

# Harper's Conservatives or the Liberal-NDP Coalition? A Ruinous Government; An Unpromising Alternative

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## ***Socialist Voice Editors' Note:***

These three articles by Paul Kellogg are slightly abridged. The full texts, including graphs and footnotes, along with a fourth article on this subject, "Are the Liberals An Alternative?" can be read on Paul Kellogg's blog, PolEconAnalysis, at <http://www.poleconanalysis.org/>

## Harper's Tories: Attacking Quebec to Save Neo-Liberalism

Stephen Harper won a seven week reprieve December 4, the Governor-General granting his request to prorogue Parliament until January 26. But the events of the past week have pushed him into a corner and he is fighting for his political life. The fight has revealed something many people already knew. Behind the fuzzy sweater donned during the last election, behind the "fireside chat" chumminess that he was trying to cultivate, behind this façade of polite civilized behaviour, there resides the same man who was cadre for the Reform Party and Canadian Alliance. That political formation built itself on a combination of polarizing attacks on Quebec and neoliberal dogmatism. Harper in a corner, with his fangs bared, has showed himself not to have changed one iota.

The anti-Quebec politics he has unleashed are appalling. In Question Period December 3, Tory member after Tory member repeated the same two words over and over again — "separatist coalition" — 36 times to be exact, if the official record is to be believed. Harper used the same language in his address to the nation December 3, saying that a time of crisis is "no time for backroom deals with the separatists." At various times, Tories were using the words "treason," " " and "deal with the devil" as they carried their polemic against the proposed coalition. This was clearly a planned, coordinated strategy, the most blatantly open anti-Quebec politics to come from the federal stage in years.

Just a few months ago, Harper was trying to woo the voters of Quebec, hoping to re-create the Brian Mulroney coalition of the 1980s. He had surprisingly supported the idea of calling Quebec a nation — something that angered many of his old Reform Party comrades. But pushed into a corner, he needs to rally his base — and nothing energizes the old Reform Party more than attacks on Quebec.

"In the space of just a few days" said one commentator, "the phobia of `separatists' has reappeared in Ottawa and in English Canada, with a force we haven't seen in years, since the referendum in 1995, since the Meech Lake controversy." It has become legitimate again

to speak about Quebec with outright hostility and bigotry, made legitimate by the irresponsible rants of Harper and the Tory caucus.

Harper is aware just how inflammatory is his language. In the French version of his address to the nation, he translated the loaded word “separatist” into the much less value-laden “souverainiste”. But this transparent ruse is unlikely to fool the people of Quebec, who are rightly recoiling in shock at the display of venom coming from Harper and his followers. As one radio commentator put it, the price for Harper rallying the troops to his anti-Quebec flag, was to put “scorched earth” between the Tories and what had been their developing base in Quebec.

Harper’s target is the Bloc Québécois (BQ), which has indicated it would support the proposed coalition between the Liberals and the NDP. Harper’s attack is ridiculous. First, the BQ is not part of the coalition — it has only indicated that it will give the coalition 18 months to govern. Second, this is not unusual. The BQ was, after all, central to keeping Stephen Harper’s last minority government alive in its early months. And these parliamentary details are beside the point. The Tories are focussing on the fact that the BQ supports sovereignty. That is their right. They are also the party supported by 1.3 million Quebeckers in the last election. The BQ is a legitimate part of the political spectrum in Canada. It has a long record of operating in the House of Commons — including being the official opposition in 1993, a party which has “contributed to debates outside matters of Quebec’s status and powers, on everything from climate change and Afghanistan to efforts to repatriate Omar Khadr” as even the editorial writers for *The Globe and Mail* have to admit.

