

DEALING WITH MINORITY GOVERNMENT



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Those dealing with Ottawa in the next few months should be targeting those areas where decisions have already been made and money has already been allocated. These areas include municipal infrastructure, health care reforms, and public security. Another strategy should be developing initiatives that can be implemented without Parliamentary approval to avoid being ensnared in a minority Parliament technically controlled by the Opposition. Regulatory or administrative changes will be easier to implement than matters that require legislation.

THERE IS NO LONG TERM

There is a famous quotation from John Maynard Keynes who, when told that a particular economic policy would yield long-term benefits, responded "In the long-term we're all dead." Those looking for long-term initiatives from the current minority Liberal government would do well to remember this Keynesian aphorism. A minority government keeps politicians on all sides of the House of Commons focused on the short-term --- in this case that's probably about twelve to eighteen months.

With opposition members outnumbering the Government by 173 to 135 in the House of Commons there is trouble lurking around every corner and at every Parliamentary committee. Where a majority government can control the

political agenda, timing and the themes of an election campaign, a minority government cannot. Any serious policy misstep could topple the Government. With a minority government, strategy, tactics and policy come together in a boiling cauldron where the Opposition Parties and the media can turn up the heat or refocus debate without notice. While all Parties recognize that the public has no interest in an early election, accidents do happen.

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LIBERALS NEED SOME EARLY WINS

To prevent the public agenda from being hijacked by aggressive Opposition Parties working together to promote common goals, the Liberals must move to quickly to demonstrate their leadership and establish their priorities. This is even more important for Paul Martin, a Prime Minister anxious to exorcise the ghosts of his predecessor. The Liberals need some quick 'wins' early in their mandate to set the tone for the upcoming Parliamentary session and the next election.

With the House not sitting during September, Paul Martin has been occupying center stage and has made a start at implementing his agenda, most notably in the area of healthcare with high profile televised consultations with the Provinces. The Prime Minister also moved quickly to fill vacancies on the Supreme Court. Both initiatives reinforce his liberal political base --- increased health care funding and reform being the primary election promise, and, the appointment of two women to the highest court responds to important issues of equity.

When Parliament convenes in early October, the Throne Speech will give Liberals another opportunity to define their objectives and establish expectations for the coming months. While Throne Speeches are often a laundry list of platitudes and possible public policy bromides, in the context of a minority Government this Throne Speech will likely be more focused on a few winnable issues (e.g. health care, urban infrastructure, and child care). Specific initiatives will probably trump generalities.

While the Liberals' goal will be to use executive power wherever possible and avoid risky Parliamentary confrontations, many challenges lurk: around missile defence; same sex marriage; and the ongoing revelations from the Gomery Inquiry into the sponsorship scandal to name a few. To the extent Parliamentary support is required on any initiative; one should expect the Government to tack left and right, picking up allies from across the aisle as required. This means that the success of any legislative initiative

important to the business community will have an uncertain and delayed outcome. The bank merger guidelines are an early casualty.

In the health care discussions and in early meetings with the cities we have already seen that stakeholders will try to leverage the weakened state of the federal Liberals to secure additional funding and powers. The same will occur in Parliament as the Opposition Parties leverage their position to claim new powers.

PRIORITY ISSUES & WHO SHOULD BE WATCHING

Liberal policy priorities will be focused on meeting the needs of their core voters, and positioning the competitive position of the Party. Their core voters are: urban/suburban Canada, ethnic communities, Atlantic Canada, and urban parts of Quebec. In terms of competitive positioning, the Liberals need to keep the NDP marginalized by occupying the progressive ground on social policy issues while maintaining Mr. Martin's reputation as a good economic manager. As a result, look for policy initiatives in health care, urban infrastructure, early childhood education, and public safety. The government has already announced the sale of its interest in Petro Canada and indicated a willingness to sell Crown owned and occupied buildings and we can expect these initiatives to move forward within the next twelve months. The Liberals can use the proceeds from these sales to fund other priority areas.

The priority areas and who should be watching:

- (i) **Health Care:** Companies and associations with a direct or indirect stake in the health care system will want to follow developments closely --- obviously pharmaceutical companies and health care professionals will be affected. Insurance companies should monitor discussions as some provincial governments are pushing for more flexibility and private insurance may play a role. Software consultants and computer hardware suppliers might be in

line to assist in streamlining information and patient data gathering and improving the reporting and tracking of wait times and medical procedures to governments and patients. The Liberals are committed to building a public health agency in Winnipeg.

