

Do Canadian Political Parties Form a Cartel?*

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Introduction: The Cartel Model of Political Parties

For the past half century, the study of political parties in Western democracies has focused on the relationship between the parties and their social bases. Less attention has been paid to the internal structures of parties and their relationship with the state. In recent years this imbalance, which was particularly pronounced in the Western European literature, has begun to be redressed.¹ Taxonomies of party organization, explanations of change in party structure and analyses of parties in government have become increasingly sophisticated. This article examines one recent model of party organization, Richard Katz and Peter Mair's cartel model,² and asks whether the cartel theory accurately describes Canada's federal parties.

Katz and Mair argue that the cartel party is the fourth, and most recent, in a series of party models shaped by changing political and social conditions. The first model, the elite party (which corresponds to Duverger's "cadre party"), arose in the nineteenth century to represent the established social and economic interests in politics. The mass party evolved later, partly as a reaction against the elite parties and

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1 See, for example, Robert Harmel and Kenneth Janda, "An Integrated Theory of Party Goals and Party Change," *Journal of Theoretical Politics* 6 (1994), 259-87; Angelo Panebianco, *Political Parties: Organization and Power* (Cambridge: Cambridge University Press, 1988); and Richard S. Katz and Peter Mair, eds., *How Parties Organize: Change and Adaptation in Party Organizations in Western Democracies* (London: Sage, 1994).

2 Richard S. Katz and Peter Mair, "Changing Models of Party Organization and Party Democracy: The Emergence of the Cartel Party," *Party Politics* 1 (1995), 5-28.

partly as a result of franchise extensions. The mass party's large and highly mobilized membership, stable social base and emphasis on internal accountability became the standard model by which political parties were judged in the 1950s and 1960s.³ Consequently, the shrinking party memberships and increasingly volatile electorates of the postwar era have been misinterpreted as harbingers of party decline. But Katz and Mair contend that since 1945 political parties have grown less dependent on society for their economic and political resources, and more dependent on the state—which they control. So the evidence of an eroding relationship between parties and civil society, while worrisome from a democratic point of view, signifies a *change* in party structures rather than a *decline*.⁴ This is the most distinctive feature of the cartel party model: the extent to which political parties have come to depend on the state for their resources as their social bases shrink.

The two dominant party models since the Second World War are the catch-all party (first identified by Kirchheimer⁵) and the cartel party. Catch-all parties are “competing brokers between civil society and state”⁶ whose members play a limited role in shaping public policy. Their election campaigns are less labour intensive than those of mass parties, relying more heavily on expensive professional services. Catch-all parties must compete for access to the media, whereas many mass parties operate their own communication outlets. Finally, catch-all parties derive their income from a number of different sources: their members, interest groups, individual donors and corporations. Mass parties, by contrast, are more dependent on their members and on affiliated groups such as unions.

Katz and Mair date the emergence of the cartel party to around 1970. In many respects, the cartel party resembles the catch-all party: professional and capital-intensive campaigns, shrinking memberships and a brokerage approach to winning votes. But cartel parties are distinguished from the three earlier party models by “the interpenetration of party and state” and by “a pattern of inter-party collusion.”⁷ Unlike

3 Peter Mair, “Party Organizations: From Civil Society to the State,” in Katz and Mair, eds., *How Parties Organize*.

4 This observation is not unique to the work of Katz and Mair. Réjean Pelletier has made a similar point in his recent work: “The Structures of Canadian Political Parties,” in A. Brian Tanguay and Alain-G. Gagnon, eds., *Canadian Parties in Transition* (2nd ed.; Scarborough: Nelson, 1996), 136-59.

5 Otto Kirchheimer, “The Transformation of the West European Party Systems,” in Joseph La Palombara and Myron Weiner, eds., *Political Parties and Political Development* (Princeton: Princeton University Press, 1966).

6 Katz and Mair, “Changing Models,” 18.

7 *Ibid.*, 17.

Abstract. This article summarizes the cartel model of party structure and tests it against the experience of the Canadian party system in the 1990s. Four claims are evaluated: that the three dominant parties in the House of Commons before 1993 colluded to exclude new parties; that they used state subsidies in their own interest; that the 1993 election result was a backlash against the cartel parties; and that Canadian parties are adopting new leadership selection methods in order to allow their leaders greater autonomy. The article concludes that the first two claims are valid while the latter two are not, and discusses some of the implications of these findings for Canadian parties and for the cartel model itself.

