism and the vigour of the activist.

One activist explains: “I was a graduate student. I studied. I didn't know anything about politics. But the way things went last winter, it was impossible not to get involved. Decency demanded you get involved.”

This blossoming of civil society has extended also into the world of media. Perhaps most iconic of the new

era are the hugely successful start-ups EspressoTV and Hromadske (“community”) TV—both aggressively snatching eyeballs from established (and previously distrusted) broadcasters. Intriguingly, both channels were launched during the *Maidan* protests as Internet-based live-stream broadcasters, in full knowledge they would never be granted broadcast licenses by the authoritarian Yanukovich regime. One of the two was actually started by an Opposition MP in his own home, capitalizing on his parliamentary immunity to protect the broadcast organization from police raids.

Both news organizations are staffed by young, energetic teams—many of them former protesters. All share a common goal: providing quality coverage of events and holding the government to account. There is truly a “fourth estate” culture pervading every aspect of the operation—from the people to the topics to the tone of reportage. They are also self-funded through donations — an important innovation, given that previously, all major broadcasters were financed by “oligarchs”, or wealthy industrialists, who tended to use their editorial bias in their own political interests.

Politics has also benefited from, and been enriched by, the shoots of this newly reinvigorated civil society. Multiple political parties' candidate lists were populated by *Euromaidan* activists and journalists. It's a deliberate next step of the *Maidan* movement (and something qualitatively different from the Orange Revolution): don't just demand change, but get in there, and effect that change from within the system—and keep your political peers honest and on the ball.

The third-place finisher in the fall parliamentary elections was a populist start-up, headed by the mayor of Lviv, Ukraine's most westerly metropolis. His party, ‘Samopomich’ (self-help) consists mainly of young

people who adhere to the philosophy that you can't wait for help—citizens need to take responsibility and take matters into their own hands. Likewise, Prime Minister Yatseniuk, after breaking off from his former Motherland party (headed by Yulia Tymoshenko), named his new party with a decidedly populist moniker: "The Popular Front."

The effects of this new activist presence—and external vigilance—are already evident on the political scene. One of the first major acts of the Poroshenko-Yatseniuk government was passage of a "Lustration" law to provide for the removal of corrupt officials from office. Moreover, the coalition agreement emerging from this fall's parliamentary election calls for the elimination of parliamentary immunity—a constitutional holdover from Soviet times.

The country is also in the midst of a fresh wave of national awakening—of a positive patriotism that is taking root in unexpected quarters. One of these is the youth—those younger than the student activist demographic—teenagers, the age group normally unconcerned with little other than their social life. One Euromaidan activist explains her own experience: "My kid brother and all his friends used to speak Russian. It was just normal for them. They watched Russian movies, they read Russian magazines, and the language of their pop-culture just seeped into their daily interaction. They are now waking up and realizing how completely abnormal it is to forsake their own language—in which they're all fluent—for a foreign language. It used to be cool to speak Russian. Now it's cool to speak Ukrainian."

Perhaps her characterization of her own peers captures it best: "My generation has had enough—we're tired of being a diaspora in our own country."

A remarkable surge of Ukrainian national pride is growing among Russian-speaking Ukrainians as well, chiefly in the east and south of the country. Even among the ethnic Russian minority, there are strong signs of an emerg-

A remarkable surge of Ukrainian national pride is growing among Russian-speaking Ukrainians as well, chiefly in the east and south of the country. Even among the ethnic Russian minority, there are strong signs of an emerging civic patriotism.

ing civic patriotism, with recent polls indicating a clear majority of ethnic Russians in Ukraine rejecting the Kremlin's irredentist overtures and saying it is Ukraine—not Russia—that safeguards their interests.

There is an overall dissolution of regionalism occurring, with massive public opinion shifts over the last year on the familiar debates of Euro-integration and NATO, or even regional support breakdown for the new president, who was elected with a plurality—if not a majority—in every part of the country. While some regional differences still exist on these existential national questions, they are no longer stark. The entire country—regardless of language and ethnicity—is moving away from the Russian neo-imperialist sphere of influence, and embracing the values and policies that Europe and democracy represent.

