

# Canada's social-democrats hope to sustain Liberals in power after January elections

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Like social democratic parties the world over, Canada's New Democratic Party (NDP) has lurched far to the right during the past 15 years. In the campaign for the January 23 federal election, the NDP is doing everything in its power to prove it is a "responsible" party that can be trusted to uphold the interests of big business and defend the Canadian state. The New Democrats' fondest hope is that in the coming parliament, as in the last, they will have the opportunity to help sustain a government formed by one of the big-business parties.

The NDP has waged previous campaigns with the pretension of winning enough seats to form the government. But in the present campaign the NDP has explicitly focused its efforts on gaining the balance of power in a minority parliament. From this position—or at least so the argument goes—the NDP would be able to pressure the parties of big business into enacting social spending increases and modest reforms.

According to the NDP, the record of the last parliament shows the efficacy of this strategy. From May through November 2005, the NDP was in a parliamentary alliance with the Liberal minority government of Paul Martin. In exchange for the temporary dropping of a corporate tax break and a meager increase in social spending, the NDP helped the Liberals, who during their 12 years in office have spearheaded the assault on the working class, to beat back an attempt by the right-wing Conservative Party of Canada and the pro-Québec independence Bloc Québécois (BQ) to force a new election.

Although the NDP would doubtless prefer to prop up another Liberal minority government, it can by no means be excluded that Canada's social democrats would work with Stephen Harper's Conservatives, should the election result in a Conservative minority government. From the beginning of the campaign, NDP leader Jack Layton has consistently left open the question of collaboration with the Tories. "If we're starting the election by saying we're not going to work with other MPs who are elected, that would be a terrible attitude," Layton told a Vancouver rally in early December.

Last Monday night, when the moderator of the second English-language party leaders' debate pressed Layton to state whether he would prefer to work with a Liberal or a Conservative minority government, Layton dodged the question. He responded that the NDP wouldn't "give blanket support to anyone" and was "running against the Liberals ... because they keep breaking their promises" and "against Conservatives because they're wrong on the issues."

That Layton's party is perfectly willing to collaborate with either of the country's two big-business parties was demonstrated during the last session of parliament. The present election was triggered when the NDP withdrew its support from the Liberals, then voted for a Conservative no-confidence motion that brought down the government on the grounds that the sponsorship scandal had shown it to be corrupt.

For the Conservatives, it was pivotal that the election be framed in terms of corruption, so that discussion of their own right-wing program and ties to religious fundamentalists and the US Republican right could be

avoided. Instead of presenting its own no-confidence motion based on the Liberals' right-wing record, the NDP chose to assist the Conservatives in their maneuvers.

Since then, an emphasis on Liberal corruption has been as much at the centre of the NDP campaign as that of the Conservatives. The NDP have led the opposition parties in demanding that Finance Minister Ralph Goodale resign because of allegations that Bay Street insiders were leaked details of a forthcoming Liberal announcement on the taxation of income trusts and stock dividends.

Moreover, the NDP played a key role in the intervention in the election of the Royal Canadian Mounted Police (RCMP), the country's national police force. It was NDP finance critic Judy Wasylycia-Leis who made public that the RCMP had launched a criminal investigation of the insider-trading scandal, information the RCMP was all too eager to confirm.

The unprecedented decision of the RCMP to reveal to Wasylycia-Leis, then publicly announce, that it was conducting a criminal investigation in the midst of an election campaign was without doubt politically motivated. The RCMP is gunning for a Conservative victory because of a history of bad blood with the Liberal party and because they calculate (correctly) that Harper's party will go out of its way to increase their budget and powers. In this respect, just as in its role in the defeat of the Liberal government, the NDP has served as a pliant tool of the maneuvers of the right wing.

Like the other opposition parties, the NDP has framed the income trust affair solely as an issue of "insider trading" when the real issue from the standpoint of the interests of working people is the manifest subservience of the government to the interests of big business. The NDP has not dared campaign against the Liberals' decision to maintain the tax-free status of income trusts and slash the taxation rate on stock-dividend income—by any measure a boon for the wealthiest sections of society. Rather its sole point of attack has been that certain business interests may have benefited at the expense of other investors, because they had prior knowledge of Goodale's November 23rd announcement.

