



The End of a “Revolution?”

The 2003 Ontario Provincial Election

By Andre Belelieu

OVERVIEW

- The Liberal Party of Ontario won a decisive victory in the 2003 Ontario provincial election. By winning 46.4 percent of the vote and 72 out of 103 seats in Queens Park (Ontario’s parliament), the Liberals will form a majority government under their leader, Dalton McGuinty.
- The result is a significant defeat for the incumbent Progressive Conservative Party (the “Tories”), as well as the third-place New Democratic Party (NDP). The Tories picked up only 36.4 percent of the vote and 24 seats, while the NDP won 14.7 percent but only seven seats, losing official party status despite gaining 2.6 percent more of the vote than in the 1999 election.
- The campaign featured a lackluster debate and few defining moments. In the end, the voters favored McGuinty’s call to “*choose change*” and his strategy to make the election a referendum of Ernie Eves’s record over Eves’s negative campaign featuring several attack ads and an overarching goal to turn the vote into a referendum over McGuinty’s leadership skills.
- The election represents not only an indictment of Ernie Eves, but also a growing dissatisfaction within the electorate with the Tory “Common Sense Revolution.” It also gives the Liberals a historic opportunity to solidify their support in Ontario, even if they are sure to encounter significant headaches in the immediate future.

The current dominance of Canadian politics by the Liberal Party was reinforced on October 2, as the Liberal Party of Ontario cruised to a landslide victory in the 2003 Ontario provincial election. With only 52 percent of Ontario’s eight million eligible voters casting a ballot, the “grits,” lead by Dalton McGuinty, won 46.4 percent of the vote and 72 out of 103 seats in the Ontario parliament, handing the Liberals their first majority government in Ontario in 16 years. In contrast, voters sent the incumbent Progressive Conservative Party, lead by Premier Ernie Eves, to a decisive defeat, with the Tories managing to win only 34.6 percent of the vote and 24 seats in Queens Park (at dissolution, the Tories held 59 seats). The New Democratic Party (NDP), led by Howard Hampton, also suffered a significant setback, losing official party status despite winning a respectable 14.7 percent of the vote. In fact, the NDP lost two seats in Queens Park, dropping from nine to seven, despite increasing its vote total by 2.6 percent from the 1999 election.

(PC) government was defeated outright in an Ontario election. It also marks the end of two consecutive Progressive Conservative majority governments, where during their eight years in power the Tories, under former premier Mike Harris, launched the “Common Sense Revolution.” (The “Common Sense Revolution” is a neoconservative political agenda emphasizing tax cuts and a reduction in the size of government as the key to economic prosperity and growth.) Most importantly perhaps, McGuinty’s victory means that for the first time in half a century, the Liberal Party will govern Ontario, Quebec, and the federal government. With British Columbia also under Liberal control, and Paul Martin expected to win the next federal election (which could take place as soon as Spring 2004), the Ontario election is therefore the latest result offering the Liberal Party a historic opportunity to promote its agenda at all levels of the Canadian polity.

The election is significant in many respects. It represents the first time since 1934 that a sitting Progressive Conservative

2003 Election Results

PARTY	LEADER	SEATS	VOTE (%)	VOTE TOTAL
Liberal Party of Ontario	Dalton McGuinty	72	46.4%	2,082,294
Progressive Conservative Party	Ernie Eves	24	34.6%	1,552,986
New Democratic Party of Ontario	Howard Hampton	7	14.7%	659,094

1999 Election Results

PARTY	LEADER	SEATS	VOTE (%)	VOTE TOTAL
Progressive Conservative Party	Mike Harris	59	45.1%	1,978,059
Liberal Party of Ontario	Dalton McGuinty	35	39.9%	1,751,472
New Democratic Party of Ontario	Howard Hampton	9	12.6%	551,009

