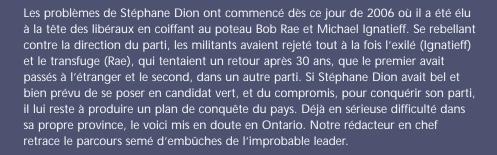
## THE TROUBLES OF AN ACCIDENTAL LEADER

### L. Ian MacDonald

Stéphane Dion's problems began on the day he was elected Liberal leader in 2006, storming from third place to overtake Bob Rae and Michael Ignatieff. In a revolt against the Liberal establishment, the Liberal rank and file rejected both the foreigner (Ignatieff), and the stranger (Rae), who had been in other countries and another party for the previous 30 years. While Dion had a plan for winning the convention as a green compromise candidate, he has yet to present a plan for winning the country. He's in serious trouble in his home province of Quebec, and now that word is out in Ontario. Our editor offers a narrative of the troubles of an accidental leader.





n a way, Stéphane Dion's problems began on the day and because of the manner in which he won the Liberal leadership in December 2006, coming from a distant third place to overtake frontrunners Michael Ignatieff and Bob Rae.

It meant there were two candidates ahead of him who thought they should have won. Actually, three, counting Gerard Kennedy, who would have finished third if a half-dozen of his delegates, as reported later by Joan Bryden of Canadian Press, hadn't parked with Martha Hall Findlay on the first ballot to reward her for an outstanding speech earlier on that long Friday evening at Montreal's Palais des Congrès.

It is worth reviewing the numbers of the first ballot: Ignatieff 1,412 (29.3 percent), Rae 977 (20.3 percent), Dion 856 (17.8 percent), Kennedy 854 (17.7 percent), Ken Dryden, 238 (4.9 percent), Scott Brison 192 (4 percent), Joe Volpe 156 (3.2 percent) and Findlay 130 (2.7 percent). Had those half-dozen Kennedy delegates stayed with their candidate rather than voting their symbolic approval of Findlay, Kennedy would have been four votes ahead of Dion, not two votes behind. This changed the design of the convention, creating an accidental leader.

After the first ballot, the delegates dispersed for a night of partying in Old Montreal, while the various leadership camps worked to lock in their deals for the second ballot early on Saturday morning. Already, after the first ballot, Brison and Volpe had dropped out and gone to Rae on the floor of the convention. Findlay, who had deals with both Ignatieff and Rae, showed up for Saturday morning's second ballot with Dion as a passenger on her bus. Eliminated, she was throwing her support to Dion, and that created enough separation between the third- and fourth-place candidates — two percentage points and 90 delegates — that Dion rather than Rae emerged as the stop-Iggy candidate.

As Robin Sears later wrote in *Policy Options* (February 2007): "If the six Kennedy women delegates who had loaned their first ballot vote to Martha Hall Findlay had not indulged in that gesture of feminine solidarity, Dion would have been in fourth place, four votes behind Kennedy...Dion's largely Quebec delegates would not have moved en bloc to Kennedy, but rather would have split strongly in Rae's favour."

As it developed, both Ignatieff and Rae stalled on the second ballot at 1,481 (31.8 percent) and 1,132 (24.1). Ignatieff grew only two points and Rae only four points, despite two endorsements. What Rae really needed was for Dryden to drop out and go to him after the first ballot, rather than waiting until he was eliminated on the second. What Rae really didn't need was Kennedy dropping out after

two ballots with 884 votes (19.8 percent) and taking most of them over to Dion, who had 974 (20.8 percent), creating a decisive momentum surge that allowed Dion to overtake both frontrunners on the third ballot, where Dion vaulted to first place with 37 percent, against 34.5 percent for Ignatieff, with Rae eliminated at 28.5 percent. On the fourth and final ballot, Dion would win with 54.7 percent to Ignatieff's 45.3 percent.

