From Protest To Powerlessness:
A Marxist Analysis of the Ontario NDP

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Abstract

Using Marxist state theory as an analytical framework, this thesis explains the problems faced by the Ontario New Democratic Party government (1990-1995) in implementing a social democratic agenda. Not only was the government constrained in its ability to implement progressive policy, but it was also pushed to implement a Social Contract (involving legislated wage cuts to public sector employees) that alienated the party’s base of support, making it more difficult for the party to organize in the future. Although this study relies predominantly on a reinterpretation of existing research on the topic, some primary research is used in the analysis, including interviews with members of the labour movement and former MPPs and analysis of the news media’s treatment of the party/government. Historical and class analytical perspectives are used to explain the evolution of the ONDP’s structure and policies, as well as to assess the relative strength of the working class and its ability to support a social democratic political agenda. It was found that the ONDP’s unwillingness to develop a long term plan for social democracy, and its inability to act as a mass party or to build a strong working class movement, made it more difficult for the party to succeed when it formed the government. Moreover, the class nature of the capitalist state, along with pressure exerted by a well mobilized capitalist class, worked to limit the government’s options.
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activism to performance art. Barb DeLeo provided moments of inspiration and revelation that not only injected a sense of spontaneity to my life, but also reminded me of the importance of honesty. Finally, Jacinthe Seignet's insightful nature and strength of character revealed much of what makes life worth living.
Introduction

Social democratic parties and governments cannot develop independently of the social conditions under which they operate, but these constraints do not necessarily cripple such parties. A capitalist economy places distinct constraints on the Canadian political system; but there is still room for a social democratic party, in this case the Ontario New Democratic Party (ONDP), to create space for policy innovation and progressive politics. In Ontario, from September 6, 1990 until June 8, 1995 the ONDP had the opportunity to demonstrate the potential of social democracy. By the time of the government’s third budget in 1993, however, it was clear that the ONDP was powerless to bring about any meaningful political change.¹ The Social Contract, a legislated wage rollback for public sector employees that involved the opening of collective agreements, is the most telling example of the ONDP’s failure in government.

It is the purpose of this thesis to provide an explanation for the Social Contract. This thesis will be conducted using Marxist State Theory as an analytical framework. Using this framework, it

¹ The title of this thesis, From Protest to Powerlessness: A Marxist Analysis of the Ontario NDP, is a play on the title of premier Bob Rae’s memoirs, From Protest to Power: Personal Reflections on a Life in Politics, Viking Press, Toronto, 1996. Rae attempts to convince his audience that by forming government the NDP had finally achieved political power. The record of the NDP in office, particularly in light of the events surrounding the implementation of the social contract, and the inability of the government to implement key elements of its agenda suggests that the NDP was powerless to effect any substantive change to Ontario politics.
will be argued that the NDP government in Ontario was faced with distinct and observable obstacles to the implementation of a progressive agenda. It will also be argued that historically the ONDP has not created the climate for, nor has it truly organized for, such an agenda. Not only was the ONDP unable to implement a progressive agenda, but, as will be seen with the study of the Social Contract, the ONDP government was actually pushed to implement regressive policies that damaged the ability to organize the left in Ontario.

In order to proceed with this study, two things must be done. First, an account of the structural constraints on the government of Ontario will be provided. This discussion will be divided into two parts: first, analysis of constant/universal constraints on government in advanced capitalist democracies; and second, analysis of the structural constraints placed on the ONDP government based on the specific economic circumstances of the early 1990's. Second, an analysis of the ability of the NDP and other progressive groups to organize in order to mobilize for a progressive agenda will be presented. Again, this will take a two-pronged approach. The initial analysis will employ a somewhat brief historical approach in order to examine the relationship between organized labour and the party. Also, it will examine the relationship between the party and its members, with particular emphasis on its relationship with more radical elements of the membership. The
second part of this analysis will look at the ability of these
groups to organize and work together during the NDP’s mandate.

