Whither the Liberals? Current State and Prospects of the Liberal Party of Canada

EUGENE LANG

LIBERAL PARTY OF CANADA (LPC)

<table>
<thead>
<tr>
<th>Official website:</th>
<th><a href="http://www.liberal.ca">www.liberal.ca</a></th>
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<tbody>
<tr>
<td>Party leader:</td>
<td>Michael Ignatieff</td>
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<td>Founded:</td>
<td>1867</td>
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<td>Party membership:</td>
<td>2010: 58,000</td>
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<td></td>
<td>2006: 150,000 (informed estimate)</td>
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<td></td>
<td>2003: 230,000 (informed estimate)</td>
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<td></td>
<td>1990: 125,000 (informed estimate)</td>
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<td>(A national membership registry existed for three years, but data on party membership are not publicly available.)</td>
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<td>Electoral resonance parliamentary elections:</td>
<td>2008: 26 % of the votes (76 seats of 308-seat Parliament) – in opposition</td>
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<td>2006: 30 % of the votes (103 seats of 308-seat Parliament) – in opposition</td>
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<td>2004: 37 % of the votes (135 seats of 308-seat Parliament) – minority government</td>
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<td>Government participation:</td>
<td>2006–present: Official Opposition</td>
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<td>2004–2006: minority government; head of government: Prime Minister Paul Martin (Sustained to some degree in the House of Commons by support from the New Democratic Party of Canada, including a jointly negotiated Budget in 2005.)</td>
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<td>2003–2004: majority government; head of government: Prime Minister Paul Martin</td>
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<td>2000–2003: majority government; head of government: Prime Minister Jean Chretien</td>
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Historical Overview

The Liberal Party of Canada (LPC) came into its own under Wilfred Laurier, Canada’s first French Canadian Prime Minister, who governed from 1896 to 1911. Subsequently, the Liberal Party held office for most of the twentieth century, garnering the moniker “Canada’s Natural Governing Party,” including 22 years under Prime Minister William Lyon McKenzie King from the 1920s to the 1940s, the longest serving Prime Minister in British Commonwealth history.

Liberal governments have been notable for three principal achievements: longevity, strong, dynamic leadership, and policy innovation.

Since the end of World War II, four Liberal leaders have won multiple elections and have governed for a total of 45 years: Louis St. Laurent in the late 1940s and 1950s, Lester B. Pearson in the 1960s, Pierre Elliott Trudeau from 1968 to 1984, and Jean Chretien from 1993 to 2003.

Liberal governments established the post-war welfare state or “social safety net,” including unemployment insurance, old age pensions, Medicare, family allowances/child tax benefits, government support for post-secondary education, equalization payments, various national institutions, and “mega projects,” such as the Trans-Canada Highway, St. Lawrence Seaway, and the Trans-Canada Pipeline. The Liberals also negotiated the entry of Newfoundland into the Confederation in 1949.

Liberal governments successfully defeated two referendums on Quebec’s independence in 1980 and 1995, respectively, “patriated” the Canadian Constitution from Britain and established a Charter of Rights and Freedoms in 1982. In the 1990s, a Liberal government returned the federal budget to balance after a quarter century of deficits, thereby resolving the fiscal crisis of the federal state.

Liberal governments – St. Laurent, Pearson, Trudeau, and Chretien – have been innovative on the international stage, for example, playing a leading role in the establishment of NATO in the late 1940s, inventing the concept of United Nations peacekeeping in the mid-1950s – for which Lester Pearson won the Nobel Peace Prize – and playing an important leadership role in Afghanistan in the post-9/11 period.

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1. Equalization is a scheme of fiscal transfers from the federal government to the so-called “have not” provinces in order to ensure that these governments can provide their citizens with levels of public services comparable to the richer provinces.

2. Lester Pearson, Canada’s Foreign Minister at the time, was offered the first Secretary Generalship of NATO but turned the position down.
Situating Canada in the Social Democratic Tradition

Canada has never had a social democratic national government in the European sense of the term. What Canada has had is progressive and activist government in the form of the Liberal Party of Canada. Since World War II, the LPC has dominated the governance of Canada, holding office for 45 out of 65 years.

