

The Canadian Alliance: the new face of political reaction

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The Canadian Alliance, the new right-wing party formed out of the Reform Party and dissident Tories, chose Stockwell Day as its leader July 8. With 64 percent of the 114,000 votes cast in a ballot of the Alliance membership, Day decisively defeated party founder Preston Manning and will succeed him as leader of Canada's Official Opposition, once he secures a seat in the House of Commons.

A Pentecostal preacher and former Alberta Tory cabinet minister, Day won the Alliance leadership by mobilizing diverse elements: the political machine of Alberta Tory Premier Ralph Klein; Reformers who opposed the party's dissolution into the Alliance; a group of former key operatives in the 1984-93 federal Conservative government; sections of big business who view the current federal Liberal government with disdain; the right-wing fringe of the Quebec separatist movement; and last, but not least, Canada's small, but highly organized, religious right.

The corporate media's response to Day's election and the large number of pro-Day statements emanating from Canada's corporate boardrooms indicate that important sections of the ruling class plan to use the Day-led Alliance to press for massive tax cuts for the well-to-do and a new assault on public and social services.

No sooner had Day been chosen as party leader, than the media declared that a fundamental realignment of the Canadian political landscape is taking place. Although all the Alliance MPs come from Canada's four Western provinces and most opinion polls show the party enjoys the support of less than 20 percent of the electorate nationally, the Alliance is being touted by the media as the only credible alternative to the current federal Liberal government. The media hullabaloo about Day being a fresh face has a definite purpose—to prevent serious consideration of the policies that he and the Alliance advocate.

The Alliance has already chosen to make the centerpiece of its next election campaign a policy plank that even the US Republican Party has shunned as too blatantly in favor of the rich—the replacement of the current progressive income tax system by a flat tax. According to the Alliance itself, were its scheme for a 17 percent flat tax adopted, a person earning \$100,000 a year would see his or her disposable income rise by more than \$10,000, while those earning \$20,000, roughly 40 percent of Canada's population, would gain a mere \$900 each. The Alliance is unabashed in its campaign for such a radical transfer of wealth in favor of the few. Declares the party web site: “We do not apologize for creating a tax system that is pro-Canada, pro-family, pro-growth and pro-jobs.”

Just as importantly, the Alliance's flat tax would result in a huge government revenue shortfall that would necessitate further drastic budget cuts. Needless to say, the Alliance has not come clean on how it will both reduce taxes by an estimated \$20 billion per year—equivalent to more than 15 percent of government program spending—and meet its promises to balance the budget and accelerate the paying off of the national debt. But Day has pledged to eliminate all job creation and regional development programs.

In the name of a return to the constitution as written in 1867, the new

Alliance leader is also calling for a massive transfer of federal responsibilities to the provinces. This would put into question the existence of many vitally needed public services and social programs, since the poorer or “have-not” provinces lack the means to finance them on their own.

Other planks in Day's program include: an immediate 20 percent increase in military spending; Canadian participation in the US “Star Wars” missile shield program; tougher sentences for criminals; judging 16 and 17-year-olds in adult courts; sending young offenders to boot camps; repeal of the Liberals' gun registry legislation; and stripping refugees and would-be-immigrants of the protections accorded them by Canada's Charter of Rights.

During his campaign, Day openly courted the religious right, proclaiming his opposition to abortion and equal rights for gays and pledging federal financial support for religious schooling. Like Manning, Day also promised to enact legislation to provide for binding “citizen-initiated” referendums. This is meant to provide opponents of abortion and proponents of the death penalty a mechanism for overturning fundamental democratic rights.

During the Alliance leadership race, Day was criticized by the media, including the pro-Alliance *National Post*, for overly emphasizing his social conservatism. But the buzz within Canadian corporate and political circles over Day's victory suggests big business is prepared to live with his reactionary fundamentalist views if he can form a government that will heed their call for a dramatic intensification of the assault against the working class.

According to Conrad Black's *National Post*, Day has already received pledges from key corporate leaders to match Liberal election campaign contributions dollar for dollar. Alberta Premier Ralph Klein has publicly raised the possibility of transforming his Conservative Party, which has intimate ties to the oil and natural gas industry, into the Alliance's first provincial party. (Although traditionally very close to their federal counterparts, the various provincial Liberal and Tory parties are autonomous.) Day has even received a stamp of approval from the *Wall Street Journal*. It ran a July 17 editorial on Day and the Alliance entitled “A Fresh North Wind.”