Résumé. Après avoir fait le bilan du modèle du cartel dans la littérature sur la structure des partis politiques, on cherche ici à l'évaluer dans le contexte canadien. Les propositions suivantes sont scrutées à la loupe : les trois partis représentés à la Chambre des Communes avant 1993 se sont entendus pour exclure toute nouvelle formation; ils ont utilisé des deniers publics à des fins particulières; l'élection de 1993 a révélé l'ampleur du mécontentement populaire; les partis canadiens adoptent désormais de nouvelles méthodes de sélection de leurs chefs pour les rendre plus autonomes. Les conclusions de l'auteur portent tant sur le système des partis politiques au Canada que sur le modèle du cartel.

catch-all parties, cartel parties depend almost exclusively on the state for their funding and other political resources. This dependence is partly the cause, and partly the effect, of a growing public apathy towards party politics. Memberships are shrinking and donations stagnating, so parties have to find new sources of revenue. At the same time, the costs of election campaigns have skyrocketed as voters become more fickle and as the technology of campaigning becomes increasingly sophisticated and expensive. So the parties must turn to the state, whose resources they control, for the funds needed to ensure their survival. They also begin to collude in making laws which restrict outsiders' access to those resources.

It is the parties, in their role as governors, who are ultimately responsible for both the rules regarding state subventions as well as for the amounts of money and resources that are made available. . . . Precisely because these subventions are often tied to prior party performance or position, whether defined in terms of electoral success or parliamentary representation, they help to ensure the maintenance of existing parties while at the same time posing barriers to the emergence of new groups. In a similar vein, the rules regarding access to the electronic media . . . offer a means by which those in power can acquire privileged access, whereas those on the margins may be neglected.⁸

Cartel parties blur the distinction between members and non-members, "inviting all supporters, whether formally enrolled or not, to participate in party activities and decisions."⁹ This development is especially visible in leadership selection, in which all members—even those most recently affiliated—are allowed to vote. Mair argues that this method

8 Ibid., 15.

9 Ibid., 21.

of selecting party leaders reduces the leaders' accountability to the rank and file, because it takes power away from the activists and gives it to less committed members. The latter cannot effectively hold the leaders to account because they are atomized, not organized.¹⁰

Thus freed from the demands of their followers, the leaders of cartel parties pursue their own interests and those of the careerists in their inner circles. Politics becomes a profession. All participants in the cartel seek to promote the security of the "ins" and minimize challenges from the "outs." The shared interests of the cartel take precedence over the interests of society and the health of democracy, and competition among its members is muted. The relationship between political parties and the state, which is the central theme of Katz and Mair's analysis, has come full circle. The elite parties grew out of the state, attracting public support and resources in the name of state consolidation. On the other hand, mass parties emerged outside the state, and tried to make it accountable to (and representative of) particular economic interests. Catch-all parties straddled the divide between the state and civil society, brokering the demands of various social groups and using the state to provide the resources needed to solidify the accommodations eventually reached. But cartel parties have lost their foothold in civil society. They exist almost entirely within, and for, the state. They collectively control its resources, which they manipulate in order to ensure their own survival.

The cartel-party model rests on a purely instrumental conception of democracy.

Central to the earlier models was the idea of alternation in office—not only were there some parties that were clearly "in" while others were clearly "out," but the fear of being thrown out of office by the voters was also seen as the major incentive for politicians to be responsive to the citizenry. In the cartel model, on the other hand . . . there is an increased sense in which electoral democracy may be seen as a means by which rulers control the ruled, rather than the other way around.¹¹

Democracy becomes a practical matter of renewing political leadership by revolving power among the various members of the cartel, instead of a way to limit state power or hold rulers accountable. Elections are merely "a service provided by the state for civil society."¹²

Since democratically contested elections, at least as currently understood, require political parties, the state also provides (or guarantees the provision of) political parties. In the end, of course, it is the parties in power that are the

10 Mair, "Party Organizations," 16.

11 Katz and Mair, "Changing Models," 22.

12 Ibid.

state and that provide this service, and it is thus their own existence that they are guaranteeing.¹³

Paradoxically, the efforts of the cartel parties to guarantee their own security sow the seeds of their downfall. "While the cartel parties may be able to limit competition among themselves, they are of course unable to suppress political opposition more generally."¹⁴ As the cartel parties become increasingly dependent on the state, they become less and less capable of brokering the demands of social interests. Frustrated, the interests form their own groups and take their cases directly to the state, bypassing the cartel parties. Disaffection with the unresponsive cartel leads to the formation of new parties, such as the Reform Party of Canada, which "appear to be gaining great mileage from their assumed capacity to break up what they often refer to as the 'cosy' arrangements that exist between the established political alternatives."¹⁵

The cartel may respond to these threats by "placing barriers in the path of new parties seeking to enter the system, for example, the predication of state subventions on prior electoral performance or the restriction of ballot access."¹⁶ Eventually, the new parties capitalize on public discontent and overcome the obstacles imposed by cartel-generated state regulation. Katz and Mair do not address the question of whether these newly successful parties will form a cartel to replace the old one; this seems likely, given that the same state resources which corrupted the old parties will still be in place to tempt their successors.