The LPC does not and never has identified itself as a social democratic party. It is not class-based, anti-business, or trade union dominated, although it has historically received a significant share of the union vote. The LPC has been defined, variously, as »progressive,« »centrist,« »liberal« (in the Canadian or American senses of the term), and sometimes even »center-left.« During the 1990s the LPC governed from the center-right on fiscal policy, redefining the center of Canadian politics in the process, at least with regard to fiscal policy.3 Perhaps the best description of the LPC was offered many years ago by long-serving Liberal Prime Minister Pierre Trudeau, who famously remarked that the party is in »the radical center,« implying that, when in office, the LPC delivers significant social and economic reform, but is not wedded to an ideology or part of a movement, and is in the broad mainstream of Canadian opinion (which tends to be pragmatic, non-ideological, and centrist in orientation).

During the post-war period, Liberal governments under various Prime Ministers (King, St. Laurent, Pearson, Trudeau) built the Canadian welfare state, engaged in neo-Keynesian fiscal policy and market interventions of various kinds (such as wage and price controls and various types of business regulation), and believed in the mixed economy, establishing numerous state-owned enterprises, or »crown corporations,« and regulatory bodies. Liberal governments are known for putting in place social reform legislation and adhering faithfully to a multilateral foreign policy.

The LPC is perhaps best thought of, in comparative terms, as being slightly to the left of the Democratic Party in the United States, or similar to New Labour in Britain. In fact, it could be argued that the Third Way concept originated in Canada in the LPC, well before the emergence of New Labour.

3. All federal political parties today at least pay lip service to the goal of balanced budgets, in contrast to the pre-1995 period when only conservative political parties seriously advocated balanced budgets.
In short, the LPC has delivered the closest thing Canada has had at the federal level to social democratic government.

Analysis of the Current Situation

Voter Approval

After winning an unprecedented three consecutive majority governments in 1993, 1997, and 2000, the Liberal Party has since been in relative decline. The Liberals were reduced to a minority government in the 2004 election, were defeated in the 2006 election, and were reduced to their lowest seat count and popular vote in a quarter century in the 2008 election (see Figures 1 and 2).

Today, after over four years in opposition, the Liberal parliamentary party is a rump, with 77 out of 308 seats, the lowest seat total for the LPC since 1984–88. Geographically, it is confined to a few large cities and the Atlantic Canadian region, and is virtually shut out of large parts of Quebec and Western Canada, where economic and population growth have been strong in recent years.

The LPC’s electoral fortunes today are as bleak as they have ever been, even against a Conservative Party that has governed through an economic recession, albeit a mild one compared to other countries and the past two major Canadian recessions. Most polls today show the LPC commanding around 25–30 percent electoral support. The significance of this is profound: no party has ever formed a national government in Canada with less than 36 percent support. »The Natural Governing Party,« which had been the Liberal moniker for decades, no longer applies. University of Toronto historian Michael Bliss has argued that the Conservatives are now Canada’s natural governing party.

The Liberals have been hemorrhaging support in previously core demographic groups for several years. There is also evidence that the Liberal’s core partisan support has been eroding over time (Gidengil et al. 2009). The latter is hard to substantiate, but the fact that estimates of Liberal members are under 60,000 today, from a high-water mark of

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230,000 seven years ago, suggests a significantly weakened partisan base. Moreover, we know that between 1 and 1.1 million fewer citizens voted in the 2008 election, as compared to the 2006 election, and we also know that the Liberals received 800,000 fewer votes in 2008 as compared to 2006. We can therefore deduce that the decline in eligible voter participation has been largely attributable to a decline in Liberal support (the decline in votes experienced in the two elections by the Conservative Party of Canada [CPC] and the New Democratic Party [NDP] is between 35,000 and 65,000 in total).

The last time the LPC won a majority government, in 2000, the party won with the support of two demographic groups that have been key to Liberal election victories for decades: Catholics and visible minorities. Throughout the post-war period, Catholics – who account for over 40 percent of the Canadian population – have voted disproportionately for the Liberal Party. Ethnic minorities and immigrants have also tended to vote Liberal, due to the party’s association with a generous immigration and refugee policy, as well as the fact that Liberal governments established, and have vigorously defended for decades, the policy of official multiculturalism.

