

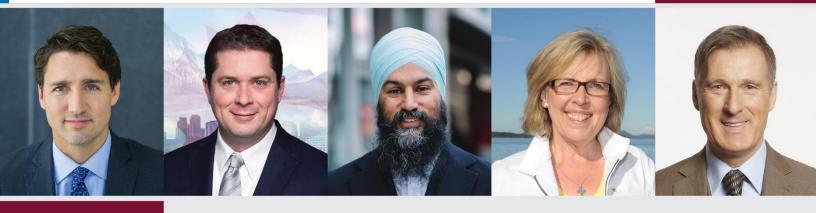




ELECTION 2 0 1 9

Newsletter

October 4, 2019



News from the Campaign Trail

- Liberals promise billions in new spending in 2019 election platform
- Andrew Scheer's experience in the insurance industry: '6 or 7 months'
- Sparks fly in French-language election debate
- Official leaders' debates to cover 5 topics, include questions from Canadians
- · Scheer on his dual Canadian-U.S. citizenship: 'I've never been asked about it'

Liberals Release Full Campaign Platform

The Liberal Party has released their full campaign platform.

Many of its significant tenets had been teased out beforehand (as discussed in last week's newsletter). The biggest reveal in the full platform was the party's pledge to help Canadians with more generous student loans. A Liberal government will give fulland part-time students up to \$1,200 more per year through increased Canada Student Grants and provide them with a more flexible repayment schedule, taking into account things such as a person's job and parental status. In Ontario, the Doug Ford government is set for a contentious fall with teachers and education support workers; the teachers unions are saving that Ford's cuts hurt kids. They're threatening a general strike that

would affect millions of parents. In offering improved student loans, the Liberals want to remind Canadians that they support education. They're saying Andrew Scheer would reduce government services much like Doug Ford. The Liberals need centre-left voters in Ontario to come out and support them if they're going to win another majority, and they hope that progressive education policy will appeal to these people.

Indeed, the Liberal's entire platform tilts to the centre-left. A Liberal government would help people in a wide array of circumstances. They'll help you with the purchase of your first house. They'll subsidize your prescription drugs and guarantee that you'll have access to a family doctor. If you're a new parent, you will receive more income

from the Canada Child Benefit, and you'll have lower childcare fees. The Liberals will even reduce your cellphone bills. For those who've recently lost a job, a Trudeau-led government has proposed a number of changes that will provide you with more generous Employment Insurance benefits, and the government will also help you re-train and re-skill for the new economy.

Politically, it's hard to argue against these measures.
Canadians are kind and caring. They want our social safety net to assist people in times of need. No one should suffer needlessly. The Liberal party under Justin Trudeau has taken these goals to heart. Driven by an ideology focused on caring and fairness, they have unveiled a generous platform that will appeal to

centre-left voters. It could also help them negotiate a minority government with the NDP and Greens.

But the federal government cannot be all things, to all people, all the time. Governments must have priorities. Otherwise, spending can easily get out of control.

Indeed, the Liberal party's platform would add \$31.5 billion to the federal debt by 2023-24. Annual deficits would be between \$20 to \$27 billion. The government would take on this debt at a time of historically low interest rates and a growing economy. Any changes to world affairs could greatly affect these projections. The question for

many is whether Canadians should be paying for increased social spending during these good times or saving for the next recession.

But the Liberals are a political party. They must respond to the will of the people. Canadians don't appear to be particularly concerned about debt or deficits. They're generally in favor of government programming, and they want their government to help them get ahead.

The Conservatives recognize this fact, too. The policies they've announced so far are also focused on pocketbook issues. Conservative leader Andrew Scheer hasn't committed to balancing the

budget in his first term as Prime Minister, Although he believes in a more limited form of government, he doesn't want to be labelled as a slashand-burn conservative (although his opponents are happy to call him that anyway). With Trudeau tacking to the left, Scheer has the opportunity to propose a centrist platform. He can promise peace, order and good government. So far, though, Scheer seems more mindful of the People's Party stealing Conservative voters, and he's offered plenty of red meat to his base. We'll watch for the Conservative platform to be released soon and we'll provide a comparison of the parties' campaign promises on specific topics.