The apparent contradiction involved in denouncing the Liberals for corruption while at the same time hoping to be able to sustain a Liberal government in office after January 23rd is explained by the social democrats' perceived need to distance themselves from the Liberals, so as to escape being painted by the Conservatives as "soft" on corruption and to deter "strategic voting". Analyses of the 2004 federal election have shown that several hundred thousand voters who were preparing to support the NDP were persuaded to vote Liberal in the final days of the campaign on the grounds that only the Liberals could prevent the coming to power of a neo-liberal and socially conservative Conservative government.

In this election, as in the last, Martin's Liberals have been keen to present themselves as philosophical allies of the NDP, and not only as part of a calibrated attempt to woo NDP voters. The Liberals have won four elections in a row by depicting themselves as a bulwark against the right-

wing policy prescriptions of, successively, the Progressive Conservatives, Reform Party, Canadian Alliance and Harper's Conservatives, only to subsequently implement many of their policies. Needless to say, a major reason Martin courted the NDP last spring, was with the aim of using the social democrats to lend legitimacy to a fifth attempt to pull off the same trick.

To the extreme chagrin of the NDP leadership, its election-time efforts to distinguish itself from the Liberal Party have been undercut by a faction of the union bureaucracy. Early in the election campaign, the leadership of the Canadian Auto Workers (CAW) Union came out with an explicit call for its members to engage in strategic voting, i.e., to vote Liberal in those ridings where the Liberal candidate seems to have the greatest chance of preventing the election of a Conservative. Prime Minister Martin was even invited to address the union's national council, a courtesy not extended to Jack Layton.

In an op-ed piece published in the financial pages of the right-wing *National Post*, CAW President Buzz Hargrove spelled out that he was working for the election of an NDP-supported Liberal minority government and complained that he was "somewhat puzzled" by the criticism his "strategic voting" stance had provoked from the NDP leadership and other union officials. Echoing the NDP's own rhetoric, Hargrove eulogized the 17 months of the preceding parliament as "an inspirational moment of opportunity."

After describing a new Liberal minority government propped up by the NDP as the "best the left can now hope for," Hargrove attacked the NDP's campaign against the Liberals as "a sure-fire recipe for alienating potential supporters who are both relieved at the good things the minority government has delivered [thanks in large part to the NDP] and reasonably worried about the prospects of Tory rule."

The dispute between the CAW leadership and the NDP over strategic voting boils down to a question of tactics. Both champion the same strategy. The CAW bureaucracy explicitly calls for a Liberal minority government propped up by the NDP, while the NDP does so only implicitly with its call for the NDP to be given the balance of power in the next parliament. But at every opportunity, both repeat the claim that the NDP was able to pressure the Liberals to effect significant social reforms during the last Parliament.

This claim is a lie and a dangerous trap for the working class. As witnessed by last June's Supreme Court decision opening the door to the dismantling of Medicare, the ruling class has launched a new offensive aimed at destroying what remains of the welfare state.

The true political significance of the NDP-Liberal alliance is entirely other than what the social democrats and the union bureaucracy would have people believe.

Under conditions of deep popular disaffection with the traditional parties of big business, intensifying class struggle, and growing anxiety within the ruling class over its perceived inability to match the success of its rivals in the US and Europe in pushing through neo-liberal policies, Canada's social democrats are once again coming forward to help prop up the party that for most of the past 110 years has been the preferred party of government of the Canadian bourgeoisie—the Liberal Party.

The 12-year-old Chrétien-Martin Liberal government that the NDP and union leaders are so anxious to perpetuate has been the most right-wing federal government in Canada's post-Great Depression history. Between 1993 and 2001, federal government spending shrank from 15.7 percent of GDP to 11 percent, a reduction of nearly one-third, as the Liberals cut tens of billions from public and social services. This was accompanied by an equally astounding tax handout for the rich. As cut after cut to public spending led to federal budget surpluses, the surplus funds were quickly eliminated through a combination of tax cuts and repayments of the national debt. In 2000, the Liberals introduced a five-year, \$100 billion program of corporate, capital-gains, and personal-income tax cuts, cribbed

from the program of the Canadian Alliance (a party of the far-right which subsequently merged with the Progressive Conservatives to form the present Conservative Party of Canada).

