

Canada's Conservatives to call national election before economic downturn worsens

The role of the unions and NDP

By Keith Jones
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Before the week is out, Canadian Prime Minister and Conservative Party leader Stephen Harper is all but certain to call a federal election for Tuesday, October 14.

Harper met individually with the three other major party leaders between Friday, August 29 and Monday, September 1. The ostensible aim of these meetings was to determine whether a fall session of parliament would be “productive.” In reality, the meetings were pro forma affairs staged so that Harper can claim that despite his attempts to find “common ground” with the opposition, his minority government lacks sufficient parliamentary support for its legislative agenda. An election is needed therefore—or so the argument goes—to put a “dysfunctional” parliament out of its misery.

Stéphane Dion, the leader of the Liberal Official Opposition emerged from his Monday meeting with Harper after just 15 minutes. The prime minister, said Dion, had demanded he give assurances the Liberals would sustain the Conservatives in office until October 2009. When Dion refused to give the government such an unprecedented blank cheque, Harper told the Liberal leader he would be meeting forthwith with Governor-General Michaëlle Jean to request she dissolve parliament and call an election—this notwithstanding a law, passed shortly after the Conservatives came to power in February 2006, that reputedly fixed October 2009 as the date of the next federal election unless the government lost parliament’s confidence. (The legislation did provide the government a constitutional loophole, which Harper is now seizing upon, to compel an election at a time of its choosing.)

Even right-wing commentators concede that the Conservatives’ claims of a “dysfunctional” parliament are entirely self-serving. A pliant opposition has enabled the Conservatives to push through a raft of right-wing measures (29 bills and three budgets). These include: a massive program to rearm the Canadian Armed Forces; regressive “law and order” changes to the Criminal Code; an amended “national security certificate” regime that enables the government to indefinitely detain non-citizens without charge or trial; and fiscal measures—corporate, capital-gains and personal-income tax cuts and mega payments on the national debt—aimed at further enriching the most privileged sections of society and hobbling the federal state’s capacity to provide social and public services.

Earlier this year the Liberals combined with their Conservative rivals to extend Canada’s leading role in the counter-insurgency war in Afghanistan until the end of 2011.

There are several reasons Harper is eager for an election even though opinion polls indicate little if any increase in the Conservatives’ popular support over the last election when they won a plurality of seats with a 36 percent share of the vote.

Far and away the most important of these reasons is the rapidly

deteriorating economic situation.

Mounting economic crisis

Economic growth has stalled, with the economy contracting in the first quarter of the year and registering anemic growth in the second. On Tuesday, the Organization for Economic Co-operation and Development or OECD lowered its projection for Canada’s economic growth in 2008 to 0.8 percent. Among the G-7 countries, only Italy is expected to have slower growth.

Although technically the country is not in a recession, 55,000 jobs were cut in July, more than in any month since the 1990-91 slump.

The slowdown in Canada’s economy and that of the US, which consumes over three-quarters of Canada’s exports, comes after years of wrenching job losses in the manufacturing sector. Since 2002, some 400,000 manufacturing jobs, more than 15 percent of the total, have been eliminated as a result of the rise in the value of the Canadian dollar, off-shoring, increased foreign competition, and the never-ending corporate drive to sweat out greater profits. Especially hard-hit have been the auto and forest industries.

A commodity-resources boom in the mining and energy sectors and a surge in investment in Alberta’s oil tar sands have meant buoyant profits for key sections of Canadian capital and limited the growth in unemployment. But this is now all threatened. Commodity prices have begun to recede as demand tapers off in China and elsewhere and the US sub-prime mortgage crisis is cascading through the world financial system.

The Conservatives manifestly fear the electoral impact of mounting job losses and financial market turbulence. Rising prices have also severely pinched the incomes of working people. Between April and July the increase in Canada’s Consumer Price Index doubled from 1.7 to 3.4 percent due to soaring oil and food prices.

But Harper also aims to use the worsening economic situation to appeal to big business to rally behind his party’s drive to secure a majority government.