Leaders Face Three Debates in Early October

Earlier this week Liberal leader Justin Trudeau, Conservative leader Andrew Scheer, NDP leader Jagmeet Singh and Bloc Quebecois leader Yves-François Blanchet faced off in TVA's French-language debate. (Elizabeth May and Maxime Bernier were excluded from the debate, since their parties have no elected MPs in Quebec.) It was an important test for all of them. Quebec is central to Canadian politics, especially in this election. TVA is the leading broadcaster in the province, and the debate gave every party a chance to persuade Francophone voters in the province.

Justin Trudeau and the Liberals are leading in Quebec. His main goal was to survive the debate and look Prime Ministerial while doing it. He succeeded. The other leaders attacked him on his environmental leadership as well as his stance on Quebec's *Bill 21*, the legislation that bans public

sector workers from wearing religious attire. *Bill 21* is popular in Quebec, and Yves-François Blanchet accused Trudeau of working to repeal it. But Trudeau was able to talk about his government's investments in Quebec, and he stayed cool under pressure.

Andrew Scheer was hoping to burnish his reputation in Quebec, but, for the most part, he was on his backfoot. He was immediately attacked for his position on abortion. He also had to defend his position on the environment. Quebecers dislike his idea of a national energy corridor; Trudeau, Singh and Blanchet repeatedly tagged him as a climate change skeptic.

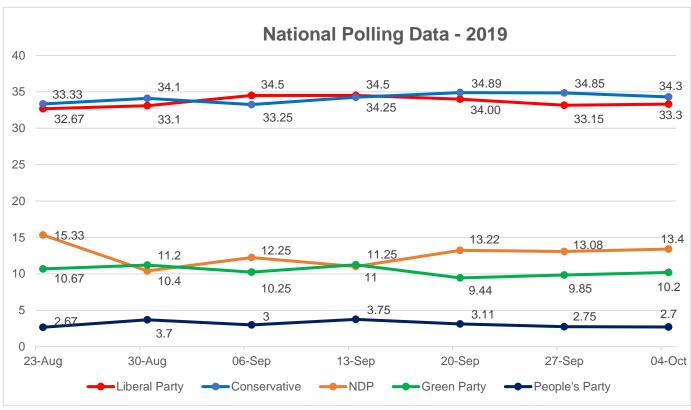
Expectations were low for Jagmeet Singh. Many pollsters believe the NDP will be wiped out in Quebec. Singh had to present well to have a chance of saving any of the party's 14 seats. Many

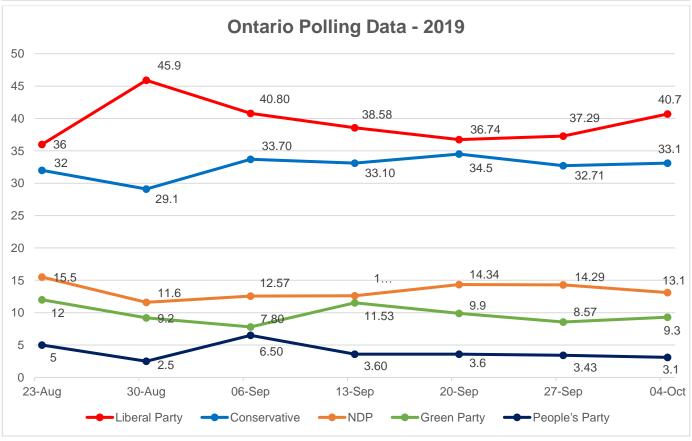
Quebecers are wary of electing a practicing Sikh; the province has a long history of secularism. Singh took this challenge head on, emphasizing his connections with Quebecers and francophones. He argued that his progressive policies align with the aspirations of the province. Overall, he did a good job, but it's probably too late to save his party's fortunes in the province.

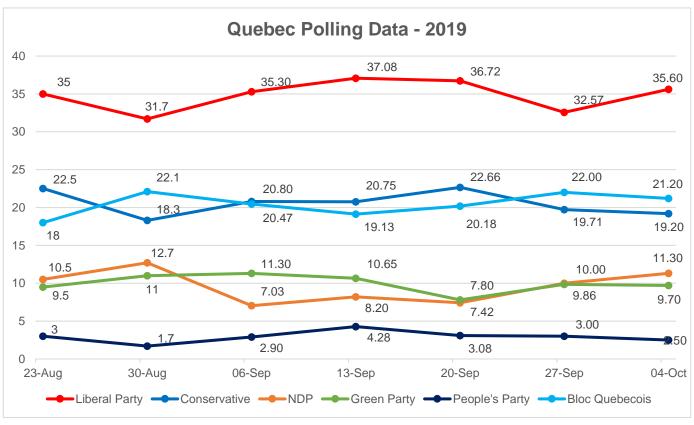
Blanchet presented well, but he was professorial and condescending. Not his best night.

