

# We're the Conservatives and We're Here to Help

Rona Ambrose

**“P**eople who bowl vote. Bowlers are not the cultural elite.”

So said American vice-president Dan Quayle in 1992. He was speaking in a Las Vegas bowling alley when he said it, so no doubt he was keen to warm up his audience. But this idea—that blue-collar, middle class, salt-of-the-earth types form the most dedicated bloc of voters—has been a political truism for years in Canada and the United States. You could just as easily apply the phrase to pipe-fitters while standing at an oil refinery, IT specialists working on your office computer, or—to use the Canadian cliché—the customers in line at Tim Hortons on a Tuesday morning.

Yet it isn't a stretch either to suggest that two recent events—the Brexit vote and the recent U.S. election—exposed deep levels of dissatisfaction with governments that were seen to be mired in self-interest rather than the best interests of the citizens they governed.

There are plenty of lessons for Canadian politicians to learn from Donald Trump's surprising political victory. But what may be the most critical is that pocketbook concerns are clearly shaping the average voter's anxiety, and in some cases, anger.

Now is the moment for the Liberal government to get focused. Big government experiments like legalizing marijuana, electoral reform or trying to define “social infrastructure” might be fun, academic pastimes for the Prime Minister, but governing is serious business. The incoming Trump administration has the potential to massively impact Canada, in ways that offer both challenges and

opportunities. Those working in the Canadian political arena will be under pressure to sell our message and ideas to every voter, regardless of location or income.

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The three big challenges are taxes, pipeline development and trade. Put another way, Canada's relationship with the United States is about to become about jobs, in a way the Prime Minister doesn't seem to fully appreciate.

Of all of Prime Minister Justin Trudeau's policy initiatives, perhaps none demands a clear-eyed second look more than his high-tax approach.

Trudeau's carbon tax is without a doubt his signature policy. Yet, given that the United States is our most important ally and trading partner, any policy that promotes what is essentially a tax on everyday goods and consumables must be measured against the impacts it would have on Canada's competitiveness.

Donald Trump has been clear that a carbon tax is not on the horizon for the American economy. This new

development has put Prime Minister Trudeau dramatically offside with Canada's most important economic partner.

Canadian consumer goods are about to get more expensive, if the Prime Minister has his way. The cost of his carbon tax scheme could add a burden of as much as \$2,500 per household. This is an across-the-board hike on basics such as gasoline for our vehicles, the fuel that warms our homes, the power we require to keep the lights on, and numerous other everyday items. Add to that new payroll and income taxes and you get what former Bank of Canada Governor David Dodge calls an “economic exodus”, where high skill workers flee south.

With the conditions being set for the U.S. economy to continue its upward growth, so, too, will American business begin to flex its advantages over its neighbours.

The Trump administration is planning to drop corporate tax rates from 35 percent to 15 percent, and dramatically reduce income tax rates. Canada's combined federal-provincial corporate rates place us 23rd of 35 OECD countries—Trump's changes would have the U.S. jump from 35th to 12th.

The incoming president has been clear that any new federal infrastructure spending under his administration will include local content rules that will restrict opportunities for Canadian steelmakers, engineers and construction workers to supply these projects.

The Canadian government should also anticipate that U.S. business will retain its energy cost advantage, as a Trump administration loosens the



Opposition Leader Rona Ambrose in the House of Commons. She writes that “there are plenty of lessons” for Canadian politicians to learn from Donald Trump’s “surprising victory”, not least the importance of pocketbook issues. Christian Diotte photo

reins on coal, methane and other corners of the energy production sector. Meanwhile in Canada, the government is phasing out coal with no clear transition plan for job losses.

Most bizarre of all was Prime Minister Trudeau’s proactive offer to reopen the North American Free Trade Agreement (NAFTA), one of the most successful trade agreements in modern history. Before even being asked, the Prime Minister stated publicly that Canada would be willing to look at a renegotiation.

Assuming the new president makes good on his campaign promises, U.S. trade strategy is poised to shift from free trade principles to a more case-by-case bargaining model. Access to the lucrative U.S. consumer market will depend on companies and trading partners agreeing to increase production in the U.S. or import more from American producers. While it is unlikely that a renegotiated NAFTA would hike tariffs on all Canadian exports—a move that could cut annual GDP by 2-4 percent, according to Export Development Canada—Canada would surely be asked to offer con-

cessions in areas such as supply management, intellectual property and cultural industries.

**T**he bottom line here is that more than three million jobs in Canada are tied to trade. Yet Prime Minister Trudeau has found his go-along-to-get-along tone on exactly the wrong issue, charging full steam ahead into trade renegotiations that put three-quarters of exports at risk. While “updating” the most important trade deal in Canadian history may sound like a tantalizing academic exercise, to thousands of Canadian farmers, workers, and business owners, it’s a chilling reminder that their livelihoods are too often subject to the whims of Ottawa politicians. And judging by the government’s record so far on softwood lumber, they have good reason to be worried.

The one opportunity here for Canada should be the Keystone XL pipeline. It would mean thousands of jobs for Canadian workers, particularly in western Canada, where dropping commodity prices have created an unemployment crisis that has gone unnoticed by the Liberal government.

Now is the time for the Liberals to reconsider their approach. The Trudeau government has been content to rest on the work done by the Harper government before them, while avoiding any public cheerleading for Keystone. A public display of support for a job-creation project would signal a measure of understanding for the average Canadian workers who simply want to get back on the job. This, as they say, is the easy stuff.

None of this is to suggest that Canada must move in lockstep with our American neighbours on every issue. Just the opposite—the most important job of any government is to defend the interests of the citizens it serves, and seize opportunities where they arise.

But the Prime Minister must not forget that government exists to serve the people, not the other way around. The moment we lose sight of the very real concerns of Canadians, we begin to erode our democracy. I’m concerned that Prime Minister Trudeau has yet to grasp that Canada’s ability to remain competitive and create jobs is very much a concern for regular Canadians.

So the focus now must be: keep Canada competitive. Now that the Prime Minister has offered to open up NAFTA, it won’t be easily closed. He must remain firm in defending Canada’s interests. Our Conservative caucus—having been the architects of our free trade agreement with Europe—are here to help. Lower taxes, both personal and corporate, to ensure it remains affordable to live and work in Canada. And recognize the opportunity that Keystone and other resource projects present for Canada’s resource industry and the thousands of good jobs that depend on it.

The people in line at Tim Hortons vote. They do it because they have not forgotten that they have a say as well. The Prime Minister cannot lose sight of their very real concerns. **P**

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