From Opposition to Government: Party Merger as a Step on the Road to Power

Alex Marland[1,*] and Tom Flanagan[2]

[1]*Department of Political Science, Memorial University of Newfoundland, St. John's, NL, Canada A1C 5S7;*
[2]*Department of Political Science, University of Calgary, Calgary, AB, Canada T2N 1N4*

[*]*Correspondence: amarland@mun.ca*

Little is known about the negotiations behind closed doors that culminate in the fusion of political parties. This detailed study of the creation of the Conservative Party of Canada draws on data collected through depth interviews with 32 merger participants, including party negotiators. The findings are organised around four notional stages: the war of attrition, acceptance by leaders that merger is necessary, the negotiations and the agreement's ratification and implementation. This research illustrates the complexity of the merger process including the manipulation of media to increase pressure, the authority of leadership and the nature of bargaining public and private goods.

Opposition political parties are in a constant state of exploring how to increase their chances of influencing or forming government. The pooling of resources through interparty cooperation is one of the more obvious ways to defeat the reigning governing party, but this is fraught with difficulty surrounding the bargaining of public and private goods. A potentially rewarding outcome, if it can be negotiated, is the formal merger of opposition parties into a united front. While an open negotiation process offers considerable information about party bargaining (Laver and Schofield, 1990) we know comparatively little about the closed negotiation of a party merger which, after years of banter, can come together quickly. Little is known about the deal brokering that largely occurs behind closed doors and there is no roadmap for how the fusion of parties under a single banner is consummated.

This essay presents a deep account of the fusion of two parties in the Westminster system and provides new insights about a rare but momentous event. We begin with a review of existing knowledge of party mergers. Next, we describe the path that led to the fusion of two opposition parties into the Conservative Party of Canada in 2003, which went on to defeat the Liberal government in 2006. This is informed

by depth interviews with 32 merger participants, including the backroom party negotiators and lawyers, many of whom were now willing to offer candid insights. The findings are organised around four notional stages, namely the war of attrition, the acceptance by opposition leaders that a merger is necessary, the merger negotiations and the merger's ratification and implementation.

This research contributes to knowledge in two overarching ways. First, it is one of the more detailed studies of a bargained party merger in a parliamentary system, as it offers rare information provided by the participants themselves. It builds, in part, on the study by Bélanger and Godbout (2010) and provides a fresh angle by reporting on backroom activities that would otherwise go undocumented. It also complements research about other cases of party fission and fusion, notably the formation of the UK Liberal Democrats. Secondly, there are very few studies of closed door negotiations and this research is one attempt to fill the gap. It details a number of factors that can influence the bargaining of private and public goods between party leaders and their agents. This includes insights that can inform the study of other party mergers, such as the finding that news reports are a suspect data source because partisans may attempt to set the agenda by manipulating media coverage. While this case is of considerable interest to Canadian specialists its findings should be of interest to students of party politics generally and party mergers specifically.

1. Review

A periodic but momentous manner that party systems change is when parties fuse with one or more competitors to form a new or renewed package. In theory, the optimisation of resources should yield better electoral results than if separate party units compete against each other. Merging operations reduces costs, triggers the ratification of a new constitution, changes the internal hierarchy and allows parties to take on more competitive policy positions, repositions the party as a new entity and should maximise votes. However the process of fusing prompts many partisans to leave, and although many former supporters may return (Denver and Bochel, 1994), popular support for the fused party can be less than the sum of its legacy parts. This led Mair (1990, p. 140) to conclude that after a merger party elites 'usually find that not much has really changed'.

Ware (2009) distinguishes 'bargained party mergers' as a type of fusion that requires considerable negotiation and compromise to achieve a permanent union. Examples that he identifies include the National Alliance for Reconstruction in Trinidad and Tobago, the Union Nationale in Quebec, the Democratic Farmer-Labour party in Minnesota, the Partido Unidad Social Cristiana in Costa Rica and the Conservative Party of Canada. This is the outcome of an intraparty and interparty process led by key actors who are motivated by the opportunity to maximise

votes, control the government and/or influence public policy in a lasting partnership. In two-party systems the bargained merger of autonomous units, the realignment of splits or the reunification of fissures is 'relatively uncommon', Ware argues, because of resources that sustain weak parties, the permanence of the agreement and the presence of veto players (2009, p. 111).

The bargained merger of political parties is an understudied area and there is a need for further empirical data (Coffé and Torenvlied, 2008, p. 11; Kato and Kannon, 2008, p. 342; Bélanger and Godbout, 2010, p. 41). Scholars lack information obtained from the actors involved and so they tend to emphasise the 'outcome without making any reference to the process' (Dumont *et al.*, 2011, p. 2; see also Lees *et al.*, 2010). Available studies foremost rationalise elite behaviour using a theoretical lens (Kim, 1997; Olsen, 2007; Lees *et al.*, 2010) and draw upon data sources that include the enumeration of party membership (Park, 2010), opinion surveys of party members (Denver and Bochel, 1994; Bordandini *et al.*, 2008), identification of policy positions (Kato and Kannon, 2008), examination of the effects on party systems (Rakner *et al.*, 2007), the counting of seat and vote share changes (Mair, 1990; Bogaards, 2008; Bélanger and Godbout, 2010), summaries based on media reports (Haegel, 2004) and explanations of the electorate's judgement (Jansen *et al.*, 2011). There is a need for qualitative data that can 'explain the processes by which mergers are achieved . . . the how and not the why' (Lees *et al.*, 2010, p. 1300).