Perhaps Prime Minister Yatseniuk said it best, when he noted that one of Vladimir Putin's huge unintended consequences was that he unified the very country he invaded.

Greater unity or not, significant challenges lie ahead for Ukraine. Its economy is projected to shrink by up to nine percent over the coming year. Its currency has lost almost half its value against the dollar in the last year. The 400,000 internally displaced persons (Tatars from Crimea who know from history it ain't better under the Russians, and the many thousands who fled occupied Donetsk and Luhansk) are placing significant strain on everything from social services to rent prices in major cities. With more than 4,000 soldiers already killed in battle on the Eastern Front, there are thousands of families now without husbands, wives, fathers and mothers. Families are torn apart by war, as a government with no means struggles to treat their survivors with due respect.

And to add a dose of irony, Ukraine continues to trade with Russia—despite the occupation of Crimea and Sevastopol, the active invasion in Donetsk and Luhansk, and the incessant multi-billion-rouble information war.

This is Ukraine one year after Euromaidan. This is Ukraine 20 years after the Budapest Memorandum, through which Ukraine gave up the world's third biggest arsenal or nuclear weapons in exchange for US, UK and Russian guarantees of protection against invasion. This is Ukraine on the 200th anniversary of the birth of Shevchenko, the poet-artist-prophet who sparked Ukraine's first modern massive anti-government and self-identity social revolution—a *Euro-maidan* of the 1860s.

The couple continues its stroll down the winding cobblestones of St. Andrew's Descent, arm-in-arm. They are far from the war. They are more likely to encounter a kitsch vendor than a student activist. The man stops and scribbles something little on a wall: likely a romantic etching to capture the moment—certainly not a piece of political graffiti. But the Kyiv they are in is not just any European city. It is the pulsing heart of a country that has survived a revolution, and now in the midst of metamorphosis. A revolution that had already come a decade earlier and fizzled, its metamorphosis incomplete. The remaining question is this: with the stakes so much higher and with patience now so much thinner, will the political steps be finally taken to shed Ukraine's tragic Soviet legacies, or will it still come to a Third Maidan? **P**

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A CN train near Jasper, in the Canadian Rockies. A familiar Canadian winter scene. CN photo

Winter's Impact on Canadian Railway Operations: Fact and Fantasy

Paul Miller

Last winter's rail transport crisis generated headlines across the country about inadequate capacity, mismanagement and disregard on the part of Canada's railways. Engineer and former CN executive Paul Miller explains the crisis from the railways' point of view, addressing the myths and realities of northern rail transportation.

The severe winter of 2013-2014 created widespread disruption in freight supply chains, passenger transportation, manufacturing, and the economy. Canada's railways were certainly not immune; the service they were able to provide during weeks of exceptionally cold weather fell well short of their customers' requirements in many cases.

Critics were quick to suggest that rail-

ways were under-investing and lacked the capacity to handle large volumes of traffic. Other myths were also perpetuated: that the railways faced challenges because of bad planning, a focus on financials and cost reduction, and because they simply didn't care about their customers.

The fact is that, it is simply not reasonable to judge service, or to contemplate policy or regulatory action, based on the railways' performance during the worst eight to 10 weeks of winter weather. For most of the year, Canada's railways provide objectively solid service and capacity to a wide range of customers and markets. All "outdoor" industries—especially those involved in transportation and logistics—suffer during the winter, particularly during severe weather. Equipment breaks down more often, snow and ice slow or stop movement, storms and avalanches occur, and people simply take longer to safely accomplish tasks. However, beyond these shared issues, railways are additionally and uniquely affected by winter, due to the foundational tech-

The same technologies that allow railways to be highly efficient, low-cost service providers—steel wheels running on steel rails, and harmonized braking systems that allow cars and entire trains to be routed seamlessly between railways across North America—are affected by a cold-weather tipping point, at about -25 C.

