



Public Policy Forum  
Forum des politiques publiques

# *Trading Places*

## The Story of the 39<sup>th</sup> General Election

February 2006



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## ABOUT THE AUTHORS

*Graham Fox* is Vice President at the Public Policy Forum. His primary research interests are democratic renewal, and the transformation of government and governance. Graham brings to the Forum senior-level experience in the fields of politics and public policy. He is a former director of the KTA Centre for Collaborative Government and the Institute for Research on Public Policy, and a former Chief of Staff to the Rt. Hon. Joe Clark.

*Nik Nanos*, president of SES Research, is regularly called upon by political and corporate decision-makers to conduct research and to provide strategic counsel. In the federal elections of 2004 and 2006, Nik conducted a nightly tracking poll for CPAC, Canada's political channel, for which SES is the official pollster. In March 2006, he will be the national president of the Marketing Research and Intelligence Association – the governing body that accredits research practitioners and companies in Canada.

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## **Introduction**

On February 6, 2006, Stephen Harper was sworn in as Canada's 22<sup>nd</sup> Prime Minister. After a tumultuous campaign, the leader of the Conservative Party of Canada secured a mandate from the Canadian people to form the first Conservative government since June 1993.

In their wisdom, Canadians found a way to elect exactly the government they wanted. After 12 years of Liberal rule, it was time for a change. Canadians wanted a new government and were prepared to support the Conservatives, but not without conditions.

The results of the 39<sup>th</sup> general election delivered on all counts. With 124 seats, the Conservatives are the largest party in the Commons, but will have to collaborate with opposition parties to get their legislation through the House and Senate. However, with representation in 9 of 10 provinces (all but PEI) and no fewer than 10 seats in Quebec, the Conservatives elected a truly national caucus to Parliament, with significant representation from every region. Looking to the 103 Liberal seats on the other side of the House, the Western world's most successful political franchise has clearly been chastened by the electorate but remains a formidable force in the Commons and in the country.

It is easy to forget, however, that it was not always to be thus. The day the Martin government lost the confidence of the House, public support for the major parties mirrored almost exactly the results of the June 2004 election. As the showdown in Parliament loomed, most analysts had predicted a negative campaign focused on ethics and scandal, and once the campaign buses were rolling, everyone thought that was the campaign Canadians were going to get.

But something unexpected happened on the way to the ballot box. By the time the votes were cast and counted, neither the campaign nor the results resembled the predictions made on Day 1. Much to the surprise of the pundit class, the Conservative Party focused the first phase of their campaign on policy, thereby setting the tone for the election and reframing the focus on Stephen Harper's vision for Canada.

## **A Word about the Process**

Over the course of the federal election, the Public Policy Forum held a weekly breakfast panel discussion series at the National Press Club in Ottawa. These events gave participants an opportunity to go behind the headlines and hear from expert observers and analysts on the developments in the campaign – from the numbers to the highlights and the issues.

Participants heard from a number of senior academics, journalists and experts, all of whom were most generous with their analysis and insights. The Public Policy Forum would therefore like to thank the following individuals for their contribution to the success of this series:

- Andrew Cohen;
- Manon Cornellier;

- Susan Delacourt;
- Brian Laghi;
- L. Ian MacDonald;
- Nikita Nanos;
- Bill Neville;
- James Travers;
- Chris Waddell; and,
- Jodi White.

The following report aims to build on the panel discussions and tell the story of the 39<sup>th</sup> general election with an eye to the future. While we are indebted to all panelists for their generous contributions and insights, responsibility for the conclusions drawn in this report remains that of its authors.

### **The 39<sup>th</sup> General Election – *Trading Places***

While the precise outcomes aren't exactly the same, the results of the 2006 federal election can be summarized by the governing party and the official opposition trading places. In terms of popular vote, the Liberals received 36 percent of the vote in 2004 to the Conservatives' 30 percent. In 2006, the two parties by and large traded scores. With regards to seat count, the vote allocation in 2004 yielded a 133-99 seat count in favour of the Liberals; in 2006, it became 124-103 in favour of the Conservatives.