With these cuts came a drastic change in the physiognomy of Canadian social life, whether the index be the length of waiting lists for medical treatment, the dramatic increase in the preponderance of insecure, part-time jobs, or the doubling of food-bank use in the course of 12 years of Liberal rule.

The NDP and the trade union bureaucracy played a pivotal role in enforcing the right-wing program of the Chrétien-Martin Liberals. Throughout the 1990s, NDP provincial governments implemented cuts to social spending and attacked workers rights (a role that fell to the BQ's provincial sister party, the Parti Québécois, in Québec) while the union bureaucracy ensured that opposition to this program was contained within the straitjacket of collective bargaining and impotent protests.

In Ontario, the NDP government of Bob Rae attacked public sector workers and was responsible for brutal social spending cuts. In 1995, discredited by their assault on the working class, the Rae NDP gave way to, and was itself responsible for the coming to power of, the Conservative regime of Mike Harris. When a 1997 strike by the province's public school teachers became the focal point of mass opposition to the right-wing agenda pursued by all levels of government, the trade union apparatus, backed by the NDP, torpedoed the strike.

Given the depth of the Liberal assault and the NDP's collaboration therein, the "NDP amendments" to the 2004 budget were so modest that to call them reforms would be a grave abuse of the language. According to the deal between the NDP and the Liberals, \$4.6 billion of corporate tax cuts over two years were to be cancelled, with the funds redirected to increase social spending by a paltry 2 percent.

More fundamentally, none of the long-term goals of the Canadian ruling class has been called into question either by the 2004 NDP-Liberal budget or by the NDP itself during the present campaign. On the contrary, the party has gone out of its way to demonstrate to the Canadian elite that it can be counted on to play by their rules.

In order to underline its commitment to upholding the interests of the ruling class and its federal state, the NDP has dropped its opposition to the Clarity Act. (Passed in 2000 by the Chrétien Liberals, the Clarity Act states that any referendum on Québec's secession must have a clear question, that it must win a clear majority, and that the Canadian parliament will be the arbiter of whether or not these conditions have been met. It also threatens a seceding Quebec with territorial partition.)

The limited proposals for modest tax increases on business, the wealthy and estates that the NDP campaigned on in the 2004 election have also been entirely discarded. The NDP has vowed not to raise any taxes, and has even opposed the Conservative campaign promise to reduce the federal Goods and Service Tax (GST), from 7 percent to 5 percent, within 5 years. The GST, as a consumption tax, has a greater impact on the working class and poor than on those with greater means at their disposal. Certainly, the Conservative proposal represents a craven example of populist posturing. Nonetheless, it is a measure of the NDP's rightward lurch that they would implicitly defend this regressive tax, originally proposed by the Mulroney Tories and then implemented by the Martin-Chrétien Liberals.

The NDP's new tax policies were announced by Layton from the trading floor of the old Toronto Stock Exchange building. And as he delivered the message to the Bay Street financial elite that his party was "fiscally responsible," Layton was joined by one of the star candidates recruited by the NDP for this election, former RBC Dominion Securities chief economist Paul Summerville (running in the Toronto riding of St. Paul's).

The NDP's recruitment of another "star" candidate, former Manitoba premier and governor-general Ed Schreyer, underlines the party's attempt

to convince Canada's elite that it should be entrusted with a share of power. By the mid-1970s, Schreyer was notorious within the NDP for his right-wing views, and as the NDP premier of Manitoba implemented the wage-cutting, three-year wage controls program of Prime Minister Pierre Trudeau. In the late 1970s, amidst rumours that he might join the federal Liberal cabinet, Schreyer instead accepted Trudeau's offer to takeover as governor-general—the unelected final arbiter of disputes with the Canadian parliamentary apparatus.

The WSWS will have more to say about the NDP's election program and campaign. But for the present suffice it to say that the NDP—the Janus-faced left-wing of the Canadian political establishment which claims that it is possible to pressure big business for reforms while simultaneously reassuring big business that it will do them no harm—is in no way a political instrument through which working people can defend their interests.

The defence of jobs, social conditions and democratic rights requires the construction of a new mass party of the working class that will oppose the subordination of social needs to the profits of business and unite Canadian workers with workers around the world in a common struggle against the capitalist profit system. It for this that the *World Socialist Web Site* and the Socialist Equality Party fight.



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