The Liberals rejected the foreigner, Ignatieff, who had been out the country for 30 years, and the stranger, Rae, who discussions, but also for his tendency to lecture them around the cabinet table on their responsibilities in their own portfolios. He was a one-issue candidate on the environment, which produced the "Dionistas," with their billowing sea of green scarves at the convention, but only set him up for a devastating Conservative attack ad within weeks of his return to the Commons.

The Tories staged a pre-emptive advertising attack on Dion's environmental credentials, quoting Ignatieff from a Liberal leadership debate, lec-

The Liberals rejected the foreigner, Ignatieff, who had been out the country for 30 years, and the stranger, Rae, who had been in another party for 30 years. Stéphane Dion became the default candidate of Liberals determined to stop one or the other, and, as it turned out, both. It was a revolt of the grassroots against the Liberal establishment.

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Throughout the six months of the leadership race, Dion was never seen as a first-tier candidate, and many observers wondered why he was even in the race. He was regarded as a back-of-the-pack candidate, like Dryden and Brison, in it to make a point and a speech at the convention. And in fact, he made what was generally regarded as the worst speech of the night at the convention. Evidently, no one cared or no one was listening.

Dion was a Quebecer without much support in his own province, especially in the Liberal caucus, where his handful of supporters included MPs from anglophone- and allophone-dominated ridings in the western half of Montreal. He was a former minister without a single endorsement among his former colleagues in the Chrétien and Martin cabinets, who remembered him not only for his professorial propensity for summarizing cabinet

turing Dion: "Stéphane, we didn't get it done." The Conservatives closed the ad with the tag line: "Stéphane Dion, not a leader."

Says pollster Nik Nanos of Nanos Research: "The Conservative strategy of proactively defining Stéphane Dion from day one is one of the most effective communications strategies I've ever seen. Usually, there's a honeymoon period for a new leader. But the decision of the Conservatives to roll out the ad strategy stole the honeymoon, wrote the narrative and defined his image."

In the House, the new environment minister, John Baird, known as both a thoughtful and a highly effective partisan, taunted the Liberals and Dion for their collective and personal failure to meet the Kyoto emissions reductions targets they were advocating. Baird even made a Power-Point presentation to the House environment committee with a trend line pointing out that during the Liberals' 13 years in office, Canada's greenhouse gas emissions rose by 27 percent above 1990 levels — a 33 percent miss in terms of Kyoto targets of reducing them by 6 percent below 1990 levels.

Dion obviously had a plan for breaking out of the back of the pack of the leadership race, but none for moving the party forward in the unlikely event that he won. In Montreal, the Liberal convention managers, led by national director Steve MacKinnon, did an outstanding job of staging an exciting three-day delegated convention — with tremendous excitement and suspense on the two days of speeches and balloting. But beyond that, there was no plan for organizing a policy convention for the party's intellectual renewal. There was

no venue for planning and shaping policy frameworks. And, significantly, Dion overlooked the need for humility — something Liberals don't do very well — when in his acceptance speech he said the party had to get back in power as

soon as possible to save the country from the Conservatives. With the Liberals barely turfed out after four consecutive terms in office, Dion was suggesting a dynastic renewal based on nothing more than the resilience of the Liberal brand, which had nothing to do with the renewal of ideas or the party's grassroots, from one generation to the next.

F urthermore, as all the defeated candidates sitting around a lunch candidates sitting around a luncheon table with Dion on the morrow of the convention knew well, the party was broke and facing huge financial challenges arising from the leadership campaign. The candidates were limited to spending \$3.4 million by party rules, a far cry from the \$12 million raised and spent by Paul Martin to secure the Liberal leadership in 2003. But that was in another era, before Jean Chrétien's legacy campaign finance reform included leadership campaigns under an umbrella that prohibited corporate and union donations, and set a \$5,000-a-year limit on personal donations. It was also before the Harper government's Acountability Act, which initially

further reduced individual donations to \$1,000 per person. The effect of these strictures was such that more than a year later, both Ignatieff and Rae were still holding fundraisers to liquidate debt from their relatively modest \$2-million leadership campaigns, and Dion himself was still facing a leadership debt of \$850,000, with no prospect of paying it off in the event he were to lose a general election. In 2008, not only were the leadership campaigns still paying off debts from 2006, they were competing against the party in its attempts to raise money for the next election. And the Liberals were not doing very well on that front. In

2007, the Conservatives raised four times as much money as the Liberals, from a much broader donor base.

