

DATA DIVE WITH NIK NANOS

THE ELECTION HAS BECOME A HORSE RACE

How do we explain the swing in public opinion? It’s clear that the Conservatives’ lead in the polls was not an embrace of Poilievre or his party’s policies. Rather, it was a repudiation of Trudeau and his government

OPINION

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By the end of 2024, the next Canadian federal election was shaping up to be a car crash for the Liberals. The party, which has been in power since 2015, seemed destined for political exile. Despite weathering U.S. President Donald Trump’s first term, the pandemic, the SNC-Lavalin affair and the WE charity controversy – or probably because of these things – Justin Trudeau had become a polarizing figure, while Conservative Leader Pierre Poilievre was probably measuring the drapes in the Prime Minister’s Office.

With a massive 27-point Conservative advantage at the beginning of 2025, the expected showdown between Mr. Trudeau and Mr. Poilievre was shaping up to be a disaster for a tired Liberal government that had hit its best-before date. Not often does one see massive, short-term swings in a non-election campaign period.

But Mr. Trudeau’s resignation, Mr. Trump’s musings on tariffs and the subsequent election of Mark Carney as Liberal Leader, has resulted in a significant change. The upcoming federal election is going to be a horse race.

How do we explain the swing in public opinion? It’s clear that the Conservatives’ lead in the polls was not an embrace of Mr. Poilievre or his party’s policies. Rather, it was a repudiation of Mr. Trudeau and his government.

Apart from the race narrowing, two other data trends have redrawn the battle lines for the next election. At the end of 2024, 54 per cent of Canadians said they would consider voting Conservative. That has since declined to 43 per cent. In late December, only 35 per cent of Canadians said they would consider voting Liberal. That has now increased to 50 per cent, surpassing the Conservatives.

The anger once directed at Mr. Trudeau has shifted toward Mr.

Trump. When we asked an open-ended question regarding today’s top national issue of concern, Mr. Trump received the most responses – concern about Mr. Trump and U.S.-Canada relations received 27 per cent of the responses, up 12 points in four weeks. When asked what will influence their vote, a recent CTV News/Nanos survey suggests two of three Canadians will be swayed by who they think can best deal with Mr. Trump (36 per cent).

Mr. Trump has triggered an unusual mix of emotions in Canadians. A new Globe and Mail/Nanos survey shows that Canadians are experiencing anxiousness for the future (67 per cent), are

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avoiding the internet/news (31 per cent) and feeling financial stress (23 per cent) as a result of the current diplomatic tensions with the United States. The same survey shows that our self-image as a nation has improved (30 per cent) or somewhat improved (25 per cent) over the past year, while our view of the U.S. has fallen off a cliff. Almost nine in 10 Cana-

dians say their opinion of the United States has worsened (78 per cent) or somewhat worsened (10 per cent) compared to a year ago.

Add to the emotion the dampening consumer confidence which started literally the day after Mr. Trump won the presidency. In advance of November’s U.S. election, Canadian consumer confidence, as measured by the Bloomberg/Nanos Canadian Consumer Confidence Index, was in positive territory. That’s no longer the case, and about six in 10 Canadians think the economy will further weaken over the next year.

The combination of Mr.

Trump’s assault on the Canadian economy and Mr. Trudeau’s resignation in short succession have been game changers, refocusing voters on the future instead of the past. If the next election was about the past 10 years, Mr. Poilievre would be riding high and crushing the Liberals. Right now, the next election is shaping up to be one about the future and who could best navigate the changing world order.

Buckle up, because the federal election is going to be a wild ride. When the numbers swing quickly in one direction, they can swing again and yet again. Today’s trend line, which is favouring the Liberals, can change – and change quickly.

We can also throw preconceptions about party loyalty or anger at the incumbents out the door. Expect voters to size up the choices not based on their track record or snappy sound bites but on a cold, hard assessment as to who can best deal with Mr. Trump and who can help Canada best navigate a changing world economy.

