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## Political Communication and the “Permanent Campaign”

One of the most interesting developments in Canadian politics in recent years is the rise of the “permanent campaign,” in which political parties seem at all times to be as much preoccupied with campaigning as with government and opposition. The most visible aspect of the permanent campaign is the growth of pre-writ advertising, emphasized by the Conservatives but also practiced by the other parties. In this chapter, I chronicle the growth of pre-writ advertising and then seek to explain the phenomenon of the permanent campaign with respect to the minority governments that existed in Canada from 2004 to 2011, as well as the public funding regime introduced in 2004 (Bill C-24), which made much more money available to political parties. It remains to be seen to what extent the practice of permanent campaigning will be affected by the election of a majority Conservative government in May 2011 and that government’s abolition of quarterly allowances to federal parties.

### THE GROWTH OF PRE-WRIT ADVERTISING

Advertising is an essential and usually the most expensive part of any political campaign run by a major Canadian political party. Historically, most of the media buy for advertising was concentrated during the writ period, lasting

from five to eight weeks. Pre-writ advertising also took place, but it was usually confined to the weeks just before the election was expected to be called because conventional wisdom holds that advertising that occurs too long before the actual campaign will be forgotten and lose its impact. Thus, shortly before the 2004 election campaign began, the Liberals put up an attack website, titled “Stephen Harper Said,” and ran ads to steer voters to the Internet site. The Conservatives responded as quickly as they could with their own website about Paul Martin.<sup>1</sup> After that, pre-writ advertising grew enormously in size and scope. The Conservatives led the way, and other parties tried to follow suit, albeit within the constraints of their much more limited financial means.

The first Conservative experiment in pre-writ advertising came in early 2005, when the party ran print ads in ethnic and rural newspapers opposing gay marriage. The campaign lasted several weeks and cost about \$300,000. The goal was to use the debate over gay marriage, then in full swing in Parliament, to attract socially conservative ethnic voters, Roman Catholics, and rural residents in ridings the Conservatives hoped to win in the next election.<sup>2</sup> The Conservatives subsequently made considerable progress with all these targeted groups. One cannot ascribe causation to the ads alone, but they were the start of a long-term recruiting process.

The second Conservative experiment with pre-writ ads came at the end of summer 2005, when the party spent about \$1 million to run a suite of television ads featuring the leader and other caucus members talking about Conservative policy. These ads had been produced in the spring of 2005 when the Conservatives were trying to trigger an election by defeating Paul Martin’s Liberal government in the House of Commons. After spending half a million dollars on “creative” and production, the party didn’t want to waste its investment and so ran the ads in the late summer.<sup>3</sup> It was more a display of determination and financial muscle designed to shore up the base than a serious attempt to attract voters; indeed, at that time, no one had any idea that Paul Martin’s government would be defeated in November 2005.

Conservative pre-writ advertising increased in scale and became demonstrably more effective with several waves directed against Stéphane Dion, starting almost as soon as he became Liberal leader in December 2006 and continuing right up to the eve of the 2008 election.<sup>4</sup> On January 28, 2007, the Conservatives rolled out three ads ridiculing Dion and paid for them to

run on Canadian TV networks when they were broadcasting the Super Bowl. The most effective of the three ads—titled “What Kind of Leader is Stéphane Dion?”—used footage from the Liberal leadership candidate debates. It showed Michael Ignatieff at his most professorial, saying, “Stéphane, we didn’t get it done” (referring to the Liberals’ commitment to cut greenhouse gas emissions under the Kyoto Protocol), and Dion replying in high-pitched, heavily accented English, “This is unfair! You don’t know what you speak about. Do you think it’s easy to make priorities?”<sup>5</sup> Just by letting the Liberals speak, the ad brilliantly showcased the divisions within the party as well as Dion’s prickly personality and his difficulty in communicating in English.

The ads received a lot of free publicity and repetition in the news media precisely because it was so unusual for a party to purchase paid advertising outside the campaign period. Indeed, amplification in the news media may have had more impact than the paid media buy as the notion that Dion was “Not a Leader” worked its way into the standard narrative, becoming a fixture in stories about Dion and the Liberals. Although most people, when asked by pollsters, denied that the ads would influence their vote, the ads, and the news narrative they helped create, almost certainly contributed to the dismal leadership rankings that Dion quickly started to gather in polls.<sup>6</sup> By early April 2007, Dion was seen as the best leader by only 17 percent of respondents in a Nanos poll, compared to 42 percent for Stephen Harper.<sup>7</sup>

On May 29, 2007, the Conservatives launched another flurry of radio and TV ads targeted at Dion, this time over the Liberal-dominated Senate’s holdup of the government’s bill to limit senatorial terms to eight years. The theme was “Stéphane Dion is (once again) not a leader.” These ads could hardly have depressed Dion’s leadership numbers lower than they already were, but they may have helped keep them low.