To put it more succinctly, this thesis will provide an account of Marxist State Theory as well as utilize a 'balance of class forces' approach to the study of the ONDP government. Even though there is a significant body of material on the NDP government, this study is relevant because of the approach taken. With few exceptions research on this topic has been undertaken within the context of a 'liberal' or 'pluralist' framework. As Ralph Miliband argues in The State In Capitalist Society, such an approach is mired in a set of assumptions about politics that prevents an examination of the problems associated with a class based society. The use of class analysis will avoid some of the conventional assumptions made about politics in Ontario. One assumption to be avoided would be that all groups compete equally for favourable government policy. Another would be that NDP inexperience or incompetence explain the party's blunders. Furthermore, those who use a more radical/Marxist approach to the study of this government tend to focus more on the global crisis of Keynesianism and social democracy in general as opposed to an in depth analysis of the balance of class forces.

Chapter One of this thesis will examine the theoretical

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framework, and introduce some of the literature to be used. This will include a review of works dealing with the role of the state in a capitalist economy, as well as works dealing more specifically with the problems faced by social democratic parties within capitalist systems. It will begin with a discussion of the merits and limitations of the two major schools of Marxist State theory; structuralism and instrumentalism. The discussion of these two approaches to Marxism will include an analysis of the debate over the relative autonomy of the state and the usefulness and necessity of this concept.

Next in Chapter One will come a discussion of the structure and functions of the state in capitalist societies. This will address the structures of the state apparatus, as well as the theoretical problems of ideological hegemony and what Nicos Poulantzas calls the ideological state apparatus. Included in this section will also be a discussion of the functions of the state; accumulation, legitimation and coercion. Through these discussions it will become possible to determine what constraints

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3 Even though Marxist thought can really be broken down into more sub-fields, it is still most useful (at least for the present purposes) to hold to the two most important camps.


are placed on any government that operates within the confines of an advanced capitalist state.

These concrete limitations aside, it will still be necessary to illustrate the theoretical principle behind the analysis of class conflict. As such, the next part of the first chapter will investigate the theoretical underpinnings of class analysis, and determine how much room it is possible for a social democratic government to create. In essence, the utility of the concept of a balance of class forces will be investigated.

In order to proceed with Chapter One, the major works of Marxist state theory will be examined. As Marx himself never made a complete analysis of the role and function of the state in capitalist society\(^6\), it will be necessary to focus on more modern interpretations of this subject (the new wave of Marxist theory began in the latter part of the 1960's). Although this chapter will focus primarily on the Marxist perspective, this will not preclude the analysis of some non-Marxist literature.

Chapter Two will consist of a brief historical examination of the Ontario New Democratic Party. This chapter has two main purposes. The first is to discuss the historical relationship between labour and the NDP. This will include a discussion of the

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\(^6\) See for example Anthony Giddens and David Held, "Introduction to Part III: Classes, Elites and the State" in *Classes, Power and Conflict: Classical and Contemporary Debates*, Giddens and Held (eds.) University of California Press, Berkeley and Los Angeles California, 1982, p 191
benefits and drawbacks of union affiliation as well as the limitations of this relationship. The second issue to be examined will be the role of labour in expelling the Waffle movement from the party in 1972. The expulsion of the Waffle is considered to be important because it represents the last opportunity the party had to develop as a political movement rather than a political party. This part of the chapter will be relatively brief, but it is essential in that it will help contextualize the party’s position in the Ontario political system, as well as demonstrate that the NDP has not organized for a radical/socialist agenda.