The 'how' of bargained party mergers must be viewed 'in the context of a much longer history, taking place as a series of steps of approach and retreat before the final rapprochement' (Schwartz, 2006, p. 122). There is a principal-agent problem as strategists manoeuver to identify the incentives that will mobilise others to act (e.g. Grossman and Hart, 1983). The steps that lead to formal negotiation are as diverse as the political actors, the party systems and the political parties involved. Norms and party systems vary between societies, with some being more prone towards electoral instability, floor crossing, party fissions, coalitions, label changes, corruption and coups (e.g. Bogaards, 2008, p. 117; Bordandini *et al.*, 2008). The type of electoral system incentivises interparty and intraparty competitiveness and the salience of merging or splitting, especially for small parties (Gunther, 1989; Pachón and Shugart, 2010), and access to funding is a significant consideration (Haegel, 2004; Ware, 2009; Bélanger and Godbout, 2010). For example, in France the Alternance 2002 association sought to encourage interparty cooperation (Haegel, 2004, p. 193), whereas in Ireland the Democratic Left struck an evaluation task force that spurred internal debate about the need for alliances with the Irish Labour Party (Rafter, 2011, pp. 286–288). In some jurisdictions such as Malawi the church encourages dialogue among parties that share religious values (Rakner *et al.*, 2007, p. 1128) or a movement towards secularisation motivates the consolidation of spiritual parties as occurred in the Netherlands (Coffé and Torenvlied, 2008). As well cooperation movements can emerge independent

of national party elites, such as riding associations vowing not to compete against each other or voting to fuse into a single local entity, as with the Social Democratic Party (SDP) and Liberal Party in the UK (Cook, 2010, p. 188).

Merger bargaining is therefore diverse and complex and its intensity depends on the number of actors, the degree of unity, the level of familiarity between negotiators, and how informed and confident party leaders are (Strøm and Müller, 1999). When party elites are willing to consider a merger they take on a series of risks that build mutual trust among the leadership teams and their delegated working groups known as development teams (Lees *et al.*, 2010). Trust building takes shape through exploratory talks, the sharing of confidential information and the monitoring of what is leaked to the media. Those who are committed to democratic principles will insist on open negotiations that are transparent and inclusive. For these actors, it is important to put on a symbolic show 'to impress the ideologues', even though the real bargaining occurs when leaders are involved (Laver and Schofield, 1990, p. 108). In an open negotiation the initiation of high-level talks is communicated through the media and may involve dozens of actors from both sides, including elected officials who represent various constituency interests (Bordandini *et al.*, 2008; Cook, 2010, p. 347). However, as the number of actors grows and as media scrutiny intensifies, there is a greater risk of information leaks and negotiator resignations. This threatens to derail an open process and reduce it to 'a pantomime farce' (Cook, 2010, p. 195). Leaders can avoid such predicaments by initiating a closed negotiation among a handful of backroom negotiators who report directly to them in secret, as happened in Canada.

Given the low number of cases of successful mergers there is limited research knowledge about the backroom bargaining process (Kim, 1997, p. 86; Dumont *et al.*, 2011, p. 1) compared with the more mature body of coalition studies. In that literature, game theory is commonly used to rationalise why party elites build coalitions, drive the agenda and respond to divisive interparty and intraparty conflicts as they pursue office, policy influence and/or vote gains (Laver and Schofield, 1990; Maor, 1998; Strøm and Müller, 1999). Negotiators discuss public goods, such as the proposed internal organisation and logistical matters, but it is the discussion about broad principles that risks revealing 'serious divisions' (Laver and Schofield, 1990, p. 57). Private goods are also a sensitive negotiation issue and coalition bargaining places considerable emphasis on dividing the spoils of office. Patronage may 'extend deep' and the participants may value jobs differently (Laver and Schofield, 1990, p. 41; see also Park, 2010).

When a tentative agreement is reached, party elites in developed democracies tend to give members or their delegates the opportunity to vote on whether to fold the party into the new proposed entity. Party management and regional bosses mobilise support by promoting policy, office and vote benefits, as well as the historic implications. Localised concerns can lead to constitutional

amendments against the wishes of party management ([Cook, 2010](), p. 194) and even 'ideological allies, personal friends and close collaborators' of a leader may not follow ([Gunther, 1989](), p. 848). Once a merger takes effect there can be 'bitter competition' at the grassroots as those interested in public office face increased competition and because there are now fewer positions within the party's regional apparatus ([Bordandini *et al.*, 2008](), p. 316). When party elites reach a compromise this is likely to be followed by a period of adjustment among non-elites.

Party mergers pass through many stages and are shaped by a myriad of temporal factors. We propose the following organisational schema for the fusion of opposition parties. First, conversation about aligning forces grows as the parties experience shocks and failures. The leadership becomes increasingly frustrated and with each disappointment a growing number of elites feels that uniting forces is necessary to improve their electoral prospects. A negotiation dance over private and public goods ensues. Finally, a tentative agreement between party executives is reached, and the formal ratification and implementation process is pursued.

2.   Method

Between October 2011 and November 2012 we conducted semi-structured interviews with people whom [Dumont *et al.* (2011)](), p. 5) call 'privileged witnesses'. We spoke with senior party executives, leader's office staff, party lawyers, party consultants and party stalwarts from the former Canadian Alliance Party of Canada ($n =$ 16) and the former Progressive Conservative (PC) Party of Canada ($n = 15$) who had held key roles within these organisations immediately before, during and/or after their formal merger, including five of the six negotiator emissaries. Random identifiers have been assigned to Canadian Alliance (R1–R16) and PC (R17–R31) respondents for confidentiality reasons because many continue to be actively involved in politics. In addition, two interviews were conducted with Canada's then-Chief Electoral Officer (R32).