The similarity between Katz and Mair's cartel party model and their catch-all party model can be confusing. The crucial difference between the two is the interpenetration of party and state, which developed after the heyday of the catch-all party in the 1960s. The cartel model strongly resembles Angelo Panebianco's model of the "electoral-professional party," the party type which he considers to be the most characteristic of the 1980s and 1990s.¹⁷ This party model, as the name suggests, is primarily oriented toward winning elections, and is dominated by professionals with specific, highly technical, jobs. The "mass bureaucratic" party, Panebianco's other ideal type, has been weakened by the same environmental factors which favour the evolution of the electoral-professional party: changes in class structure and advances in communications technology. As electorates become increasingly unstable and volatile, and as political communication

13 Ibid.

14 Ibid., 23.

15 Ibid., 24.

16 Ibid., 23-24.

17 Panebianco, *Political Parties*, 264.

becomes almost exclusively mediated, political parties turn to professional technicians in order to maximize their electoral opportunities. These professionals displace the loyal party bureaucrats and grass-roots members who had been essential to previous campaign efforts. They also cost huge sums of money, which forces the parties to seek new and richer sources of revenue.

One result of this professionalization of the parties has been the creation of highly specialized entourages which surround party leaders, effectively insulating them from the demands of their followers.¹⁸ Another result, which leads us back to Katz and Mair, has been the growing symbiosis between parties and the state, as parties become more and more dependent on public funds and as their leaders become ever more distant from their social bases. Even the catch-all party had some role in "subcultural defence."¹⁹ But the cartel party is much more self-motivated. Changes in the environment of the party system after 1970, such as the adoption of Canada's federal election-expenses legislation, brought the cartel party model into being.

A Canadian Cartel?

The foregoing is a necessarily brief sketch of a rich and detailed argument. There are *prima facie* reasons to argue that it does not apply to Canada, beginning with the lack of genuine mass parties in Canada (despite the efforts of the Co-operative Commonwealth Federation and the New Democratic party). Another reason is the authors' discussion of the political culture which tends to promote the formation of a party cartel. They assume that cartels will develop most readily "in those political cultures marked by a tradition of inter-party cooperation and accommodation," and will be retarded in a more adversarial, British-style culture.²⁰ Canada would appear to be a less promising home for cartelism than Austria or Sweden, with their long-established traditions of coalition government and co-operative policy making. Indeed, some might argue that Canadian parties, far from being collusive, are overly competitive. In one 1991 survey, for example, 89 per cent of respondents agreed that "Parties spend too much time bickering and quarrelling rather than solving important problems facing the country."²¹

18 S. J. R. Noel, "Patronage and Entourages, Action-Sets, Networks," in Tanguay and Gagnon, eds., *Canadian Parties in Transition*, 238-51.

19 William M. Chandler and Alan Siaroff, "Parties and Party Government in Advanced Democracies," in Herman Bakvis, ed., *Canadian Political Parties: Leaders, Candidates and Organization*, Research Studies of the Royal Commission on Electoral Reform and Party Financing, Vol. 13 (Toronto: Dundurn, 1991), 194.

20 Ibid., 17.

21 Harold D. Clarke and Allan Kornberg, "Evaluations and Evolution: Public Attitudes toward Canada's Federal Political Parties, 1965-1991," this JOURNAL 26 (1993), 291.

On the surface, then, the application of the cartel theory to Canadian parties appears dubious. But several factors favouring the development of cartel parties do exist in Canada. These include public subsidies for political parties, a tradition of party patronage²² and a "brokerage" approach to politics. Katz and Mair do not argue that their model applies *only* to states with accommodative political traditions, and that it therefore cannot be compared to the Canadian experience; indeed, they use Canada as an example of the backlash which brings down a cartel. However, their argument that the cartel model explains the development of Western party systems has not been empirically tested in Canada, despite this latter claim.

In order to establish that cartel parties exist in Canada, we would have to demonstrate that Canadian parties collude in controlling the state resources on which they depend. In addition, we might establish that the cartel has undermined its own position, and that the leadership selection systems of Canadian parties are changing in the ways which Katz and Mair predict. Four claims will be evaluated: (1) that the Progressive Conservative, Liberal and New Democratic parties have used their control of the House of Commons to exclude or impede new and smaller parties; (2) that these parties have used state subsidies in their own self-interest; (3) that there is a backlash against the "old-line" parties; and (4) that Canadian parties are changing their leadership selection procedures in order to free their leaders from effective accountability.

Collusion in the House of Commons

For much of the period between 1965 and 1993, the only officially recognized parties in the House of Commons were the Progressive Conservatives (PC), the Liberals and the NDP. The Liberals and PCs swapped the roles of government and official opposition, and the NDP was the third party. All three were represented on the Barbeau Committee that laid the foundations for the 1974 federal election law.²³ All three were entitled to special payments for their leaders, House leaders and whips under section 62 of the *Parliament of Canada Act*. These monetary benefits were restricted to parties with 12 or more members in the Commons.