Chapter Three will consist of a discussion of the evolution of the ONDP from 1972 to 1990. The first purpose of this chapter is to outline NDP electoral strategies in this time frame with the purpose of explaining why the party can best be described as a brokerage party. Also to be discussed will be the reasons why a brokerage style works to the detriment of a social democratic party or movement. The second purpose of Chapter Three is to determine the conditions under which the NDP gained power in Ontario. This will include an examination of the economic and social conditions of Ontario in 1990 and analysis of the reasons why the NDP was able to gain enough electoral support to defeat the Liberals. Since

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7 See Leo Zakuta, A Protest Movement Becalmed: A Study of Change in the CCF, University of Toronto Press, Toronto, ON, 1964 and Walter Young, Anatomy of a Party: The National CCF, 1932-61, University of Toronto Press, Toronto, ON, 1969 for the origins of this line of questioning.
these factors are exogenous to the party, they do not constitute a complete explanation for the NDP victory. As such, this chapter will also include an examination of party policy and the election platform on which the party ran.

Chapter Four will constitute the beginning of the main thrust of this thesis, which is an examination of the conditions and factors that led to the Social Contract. This chapter will investigate the external factors affecting the NDP government. These influences include the business and financial communities, the media and the state apparatus. Throughout this chapter it will be argued that the aforementioned institutions placed a substantial amount of economic and political pressure on the NDP government and that the pressure exerted by these groups was enough to push the government away from the party's traditional principles. Furthermore, it will be argued that the success of such pressure is rooted in the historical role of capital in the formation of the political culture of Ontario.

The first part of Chapter Four will consist of an examination of the way in which the business community pressured the NDP government of Ontario to stray from its original (albeit rather modest) agenda and eventually pursue a policy of fiscal austerity, including the Social Contract, which divided the party from most of its bases of support. Within this analysis it will be necessary to determine what place capital has within the political culture of
Ontario. Most observers agree that Ontario has developed a conservative political culture; a culture that not only prizes competent fiscal management, but also encourages few variations in the style and substance of government. The political culture of Ontario works to the detriment of organizations (most notably political parties and labour unions) that have an interest in redistributing political and economic power. Such a culture provides incentive to the ONDP to engage in brokerage politics that not only weaken its ability to develop as a socialist party, but also ultimately weaken its ability to govern much differently from what would be expected of the Ontario Liberal and Progressive Conservative parties.

It will also be necessary to determine the reaction of the business community to the election of the NDP. It is hypothesized that the business community was quite hostile to the NDP, believing it to be antithetical to the interests of capital. If this is the case, it can be further hypothesized that such a viewpoint would lead business to find it necessary to initiate pressure on the government. Such pressure is expected to take two forms. First, the business community would attempt to discredit the government in

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the eyes of the public through various means. Second, it would lobby the government to discourage policy that would challenge the privileged position of business in the province as well as to promote policy that benefits business. The reaction of the business community will be ascertained through analysis of The Toronto Star and The Globe and Mail, as well as an analysis of more business oriented publications, such as The Financial Post. Included in this research will be selections from the main news sections, as well as the business sections of these newspapers for a two week period following the night of the NDP election victory. Once the business community's attitude towards the NDP government has been established, the tactics used to pressure the government will be investigated. Furthermore, the extent to which business pressured the government and the way in which the government reacted to such pressures will be examined.

The above analysis is linked to the Social Contract case study in several ways. First, such pressures helped set the framework of political debate in the province. This framework, related to the provincial budget deficit, centred around austerity and the need for the government to get the budget balanced in order to foster a better environment for business. Second, the pressure by business is hypothesized to be sufficient to discredit the government in the public eye. Without public support, the NDP would be unlikely to proceed in a manner that would further diminish its position in the
polls. Third, direct lobbying and economic coercion would prove to be effective in winning concessions from the government.

The next area to be examined in Chapter Four is the role of political culture and the media in shaping the debate surrounding the Social Contract. This section of the chapter will be related generally to the issue of the ideological hegemony of the bourgeoisie. It will be argued that political debate within a capitalist economy is framed in terms of capital accumulation and the maintenance and promotion of a capitalist mode of production. This being the case, a social democratic party that has a somewhat different way of dealing with such issues, or is perceived to be more concerned with legitimation than accumulation, will be at a distinct disadvantage when issues are debated, or reported on.

