

## ONE ECONOMY, TWO SYSTEMS

*Christopher Sands*

### OVERVIEW

The mood of voters in Canada and the United States-as expressed in the elections of 2000-is remarkably similar, because they increasingly share **one economy**. Citizens of both countries are pleased with prosperity-yet were willing to consider change.

- ✍ In both countries, political parties asked voters to resolve the bitter partisan battles of recent years by picking a clear winner in November 2000. Americans, and then Canadians, refused.
- ✍ Despite these similar voter moods, the outcomes of the two elections can be explained by differences in the two political systems.
- ✍ The U.S. system of checks and balances pits parties against one another, giving Americans the chance to watch the two sides battle for public support.
- ✍ The Canadian system emphasizes order and, above all, stability-moving conflict into the ranks of political parties themselves but making a governing majority easier to achieve.

### The Moody Twins of November 2000

Think back to October 12-Columbus Day in the United States and Thanksgiving Day in Canada. Then, Americans knew that they were approaching a major federal election and were individually sorting through their misgivings about the candidates. Canadians did not know then that they, too, would be voting in November, but many watched the American debates in sympathy with their neighbors and the choice they faced.

In retrospect, it is possible to talk about the mood in both countries-particularly now that their elections have taken place and have cast their shared ambivalence into stark relief. In November 2000, Canadians and Americans were moody twins.

Everyone supported continued prosperity, but popular opinion did not credit incumbents with the success of recent years. In the United States, voters took credit themselves, or assigned it to the markets, new technology, and entrepreneurs. In Canada, voters more modestly gave credit for Canadian prosperity to the American boom, while acknowledging a role for the new technology as well. Expectant politicians hoping for laurels were largely denied by their electors.

Politicians in both countries disappointed the voters of 2000. Incumbents had lost their charm-in the United States, Al Gore showed none of the deft political touch of his patron President Bill Clinton; in Canada, the once-endearing "little guy from Shawinigan," Prime Minister Jean Chrétien had turned old, grumpy, arrogant, and aloof. Yet, challengers met with lukewarm reactions too. George W. Bush never quite convinced the public that he was presidential enough,

while in Canada the opposition parties fielded an unimpressive gaggle of leaders as their standard-bearers. Stockwell Day, the Alberta treasurer who became leader of the Canadian Alliance-the most serious challenger to the governing Liberal Party majority-just months before the election call ran a clunky campaign, and his youth and energy failed to persuade the voters of battleground Ontario to give him a chance. Gilles Duceppe, the Bloc Quebecois (BQ) leader, worked hard, but demonstrated little charisma and was saddled with the perennially losing platform of Quebec separation-not enough, despite Chrétien's personal unpopularity in Quebec, his home province. Alexa McDonough, who leads the social-democrat New Democratic Party (NDP), has made very little impression on voters at all. The former prime minister and current leader of the Progressive Conservative Party, Joe Clark, could not recapture lost support in Ontario and the west, despite a brave performance during the campaign that demonstrated the virtues of his experience in national politics.

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Disdainful of the partisanship of recent years in Washington and Ottawa; disaffected from the politicians who sought their support; optimistic about the potential of the new century and their own prospects; pleased with prosperity and peace, yet yearning somehow for change-voters in both countries went to the polls with mixed emotions and rendered similar verdicts.

### **Americans Vote What They Can**

In the United States, voters split their support so finely that they made history with a statistically improbable balance in both the presidential and congressional races. Of 435 seats in the U.S. House of Representatives, 220 now form the narrow Republican majority facing the Democratic minority, 211-strong. The 100 seats in the Senate look to be evenly split, making the identity of the eventual vice president crucial with either Republican Dick Cheney becoming the Senate's tie-breaking vote or, should Democratic Senator Joe Lieberman become the vice president, the Republican governor of Connecticut, by selecting a fellow Republican to replace Lieberman, will give the Republicans a one-seat advantage.

The closeness of the presidential race is even more astounding. It may take months for final numbers to be determined, but early results sent shock waves through the American body politic. Gore appeared to have won the popular vote narrowly, while Bush captured more states; Gore had more initial Electoral College votes pledged to him, but Florida's 25 votes remained in the balance and could make either man the eventual victor. Polls for much of the campaign showed the two candidates closely matched in support, with advantages often falling within the statistical margin of error.

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How could Americans risk this precarious situation that would send the new president to Washington without a clear mandate? The answer lies in the security most Americans feel in their prosperity and in peacetime. While U.S. allies and rivals anxiously wait to see who will ultimately occupy the White House, they look with concern on a Congress so closely split that it will make every piece of legislation difficult to pass, and they wonder whether governance can proceed wisely now, or at all. But Americans see in the inevitable gridlock a continued protection from

federal government ambitions, a neutralization of partisan programs that will result in mushy, messy moderation. And why not? Despite the rhetoric about saving social programs and restoring the military, neither side persuaded Americans that their approach was best. But since both sides agreed that some action was necessary, voters simply sent them off to work out a compromise.