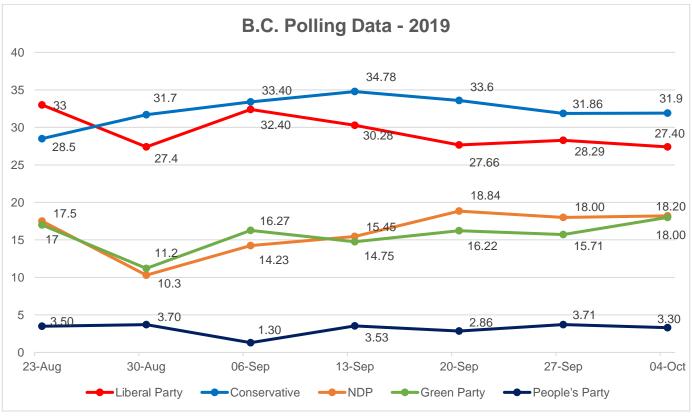
This debate was the first of three taking place in early October. Next week, the leaders will square off again during the two official debates (one English, one French). Elizabeth May and Maxime Bernier will join them on stage. Debates are always critical moments of any election, and we'll be watching both of them closely. Next week's newsletter will include our analysis.

Polling









What the Numbers Tell Us

Another week has passed and yet the national polls show little to no movement. The Liberals and Conservatives remain in a statistical tie. The NDP and Greens are in a fight for third place, and the People's Party is polling under three percent.

However, the regional numbers are changing. Whatever effects the Liberals suffered after the blackface scandal appear to have ended in Quebec and Ontario. The party has bounced back in both provinces, boding well for the Liberal's chances at forming another majority government.

But the horserace remains tight. No one party has broken through. As discussed above, the Liberal party released their party platform this past Sunday. It contains many significant policies, ones that could greatly increase the Canadian social safety net. But, by Tuesday, Canadians had already moved on. Not much is resonating with the electorate, and consequently, a large section of Canadians remains undecided.

A recent Angus Reid Institute poll shows the unsettled state of affairs. Approximately 38 percent of Liberal voters are "absolutely certain" they'll vote for the party. The Greens and NDP voters are 26 percent and 27 percent committed to their respective parties. That compares unfavorably to the Conservatives; 68 percent of their base is absolutely certain they'll vote for the party.

Uncommitted voters are continuing to look for options, too. On the right side of the political spectrum, 30 percent of uncommitted Conservative voters are considering voting for the People's Party of Canada. On the centre-left, about 54 percent of uncommitted voters who intend on voting Liberal say that the NDP is their second choice. About 50 percent of uncommitted NDP voters are also considering the Liberals.

There were low expectations for Jagmeet Singh at the start of the campaign. But he has performed relatively well over the past few weeks. He had a good appearance on *Tout le monde en parle*, and he skillfully handled the Trudeau blackface scandal. Most recently, at the Atwater Market in Montreal, he confronted a racist with grace and dignity. If he continues to campaign favorably, perhaps voters will give him a chance.

The same could be said for Justin Trudeau. His progressive policy and impressive campaigning style give him a chance to capture many NDP voters. Trudeau needs to continue to look Prime Ministerial and remind voters of why they voted for him in 2015. His favorability numbers have taken a hit lately; the same Angus Reid poll said 63 percent to Canadians have a negative view of him, while 35 percent have a positive opinion. But campaigning is what he does best. He still has the opportunity to influence many voters.

Next week's debates could be one of the last opportunities for the leaders to sway the outcome of election 2019. We're still waiting for that breakthrough moment. Will we see it at the official debates?

Ridings to Watch

Prospectus has selected 20 ridings that are competitive races between the major political parties. By focusing on these ridings and seeing how well each party is doing over the course of the campaign, we can have a good idea of who will win election 2019.

You can view our interactive Ridings to Watch map, updated with the latest polling numbers, here.