After examining the external forces affecting party policy it will be necessary to investigate the internal influences on the party. This will be the focus of Chapter Five of the thesis. Analysis of the influence of the party caucus, rank and file members and affiliated unions will be of key importance to this chapter. It will be argued that the support of these groups is necessary to the success of the government. A second argument will be that these groups were ineffective in influencing and supporting the government on key issues, primarily because the pressures exerted by the external factors had greater influence due to the existing balance of class forces. A third argument to be presented
in Chapter Five is that the government (i.e. cabinet) exerted its own influence on these groups in an attempt to justify its departure from established party principles. Once attaining governmental power (although not state power) the NDP tended to act in a manner similar to most parties, including parties of the left, by distinguishing between the parliamentary party and the extra-parliamentary party. Such a division inevitably leads to the weakening of the position of party supporters in the policy making structures of the government. In turn this weakens the government’s ability to counter the pressures of hostile interests.

The first part of Chapter Five will be an examination of the influence of affiliated unions on the Ontario NDP government. It will be argued that affiliated unions were among the most active and vocal opponents of the Social Contract, but that the nature of the link between labour and the party, as well as other limitations on the actions of the government, made this opposition ineffective. It should be noted here that the unions did very little during the NDP government’s term to create space for the government to pursue a social democratic agenda. Those in the labour movement, for the

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9 Leo Panitch, “The Role and Nature of the Canadian State”, in The Canadian State: Political Economy and Political Power, edited by Leo Panitch, University of Toronto Press, Toronto, 1977 p 7. The distinction between governmental and state power will be elaborated on in Chapter One.

most part, expected that since they had friends holding governmental power there would be little need to do that sort of work.\footnote{Personal Interview with Derek Blackadder, formed executive assistant to the president of the now defunct Canadian Union of Educational Workers (CUEW), May 27, 1998} This suggests that the labour movement shares a similar world-view to the NDP; one that assumes, wrongly, that governmental power is equivalent to state power.

The second issue to be dealt with in this chapter is the role of caucus in attempting to influence the actions of the NDP government. Due to the nature of the split between the parliamentary party and the extra-parliamentary party it is anticipated that, of the internal forces on the party, backbench MPPs had a great potential to influence government policy. Because the parliamentary party was itself divided between the cabinet and the rest of caucus it was possible for backbenchers to act as an internal check on the direction of the government. Yet, because of the tendency of Canadian governments to be dominated by the executive, this influence is not expected to be enough to keep the government true to its ideology. In fact, in addition to the pressures faced from well organized lobbies, back-bench MPPs are likely to act conservatively relative to the average party member because of electoral pressures. Incumbents, especially those who belong to an unpopular government party are not very likely to make waves, and in fact are probably more likely to revert to safer,
brokerage-style politics that works to the detriment of a radical or progressive agenda.

The third part of Chapter Five will relate to the influence of rank and file members on government activity. It will be argued that a significant number of party members were disillusioned with the way in which their party handled the Social Contract. These party members attempted to persuade the government to return to its social democratic principles. In order to undertake this portion of the chapter, a study of the party structure and channels of communication is necessary. This will help establish the route that party members would take to influence government activities. This will also assist in determining how responsive the party leadership is to the demands and suggestions of the rank and file. Finally, data on party membership will be examined to determine if there was a substantial amount of exit from the party, particularly around the time of the Social Contract. A significant degree of exit would demonstrate a high level of dissatisfaction with the party and the belief that the use of voice was ineffective.\(^\text{12}\)

Once the chapters outlined above have been completed, a final chapter will provide a summary of the findings of this thesis. As well, conclusions about the role of the NDP in Ontario politics will be proposed. The impact that the Social Contract had on the

party, especially in terms of electoral support and structural ties to labour will be examined in this concluding chapter.
Chapter One
Marxist State Theory:
The Role of the State in Limiting Social Democratic Options

“The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie.”