By the 2004 election, however, support for the Liberals among minorities had dropped by 14 percent (Gidengil et al. 2009) and by the 2008 election the LPC had lost 19 percent of its minority supporters in comparison to the election results eight years previously. More significantly, Catholic support has dropped 24 percent since 2000. Since the 2004 election, the LPC has seen its share of the union vote cut in half (Ibid).

The Liberals have also been losing ground among young people. Voters under 35 years of age were significantly less likely to vote Liberal in the 2008 election, despite an LPC platform anchored by a bold environmental agenda, a policy area which tends to be of greater priority to younger voters.

Women have also historically voted disproportionately for the Liberals, relative to the various conservative parties that have existed at the federal level in Canada. However, recent polls suggest that the LPC’s support among women is roughly the same as for the Conservative Party: 26 percent for the Liberals and 28 percent for the Conservatives.7 These

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losses in support in core and historical demographic groups have many complex causes, not least of which are public perceptions of the party’s competence, integrity, and agenda.

**Public Perceptions**

Historically, the LPC has been regarded as a party of policy innovation. Throughout the post-war period most of Canada’s major domestic and foreign policy innovations – the building and, later, the reforming of the welfare state, the invention of and contributions to UN peacekeeping, the »patriation« of the Constitution, the establishment of a Charter of Rights and Freedoms, and the elimination of the fiscal deficit – occurred during periods of Liberal government. For most of this period, the LPC won far more elections than they lost, suggesting that the public regarded the LPC as the most competent party to govern the country, whose agenda was most in line with Canadian opinion and aspirations.

However, during the four years in which the LPC has been in opposition, polls and election results suggest that the public’s attitude to the LPC has changed dramatically on matters of competence and policy.

Most polls show that the public has much greater confidence in the Conservatives to manage both the economy and the nation’s finances. This is particularly counter-intuitive – and frustrating for Liberals – with regard to fiscal performance, since Conservative governments ran large deficits for most of their time in office in the 1980s and early 1990s and since 2008, while recent Liberal governments have balanced the books (from 1997 to 2006). This might be due to a general perception that conservatives are superior economic managers because they tend to emphasize the economy more in their rhetoric, and that, historically, Liberal governments have been more associated with activist government and social programs. But this fails to explain why polls and election results also show the Conservatives as equal or better stewards of Canada’s public health care system (a Liberal invention and historically a Liberal strength) and the environment, notwithstanding the Conservative government’s failure to do anything substantive in either policy area during their four years of government.8

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8. Climate change is particularly instructive in this regard. Early in its mandate the Conservative government questioned the science of climate change. At the
Party Platform

Liberal election platforms in 2004, 2006, and 2008 were fairly progressive and activist. An ambitious national child care program – an effort to fill a major gap in Canada’s welfare state – anchored the 2004 platform of Prime Minister Martin. This platform represented a deliberate attempt to present a progressive agenda and narrative by a Prime Minister whose image had been defined by a nine-year period as Finance Minister, during which his major achievement was balancing the budget, cutting program spending, and significantly cutting income taxes. By contrast, the 2006 election platform was basically a summary of, and a commitment to continue to follow through on a litany of initiatives the Martin government had implemented during its two years in office, the centerpiece being national child care, which at that point had been negotiated with the provincial governments but had not yet been implemented.

The 2008 election platform, under the new Liberal Leader Stephane Dion, was a watershed document. Highly progressive and activist, it was anchored by a carbon tax scheme, a litany of environmental initiatives, and a major anti-poverty program, among many other things. The platform presented a complex and highly detailed agenda that no government could realistically have implemented in a single term of office.