Source: Elections Ontario, www.electionsontario.on.ca

THE CAMPAIGN

Ending months of speculation that an election would be called, Ernie Eves launched the 2003 Ontario provincial election campaign on September 2. The decision to go to the polls was immediately recognized as a risky choice, as it came in a climate of general disapproval with the current Tory government. In large part because of a string of crises such as the Walkerton contaminated water scandal, the Aylmer tainted meat scandal, the recent SARS crisis, and the August 14 blackout, a series of polls in the months leading up to the campaign showed that 60 percent of voters wanted a change in government, and that the Liberals would start the race with a double-digit lead in support. However, Eves called the election hoping to benefit from a recent upsurge in support for his leadership in the aftermath of the blackout. Moreover, the Tories were optimistic that, with a strong campaign, they could defeat the Liberals, citing the Liberals' historical inability to hold early campaign leads and the Tory comeback in the 1999 election, when Mike Harris erased a double-digit Liberal lead in less than three weeks. Therefore,

as the campaign got under way, most pundits agreed that the Liberals had the upper hand, but cautioned that the election could go either way.

For the past half century, Ontario has been one of the only provinces to consistently field a strong three-party system at the provincial level. Accordingly, three main candidates competed in the 2003 election:

- Ernie Eves:** The leader of the PC Party of Ontario was competing in his first provincial campaign, as he came to power after Mike Harris stepped down as premier in 2002. Although he won the PC leadership by campaigning as a fiscal conservative with a social conscience, the "anti-Mike Harris," Eves chose to adopt a right-wing candidacy focused around tax cuts and socially conservative policies, thus portraying himself as a continuation of the "Common Sense Revolution." His strategy was to target specific groups receptive to the Tory message, and most importantly to make the campaign a referendum on McGuinty's leadership skills rather than on the Eves government's record in office.
- Dalton McGuinty:** The leader of the Liberal Party of Ontario was running for premier for the second time, trying to redeem himself after a dismal performance in the 1999 election. McGuinty's platform, entitled "choose change," was a centrist agenda that promised increased government spending in health care, education, and infrastructure and an end to the Tory era of tax cuts. McGuinty's strategy was to run a positive campaign focusing on the Liberal platform while highlighting the record of the Eves government, especially the series of crises the province suffered while Eves was premier.
- Howard Hampton:** The leader of the NDP was also running in his second consecutive election, trying to improve on a disappointing finish in 1999. Hampton ran on a leftist ticket, stressing tax hikes and increased government spending for health care and education, but the centerpiece of the NDP campaign was a call for public ownership and management of the province's electricity grid. Hampton's strategy was to attack the record of the Eves government and to portray the NDP as the last party willing to stand up for the interests of the people. Although starting a distant third in the polls, Hampton's stated goal was to emulate the performance of the NDP in 1990, when Bob Rae won a surprise majority government.

Initial polls showed that to win, the Liberals would need to focus on the mixed record of the Tories in government, especially on Tory spending cuts in health care, education, and infrastructure that many critics claim were responsible for the Walkerton, Aylmer, SARS, and blackout crises that hit Ontario over the past two years. On the other hand, polls showed that the Tories had a chance to win if they could convince the electorate that Dalton McGuinty was not “up to the job” of governing Canada’s most populous province and its biggest provincial economy. Accordingly, as the campaign got under way, two different strategies emerged: while McGuinty was busy outlining his proposals for change and criticizing the Tory platform, Eves was busy casting doubt about McGuinty’s abilities as a leader and running a series of attack ads that sought to reinforce the notion that McGuinty was too inexperienced to lead the province. In the background, Hampton was highly critical of Eves and actively promoted public ownership of Ontario’s power grid, but experienced problems getting his message to a majority of voters.

Against this backdrop, the campaign was devoid of much excitement, and quickly became a non-contest after it had seemed to be shaping up to be a closer race than was expected. It was also a campaign where no one issue consistently dominated the debate, despite the recent blackout and a variety of high-level crises over the past two years. Instead, issues such as health care, education, ownership of the provincial power grid, tax cuts, auto insurance, the environment, and electoral reform all came and went during the four weeks of the campaign. Rather, it was a campaign dominated by the presentation of two distinct sets of governance— Eves’s neoconservative economic and social agenda versus McGuinty’s economically centrist and socially liberal agenda.