In terms of event dynamics and polling trends, however, the election campaign is best considered as having gone through four distinct phases: (1) from the fall of the government to the Christmas break; (2) the Christmas break; (3) the return to the campaign trail in January until the second series of debates; and (4) the final push to the finish line.

The first phase saw the Liberals and Conservative make fundamentally different strategic campaign choices. While the Liberals opted for a low-key opening to their campaign, anticipating that Canadians would only really tune in after the Holiday Season, the Tories came out of the starting block very strongly. Over several weeks, the Conservatives announced a policy on an almost daily basis, grabbing control of the agenda and not letting go. Carefully scripted announcements in the morning, with a partisan event in the afternoon or evening became the standard schedule on the Tory tour, thereby ensuring the media covering the Conservative campaign had only the announcement and the enthusiastic crowds to cover.

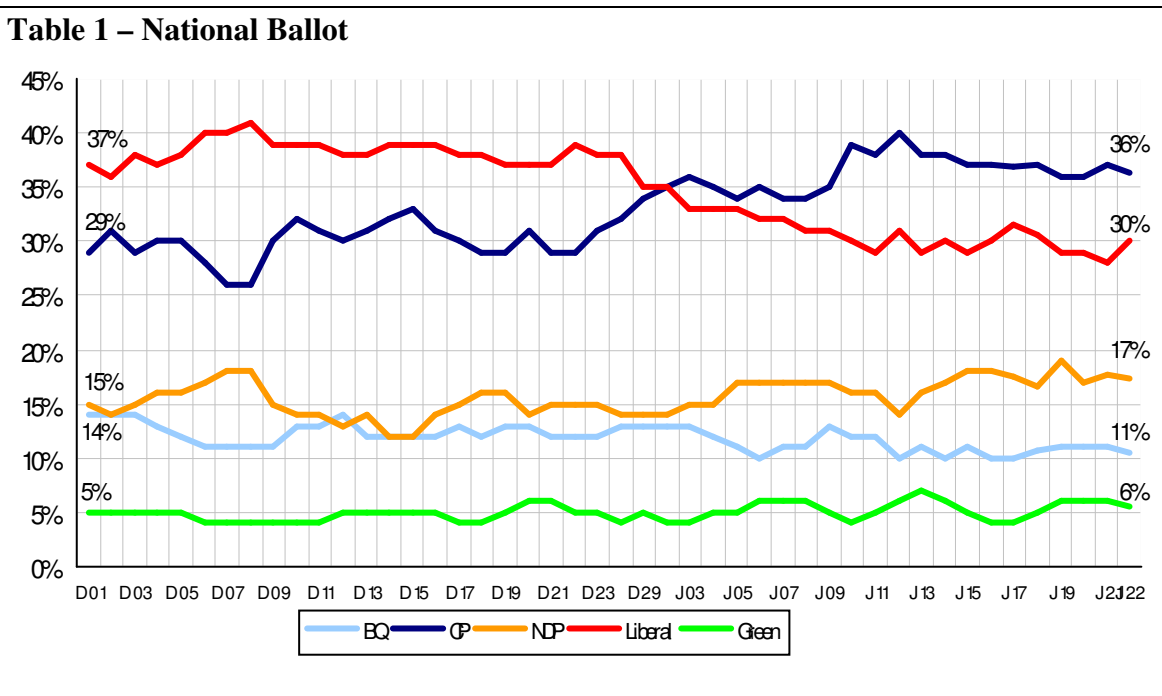
With the exception of the Bloc Québécois, the other parties were left reacting to Tory ideas for most of the first three weeks of the campaign. Even when announcing policies of their own, the Liberals and NDP were often left having to compare their proposals to ones Stephen Harper had already announced. The regularity of the Conservative announcements in effect framed the perceptions of the opposition parties as being reactive, as opposed to pro-active. Combined with early Liberal missteps about beer and popcorn and likening candidates for election to a certain breed of dog, the reactive stance

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of the Liberal campaign seemed to confirm the impression the Conservatives were in charge of the course of the election.