In sum, the Liberals were broke; the candidates were in debt; the party was essentially bereft of new ideas or a process for renewal; a party of government was stranded in opposition, in an unseemly hurry to cross the floor to power again. And their new leader, whom the Tories mercilessly taunted as "not a leader," allowed the Conservatives to define him in his first weeks on the job.

Then, when he turned up in the House as Liberal leader in 2007, Canadians discovered that Dion's English was heavily accented and his syntax painfully awkward. Eventually, the country also discovered that he was a leader without standing in his home province of Quebec. So that voters in Ontario, who like to elect national parties with good prospects in Quebec, saw a leader without a base, like a prophet without honour in his own land. Or, as Dion himself put it in a memorable line at the National Press Gallery dinner in October 2007, his problem was that English-speaking Canadians "can't understand me," while French Canadians "just can't stand me." It brought the house down with howls of appreciative laughter,

mainly because there was as much truth as humour to it.

And there runs the fault line of Dion's leadership, down the Ottawa River between Quebec and Ontario. And there, precisely, is where the next election will play out.

The huge problem looming for the Liberals is what's known in the political class as the "echo effect" or the "mirror effect," between Quebec and Ontario, which together send about 60 percent of all members to the House of Commons. Quebecers like to elect winners. Ontarians like to elect national governments. The voters of Quebec and Ontario look and listen to each

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other across the Ottawa River, creating a mirror or echo effect. Pollsters can't quantify this, but politicians and their managers not only believe in it, but take it as an article of electoral faith.

And the echo effect kicked in, big time, on the night of September 17, 2007, when Dion's Liberals took a pounding in three Quebec by-elections. In Montreal, a hand-picked Dion candidate lost the Liberal fortress of Outremont to the NDP's Tom Mulcair by nearly 20 points, marking the first time Jack Layton's party had ever won a seat on the island of Montreal. Even worse, the Liberals finished a bad third to the Conservatives or the Bloc Québécois in two by-elections outside Montreal, in the so-called ROQ — Rest of Quebec. The party of Laurier, St-Lau-

rent, Trudeau and Chrétien, now led by another Québécois named Dion, was a bad third among francophone voters. And the Conservatives had replaced the Liberals as the competitive federalist party against the Bloc outside Montreal. To borrow or steal a Liberal campaign slogan from the 1990s, one that now turned to the advantage of *les bleus*, the Conservatives were now the "Block the Bloc" party for federalists outside Montreal.

The importance of this cannot be overstated, in terms of both the echo effect and of the prospects for Harper to grow from minority to majority status from one Parliament to the next.

For Harper, the road to a majority clearly lies through Quebec, with its 50 seats outside Montreal.

Pollsters say there comes a point where the numbers are talking. In this regard, the point where the numbers talked was in the CROP poll for *La Presse*, published in its Saturday edition of March 29, 2008. In Quebec, there are two kinds of polls, CROP and the others, notably Leger Marketing. But CROP is regarded as the authoritative political brand. The top line was troubling enough for the

Liberals, showing the Bloc and the Conservatives virtually tied at 30 and 29 percent respectively, with the Liberals at 20 percent and the NDP at 15 percent.

But when you drilled down in the regional and demographic numbers, they were disastrous for Dion. Among francophones, 85 percent of all Quebec voters, the Bloc was at 35 percent, the Conservatives at 30 percent, while the Liberals and NDP were tied at 15 percent. This meant the Liberals wouldn't win a single seat outside Montreal. A local candidate could be very strong, with a great organization and ground game, but there isn't a seat to be won anywhere outside Montreal from a province-wide francophone base of 15 percent.