After narrowing the lead in the first week of the campaign, and actually pulling even with the Liberals, the Tories started fading at the end of the second week, losing voters not only to the Liberals but also the NDP. From that point on, the Liberal lead consistently reached double-digits. On September 5, an Ekos poll showed the Liberals at 43.5 percent and the Tories at 42 percent. However, at the mid-point of the campaign, a poll released by Ipsos-Reid showed that the Liberals had climbed to 49 percent, with the Tories at 36 percent and the NDP at 12 percent. One week later, these numbers remained virtually identical, with 48 percent of the voters choosing the Liberal Party, compared to 31 percent for the Progressive Conservatives and 15 percent for the NDP. In the latter stages of the campaign, McGuinty refused to claim an early victory, despite all indications pointing to an imminent victory. Faced with a series of unfavorable polls, Eves was forced to spend too much time dismissing the

polls, claiming that his party was not “toast” and would be elected by a “silent majority” of voters. However, the plight of Eves was confirmed as a gradual progression of support for the NDP prompted Hampton to muse that his party, and not the Tories, would form the official opposition to the Liberals.

There seem to be three general reasons for this shift in support away from the Tories in the middle weeks of the campaign, all of which contributed to the final margin of the Liberal victory. Firstly, voters quickly cooled to Eves’s negative campaign, which especially in the early stages was more focused on attacking McGuinty’s character than explaining its own policies. At the same time, Eves alienated many undecided voters as his negative rhetoric focused on criticizing groups from teachers to unions while attempting to sooth his small-c conservative base by coming out against same-sex marriage and in favor of the death penalty. This negative campaigning was exemplified in perhaps the most significant turning point in the campaign, when a memo from Eves headquarters was sent to reporters referring to McGuinty as “a reptilian kitten-eater from another planet.” Whatever the intent of this ill-advised and bizarre memo, it served to erase any gains the Tories had made in the first week of campaigning. After its release, they never came within 10 points of the Liberals again.

Secondly, McGuinty ran a clean, if unspectacular, campaign that featured none of the mistakes he committed in the 1999 election. Having consulted with advisers to past Democratic campaigns in the United States, McGuinty was better prepared in 2003 than he was in 1999. He not only improved his image during the campaign, but also put on a mistake-free performance during the September 23 leaders debate. At the same time, McGuinty did a better job of selling the Liberal platform as a credible alternative to eight years of Tory government. Together, this performance allowed the Liberals to effectively criticize Eves’s record in government while instilling doubt in voters concerning Eves’s claims that McGuinty was unfit to lead. One especially important campaign coup for McGuinty was the endorsement of his economic plan by the conservative Ontario chapter of the Canadian Taxpayers Association, where he signed the Taxpayer Protection and Balanced Budget Act, which pledged not to raise taxes without first holding a provincewide referendum. This endorsement of McGuinty’s economic plan by an organization ideologically closer to the Tories than the Liberals was especially hurtful to an Eves campaign that had shifted strategy from attacking McGuinty’s leadership skills to portraying the Liberals as the party of tax hikes and budget deficits. Coupled with McGuinty’s consistent message of change, and his refusal to mount personal attacks against Eves, this allowed the Liberals to maintain a high level of support throughout the race.

Thirdly, it simply seems that after eight years of Tory rule, many voters were just ready to trust their government to another party. This contributed to a situation with Eves campaigning on the defensive from the start, a tide that never changed throughout the four weeks. It also explains why Tory attack ads and negative campaigning found little audience: the voters were more inclined to listen to a new message rather than to a campaign that often gave the impression it had no clear vision for the future. This was evidenced throughout the campaign by polls showing that the number of people desiring a change of government was 60 percent: this number remained virtually identical from September 2 until October 2. Moreover, it didn't help that Eves ran the most unspectacular campaign of the three front-runners. Indeed, beyond the counterproductive "reptilian kitten-eater" memo, the Eves campaign was dogged by several mistakes by Eves himself, including a campaign stop where he could not remember the overall cost of his campaign promises, and another stop where he referred to the "Liberal government" instead of the Liberal Party.

