

the far left to the far right, with no stopping at the Liberal midpoint.

THE "NEW POLITICS"

Since the demise of the Charlottetown accord, we have heard a great deal of talk about the emergence of a new political style in Canada that features town-hall meetings, a focus on policy rather than personality, a shunning of personal attacks, and the politics of inclusion.

However, the election campaign has provided little evidence of this new politics. Certainly, there are policies galore, and even some from the Conservatives, but these are used as partisan clubs and not as points of departure for serious debate. Preston Manning and his Reformers have attracted a degree of political vitriol that would not have been out of place in the worst campaigns of the past, and Jean Chrétien has been personally attacked from all flanks except Reform.

The only party leader to have escaped serious personal attack has been the Bloc's Lucien Bouchard; Canadians outside Quebec have been remarkably polite and tolerant in the face of this newest and perhaps most serious threat yet to the survival of their country.

LANCING THE BOIL?

Perhaps the clearest regional message from the campaign to date is that the populist anger that greeted the Charlottetown accord was not lanced by the constitutional referendum. The view of many observers of the political scene, including myself, has been that the public's anger and estrangement from the political process abated in the wake of the referendum campaign. However, the strength of protest parties in the West suggests a different interpretation. It is probably not coincidental that the Reform party is making its

strongest showing in British Columbia, the province in which the accord went down to its most crushing defeat.

Although Kim Campbell's ultimate appeal to the Canadian electorate has yet to be tested, it is already evident that her *regional* appeal is very limited. Campbell's campaign rhetoric has not tapped into chronic regional angst, nor has she been able to mobilize populist discontent. Voters in the West may end up supporting Campbell and the Conservatives for many reasons, but it will not be because they are regional champions or because they provide an outlet for populist discontent.

Whether or not the Reform party makes a major breakthrough on October 25 may be more a test of the electoral system than an indicator of the temper of the times in western Canada. There is little likelihood that the regional mood, which vacillates between sullen withdrawal and aggressive anger, will be transformed by the election outcome. Indeed, it may deteriorate if the populist vote in the West fails to find reflection in the House of Commons. If only the nationalist vote in Quebec finds reflection in the House, the mood in the West could be poisonous.

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QUEBEC REPORT

KIM CAMPBELL'S LOST OPPORTUNITIES

by Alain Noël

Kim Campbell was the primary loser of the October 3 French debate. The debate provided the Conservatives with a unique opportunity to regain some of the ground lost to the Bloc québécois. Campbell failed, however, to make a strong impression. Her performance did not even shore up the support that her party had managed to keep in Quebec. A Léger & Léger poll conducted the day after the debate suggested that Lucien Bouchard was considered the winner by a majority of viewers (52 percent compared with 20 percent for Jean Chrétien and 13 percent for Kim Campbell).

Of course, this assessment reflected in part the Bloc's overall popularity. But Campbell did not do as well among Conservatives as did Bouchard and Chrétien with their own partisans, and she convinced almost no undecided voters (only 5 percent of the undecided thought she offered the best performance). The debate did nothing to contain the growing popularity of Lucien Bouchard and of the Bloc québécois, who are apparently heading for a sweep of most of Quebec's francophone ridings.

The task at hand was perhaps impossible. Although the Conservatives did well in 1984 and 1988, they

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do not have deep roots in Quebec. In 1988, less than 25 percent of francophones identified themselves as Conservatives. A large part of Mulroney's support came from sovereigntists who naturally turned to the Bloc québécois once the new party was created. Given as well the difficulties of the current economic situation, the odds for the Conservatives were not good going into the debate.

Still, Kim Campbell did not have to make things worse. During the French debate she made a series of mistakes in attacking Lucien Bouchard. In the course of just a few minutes, she suggested that it was "unacceptable" for a sovereigntist party to run in a federal election, told Bouchard he was "no René Lévesque," added that he did not represent Quebeckers' interests, and argued that the Bloc had in the past voted against a series of measures favourable to Quebec.

Bouchard had no difficulty replying that as taxpayers sovereigntists had the right to choose their representatives, that it was not for Campbell to interpret the thoughts of René Lévesque, and that she should ask Quebeckers who best represented their interests. As for the Bloc's votes in the House of Commons, Bouchard leapt at the opportunity to explain that his party had in fact voted against an omnibus bill that extended privileges associated with family trust funds. Much more wisely, Jean Chrétien addressed Bouchard in a generally positive manner while insisting that the Bloc québécois leader should respect Chrétien's federalist stance.

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penned by a staff better versed in American debates than in Quebec politics.

But why was Kim Campbell so ill-advised? Could her team do no better than attack Bouchard on his strong points? Why did she question his legitimacy as the front-runner and his commitment to defend Quebeckers' interests rather than question the effectiveness of a party condemned to remain in the opposition?

Journalists have suggested that Campbell's team was indeed inexperienced, poorly coordinated, and prone to improvisation. That may be the case. I suspect, however, that more was involved.

Increasingly, Conservatives now acknowledge that they underestimated both the Bloc québécois and

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the Reform party. They knew the polls and understood that the new parties had taken support away from them, but they assumed that these parties would vanish once a genuine campaign started. Forming the government would become the main issue.