The third cycle of Conservative ads was a pre-emptive strike against Stéphane Dion’s “Green Shift,” which he was planning to unveil in June 2008. The Tories beat him to the punch with radio and TV ads labelling it “Dion’s tax trick” and “Dion’s tax on everything.”<sup>8</sup> Running all summer, mostly on radio in battleground ridings, the ads contributed to the Green Shift’s loss of popularity during the summer. Supported by a majority of respondents when it was unveiled in June, the Green Shift was opposed by a majority in an Ipsos Reid poll when the writ was dropped in September 2008.<sup>9</sup>

Ten days before the writ was dropped, the Conservatives launched a new series of six positive ads about Stephen Harper. Apparently designed to rub the sharp edges off the prime minister's personality, they showed him dressed in a casual blue sweater, talking about sentimental topics such as his family, immigrants, and veterans. The background music was somewhat schmaltzy, but the ads fit with the Conservative campaign strategy of portraying Harper as the safe choice and Dion as risky. They may have contributed to the surge in polling numbers with which the Conservative campaign began: five polls released between September 7 and September 10, 2008, showed an average Conservative lead over the Liberals of 12.8 percentage points.<sup>10</sup> A Harris/Decima poll taken during the first week of the campaign showed that far more people had seen Conservative ads than those of the other parties, a result that certainly owed something to the jump that the Conservatives got on the other parties through their pre-writ campaign.<sup>11</sup>

Conservatives resorted to advertising again in December 2008 to attack the Liberal-NDP coalition. One radio spot ran as follows:

In the last election, Stéphane Dion gave his word. He said his Liberals would never form a coalition with the NDP.

“We cannot have a coalition with a party that has a platform that would be damaging for the economy. Period.”

But now he's cut a deal with the NDP. And he's working with the separatists to make it happen. He even thinks he can take power without asking you, the voter. This is Canada. Power must be earned, not taken.<sup>12</sup>

That the coalition proved to be highly unpopular with voters outside Québec was not due entirely, or even mainly, to these ads, but they played their role as part of an all-out media onslaught by the Tories, who used all the resources available to them, including speeches in Parliament and public statements by the prime minister. The ads gave the media one more thing to report within this overall game plan.

Shell-shocked by the success of Conservative advertising, a Liberal strategist predicted in 2007 that the Conservatives would again go negative as soon as the Liberals picked a new leader to replace Stéphane Dion: “Within minutes

of the new leader winning in Vancouver, the Conservative party will have TV commercials on the air branding the new leader as elitist/weak/a socialist/left-handed/a Leafs fan/or some other equally silly label. The new leader will want to strike back but will be told there is no money for competing ads and that he/she needs to still raise \$1-million to pay off the leadership debt.”<sup>13</sup> In fact, the Conservatives waited until June 2009 to unleash a barrage of ads against Michael Ignatieff. The theme of the new ads, supported by a dedicated website, was “Just Visiting.”<sup>14</sup> According to the ads, Ignatieff’s 34-year absence showed that he did not really care about Canada. He had come back only to lead the Liberal Party and thus get a quick ticket to 24 Sussex Drive. He was “just in it for himself,” in the words of one ad: that is, it was all about Ignatieff’s ambitious drive for power, and not about the welfare of Canadians.

The ads ran all summer without seeming to hurt Ignatieff, but the notion that he was “just visiting” was working its way into the narrative about him in the news. Then, Ignatieff announced on September 1 that he was going to trigger an election at the earliest opportunity, saying to a Liberal caucus meeting, “Mr. Harper, your time is up.”<sup>15</sup> That move backfired because it seemed to confirm what the ads said—that Ignatieff cared only about his own advantage and would force an election that most Canadians did not want. At that point, Liberal polling numbers started to fall precipitously, until by October, they were ten to fifteen points behind the Conservatives in all polls. In an early November Nanos poll, only 18 percent of respondents thought that Ignatieff would make the best prime minister—numbers similar to those garnered by Stéphane Dion in spring 2007.<sup>16</sup> The fall was not due to the ads alone, but the ads had given voters a way to interpret Ignatieff’s behaviour and thus helped grease the skids for the Liberals’ slide.