From 1985 until 1993, all three parties sat on the Board of Internal Economy (BIE), controlling the financial and administrative affairs of

22 For an excellent history of party patronage in Canada, see Gordon T. Stewart, *The Origins of Canadian Politics: A Comparative Approach* (Vancouver: University of British Columbia Press, 1986), esp. 66-82.

23 Canada, Royal Commission on Electoral Reform and Party Financing, *Reforming Electoral Democracy*, Vol. 1 (Ottawa: Minister of Supply and Services, 1991), 329.

the House of Commons. Before 1985 the Commissioners of Internal Economy performed this role; they were four cabinet ministers whose deliberations were presided over by the Speaker.²⁴ In December 1984 the Special Committee on Reform of the House of Commons recommended that a new Board of Internal Economy be set up, comprising the Speaker, the deputy speaker, two cabinet ministers, the leader of the official opposition or a delegate, two government backbenchers and two opposition MPs. At least one of the two opposition MPs would be a member of the official opposition. Bill C-63, which reproduced the Special Committee's recommendation nearly verbatim, was passed into law in June 1985. The establishment of the BIE can be interpreted as a move by the governing Progressive Conservatives to extend their monopoly of power to include the other members of the cartel. The *Parliament of Canada Act* was amended in 1990 to stipulate that if the second opposition party had 12 or more members, it was entitled to the remaining place on the Board; if not, the seat would be filled by the official opposition. The effect of this amendment was to ensure that only parties with 12 or more MPs would be entitled to representation on the Board.

The question of official party status became controversial in 1990, when eight MPs left the PC and Liberal caucuses to form the Bloc Québécois (BQ). The BQ asked for research stipends and other privileges normally accorded to recognized parties; the Board and the Speaker refused. The controversy grew after the 1993 election that reduced the PC and NDP caucuses to two and nine members, respectively. When Parliament reconvened in January 1994 the 11 MPs were treated as independents: they were seated separately, denied supplementaries during Question Period, excluded from parliamentary committees and the Board of Internal Economy and stripped of their extra staff and office stipends.²⁵ Bill Blaikie, one of the remaining NDP MPs, argued that section 62 of the *Parliament of Canada Act* only applied to office and staff budgets, and did not extend to parliamentary privileges such as debate and committee membership. He asked the Speaker to seat the NDP members together, give them party privileges during Question Period, and otherwise treat them as an official party in all matters on which the Act was silent.²⁶ In his ruling, Speaker Gilbert Parent agreed to allow the NDP and PC members to sit as caucuses in the House. But he turned down the other requests, arguing that the denial of party privileges to groups with fewer than 12 MPs was the

24 Canada, House of Commons, *Report of the Special Committee on Reform of the House of Commons* (Ottawa: Minister of Supply and Services, 1985), 103-04.

25 Bill Blaikie, "The Status of Small Parties in the House of Commons," *Canadian Parliamentary Review* 17, 3 (1994), 29-32.

26 Ibid., 32.

established practice of the House, which he could not overturn without the express consent of a majority of the members.²⁷ Blaikie shrewdly assessed the implications of this ruling:

Perhaps the most disturbing implication of this ruling is that the rights of small political parties are to be left in the hands of the large political parties. The rights of some members now will be circumscribed by the political interests of their political rivals. . . . With the large parties elbowing the small parties out of almost any meaningful recognition, the House has come to resemble an unsupervised playground rather than a national legislative assembly.²⁸

Collusion over Election Laws

Of course, the major parties in the Commons control far more than their own office budgets. They also set the rules under which their members play the electoral game. The most important rules are the *Canada Elections Act* and the *Election Expenses Act*. The federal legislation provides a host of privileges and benefits to registered parties. In order to register with Elections Canada, which it must do during the first few weeks of an election campaign, a new party has to nominate 50 candidates before the nomination deadline. It must also demonstrate public support by submitting the names, addresses and signatures of at least 100 electors who are party members in good standing. If a new party fails to nominate 50 candidates in time, it cannot register. In addition, all previously registered parties have to re-register at the beginning of each election campaign. Any registered party with fewer than 12 MPs at dissolution is also required to nominate 50 candidates before the deadline. As of 1993, registered parties which cannot meet these conditions are removed from the register.

Registered parties are entitled to identify their candidates by putting the party name on the ballot. They are also entitled to purchase broadcast advertising time, to receive free time on television and radio, to issue tax receipts for donations and to claim partial reimbursements of their approved election expenses. To comply with the law, each is required to appoint an official agent, who must file a complete and audited report of the party's election revenues and expenditures with Elections Canada following each election.

