

## How to handle the economic crisis

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### How should campaigning Canadian leaders handle the U.S. economic crisis?



**Greg Lyle** (*former chief of staff for premiers Gary Filmon and Gordon Campbell*): While a hard news event such as an economic crisis creates uncertainty for all parties, the Conservatives are the likely beneficiaries of the current situation.

First of all, this is no tempest in a teapot. This is one of the biggest economic problems the developed world has faced since the oil shock. When voters see a big problem, they turn to strength and competence. This will help the Tories, particular among the cluster of voters we call business liberals who are open to the Conservatives on economic issues but prefer the Liberals on social ones.

Second, this is a worldwide crisis centred in the U.S. The average voter is unlikely to blame Canada's PM for a Wall Street meltdown.

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Third, this plays to the Conservative issue strength. Although the Chretien and Martin Liberals led on "best party on the economy," under Stephane Dion the Liberals have lost the issue to the Conservatives.

The Liberals have chosen to fight the issue with a head-on attack of the Conservatives' economic competence. This is a gutsy move. It is a tough challenge but, if successful, rebuilds the liberal brand and tears down the Tory brand.

The more obvious attack is on the caring side of the economic agenda. This is where Jack Layton has gone and the Liberals may want to take notes. The NDP campaign seeks to put the Tories on the side of the corporate agenda, leaving the New Democrats on the consumers' side. If the Liberals don't join in this attack, it leaves this turf to the NDP all by itself. The Conservative campaign has anticipated this attack with the sweater ad that offers economic reassurance, but it is still a vulnerability - particularly among the economically besieged groups that make up the key battleground in this campaign.

In Quebec, this crisis offers the Conservatives a chance to change the channel and restart their stalled campaign for rural Bloc Quebecois seats. Some of those seats remain in play, and this is the best issue the Tories could have asked for. However, it would help if they had a three- or five-point action plan that would illustrate their ability to handle the issue. Without an agenda, the Conservatives have no news hook and are left with calming reassurances as their contribution to the news stories. That is not enough to secure the full benefit from the issue.



**Scott Reid** (*former communications director for Paul Martin*): It is an oddity of this election that the United States has been staggering through the largest economic meltdown since the Great Depression and we've acted, for the most part, as though it has little to do with us. Make no mistake: This is not simply a U.S. economic crisis. It's our economic crisis as well.

Today's congressional circus almost certainly brings that indifference to an end. The chaos on markets is punishing confidence and impoverishing all who hold RRSPs. Party leaders will need to respond.

There is an interesting - but so far largely unexplored - fault line that distinguishes the parties from one another. Mr. Harper's basic economic proposition has been to invite Canadians to simply trust that his are the safest hands. The opposition parties, to varying degrees, all propose a more explicit and ambitious role for

government in shielding Canadians from economic and financial instability.

It is of particular importance for the Liberals to draw this distinction and to place the Conservatives on defence. It's nothing short of an historical aberration that an incumbent should draw political strength from a weakening economy.

For Mr. Dion, there are two remaining weeks to drive home this distinction and to put it to work for his benefit. For Mr. Harper, the congressional failure serves as a reminder that he remains potentially vulnerable. He would be wise to demonstrate sensitivity.

In the days ahead, Canadians will be listening for a sense of empathy and urgency. They'll also be listening for answers. It is an opportunity for the party leaders to set partisanship aside and to speak to policy. Ironically, in so doing they may do themselves a world of political good.



**Gerald Caplan** (*former NDP campaign manager*): Life always intervenes to spoil the best-laid plans, but rarely with the oomph and timing of the Wall Street meltdown. What in the world does a Canadian politician have to say about it when absolutely no one in the U.S. seems to have a clue how to meet the crisis?

The unexpected defeat of the emergency rescue package, with many in both parties voting against it, only compounds the sense of helplessness. And with John McCain having embarrassed himself with opportunistic posturing tied to abysmal ignorance, all other politicians - including northern ones - will move more cautiously.

Of course, the obvious game is to determine who will make the best leader in a time of turbulence and endless uncertainty. On that score, I'd say in Canada it's a race to the bottom. Mr. Harper's disdain for real reality makes him the last person you'd want running a troubled ship. And his uncontrollable meanness in accusing Mr. Dion of cheering on a recession shows that when serious bipartisanship is the only possible response, he can't stop

playing dirty politics.

The sense of Mr. Dion as an honest but utterly befuddled ivory-tower eccentric rules him out. To compound his weak personal position, the growing fear of being overtaken as Official Opposition has led him and his team to lash out at the NDP with anxiety they can't even begin to mask. What a missed opportunity - Mr. Dion could have called for a summit of all progressive forces to think through some responses to the American crisis and its impact on Canada.

Not more than 15 per cent of Canadians would ever look to the NDP for serious economic leadership, something that hasn't changed an iota even in a good campaign for the party. Elizabeth May and Gilles Duceppe don't even have to be discussed. For Canadian voters, a genuine conundrum. If the "ballot" question becomes who can we trust to lead us through these troubled times, the pathetic answer is None of The Above.

What will the U.S. fallout mean for the Canadian economy and therefore the slew of campaign promises? No one knows that either, but prudence demands fearing something pretty harsh in store for us. That would mean lots of promises couldn't be met, but then lots of promises are never met after a campaign, so that changes nothing. Since Mr. Harper will clearly run the next government, neither the Liberals nor NDP have any chance of putting promises into action, and the Harper record shows he'll implement whatever he'd like whenever he'd like to.

From that perspective, the U.S. crisis really has no impact on what our leaders say in the next couple of weeks. Get ready for lots of people trying to sound very wise regardless; just don't listen to the words very closely.

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