In fall 2009, the Conservatives for the first time resorted to pre-writ advertising in an attempt to pass legislation. In order to build support for Manitoba MP Candice Hoepfner’s private member’s bill to abolish the long-gun registry, the party ran radio ads in rural ridings held by the Liberals and NDP. The ads encouraged listeners to call their MPs and express support for Hoepfner’s bill.<sup>17</sup> MPs generally deny that they can be influenced by such tactics, but the bill passed second reading by a much larger margin than anyone anticipated, 164 to 137, as twelve NDP members, eight Liberals, and one independent supported it. The Conservatives repeated some of their advertising and campaign tactics when the bill came up for third reading, but this time the bill failed

after Liberal leader Michael Ignatieff required all his caucus members to vote against it.<sup>18</sup> Advertising in support of bills can be useful, but it cannot work miracles if the numbers are just not there.

Finally, pre-writ advertising seems to have been quite important to the Conservative election victory of 2011. In December 2010, Michael Ignatieff announced that the Liberals would not support the Conservatives' next budget, expected for February or March 2011.<sup>19</sup> Whatever good reasons Ignatieff may have had to make this statement, it gave the Conservatives lots of time to respond. Starting in early January 2011, they rolled out a new suite of anti-Ignatieff TV attack ads and played them in heavy rotation until the government fell in late March. The ads highlighted Ignatieff's supposed ambition for power and willingness to make a coalition with the NDP and Bloc Québécois. The Liberals, without money to pay for a response, had to absorb this punishment for almost three months.<sup>20</sup> Their polling numbers, which had been not far from the Conservatives' in December, fell precipitously once the ads began to work. By the time the writ was dropped, the Conservatives had built up a double-digit lead and Ignatieff's leadership evaluations were down in the same territory as Dion's had been in 2008.<sup>21</sup> The Conservatives had opened up such a big lead in the pre-writ period that they could then get away with playing it safe in a classic frontrunner writ-period campaign.

Estimating the effect of political advertising is notoriously difficult because so many things are happening at the same time. But it is fair to say that every time the Conservatives have run a series of ads in the extended pre-writ period, things have moved in the desired direction—winning over the support of ethnic, Catholic, and rural voters; driving Stéphane Dion's leadership ratings down and keeping them down; making voters skeptical of the Green Shift; making them feel better about supporting Stephen Harper; encouraging them to dislike Dion's coalition with the NDP; driving down Michael Ignatieff's rankings after he became Liberal leader; helping pass Candice Hoepfner's long-gun registry bill on second (though not on third) reading; and softening up the Liberals in preparation for the 2011 election campaign.

Although no quantitative studies have been done on this point, I believe the ads may have worked their effect as much through news coverage as through the actual media buy. Political advertising often works that way. For example, the famous 1964 "Daisy" ad, in which Lyndon Johnson implied that Barry Goldwater was too reckless to be trusted with his finger on the nuclear trigger,

played only once.<sup>22</sup> That single exposure set off a firestorm of discussion in the media and permanently sealed Goldwater's fate in the 1964 election. Similarly, though not so dramatically, the pre-writ Conservative ads were extensively discussed in the media, and their message worked its way into the day-to-day narrative of news coverage. I would propose as a hypothesis for future testing that the target of pre-writ advertising is the media, which can make ads affect public opinion by integrating their messages into news coverage, as much as it is the voters. In this tableau, the size of the media buy may not be critical although it has to be large enough to convince media observers that the ad campaign is real. The media won't spend much time discussing Internet ads because they understand that such ads can be produced by a teenager at home, but they will pay attention if they believe a party is investing serious resources into an ad campaign.

The success of Conservative pre-writ advertising has led other parties to compete in this realm. In January 2009, as soon as Michael Ignatieff announced that he would support the Conservative government's budget, the NDP took out radio ads to condemn him: "He's propping up Stephen Harper. Michael Ignatieff failed his first test as Liberal leader. Jack Layton is the only leader strong enough to stand up to Harper and get us through this economic crisis."<sup>23</sup>

For their part, the Liberals reportedly spent \$2 million on TV ads in late summer 2009 to introduce Michael Ignatieff's campaign slogan, "We Can Do Better."<sup>24</sup> The English ad, officially known as "Worldview" but widely derided as the "Enchanted Forest" or "Magic Forest," showed Ignatieff in a woodsy setting (actually a Toronto park) explaining how Canada should "think big" and "take on the world."<sup>25</sup> Released in anticipation of a fall election, the ads failed to stop the slide in the polls that the Liberals endured following Ignatieff's announcement on September 1 that he would try to force an election as soon as possible.

The Liberals resorted to advertising again in January 2010 as part of their campaign against Stephen Harper's prorogation of Parliament. They posted on their website three radio ads titled "Cover Up," "Present," and "Fermeture."<sup>26</sup> Consisting of thirty-second soundtracks plus simple visuals for the Internet, the ads argued that Harper had "shut down Parliament" because he had "something to hide" about the torture of Afghan detainees, climate change,

and so on. The messaging and tone were similar in spirit to many past Liberal ads about Harper's alleged "hidden agenda."