In their pre-election advertising campaign the Conservatives have sought to link Harper’s reputed “strong leadership” to the mounting economic crisis. “We anticipate,” said Harper last week, “that Canadians will have a choice in the not-too-distant future on exactly how they want to see this country be governed, through a period where there are economic difficulties across the board.”

Decoded, the Conservative appeal to big business is as follows: You should back our campaign for a majority government because we will be the most ruthless in imposing the burden of the economic crisis on working people; moreover, a majority government will be better able to impose unpopular policies because it will be even more insulated from the

concerns and opposition of the populace.

The Conservatives have strongly endorsed the report that their Competition Policy Review Panel released earlier this summer. To the delight of the Canadian Council of Chief Executives, the report outlined a “competitiveness agenda for Canada” that includes dramatically lower corporate taxes, deregulation, and the elimination of barriers to corporate consolidation in the banking and financial sector.

The Afghan war

International developments have also figured in the Conservatives’ electoral calculations.

Harper has been among the most loyal foreign supporters of US President

George W. Bush and his “war on terror.” He fears that should the Republican McCain lose this November’s US presidential election he will be popularly perceived as “out of step” internationally, thus giving him further incentive to go to the polls now.

The Conservatives are also apprehensive about the impact of the Afghan War and a likely surge in CAF casualties this fall and next year.

Washington and NATO concede that they have been taken aback by the strength of the insurgency against the US-imposed government in Kabul. Consequently, they are now laying the groundwork for a counter-offensive, with the Kandahar region, where 2,500 CAF troops are stationed, slated to be one of the main battlegrounds.

Three Canadian soldiers were killed yesterday while patrolling in Zheri District west of Kandahar City. This brings the CAF death toll in Afghanistan to 96.

Whilst Harper has won accolades from Canada’s elite for championing the CAF’s Afghan mission, opinion polls have repeatedly shown that the majority of Canadians are opposed to the leading role the CAF has assumed in the counter-insurgency war and to the government’s efforts to revive Canadian militarism.

A divided Liberal party

A third reason Harper is anxious to have an election now is that he is hoping to exploit serious divisions within the Liberal Party. It is an open secret that many on the Liberal Party frontbench and leading backroom committees are not reconciled to Dion’s leadership.

In the media this is generally explained from the standpoint that Dion, a former university professor, is uncharismatic and lacking in leadership skills.

In reality the Liberal Party crisis is rooted in the sharp turn to the right of Canadian big business and of the upper middle class layer of professionals who staff the party’s ranks.

During the 20th Century the Liberal Party was the Canadian bourgeoisie’s preferred party of government because of its ability to use the promise of modest, incremental social reform to harness the working class to the needs and ambitions of Canadian capital.

The Chrétien-Martin Liberal government, which held office from October 1993 through January 2006, rallied voter support by denouncing the right-wing policy prescriptions of its Progressive Conservative Party, Reform, and Canadian Alliance opponents, only to subsequently implement them. To name but a few: NAFTA, the regressive Goods and Services tax (GST), the elimination of the federal budget deficit through massive social spending cuts, corporate, capital-gains and personal-income tax cuts skewed to the benefit of the rich, and the adoption of the Clarity Act with its threat to partition a seceding Quebec.

But under conditions of an ever-intensifying global struggle for markets and profits and a resurgence of inter-imperialist and great power conflict, the Canadian ruling elite became increasingly concerned that their position was being eroded. Canada’s share of world trade and investment was (and is) falling and their rivals in the US and elsewhere were

achieving higher rates of return on their capital.

Hence their search for a more aggressive political vehicle to continue the offensive against the working class and the rallying of the most powerful sections of Canadian big business behind the “new” Conservative party—formed in 2004 through the merger of Canada’s traditional right-wing establishment party, the Progressive Conservatives, and the right-wing populist, neo-conservative Canadian Alliance—in the 2006 elections.