To develop a list of potential respondents we drew upon our knowledge of the small pool of public and backroom actors, which was supplemented by referrals, and we secured a high response rate with only a handful of refusals.[1] Respondents were provided with a discussion guide that sought information about the negotiations and probed how trust was built between the two sides, what were the opportunities and fears and how a merger deal was struck. The immediate

---

[1]Many of the respondents are people mentioned in [Flanagan (2009)]() and [Plamondon (2009)](). At the time of our research the leaders of the legacy parties, Stephen Harper and Peter MacKay, were Prime Minister of Canada and Minister of National Defence, respectively, and were not interviewed. The exclusion of these *formateurs* is a limitation. Otherwise there is no apparent similarity among those who refused or did not acknowledge requests.

post-agreement period was explored to understand the merger of operations and what decisions were made under the interim leader. This was complemented by an inductive approach that drew out internal party conflicts and strife, similar in nature to Gunther (1989), Maor (1998) and Rafter (2011). Interviews ranged from 40 minutes to 2 hours in duration. While respondents' recall may have been affected by the passage of time, only a few of them indicated as much; and the research was possible because so many of them were now willing to talk about confidential matters. Our findings build on a number of summaries of the most notable case of a party merger in North America in recent memory (Ellis and Woolstencroft, 2004; Schwartz, 2006, 2012; Flanagan, 2009; Plamondon, 2009; Ware, 2009; Bélanger and Godbout, 2010).

3.   Behind the scenes in a bargained party merger

3.1   The war of attrition

In the 1993 Canadian general election, the first of four successive elections won by the Liberal Party of Canada, the governing PC Party was reduced to two seats, both located east of the province of Ontario. A new party system emerged as two upstart parties, the Bloc Québécois and the western-based Reform Party, siphoned away nationalists in Quebec and conservative populists elsewhere, respectively. Both benefited from the single-member-plurality electoral system that inflates regional representation as did the Liberals who won 98 of Ontario's 99 seats. It did not take long for some PC and Reform supporters to begin strategising about ways to 'unite the right' to improve their fortunes in the next general election; however, for nearly a decade the idea of interparty cooperation would be rejected by successive PC Party leaders (Table 1).

Serious talk of cooperation between the two opposition parties emerged in 1994 with the formation of a 'blue committee' in Ontario that brought together federal

Table 1 Party leaders during the 'Unite the Right' era

Party	Leader
Conservative	John Lynch-Staunton (2003–2004, interim), Stephen Harper (2004–)
Liberal	Jean Chrétien (1990–2003), Paul Martin (2003–06)
PC	Jean Charest (1993–1998), Elsie Wayne (1998, interim), Joe Clark (1998–2003), Peter MacKay (2003)
Reform/Alliance	Preston Manning (1987–2000), Deborah Grey (2000, interim), Stockwell Day (2000–2001), John Reynolds (2001–2002, interim), Stephen Harper (2002–2003)

and provincial conservatives. In 1995 Reform's leader, Preston Manning, was rebuffed when he urged the two PC Members of Parliament (MPs) including leader Jean Charest to join Reform. Chatter persisted in a 1996 'Winds of Change' conference that organisers hoped would encourage a merger, but which revealed deep ideological differences between the two organisations and Charest refused to endorse the recommendation to run a joint by-election candidate (Taras, 1996).

The Reform Party became the Official Opposition after the 1997 general election but vote-splitting inhibited its ability to win seats beyond western Canada and con-tributed to the PC Party remaining in fifth place in the House of Commons. Manning sought to eliminate his party's potential partner by organising a 'United Alternative' movement that engaged a number of activists from provincial-level PC organisations in a form of open negotiation. However, the new leader of the PC Party, Joe Clark—who had been the PC leader from 1976 to 1983 and was briefly Prime Minister of Canada—remained committed to his party's autonomy and legacy, as did many PC elites; as one respondent explained, many of them blamed Manning for splitting their party and felt that he was 'a traitor who caused us to be in the wilderness' (R2). Manning instead led the rebranding of Reform which included its name changing to Canadian Reform Conservative Alliance in 2000, commonly known as the Canadian Alliance Party, but he was defeated by Stockwell Day in the ensuing leadership contest. Despite these attempts at internal reforms the results of the 2000 general election provided little electoral benefit (Table 2). Nevertheless, in the view of one senior participant, the 'failed effort was necessary in order for the next effort to succeed' (R31).

It was after this third consecutive election disappointment that a growing number of conservatives accepted that cooperation was necessary if they wished to unseat the governing Liberal Party. As a Canadian Alliance emissary explained, 'it seemed to us that we were locked in a permanent war of attrition, that the Liberals

Table 2 Canadian general election results (seat distribution, 1988–2011)

Party	1988	1993	1997	2000	2004	2006	2008	2011
Bloc Québécois	—	54	44	38	54	51	49	4
Conservative	—	—	—	—	99	124[b]	143[b]	166[a]
Liberal	83	177[a]	155[a]	172[a]	135[b]	103	77	34
New Democratic	43	9	21	13	19	29	37	103
PC	169[a]	2	20	12	—	—	—	—
Reform/Alliance	0	52	60	66	—	—	—	—

Note: The Green Party of Canada fielded candidates in all elections and won a seat in 2011.
[a]Formed majority government.
[b]Formed minority government.