By the time the leaders met in first round of debates on December 15 and 16, Stephen Harper had gone a long way to define the dominant media frame around him, while the others had much of that work ahead of them. Cool under pressure and heavy on policy specifics, the Conservative leader seemed at ease in his position and was generally seen as having won his first encounter with Paul Martin.

As is shown in Table 1 (below), however, the Liberals enjoyed a lead over the Conservatives that ranged from eight to fifteen points throughout this first phase in the election. Despite a heavy emphasis on policy and an aggressive advertising campaign focused on Liberal corruption, the Conservatives didn't manage to dent the Liberal lead until the campaigns paused for the Holidays – with one notable exception. In the week leading up to Christmas, Stephen Harper was slowly narrowing the margin with Paul Martin as the leader Canadians believed would make the best prime minister (See Table 3).



Phase Two in the election wasn't really supposed to be a phase at all. With the longest campaign since the Free Trade election of 1988, it was widely expected that leaders and parties would campaign until a few days before Christmas, down tools for the Holiday period, and begin again on January 2<sup>nd</sup>. The Liberal campaign having hit a number of snags in the first phase, it was widely reported the Prime Minister's team would tweak their strategy to better face the second part of the campaign. For the Liberals, however, that needed break was not to be.

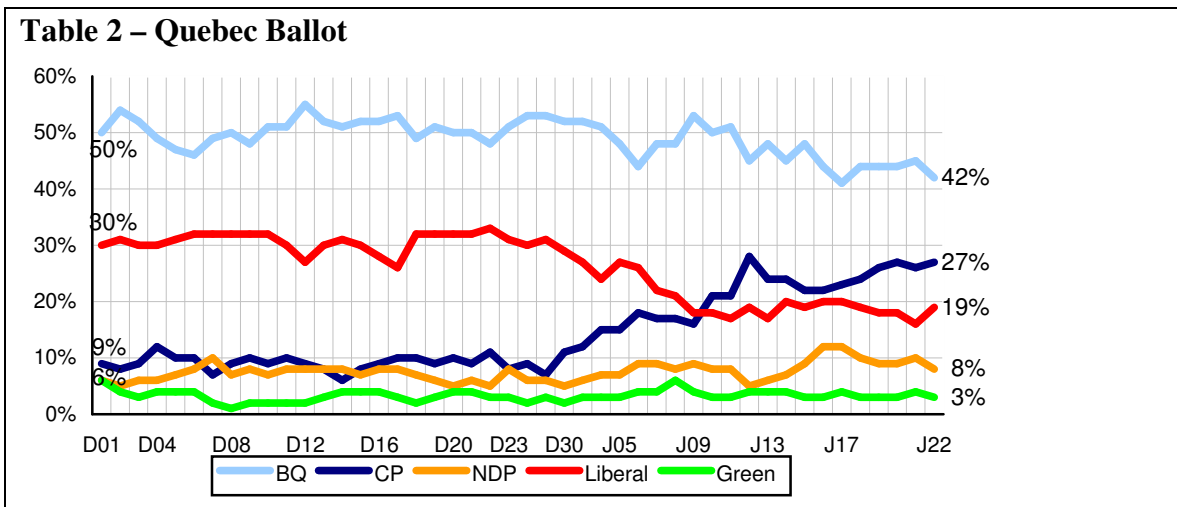
On December 28<sup>th</sup>, the RCMP confirmed in a letter to NDP Finance Critic and candidate Judy Wasylycia-Leis that it was launching an investigation into the alleged leak of

information related to the Liberal government’s announced changes to the tax treatment of income trusts.

Immediately following the RCMP announcement, the proportion of Canadians who believed Paul Martin was the most trusted federal leader dropped 10 points in one day. Likewise, the campaign, which had until then featured a sizable Liberal lead, was transformed into a neck and neck race. Gathered around dinner tables in every community in Canada, voters were able to compare the impact of yet another Liberal scandal with the measured, policy-focused campaign Harper had run until then. All of a sudden, with the RCMP investigation as a backdrop, family members were telling family members they just might vote Tory this time. In fact, the RCMP announcement of a criminal investigation validated the Conservative advertising campaign attacking the liberals on corruption. This tipping point moved the Conservative numbers across Canada and in Quebec which was a virtual Conservative wilderness prior to the election.