- (ii) **Infrastructure:** Engineering companies and mass transit manufacturers, housing developers, consultants, construction companies, financial advisors, and financial houses – all of those who might be involved in moving forward major transportation or environmental projects where governments and the private sector can be involved. The Liberals are already committed to diverting gas tax revenues to municipalities for infrastructure projects.
- (iii) **Public Safety & Border Security:** Software and hardware companies with security expertise. Funding has already been allocated to improve security measures at Canadian borders. In addition, there could be further improvements to military capabilities in line with a realistic role for Canada in the fight against terrorism.
- (iv) **The Environment:** Given the success of the Green Party in many urban areas we can expect the Liberals to move aggressively on this file. They will move forward with specific initiatives to spend money that has already been allocated as part of compliance with Kyoto. (Minister John Godfrey who is in charge of the urban agenda has specifically determined that all new infrastructure projects will have to be “sustainable”). New legislation to improve car emission standards or to reduce industrial pollution would receive support from both the NDP and the Bloc Quebecois.

EXECUTIVE DECISIONS

In dealing with the Government, proponents should be developing initiatives that can be implemented without Parliamentary approval to avoid the pitfalls of a Parliament controlled by the Opposition. Sometimes this means dividing initiatives into smaller pieces that can better fit within small spending envelopes or can be implemented by executive (i.e. PMO) decision. Also, proposals that are not closely aligned with the Government’s own limited agenda or political objectives are unlikely to succeed. A minority government will not want take any risks with measures that may divert it from its core messages. This also means the Government may be willing to move a lot quicker to resolve issues if they are viewed as potential areas of trouble.

THE OPPOSITION PARTIES

In an unprecedented move, the Conservatives, Bloc Quebecois, and NDP have announced a willingness to work together in Parliament to take advantage of their combined majority position in the House and on Committees. Given the wide policy differences between those Parties their focus will be on procedural matters to raise the public profile of their Members of Parliament; and launching Parliamentary inquiries and investigations that can embarrass the Liberal Party. They may not agree on policy but they can all agree on the need to weaken the position of the Liberals before the next election.

None of the Opposition Parties want an early election. The Conservatives need time to build the Party further and the Montreal policy convention this spring will be the focus of the Party Leadership in the coming months. Over the past summer Mr. Harper reorganized his own office and it will take at least a year to build a national political organization and define the Party’s policy agenda. For the Bloc Quebecois, their employment as MPs gives them a secure

base from which to advance their separatist cause. They will be loath to abandon the money and perks of power as an election will gain them nothing more than they currently have.

WORKING WITH MEMBERS OF PARLIAMENT

While a minority government environment limits the number of initiatives that can be successfully implemented it does offer a unique opportunity to advance your agenda by engaging Parliamentarians across the political spectrum. All of a sudden MPs are important --- Parliamentary Committees have real power and the media are paying attention to everything. More importantly, the Opposition Parties are very much part of the game as their support is required if any measure is to pass Parliament.

At the same time, Members of Parliament have very limited resources for getting information with no bureaucracy to call on for briefing notes or advice. They need information, and companies and associations can play an important role in providing information and research to Parliamentarians to help shape the debate about public policy issues including those that extend beyond the life of this Government.

In the coming months Campbell Strategies will be issuing additional reports to help keep you better informed about developments in Ottawa.

THE CAMPBELL STRATEGIES / MEDIA PROFILE TEAM

Campbell Strategies provides a broad range of government relations services covering all levels of government. Our unique experience enables us to effectively bridge the gap between the public and private sectors and assist our clients to communicate effectively in the political environment.

Barry Campbell served as a Member of the Parliament in the Liberal Government from 1993 to 1997. He served as Parliamentary Secretary to the former Minister of Finance, the Rt. Hon. Paul Martin.

Dick O'Hagan, a seasoned consultant with long experience in the public and private sectors, was an advisor in the Prime Minister's Office serving Prime Ministers Trudeau and Pearson.

Paul Brown served in the Conservative Government of Canada from 1984 to 1988 as Policy Advisor to the Industry Minister, Executive Assistant to the President of the Treasury Board, and Chief of Staff to the Minister of Labour.

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Patrick Gossage is one of Canada's most highly respected communications practitioners. He served as Prime Minister Trudeau's press secretary from 1976 to 1982 and Minister of Information at the Canadian Embassy in Washington.

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