

# The Harper Government

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# Years On

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January 23rd 2008 marks the second anniversary of the electoral victory of the Stephen Harper Conservatives, breaking the more than decade-long run of the Liberal Party. Since that night, two year ago, there has been reason enough to be thankful that the Conservatives only won a thin minority of seats. What might have unfolded had the Conservatives, still tied in part to their right-wing populist Reform heritage, secured a parliamentary majority is discomfoting to contemplate. It is widely expected that the government will be brought down by the opposition parties sometime in 2008, with a spring election, triggered by a vote on the new budget, a distinct possibility.

Canada has now had almost two decades of instability in party politics at the national level of Parliament. As the Liberal Party has declined as the ruling class party of national political integration, regional divisions in voting and party representation have increased. This has been the case for both bourgeois parties, the Conservatives and Liberals. In Quebec, of course, there has also been a strong sovereigntist vote cast for the Bloc Quebecois. And through a combination of political drift and inept political leadership, the social democratic vote for the New Democratic Party has largely fallen back into its Western Canada and Toronto footholds. Another factor splitting voting preferences has been the rise of the Green Party as a regular feature of partisan choices in polls.

The instability in voting outcomes and electoral coalitions warrants a caution. It has been matched by consistency across partisan voting outcomes by neoliberalism as the governing practice in federal policy, and the embrace of neoliberal and market-friendly policies, to varying degrees, by all five parties in their political programmes. If there is, indeed, something that can be called a crisis in political representation in Canada, it is consolidated ruling class power in favour of neoliberalism and integration of Canadian capitalist interests with the imperialist agenda of the American empire. No government in Canada, of whatever political stripe, including NDP led provincial and municipal governments, has challenged this consensus for more than a decade.

A federal election in 2008 will likely confirm these patterns: voter instability, minority government and entrenched neoliberal policies. However, the election will also test a growing opposition of working Canadians to neoliberal policies in general, and Canada's

increased alignment with U.S. foreign policy and retrenchment on social policies in particular. The way opposition will be registered may be in quite opposite ways: either increasing voter apathy and political alienation from the increasingly hollowness of liberal democracy in Canada, or a re-birth of Canadian social movements after the decade long slide in activism since the anti-FTAA protests in Quebec City.

## HARPER AND THE CONSERVATIVES IN POWER

In the course of the 2006 election campaign, the Conservatives focused on five key themes which then formed the basis for their main parliamentary agenda: accountability, tax reform, law and order, child care, and hospital wait times. In addition to these 'priorities,' the Conservatives were also interested in killing the gun registry, withdrawal from the Kyoto Accord, re-opening debate on same-sex marriage, resolving conflict with the provinces over transfer payments to finance social programs and infrastructure, deepening integration with the U.S. economy and military via the Security and Prosperity Partnership (SPP) and ditching the Kelowna Accord. To varied degrees, they have advanced new policies on all these issues.

Once in government, the Conservative strategy has been to obscure their approach to issues, and in particular some of their most controversial planks, as simply the work of a transparent and competent government. This was to remind Canadians of the break from the final years of cronyism, drift and incompetence of the Liberal governments under Jean Chretien and Paul Martin. The discipline and focus of the Conservatives in power has been in sharp contrast to the disarray among the three Parliamentary opposition parties. The Bloc has been sinking in Quebec as Tory fortunes rise and the sovereignty project loses political focus; the Liberals entered a protracted leadership contest which resulted in the election Stephane Dion, the first choice of only 17% of delegates, and left unresolved what substantively differentiates Liberal policies from Tory ones; and the NDP has been reduced to a handful of strong regional bases of support, lacks a clear policy agenda and has flitted back and forth over the last four years in its Parliamentary alliances.

The disorder amongst the oppositional forces has produced one spectacle after another of efforts of the parties to avoid de-

feating the Conservative government and forcing an election. The most recent has been the pathetic display of Dion and the Liberals in the fall of 2007 virtually ceasing to function as an opposition and often avoiding parliamentary votes altogether. This setting has allowed the Conservatives to move boldly, despite their minority status, on a range of controversial issues and effectively to act as if they held a parliamentary majority.