The legislation has been amended several times since 1974. The most recent amendments were contained in Bill C-114, which was

27 The Hon. Gilbert Parent, "Speaker's Ruling," *Canadian Parliamentary Review* 17 (1994), 33-34.

28 Bill Blaikie, "Reflections on the Speaker's Ruling," *Canadian Parliamentary Review* 17, 3 (1994), 36.

passed in 1993. Like the earlier amendments,²⁹ the bill raised the barriers to outsider parties and protected the three largest parties. The bill was based almost entirely on a report from the Special Committee on Electoral Reform, which was ostensibly created to implement the report of the Royal Commission on Electoral Reform and Party Financing. The royal commission had argued that the Canadian Charter of Rights and Freedoms required governments to respect democratic rights and freedom of expression. If these rights and freedoms were to be put into practice, then fairness to all participants must be considered the overriding value in the electoral system.³⁰ The commission found that the existing federal election law failed the test of fairness for two reasons:

First, the thresholds candidates and parties now face represent a significant hurdle for election participants and exclude a number of legitimate parties and candidates from access to a reasonable share of public funding. Second, the present reimbursement system for both candidates and parties is based on the amount they spend, rather than on their level of popular support.³¹

In short, the election laws benefit the three major parties who wrote them, and harm the smaller and newer parties: "the current Canadian election-finance legislation based on the registration of political parties and reimbursement for campaign and media expenses strengthens the position of those already 'on the inside' and creates severe hindrances to the introduction of new parties or the expansion of small ones."³² Until 1993, the reimbursements to candidates and parties were virtually monopolized by the Liberals, PCs and NDP, along with the tax credits. Candidates of the cartel parties received 98.4 per cent of the reimbursements paid out after the 1988 election.³³ The total value of the candidate reimbursements was \$13,735,000, of which \$184,000 went to the Reform party and one independent candidate.³⁴

29 Khayyam Z. Paltiel, "Political Marketing, Party Finance, and the Decline of Canadian Parties," in Tanguay and Gagnon, eds., *Canadian Parties in Transition*, 403-22.

30 Royal Commission, *Reforming Electoral Democracy*, 322.

31 Ibid., 364.

32 Jane Jenson, "Innovation and Equity: The Impact of Public Funding," in F. Leslie Seidle, ed., *Comparative Issues in Party and Election Finance*, Research Studies of the Royal Commission on Electoral Reform and Party Financing, Vol. 4 (Toronto: Dundurn, 1991), 127.

33 Elections Canada, *Towards the 35th General Election: Report of the Chief Electoral Officer* (Ottawa: Elections Canada, 1994), 156.

34 Ibid.; and W. T. Stanbury, *Money in Politics: Financing Federal Parties and Candidates in Canada*, Research Studies of the Royal Commission on Electoral Reform and Party Financing, Vol. 1 (Toronto: Dundurn, 1991), 444.

The party reimbursements totalled \$4,959,000, 90 per cent of which went to the cartel parties.³⁵ The royal commission concluded that "the present reimbursement system has disproportionately overcompensated the three largest parties and their candidates and undercompensated the smaller parties, their candidates and independent candidates."³⁶

The cartel parties also received the lion's share of the broadcast advertising time during campaigns. In the 1993 election, the three cartel parties were allocated 64 per cent of the available paid time, leaving only 141 minutes to be divided among the other 14 parties.³⁷ The allocation formula is based primarily on the parties' performance in the previous election. The royal commission condemned the formula for its bias against emerging parties.³⁸ They argued that the system of allocating broadcast time during elections should be more equitable, to give all parties and candidates a chance to express their views to the voters.

It is clear from the preceding discussion that the pre-1993 electoral regime privileged the three major parties. The Special Committee tried to strengthen their position even further, dismissing much of the royal commission's work in the process. According to Dobrowolsky and Jenson, "The Special Committee operated on the basis of the all-too-familiar principles of short-term interest and electoral advantage. It assured the prominence of the three main parties whose representatives were the only members."³⁹ One striking example is the change to the nomination rules. Under the old law, a candidate had to pay a \$200 deposit when filing nomination papers with the Canada Elections Commission. Bill C-114 raised the amount to \$1,000, of which \$500 would be reimbursed upon submission of the election spending report by the candidate's official agent, and the remaining \$500 reimbursed to any candidate who won more than 15 per cent of the constituency vote.

The \$1,000 deposit created serious problems for small parties and independent candidates. As we saw earlier, parties without 12 MPs in the House must nominate 50 candidates by the deadline in order to be included on the official electoral register. The higher deposit imposes a cost of \$50,000 on a small party, which must be raised and spent in the first few weeks after the writ is issued. To make matters worse, C-114 imposed stiff penalties for deregistered parties. Not only are they for-

35 Ibid.

36 Royal Commission, *Reforming Electoral Democracy*, 367.

37 "Report of the Broadcasting Arbitrator," in Elections Canada, *Towards the 35th General Election*, 151.