could manipulate things so that whichever one of us was weaker would then get shored up with just enough to keep it going, and we would go on and on in this sort of death embrace forever' (R2). As political shocks persisted and opinion polls offered no salvation the pressure for a collaborative effort grew. Intraparty chatter led to banter between members of opposing parties. Interparty trust and friendships were cultivated through personal interactions in the legislature, encounters in terminals and on airplanes, and mingling at social events. Extra-parliamentary activists began gathering 'at big law firms downtown Toronto' with a goal of 'some sort of cooperation' (R15); parliamentarians talked in Ottawa and environs, sometimes lacking 'the blessing of the leader' (R29); and in-formal groups of mid-level party workers met 'occasionally in off places just to get together and bat ideas back and forth' (R19). Discussions ranged from broad phil-osophy to logistical challenges including how to get key players on board. As one former PC MP reflected:

> This seems crazy to me, why aren't we together?' I asked an opposing MP one day when we were standing by the coffee machine . . . We met and had a lengthy chat, which led to a meeting of a few more, which led to some other meetings, which expanded to a lot of interest in both groups . . . A few of us kept going at it . . . eventually the party leaders gave us the green light to see if we could put it together. (R29)

Within both parties unrest with the *status quo* grew. In 2001 a number of frontbench Alliance MPs left to sit as independents after which PC deputy leader Peter MacKay engaged them in 'a series of summer summits aimed at creating a new party' (Ellis and Woolstencroft, 2004, p. 74). Eight of the dissident MPs formed the Democratic Representative Caucus (DRC) and accepted Joe Clark's invitation to enter into a temporary legislative coalition with his party. It was this bringing together of opposing parliamentarians that truly set the stage for a merger. A member of Clark's inner circle reflected:

> [The DRC] was really a precursor if you will to the merger discussions . . . it was kind of like let's date before we actually try and get married . . . peo-ple did get to know each other, get to like each other, and get to under-stand and respect the things that bound them, but also the things that fundamentally separated them. (R24)

However, we were told that Clark viewed the legislative coalition as evidence of the PC Party's supremacy over the Canadian Alliance, even though that party still had many more seats. One Clark advisor remarked that, 'Joe . . . thought he could convert them into PCs. And he regrettably never had any other strategy other than that' (R23). The DRC succeeded in pressuring Stockwell Day to resign as leader and Stephen Harper won the ensuing leadership contest in March 2002 by

championing the strength of Alliance Party and saying little about interparty cooperation. Harper negotiated the return of all but one of the DRC MPs to the Alliance and publicly appealed for interparty cooperation in an open letter to PCs (Harper, 2002). He also initiated private meetings with select parliamentarians, including with one who was later appointed as a PC negotiator. In this way the movement 'moved from bottom up to . . . the new leaders taking over because once they got involved they made things move very quickly' (R29).

In August 2002 Clark announced that he too would resign, upon which Harper publicly repeated his offer of a coalition, to which PC convention delegates replied by passing a motion that their party continue to run candidates in all electoral districts. In April 2003, Harper pitched to Clark a legislative coalition in which the Alliance would be the dominant party under terms mirroring the DRC-PC agreement, and in response Clark proposed a need for 'study groups on the different issues of organization philosophy' (R6). Despite this series of impasses the next month would be a pivotal one for the future of both parties.

3.2   Opposition party leaders accept that merger is necessary

This case indicates that a merger is only possible when party leaders are ready to sanction one. As one respondent observed, 'People talked about it and tried for years but nothing happened ultimately until the key people changed [at the top]' (R17). For the Canadian Alliance leadership circle a May 21 by-election in Perth-Middlesex, Ontario, was a critical juncture. The party exerted considerable effort to win the seat, including Stephen Harper visiting the riding five times, but it was won by the PC candidate; the Alliance placed a distant third. One of Harper's senior aides explained:

> Stephen put tremendous emphasis on that by-election. He regarded it as very important to win it . . . We just threw everything that we had into it for resources. While we stayed within the law we did everything we possibly could and in spite of that, we had a very bad showing. So I think that's what convinced Stephen that [separate conservative parties] just wasn't going to work for his goal of becoming Prime Minister. (R13)

Conversely, the by-election victory was validation for the many PC partisans who were opposed to interparty cooperation, and most PC leadership candidates continued to denounce the idea. However, within the party there were deep divisions on economic policy, and behind the scenes some party workers with a merger agenda were working to push PC loyalists out of positions of influence (R19). When Peter MacKay secured the leadership on May 31 he did so by making a pact with a rival contestant not to pursue a merger. Both MacKay and Harper faced an ominous situation: with a general election approaching, opinion polls

put the Liberals at 52 per cent, the PCs at 18 per cent and the Canadian Alliance at 12 per cent (SES Research, 2003). Moreover, popular finance minister Paul Martin, who was by far Canadians' preferred leader, even in Harper's home province of Alberta, was poised to assume the Liberal leadership from Jean Chrétien and the opposition parties were facing a 'tidal wave' of Liberal Party support (Williamson, 2003). Elites in the PC Party who supported a merger worried that their party would 'probably not exist' (R29) after the next election, whereas those opposed to cooperation believed that they 'had a pretty good chance to strengthen our numbers significantly' (R26). The threat of a Liberal landslide added urgency for both conservative leaders; as one respondent put it, 'People have to be in enough pain in order to put the water in their wine to make . . . more difficult decisions' (R30).