The first Conservative budget in 14 years, in 2006, marked a further shift toward neoliberal fiscal policies from the previous short-lived Martin Liberal government. The new Finance Minister, Jim Flaherty, had cut his political teeth as a key figure in the Ontario Conservative's Common Sense Revolution of the mid-1990s. He sought a similar direction for federal government finance, although he was restrained by the limitations imposed on the government by its minority position. The Conservative's targeted two social policy issues for gutting, both areas that finally seemed to have some political consensus for moving ahead. These were: additional funds to improve social conditions on Aboriginal reserves through the Kelowna Accord with Canada's First Nations and a national daycare programme.

The two programmes would have meant the largest expansion of new social programmes in Canada since the late 1960s. Since the 1994 retrenchment of social transfers and unemploy-

ment insurance by the Chretien Liberals, the federal government has been wracking up budgetary surpluses. Flaherty's own projection was for a \$13.2 billion surplus. Instead, debt reduction was prioritized to the tune of an additional \$3 billion. As well, to demonstrate that the Harper government would go even further than the Liberals under Martin to encourage warm and close relations with the Bush administration, additional funds of \$1.4 billion went to security and a further \$1.1 billion for the armed forces.

The 2007 budget and the subsequent economic statement in October also kept at key themes for the Harper Conservatives. Anticipating an election, the Conservatives put forward a number of minor market incentives to encourage greener technologies and carbon emissions reductions, to compensate for with their weak position on the environment. Transfer payments to the provinces were increased by \$6 billion in the name of 'open federalism' and to address the enormous infrastructure problems in Canada. Tax cuts totaling \$60 billion to be implemented over a five year period were also announced. This included a reduction in the corporate tax rate from 22% to 15% by 2012. This would leave Canada with the lowest corporate tax rate among the world's largest economies.

## SOCIAL POLICY AND RECASTING FEDERALISM

The rejection of a national daycare programme for a small income subsidy was embedded in the Harper Conservative's policies of 'social conservatism' to strengthen their vision of the essential unit of society being an integral religious nuclear family. It was also part of the new 'open federalism' that called for further decentralization of social policies in Canada and a 'strict constitutionalist' reading of the division of powers, to appeal jointly to economic elites in Alberta and B.C. and conservative nationalists in Quebec. Thus, on social and constitutional grounds, the Conservatives have sought to establish what Ann Porter calls, in Socialist Project's e-bulletin *The Bullet*, N. 21, of May 22, 2006, a "new social order" based on the "downloading of responsibility for the 'social' away from the state and towards markets and families." Both childcare and healthcare policies, in varying balances in actual policies, amply demonstrate this agenda: privatization to the family and the market to expand opportunities for private delivery and decrease the role of the state and redistributive policies.

In terms of daycare, the Conservatives simply halted the beginning moves to a national public programme and implemented an incredibly small income subsidy for individual parents to determine their own form of daycare delivery. This has done next to nothing to increase the number of daycare spaces or improve access. The Conservative strategy for health care has taken a different tack, given the position of medicare in the imagery of the Canadian state and as a source of political legitimacy. They have here pursued a politics of fear through the problem of extended wait times for medical procedures as a result of public service delivery. The political objective has been to erode the political consensus in favour of public health care by driving a wedge →



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between voters by income and age. There have been two political bases of support for this: the more affluent (and this might include employees with access to premium medical benefits) able to purchase private sector delivery in return for greater and faster access to necessary services; and the desperate needing immediate treatment for medical problems. This agenda is again one being implemented by the 'stealth' of administrative measures, but also has been the source of Parliamentary skirmishes over the Canada Health Act.