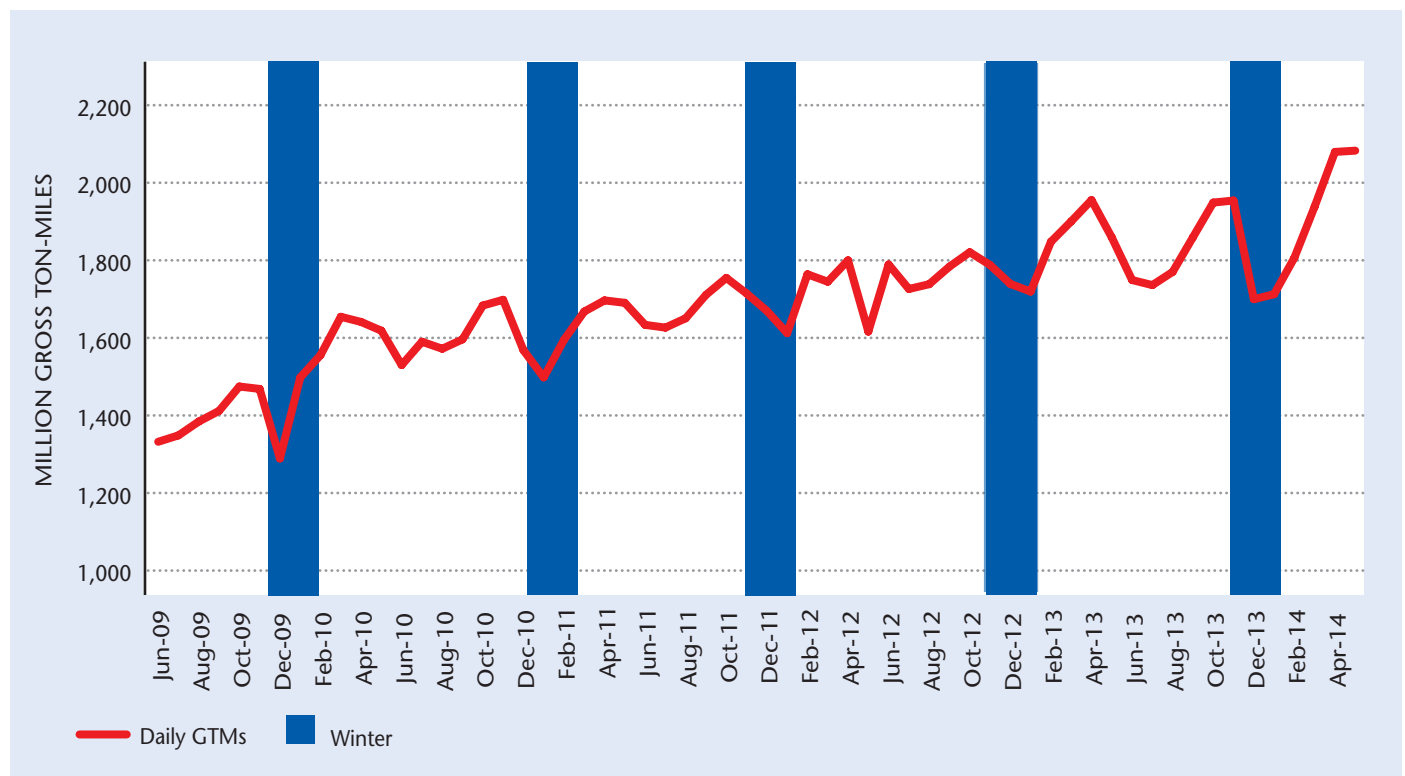
nologies that make railways, railways.

The same technologies that allow railways to be highly efficient, low-cost service providers—steel wheels running on steel rails, and harmonized braking systems that allow cars and entire trains to be routed seamlessly between railways across North America—are affected by a cold-weather tipping point, at about -25 C. At that temperature, steel becomes less ductile, making rails more susceptible to breakage, and wheels more prone to tread damage—which in turn applies greater forces to the rail, adding to the likelihood of rail breaks. Air brakes are subject to failures as well—frozen gaskets leak air at brake-hose couplings, causing braking systems to lose pressure—leading

railways to run much shorter trains at low temperatures for safety reasons. Even the newest locomotives can fail in -25 C weather, most often from traction motors whose ground relays are tripped due to snow and moisture ingestion.