In Quebec, Conservative support, which had hit a low of 8 percent between Christmas and New Years, immediately started to have upward pressure. Stephen Harper’s best PM numbers in that province also started to move upward.

**Table 2 – Quebec Ballot**



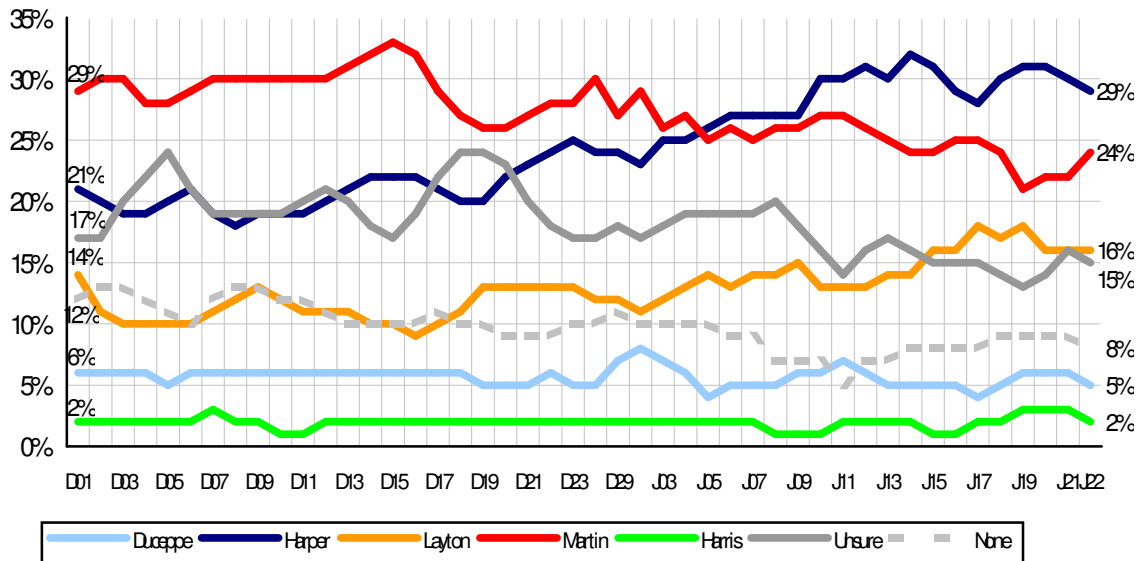
Phase three of the campaign began following New Year’s Day and lasted until the second series of leaders’ debates. For most of this period, CPAC-SES tracking showed the neck-and-neck race between the Liberals and Conservatives slowly turn into a Conservative lead.

While the Liberals struggled to engage on policy issues, the Tories managed to keep the focus of the campaign coverage on their quasi-daily announcements. Their success in the polls was the result of a focus on policy issues, voter anger and competent campaign execution. What’s more, when the Liberals turned to raise questions about the Tories’ so-called hidden agenda, the advertising campaign proved largely ineffective because the heavy policy focus served to inoculate Harper against such attacks. In contrast, the RCMP investigation actually validated the Conservative attack ads on ethics and tapped

into residual anger against the Liberals. Finally, the Conservatives’ well-executed campaign only served to emphasize the point to voter that they were ready to govern.

This phase also saw Stephen Harper’s best PM numbers surpass those of Paul Martin’s. With his focus on policy and his poise in debate, Harper compared well with a Prime Minister and governing party that seemed to move from priority to priority in hours. After early January, Harper maintained the lead in this indicator until election day.

**Table 3 – Best PM**



Immediately following the debates, the Conservative lead over the Liberals reached a high of nine points. For a time, pundits began to consider the possibility of a Conservative majority. The real story of the final phase in the campaign, however, is one of slow erosion of Tory support to the Liberals, and to a certain extent to the NDP.

