Beholden to big business:

Canada’s NDP gave private assurances to Bay Street

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As Canadians voted on May 2, top officials of the trade union-based New Democratic Party (NDP) were contacting the country’s leading financial institutions to reassure big business that an NDP-led government would in no way threaten their interests.

Last week’s federal election produced the NDP’s best-ever result. Canada’s social-democrats increased their share of the popular vote by more than 10 percentage points and captured 102 seats, vaulting the NDP from fourth place in parliament to the Official Opposition. But to the NDP leadership’s chagrin, the unprecedented collapse in support for the big business Liberal Party enabled the Conservatives to win a parliamentary majority with less than 40 percent of the popular vote, putting paid to the social-democrats’ hopes of forming a coalition government with the Liberals.

In December 2008 the NDP had agreed to serve in a Liberal-led coalition government pledged to waging war in Afghanistan and implementing massive tax cuts for big business. That agreement quickly collapsed however, after Conservative Prime Minister Stephen Harper prevailed on the unelected Governor-General to use her office’s vast arbitrary powers to temporarily shut down parliament.

This May 2, the NDP leadership judged its prospects of making a post-election bid for power sufficiently strong to warrant contacting Canada’s banks so as to reassure them of the NDP’s concern for their profits and investments and court their support.

According to an article in the May 5 issue of the Montreal daily *La Presse*, “Last Monday, the NDP made contact with leaders of the financial world to reassure the markets. The NDP wanted to remind them that if the NDP formed the government, it would follow the example of provincial premiers like Roy Romanow in Saskatchewan or Gary Doer in Manitoba who had tabled balanced budgets.”

Romanow and Doer are notorious right-wingers. The NDP governments they led slashed social spending, cut corporate taxes, refused to outlaw the use of strikebreakers, and otherwise faithfully implemented the agenda of big business.

Harper was so impressed with Doer’s record that he named him Canada’s ambassador to the US. Liberal Prime Minister Jean Chretien—whose government implemented the greatest social spending cuts in Canadian history, including gutting Employment Insurance—repeatedly sought to convince Romanow to join his cabinet.

The *World Socialist Web Site* contacted the NDP to seek more information about which corporate leaders were contacted, who in the NDP leadership made the contacts, and what was said.

The press secretary to NDP leader Jack Layton, Karl Belanger, confirmed such discussions had taken place. But Belanger refused to name any names or say anything substantive about what the NDP told those whom he described as “bank economists,” financial “journalists” and “business economists.”

In his e-mail reply, Belanager claimed that the NDP’s purpose in contacting key players at the financial institutions of Bay Street was to counter “disinformation” about the NDP’s intentions and thereby protect the pensions of Canadian workers."Needless to say," wrote Layton's press secretary, "stability is essential to the pension investments of Canadian workers, so we share that

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goal. We therefore had to act to counter the disinformation being spread by some in the business press."

Clearly the NDP is anxious that it not be widely known that Layton and the NDP were giving private assurances to big business even before making a bid for office. So it is using the ruse of protecting workers' pensions to justify making pledges of "stability" and fidelity to big business behind the backs of working people.

In so far as there is any truth to Belanger's claims about "countering disinformation" it is this. The NDP leadership feared that domestic and international capital would react negatively to the defeat of the right-wing Harper government, selling off stocks, driving down the value of the dollar, or postponing investments. After all, in Dec. 2008, corporate Canada had overwhelmingly supported the shutting down of parliament in violation of parliamentary practice and democratic norms so as to prevent the "socialists" (the NDP) and the "separatists" (the pro-Quebec independence Bloc Quebecois) from having a say in government.

Canada's social democrats wanted to preempt such a development by dispelling any notions, whether born of class animus or ignorance, in the Bay Street boardrooms that the NDP is "anti-big business," let alone "anti-capitalist" or "socialist."

In his public pronouncements in the final days of the campaign, Layton was going out of his way to say much the same thing. In an April 28 interview with Reuters, Layton once again promised to adhere to the Conservatives' schedule for eliminating the deficit—a target that will require billions in social spending cuts—and was at pains to stress that the NDP accepted the basic fiscal framework that has resulted from the regressive policies pursued by the Liberal and Conservative governments of the past three decades. The NDP, asserted Layton, is proposing "a modest adjustment of priorities at the margins of the federal spending envelope."

In a further display of the NDP's moderation and subservience to big business, Layton rushed to proclaim his support for the autonomy of the Bank of Canada after sections of the business press had attacked him for suggesting that Canada's central bank should do more to keep interest rates low.

As it was, the NDP platform was far too the right of even that it presented twenty years ago. It vowed to balance the budget and keep Canada's combined federal-provincial corporate tax rate below the US federal rate and proposed no new social programs, nor any increases in the taxes on the rich. Yet the elite have monopolized the gains in real income over the last 30 years, while simultaneously reaping the gains from massive cuts to personal income and capitals gains taxes. The NDP also committed to maintain the current levels of military spending--levels that are the highest they have been in real, i.e. inflation-adjusted, terms since World War II. The very week that the election was launched, the NDP joined with all the other parties in the House of Commons to unanimously pass a motion supporting Canada's participation in the imperialist war on Libya.

The NDP is not a means of pressuring big business or impeding the ruling class offensive on jobs, worker rights and public and social services. The party of the trade union bureaucracy and other privileged middle class layers, it serves as an instrument of the ruling class for smothering the class struggle and when in office acts, as the record of the NDP provincial governments that Layton so frequently touts illustrates, as an enforcer of capitalist austerity.

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