

PRESS RELEASE LIBERALS DAMAGED BUT STILL POISED TO FORM GOVERNMENT

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Ottawa, ONTARIO. A new EKOS/Toronto Star poll finds the federal Liberals damaged by the recent sponsorship controversy, but still poised to form a government in a far more competitive political environment.

Highlights:

The sponsorship issue has significantly damaged the Liberals' support, contributing to an increasingly volatile political landscape. The Liberal advantage over the Conservatives is the smallest in over 10 years of EKOS polling, down 13 points from last December, with the Liberals also down as voters' second choice. The Liberals are, however, now garnering support 5 to 7 points higher than in national polls conducted a week ago.

The Conservative Party of Canada is emerging as a clear alternative to the Liberals, and there may be a more modest boost to the NDP's fortunes as well (they now lead as preferred second choice). The BQ is dramatically revitalized in Quebec (the "scandal" may have produced a backlash against the Liberal Party of Canada in that province).

The sponsorship issue is gaining unprecedented attention, and its short-term impact on the Liberals has been profoundly negative. For the first time in recent memory there is a sense of real possibility for a non-Liberal government emerging. Close to four in ten voters (including 19% of those who voted Liberal in 2000) say they have written off the Liberal Party of Canada because of ethics issues.

Despite these difficulties, evidence of a potential rebound for the Liberals is significant. Paul Martin still enjoys a huge lead as best choice for PM (with Harper gaining somewhat and Stronach close behind). Most voters still believe that a Liberal government is the likely outcome of next election (although a minority government is seen as a real possibility and more prefer this option).

The most common view on the sponsorship issue is that this scandal is bad, but not unlike other scandals (although 1 in 5 lean to much worse, and a similar number say it's the worst they can recall).

For Canadians, however, the defining issue for the next election should clearly be social issues like heath and education, not ethics and accountability. There are dramatic regional variations in this view, however, with ethics and accountability far more salient west of Ontario, and social issues dominant to the east. On this and most other survey measures Ontario truly defines the notion of "centre" in terms of values and priorities. Ontario will be the lynchpin of electoral success in the next election.

The public does not favour a spring election. More troubling for Liberal advocates of a spring election, the appetite for an earlier election (within the next three months) is higher in those regions (and voters) most exercised with the Liberals– notably Quebec.

For the new Conservative Party of Canada, prospects are the brightest (compared to PCs and Canadian Alliance/Reform) in over a decade, and they are the prime beneficiaries of the decline in Liberal support. The consolidation of Canadian Alliance and Progressive Conservative support, regional patterns of voter preference and a strengthened NDP (creating tighter 3-way races) may all work in favour of CPC. Belinda Stronach and Stephen Harper are now basically tied in vote appeal as leaders for the new party, with Tony Clement seen as something of an afterthought by voters.

Regional support patterns have also shifted:

- > British Columbia: Liberals lead in BC, but Conservative Party of Canada and NDP have strength as well
- ➤ Alberta: Stronghold for Conservative Party of Canada/Liberal inroads unlikely
- Prairies: Very tight 3-way Conservative -Liberal –NDP race
- Quebec: Large Liberal Party of Canada lead displaced by very tight 2-way race with Bloc (with potentially huge implications for outcome of next election—only 10% see ethics as a defining campaign issue *versus* over 20% in the rest of the country)
- Ontario: Once the Liberal fortress, now threatened by much stronger Conservative Party of Canada and some NDP strength
- Atlantic: shows Liberal Party of Canada and Conservative Party of Canada very close

Analysis:

EKOS President Frank Graves offered these views on the findings:

The decline in Liberal support:

"This is the steepest and most rapid decline in Liberal Party of Canada fortunes in contemporary political history," Graves says "it's is more than a blip – now registered on four national polls, although comparing these findings with earlier ones from Ipsos-Reid suggests the bleeding has stopped and we are seeing a rebound."

"Since the scandal is mostly seen as bad, but "typical", why the strenuous response from Canadians?" Graves continued. "We would see three key factors at play: first there has been much greater attention, both in the media and government to this issue. All this focus has increased the salience of the issue. The Auditor General has also been more visible and aggressive, and the Prime Minister has underlined rather than discounted the significance of the issue – in the long-term this approach may pay off, but in the short-term it has reinforced feelings of outrage."

"Second is the united right – even a leaderless and policy-less united Conservative Party of Canada seems to have already borne some political fruit; there is a new sense of plausible alternative to Liberal dominance.

"Third, and this is less certain, but we may be at one of those tipping points, where a critical mass of the public have moved from being inured to outraged".

Potential for a Liberal rebound:

Graves does feel that Liberal fortunes may well improve, for a number of reasons. "Economic confidence and confidence in the broad direction of the country remain very high," he said. "The Liberals need to reconnect with this underlying optimism and confidence about the country and play on the strength that Mr. Martin is still overwhelmingly seen as the best prospect for Prime Minister.

"Ontario remains fertile ground for the Liberals" Graves continued, "but it's looking to be much more competitive than in recent elections.

"Mr. Martin's constituency is shifting" Graves added, "he used to appeal in almost equal measure to both "small c" conservatives and "small l" liberals, but now clearly more to liberals and it may be time to re-focus on a core constituency of centre-moderates. If you want to find one key for the Liberals it may well be public health care. That may be the ideal Liberal wedge issue for the upcoming campaign (set up by the Premiers' recent statements). For now it's basically the idea of continuity – stick to the plan and return to themes found in the Speech from the Throne (which have broad traction with the core Liberal constituency)".

The CPC:

"The Conservative Party has emerged as a serious force in Canadian politics" Graves said "It's particularly striking when you consider that there in the throws of a Leadership race and have yet to stake out a policy platform. Belinda Stronach's appeal is also a bit of a surprise considering pundits dismissed her as a political neophyte. She edges out Stephen Harper in terms of garnering potential votes for the new party and has the lowest unfavourable numbers in terms of alienating support from the CPC".

Questions to be answered:

"This is a pretty fascinating and lively time for observers of Canadian politics" Graves commented, "and there are a number of pieces that still have to come together: Who will win the Conservative Party of Canada leadership and on what platform? Can the NDP exploit the volatile and fluid environment – and if so why haven't they been able to a better job of it yet? Can the BQ aspire to balance of power in a possible minority government? Will voters adjust their current desire to punish the Liberals when they entertain the growing conviction that a Conservative Party of Canada government is a real possibility? Can the Liberals raise the salience of health care and stake out a solid, separate position form the Conservatives?"

Methodology:

These data are based on telephone interviews conducted February 23 to 25, 2004 with a random sample of 1,020 Canadians aged 18 and over. A sample of this size provides a margin of error of +/- 3.1 percentage points, 19 times out of 20. The margin of error increases when the results are subdivided (i.e., error margins for sub-groups such as regions).

All the data were statistically weighted to ensure the sample's regional, gender and age composition reflects that of the actual population of Canada according to Census data.