Once the Conservatives finished their daily policy announcements and the message shifted towards the end game, the Conservative numbers leveled off. In this final sprint to the finish line, the momentum simply could not be maintained – with one exception: Quebec.

Without a doubt, the story of the last phase of the campaign is the story of Quebec. In that province, support for the Conservatives and Harper’s best prime minister numbers were on the rise right up until election day, with Harper surpassing Paul Martin and Gilles Duceppe as Best PM, and Conservative support reaching 25 percent.

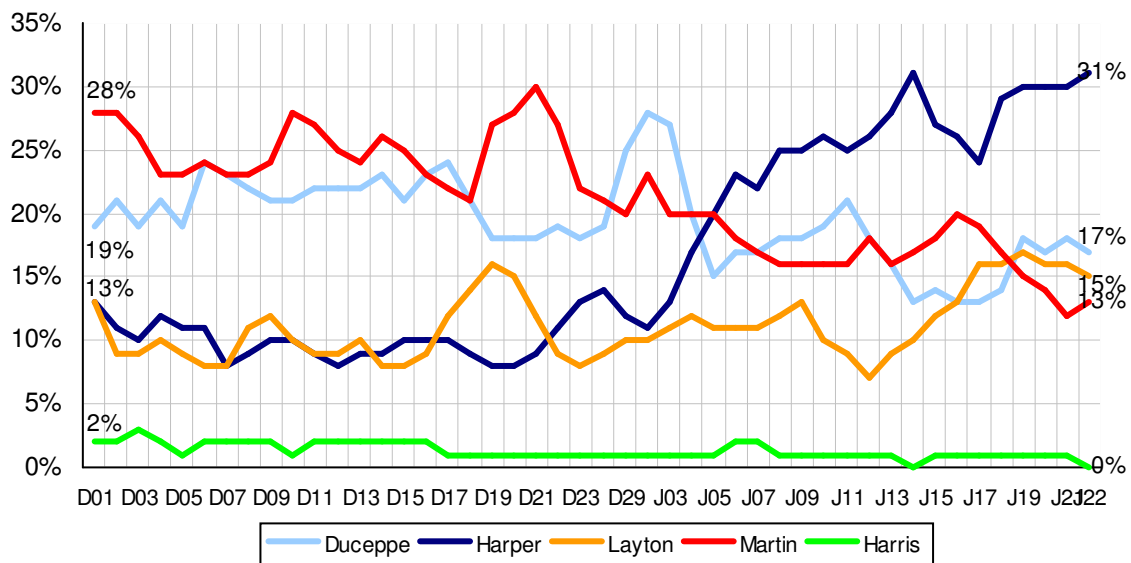
The Conservative surge in Quebec occurred in two stages. Following a speech in Quebec City in which Harper committed his party to ‘open federalism,’ the Conservatives first picked up support among soft Liberals who were increasingly disenchanted with an even

more tarnished Liberal brand. After the pick up of soft Liberals, Conservative support started to rise among soft BQ supporters in the close of the campaign.

The Quebec City speech, which included a pledge to address the fiscal imbalance and give Quebec a role in some international forums, was a turning point in the way Quebec voters saw the Conservative Leader. Equally telling, however, was Paul Martin’s reaction. By refuting the existence of the fiscal imbalance and insisting that Canada must ‘speak with one voice’ on the world stage, the Prime Minister turned away from the official policies of the government of Quebec, the consensus view in the population and, at least with regards to the international question, his own position.

By the end of the election, a conservative Albertan (Stephen Harper) was considered the best choice for Prime Minister among 31 percent of Quebecers, followed by a separatist (Gilles Duceppe) at 17 percent, and a New Democrat (Jack Layton) from Toronto at 15 percent. Paul Martin, a long-time MP from Quebec and Prime Minister of Canada, came fourth as the best Prime Minister in his own province.