But Harper is teetering on the edge of losing his office, and will use every weapon at his disposal to say in office — even if that means fanning the flames of anti-Quebec bigotry. What brought Harper to this impasse was his stubborn commitment to neo-liberal orthodoxy, even in the face of the economic storm sweeping the world economy. In country after country, governments have turned their back on the neoliberal allergy to the state — and begun the process of rediscovering Keynesianism and state intervention — indispensable in the face of the horrors of the unfettered free market. But Harper and his finance minister Jim Flaherty — the latter trained in the neo-liberal era of Ontario’s Mike Harris — had delivered an economic update that instead of stimulating the economy, would have further depressed it. They are dogmatic neoliberal ideologues, very reluctant to abandon the old, failed orthodoxy.

Flaherty has been trying to argue that he has already stimulated the economy through previously announced tax cuts. The Department of Finance depends on four firms to help with the preparation of budget documents. One of these is the Centre for Spatial Economics. Flaherty’s view “is a fantasy” according to the Centre’s Robert Fairholm, quoted in *The Globe and Mail*. “Most of the short-term stimulus from these measures have already boosted economic activity, and so will not continue to provide [a] short-term jolt to growth.” The tax cuts coming January, 2009 put \$2.5 billion into the economy. But the update was going to cut \$4.3 billion, “so the net effect is contractive, Mr. Fairholm explained.” In fact, instead of stimulating the economy, Fairholm estimates that the impact of Flaherty’s “update” would be to turn a 0.3 per cent annual growth rate to a decline of 0.1 per cent.

Harper has revealed his colours — first as a neo-liberal dinosaur who has no understanding of how to respond to the economic crisis, second as a politician willing to go to any lengths — including irresponsibly provoking an anti-Quebec backlash in English Canada — to

consolidate his base and keep his job. No wonder that his actions have disgusted thousands, and that the three other parties in the House of Commons are trying to push him out.

### **Liberals and Tories — Parties of Corporate Power**

It is not news to many in the social movements that we have had trouble with both the Tories and the Liberals while in office. Nonetheless, there is considerable enthusiasm for an NDP-Liberal coalition being able to offer real change — change that could not happen under the Harper Tories. But we have to be very sober about what is possible. We cannot judge political parties by their momentary positions, by their style, by their individual leaders. Parties are reflections of class power in a class-divided society — and in Canada, there is no question that the Liberals, like the Tories, are a party of the corporations, a party of the capitalist class.

This used to be quite easy to demonstrate. Until December 31, 2006, political parties could receive open contributions from corporations and unions. This changed with the passing of the “Federal Accountability Act” in 2006, which restricted donations to “citizens and permanent residents of Canada” and expressly forbade “corporations, trade unions and unincorporated associations” from making these donations. This does not mean that corporations and unions do not have parties of their choice — it just makes the links between parties and classes in society more obscure.

But the readily available information we have before the passing of this act makes one thing very clear — there is little difference between the Liberals and the Tories from the standpoint of the boardrooms of Canada’s major corporations. In fact, through much of the last generation, their preferred party has been the Liberals, not the Tory/Reform project of Stephen Harper.

While the Tories were in office under Mulroney, they were lavished with funds from Canada’s corporations. But once the Liberals replaced them, corporate funding for the Tories collapsed, and the corporations increased their donations to the Liberals, year after year preferring them to either the Tories or the Reform/Alliance, in some years sending many millions more into the Liberal coffers than into those of Tory/Reform.

We know that the economic crisis is seen differently from Bay Street than from Main Street. We know that the corporations will seek to solve the problems of the economy on the backs of working people. We know that attacks on wages, attacks on union rights, attacks on social services — we know that all of these are being prepared in the corridors of corporate power, their usual arsenal when faced with a crisis of their system.

And we know from the data on this page, and from years of bitter experience, that the Liberal Party of Canada is at its core, a party of these corporations — a party which will bend its effort to rule in the interests of these corporations.