Behind the interest in Day is the growing dissatisfaction of the most powerful sections of big business with both their traditional governing parties, the Liberals and Tories. Corporate Canada applauded the Chretien Liberals when, during their first mandate (1993-97), they imposed social spending cuts far greater than those ever attempted by the Mulroney Tories, and embraced a host of Tory policies they had denounced when in opposition—most notably a North American free trade pact and the Goods and Services Tax. But big business is angered that since balancing the federal budget the Liberals have not moved aggressively to cut corporate and personal income taxes and eliminate environmental and labor regulations.

The Conservatives, meanwhile, are perceived by large sections of big

business as not representing a viable alternative, and not just because they finished fifth in the 1993 and 1997 elections and have a recycled leader from the 1970s. To the dismay of Canada's corporate elite, Joe Clark's Tories have sought to make political capital by appealing to popular resentment over the impact of the Liberals' spending cuts. Big business's waning support for the Tories finds expression in the state of the party's finances. Although elections are expected this fall or next spring, the Tories are laboring under a massive \$7.4 million debt.

Day, by contrast, is seen by important sections of big business as someone who has proven he can deliver the goods. As Alberta Treasurer, Day presided over the introduction of North America's first flat income tax. Prior to that, as Alberta's Social Services Minister, he implemented savage cuts in welfare benefits, forcing many unemployed to seek refuge in other provinces.

Preston Manning spearheaded Reform's transformation into the Canadian Alliance in the hope of repositioning his party so as to better appeal to big business and tap into its growing dissatisfaction with the Liberals and Tories. Not that corporate Canada ever had any quibble with Reform's fiscal and economic policies. Indeed, Reform's electoral breakthrough in the 1993 election came in part because it won big business's approval by championing the need for massive social spending cuts.

But big business, especially in the key centers of Toronto and Montreal, was always skeptical of Reform's anti-establishment, populist pretensions. Reform's anti-Quebec chauvinism was seen as potentially placing the federal state at risk; while its calls for the West to be given a greater say in determining national policy cut across the economic interests of the financial houses of Bay Street and Rue St. Jacques. Much of big business also feared that Reform's strident social conservatism would galvanize popular opposition, thus jeopardizing the ongoing assault against the working class.

In creating the Alliance, Manning engineered the dropping of many of Reform's most contentious policies, such as its calls for a Senate with equal representation from all provinces and for repeal of the Official Languages Act. He also sought to prioritize "fiscal conservatism"—i.e., the call for tax and budget cuts, privatization and deregulation—over abortion and other issues dear to the religious right. In this, Manning's models were the right-wing Tory governments in Ontario and Alberta, which in the name of "individual freedom" have slashed public services, cut the taxes of the wealthy, attacked trade union rights and imposed workfare.

But in choosing Day over Manning, the Alliance rank and file has given the reins of the new party to someone who is, as *Globe and Mail* columnist Jeffrey Simpson put it, "more Reform than Mr. Manning." Day, if anything, is to the right of Manning on most issues and has, at least in recent years, articulated the values of the religious right with far greater vehemence. He had the support of all 17 Alliance MPs who opposed Reform's dissolution into the Alliance. With few exceptions, the Reform diehards came from party's most conservative wing, which saw the creation of the Alliance and such policy changes as the dropping of opposition to French language rights as a betrayal of Reform's "Western roots."

Day first came to political prominence in the mid-1980s as the spokesman for a group of religious schools that did not want to accept provincial government regulation. In launching his bid to win the Alliance leadership, he returned to those political roots, criticizing Manning for downplaying "family values" and drawing thousands of religious activists into his campaign by pledging to push for federal funding for religious schools. When anti-abortion groups that were supporting Day criticized one of his Alliance opponents for having homosexuals on his campaign team, Day refused to repudiate their support.

In recent weeks, Day has chosen to mimic Manning and adopted a

posture of studied ambiguity on abortion and similar issues, claiming that while he has strongly-held, religious-rooted values he won't impose them on anyone. His record demonstrates otherwise. As an Alberta cabinet minister, Day pressed for the Tory provincial government to discontinue funding for abortions under Medicare and urged that the "notwithstanding clause" in the constitution be invoked so Alberta could escape having to comply with a court order to provide civil rights protection to gays and lesbians.

On constitutional issues, Day has taken a less confrontational position vis-à-vis Quebec and the Quebec nationalists. During the leadership race, he criticized Manning for defending a notorious 1997 election ad in which Reform urged voters to reject both traditional governing parties, the Liberals and Tories, because their leaders were Québécois. But like Manning, Day supports a weakening of the federal state to the benefit of the provinces. While under Day's scheme all provinces would formally gain the same powers, decentralization has long been advocated by the political and economic elite in the West as a means of wrenching power from their rivals in the more populous Eastern provinces.