**Table 4 – Best PM Quebec**



*Please note that “Unsure” and “None of the above” were removed from the chart and therefore percentages will not add up to 100%.*

As was the case in 2004, the final days of the campaign had a significant impact on the outcome. The last three days of tracking, published on the Sunday before the vote, showed a minor shift in national support away from the Conservatives towards both the New Democrats and the Liberals, particularly among women. On the day before the election, one third of women voters said they would vote Liberal, a six-point shift from the previous day. In comparison, there was virtually no significant shift in male support for the Liberals. On the final day of tracking, 28 percent of men said they would vote Liberal, only a two-point increase from the previous day.

At the close of the campaign, CPAC-SES tracking had the Conservatives at 36.4 percent, the Liberals at 30.1 percent, the NDP at 17.4 percent, the Bloc Quebecois at 10.6 percent and the Green Party at 5.6 percent. One day later, the actual election results were: Conservatives 36.3 percent, Liberals 30.2 percent, NDP 17.5 percent, BQ 10.5 percent, and Green Party 4.5 percent.

### **Lessons from the Campaign Trail**

Perhaps more than most recent campaigns, the outcome of the 39<sup>th</sup> general election was determined in large part by the results of a number of fierce regional and local battles. However, even in a short time since the ballots were cast, some general lessons are already emerging that might serve future campaigns.

#### *Hope Trumps Fear*

In 2004, the Liberal Party faced a newly reunited Conservative Party and successfully exploited voter fear of the unknown to its advantage. In 2006, it seemed the Liberal war room was preparing to wage a campaign very similar to the one it had run in 2004, expecting the Harper Conservatives to follow suit.

Much as it did 18 months ago, the Liberal Party attempted to frame the ballot question around Canadian values and used its advertising campaign to raise doubts about the impact of a Harper victory on what voters consider to be ‘fundamentally Canadian.’ In 2004, the tactic proved successful in no small measure because the outbursts of a few Tory candidates seemed to confirm the allegations being made against them. By election day, the Tory lead had evaporated and the Liberals secured their fourth consecutive mandate.

In 2006, however, the Conservatives were prepared. Learning from their experience, the Tories did not build their campaign around corruption but instead focused on a number of policies that spoke to the real concerns of average Canadians. When the Liberals unleashed their second volley of attack ads against Harper the week of the second leaders’ debates, there was nothing on the record that could act as a hook for the claims made in the ads. Quite to the contrary, some of the allegations made in the TV spots seemed so far-fetched that the party was forced to explain many and even withdraw one before it made it to air.

Put simply, Harper and the Conservatives inoculated themselves from allegations of hidden agendas by being so specific and explicit about their plan for government. That is not to say that negative advertising doesn’t work (there is at least some anecdotal evidence that the final series of Liberal advertisements on the final weekend did have an impact), but what it does show is a hopeful message about the future that is tied to a specific plan of action can go a long way.

#### *Competence Trumps Ideology*

It was clear from the opening salvos in the campaign that the Tories had made an explicit choice to run the election on a set of specific policy announcements targeted at particular groups within the electorate. In contrast, the Liberals and NDP countered with campaigns based on values. More specifically, both the Liberals and the NDP issued dire warnings to the electorate about the dangers of electing a ‘Conservative government with a right wing agenda.’

In hindsight, the campaign and its outcomes raise questions about whether ‘values’ are a good weapon against ‘policies.’ In contrast to 2004, the detailed Tory platform, combined with their professionally run, well executed and visually appealing campaign tour, certainly created the impression that this was a group that was prepared to govern. By being so specific, the Conservatives left little to the imagination as to the priorities of their government. Thus, charges of ‘un-Canadian’ Conservative values could not be substantiated – people knew what they would do and were responding positively to it. In contrast, values-based campaigns give voters few specifics on which to take hold in tight races.

### *Ideas Matter*

Perhaps the most surprising feature of the election was the prominent role ideas played in this campaign. Contrary to predictions, all parties presented substantial policy platforms that had an impact on voter choice.

In this election, citizens could decide their vote based on their preference with regards to tax policy, child care programs or federal-provincial relations. In this respect parties fulfilled their most basic obligation to citizens and the democratic process: they provided voters with a meaningful electoral choice. In this sense, the election cannot be deemed to be anything but a great success.