Karl Marx

Although Marx himself was never able to fully define or investigate the nature of the state in a class-based society, this passage from the Communist Manifesto provides a solid starting point. In fact, even a casual reading of the major works of Marxist State theory will find a great number of references to this quotation. Despite the lack of in-depth analysis by Marx, many theorists working in the Marxian tradition have attempted to describe the nature and functions of the state based on Marx’s rudimentary comments on the subject.

Studies in this field generally begin with an attempt to uncover the means by which the state acquires a class bias. Goran Therborn argues that “exploitative relations of production directly involve relations of domination”, suggesting that capitalism is


14 It was Marx’s intent to remedy this lacuna in his work, but unfortunately ‘death intervened’ and prevented the completion of his study. Steven Brooks and Andrew Stritch, Business and Government in Canada, Prentice-Hall Canada Inc., Scarborough, 1991, p 79

based on exploitation of one class by another and that this exploitation leads to the dominant class's ability to use political power to dominate the subordinate classes. As the title of his article ("What Does The Ruling Class Do When It Rules?") suggests, Therborn considers that there is a ruling class, and it does rule. What it does when it rules is the major question left to be answered.

Accepting that a capitalist mode of production results in a class-based society does not necessarily lead directly to the conclusion that the propertied class, those that own and control the means of production, will automatically have a dominant place within the political order. As this chapter unfolds, the methods by which the capitalist class attains state power will be uncovered. But the domination of one class by another is always incomplete. There are means by which a subordinated class, one that relies on the sale of labour for its survival, can fight for and establish some of its political goals and reforms. Any study of class relations must account for the potential power of the working class and describe the balance of class forces at a given time.16

When speaking of a class based society and of a ruling class it is essential to understand that it is not meant that the state

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necessarily works in the specific interests of the individual capitalists that comprise the bourgeoisie. The state sanctions and supports the economic system through which this domination takes place. As Marx wrote, the state works in the common interests of the whole bourgeoisie, which suggests that the bourgeoisie will have collective as well as particular interests. Different accounts of why the state works in the interests of the ruling class are explored in the two major schools of Marxist thought; structuralism and instrumentalism.

1.1: Structuralism:

Structuralism, in its least refined form, describes the state as gaining its class nature through the structure of the economy. It is the role and purpose of the state to provide the conditions necessary for the functioning of the economy. In a capitalist, class divided, society, this means that the state necessarily must act in the interests of the owners of the means of production in order to ensure a functioning economy. It is argued in this school of thought that the power of the state is derived directly from its ability to raise taxes, which in turn is dependent on an


expanding economy.\textsuperscript{19} Since the mode of production is by definition outside of the realm of the state, the state relies on the accumulation of profit by the bourgeoisie for the revenue needed for state activity.\textsuperscript{20}

It could also be suggested that the political legitimacy of a government is dependent on its ability to manage the economy successfully and ensure a relatively high standard of living for the majority of its constituents.\textsuperscript{21} Because of this, governments are bound to limit the options of economic policy so as not to create any potential disruptions. Since the instruments of production are in the hands of private actors, the state must ensure that government policy does not elicit a negative reaction from the propertied class. Such a reaction would take the form of capital flight or an investment strike, causing an economic dislocation that would hurt the legitimacy of the government. The electorate then can be easily persuaded, through the various mechanisms of bourgeois ideological hegemony, to replace the 'anti-business' government with a 'pro-business' government. Elections, therefore, can be seen as a mechanism which stabilizes the

\textsuperscript{19} Claus Offe, \textit{Contradictions of the Welfare State}, pp 119-120


capitalist state, bringing it back to a bourgeois equilibrium.