When they released the ads on January 10, the Liberals said they would run radio and print versions in the coming days, but it is unclear how large the media buy was or if there was any media buy at all. I never heard the ads on radio or saw them in any newspaper, nor have I met anyone who has heard or seen them except on the Internet. Be that as it may, the Liberals did spark some media commentary just by posting them on their website. The effect can't be measured directly, but Conservative polling numbers were in free fall throughout January 2010, until they had reached a virtual tie with the Liberals by the end of the month—quite a drop from the fifteen-point lead the Conservatives had enjoyed in November 2009.

With a Conservative majority government having been elected in 2011, pre-writ advertising may not be used as much. But the Conservatives will probably resort to it at some point before the 2015 election, once it becomes clear who the new Liberal leader will be and whether the NDP has maintained the unprecedented level of support it received in the 2011 election, especially in Québec. The opposition parties will also probably continue to try, within their budgetary limits, to compete with the Conservatives. Advertising may fail in specific cases, but it works in general, which is why business spends billions of dollars a year on it. If one major party resorts to pre-writ advertising, the others will be hurt if they stand idly by.

#### MINORITY GOVERNMENT AND THE PERMANENT CAMPAIGN

Canada has seen an extraordinary amount of campaigning in the first decade of this century, as shown in table 6.1. In fact, campaigning has been even more prevalent than the bare facts of the table indicate, for the minority governments elected from 2004 onwards were liable to be defeated at any time. Thus, federal parties had to maintain non-stop election readiness from early 2004, when Paul Martin became Liberal prime minister and indicated he would soon be asking for an election.

The last ten years deeply affected Canadian government and political culture. After so many years of continuous campaigning, federal politicians became almost like child soldiers in a war-torn African country: all they know how to do was to fire their AK-47s. In short, we were living in a period of

“permanent campaign,” to borrow the phrase first coined in the United States to describe the continuous interweaving of politics and government.<sup>27</sup> The permanent campaign goes far beyond pre-writ advertising, as described in the previous section, to include a number of other organizational initiatives. I will describe some of what the Conservatives did in this regard because I am most familiar with them, but the implications are the same for all parties.

Table 6.1 Canadian national political campaigns, 2000-2009

<b>National election campaigns</b>	
<b>Year</b>	<b>Winner</b>
2000	Liberals
2004	Liberals
2005-6	Conservatives
2008	Conservatives
2011	Conservatives
<b>Leadership campaigns</b>	
<b>Year</b>	<b>Winner</b>
2000 (Canadian Alliance)	Stockwell Day
2001-2 (Canadian Alliance)	Stephen Harper
2003 (NDP)	Jack Layton
2003 (Greens)	Jim Harris
2003 (Progressive Conservatives)	Peter MacKay
2003 (Liberals)	Paul Martin
2004 (Conservatives)	Stephen Harper
2004 (Greens)	Jim Harris
2006 (Greens)	Elizabeth May
2006 (Liberals)	Stéphane Dion
2009 (Liberals)	Michael Ignatieff

### *The “Fear Factory”*

Early in 2007, the Conservatives rented state-of-the-art premises in Ottawa for a “war room”—the command-and-control centre of a national campaign. Dubbed the “fear factory” by a Liberal wag, the war room was quickly leased,

furnished, and wired, including a TV studio so the party could stage its own press conferences.<sup>28</sup> It was kept continually available until the 2008 election was finally called on September 7. The cost would have been considerable—hundreds of thousands of dollars a year—but it was a great convenience for a campaign manager not to have to scramble for space and furnishings on short notice. As a signal to the other parties that they were in for a fight if they toppled the government, the normally secretive Conservatives granted the media a tour of the “fear factory.”<sup>29</sup>

### *A Jet for the Leader’s Tour*

The centrepiece of a campaign for a national party is the leader’s tour, in which the leader travels around Canada by airplane and bus, making announcements and staging events.<sup>30</sup> Having a jet to move the leader, his staff, and accompanying media representatives is essential because of Canada’s size. The Conservatives, having leased their campaign jet from Air Canada in previous elections, quickly made a deal with Air Canada after the 2006 election to get a jet whenever they might need it. Such deals are expensive—again, hundreds of thousands of dollars a year—but they are necessary if you want a jet on short notice. Having a campaign jet in place allowed the Conservatives to play brinkmanship games in Parliament without worrying about being defeated. In contrast, the Liberals, whether from organizational problems or financial difficulties, did not lock up a jet until the last minute, when Air Inuit leased them a twenty-nine-year-old Boeing 737, which the Conservatives claimed was 20 percent less fuel efficient than their own Airbus C-319. Moreover, the Liberal jet was not ready until day four of the campaign, and then suffered a mechanical breakdown that caused it to be grounded in Montreal on September 16.<sup>31</sup> The Liberals may have saved money by not leasing a jet in advance, but they paid a high price in terms of bad publicity directly contrary to the environmental theme of their Green Shift campaign platform.