And in the critically important 418 region — Quebec City and east —

# possibilities

### VISION FOR CUTTING-EDGE INNOVATION AND TOMORROW'S REALITY

Throughout history, amazing opportunities have sprung from seemingly insurmountable challenges. In Canada, there has been talk for quite some time from academics that Canada's productivity performance has not been strong enough to help us close the income gap with leading countries. There are arguments that Canada's economic competitiveness is weakening, innovation is lagging and our education system is not stimulating enough students to complete post-graduate degrees – especially in science and technical disciplines, which underpin innovation.

But for Anne Golden, President and CEO of The Conference Board of Canada, these discussions contain a silver lining – one that holds great opportunities for those who are willing to invest in a new vision for Canadian prosperity.

"The challenge facing business leaders, academics and governments is to encourage young Canadians to seize the opportunities available to them and, more importantly, to do everything we can to help them succeed," says Golden. "We must do this not only for the benefit of our children, but in order to ensure that our envied Canadian standard of living is both protected and enhanced."

Young Canadians have an unprecedented opportunity to contribute to this country's economic prosperity. The recent boom in the oil and gas and resource sectors aside, the long-term foundations of the Canadian economy are shifting from resources and manufacturing industries towards knowledge-based, highly skilled job sectors.

According to The Conference Board of Canada's study, Securing Our Future: Components of a Comprehensive IT Workforce Development Strategy, almost 90,000 IT jobs will need to be filled in the Canadian economy in the next three to five years. This is a remarkable opportunity for young Canadians looking for a dynamic career path, as well as those who are interested in retraining.

To help energize young people about jobs in the computer science and IT sectors, Microsoft founder and Chairman Bill Gates regularly visits North American University campuses to drum up excitement about the innovations and career opportunities in these fields. He visited the University of Waterloo in February to demonstrate cutting-edge tomorrow's reality.

However, it will take more than just recruiting more students into these programs. The opportunities are so vast and the need for qualified people is so strong that Canada has to look beyond training our sons and daughters if we are to succeed. To truly reap the rewards of the knowledge economy we need to find ways to attract highly skilled foreign workers to Canada.



The knowledge economy is made up of well educated, highly trained and very mobile people. There are more jobs than people to fill them, so this sought-after group is flexing its muscles by taking its pick of destinations and demanding more of potential employers. Canada is now competing against countries with well-developed IT sectors, like the United States and Ireland, as well as emerging powerhouses like India. China, Brazil and Russia.

Success means that Canada has to keep the graduates we produce and attract highly sought-after graduates from other countries. Fortunately, we're in a strong position to realize opportunity from this challenge.

Groundbreaking work by Richard Florida, Professor of Business and Creativity at the Rotman School of Management at the University of Toronto (and himself a recent immigrant to Canada), shows that many of the things we value about Canada – our multicultural cities, our great outdoors, our quality of life and our accepting society – are exactly what these young workers, whether Canadian or foreign, are seeking when they decide where they'll start their careers.

Canada is becoming, more and more, a beacon to attract this talent.

This was central to Microsoft's decision to locate the Microsoft Canada Development Centre in Richmond, British Columbia in late 2007. The MCDC, as it is known, is now home to more than 200 young software developers from Canada and around the world. In order to remain innovative and attract the best and brightest, Microsoft is becoming a progressive, leading-edge company where people will be proud to work. Microsoft understands that an important part of this equation is locating in places like the Greater Vancouver Area because it will attract the best Canadian and foreign workers.

Canada once again is a land of opportunity. For young, well-educated, tech-savvy workers our country provides nearly limitless potential. Our challenge is to provide the right environment to ensure that all young people have the support and encouragement they need to reap the benefits.