In June at two leader's dinners Harper called for a single slate of candidates (Flanagan, 2009, pp. 97–98). MacKay responded by communicating via his own speech and a personal encounter that he was interested in talking. Strategists in both parties were concerned with the optics of reaching out and discussed ways that the leaders could 'meet in a way that none of them can lose face—[that] neither of them looks like the suitor' (R17). They each appointed three experienced parliamentarians to act as their emissaries. One well-connected PC emissary came on board because an Alliance emissary informed him that a merged party would likely be called Conservative, which the Alliance negotiator felt 'was the turning point in making this thing happen' (R12).

3.3 Merger negotiations

Throughout the closed negotiation the emissaries agreed to not communicate with journalists. Nevertheless, the Canadian Alliance surreptitiously used the media to put pressure on MacKay and drive a merger agenda. In one case, after 'weeks of foot-dragging' (R9) by the PC Party, Harper heard that MacKay was going to Toronto, so he flew there with the intent of publicising a (non-existent) secret meeting that MacKay then had to deny. In another case a PC pundit who was scheduled to appear on a public affairs TV show received a telephone call from Harper saying, 'there's a report about to go public that the two parties are in merger talks and I would ask that you not dismiss it out of hand' (R21). The Alliance leaked 'supposed lines in the sand when it came to the principles that the new party should be based on. This made the PCs think that they'd found an escape hatch, so they would place it on the table as a must-have and then were shocked when Harper simply agreed with it' (R9). One strategist explained that a memorable front-page headline in *The Globe and Mail* (Laghi, 2003) in the waning days of the negotiations was based on a 'secret memo to caucus that never made it anywhere near caucus' (R19). Harper's team also used PC dissidents 'as a vehicle or as a cover to release information' that they had 'promised to keep secret' (R9) which contributed to a

breakdown of trust within the PC Party because 'any updates that the respective negotiating teams would give to caucus would get leaked' (R10). The PC Party was unable to compete on media messaging because compared with the Alliance it had fewer communications staff, was on the defensive due to a lack of internal cohesion and its leader lacked authority to make decisions without engaging a rancorous caucus. By comparison the Canadian Alliance caucus granted Harper '100% support' and he had a 'full mandate to go ahead and get it done' (R6). One of Harper's senior communications staffers explained that:

> The media's appetite for this story made them unwitting members of our negotiating team. We used them in three general ways. One, to keep talks going, when they were in danger of stalling; two, to keep the pressure up on Peter MacKay, so he wouldn't get cold feet; and three, to box the PCs in and make it next to impossible to say no. (R9)

During the negotiations the emissaries met a few times in secret at a Toronto-area hotel and supplemented this with conference calls. At the hotel there was back-and-forth between rooms, a constant exchange of information with their respective party's leadership team and positions were exchanged via a mediator. As one Alliance negotiator explained, 'we each had a private room if we wanted to take a break and each have our own negotiations, discussions. Sometimes what I would do is pull my group out and we'd go back and discuss something and . . . [the PC emissaries would] have their own private discussions then we'd get back together' (R6). Harper regularly debriefed the president of his party's national council, whereas on the PC side 'most of the party, certainly the caucus, and the national executive had no idea what was going on' (R27), although former PC Prime Minister Brian Mulroney was reputed to be an *éminence grise.*[2]

Negotiations took place over a few months and were complicated by serious divisions within the PC Party. Some PC MPs and Senators protested vehemently *in camera* and in public against cooperation with the Alliance. An emergency caucus meeting was called when word of the negotiations leaked and Clark angrily warned colleagues not to relinquish the party's history. Some relayed that whenever MacKay 'went to caucus and they'd just pound the crap out of him for two hours' (R19) and that most PC MPs 'spoke passionately' against the idea of interparty cooperation (R27). MacKay responded by assuring his caucus that 'he didn't think it was going to go anywhere' and 'not to worry about it but he had to go through the motions' (R27).

---

[2]Brian Mulroney led the PC Party to majority governments in the 1984 and 1988 elections. One Alliance emissary observed that Mulroney 'was instrumental in keeping the negotiations in progress' (R12); however, otherwise respondents were unwilling to discuss his involvement. The nature of Mulroney's role is therefore unclear.

The secret talks among the six delegates quickly moved from coalition to merger. The Alliance team immediately accepted a proposal to call the new party 'Conservative' which its research had found to be a strong brand name. This symbolised a compromise on political values and was an acceptable way to encourage the more dogmatic left-wingers among the PCs to exit. As one Alliance negotiator explained:

> We began the negotiations and that issue came up fairly early on. The PC negotiators were surprised that we were so willing to accept the name Conservative. As I say, the name Alliance meant nothing . . . The name Reform had meant something, but it had already been pushed to the sideline and a huge psychological process had been gone through when we went from being the Reform Party to the Canadian Alliance. So there was less to give up on. I'm not sure it would have been so easy had we gone directly from Reform to the Conservative Party . . . what it did politically was it actually allowed us to define what we were not. (R2)

Policy debate was minimal because Harper directed the Alliance emissaries to agree to the PC negotiators' demands on public goods. An Alliance negotiator reported that, 'One of the first things that came up was what about the [policy] principles . . . I said we're not going to get into the discussion of principles or we're going to be here for 40 years' (R6), while a PC negotiator confirmed that there were 'No great debates about the principle of universal health care and so on' (R25). The PC emissaries demanded that a new party adopt all of their party's policies as expressed in its constitution, including the use of the word 'progressive', and this was accepted. Negotiators recalled:

> One of the emissaries said we don't find any of your Canadian Alliance policies acceptable, and we have a complete set of policies which we demand you accept, and we're not willing to compromise on them . . . To their astonishment, we agreed. I can remember the sound of their jaws hitting the floor when we said can agree to all of your policies, and we can agree to dropping all of ours. (R2)

> . . . the one thing that some of us insisted on was the word 'progressive' appear somewhere and it does in the preamble and the policy statement . . . A policy statement sometimes isn't worth the paper it's printed on but at least it was there and it was in writing and it did reflect a lot of what some of us believed as PCs for a long time. (R18)

The sticking points were about private goods. One senior strategist observed that 'the bigger disagreements were about internal party positions, patronage, postings, budgets, those sorts of things' (R7). The negotiators focused their attention on a list of 14 key points including debate about how constituency associations should be

merged, how local executive positions should be filled and whether sitting MPs should be exempt from nomination contests. The rules for selecting a leader were the main point of contention. An Alliance Party leadership candidate would benefit from the one member one vote principle where all members would have an equal say in leadership selection; a PC Party contestant would only be competitive under a weighted system that entitled every electoral district the same number of delegates regardless of membership numbers. A PC negotiator reflected, 'The one area that nearly caused the discussions to come to an unhappy early conclusion was over the principle of one member one vote. It went right down the wire . . . I said if it's one member one vote we might as well stop talking' (R29). Harper finally accepted the PC leadership selection formula (equality of local associations rather than equality of members) because he thought he could win a leadership race even with that formula; and he knew that once he was leader, he would be able to shape the new party to his own liking. Leadership is indeed the ultimate private good—as one former leader explained to us, party bosses must put their job on the line to broaden support for interparty cooperation:

> The leader has to be willing to make some sacrifice and take some risks . . .
> If the leadership is first and foremost concerned about preserving their
> own position or their own supremacy of their own faction the others
> won't go along with it. What they'll say is, 'This is an attempt for you
> to broaden your group and your influence and your personal position.'
> . . . Reconciliation of conflicting interests requires some self-sacrifice by
> somebody. (R14)

The final terms of the merger identified the proposed name, core principles including mention of the legacy parties as 'equal partners', the leadership selection procedure, membership and candidate nomination details, an interim joint council, a party fundraising arm, the transfer of assets and liabilities and a first-party convention (Harper and MacKay, 2003). A schedule of milestones established the ratification date, the deadline for the foundation of local associations and the date of a leadership contest. The document was scrutinised by party lawyers and was approved by the leaders in consultation with their party executive. Time pressures reduced the potential for debate on minor matters; as one lawyer told us, 'When time is precious, why dick around with negotiating if we need a period here or a comma there?' (R1). Interparty tensions and stress persisted; at the moment the leaders signed the deal, 'It was a lot of awkwardness and still not a lot of trust' (R10). On 16 October 2003 the agreement in principle was publicly announced. Ratification was required by December 12.

3.4 Merger ratification and implementation

For many the merger announcement was welcome news and a seamless transition; as one negotiator put it, 'It's like the reunification of a family when a family has a falling out. There's a lot of similarities when a family gets back together and buries the hatchet' (R12). Conversely a number of PC loyalists, including Joe Clark, denounced the agreement and repeated their disagreement with the Alliance's views on fiscal and social policy. However for most conservatives there was fatigue. A common remark among our respondents was that 'people were tired of the war at that point' (R30). Most of them were 'exhausted' and 'the only people left standing were the people who wanted to grow the party' (R8).

Both parties' executives mobilised the selling of memberships to ensure that ratification votes would be favourable. On December 5, Harper announced that 96 per cent of ballots mailed in by Alliance members had endorsed the merger, and in a televote the next day 90 per cent of PC riding delegates did the same. The parties' lawyers filed notice with Elections Canada, the governing body; this was done on a Sunday in anticipation of some disgruntled PCs attempting legal action on the Monday to prevent the merger. The sanctioning was straightforward because the *Canada Elections Act* includes a section 'merger of registered parties' which stipulates the requirements of a merger application, of party registration, of the merger's consequences and the effect on local associations.

The implementation of the merger involved a myriad of logistical issues. A PC Senator was installed as an interim leader and his focus was on overseeing the merger of local riding associations. Capital assets were consolidated, including headquarter real estate and bank accounts. Communications personnel worked on promoting a new corporate identity which incorporated the former parties by using visual icons that incorporated a historical dimension. There were no layoffs, in part because Parliament's Board of Internal Economy had agreed that the parliamentary budgets of two merged parties would be combined, which meant that 'offering jobs to everybody would be relatively straightforward' (R8). An internal organisational chart incorporated staffers from different sides. As one Alliance respondent relayed, 'I made sure that the director of research and the director of communications came from the PC side of the party, so that they knew that we were taking at least half of the key positions within the org chart . . . So we really really reached out so they didn't feel like it was some kind of hostile takeover, that it was truly a merger . . . We really did bend over backwards to make them feel at home'. (R4). A PC respondent confirmed that 'staff was treated extremely well' (R17). However, employees who stayed on were told that anyone who complained publicly would be fired.

Party change extends to the grassroots where the merger of local party units invites conflict over private goods. In most cases riding associations came together

without issue. But sometimes the ideological and identity fusion that had occurred at the national level had not trickled down to the grassroots and there was jostling for positions. We were told of conflict over the Alliance's requirement that local executives must reside in the electoral district; of problems associated with the merger of assets when one association was wealthier than the other; and of outgoing executives selecting voting locations that would favour their own candidacy. The 'biggest problem' was when the legacy parties ran slates of candidates and 'would try to stack the meetings' (R11). When one legacy party's members secured a monopoly of local executive positions the new party's president would pay a visit to ensure representation from both sides. National party executives relayed that 'there had to be a lot of head knocking' (R18) and that sometimes local 'decisions had to be made by us' (R5).