This is possible-even desirable-because the U.S. system of checks and balances is made to withstand and even encourage partisan conflict. Power is divided among separate executive, legislative, and judicial branches of government-each of which is hounded by a free press that ensures public scrutiny. The absence of a major threat to the current peace and present prosperity made divided government in the United States more probable, not less.

### **Canadians Accept What They Must**

Sharing in the Canada-U.S. economy as they do, Canadians are prosperous too. True, they have enjoyed only five years since the end of their last recession, compared to the American ten, but the optimism and energy of the new economy and the present boom is infectious. Their sense of physical security is virtually unshakeable, even in the face of U.S. appeals to pay greater attention to terrorist threats that seek to exploit the openness of the Canada-U.S. economy. Canadians cluck that Americans may have enemies-thankfully, weak ones-but Canada is beloved.

For more than two years before the current campaign, the opposition parties in Parliament tried relentlessly to convince Canadians that all was not so rosy in the country-taxes were too high, the government was spending their money foolishly, Canadian competitiveness was slipping, the country was becoming too American, health care was in crisis, social programs needed reform and new funding-but could not stir much alarm. But, as in the United States, these critiques did create a vague, unfocused desire for change. Maybe.

One thing most Canadians agreed on in October 2000 was that they did not want an election. It was not inevitable that there be one, as it was in the United States. The Canadian House of Commons is elected with a five-year mandate, but an earlier election can be called if the government is defeated on a critical motion, or at the pleasure of the prime minister. The 1997 election gave Chrétien and the Liberals a mandate to govern until 2002, but the prime minister saw an opportunity to catch the opposition divided and disorganized and saw called the election after only three and a half years in power. During that time there were few notable achievements that the government could point to, and there was even less that they could say about what they intended to do if elected-such comments would have inevitably raised questions about why they hadn't done them before calling the election so early. In this sense, the Liberals went to the voters as if seeking an extension of the due date on their homework, rather than a new mandate. And now Chrétien has his extension, without a personal or policy mandate, which is what he seemed to want.

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The Canadian voters gave Chrétien this majority grudgingly, as they clearly signaled prior to the election that a wide majority felt the prime minister should retire from politics. At 67, Chrétien has been in Canadian politics since 1963 and has largely worn out his welcome with the public. A dynamic, endearing character in his younger days when he rose to prominence as a protégé of the late prime minister, Pierre Trudeau, Chrétien has become more distant from the public, from the media, and even from his own party backbenchers and cabinet ministers. However, experience matters in national campaigns, and Chrétien has the best team of organizers and advisers in the country working loyally at his side. With their help, the prime minister fashioned

one of the most negative campaigns in Canadian history, in which the opposition leaders were eager participants, launching daily attacks on Chrétien that became more personal as the campaign wore on.

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So, Canadians have a new government for which they saw no great need. The two things they wanted-to be spared an election and to see Chrétien retire graciously-they were denied. And the outcome of the election, which actually increased the size of the Liberal majority, seems likely to keep Chrétien in politics even longer.

### **The Politics of Perhaps**

In a sense, after a season of bitter partisanship had come to dominate in both Washington and Ottawa, political parties said to their respective voters, "Resolve our quarrels-give one of us a mandate to deal with the nation's pressing challenges." Both countries' voters refused. It is the prerogative of the comfortable victors of the Cold War, who have fashioned a world order to their immense advantage, to take such decisions at their leisure. They have their bread, and now demand only circuses.

What can we expect from two governments without clear mandates, whose appeals for popular support were met with a resounding "maybe" on both sides of the border?

In the United States, the new president will have the challenge of building a post-election mandate through a combination of new appeals to his fellow partisans for moderation, to the leaders of the other party for bipartisanship, and to the public for its trust and support. It is not an unprecedented situation-John F. Kennedy did it after his narrow victory over Richard Nixon in 1960, for example. But it will take time and effort and more political skill than either aspirant to the presidency has shown to date.

Given the narrow majorities in both chambers, it will be difficult to move legislation forward in the 107th Congress,. But it will not be impossible, and also not without precedent-the logrolling and vote trading of past congressional sessions is legendary. But this, too, will take more statesmanship than has been demonstrated by the congressional leadership of both parties in their careers. The first casualty of the process is likely to be the much-heralded surplus, which will vanish in a flurry of bridges and senior centers in districts from Alaska to the Florida Keys. The second casualty, which Canadians more than anyone else have reason to fear, will be foreign interests. Six votes from representatives of the Pacific Northwest may be enough to launch new softwood lumber challenges-a small price to pay to pass the budget.