38 Royal Commission, *Reforming Electoral Democracy*, 387.

39 Alexandra Dobrowolsky and Jane Jenson, "Reforming the Parties: Prescriptions for Democracy," in Susan D. Phillips, ed., *How Ottawa Spends, 1993-1994: A More Democratic Canada . . . ?* (Ottawa: Carleton University Press, 1993), 62.

bidden to re-register; they are forced to liquidate their assets and pay any residue to the Receiver General.⁴⁰ During the 1993 election campaign, four parties were deregistered and liquidated: the Parti Rhinocéros, the Social Credit Party of Canada, the Communist Party of Canada (which unsuccessfully challenged the law in the courts) and the Confederation of Regions Western Party.⁴¹

During the debate on C-114, both in the House and in the Special Committee, the royal commission's recommendations to enhance fairness in the electoral law were ignored. At report stage, the most active participants were BQ and independent MPs who condemned the Special Committee for its neglect of the commission's principles.⁴² One BQ member, former PC backbencher Louis Plamondon, burst out in frustration: "Unavoidably when established parties like the Progressive Conservative Party, the Liberal Party and the New Democratic Party get together and agree to limit [one's] right to exercise democracy they are protecting their ivory tower at the expense of democracy."⁴³ Two related amendments, which would have reduced the candidate deposit to \$500 and made it fully refundable, were defeated. Quorum was repeatedly lost, and the bells were rung several times. It was not an inspiring day for Canadian democracy. This mockery of parliamentary debate was not unprecedented. In October 1983, the House debated Bill C-169, *An Act to Amend the Canada Elections Act*. Bill C-169 was clearly designed to benefit "every Parliamentarian"; among other features, it banned "third-party" advertising during federal election campaigns. On October 25 the House debated the bill, sent it to committee, heard the report and passed the legislation—all within a few hours. The suspension of ordinary Commons procedure took place with the unanimous consent of the three recognized parties in the chamber.⁴⁴

The Special Committee promised to deal with financing, registration and other issues discussed by the royal commission in its second and third phases. The second phase of the Special Committee's work began in January 1993 and concluded with its report to the House that May. Committee Chair Jim Hawkes asked the government to return with a bill in two weeks, as it had with C-114, but by the end of 1995 no further action had been taken on the royal commission report. At least one commissioner was not surprised by the lack of meaningful change. When he attended a meeting of the Special Committee he realized that "they were just horse-trading the provisions among them-

40 John Devereil and Greg Vezina, *Democracy, Eh? A Guide to Voter Action* (Montreal: Robert Davies Publishing, 1993), 62-63.

41 Elections Canada, *Towards the 35th General Election*, 15.

42 Canada, House of Commons, *Debates*, April 2, 1993.

43 Ibid., 18009-10; translation.

44 Canada, House of Commons, *Debates*, October 25, 1983, 28295-99.

selves; they weren't interested in fairness or the other principles of our report."⁴⁵ The treatment of the royal commission's work by the House of Commons, combined with the entire regime of federal election law, offers persuasive evidence of a party cartel in Canada.

"Down with Parties"

Katz and Mair argue that one source of the Reform party's support is "their demand to 'break the mould' of established politics."⁴⁶ This is certainly not the only reason for Reform's breakthrough in 1993—policy, regional discontent and rejection of the PCs were more important factors⁴⁷—but it did play a role.⁴⁸ Recognizing this, Preston Manning, the Reform leader, appealed to Canadians to vote, not just for Reform, but for a healthier Canadian democracy: "For six years, over 100,000 Canadians have been building a constructive alternative to the old political parties—a political movement based on democratic principles. . . . If Reformers are beaten down by special interests or whichever old-line party has the most money, then it won't be just Reform that fails the test, it will be democracy itself that fails."⁴⁹ A 1991 survey found that support for Reform and other minor parties correlated with negative attitudes toward the party system.⁵⁰ This suggests that the campaign against the "old-line parties" should have paid substantial dividends for Manning. But the polls taken during the election campaign tell a different story; Reform did not benefit from this appeal during the 1993 election campaign, and only began to move ahead after Manning started to focus on deficit reduction and other policy issues.⁵¹

The old "cartel" crumbled in 1993, as two of the three members lost their official status in the Commons. More than half of Canadian voters deserted the parties they had supported in 1988, many of them opting for new or smaller parties. The cartel parties' combined share of the national vote plummeted to 64 per cent. Much of this change in voting behaviour can be attributed to the collapse of the PC party, which fell from 43 to 16 per cent of the vote; the NDP suffered a similar fate,

45 Personal communication, February 1995.

46 Ibid., 24.

47 Richard Johnston et al., "The Collapse of a Party System: The 1993 Canadian General Election," paper presented to the annual meeting of the American Political Science Association, New York, 1994.

48 Alan Frizzell et al., eds., "Introduction," in *The Canadian General Election of 1993* (Ottawa: Carleton University Press, 1994), 6.

49 Quoted in Faron Ellis and Keith Archer, "Reform: Electoral Breakthrough," in Frizzell et al., eds., *Canadian General Election*, 69.