### *Direct Voter Contact*

Conservative campaign doctrine emphasizes Voter Identification and GOTV (Get Out the Vote) programs, collectively referred to as Direct Voter Contact (DVC), in targeted swing ridings. In simplest terms, this means contacting voters by mail, telephone, or door-knocking; asking them about their political concerns and preferences; and recontacting identified supporters at the close

of the campaign to encourage them to vote.<sup>32</sup> Ongoing grassroots fundraising helps to build a base for writ-period DVC because it builds supporter lists and keeps contact information up to date. The Conservatives had not been able to use their DVC program in Québec in the past, but they did start grassroots fundraising in *la belle province* after the 2006 election, thus laying the groundwork for DVC in Québec swing ridings in 2008 and afterwards.

### *By-Elections*

An effective DVC program is particularly useful in by-elections because turnout is always low. Using DVC to get supporters to the polls while others are staying home can lead to striking upset victories. The Conservatives did this in four by-elections in the pre-writ period before the 2008 election, winning two new ridings and coming close in two others where they had been given little chance.

They pulled off a similar coup in the by-elections of November 9, 2009, winning back Bill Casey's Nova Scotia riding and taking a seat away from the Bloc Québécois in rural Québec. This later achievement touched off another round of stories about how the Conservatives were back in the game in Québec and might be able to win enough seats there in the next election to finally earn a majority government. Media commentators, however, have little understanding of how campaigns are actually conducted and hence tend to overinterpret by-election results as representing broader trends in public opinion. In fact, the Conservative by-election victory in Québec was due mainly to its aggressive DVC campaign in a race where the Bloc Québécois no longer had the advantage of incumbency. With a turnout of only 36 percent, it was possible to win by mobilizing existing supporters rather than winning over a lot of new voters.

The Conservatives pulled off another by-election coup in November 2010, when they narrowly elected Julian Fantino in the suburban Toronto riding of Vaughan.<sup>33</sup> Their close victory in this heavily Italian and historically Liberal riding was the harbinger for the Conservatives' success with Toronto-area ethnic voters in the 2011 general election, which provided the additional seats necessary for a majority government. Voter identification and GOTV helped to eke out the by-election victory, showing again the importance of keeping one's campaign machine tuned up and ready to go.

The point is that every opportunity counts in a period of minority government. The party that keeps its campaign weapons sharp at all times and uses them strategically when the occasion arises is more likely to build an advantage over its opponents than a party that sleepwalks its way through the pre-writ period. Harper's team never rests. A campaign manager reporting directly to the Conservative leader, not to a committee, is always on the job. Voter identification linked to fundraising goes on 363 days a year (Christmas and Easter excepted). With the cash flow from such aggressive fundraising, the party can afford to spend millions on advertising, even years in advance of the writ, and to train candidates and workers, especially in the use of the potent Direct Voter Contact program and the Constituent Information Management System (CIMS) database. Activities funded by the House of Commons can also be channelled to political purposes—travel to targeted ridings and ethnic communities, mailouts with a response coupon for voter identification, public opinion research to find policies that will resonate with target demographic groups. All parties do some of these things some of the time, but the Conservatives are unique in the scale on which they operate and the degree to which everything is coordinated. They have produced a campaign equivalent of Colin Powell's doctrine of "overwhelming force," applying all possible resources to the battleground ridings where the election will be won or lost.

#### THE INFLUENCE OF MONEY

Another important factor in the rise of the permanent campaign was the availability of money.<sup>34</sup> Just as Canada was entering a period of minority government, Jean Chrétien's Bill C-24, which was passed in 2003 and took effect at the beginning of 2004, approximately doubled the amount of money available to parties. According to Chrétien's policy advisor, Eddie Goldenberg, the intent of C-24 was to leave parties approximately where they had been by replacing the revenue from union, corporate, and high-end personal contributions with other provisions.<sup>35</sup> In the end, however, C-24 turned out to be much more generous than the status quo ante. Below are the main provisions of C-24 and their real-world effects upon the finances of Canadian political parties.