There may even be a brief season of moderation, broken inevitably by the onset of the 2002 congressional elections in which both parties will see hope of gaining the upper hand in the legislature. But they should not underestimate how much the American voter may prefer the state of affairs that frustrates both sides so much.

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In Canada, voters are likely to have the last laugh in the Parliament they have now created. Although annoyed by Chrétien's obstinate longevity, they are clearly not convinced that the opposition is ready to be entrusted with government. For the last three national elections, Canadians have divided their support between the Liberals and four opposition parties. The collapse of the once-mighty Progressive Conservative party in a wave of disenchantment with former prime minister Brian Mulroney reduced this party from a governing majority to just two seats in 1993. Since then, no clear alternative to the Liberals has emerged. The party with the best chance this time around, the Canadian Alliance, had spent more than a year trying to repackage itself to win more support, particularly in Ontario. The Progressive Conservatives tried to mount a comeback, hoping to regain lost support with a former prime minister at the helm. The NDP and the BQ hoped to expand support beyond the limits of their respective ideological bases, with little success.

So, when they went to the polls, Canadians opted not to restore the partisan equilibrium of the past—a long-standing balance between one party in government and one dominating the opposition as a legitimate contender. It was not yet time.

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This creates a difficult dynamic in a parliamentary system of government. Without an effective opposition, the party in government will tend toward arrogance as its members feel themselves invulnerable. Opposition parties must scramble for media coverage and funds, and it is harder for them to place issues of strong concern to their constituents on the national agenda. This situation will frustrate many in the opposition, as well as many within the Liberal caucus who wanted a clearer result. The opposition parties must struggle to expand on their narrow mandates, retooling their platforms and possibly replacing their leaders. Meanwhile, the Liberals will remain rent by divisions over who should ultimately replace the prime minister—and whether Chrétien should respect the public's feeling and leave at all. By sending the Liberals back to power but without a clear mandate or endorsement for Chrétien, the Canadian voters have refused to resolve the Liberals dilemma for them.

Canadian voters cannot be forced to make a decision by a snap election, as all sides should know by now. In 1995, after more than a year of polls that showed that Quebec voters did not want to be bothered by debates over the constitution or separatism, the provincial government called a referendum anyway. The famous result split the public down the middle, with 50.6 percent opting to keep Quebec in Canada, and 49.4 percent willing to begin the road to separation. It was a great nondecision, whose only guaranteed outcome was more wrangling that has continued ever since.

Policy was moot in this Canadian election, which revolved more around personalities and character assassinations than issues. But Chrétien deserves credit for sensing the mood for moderation better than most Canadian or even U.S. politicians. He promised the public virtually everything that anyone wanted—in moderation, of course. He announced more funding for health care, and modest tax cuts prior to the election. For Atlantic Canada, there would be more regional economic development money. This would make governing from the middle, and moderately, much easier.

Also, unlike the United States, Canada's parliamentary system ensures that the government has a working majority in the legislature, and there is a strong tradition of party discipline so that the passage of key legislation will not be difficult. But the wild card for the third Chrétien government will be the influence of the United States.

### **One Economy, Two Systems**

This may be the most telling lesson of the elections of November 2000 in the United States and Canada: that, after years of closely integrating, the two countries share one economy while retaining two very distinctive political systems. The shared economy, and more precisely the shared prosperity, generated similar moods among voters in both countries. Disheartened by the choices they faced, Americans and Canadians voted for moderation, and chose not to resolve the partisan bickering of recent years.

The two political systems, however, rendered different results. In the United States, there will be uncertainty, gridlock, and tense relations between the 43rd president and the 107th Congress. In Canada, there will be stable government, but continued internecine battles within the Liberal Party over Chrétien's tenure-as well as within opposition parties whose members will be asking how they can break through with enough public support to be entrusted with the government in the future. The difference between the two systems is exactly as their respective architects intended. The U.S. Constitution places value on a system of checks and balances that distribute power among institutions and sets up complex challenges for politicians, who can succeed only by courting the public. Canada's constitution, with its emphasis on ensuring "peace, order and good government" favors stability-a historical reaction to the turmoil of the U.S. Civil War.

At a moment when many point to the domestic divisions in both societies, it is important to acknowledge that, in fact, voters across the Canada-U.S. economy share wide agreement on fundamental issues, while their two political systems are reacting to the expression of popular will according to differing designs. By appreciating the nature of the "one Economy, two systems" political-economy that operates in the Canada-U.S. relationship as economic integration deepens between them, it is possible to view the elections of November 2000 together, as a lesson in the similarities and differences that endure at the dawn of the 21st century.

### ***About the Author***

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