50 Clarke and Kornberg, "Public Attitudes toward Federal Political Parties."

51 Tom Flanagan, "Invasion from the Right: The Reform Party in the 1993 Canadian Election," paper presented to the annual meeting of the New England Political Science Association, Salem, Massachusetts, 1994.

winning about a third of their 1988 vote (7%).⁵² The results do indicate a revolt against the political establishment, but this point should not be overstated; the principal beneficiary of the PC and NDP desertions was the Liberal party, not Reform or the BQ.⁵³ We should also note the influence of Canada's single-member-plurality (SMP) electoral system in this connection. When the cartel is stable, SMP helps the strongest member of the cartel at any given time and tends to exclude newer challengers (except those with regionally concentrated strength). But when the electorate turns against a party, SMP turns a moderate swing in votes into a devastating landslide of seats (as the Progressive Conservatives discovered in 1993).

There are indications that Reform and the BQ have formed a new cartel with the Liberals. There has been no move to change the *Parliament of Canada Act* or the electoral laws, with all of their benefits for the three largest parties, despite Reform's attacks on the current law in its brief to the royal commission. Reform MP Stephen Harper has said that the law is "created to prohibit the formation of new parties," a position echoed by the party's brief.⁵⁴ Reform and the BQ may still be uncomfortable with the laws which regulate their activities. If so, they are blushing all the way to the bank; 97 per cent of BQ candidates and 76 per cent of Reform candidates qualified for reimbursements in 1993.⁵⁵ Reform received a total of \$2,643,000 from the federal treasury, and the BQ earned a total of \$1,415,000.⁵⁶

The Move to Universal Membership Voting

Since 1985, more than a dozen Canadian parties at the federal and provincial levels have switched from leadership conventions to various forms of universal membership voting (UMV). The common characteristic of the five UMV systems is that each of them opens up at least partly the leadership choice to the rank and file, instead of leaving it entirely in the hands of delegates to a leadership convention. Hybrid UMV combines a delegated convention with a vote on the candidates by all the members. Convention UMV allows all party members to attend a convention and vote directly. In constituency UMV, the party members cast paper ballots at polling stations in their ridings. Telephone and mail UMV allow party members to vote from their residence.

52 Frizzell et al., eds., "Appendix," in *Canadian General Election*, 161.

53 Jon H. Pammett, "Tracking the Votes," in *ibid.*, 146.

54 Quoted in Sydney Sharpe and Don Braid, *Storming Babylon: Preston Manning and the Rise of the Reform Party* (Toronto: Key Porter, 1992), 179.

55 Elections Canada, *Towards the 35th General Election*, 156.

56 W. T. Stanbury, "Regulating the Financing of Federal Parties and Candidates," in Tanguay and Gagnon, eds., *Canadian Parties in Transition*, 377.

The move from leadership conventions to UMV has accelerated in recent years for a number of reasons.⁵⁷ One is the desire of the parties to respond to a growing public disaffection with traditional representative parties, or, at minimum, to keep up with their more “democratic”-appearing rivals. A second reason is the problems with recent leadership conventions, including soaring costs and messy delegate-selection scandals. A third reason is organizational: an internal restructuring often follows a party’s electoral defeat, and most of the parties which have switched to UMV did so while in opposition. A fourth possible explanation, at least where telephone UMV is concerned, is technological: now that all members have the ability to vote from their home without travelling to a convention and paying high registration and accommodation costs, the parties are morally obliged to give them that opportunity.

Mair suggests a further reason for the trend to UMV: the deliberate displacement of power, by the party leaders, from the troublesome activists to the more docile and uninvolved members on the fringes.

Ordinary members, often at home, and via postal ballots, are increasingly being consulted by the party leadership. . . . The more organized membership party, on the other hand . . . tends to become less relevant. . . . In contrast to the activists, these ordinary and often disaggregated members are not very likely to mount a serious challenge against the positions adopted by the leadership.⁵⁸

If Mair is correct, then the trend to UMV is related to the cartel party model. But it is misleading to attribute the change in leadership selection to the cartel theory. First, although Katz and Mair date the beginning of cartel parties to 1970, the trend toward UMV did not begin until 1985. Second, the more atomized forms of UMV are prevalent at the provincial level, whereas the cartel party model may be more entrenched at the federal level. Third, the PQ, which pioneered UMV in Canada, clearly does not conform to the cartel model. Fourth, interviews with the parties which have switched to UMV do not support the suggestion of a deliberate move to downgrade the activists in favour of less-involved members.⁵⁹ Therefore, the evidence does not substantiate the claim that the change to UMV is a result of the development of cartel parties.