Any of these factors can result in a downward spiral of delays. For example, to set off a car with a defective wheel in winter conditions can delay a train for hours, because of the length of time needed to re-establish air brake pressure. That delay can be quickly compounded by opposing and following movements—especially on a single track—putting sidings out of service and causing shortages of key resources such as crews and locomotives. Cold-weather train-length

Figure 1: Canadian Class 1s—Daily Million Gross Ton-Miles



Source: Railway Association of Canada

restrictions can cause similarly cascading effects: a train arriving with 10,000 feet of traffic may be restricted to 7,000 feet on departure. That unplanned 3,000 feet of left-behind traffic, multiplied by the number of arriving trains, will cause terminal congestion, slow down processing and delay outbound trains. And all of this typically happens just as shippers lose other options—through the closure of the St. Lawrence Seaway or the Port of Churchill, for example—and at a time when every setback takes longer to rectify.

Even in the depths of the difficult 2013-2014 winter, Canada's railways moved more traffic than they did during the summer of 2011—another indication that network capacity investments have been ongoing, and in-line with the demands of the economy.

Finally, winter's effects on other supply chain participants can "blow back" onto rail carriers, further impacting their performance. For example, an export terminal that is affected by a winter storm may be forced to stop inbound rail deliveries of product, backing up trains already en route, causing congestion and reducing the supply of empty equipment for inland shippers.

The winter of 2013-2014 was much harsher than other winters in recent memory. The "polar vortex" was a Canadian and US news story for much of the winter, with crippling impacts felt as far south as Arizona and Texas. Winter's impacts on the throughput of Canadian Class 1 railways can be seen in Figure 1.

This graph shows that Canada's railways have been able to meet customer demand as it has increased over time, through investments in infra-

structure, equipment and human resources, as well as ongoing process improvements. The fact that railway throughput recovered quickly in the spring of 2014 clearly indicates that sufficient network capacity was in place to meet demand, but the system was overpowered by winter effects. It is also important to note that, even in the depths of the difficult 2013-2014 winter, Canada's railways moved more traffic than they did during the summer of 2011—another indication that network capacity investments have been ongoing, and in-line with the demands of the economy. All of this points to the fact that the issue with winter is not "capacity". Rather, it is "resiliency"—the ability of the rail-based supply chain to withstand the shocks of varying severity, duration, and geographic distribution, given the technological make-up of railway systems.

Efforts to mitigate winter's challenges by railways and researchers have been commendable to date. Canada's railways spent more than \$890 million on track improvements in 2013, and have developed innovative technologies to offset winter's most negative effects: ultrasonic detectors to spot internal flaws in rails, and way-side "wheel impact load detectors" to identify treads that are pitted or "shelled" and in need of replacement, to name just two examples. While railway research, development and investments are ongoing, improvements in these and other technologies are expected to be incremental, especially in the short-to-medium term. Simply put—there are no easy or immediate fixes for these tough, structural issues.

How, then, should northern railways—Canadian railways—deal with winter's challenges? Obviously they must, and will, continue to make the investments and process improvements that yield ongoing, incremental gains. They will continue to support the winter-focused research at the Canadian Rail Research Laboratory and other institutions, and to work

with their suppliers to produce improvements. And they will continue their relentless "plan-act-measure-analyze-improve the plan/improve the execution-start over" approach.

But Canada's railways believe other opportunities lie within the supply chain itself. Many logistics improvements are underway, involving all supply chain participants, and there have been some successes. But there are additional opportunities in areas such as joint planning and setting of expectations; improved forecasting; shared-access systems for real-time information; and shared performance metrics to drive accountability and action.

We also believe customers can play a role in dealing with the challenges of winter. They can, for example, prepare with inventory management initiatives such as increased storage capacity, and scheduling of shipments prior to the winter crunch. Such initiatives recognize the structural impact of winter and the need to face up to the challenge in partnership with the railways.