Dion and his agenda were strongly rejected by the Canadian people in the 2008 election, reducing the Liberal seat count by about 30 and nearly resulting in a Conservative majority government. The carbon tax proposal, in particular, was effectively vilified by the Conservative government as »a tax on everything,« and was deeply unpopular. The anti-poverty agenda and the vast majority of the other initiatives in the platform were never able to rise above the albatross of the carbon tax, known as »the Green Shift.«

Today, the party remains hamstrung by the experience of the Dion leadership and platform, and in particular the Green Shift. While the Copenhagen summit Canada routinely won the »fossil of the day award« from environmental NGOs for its negotiating position on climate change. Media reports suggested that other advanced industrial democracies at Copenhagen regarded Canada as obstructionist. In the spring of 2010, UN Secretary General Ban Ki Moon visited Ottawa and admonished Canada for its recalcitrance and weak efforts on climate change. After four years in office the Conservative government has made no meaningful policy progress on climate change and has abandoned Canada’s Kyoto targets in favor of a harmonized target with the United States.
LPC remain open to new issues and ideas and are striving under Michael Ignatieff’s leadership to find a basic policy orientation, the party seems incapable of taking bold, clear, and differentiating stands on any major issue, especially with regard to the environment, fiscal policy, or further reforms to social programs. As an election looms, polls suggest that Canadians have little idea of what the LPC stands for today and what it plans to do if it comes to power.

Active Party Life and State of the Party

The party’s active membership is at a historic low point, probably around 60,000 members, in comparison to well over 200,000 members less than a decade ago. Its leadership over the past six years is generally characterized as, successively, competent and experienced but with too many priorities (Paul Martin); weak, ineffective, and in pursuit of an unpopular agenda (Stephane Dion); and unprincipled and lacking any direction whatsoever (Michael Ignatieff).

Party finances have been a problem for the LPC for a decade. In the early 2000s, while in government, the LPC reformed the Canadian party financing system and strictly limited the contributions individuals could make to 1,000 Canadian dollars ($) per year, while banning contributions from corporations and unions. A public subsidy system, based on the party’s support in the previous election – at a rate of $1.75 per vote – was put in place to compensate for this curtailment of funding. The new financing system puts a premium on garnering small contributions from individual Canadians between elections.

Ironically, the LPC has had far more trouble adapting to the system they created than the other parties, largely because the LPC has in the past relied heavily on corporate contributions and large donations from well-off individuals. As a result, for several years the LPC has been lagging behind the Conservatives in fund raising. For example, in 2009 the LPC raised about $10 million, as compared to $18 million for the Conservatives. In the first quarter of 2010 (the last period for which figures are available), the LPC raised $1.6 million, as compared to $4 million for the Conservatives and nearly $1 million for the New Democratic Party (NDP). Today, the LPC is estimated to be several million dollars short.

of the $24 million maximum amount that can be spent in a Canadian federal election.10

The LPC remains firmly anchored in some major urban centers of Canada (notably Toronto and its suburbs, Montreal, and Atlantic Canada), but has lost considerable support in rural Canada, Western Canada, and parts of Ontario, all areas in which the LPC dominated in the 1990s. As already discussed, this erosion of parliamentary seats can be attributed to a loss of support among core demographic groups – Catholics, minorities, women – that historically have been vital to Liberal election victories.

**Performance Record as Government or Opposition Party**

From 1993 to 2006 the LPC’s governance record, particularly under Prime Minister Chretien (1993–2003), was generally judged by Canadians to have been sound. The best evidence of this is the fact that the Liberals were elected to an unprecedented three successive majority governments under Chretien’s leadership (although the fragmentation of the conservative vote between two nominally conservative parties played a major role in Liberal election victories during this period).

The elimination of a quarter century of federal deficits is considered to be the LPC’s most important achievement during this period in office. However, there were many other major – and generally popular – progressive initiatives during that time, notably the establishment of the National Child Benefit (the first new federal social program in two generations); the reform of the Canada Pension Plan, putting it on a financially sustainable footing; a major increase in federal fiscal transfers to the provinces for health care; the establishment of same-sex marriage legislation and the decriminalization of marijuana; major federal investments in research, science, and technology; the Clarity Act, stipulating the process by which any future Quebec referendum on independence must be conducted; Canada’s leadership in establishing the International Criminal Court and the global landmines treaty; and Canada’s refusal to participate in the Iraq war.