The Conservatives could assume that the Bloc and the Reform party would wither away because they did not understand what happened in Canada between the failure of the Meech Lake accord and the 1992 referendum. Time and again, the 1992 referendum was interpreted as a not-so-rational vote against politicians in general, and against Brian Mulroney in particular—a vote that expressed cynicism more than a co-

herent vision of politics or of the country.

In fact, the popular refusal of the Charlottetown accord expressed clear principles strongly held by Canadians. The 1992 referendum was fought in the name of the equality of two nations, the equality of provinces, the equality of citizens, and the aboriginal right to self-government—the very principles that made negotiations necessary in the first place. The No prevailed because most Canadians concluded that some of these principles were not correctly recognized and incorporated in the Charlottetown accord.

After the referendum, the whole issue was set aside. But the divisions remained, ready to reappear at the first opportunity. The 1993 federal campaign provided that opportunity. Kim Campbell and the Conservatives were not prepared for this because they had never confronted the challenge posed by the referendum. They acted as if nothing had happened, as if replacing Brian Mulroney would do.

Of course, the Conservatives could not put the constitution back on the agenda. They had to appeal to the voters attracted by the new parties and could not do so simply by challenging their legitimacy. In Quebec, for instance, Kim Campbell had to convince federalists that she represented the best option over both the Bloc and the Liberal party. For her, the best way to do this was to question the relevance of a strong Bloc presence in the opposition. Instead, she suggested Lucien Bouchard's claim to represent Quebeckers' interests was not genuine.

To illustrate how he sees the political path toward Quebec sovereignty, Parti québécois leader Jacques Parizeau has likened the process to a hockey game. The federal election stands as the first pe-

riod, the provincial one as the second, and the referendum on sovereignty as the third.

With a strong Bloc contingent in the House of Commons, sovereigntists will have a good lead going into the second period. Ahead in the polls, the PQ is also likely to take power in 1994. The best chance of the Quebec Liberal party is to choose a leader who can convince voters a genuine renewal is possible. Now that Industry, Commerce and Technology Minister Gérald Tremblay has withdrawn from the race, leaving Treasury Board Chair Daniel Johnson as the sole contender, the chances of doing so seem almost nil.

Of course, nothing prevents sovereigntists from losing in the third period. Uncertain and fragile, the support for sovereignty remains under the 50 percent threshold. Still, as any coach would concur, Parizeau's odds are better with a strong lead after two periods.

If the first period teaches us something, it is that one should not too readily discount the importance of sovereigntist sentiment in Quebec. Never has a Quebec political leader run so openly on a sovereigntist platform. Yet, even the *Conseil du Patronat du Québec* has good things to say about Lucien Bouchard and the Bloc québécois.

Because they underestimated the current strength and legitimacy of the idea of Quebec sovereignty, and because they chose to attack Bouchard's aims and intentions rather than the relevance of his presence in Ottawa, Kim Campbell and the Conservatives wasted the few opportunities they had to recover some of Quebec's nationalist vote.

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ECONOMIC REPORT

GOVERNMENT AND THE ELECTION

by Fred Lazar

THE ROLE OF THE GOVERNMENT

James Laxer, writing in the Sunday, October 3 *Toronto Star*, properly identified the fundamental issue in the federal election — namely, “the role of government in Canadian society.” He emphasized that “[e]veryone recognizes that finding our way in the new global economy requires immense adjustment. Whether we are talking about job creation, the deficit or social programs, what Canadians are pondering is the role government should play in helping us make the adjustment.”

In this debate, the NDP, the National party and the Bloc québécois stand on one side believing that government must play an active and expanded role. Although the NDP and the National party stress this role for the federal government, the Bloc's position is that effective intervention can take place only at a regional or provincial level. On the other side of the debate are the Conservatives and the Reform party.

The deficit stands out as the focal point for the debate. Thus far, the debate has only touched on the question of how quickly the deficit should be reduced. The Conservatives and the Reform party have argued that it is imperative that the federal government eliminate its annual budgetary deficit quickly. The Conservatives are willing to take five years, Reform only three. The NDP and the

Liberals have not set a zero-deficit target. Both parties agree, however, that the deficit should be reduced, but at a gradual rate determined by the strength of the economy.

The Conservatives and Reform believe that sustained economic recovery requires balanced budgets. The NDP and the Liberals believe that the weak economic recovery needs the fiscal and monetary stimulus that only government can provide at this time. Who is right?

This question is reminiscent of one that has plagued economic theory for over 50 years — do deficits matter?

DO DEFICITS MATTER?

Several arguments have been posited by neo-conservative economists suggesting that deficits cannot produce higher growth rates. Among the more prominent arguments have been the following:

- the financing of investments by the private sector is squeezed out by the need to finance government deficits;
- the government will not fool individuals and companies into spending more by running a deficit because they recognize that deficits and the accumulated debt eventually must result in higher tax burdens;
- using the central bank to finance all or part of a deficit will lead to higher rates of inflation and economic stagnation;
- there is no concrete evidence, other than during wartime, that deficits have ever produced higher growth; and
- persistent deficits result in higher interest costs for government and the interest burden requires an increasing proportion of government revenues, which leaves less for other forms of government expenditures.

At this time, all these arguments can be refuted in Canada. Economic uncertainty and a fragile recovery are holding back investment spending by the private sector. Deficits and debt do not have to lead to higher

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