Overall then, as the voters went to the polls on October 2 there seemed to be little doubt that the Liberals would win the election, having maintained a double-digit lead over the course of the final weeks. The only question that remained was whether they would win a majority government.

MCGUINTY AND THE FUTURE OF ONTARIO

A mere 30 minutes after the polls closed, Ernie Eves conceded the election, and Dalton McGuinty became the 24th premier of Ontario. Speaking to a crowd of supporters in his hometown of Ottawa, McGuinty proclaimed, "the people of Ontario have chosen change...they've chosen more than just change in terms of their government, they've chosen something more profound, they've rejected a negative message and chosen a positive one." McGuinty was visibly thrilled with the result, partly because this election represents vindication for a man many believed would never become the premier of Ontario. However, although this victory has given McGuinty a chance to prove his critics wrong, it most likely represents the end of the road for Ernie Eves and Howard Hampton as leaders of their respective parties, despite their victories in their home ridings.

With such a solid victory and a clear mandate to govern, McGuinty must now turn to the delicate task of implementing his agenda. This will not be easy. A man with no previous experience in office, McGuinty is now the head of a province containing one-third of Canada's population (rapidly growing with Canada's highest immigration levels), a \$500 billion economy (roughly the size of the Netherlands), a \$66 billion budget (which could already be severely in deficit), and a \$28

billion health care system under severe strain (Ontario also ranks last of all the provinces in spending devoted to post-secondary education). Moreover, with his party sending 72 representatives to Queens Park, he will also need to delicately balance the process of selecting his 24-member cabinet, ensuring adequate geographical representation while not alienating sectors of his party. However, the greatest challenge may be simply living up to the mandate he has been handed. With many voters and interest groups disillusioned after years of Tory government, expectations will be high, and initial indicators suggest that McGuinty may have trouble keeping all his campaign promises.

Indeed, as opposed to Eves, who ran a campaign promising \$5.3 billion in tax cuts tailored to specific groups, McGuinty's centrist, big-ticket platform has many more supporters to keep happy (rumor has it that immediately following his victory, the fax machine at Liberal headquarters was swamped with messages from different groups congratulating McGuinty on his victory and promoting specific agendas). McGuinty has proposed a comprehensive agenda centered around an ambitious \$6 billion spending pledge. This includes significant investments in health care and education, where, among other promises, McGuinty pledges to hire 8,000 new nurses, correct Ontario's severe doctor shortage, invest in new MRI machines, cap class sizes at 20 students or fewer, as well as invest millions of dollars in public education by rescinding the education tax credit the Tories directed to private schools. McGuinty's promises also extend to infrastructure, where he has promised to invest in the province's electricity grid and to extend hydroelectric capacity around the province while phasing out the province's coal-powered plants by 2007, which currently generate 30 percent of Ontario's capacity. More spending is also planned in public transit and roads, especially in the greater Toronto area, where the rapidly growing city has experienced a shortage in funds for infrastructure.

Finally, McGuinty has also pledged to upgrade current capabilities at the Ontario-U.S. border, where three of Canada's five busiest crossings lie, and where over half of all Canada-U.S. trade crosses every year.

How McGuinty will pay for these promises is perhaps the biggest question mark, and, because he presides over a majority government, will represent the most crucial determinant of his success in office. What must be most worrying for McGuinty, however, is that none of the potential problems that could derail his agenda are firmly in his control. Although the Liberal budget has been endorsed as fiscally sound, there are already concerns that the unknown extent of the provincial deficit will be higher than expected. McGuinty's budget and spending estimates were calculated

with a small deficit in mind. However, a study by the conservative Fraser Institute, authored by former Ontario Tory policymaker Mark Mullins, argues that the real budget deficit is more likely in the range of \$4.5 billion. McGuinty acknowledged this possibility in the latter stages of the campaign, hinting that this will cause his government to temporarily suspend some of its spending pledges. To date, however, it has never been specified where these cuts will occur. It will be extremely interesting to see what happens when McGuinty opens up the province's books, as his platform is ill-prepared for unexpected surprises, and he is on record promising balanced budgets and no tax hikes (the exception being the corporate tax rate). As a result, McGuinty has left himself little room for error, and if a larger than expected provincial deficit results in a delay in implementing significant parts of his platform, the Liberals will face their first major challenge in office.

