

Canada's union-backed NDP angling for budget deal with Conservatives

Keith Jones
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Canada's social democratic party, the New Democratic Party or NDP, is offering to support the forthcoming Conservative budget—a budget that will implement yet another round of corporate tax cuts and that is meant to initiate the government's post-recession turn to “austerity.”

Both the Official Opposition Liberals and the Bloc Quebecois (BQ) have previously propped up the minority Conservative government. But the Liberals have vowed to vote against the budget and the BQ has made its support conditional on the budget providing several special one-time payments to Quebec—demands the Conservatives have demonstratively rejected. Consequently, the Conservatives need the NDP's support if they are to avoid their government's defeat over the budget and a spring election.

Federal NDP leader Jack Layton met with Prime Minister Stephen Harper Friday, February 18 to discuss what measures the NDP wants included in the budget. Layton has spent the ensuing seven days defending his party's willingness to strike a deal to prop up the Harper Conservative government, arguably the most right-wing federal government since the Great Depression.

“People,” said Layton last Wednesday, “... including our own base and members, they expect us to be talking to the other leaders. They don't expect us to go and be sitting in a silo in a corner.

“They know we have 36 seats in the House of 308, so they expect us to do our best to convince others to support our proposals and our ideas.”

Following his February 18 meeting with Harper, Layton issued a press release that said the NDP is urging the government to “help families,” by eliminating the federal sales tax on home heating bills, restoring a government grants for energy-saving home renovations, and providing funds to hire more doctors and nurses. Layton also lobbied Harper to increase the Guaranteed Income Supplement for seniors and to throw the federal government's weight behind a plan to raise Canada Pension Plan (CPP) premiums for workers and employers so that CPP benefits can be raised.

Subsequently Layton made clear that the absence of one or more of these measures from the budget would not necessarily

cause the NDP to vote against it. He said his party would need to consider the budget *in toto* before determining whether it could support it—and sustain the Conservatives in power—or not.

“Our talks,” declared the federal NDP leader, “were cordial and respectful. The Prime Minister offered no assurances, but I am confident that my proposals were received and well understood.”

By the middle of this week, Layton was complaining that Harper has taken a dismissive and “defeatist” attitude toward the NDP's budget proposals. But, according to the Canadian Press, he also pointedly pronounced it “too early to conclude that the Conservatives are not ready to work with the NDP.”

Several reporters noted that in his February 18 statement Layton made no mention of the NDP's oft-repeated demand that the government forgo its plan to reduce the corporate tax rate by 1.5 percentage points annually this year and next. They construed this as a signal that the NDP has abandoned its opposition to the tax cuts, which when fully implemented will have reduced the corporate tax to 15 percent. As recently as 2000, the rate was 28 percent.

In fact, Layton had already made it abundantly clear that the NDP will not let the Conservatives' insistence on implementing corporate tax cuts constitute a barrier to the social democrats supporting the budget. In late January, when the NDP first served notice that it was willing to do a deal to sustain the Harper government in office, Layton cynically observed that since the corporate tax-cutting plan was adopted, with Liberal support, in the 2007 budget, it will not formally constitute part of this year's budget.

It also needs to be noted that the NDP, as part of its abortive December 2008 attempt to unseat the Harper government in alliance with the Liberals and BQ, explicitly agreed to serve as a junior partner in a Liberal-led coalition government committed to implementing the Liberal-Conservatives tax-cutting plan, as well as to waging war in Afghanistan.

Layton and his NDP have previously helped the Harper Conservative government cling to office. In the fall of 2009, when the Liberals, to the general dismay of the corporate establishment, withdrew their on-again, off-again support for the Harper government, the NDP quickly struck an agreement to prop up the Conservatives in exchange for a modest,

temporary extension of Employment Insurance benefits to some jobless workers.

Layton's readiness to again do a deal with the Harper government has reportedly caused frictions within his parliamentary caucus and unease among sections of the trade union officialdom.

Some of the social-democratic politicians and union bureaucrats fear that the NDP's alliance with Harper and his Conservatives will further alienate NDP voters and compromise a party that is already rightly viewed with disdain by many workers for its impotence and utter subservience to big business.