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the CROP poll was even worse for the Liberals, showing them in fourth place at 14 percent, behind even the NDP at 17 percent, while the Conservatives were poised for a regional sweep at 41 percent, with the Bloc at 25 percent.

Quebec is Dion's home province, and Quebec City is his hometown,

no one was afraid of him. "I'm the leader," Dion declared, "and I don't went people to be undisciplined." It is impossible to imagine Pierre Trudeau or Jean Chrétien ever reduced to making such a plaintive statement to his party members in his home province of Quebec. After the meeting, many

Liberals from across the country, as well as Quebec, were demanding Hervieux-Payettte's head on the gates of Parliament Hill.

But even if Dion were to dump Hervieux-Payette as Quebec lieutenant, senior party insiders say that wouldn't change the fundamentals.

> "He's got to mobilize the party around something," said one Liberal senator from Quebec. "He needs a mobilizing event."

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mobilizing event."

A major part of Dion's dilemma is the lack of a coherent policy agenda, and the obvious inconsistency of denouncing the Consequations in the

denouncing the Conservatives in the House, and then not showing up to vote against them.

In the absence of a plan endorsed by a policy convention, Dion has made a series of one-off announcements. One day it could be corporate tax cuts. The next, green mortgages for the environment, before musing about a national carbon tax in April, an idea first put forward by Ignatieff in the leadership race. Then, he endorsed a Liberal private member's bill on registered education savings plans, which passed the House, only to fold when the Conservatives put in a poison pill tying it to the budget implementation bill. Beginning with the Throne Speech last fall, Dion has time and again threatened to defeat the government, only to fold his hand. Time and again, he has been outmanœuvred by Stephen Harper on both tactics and strategy. While Dion was playing checkers, Harper was playing chess.

The House of Commons is a theatre best appreciated from the galleries, for the off-camera body language as well as the repartee and derisory comments never recorded in Hansard.

Before Question Period every day at 2:15, the House sets aside 15 minutes for statements by members, normally to note the achievements in their ridings, such as Roberval as

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where he was born, was raised and attended university at Laval. Pollster Nik Nanos looks at such numbers and says: "Quebecers, who know the leader best, don't like him."

Even in their bastion of Montreal, the Liberals saw disquieting numbers in the CROP poll — leading on the island at 32 percent, with the Bloc at 25 percent, and the Conservatives coming into the city at 21 percent. If they could gain another couple of points in a subsequent CROP poll, the Conservatives might prove to be competitive in a couple of West Island seats, Lac St-Louis and Pierrefonds-Dollard, held by the party in the days of Brian Mulroney.

The echo effect is what worries Liberals the most. "The worst part," says one leading Liberal senator from Quebec, "is the word of it getting out." It's out, all right. The CROP poll had significant resonance in Ontario, where Liberals were reminded of the extent of Dion's problems in his home province. The CROP poll followed an extraordinary meeting of the Liberal Party's executive in Quebec after several senior Liberals openly criticized the leader's performance, and offered a gloomy assessment of the party's prospects in Quebec. None of Dion's outspoken critics even bothered to couch their comments anonymously or on background. All of them went on the record, essentially a declaration that members came away shaking their heads that the leader was completely disconnected from the reality of the party's prospects in Quebec. But the gloom was unmistakable. One Quebec senator told a top member of the national campaign committee from Ontario: "If we're going into an election, you can't count on us in Quebec for more than 12 seats." Jean Lapierre, the party's Quebec lieutenant under Paul Martin and now a radio and television commentator. said, "I never thought things could be worse than they were during the sponsorship scandal, but this is the worst I've ever seen."

ismissing reports the party was having difficulty recruiting Quebec candidates for the next election, Dion and his Quebec lieutenant, Céline Hervieux-Payette, declared at the end of the meeting that they had 50 out of 75 candidates confirmed. They wouldn't give names, but La Presse columnist Vincent Marissal later obtained a list of only 32 names obtained from party sources. When he called the Liberal Party for comment, it went to court to obtain a late-night injunction against publishing the list. When it turned out in court the next day that the list wasn't Hervieux-Payette's own top secret list of candidates, the Liberals hastily withdrew their request for an injunction. At this point, the entire political class was doubled over in laughter, and furious



The Gazette, Montreal

Liberal Leader Stéphane Dion with his Quebec lieutenant, Céline Hervieux-Payette, after a meeting of the party's Quebec executive at the end of March. "I am the leader," Dion declared, "and I don't want people to be undisciplined."