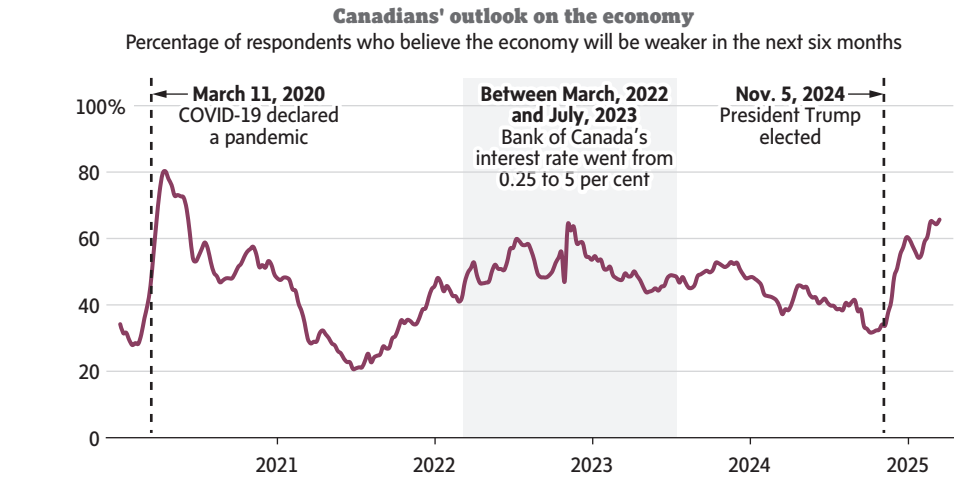
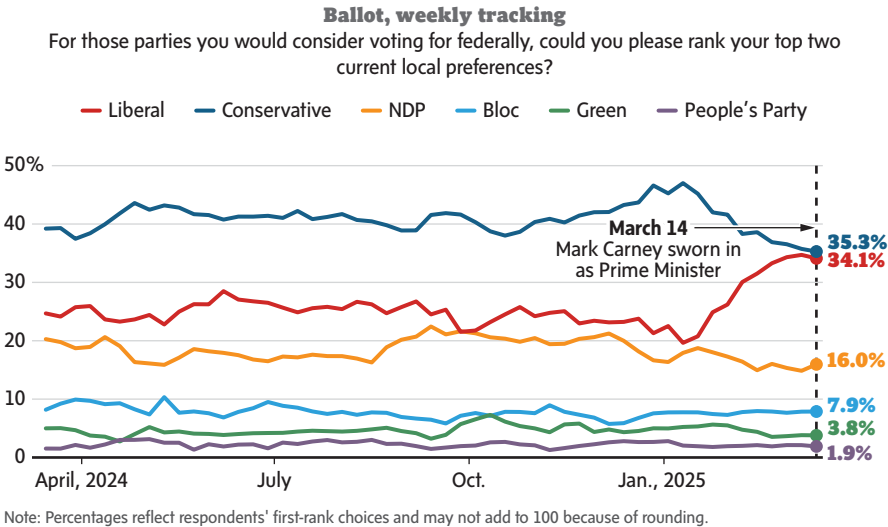
Speaking of Mr. Trump, he is both an accelerant and enabler of instability. Expect the party leaders to see both their political rivals and Mr. Trump as their opponents. The prolific and almost daily commentary from the White House on Canada will undermine the ability of Canadian political leaders to shape the narrative of the coming campaign. The ironic twist is that for a nation fixated on possible foreign interference in our democracy, the 2025 election could very well showcase another country’s open and transparent influence on the Canadian election.

Canadians face some very clear yet imperfect choices. On the one hand, Mr. Poilievre is a battle-hardened and disciplined politician. On the other hand, Mr. Carney can claim experience navigating things like the Great Recession and Brexit, but remains politically untested.

A competitive election is good for democracy and good for those who aspire to lead our nation. This campaign will likely be as important as the epic 1988 free-trade election, when Canadians laid the track for the country’s future.

The outcome is uncertain, though one thing isn’t: Everyone’s vote will matter this time.

What Canada is thinking



MURAT YÜKSELİR / THE GLOBE AND MAIL, SOURCE: NANOS RESEARCH

Here’s hoping these are the highlights in the next Throne Speech

TONY FELL

OPINION

Former chairman of RBC Capital Markets and the board of trustees of the University Health Network

By now, we have heard all about the major challenges we face in Canada, which are much easier to diagnose than cure. The next government, under the leadership of a new prime minister, can reset this country’s priorities.

It’s a chance to reshape the country, placing greater reliance on the private sector, reducing regulation and bureaucracy and restoring economic vibrancy, growth, productivity and entrepreneurship. Most importantly, Canada can bring in new policies to restore pride, patriotism and confidence in our country, which had been sadly diminished in recent years.

Canada is no longer a serious player on the global stage, and is weak and vulnerable. We will be better positioned if we elect an action-oriented leader who has a confident vision, the strength of character and the oratorical skills to make it happen. Canada’s place in the world can be fully restored and then some. When the next government gets started, here are some highlights I’m hoping to hear in the Speech from the Throne.

The federal government will ask the Supreme Court for a formal ruling on whether it’s constitutional for provinces to maintain interprovincial trade barriers. The wording and the intent in the Constitution about the unfettered passage of goods and services is crystal clear, but has been manipulated and deliberately misinterpreted over the years by the Supreme Court and many premiers in their own interests.

Are we one country? Let’s find out. Political leaders have talked a lot about free trade within our borders, but are they prepared to walk the talk? Or is it just bluster?