## THE AFGHAN WAR & CANADIAN INTERNATIONAL POLICIES

Since coming into power, Harper has shifting Canada's foreign policy stance even closer to the U.S. and NATO positions. For example, Harper immediately had Ambassador Michael Wilson cut a softwood lumber deal with the U.S., which limited Canadian lumber exports to the U.S. and allowed the Americans to keep \$1 billion in duties ruled by trade tribunals as illegal. This was part of the Conservatives re-establishing 'good' bilateral relations with the U.S. as they sought to continue to move along the deep integration of the SPP. A second has been Canada's Middle East policy and the uncompromising support for the Israeli and U.S. positions on the assault of Lebanon and Gaza by Israel.

Canadian participation in the war in Afghanistan remains the most significant dimension of Canada's transforming foreign policy. Although the mobilization was started under the Liberals, and initially had all-party support including the NDP, the Harper government has used the Afghan war as the chief means to define its shift in foreign policy. This included the movement of Canada's troops into forward combat positions in southern Afghanistan and the efforts to extend Canadian commitments to NATO into the future.

The Harper government has used the war to launch the most significant re-armament program in a generation. One hundred and twenty heavy tanks have been purchased on 'lease-to-own' agreements as well as several hundred more light armoured vehicles of various types. This is merely a platform for additional expenditures which have nothing to do with Afghanistan directly. The debate over Arctic sovereignty is leading to an intensified militarization of the Arctic. Harper has committed to purchase four armed heavy ice-breakers in addition to establishing a military base in the region. No doubt, this pattern will soon lead to consideration of a major, and expensive, overhaul of Canada's aging jet-fighter fleet.

The Conservatives have thus continued the re-organization of Canada's military, security and international policies to support the new geo-political context established by the U.S. since September 2001. This re-organization, begun by the Liberals, has had the support of key ruling class interests in Canada, notably the Canadian Council of Chief Executives and all the business

think tanks like the C.D. Howe Research Institute. It has been part of their common project to deepen integration with the U.S. to secure market access for Canadian exports and the internationalization of Canadian capital.

## CONSERVATIVE FRACTURES

No matter how focused and determined, the Conservatives have not been able to entirely control the political agenda. Several fracture lines have appeared that continue to make for difficult terrain.



Union Art Service

One of these was the sudden reappearance of former Prime Minister Brian Mulroney on Parliament Hill. Through the fall, the political stench of Mulroney's receipt of several hundred thousand dollars of payments for unspecified services provided to Karlheinz Schreiber, the German arms merchant, was again in the air. Both Mulroney and Schreiber danced around the issues of payments, bribery, arms sales, as well as the apparent financing of Mulroney's early leadership bids by German money, before a Parliamentary Committee. Whatever the precise details of services rendered, it is clear that there was a linkage between Mulroney's tenure in office, the payments and German manufacturing interests. Harper tried to distance himself from his association with Mulroney, but it is impossible to forget that Mulroney has served as the new Conservative Party godfather: he delivered the keynote address at the founding convention of the Conservative party and was a close advisor to Harper as he cobbled together the government. Although attempting to closely control its mandate, Harper has been forced to call an independent inquiry. This will keep the stench of patronage and bribery in the air surrounding the Conservatives.

A second fracture has added to the questioning of the Conservative claims to be accountable and transparent in contrast to the Liberals. This case was the scandalous handling of issues of

nuclear energy, and its usage for the production of medical isotopes, and safety in Canada by the Conservatives. It started in the fall with the Conservatives crude appointment of a Conservative fundraiser to head Atomic Energy of Canada Ltd. (AECL), in the process rejecting a skilled technocrat had been recommended by a third-party panel for the position. It was added by the firing of the head of the Nuclear Safety Commission (NSC) for her insistence that ordered repairs safety pumps be installed before the reactors at Chalk River were restarted to address the world shortage of medical isotopes. Rather than coordinate strategy for completing the repairs and the startup, Harper used extraordinary measures to fire the NSC head and order the reactors be started, breaching both the safety of Canadians as determined by the head of an independent regulatory body and basic features of parliamentary accountability and process. Committee hearings over nuclear safety and energy in Canada will continue to raise concerns. The gloss of accountability with which Harper has tried to coat the Conservatives is rapidly disappearing.