However, the LPC’s record as an opposition party over the past four years is generally considered to have been highly ineffective. The party

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10. Interview with National Revenue Chair, LPC.
now has its fourth leader in that period. Throughout its time as the Official Opposition the party has appeared weak, vacillating, overly partisan, tactically-oriented, and lacking in clear priorities and strategic direction. It has had only a marginal influence over the minority Conservative government’s agenda (which is unusual in minority governments), and has been unwilling to challenge the government seriously on major issues with which it disagrees for fear of provoking another election which the party is ill-prepared for and would likely lose (having lost two elections in the past four years).

For its part, the Conservative government has been quite effective, strategically, loading major policy initiatives into federal budget legislation in the knowledge that the Liberals are unlikely to vote against budget bills which are matters of »confidence,« in the sense that defeat of the legislation would lead to the dissolution of Parliament and a general election. For example, the 2009 federal budget implementation bill contained major and controversial reforms to the Investment Canada Act and the Competition Act, neither of which have anything to do with the budget. The 2010 Budget Implementation Bill (Bill C-10) controversially amended no fewer than 79 statutes, many of which have nothing to do with governmental ways and means. The LPC has been so weak in opposition that it has felt compelled to vote for – or at least not against – both of these controversial budgets, despite voicing criticisms of them in public. This inconsistency in rhetoric versus action has further contributed to a public sense that today’s LPC stands for very little.

There is one major exception to this litany of failure, and where the LPC has had a significant influence on the government: Canada’s post-2011 policy in Afghanistan. In 2008, the Liberals authored a Parliamentary resolution requiring the withdrawal of Canadian forces from Kandahar – the region where the Canadian military has been stationed since 2006 – in 2011. This resolution was supported by the Conservative government and has effectively set Canada’s Afghanistan policy post-2011.

**Development Possibilities**

Development possibilities for the LPC do not look particularly good. The party seems incapable of articulating a twenty-first-century progressive narrative and policy agenda that would differentiate it sharply from the Conservatives, their main electoral rivals. This is due, in part, to the fact
that the leadership and the caucus are torn between three dominant constituencies. One constituency wants the party to emphasize its legacy of balancing the federal budget in the 1990s, given that the federal government today is running a deficit, and media commentary tends to regard this as the major issue facing Canada. Another constituency wants the party to tilt much more to the center-left, identifying itself with needed reforms to pensions, the environment, and health care, partly in an effort to differentiate it from the Conservatives and anchor it more firmly in what many regard as »traditional« Liberal values and policy terrain. A third constituency, however, which seems to be in the ascendancy, wants to say little about policy and take no bold stands or policy risks in any area, in the hope that the public will simply tire of the Conservatives by the next election and hand the government over to the Liberals as the only alternative.

The fragmentation of progressive voters in Canada among four parties – the LPC, the National Democratic Party (NDP), the Bloc Québécois (BQ), and the Greens – poses a particular problem for the LPC, especially since the Conservative vote is now consolidated in one party, in contrast to the 1990s, when conservative voters were divided between the Reform/Canadian Alliance parties and the Progressive Conservatives. The Green Party and the NDP are polling at historic high-water marks and, along with the BQ (which has won two-thirds of the seats in Quebec in every election since 1993), these three parties have collectively commanded nearly a third of the electorate in most recent polls.

The result of a historically weak LPC, a resurgent NDP and Greens, and a solid BQ, competing for many of the same votes, means that conservatives’ votes are much more effective than those of progressives in Canada’s first-past-the-post electoral system. The obvious solution to this dilemma is proportional representation, but this is anathema to the Liberals, and even the NDP are no longer arguing for it as they once did.

This fragmentation dilemma and the perpetually weak standing of the Liberals in recent elections and polls have led to calls for a coalition government of progressives. In fact, shortly after the 2008 election, during a Parliamentary crisis, the Liberals and the NDP attempted unsuccessfully to topple the Conservatives and to engineer a coalition government, which would have been the first such government, at federal level, since World War I.

More recently, a number of influential voices – including former Prime Minister Jean Chretien – have suggested in public that the best
solution to the progressive fragmentation problem and the persistently weak Liberal standing might be to create a new political party of progressives through the merging of the LPC and the NDP. However, the party merger idea has been rejected by the current Liberal leader and most senior figures in the party.