After all, the Harper government is a naked instrument of big business. It has continued and widened the right-wing policies of its Liberal predecessors, slashing taxes for business and the well-to-do, pursuing a "muscular" imperialist foreign policy focused on the expansion of the war-making capacity of the Canadian Armed Forces, and thwarting serious action on climate change and otherwise emasculating environmental protection. Now, in the name of erecting a Continental Security Perimeter, it is pursuing an even closer military-security alliance with Washington and Wall Street.

The five year-old minority Conservative government has also expanded the powers of the executive at the expense of the democratic rights of the Canadian people, twice proroguing parliament and blocking investigation of the crimes committed by the Canadian Armed Forces in Afghanistan. Last June, it made the G-20 summit the occasion for a massive state provocation in the streets of Toronto, which saw police arbitrarily and illegally detain hundreds of peaceful protesters and bystanders. And top operatives in the Harper government are actively encouraging Toronto's right-wing populist mayor, Rob Ford, to launch an all-out assault on municipal workers—including the use of strikebreakers—with the aim of inflicting a strategic defeat on the working class.

The criticisms of Layton's courting of Harper from within the NDP leadership and the union bureaucracy are also motivated by fears that an alliance with the Conservative cuts across their and Layton's objective of forging a governmental coalition with the Liberals after the next election.

The competing rightwing orientations that currently divide the NDP, the union officialdom, and the periphery of ex-radicals that orbits around them has been well-illustrated by recent postings on rabble.ca. An ostensibly left website patronized by the labor bureaucracy, *Rabble* has long been campaigning for a Liberal-NDP coalition, under conditions where the NDP is constrained from publicly advocating such a course because of Liberal opposition and electoral dynamics.

Murray Dobbin, a regular *Rabble* columnist and longtime advocate of a Liberal-NDP pact, decried Layton for forsaking the NDP's opposition to the tax cuts. According to Dobbin, the NDP can make productive deals with the Liberals because they believe government has "a role to play in capitalist society,"

whereas Harper "is determined to dismantle the activist state and turn us into a mini-USA."

Subsequently, Brian Topp, the executive director of the performers' union ACTRA Toronto and an NDP insider who helped negotiate the 2008 coalition deal, came to Layton's defence. "Mr. Layton," wrote Topp, "has honorably fulfilled his responsibilities to the people of Canada by spelling out a prudent, reasonable and realistic set of proposals—proposals that Mr. Harper could reasonably be asked to accept. The ball is now in Mr. Harper's court."

The reality, of course, is that by offering to support the government, Layton and the NDP are giving Harper and his Conservatives the luxury to choose if they want to continue governing as a minority or provoke an election—and they will undoubtedly do so if they believe that they can obtain a parliamentary majority.

The corporate media has attributed the NDP's willingness to prop up the Conservative government to the social democrats' fear that they will lose seats if an election is held today. Certainly, electoral calculations are a factor. Identified with a union bureaucracy that increasingly serves as a well-paid industrial police force for big business and popularly perceived as a junior establishment party, the NDP has found no traction with working people despite the growth of poverty, social inequality, and economic insecurity.

But Layton's parlaying with Harper is not simply a matter of the social democrats' anxiety for their parliamentary seats. The NDP leadership was chastened by the hostile reaction of the Canadian corporate elite to its 2008 coalition gambit. Big business and the corporate media overwhelmingly supported Harper's proroguing of parliament, in flagrant violation of democratic norms, so as to prevent his government's fall and the coming to power of a Liberal-NDP coalition. In so doing, it also embraced Harper's inflammatory and fatuous claims that the "socialists" could not be trusted with a share of power.

Since then, the NDP leadership has been at pains to demonstrate to Canada's ruling elite that it is a "responsible" party that will unfailingly uphold their interests and that coalitions, because they can claim a broader base of legitimacy, can in fact be better instruments for imposing unpopular policies. Significantly, Layton hailed the coming to power of the Liberal-Democrat Conservative coalition in Britain as proof of the validity of the coalition option—no matter that this government was committed on assuming office to imposing draconian cuts far beyond those implemented under Margaret Thatcher.



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