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## **In Canada, Liberals' Last Gasp? --- Ruling Party Launches Ad Blitz as Conservatives Pull Ahead**

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Montreal -- CAN CANADA'S RULING Liberal Party stave off electoral defeat by running against the U.S. conservative movement?

With opinion polls showing conservatives likely to win enough seats to form a government for the first time in 13 years, the Liberals have launched an advertising onslaught in the closing weeks of the contest that portrays their opponents as hard-liners who share more in common with their U.S. counterparts than they have let on.

Conservative Party leader Stephen Harper has eased centrist voters' worries about his stance on social-policy issues by blurring differences with the ruling Liberals on issues such as publicly funded health care and immigration, and vowing not to reopen the abortion-rights debate. That has helped his party to a 38%-29% lead in the latest CPAC-**SES Research** survey of voters who say they have made up their minds. Several other recent polls produced similar results.

But Canadians on the whole remain wary of the philosophy of governance prevailing in Washington, and the Liberals hope that will converge into mistrust of their rivals' standard-bearer as they head to the Jan. 23 vote. The Liberals' new ads, featuring close-ups of Mr. Harper, allude to his past criticism of Canada's decision not to support the U.S.-led war in Iraq and declare him "very popular with right-wingers in the U.S."

Prime Minister Paul Martin hammered away at the theme in televised debates this week, declaring that Canada "was built on compassion, on generosity, on sharing and understanding" rather than fend-for-yourself "American conservative values."

Mr. Harper retorted that ordinary Canadians value "honesty, hard work, integrity and accountability," and said the scandal-tainted Liberal government "has not represented those values in power."

The Liberals trailed in polling at a similar point in the 2004 campaign, yet managed to win a plurality of seats by warning that Mr. Harper had a hidden right-wing agenda. Recent polls show voting intentions remain fluid. But analysts say it will be more difficult this time for Mr. Martin to capitalize on doubts about Mr. Harper, who helped found a populist party based in western Canada in the late 1980s and engineered its merger two years ago with the Progressive Conservative Party, once headed by former Prime Minister Brian Mulroney.

Some think the handwriting is on the wall for the Liberals. "The election is over," said University of Toronto political scientist Nelson Wiseman. "The question is whether the Conservatives form a minority or majority government." Several analysts said chances of a Conservative majority remain slim, but can't be ruled out.

The Conservative rise and Liberal fall during the past few weeks marks "one of the most remarkable reversals in Canadian electoral history," Mr. Wiseman said. A minority Conservative government would be unstable and dependent on support from opposition parties, sharply limiting any effort to steer the country to the right. The two other parties with seats, the New Democrats and the Quebec-based Bloc Quebecois, are to the left of the Liberals on most issues.

Political analysts said a minority Conservative government likely would focus on domestic priorities, including measures to strengthen accountability in government, trim the federal goods-and-services tax and crack down on violent crime. The University of Toronto's Mr. Wiseman said he sees "no impact whatsoever" on trade issues such as the long-running dispute over U.S. tariffs on Canadian lumber.

But Conservatives would certainly set a warmer tone in relations with Washington. They would also rule out any further liberalization of drug laws, and would be "very cooperative" with the U.S. in efforts to curb rampant cross-border smuggling of marijuana, Mr. Wiseman said.

Assuming the Conservatives form a minority government, the 46-year-old Mr. Harper "will need to be very prudent in how he plays" his relationship with Washington, said Universite de Montreal political scientist Pierre Martin. If he appears too cozy with President Bush, "that won't be good for his attracting votes from the center."

Minority governments in Canada typically last only 18 months or so. The Liberals, still reeling from a graft scandal that cost them their parliamentary majority in the June 2004 election, have been on the defensive for much of the current campaign amid fresh allegations of misconduct. During the holidays, the Royal Canadian Mounted Police agreed to a request by the New Democrats to investigate whether anyone in the government leaked word of a dividend-tax cut, enabling traders to

profit from stock-market activity ahead of the announcement.

The potentially pivotal election comes at a time when the Canadian economy is riding high, buoyed by strong prices for oil, natural gas and other natural resources. The Canadian dollar has soared nearly 40% from its low point four years ago, hitting a 14-year high of more than 87 U.S. cents this month. While the currency shift has battered some exporters of manufactured goods, the economy overall has adjusted surprisingly smoothly. Unemployment is running at 30-year lows, the trade surplus remains solid, and Ottawa has racked up eight straight budget surpluses.

Mr. Martin, 67, served as finance minister for much of the 1990s and was widely credited for his role in restoring the country's fiscal health. Since succeeding intraparty rival Jean Chretien as prime minister two years ago, however, he has often struggled to set clear priorities and communicate them effectively. Before the opposition parties forced Mr. Martin to call an election in late November, the government introduced personal and corporate-tax cuts amounting to \$25 billion over five years and announced billions of dollars in spending for items including military aircraft and aid to the forestry industry -- measures that seemed designed partly to deflate Conservative arguments. But the Liberals have run a stumbling campaign.

Polls indicate the Conservatives may score large gains in the key province of Ontario, home to nearly 40% of Canada's 32 million people. But to form a majority government, they will need to make unexpected breakthroughs in big cities or in the French-speaking province of Quebec, where the separatist Bloc Québécois is expected to dominate.

## Broad Brush

Canada's Liberals are trying to blunt rivals' gains among the electorate with ads that lump conservatives with right-wingers in the U.S. The TV spot pictured at right features a quote by Stephen Harper calling the U.S. conservative movement a "light and an inspiration."

At left, Canadians' responses when asked, "If a federal election were held today, could you please rank your top two current local voting preferences?":<sup>1</sup>

PARTY	FIRST PREFERENCE	GAIN/LOSS <sup>2</sup>
Conservative	38%	+9
Liberal	29%	-8
New Democratic	16%	+1
Bloc Québécois	12%	-2
Green Party	5%	0



<sup>1</sup> 1,200 Canadians were interviewed by telephone from Jan. 9 through Jan. 11. Margin of error is +/- 2.9%

<sup>2</sup> Change is calculated from the first day of tracking on Dec. 1, 2005

Source: CPAC-SES Research

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