### *Grassroots Fundraising*

Bill C-24 increased tax credits for political contributions. In particular, the amount of political contribution eligible for a 75 percent tax credit was raised to \$400: that is, starting in 2004, the true cost for a taxpayer to give \$400 to a federal party was reduced to \$100. No quantitative study of the impact has been published, but it must have increased the productivity of the grassroots fundraising at which the Conservatives—and, to a lesser extent, the NDP—excel. Generous tax credits are known to be an important motivating factor to low-end contributors. At the same time, C-24 increased the relative importance of low-end contributions by capping personal contributions at \$5,000 (annually adjusted for inflation), later reduced to \$1,000 by Stephen Harper's *Accountability Act*, passed in 2006 and effective in 2007.

### *Campaign Rebates*

Bill C-24 dramatically reduced the real cost of political campaigning by raising the campaign rebate from 22.5 percent to 50 percent (60 percent in the 2004 election). With the current spending limit of about \$20 million, that means the true cost of running a fully funded national campaign is only about \$10 million, whereas it would have been about \$15.5 million under the old rules. The amount returned to parties through the increased rebate can be invested in maintaining continual election readiness.

For local candidates, C-24 raised the rebate from 50 percent to 60 percent and reduced the threshold for reimbursement from 15 percent to 10 percent of the popular vote. An unknown but significant portion of this increased money at the local level is bound to end up supporting national campaigns because parties levy general campaign fees on electoral district associations (Liberals) or specific fees for participating in programs such as Direct Voter Contact (Conservatives). Well-to-do Electoral District Associations also sometimes voluntarily transfer cash to less well-off associations, which may save the national party the need to subsidize such ridings.

### *Quarterly Allowances*

Bill C-24 created a system of quarterly allowances for parties getting over 2 percent of the popular vote in the preceding election. The annual amount of the allowance was set at \$1.75 per vote received in the last election, adjusted

annually for inflation. The annual amount of the subsidies in the wake of the 2008 election was about \$26.7 million for all parties taken together.

David Coletto and I have shown that the amount of quarterly allowances paid in the four years from 2004 to 2007 (\$105 million) was about \$37 million greater than the total of corporate, union, and associational contributions to federal parties in the four years from 2000 to 2003 (\$66 million) plus the amount foregone by reducing the personal contribution limit to \$5,000 (\$2 million)—all amounts standardized in 2007 dollars.<sup>36</sup> Table 6.2 shows total contributions from corporations, unions, and associations for the years 2000 to 2003; table 6.3 shows the amount of high-end personal contributions for those same years; and table 6.4 shows the amount of quarterly allowances for the years 2004 to 2007. These tables show that the quarterly allowances *by themselves* increased the amount of money available to parties over a four-year cycle by about \$37 million, or 54 percent, even after subtracting the revenue lost by limiting personal and outlawing corporate contributions.

Table 6.2 Total contributions from corporations, associations, and trade unions

	2000	2001	2002	2003	2000-2003
Liberal	13,101,019	6,691,023	5,448,848	11,339,963	36,580,853
Canadian Alliance	7,686,049	873,989	1,121,519	1,530,311	11,211,868
PC	2,843,576	1,478,274	1,076,865	1,168,986	6,567,701
NDP	3,225,986	1,511,464	1,121,680	5,308,675	11,167,805
BQ	595,785	70,605	105,450	87,509	859,349
Green	0	1,075	1,600	63,300	65,975
Total	27,452,415	10,626,430	8,875,962	19,498,744	66,453,551

NOTE: Figures are 2007 dollars.

SOURCE: Elections Canada, "Political Fundraising," <http://www.elections.ca/content.aspx?section=fin&lang=e>; Tom Flanagan and David Coletto, "Replacing Allowances for Canada's National Political Parties?" University of Calgary, *The School of Public Policy SPP Briefing Papers* 3, no. 1 (January 2010): 3, <http://policyschool.ucalgary.ca/sites/default/files/research/flanagan-coletto-online-3.pdf>.

Table 6.3 Financial impact of proposed \$5,000 limit, 2000–2003

	2000	2001	2002	2003	Total revenue lost (2000–2003)	% lost
Liberal	139,052.28	92,306.30	102,700.95	313,559.41	647,618.95	3.08
Canadian Alliance	564,508.11	12,329.62	27,280.29	18,352.78	622,470.79	2.10
PC	221,981.87	108,131.75	101,882.98	17,430.06	490,518.32	4.21
NDP	48,432.43	27,820.02	142,974.65	73,605.13	292,832.24	1.43
BQ	480.73	—	—	—	480.73	0.02
Green	0	—	—	17,986.66	17,986.66	3.62
<b>Total</b>	<b>974,455.42</b>	<b>240,587.69</b>	<b>374,838.87</b>	<b>440,934.04</b>	<b>2,071,907.69</b>	<b>2.40</b>

NOTE: Figures are 2007 dollars.