It is a measure of the sharp shift to the right of Canada's corporate and political establishment that after keeping Manning for so long at arms length, it is ready to embrace Day or, at the very least, to flirt with the idea of a Day-led Alliance government. It is also a measure of the urgency big business attaches to bringing about a radical change in government policy, for the fledgling Alliance is a heterogeneous, untested and, potentially volatile political formation.

In the final days of the leadership campaign, Manning and his key campaign aides, who comprised most of the top officials of the old Reform Party, repeatedly warned that a Day victory would threaten the alliance between so-called fiscal and social conservatives. Manning has since rallied behind Day, but his warnings point to inherent tensions in the Alliance—tensions between its big business and urban upper middle-class supporters and Reform's petty-bourgeois electoral base, which was built through right-wing populist appeals that combined the stigmatizing of the poor, minorities and other vulnerable groups with hollow claims to stand for the little man against the elites.

Already there is much disquiet in the Alliance over the role that a group of former Mulroney cabinet ministers, most of them now prominent businessmen, is playing in the party. Tom Long's ties to Mulroney and Bay Street did much to undermine his bid to lead the Alliance well before it became public knowledge that his campaign was using its \$4 million war chest to sell phony party memberships. Among the self-proclaimed fiscal conservatives, i.e., the pro-capitalist market ideologues, there is concern that the religious right will have Day's ear because he shares its fundamentalist beliefs and because he is in its political debt. Some have openly expressed the fear that the Alliance could become beholden to the religious right like the Republican Party in the US, thus tying big business's agenda to a volatile and fanatical minority.

The focus on the role of the religious right has diverted attention away from another question that ultimately may weigh far more heavily in big business's decision whether to support the Alliance becoming Canada's next government—Day's call for "reform of the federation through the recognition of provincial sovereignty." While some sections of big business see the devolution of authority over social policy to the provinces as a useful mechanism for dismantling public and social services, others fear a further weakening of the federal state. In the final days of the Alliance leadership campaign, *National Post* columnist Andrew Coyne urged the Alliance faithful to think again before choosing Day as party leader, "It isn't just his social conservatism: Among the Alliance candidates he has been the most insistent advocate of gutting federal authority in favour of the provinces ... Manning's 'rebalanced' federalism is mild by comparison."

Then there is the interrelated question of Quebec. There are widespread

fears an Alliance victory would strengthen the Quebec separatist movement, and not just because the Quebec nationalists would welcome any devolution of federal powers as a step toward Quebec independence. It is virtually excluded that the Alliance, given its Anglo-chauvinist roots and the pitiful size of its Quebec membership, can win even a single one of Quebec's 75 seats in next election. Given that Quebec accounts for almost a quarter of all the seats in the House of Commons, it is highly likely the Alliance would need at least the tacit support of the pro-*indépendantiste* Bloc Québécois to oust the Liberals and form the government. In the improbable event the Alliance won a parliamentary majority while winning seats exclusively in English Canada, the separatists would point to "Quebec's exclusion" from the corridors of power to bolster the case for independence.

The Alliance represents a serious threat to the working class. An Alliance government would strengthen the corporate stranglehold over economic life, move to dismantle what remains of public and social services, attack fundamental democratic rights, and build up the repressive apparatus of the state. Undoubtedly, the Liberals will try to exploit popular fears over the Alliance, using the Alliance's reactionary platform as a foil to mask their own role as political representatives of big business. The truth is, however, the Liberals have repeatedly adopted Reform/Alliance policies. To give but the most important and striking example, the Liberals were elected in 1993 promising "Jobs, Jobs, Jobs," but soon after adopted Reform's credo that the most pressing issue was the deficit and, in the name of eliminating it, proceeded to impose massive social spending cuts.

If the Reform/Alliance, and even more negligible forces like the religious right, are exerting a growing influence on Canadian politics, it is not because of their inherent strength. The Alliance is riven by contradictions and its social base quite narrow. Less than 115,000 people, in a country of 30 million, participated in the vote that chose Day to become leader of the Official Opposition. Day himself won less than 75,000 votes.

Over the course of the past decade the right has largely filled a political void. It has battered off the confusion and disorientation that has resulted from the collapse of any opposition to big business from the organizations workers have traditionally looked to defend their rights—the trade unions and the social-democratic New Democratic Party.

The stampede to the right in official politics cannot be opposed by backing this or that party of the ruling class on the grounds it is a "lesser evil," i.e., by trying to breathe life in the political corpses of liberalism and social-democratic reformism. Rather the emergence of the Alliance as a contender for power underscores the urgency of the working class building its own party to advance a program to radically reorganize economic life in the interests of the vast majority.



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