The evidence also refutes Mair’s claim that party elites are adopting UMV because it makes parties easier to govern. The recent experience of the Nova Scotia Liberal party, which gave all its members the

57 Heather MacIvor, “Changing Party Leadership Selection in Canada: Is Constitutional Government Being Perverted into Democracy?” paper presented to the Party Politics in the Year 2000 Conference, Manchester, UK, 1995; and John C. Courtney, *Do Conventions Matter?: Choosing National Party Leaders in Canada* (Kingston: McGill-Queen’s University Press, 1995).

58 Mair, “Party Organizations,” 16.

59 MacIvor, “Changing Party Leadership Selection in Canada.”

right to vote on a leadership review, illustrates the dangers of opening up crucial party decisions to people who are only recent members of the party. Thousands of labour unionists bought party memberships for the express purpose of voting Premier John Savage out of office in the party's 1994 leadership review in retaliation for new labour laws which they opposed; a substantial number of long-time Liberals were equally discontented with their leader. When the vote was finally held in 1995, Savage survived but the party refused to make the numerical results public. The effects of this deeply divisive experience will likely hinder the party in the next provincial election.

Conclusion

We have identified four claims which follow from the application of Katz and Mair's cartel theory of parties to Canada. Two of these claims—that the three “old-line” parties controlled the House of Commons before 1993 and that they used that power to benefit themselves via the electoral laws—are valid. The third claim, that the cartel has provoked a backlash, has been partially substantiated. The fourth and final claim, concerning leadership selection, has been refuted. We can conclude, therefore, that some aspects of the cartel theory do apply to Canadian parties. But it is hardly original to argue that the three “old-line” Canadian parties have tried to limit the opportunities of their rivals, or that they rely increasingly on capital-intensive campaign methods. So we are left with one important lesson of the cartel model: that Canadian parties have returned to state dependency after a period of brokering between civil society and the state.⁶⁰ The three official parties in the House of Commons did share some of the characteristics of the cartel model between 1965 and 1993.

To the extent that the cartel model applies to Canada, we have gained a greater understanding of the Canadian party system. To the extent that it does not, we have demonstrated the limitations of a model which is already attracting considerable scholarly attention in the United States and Western Europe.⁶¹ First, the evidence in this article suggests that changes in leadership selection are not the result of cartelism. When parties change their leadership selection methods, they do so for reasons unrelated to a conscious striving for autonomy on the

60 For a discussion of this “accommodative” period in Canadian politics, see David E. Smith, “Party Government, Representation and National Integration in Canada,” in Peter Aucoin, ed., *Party Government and Regional Representation in Canada*, Research Studies for the Royal Commission on the Economic Union and Development Prospects for Canada, Vol. 36 (Toronto: University of Toronto Press, 1985).

61 See, for example, Ruud Koole, “Cadre, Catch-all or Cartel: A Comment on the Notion of the Cartel Party,” paper presented to the Party Politics in the Year 2000 Conference, Manchester, UK, 1995.

part of their leaders. And the move toward more open leadership selection methods is not confined to parties which share cartel characteristics. The evidence suggests that the cartel model does not explain the changes in party leadership selection described by Katz and Mair.

It is almost as misleading to argue that the backlash against the cartel parties is entirely, or even primarily, the result of their efforts to fend off outside challenges. The rapid rise of the Reform party is, as we have seen, attributable to several other factors. There is little doubt that the collapse of the PCs in 1993 led to the Reform breakthrough in that election; but the collapse of the PCs had less to do with the party cartel than it did with the unpopularity of Brian Mulroney, the former prime minister, and the ineptness of his successor's campaign. In principle, it makes sense to conceive of a cartel as inherently unstable; as Katz and Mair put it, "the self-protective mechanisms that the cartel parties have created have their own internal contradictions."⁶² But without more convincing evidence, it is impossible to conclude that the breakdown of the cartel in 1993 was caused primarily by those contradictions. The application of the cartel model to explain similar electoral convulsions in other Western countries should therefore be approached with caution.

We have identified four main features of Katz and Mair's cartel model of political parties, two of which are present in Canada. But the model as a whole does not apply here. The historical development of the Canadian party system did not follow their chronology; no mass parties emerged, on the model of the German Social Democrats or the Italian Communists. Canadian parties went straight from the elite stage to catch-all to cartel, with no stage of dependence on civil society for their resources. This is likely the consequence of the strong nation-building role assumed by the Canadian state at Confederation and pursued throughout our national history. The major parties have always used the resources of the state to extract money from the private sector, though they did not grant themselves subsidies from the public purse until 1974. So we may conclude that Canada's major federal parties do form a cartel, that this cartel has repeatedly colluded to reinforce its position since the 1960s and that the collapse of two of its members in 1993 can be partly attributed to public disaffection with this blatant collusion. But the explanation for this phenomenon cannot be entirely found in Katz and Mair's cartel party model. We also have to examine uniquely Canadian factors if we are to understand the condition of the Canadian party system in the 1990s.

62 Katz and Mair, "Changing Models," 23.