SOURCE: Elections Canada, “Political Fundraising,” <http://www.elections.ca/content.aspx?section=fin&lang=e>; Tom Flanagan and David Coletto, “Replacing Allowances for Canada’s National Political Parties?” University of Calgary, *The School of Public Policy SPP Briefing Papers* 3, no. 1 (January 2010): 4, <http://policyschool.ucalgary.ca/sites/default/files/research/flanagan-coletto-online-3.pdf>.

Table 6.4 Quarterly allowances paid to political parties, 2004–7

	2004	2005	2006	2007	2004–2007
Liberal	9,774,907	9,498,080	8,770,143	8,517,049	36,560,179
Conservative	8,461,918	7,662,540	9,604,289	10,218,123	35,946,870
NDP	3,083,774	4,055,184	4,717,196	4,923,795	16,779,949
BQ	2,923,325	3,203,395	3,018,856	2,953,218	12,098,794
Green	523,694	1,061,905	1,199,287	1,262,641	4,047,527
<b>Total</b>	<b>24,767,618</b>	<b>25,481,104</b>	<b>27,309,771</b>	<b>27,874,826</b>	<b>105,433,319</b>

NOTE: Figures are 2007 dollars.

SOURCE: Elections Canada, “Political Fundraising,” <http://www.elections.ca/content.aspx?section=fin&lang=e>; Tom Flanagan and David Coletto, “Replacing Allowances for Canada’s National Political Parties?” University of Calgary, *The School of Public Policy SPP Briefing Papers* 3, no. 1 (January 2010): 5, <http://policyschool.ucalgary.ca/sites/default/files/research/flanagan-coletto-online-3.pdf>.

Of course, the impact of all these changes has been uneven across the parties. The rebates affect all parties in the same way, but the change to tax credits has disproportionately helped the Conservatives, and to a lesser extent the NDP, because they have more effective machinery for grassroots fundraising. The Liberals, on the other hand, have struggled mightily with grassroots fundraising and, even with some improvement after Michael Ignatieff became leader, raised only about half of the amount that the Conservatives raised in 2009. The quarterly allowances also helped the Conservatives because their vote share rose in this period from 30 percent in 2004 to 38 percent in 2008, as well as the NDP, who went from 16 percent to 18 percent. The Liberals, in contrast, lost vote share, dropping from 36 percent to 26 percent over the same period, so their share of the quarterly allowances was correspondingly reduced.

Not surprisingly, then, the Conservatives took the lead in shifting to a permanent campaign model because they had more money than they could spend on national campaigns. Consider that, because of 50 percent rebates, the true cost of a national campaign is now about \$10 million. In 2009–10, the Conservatives were getting a little over \$10 million a year in quarterly subsidies and collecting about \$17 million from donors in a typical year (\$21 million in the last election year, 2008). With revenues of that magnitude, they could pay normal party expenses (perhaps \$8 million a year), run a national campaign every year (\$10 million), and still have money left over for pre-writ political activities. Political parties are not investment clubs. If they have extra money, they won't buy stocks, bonds, or gold; they will spend it to enhance their prospects of winning elections and controlling the government.

After winning a majority government in May 2011, the new Conservative government brought in legislation to end party subsidies over a three-year transitional period. It is too early to be certain about the impact of the new legislation except to say that if parties have less money to spend, they will have to cut back on permanent campaign activities. Whether they will actually have less money will depend on how well they fundraise in the future. With the next election not expected until October 2015, parties will have three years to build up a pre-writ war chest that they might spend in the year leading up to the election. If that proves to be true, the permanent campaign will return after a temporary suspension.

## CONCLUSIONS

The Canadian permanent campaign model, with its new emphasis on pre-writ advertising, was born of minority government, with public money serving as the midwife. Will it continue now that we have returned to the historical norm of majority government?

My tentative answer to that question is yes, although the pace will undoubtedly slow down in periods of majority government. The permanent campaign, including pre-writ advertising, has shown itself to be potent political weaponry, useful for attracting new support groups, passing legislation, questioning the opposition's policies, and undermining the image of the opposition leader—in short, for winning and holding on to power. It is a political arms race in which competitors will have to adopt new generations of weaponry or fall irretrievably behind. As long as they can find the money to pay for it, parties will be forced to keep up in order to compete.