Two other issues imperil the affordability of the Liberal platform. Firstly, incorporated into McGuinty's budget, which was drawn up in March, is \$2 billion promised by the federal government for health care spending. As Deputy Prime Minister John Manley hinted last month, however, a downturn in the economic outlook means that the provinces may in fact not receive this money. Secondly, McGuinty's platform is dependent on Ontario's economy remaining robust in the upcoming years. Although early indications show that Ontario's economy should remain fairly strong in the years to come, buoyed by early signs of an economic revival in the United States, the provincial economy was already hit hard by external shocks such as the blackout and especially SARS. Moreover, it may need to weather the continuing rise of the Canadian dollar, which will continue to make Ontario exports more expensive to the United States. Together, these factors highlight that there exists much potential for the provincial economy to falter, often because of unexpected events. Should a recession hit, or should another unexpected shock hit the economy, McGuinty may need to raise taxes or run deficits to finance his platform. Otherwise, he will once again have to consider the pros and cons of delaying the implementation of much of his agenda.

INTER-PROVINCIAL RELATIONS AND THE ONTARIO-U.S. RELATIONSHIP

McGuinty also represents a change of air concerning Ontario's role in federal politics and its attitude toward intergovernmental relations. McGuinty is on record as supporting the newly created Council of the Federation, where the provinces will meet annually to exchange ideas and forge a common voice vis-à-vis Ottawa, as well as the National Health Council, a body resulting from the Romanow commission on health that will monitor the health care system and ensure accountability, to which the Eves

government was hesitant to sign on in the past year. McGuinty has characterized Eves's confrontational attitude toward Ottawa as counterproductive and against the interests of the province. Moreover, McGuinty has been clearly in favor of working with the provinces to foster stronger interprovincial ties, especially with the new Liberal government in Quebec, with whom he expressed a desire to work closely after winning the election.

With Liberal governments in power in Ottawa, Quebec City, and now Toronto, it seems the stars are aligned in favor of McGuinty's goal. Indeed, McGuinty has already alluded to this recent alignment as a "historic opportunity" to promote provincial interests in Ottawa and to work together to create a better-functioning Canadian federation. Much of this newfound provincial goodwill should take place with the creation of a Toronto-Quebec City axis in the Council of the Federation. It will most likely happen as Premier Jean Charest and McGuinty share a common interest in receiving more money from the federal government: both premiers won office by making pledges not to raise taxes while promising a big spending agenda for health care and education, issues on which they could lose office should they fail to implement their agendas, or if they bankrupt provincial budgets in doing so. Necessity will therefore drive these premiers to work together to create a united voice for a correction of the "fiscal imbalance," a position on which all provincial governments should rally behind the Liberal partnership, as long as the process isn't seen as favoring central Canada. Early indications show that Paul Martin is open to the idea of exploring ways to better federal-provincial relations, and because he is on good terms with both Charest and McGuinty, it remains a possibility that they may convince his government to start giving more to the provinces. However, this may be easier said than done. As Jeffrey Simpson of the *Globe and Mail* has noted, Martin will inherit a fiscal situation where current federal surpluses are tied into other commitments for the foreseeable future, leaving him little room for maneuver. Moreover, he will make decisions only if they are not seen as being disproportionately beneficial to central Canada, as one of his major goals is improving the fortunes of the Liberal Party in western Canada. Therefore at a minimum McGuinty's election leaves the door open for a potent new provincial partnership to develop within the Council of the Federation. Even if McGuinty and Charest will fight for their own provinces first, their ideological similarity and the convergence of their respective provincial economic situations could be a powerful force for change in favor of the provinces.