Hockeyville, or to mark events such as National Wildlife Week or the 90<sup>th</sup> anniversary of Vimy Ridge. Occasionally, members from all sides use their allotted 60 seconds for a purely partisan purpose, as Conservative MP Jeff Watson did on April 9 in suggesting Dion's closest adviser was his dog, Kyoto.

"Kyoto says, 'down boy,' and the Liberal leader responds by driving his poll numbers in Quebec way down," Watson said. "Kyoto says 'sit' and the Liberal leader responds by having his caucus sit vote after vote. When Kyoto says 'roll over,' the Liberal leader obliges on every significant matter of policy and confidence in our government. However, the Liberal so-called leader is saving Kyoto's best advice for last. In the next election, which Liberals now pretend they will call in the dog days of summer, their so-called leader will finally play dead."

Waiting to ask his lead question, Dion sat virtually expressionless throughout these cruel comments. But the Liberal benches, instead of erupting in outrage, sat mostly in silence throughout the indignity of it. It was a telling moment.

In Question Period that day, the newly arrived Bob Rae rose in his place to ask a question, arising from

the Olympic torch relay, on China and human rights in Tibet. "We have all sorts of different factions in the Conservative government," he began. He got no further, as he was interrupted by howls of laughter from the government benches, led by the Prime Minister pointing to the Liberal front bench. Even Rae had to smile. The next day, when Rae asked another question in his capacity as foreign affairs critic, it was taken by Deepak Obhrai, the parliamentary secretary to the absent foreign affairs minister. "I appreciate the response from the Prime Minister's stand-in," Rae resumed. To which Obhrai replied: "I appreciate the question from the Liberal stand-in leader." Once again, the House erupted in laughter.

As the House broke for a weeklong recess in late April, the Liberals were once again faced with a decision about whether to defeat the government, this time over the immigration reform legislation, which the Conservatives cast as a matter of confidence by tying it to the budget implementation bill.

"We're going to give the Liberals one more chance to defeat us over the immigration bill," a senior member of cabinet confided in the second week of April.

And Dion, for his part, kept saying he wouldn't vote for the bill as it stood, though he wouldn't say for sure he would vote against it. Dion opposes the bill giving the minister discretionary powers to admit applicants because of job skills and

Canada's economic needs. For the Liberals, this was potentially a hotbutton issue, particularly among ethnic voters in the Greater Toronto region, an important Liberal clientele concerned with family reunification and refugee claims. With a six-year backlog of at least 800,000 applicants to get into Canada, and a dubious list of 60,000 trying to get in by the back door of refugee claims, the Conservatives happily stood their ground.

In any event, the Liberal opposition to the bill wasn't about immigration reform, or even about increasing pressure to stand up for Liberal principles, a drumbeat led by the editorial page of the very Liberal *Toronto Star.* It was about the agendas of the various leadership camps, which have never dispersed. There are no more than half a dozen Dion loyalists within the caucus. He is a

leader without many unconditional supporters, even in his own office. And when two members of his close circle, deputy principal secretary Paddy Torsney and caucus liaison Eleni Bakopanos, left his staff on April 15, that was taken as a sign that Dion may be preparing to break camp for an election. Both Torsney and Bakopanos are former MPs who are running again, and there was a sense that they were getting a head start on the campaign.

But Dion was still clinging to strategic ambivalence. Maybe he would force an election, and maybe not.

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