The lack of internal cohesion and the unresolved debate over the party’s basic orientation, narrative and policy agenda, coupled with progressive voter fragmentation and conservative voter consolidation, are likely to mean continued Conservative government for the foreseeable future. The Liberals could, however, enhance their chances of acceding to power if they countenanced a coalition government with the NDP. While some commentators have suggested that a coalition of the LPC and NDP is unworkable due to sharp electoral rivalries, fierce tribalism, and vast policy differences between the two parties, recent history suggests that cooperation is possible. In the mid-1980s a Liberal-NDP governing accord was established in the province of Ontario in a successful effort to replace the Conservative government of the day. More recently, at the federal level, Prime Minister Martin’s 2004–2006 minority government sustained itself in the House of Commons in part via a jointly negotiated budget with the NDP in 2005. The current Conservative / Liberal Democrat government in the UK has served to restore coalition government in Canada as a topic of legitimate debate.

Opening Up to Society and Strategic Partnerships

There are opportunities for the LPC to appeal to unions and NGOs and their respective constituencies. The union leadership and NGOs are deeply hostile to the Conservative government and might be persuaded to argue for strategic voting in the next election to support the Liberals and replace the Conservative government. But that is unlikely to happen without some clear and bold progressive policy offerings that will appeal to the center-left (for example, public pension reform and a strong environmental agenda). None of this seems forthcoming from the Liberals.
Conclusion

The LPC appears to be at a historic crossroads. All polls over the past year suggest that it will lose the next election to the Conservatives. That would mark the first time in post-war history that the LPC has lost three consecutive elections. Another election loss cannot be attributed entirely to leadership personalities, as the Liberals would have lost the past three elections under three different leaders. Something more fundamental is at work, which the party ignores at its peril.

The gradual loss of support among previously core demographic groups is a serious and perhaps fatal ailment that the party has done nothing to attempt to diagnose, let alone remedy. The loss of representation in large parts of the country and the attendant isolation of Liberal MPs in a few large cities in central Canada and the Atlantic region, is a similarly serious affliction.

The rise of the Green Party, now polling at over 10 percent in some surveys, and the historically high levels of public opinion support for the NDP at 17–20 percent is largely at the Liberals’ expense. The failure of the Liberals to supplant the BQ in Quebec (a protest party that has no chance of ever governing Canada or any aspiration to do so) and re-establish their position as the dominant party in French Canada – a position they commanded from the nineteenth century until the early 1990s – represents a major structural change in the political landscape to which the party has no answer and has not adjusted.

The LPC is resting on its progressive policy legacy and the identity it established in the past, particularly in the Trudeau and Pearson eras: but this is a distant and fading memory to an increasing number of Canadians. The party has failed, at the last two leadership conventions and in several policy conventions and meetings, to even attempt to crystallize a progressive, Liberal narrative and agenda for the twenty-first century, which it could then present to the public as fundamentally different from those of the Conservative government.

If the Liberals aim to return to government soon, they must decide who they are, what they stand for, and why they want to govern Canada again, rather than following a strategy of waiting until the public becomes fed up with the Conservative government and turns again to the LPC. The party’s historically and persistently low popular support and persistently poor competence ratings on major issues, plus the unprecedented fragmentation of the progressive vote, guarantees the LPC
nothing in the future. The old two-party governing configurations – within the framework of which the Liberals governed most of the time with majorities and ceded power occasionally to the Conservatives – is a thing of the past.

In short, the party must come to grips with the present and the future, and establish a political identity that is faithful to the values and achievements of the party’s past, while being tailored to the challenges and realities of today and tomorrow.

**Figure 1:**
Recent Electoral Results (% of Popular Vote)

**Figure 2:**
Recent Electoral Results – (% of Seats)
Bibliography


Gidengil, Elisabeth et al. (2009): »The Anatomy of a Liberal Defeat,« paper prepared for the annual meeting of the Canadian Political Science Association (May 2009), Carleton University, Ottawa/Canada.