Identity formation continued as the new party took shape. Some who supported the merger's ratification grew uncomfortable with the Conservative Party's direction and switched to the Liberal Party. A former party executive explained to us that 'A few things happened and I just said, "What am I doing here?"' (R28) while a parliamentarian relayed, 'I refuse to campaign for a political party that I secretly hope doesn't form the government' (R26). A handful of upset stalwarts registered a copycat Progressive Canadian Party. Yet as leadership camps formed and as a state of election readiness took over the fused opposition parties gradually united against their common foe. Stephen Harper won the leadership in March 2004 and brought the Liberal juggernaut down to a minority government in June 2004. The Conservative Party won its own minority government in 2006 and 2008 and then increased that to a majority government in 2011. Under Canada's electoral law, the next election will take place in October 2015. Through merger, two opposition parties that seemed hopelessly stalemated have produced a new party that has given them at least a decade in power. Not all mergers succeed so dramatically; but when they do, the payoff can be enormous.

4. Conclusion

We can draw a number of conclusions from this study of opposition parties merging. First, the details presented here add to a growing body of literature that can inform comparative research, and some of the findings mirror events elsewhere. This research supports Harmel and Janda's (1994, p. 262) observation that 'party change does not "just happen"'. It illustrates that the occasional 'dramatic, explosive change' that breaks stability and 'fundamentally alters' political relationships (Goertz and Diehl, 1995, p. 31) is interspersed with incrementalism that contributes to instability and the process of a party becoming different. Comparisons can be drawn between the PC Party and the UK SDP: Joe Clark's protests are reminiscent of those of SDP leader David Owen, both parties experienced difficulties

with the fusion of riding associations and a post-merger doppelgänger party was created in both cases. Other observations appear to be unique, notably the way that the media was manipulated during the negotiation process, and are worthy of consideration in other jurisdictions.

Secondly, risking their own position is anathema to leaders who prize their status, even though they recognise that trade-offs are necessary to achieve their objectives. Our respondents sustained the view that the compatibility of rival party leaders matters because their entrenched power positions and loyal followers tend to deter cooperation (Kim, 1997). Some elites employed blocking tactics, the most powerful of which was a leader making public statements to angrily denounce interparty cooperation. There remains some debate about whether in the end Peter MacKay or Stephen Harper was the principal actor. At MacKay's urging it was the PC emissaries who proposed a merger despite fervent opposition among factions within that party; conversely Harper pushed a merger agenda and authorised the Alliance negotiators to make the necessary concessions. PC respondents expressed views such as 'I still to this day believe that MacKay was the only guy that would have made it happen' (R22) whereas in the opinion of Canadian Alliance respondents it was Harper who 'decided what was going to happen. He decided he was going to take the steps necessary to merge the two parties' (R1). Given the myriad of shocks, interparty and intraparty discussion, and agentry over a prolonged time-frame whether to assign credit (or blame) to principals rather than their agents is open to debate.

Thirdly, this study demonstrates the value of depth interviews in uncovering important variables in a party merger. Most notably this case indicates that merging parties is not a simple matter and that scholars should be cautious about trusting the information presented in media reports about secretive negotiations. A mixed-method approach may be ideal, for we are mindful that when examining this same case Bélanger and Godbout (2010) emphasised the variables of disproportional representation, electoral and financial resources and political branding. As well, integrating literature concerning the merger of corporations (e.g. Lees *et al.*, 2010), unions, charities, government organisations and municipalities may be insightful.

Overall, this summary of backroom views offers insights into the dynamics that lead to the fusion of opposition parties, and can set the stage for further research into successful and unsuccessful mergers. It sheds light on the rare event of a closed negotiation of a bargained party merger in North America. Within Canada, this adds to our understanding of a historic political event, and can inform current discussion about the potential for cooperation between the Liberal Party and New Democrats in parliament and elections. Elsewhere it can increase scholars' awareness of the complexity of the merger process, the authority of

leadership, the nature of bargaining public and private goods, and the need to be suspect of media coverage of such events.

Acknowledgements

References

Bélanger, É. and Godbout, J.-F. (2010) 'Why do Parties Merge? The Case of the Conservative Party of Canada', *Parliamentary Affairs*, **63**, 41–65.

Bogaards, M. (2008) 'Dominant Party Systems and Electoral Volatility in Africa', *Party Politics*, **14**, 113–130.

Bordandini, P., Di Virgilio, A. and Raniolo, F. (2008) 'The Birth of a Party: The Case of the Italian Partito Democratico', *South European Society and Politics*, **13**, 303–324.

Coffé, H. and Torenvlied, R. (2008) 'Explanatory Factors for the Merger of Political Parties', Centre for the Study of Democracy, UC Irvine, accessed at http://escholarship.org/uc/item/1nd4n3j9 on June 22, 2013.

Cook, C. (2010) *A Short History of the Liberal Party*, Houndsmills, Basingstoke, Palgrave Macmillan.

Denver, D. and Bochel, H. (1994) 'Merger or Bust: Whatever Happened to Members of the SDP?' *British Journal of Political Science*, **24**, 403–417.