With regard to the Ontario-U.S. relationship, McGuinty's agenda represents a continuation of the Tory policy of a pro-trade government seeking friendly relations with the United States and an expansion of foreign direct investment (FDI) in

Ontario. In his electoral platform, McGuinty supports strong ties with the United States, and stresses the importance of creating the conditions in which Ontario has the ability to attract significant FDI. He also targets a significant investment in infrastructure, such as highways and border crossings, as a key to Ontario's future economic growth. Such a policy is logical. Ontario, more than any other provincial economy in Canada, is dependent on access to the U.S. market. Each year, Ontario and the United States trade Can \$360 billion, making Ontario the fourth-largest trading partner of the United States after Canada, Japan, and Mexico. Ontario's economic prosperity is in fact more closely tied to the U.S. market than that of Canada: 92.2 percent of Ontario exports go to the United States, and 73 percent of Ontario imports come from the United States. As a result, it would not be surprising to also see McGuinty spend significant time early in his government developing old and cultivating new relationships with local and state counterparts in the United States, and promoting Ontario as a great place to do business. Judging by their platform, the Ontario Liberals see Ontario as a great example of a region that has benefited from deepening North American integration, and their platform seems geared to maintaining this situation.

THE END OF THE "COMMON SENSE REVOLUTION?"

In the end, the election represents a significant victory for the Ontario Liberals and a potentially troubling defeat for the Tories. In stark contrast to the recent Tory government, inspired by Mike Harris's "Common Sense Revolution," the Liberals won this election selling a different style of governance, with an ambitious platform containing increased government spending and a promise to improve interprovincial relations. It is a message most voters accepted as best for the future of the province. This becomes evident when one notices the fundamental shift in support for the Liberals in the infamous "905" region. Referring to the telephone area code for the middle-class suburbs that surround the greater Toronto area, the "905" region was the region in which Mike Harris earned the necessary support to launch, and to sustain, the "Common Sense Revolution." It became the main battleground in past elections, and recently served as the main bastion of Tory support. However, whereas the Tories held 18 of the 19 seats in the "905" before the election, this time around the Liberals won 12 seats.

Ontario is therefore now part of a solid Liberal majority in Canadian politics, and has overcome its traditional distrust of voting for the same party at the federal and provincial levels. However, the question remains if this result can be characterized as a simple victory for the Liberals, or whether it constitutes something more historic. To be sure, the result is in large part reflective of the unpopularity of the Eves

government, and of its lackluster campaign. In many ways, the Liberals won this election not because of their great ideas, but rather because they made no mistakes and were the most credible alternative to the Eves government. On a deeper level, however, this election also represents a rejection of the "Common Sense Revolution." At the end of the day, the electorate significantly rejected the neoconservative economic and social agenda of the "Common Sense Revolution" in favor of a return to an era of governance where public spending on issues such as education, health care, and infrastructure are more important to the province's competitiveness and standard of living than tax cuts and a reduction in the size of government. Indeed, after eight years of Tory government, it appears a majority of the electorate has decided that the benefits of the "Common Sense Revolution" have recently been outweighed by the costs.

It would be premature, however, to argue that the "Common Sense Revolution" is dead. It is worth remembering that the Liberals received less than 50 percent of the total vote, some of which constituted a vote against the Tories rather than a vote for the Liberals. McGuinty's platform is also an ambitious agenda that could see the Liberals quickly back away from promises made during the campaign. Therefore the future of provincial politics will largely depend on how the Liberals govern Ontario over the next five years, and how they navigate the significant obstacles that will come their way in implementing their agenda. Like Jean Charest in Quebec, McGuinty has convinced the voters of Ontario that his vision of change was the right choice for improving the future of the province. Traditionally, however, the voters of Ontario have turned to the Tories for their government, and have been quick to boot the Liberals out of office if they delivered less than was promised. To be sure, McGuinty has earned the right to govern. He ran the smoothest campaign, had the most comprehensive agenda of the three candidates, and presented the voters with the clearest vision for the immediate future of Ontario. It would therefore be unwise to doubt McGuinty's capacity to govern, or underestimate his ability to implement his agenda. But it is also worth remembering that a lot is at stake. Should McGuinty prove successful, it is conceivable that the Ontario Liberals could emulate the recent electoral success of their cousins at the federal level, which would deal a strong blow to the future of the "Common Sense Revolution." However, should he fail, it could once again be a long time before the Liberals occupy Queens Park as the governing party.

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