Reducing the amount of public money flowing to political parties might reduce their permanent campaigning and pre-writ advertising. Another approach to achieving such a reduction would be to legislate spending limits for the pre-writ period, which presently is entirely unregulated. Such limits, however, arguably benefit the party in power because it can manipulate government advertising and other forms of communication for its own advantage, while spending limits prevent opposition parties from fighting back. Manitoba has tried to evade this dilemma by legislating an advertising limit of \$250,000 in the year in which an election is called, in addition to what is spent in the writ period.<sup>37</sup> This prevents high levels of expenditure on advertising in the immediate run-up to the writ period but leaves parties free to advertise in the years between elections. Such legislation might reduce the volume of pre-writ advertising that now exists at the federal level but would not remove it altogether.

It might also induce parties to start seeking third-party surrogates to do their pre-writ work for them, as commonly happens in the United States. The Swift Boat Veterans were able to do enormous damage to John Kerry in 2004 even though they were not officially part of the Republican campaign. So-called Super PACs, which can draw on unlimited donations from corporations and other high-end donors, are playing a major role in the 2012 Republican primaries. On a smaller scale, organized labour in Canada is already using similar methods to assist the NDP, spending money both before

and during the writ period to run “issue-based campaigns” that don’t mention the NDP specifically but urge voters to support policies on which the NDP is running.<sup>38</sup> To limit such developments, some might want to extend Canada’s present ban on third-party advertising during the writ period to cover the pre-writ period as well, but such regulatory creep might be seen as posing a danger to freedom of speech.

In sum, I suspect that the permanent campaign, including pre-writ advertising, is here to stay at some level, even though many observers profess not to like it. Regardless of likes and dislikes, legislative remedies seem politically difficult to enact and may be loaded with unintended consequences worse than the alleged evil they are supposed to ameliorate.

#### NOTE

- 1 See Bill Curry, “Attack Ads Signal Campaign Start,” *Windsor Star*, May 19, 2004.
- 2 Tom Flanagan, *Harper’s Team: Behind the Scenes in the Conservative Rise to Power* (Montreal: McGill-Queen’s University Press, 2009), 201–2.
- 3 *Ibid.*, 222–23.
- 4 The following five paragraphs draw from my contribution to Tom Flanagan and Harold J. Jansen, “Election Campaigns Under Canada’s Party Finance Laws,” in *The Canadian Federal Election of 2008*, ed. Jon H. Pammett and Christopher Dorman (Toronto: Dundurn Press, 2009), 210–11.
- 5 Flanagan, *Harper’s Team*, 229.
- 6 “Anti-Dion Ads Producing Laughs, Not Votes; Poll Shows Majority Believe Conservative TV Advertisements Attacking Liberal Leader Are Unfair,” *Canadian Press*, February 8, 2007.
- 7 “Harper Towers over Other Leaders in New Poll,” *CTV News*, April 10, 2007, [http://www.ctv.ca/CTVNews/QPeriod/20070410/ses\\_poll\\_070410/](http://www.ctv.ca/CTVNews/QPeriod/20070410/ses_poll_070410/).
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- 15 Juliet O'Neill and Janice Tibbets, "Ignatieff to Harper: Time Is Up," *National Post*, September 2, 2009.
- 16 Andrew Potter, "It's the Stupid Leadership Stupid," *Maclean's*, November 14, 2009, <http://www2.macleans.ca/2009/11/14/its-the-stupid-leadership-stupid-nanos-poll>.
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- 18 Jane Taber, "Ignatieff Cracks Whip on Gun Registry," *Globe and Mail*, April 19, 2010.
- 19 "Ignatieff Threatening to Roll Dice?" *Winnipeg Free Press*, December 20, 2010.
- 20 Jane Taber, "Ignatieff's Numbers Plummet as Tories Unleash Another Attack Ad," *Globe and Mail*, March 10, 2011.
- 21 See, for example, the time series in the Ekos poll of April 27, 2011: "Electorate Firming Up in Strange New Normal," *Ekos Politics*, April 27, 2011, [http://www.ekospolitics.com/wp-content/uploads/full\\_report\\_april\\_27\\_2011.pdf](http://www.ekospolitics.com/wp-content/uploads/full_report_april_27_2011.pdf). All published polls showed the same tendency for Conservative numbers to rise and Liberal numbers to drop in the first quarter of 2011.
- 22 Warren Kinsella, *The War Room: Political Strategies for Business, NGOs, and Anyone Who Wants to Win* (Toronto: Dundurn Press, 2007), 111.
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- 26 "Cover Up," "Present," and "Fermeture," Liberal Party website, posted January 10, 2010, <http://www.liberal.ca/newsroom/party-news/liberals-launch-radio-and-print-ads/>.
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- 37 "Annual Advertising Expense Limit," Elections Manitoba website, [http://www.electionsmanitoba.ca/en/Political\\_Financing/annual\\_limit.html](http://www.electionsmanitoba.ca/en/Political_Financing/annual_limit.html).
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