The notions that railways are under-investing, that they are not planning properly for winter, or that they are only focused on cost savings, are simply not based on the facts. Canada's railways stand ready to work collaboratively with their partners to achieve end-to-end improvements across the supply chain. **P**

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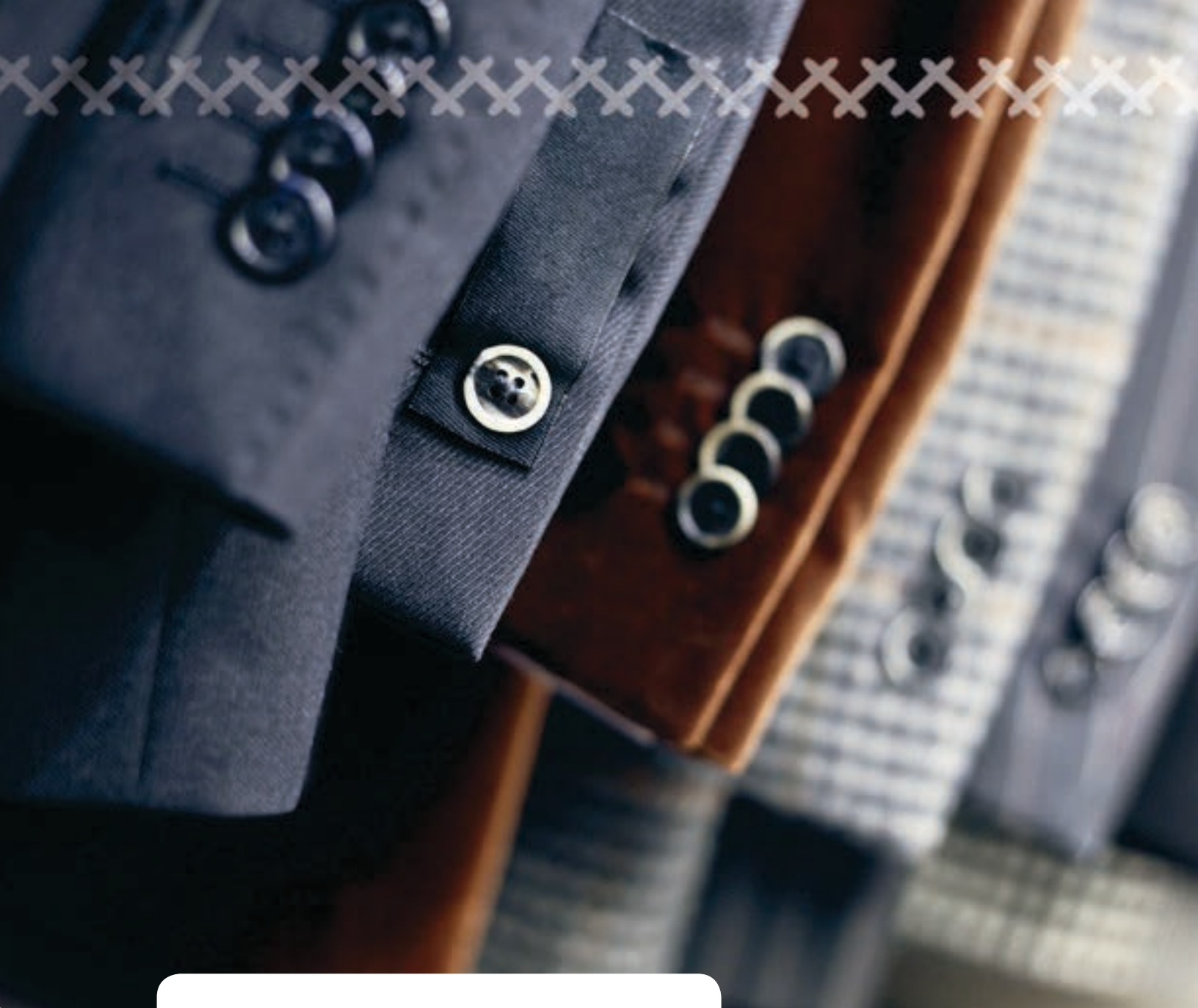
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