Dumont, P., De Winter, L. and Andeweg, R. B. (2011) 'From Coalition Theory to Coalition Puzzles'. In Dumont, P., De Winter, L. and Andeweg, R. B. (eds) *Puzzles of Government Formation: Coalition Theory and Deviant Cases*, Abingdon, Oxon, Routledge, pp.1–23.

Ellis, F. and Woolstencroft, P. (2004) 'New Conservatives, Old Realities'. In Pammett, J. H. and Dornan, C. (eds) *The Canadian General Election of 2004*, Toronto, Dundurn Group, pp. 66–105.

Flanagan, T. (2009) Harper's Team: Behind the Scenes in the Conservative Rise to Power, 2nd edn, Montreal, McGill-Queen's University Press.

Goertz, G. and Diehl, P. F. (1995) 'The Initiation and Termination of Enduring Rivalries: The Impact of Political Shocks', *American Journal of Political Science*, **39**, 30–52.

Grossman, S.J. and Hart, O. D. (1983) 'An Analysis of the Principal-Agent Problem', *Econometrica*, **51**, 7–45.

Gunther, R. (1989) 'Electoral Laws, Party Systems, and Elites: The Case of Spain', *The American Political Science Review*, **83**, 835–858.

Haegel, F. (2004) 'The Transformation of the French Right: Institutional Imperatives and Organizational Changes', *French Politics*, **2**, 185–202.

Harmel, R. and Janda, K. (1994) 'An Integrated Theory of Party Goals and Party Change', *Journal of Theoretical Politics*, **6**, 259–287.

Harper, S. (2002, May 1) 'Harper Issues Invitation to PCs', *National Post*, A16.

Harper, S. and MacKay, P. (2003) 'Agreement-in-Principle on the Establishment of the Conservative Party of Canada', October (internal party document) 15.

Jansen, G., De Graaf, N. D. and Need, A. (2011) 'Class Voting, Social Changes and Political Changes in the Netherlands 1971–2006', *Electoral Studies*, **30**, 510–524.

Kato, J. and Kannon, Y. (2008) 'Coalition Governments, Party Switching, and the Rise and Decline of Parties: Changing Japanese Party Politics Since 1993', *Japanese Journal of Political Science*, **9**, 341–365.

Kim, H. (1997) 'Rational Choice Theory and Third World Politics: The 1990 Party Merger in Korea', *Comparative Politics*, **30**, 83–100.

Laghi, B. (2003, October 11) 'Chances of Uniting Right Dim, Memo Says; Harper's Letter Criticizes Tories' MacKay for "Lack of Any Spirit of Compromise"', *Globe and Mail*, A1.

Laver, M. and Schofield, N. (1990) *Multiparty Government: The Politics of Coalition in Europe*, Oxford, Oxford University Press.

Lees, C., Hough, D. and Keith, D. (2010) 'Towards an Analytical Framework for Party Mergers: Operationalising the Cases of the German Left Party and the Dutch Green Left', *West European Politics*, **33**, 1299–1317.

Mair, P. (1990) 'The Electoral Payoffs of Fission and Fusion', *British Journal of Political Science*, **20**, 131–142.

Maor, M. (1998) *Parties, Conflicts and Coalitions in Western Europe: Organizational Determinants of Coalition Bargaining*, London, Routledge.

Olsen, J. (2007) 'The Merger of the PDS and WASG: From Eastern German Regional Party to National Radical Left Party?' *German Politics*, **16**, 205–221.

Pachón, M. and Shugart, M. S. (2010) 'Electoral Reform and the Mirror Image of Inter-Party and Intra-Party Competition: The Adoption of Party Lists in Colombia', *Electoral Studies*, **29**, 648–660.

Park, K. (2010) 'Party Mergers and Splits in New Democracies: The Case of South Korea (1987–2007)', *Government and Opposition*, **45**, 531–552.

Plamondon, B. (2009) *Blue Thunder: The Truth about Conservatives from Macdonald to Harper*, Toronto, Key Porter Books.

Rafter, K. (2011) *Democratic Left: The Life and Death of an Irish Political Party*, Dublin, Irish Academic Press.

Rakner, L., Svåsand, L. and Khembo, N. S. (2007) 'Fissions and Fusions, Foes and Friends: Party System Restructuring in Malawi in the 2004 General Elections', *Comparative Political Studies*, **40**, 1112–1137.

Schwartz, M. A. (2006) *Party Movements in the United States and Canada: Strategies of Persistence*, Lanham, Maryland, Rowman and Littlefield.

Schwartz, M.A. (2012) 'Continuity and Change in the Organization of Political Parties', *Canadian-American Public Policy*, **78**, 1–88.

SES Research (2003) 'Canadian Federal Politics—The Ballot', accessed at www.nanosresearch.com/library/polls/POLNAT-S03-T7.pdf on June 22, 2013.

Strøm, K. and Müller, W. C. (1999) 'Political Parties and Hard Choices'. In Müller, W. C. and Strøm, K. (eds) *Policy, Office, or Votes?: How Political Parties in Western Europe Make Hard Decisions*, Cambridge, Cambridge University Press, pp. 1–35.

Taras, D. (1996) 'The Winds of Right-Wing Change in Canadian Journalism', *Canadian Journal of Communication*, **21**, 485–495.

Ware, A. (2009) *The Dynamics of Two-Party Politics: Party Structures and the Management of Competition*, Oxford, Oxford University Press.

Williamson, K. (2003, August 9) 'Martin is Top Choice for PM Even Here', *Calgary Herald*, A9.