If the Liberals are in crisis, it is because the ruling elite they serve is enthusiastically supporting the Harper government’s right-wing socio-economic agenda, and above all, its drive to assert the predatory interests of Canadian capital on the world stage through its rearmament of the CAF and championing of the CAF intervention in Afghanistan. One manifestation of this is a steep decline in donations to the Liberals.

From within the Liberals’ own ranks there is a strong undercurrent of opposition to Dion for supposedly tacking the party “too far left.”

Dion, who served in the Chrétien Liberal cabinets that implemented the greatest social spending and tax cuts in Canadian history, has in fact repeatedly attacked the Conservatives from the right. He has denounced Harper for not aggressively cutting corporate taxes, for ending the tax exemption on income trusts, and for mismanaging the country’s finances and thereby risking the return of budget deficits.

Dion’s “Green Shift” plan is, to be sure, an attempt, in part, to provide the Liberals with a desperately needed “progressive” makeover. But the centerpiece of the plan—the slashing of corporate and personal income taxes and their replacement by a consumption tax on carbon conforms with neo-liberal ideology, which advocates the replacement of corporate taxes and the progressive income tax system by regressive consumption taxes.

One expression of the popular alienation from the establishment parties—not just the Liberals and Conservatives, but also the Quebec *indépendantiste* Parti Québécois and Bloc Québécois and the New Democratic Party, a right-wing social-democratic party which, despite the “new” in its name, was formed almost a half-century ago—is the strong showing of the Green Party in the opinion polls. The Greens have consistently recorded a 10 percent share of prospective voter support.

Last weekend, Green party leader Elizabeth May announced that independent MP Blair Wilson, who was elected as a Liberal in 2004, had joined the Greens to become the party’s first-ever MP. Wilson’s Liberal pedigree is hardly surprising. While the Greens benefit from an “outsider,” even anti-big business image, they are a would-be establishment party. This is exemplified by the non-aggression pact May and Dion struck last year, under which the Liberals have agreed to support May in her bid to capture Defence Minister Peter Mackay’s Nova Scotia seat. May, for her part, has repeatedly gushed over Dion and his environmental program, all but proclaiming that she would leap at the opportunity to support a Liberal government.

The role of the unions and NDP

The impending elections underscore the urgency of the working class constituting itself as an independent political force, through the building of a new mass party, in opposition to big business and its “free market.”

For more than a quarter century the NDP and the unions have suppressed the class struggle, facilitating the big business offensive on the social position of the working class, when not actively participating in cutting wages and jobs and the dismantling of public and social services.

The NDP, which enjoys the support of the bulk of the union bureaucracy in English Canada, spent much of the last parliament appealing to the Conservatives to accept it as a true partner and “make parliament work.” If the NDP did not end up sustaining the Conservatives in power as the social democrats had the previous Martin Liberal minority government, it was not for want of trying.

Only in the late summer of 2006 did the NDP reverse its support for the CAF's role in the Afghan War. In keeping with its fervent Canadian nationalism it continues to argue that Ottawa, if it puts a little diplomatic distance between itself and Washington, can be a "force for good" in the world.

Another section of the union bureaucracy will openly support the Liberals. Buzz Hargrove, who negotiated unprecedented concession contracts with the Detroit-based Big Three auto makers behind the backs of his members last spring shortly before retiring as the president of the Canadian Auto Workers, was until a few days ago actively considering a Liberal offer to stand as their candidate in Oshawa against Finance Minister Jim Flaherty.

As in the past, the Quebec unions will support the BQ, which openly allied with the Harper government during its first year and half in office. Cynically, the BQ will seek to muster votes by portraying itself as a bulwark against a majority Conservative government and the Conservative's neo-liberal and social conservative agenda.

This is a familiar pose. During the 1995 referendum on Quebec sovereignty, the BQ-PQ argued that independence would insulate Quebecers from the "right-wing wave sweeping North America." The referendum over, Quebec's PQ government declared that the number one "national objective" was to eliminate the provincial budget deficit and toward that end imposed draconian social spending cuts.

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