

Harper shaken by scandals, defections and cheap oil as rivals encircle him

Canada diary Jeff Heinrich

In the dead of winter, the last thing on most Canadians' minds is the prospect of another federal election. The official deadline for this year's vote - 19 October - is still a long way off, and there are more immediate worries in this G7 nation of 35 million people: the struggling economy, the drop in value of Alberta oil, the fast-sinking Canadian dollar, security scares over home-grown Islamist radicals, the war in Iraq and Canada's military role there.

But it's precisely those and other everyday worries - and the fact that the country's Conservative government could use them to distract from its own stumbles and scandals as it seeks a fifth mandate into a new decade in power - that suggest an election could happen sooner than later. There could be a snap vote as early as April, after the budget. And when the writ is dropped, expect a hard-fought, three-way race.

Prime minister Stephen Harper and his Tories have governed Canada since 2006. For their first two terms, they held on to power precariously as a minority government, but were boosted to a solid majority (166 of 308 seats) after the last nationwide vote in 2011. That run could be coming to an end, however, for a number of reasons, one of which is the unexpected resurgence of the third-running Liberal party.

Justin Trudeau became leader of the Liberals two years ago, vowing to reverse their dismal showing in the last election, when they won only 34 seats. A 43-year-old political neophyte, he offers youth, good looks and a pedigree as the eldest son of the late Pierre Trudeau, Canada's most famous prime minister. Though faulted for his inexperience, Justin Trudeau polls well, with the Grits now neck-and-neck with the Tories at about 33% of the vote.

To Trudeau's left, politically, but trying to steer closer to the centre to appeal to Canada's large middle class, is another fluently bilingual Québécois. The New Democratic party's Thomas Mulcair doesn't have Trudeau's charm but does excel as a debater and orator. Polling at about 22%, the official opposition NDP is also unique among the three par-



Tough road ahead ... Stephen Harper in parliament Jason Ransom/Getty

ties already rolling out its platform, step-by-step, since last summer. It includes measures such as tax breaks for small businesses and a national child-care programme. Mulcair's power base is heavily concentrated in Quebec, however, and is ripe for picking by Trudeau's Liberals.

Another weakening factor for

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the governing party: the NDP and the Liberals have been quick to capitalise on the Harper government's scandals. Chief among them: illegal "robocalls" in Ontario in the 2011 election that misled voters on where to vote (a junior Tory staffer was found guilty) and allegations of fraudulent expense claims by Tory senators that came to light in 2012 (the first criminal trial is set to begin in April). The Tories have also been in the line of opposition fire for underestimating the cost of replacing Canada's fighter-jet fleet, tainted meat scandals that followed the gutting of Canada's food-inspection agency, and a dismal environmental record on pollution and climate change.

But a lot in the coming election will hinge on events beyond any of the three parties' control: namely, the sputtering of Canada's oil-based

economy amid plunging international prices for crude; the threat of hostilities spreading in eastern Europe with Russia's military intervention in Ukraine; and the effect on national security of Islamist terrorism and the insurrections in Iraq and Syria, including a shooting on Parliament Hill in Ottawa in October.

Harper brought in a sweeping anti-terrorism bill this month to address the issue of homegrown radicals and give greater powers to Canada's national security services to spy on and intercept them. If he can convince voters that continuity is better than change and that his foreign experience - including sending troops to Afghanistan and Iraq - counts more than his opponents' untested abilities abroad, he could pick up votes come election day.

But in recent weeks, the prime minister's confidence has been shaken by a number of defections in the Tory ranks. Earlier this month, Harper's foreign minister and chief lieutenant John Baird resigned, while another young Ontario MP, Eve Adams, jumped ship to Trudeau's Liberals. Last week, Jason MacDonald, Harper's chief spokesman, also announced he was stepping down.

The economy remains the biggest issue. With oil prices having recently dipped below \$50 a barrel - half of what they were just six months ago - the Harper government has had to rethink its strategy of betting on production from the Alberta tar sands.

Swept up in the oil plunge is the Canadian dollar, which now trades at around 80 US cents, more than 20% off what it was two years ago. While a boon for Canadian exporters whose products now cost much less in the US, their main market, the weak dollar means higher prices for consumers at home, higher costs for importers and more worries for Canadians living outside the country.

One other wild card, politically: because of electoral reform legislation the Tories introduced in late 2011, riding boundaries have been re-drawn and 30 more seats added for this election. The redistribution generally favours the Conservatives, but it also makes it harder for any single party to win a clear majority, setting the stage for more political instability for Canada.

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