

Canada's Reform Party reborn as the Canadian Alliance

Makeover aimed at securing big business support

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The Reform Party, the official opposition in Canada's parliament, has been "folded into" a new, right-wing political vehicle—the Canadian Reform Conservative Alliance. The makeover of Canada's official opposition has been pitched by Reform's founder-leader Preston Manning as a means of wooing the electorate in eastern Canada. But Manning's real target is Canada's financial elite and media barons. To secure their support, Manning is trying to distance himself from Reform's social conservative and anti-central Canadian roots and emphasizing his commitment to drastic tax and social spending cuts.

At the Alliance's founding convention last January, delegates voted to make the call for a 17 percent "flat" income tax the central plank of the new party's election platform. Such a flat tax would not only provide a huge tax cut for the well-to-do, it would cause a major shortfall in government revenue, thus necessitating further massive cuts to public expenditure.

To date, the new party has cut little ice with the electorate. Opinion polls show support for the Reform/Canadian Alliance down sharply from the 1997 election. This is especially true in the four Atlantic provinces, Quebec and Ontario, which are home to over two-thirds of Canada's population. (In its 13-year existence, Reform elected only one MP east of the Manitoba border.)

The big business media, by contrast, has taken an intense interest in the new party. The campaign for Alliance leader is being accorded saturation press coverage, although it is only two weeks old.

Whether big business will make the new party the vehicle for effecting a radical shift to the right remains to be seen. At the very least, the Canadian Alliance will be used, as has been Reform, to pressure Prime Minister Jean Chretien and his Liberal Party to do big business's bidding.

Conrad Black's *National Post* is unabashedly promoting the Alliance. The attitude of the *Globe and Mail*, which has long been considered the voice of the Bay Street financial center, is much more ambivalent. It has repeatedly challenged Manning and his main rival for the Alliance leadership, Alberta Treasurer Stockwell Day, to demonstrate that they can

reconcile their social conservatism "with the diversity of Canada's population" and offer Quebec an "inclusive orientation."

It is no secret that among the bankers, brokers and bond dealers of Bay Street there is growing dissatisfaction with, and even hostility towards, the Chretien Liberal government. Big business unanimously applauded the Liberals for imposing massive social spending cuts during their first mandate (1993-97). But many bank and corporate bosses are angered that the Liberals have not matched US income and corporate tax rates or made privatization and deregulation government priorities.

For much of big business, the greatest impediment to a concerted drive to unseat the Liberals at the next election is the lack of a viable alternative. The Conservative (Tory) Party, Canada's other traditional ruling party, were all but destroyed in 1993, when after nine years in office under Brian Mulroney they were reduced to just two seats in the House of Commons.

Although the Conservatives regained recognition as an official party in the lower house of parliament after the 1997 election, they remain the fifth largest party in the House and are electorally uncompetitive in large parts of the country. Furthermore, federal Tory leader Joe Clark has alienated big business by welcoming anti-free trade campaigner David Orchard into the Tory ranks and appealing to popular opposition to Liberal cuts to unemployment insurance and other social programs.

Nevertheless, corporate funding has continued to heavily favor the Tories over Reform—an indication of the extent to which Manning and his party have been viewed as outsiders by the most powerful sections of Canadian capital.

Since its founding in 1987, Reform has championed the need for sweeping tax and spending cuts. Of all the parties, Reform has most faithfully echoed big business's demands for the dismantling of the welfare state. With its strongest base of support in Alberta, Reform has also long enjoyed close ties to the oil companies and agribusiness.

But on the whole, big business and the media have remained wary of Reform's evangelical Christian populism and western

regionalism. Their fears have been two-fold: that Reform's opposition to abortion and gay rights and its anti-immigrant demagoguery would rile much of the population and become an impediment to the adoption of a right-wing economic agenda, and that Reform, which has made repeated unabashed appeals to anti-Quebec bigotry, would fan the movement for Quebec secession, or at the very least favor the interests of capital in western Canada.

In founding the Alliance, Manning has sought to address these concerns. The new party has scrapped its opposition to Canada's Official Languages Act, which mandates the federal government to provide services in French and English across the country. The Alliance also has dropped Reform's call for equal provincial representation in the upper house of Canada's parliament.

As regards the political agenda of the religious right, Manning is attempting a balancing act. He has repeatedly said tax cuts and reforming—i.e., privatizing—health care are much more urgent issues. At the same time, he has sought to rally support from Reform's large core of evangelical Christian activists by stressing his personal support for socially conservative “values” and by saying he favors binding national referenda on such questions as abortion and capital punishment. (The latter proposal, while having a democratic veneer, would in fact make fundamental democratic rights, such as a woman's right to choose, subject to abrogation.)

Manning's model for transforming Reform into the Alliance appears to be the Tory provincial governments of Ontario and Alberta. Ontario Premier Mike Harris and Alberta Premier Ralph Klein have used social conservative rhetoric, particularly as regards law and order, to rally public support. But their governments' legislative and policy focus has been cutting social spending, privatizing public services, rewarding the well-to-do with tax cuts, and curtailing trade union rights. Both the Harris and Klein governments enjoy solid business support. Since Manning first proclaimed in 1998 that his aim was to “unite the right” so as to defeat the Liberals in the next federal election, the press has repeatedly proclaimed that either of the two Tory premiers is far better suited than Manning to accomplish this task.

In launching his campaign for the leadership of the Alliance, Manning stressed both Reform's right-wing economic record and its association with the Ontario and Alberta Tory governments. Declared Manning, “We have been trailblazers who helped put balanced budgets on the agenda of every government in the country. We have seen our efforts to promote constructive change reinforced by other great campaigns for change, including Mike Harris' Common Sense Revolution in Ontario and Ralph Klein's revolution here in Alberta.”

To the consternation of Tory leader Joe Clark, Manning has succeeded in drawing into the Canadian Alliance a number of key operatives in the Alberta and Ontario Tory governments.

But this support has come at a price. Put bluntly, the Alberta and Ontario Tories don't believe Manning can successfully make the transition from leader of the western-based Reform to head of a right-wing, national government-in-waiting.

Klein and much of the Alberta Tory political machine are supporting Stockwell Day's candidacy for Alliance leader. Day's major claim to fame is that as Alberta treasurer he has scrapped Alberta's progressive income tax system and introduced an 11 percent flat tax. Ironically, Day is, if anything, to the right of Manning on social-cultural issues. He launched his leadership campaign with the call for the reinstitution of the death penalty. In the past he has argued for abortion to be removed from the list of services provided by Medicare, the national public health scheme, and he campaigned within the Alberta Tory cabinet for the Klein government to use the “notwithstanding clause” in the constitution to avoid having to guarantee gays equal rights.

A faction of the Ontario Tories, meanwhile, is supporting the candidacy of Ontario Minister-without-portfolio Frank Kees. A key architect of the Ontario Tories' right-wing platform, Kees was reportedly kept out of the cabinet during Harris's first term in office because he alienated so many traditional Tory backers.

The Canadian Alliance is a deeply reactionary, anti-working class formation. But the threat to working people comes not just from the Alliance and the popular support it might generate. Big business will use the new party to legitimize extreme right-wing views, further shift the political spectrum to the right, and corral voters behind the Liberals as the only means of keeping the Alliance from power. While painting Reform as the voice of extremism, the Liberals have repeatedly adopted Reform policies, including dramatically slashing social spending in the name of eliminating the deficit, cutting taxes, restricting refugees' rights, amending the Young Offenders' Act, and supporting the partitioning of Quebec in the event of secession.



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