The government will announce its flat-out support for the private sector to begin simultaneous construction of the Energy East oil pipeline, to achieve self-sufficiency, and the Northern Gateway pipeline, to diversify our markets, as well as a gas pipeline to the Maritimes to facilitate LNG plants on the East Coast. These pipelines must be built on an emergency basis for national security reasons. The approval process will be vastly accelerated as much work has already been done.

This government’s goal will be for Canada to be totally self-sufficient in oil, natural gas and electricity, including a coast-to-coast interconnected electrical transmission power grid to protect against regional blackouts.

In the next two years, a plan will be made to privatize Canada’s three major airports and the Port of Vancouver, with our major pension plans and international investors playing a prominent role. Airports and ports have been privatized around the world to great effect, so why not here? Our airports are among the most expensive and inefficient in the world, and such facilities will be far more efficiently managed by the private sector.

The federal government will introduce legislation requiring all able-bodied young people between the ages of 16 to 21 to spend at least one year in community service with modest compensation, or alternatively, they could elect to serve a year in military training. Our young people have pride and patriotism and a desire to give back.

Recent polls show high food prices are one of the biggest concerns for Canadians. Accordingly,

the new government will immediately introduce legislation to disband supply management of dairy and other agricultural items, which have significantly driven up prices. Supply management is a political sop. This will be a good test to see if our new prime minister and his government have the backbone to do the right thing or if they will just play politics as usual.

There is a widespread recognition that Canada’s health care system and the Canada Health Act are significantly outdated and coming up short. Our health care system is dysfunctional, bureaucratic and too expensive. There are major shortages of family physicians and medical equipment across the country and, most importantly, wait times for specialists and surgeries are extreme and far longer than in other countries.

This government has zero interest in a U.S.-style health care system, which is both highly expensive and dysfunctional. Accordingly, the government will establish a commission with a one-year mandate to study health care systems in Australia and Europe, particularly in Scandinavia, that are lower cost on a per capita basis and have much shorter wait times as well as private sector alternatives. Alternatively, the federal government will consider amending the Canada Health Act so that all provinces and territories would be permitted to have the health system which currently prevails in Quebec, permitting private sector alternatives. We should not have two health care systems in Canada, one for Quebec and one for the rest of us.

The federal government will immediately transition our complex and totally dysfunctional and confusing immigration system back to the elegant points system with a clear focus on skilled trades, which prevailed

prior to this Liberal government.

We will also take a look at securities regulations in Canada. Currently administered by 10 provinces and three territories, the system is complex, dysfunctional and expensive – an annoyance for both domestic and international investors. Accordingly, the new government would immediately work with the provinces to replace the existing structure with a new national securities commission.

In regards to government finances, we will immediately cancel the planned hike in the capital gains inclusion rate, bringing it back to 50 per cent.

Within three years, Canada will spend 3 per cent of our GDP on defence, and hit 4 per cent within five years. Our focus will be on military equipment, and increasing our number of troops and their compensation – not on building up Ottawa’s defence bureaucracy.

There is a price to be paid for an independent and self-sufficient Canada, national security and strong defence. To pay for this, there should be a modest shift away from income taxes, which create a disincentive to earn more money, to consumption taxes. Corporate taxes should be level with the U.S. or moderately lower, and the GST will be increased to 7 per cent or higher from 5 per cent, where it was initially, with most of the increase going to defence and our universities and medical schools. Many countries in Europe and elsewhere have much higher sales taxes. Are Canadians prepared to invest in their country?

Canada’s federal government work force has risen rapidly over the past decade, faster than GDP. This is unsustainable. Accordingly, this government will introduce legislation that freezes the federal public service at the current level for two years, after which this pol-

icy will be reviewed. There will be no layoffs and no new hires, with the exception of medical personnel, active military service and air traffic controllers.

As of this speech, we will reduce the number of federal cabinet ministers by 25 per cent. We will also reduce the staffing in the Prime Minister’s Office and the Privy Council Office by 50 per cent, as both have far too much authority. Let’s have a real cabinet with power for a change.

In regards to housing, it’s time to admit that the tax-free capital gains status for principal residences has morphed from being a nice vote getting idea decades ago to incredibly bad public policy. It’s driving up house prices and wealth disparity to totally unacceptable levels, leading to increasing social tensions. This unjustified tax preference should be eliminated gradually over 10 years. This tax change will be a political hot potato but it’s the right thing to do. Is the new prime minister up to it?

To encourage resource development, new mines will not incur any income tax for five years after they have reached commercial production, or alternately, will not pay any income tax until they have recouped their entire development costs.

It’s now totally apparent that Canada has been sleepwalking through the past two or three decades, drifting into state socialism and taking far too much for granted. Now we have hit the wall, and it’s time for substantive change in a number of major areas, including healthcare, defence, immigration, tax policy and the public service.

It’s time to boldly invest and build Canada to demonstrate our independence and sovereignty and restore our position on the global stage as a serious player. This is not the time for halfway measures.