Jack Layton is hoping that the NDP will be able to set the terms of the coalition. There is no chance of this happening. The NDP was committed to funding social programs by rescinding the corporate tax cuts made under Harper’s watch. During the election campaign, this was one of the strongest part of the party’s platform. It wasn’t only Harper who opposed it. Stéphane Dion called it a “job killer.” One of the first casualties of the coalition was this NDP campaign promise. Liberal finance critic Scott Brison said that “corporate tax cuts set to kick in next year would remain in effect as part of a Liberal-NDP coalition government.”

What will it mean for working people of Canada if, in order to get into office, policy after policy from the NDP campaign book has to be sacrificed in order to try and align themselves with Canada's party of Bay Street?

### **Harper Out of Ottawa, Canada Out of Afghanistan**

Of all the compromises that might happen to keep a coalition alive, by far the most troubling is the one that is brewing on the war in Afghanistan. As news of the coalition began to surface in the last week of November, The Globe and Mail reported that "a senior NDP official said that no policy issues are considered deal breakers" including that of the war in Afghanistan.

This above all else has to be a "deal breaker." The NDP has been the one major party that has been committed to ending the war in Afghanistan. As this is being written, news came across the wires that three Canadian soldiers have been killed, taking the military death toll past 100. We don't know how many Afghans have been killed in the war — there is no official attempt to keep track.

No compromise is possible on war. You are either for it or against it. The Liberals began this war. The Liberals voted to extend it to 2011. We all know that it is an unwinnable war, fought for corporate profits and geopolitical power, not for democracy and human rights. An anti-war party cannot stay anti-war and enter a cabinet with a pro-war party. Layton and the NDP leadership have to face up to the fact, that were the coalition to take office, the war in Afghanistan would become their war, and the deaths and injuries suffered in that conflict would be their responsibility.

Some will say that were the NDP to insist on this point, then the coalition would not be possible. That is probably true. But a coalition that includes "compromise" on Canada's military adventure in Afghanistan is not a coalition worth having. Canada is engaged in an imperialist adventure in Central Asia — part of the long slow re-militarization of Canada begun by the Liberals and continuing under the Tories. Opposition to this war is a matter of principle, not one of political expediency. Were Layton and the NDP leadership to compromise on this issue, it would do immeasurable damage to the anti-war movement in Canada — and ultimately to the NDP itself.

There is fear among millions in the face of an unfolding economic crisis. There is anger at the arrogance of a Tory minority that is pushing full steam ahead with neoliberalism at home and militarism abroad.

But it is no solution to replace Harper with a coalition government led by the other party of corporate power and of militarism — the Liberal Party of Canada. All that would be accomplished would be the burying of the independent voice of Canadian labour — the voice of the NDP — behind the pro-corporate voices of Michael Ignatieff and his colleagues.

If the coalition does not take office, we know the way forward. We need to build social movements against war in Afghanistan, against the militarization of Canadian society, against sending off working class men and women to die for corporate profits. We need to build inside the workers' movements, unions with the muscle to challenge the agenda of the corporations. Don't bail out the auto companies — nationalize them and convert the jobs to green jobs, building public transit, building the infrastructure of a sustainable green economy. If the coalition does take office — the way forward is exactly the same.

We will be told that raising Afghanistan is divisive. So be it. We will demand that the coalition withdraw the troops immediately, even if that means the Liberals abandoning the coalition and the government falling. The only lasting basis for gains for working people and the poor is in building social movements that do not rely on manoeuvres at the top of the system. The Liberals will say “but we are a party of peace, we didn’t go to war in Iraq.” We will remind them that they were going full speed ahead to war in Iraq in 2003, until 400,000 people took to the streets — including two massive, beautiful demonstrations in Montreal — demanding that Canada stay out of that conflict. The Liberals reluctantly stayed out of the Iraq war because it would have been political suicide for them to join the Coalition of the Killing.

That is the way we will win progress whether it be a Harper government, or a Liberal/NDP government — by mobilizing on the streets and in the workplaces, whether the Prime Minister is Stephen Harper, or Stéphane Dion, or Bob Rae, or Michael Ignatieff.

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