Two further fractures have also appeared and bear brief mention, as they will shape political debate in the coming period. It was revealed at the Bali conference negotiating a reduction in carbon emissions to succeed Kyoto that Canada and the Conservatives have no real policy, and that the prime objective is to leave as much political room as possible for tar sands development. The contradictions between the measures needed to address global warming and dependence on oil and resource extraction for Canadian development, and especially the Alberta base of support for the Tories, can only get worse. As well, Canadian growth is ever more tied to the prospects of the American economy, and the main Conservative policy has been tighter trade and financial relations with the USA. As a recession in the U.S. spills over into Canada, this too can only exacerbate political pressures for the Conservatives.

### **THE POLITICAL IMPASSE & THE COMING ELECTION**

Partisan politics is at a peculiar impasse in Canada. Harper has been able to run a strong minority government as much for the weaknesses of the opposition parties as for his own ideological clarity and determination. Each of the opposition parties is politically feeble for their own organizational reasons, and because none are willing to break from the neoliberal policy consensus or from the main lines of Western objectives on the wars in the Middle East (even if some voice opposition to some of the military strategies being pursued) and international economic policies. The polling of the electoral preferences of Canadians suggests some shifting terrain but there is no clear trend away from the general balance of forces that presently exist in Parliament. It is hard not to conclude that when the election comes, and an alliance of the opposition parties finally develops the temerity to defeat the Conservatives, the result will be a variation on the themes of the last elections. Lenin was surely right that liberal democracy has become of the greatest of political shells to protect capitalist interests and agendas. It certainly is in a time of neoliberalism.

In this context, a vote for the NDP in English Canada will surely still be warranted. And the NDP may well campaign quite strongly on an issue or two of more than symbolic importance, such as withdrawal of Canadian troops from Afghanistan, a moratorium on tar sands developments or the implementation of a carbon tax. But none of this should be mistaken for the NDP breaking from 'third way' social democracy. Such a vote will register a measure of dissent against the existing political order, but it will not mean a realignment of social forces in an anti-neoliberal project via increased parliamentary representation.

The coming year may also be a moment when new social forces emerge in opposition to the political trajectory of Canada. Although neoliberalism as embedded in class power and state structures remains in place, neoliberal policies, whether in terms of the liberalisation of financial markets, P3 funding schemes for public infrastructure or military policies in the Middle East, are quite discredited. This widens the political space for the formation of anti-neoliberal political projects around specific campaigns that might gain wide political resonance. The campaigns around healthcare privatization, for example, have shown the possibilities for mass mobilizations, as in the Brampton P3 hospital fight and similar struggles on the west coast. Analogous campaigns could begin to form significant opposition to the war, for a national daycare programme, for stronger environmental policies, against deep integration and the Security and Prosperity Partnership with the U.S. and improved support for the unemployed from EI funds.

These campaigns will certainly be based in extra-parliamentary activism, where they have been centred for some time. The political challenge has been to form political capacities beyond the old social coalition networks, such as the Action Canada Network, the provincial social justice coalitions, social forums, or the more encompassing activism of the Council of Canadians. The lesson after two decades is that these organizational forms have been no match for neoliberal politics and have even failed to sustain looser networks of social activism. They have not built capacities for educational, cadre-building, communicative or mass agitational work. They have not been able to block the political drift of unions in Canada away from social unionism and activism toward 'competitive unionism,' social acquiescence and accommodation with neoliberalism. Without these basic organizational capacities, the ability to engage in mass confrontation and political mobilization has wasted away in Canada. Rather than being a new political opening in anti-capitalist activism, the Quebec City demonstrations were the closing chapter to that political agenda of loose activist networks. There is no political use keeping ones head in the sand about these developments. This is the history that forms our circumstances in Canada today. It is ultimately where the parliamentary instability is located. The challenge is to begin to move on. **R**

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