(As an aside, it is interesting to note that the length of the campaign might have allowed such a policy choice to be put before the electorate. Unlike a 36-day writ, where the lack of time means parties have little choice but to pick their wedge issue and drive it, a long campaign gives all parties and their leaders more time to define themselves on their own terms – food for thought for the next campaign, whenever it comes.)

### **Conclusion – A Time for Reflection**

In the end, the election results hold good and bad news for all parties.

The *Bloc Québécois* remains the most popular federal political party in Quebec and holds a commanding lead in both popular support and seat count. Moreover, breakthrough seats on the island of Montreal and in the Outaouais do bring some measure of good news for the future. However, a campaign that began with the sovereigntist forces boasting of a potential for 60 seats and breaking the proverbial 50 percent-plus-one ceiling in the popular vote ended with a 3 seat/seven point drop in support. With well-known MPs such as Richard Marceau and Odina Desrochers losing their seats, and the party all but

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shut out of two Quebec regions they used to consider their heartland (Quebec City and Chaudières-Appalaches), the results should give Duceppe's troops pause.

For the sovereignty movement in general, the election should serve as a potent reminder that voter support is not to be taken for granted. As Toronto Star columnist Chantal Hébert argued in a recent column, the only idea more appealing to Quebecers than sovereignty itself is renewed federalism – and the Quebec results certainly lend credence to that argument. If their march toward victory in a third referendum was a hockey game – the federal election being the first period, the upcoming provincial election the second, and the referendum campaign the third – the sovereigntist team is being sent back to the locker room at the first intermission, down by one and having lost their momentum.

With their seat count and popular vote doubling in two elections, the *New Democratic Party* has cause for celebration. Party support is up in most provinces, and, with 29 seats, the NDP has returned to the position of strength in Parliament it enjoyed in the 1970s. However, voter movement in the last days of the campaign confirmed that the party is still vulnerable to bleeding votes to the Liberals in a tight two-way race with the Conservatives. Moreover, with more victories in marginal seats and fewer wins in traditional areas of support, the party must consider how best to consolidate its position in time for the next election.

With a victory in 103 seats following a difficult minority government, a major scandal and a very competent Tory campaign effort, the *Liberal Party* can take some comfort in the results of January 23<sup>rd</sup>. In spite of recent hits, the brand strength is proving remarkably resilient. However, outside fortress Toronto, it is difficult to identify exactly where the Liberal Party has its base – or whether it still has one at all. Moreover, the internal divisions within the party have clearly not healed and the party would do well to head the advice of Tom Axworthy, who recently called for an in-depth examination of the party's direction in addition to the election of a new leader. The voter-imposed cooling off period could well be beneficial, but the hill to climb is steep, at least in the short term.

For the *Conservative Party*, there is no underestimating the meaning of the first Conservative victory in almost 18 years. In 25 months, two parties ratified the terms of union and, once united, selected a new leader, fought two general elections, and earned the keys to 24 Sussex. The Tory campaign in 2006 was inclusive, focused on ideas and connected with Canadians in a way the others simply didn't. Clearly, hard lessons were learned from 2004 and the game plan was rethought as a result.

To be sure, the results also point to some structural limits in the current make-up of the Tories' support – most notably with regards to Canada's three largest cities. But at the same time, the lack of seats in metro Toronto, Montreal and Vancouver also give the Tories a road map to a majority government. Moreover, the strategy that got them the election win could also hold the key to a successful minority government. Prime Minister Harper showed his capacity to pitch a broader tent during the election – that skill will undoubtedly serve him well now that he must face Parliament.

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The election of a minority Conservative government has led some observers to ask whether 2006 is more like 1957 or 1979. While we will leave the answer to that question to others, one thing is certain: with a new government taking office, new cabinet ministers in the spotlight, and a leadership race on the opposition side, Canadians are about to witness a major shuffling of the deck with regards to political leadership in this country. New faces, new issues, new dynamics: in the long run, that can only be good for our democracy.

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