It is also argued that the state works to prevent the organization of subordinate classes. Since these classes might provide a challenge to the existing system of power, and in turn challenge the existing mode of accumulation, their mobilization threatens to undermine the legitimacy of the state. Usually this tactic takes the form of direct inducements, such as the rewards of the advanced welfare state. However, this does not preclude the use of coercive measures, such as the non-recognition of the right of workers to strike, or the use of the police/military to crush movements of active dissent.

There are, of course, criticisms of structuralism. The first is that this framework does not lend much credence to the notion that political elites might have personal agendas. Structuralism, in its crudest form, suggests that all state actions are based solely on the needs of capitalism, denying the possibility of independent action by state actors. A similar criticism is the idea that this framework is mired in a 'functionalist swamp', suggesting that all state actions are, by definition, functional to the success of the economy.

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22 Das, "State Theories", pp 31-33


24 Brooks and Stritch, Business and Government in Canada, p 84
The rigid economism of the structuralist approach is also criticized. If the nature of the economy is the sole determinant of state actions, then what room is left for class struggle, and mobilization of non-capitalist groups?\footnote{Miliband, "The Capitalist State", p 58} If all decisions are based on the specific needs of one particular class then it follows that subordinate classes have no recognizable input. Although it can be argued that the majority of decisions are based on the needs of capital, the way in which these needs are served is determined by the nature of input from various classes. Furthermore, the needs of subordinate classes cannot be overlooked without severe political consequences, both for those who hold political office, and for those who own the means of production.

A way around this problem is through the introduction of the concept of the relative autonomy of the state. Such a concept reintroduces the idea that the state does not act at the behest of the capitalist class, but instead acts on its behalf. Poulantzas argues that the state functions best as an agent of class domination when the members of the state elite are not drawn directly from the ranks of the bourgeoisie;\footnote{Poulantzas, "The Problem of the Capitalist State", p 73} that is, the state will best serve the interests of a class when state actors can objectively discern the needs of the whole of the bourgeoisie without having particular interests of their own to protect through

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\begin{itemize}
  \item [25] Miliband, "The Capitalist State", p 58
  \item [26] Poulantzas, "The Problem of the Capitalist State", p 73
\end{itemize}
state action.

In addition to the above argument, the state must act autonomously when there is no clearly dominant class or class fraction. In essence, the state reflects the balance of class forces at a given time, but also must have the ability to act autonomously in the event of a gridlock between classes or class fractions. Furthermore, the state must possess a relative autonomy in order to act against the express wishes of the bourgeoisie in the face of subordinate class mobilization. For example, the state must have the power to implement social programs, even in the face of business hostility, if the subordinate class organizes and threatens to destabilize the economy or political system.

The relative autonomy of the state is not a static quality. It is in constant flux as the state becomes more or less autonomous depending on the balance of class forces at a given point in time. Poulantzas cautions against the assumption that the state is reducible to the balance of class forces, arguing instead that the state "exhibits an opacity, and resistence of its own". He is,

27 Carnoy, The State and Political Theory, pp 54-55

28 Jessop, State Theory, pp 101-102


however, willing to concede that class relations do have an impact on the state. This is an extremely important distinction to make. If relative autonomy is to mean anything, it must mean that the state is able (occasionally) to act independently of class. Under conditions of a highly mobilized working class the state must still have the ability to resist class struggle in order to serve the fundamental needs of capital. Conversely, in the face of a weak and unmobilized working class, the state must have the ability to work against the direct wishes of capital in order to prevent economic crisis.

Along the lines of the concept of the relative autonomy of the state comes the issue of what functions the state must perform. In his book *The Fiscal Crisis of the State*, James O’Connor enumerates three functions of the capitalist state. These functions are accumulation, legitimation and coercion. The fulfillment of these functions is made more difficult by the fact that these functions are often mutually contradictory (as will be seen below)\(^{31}\) It is argued that the state must be able to fulfill all of these functions to ensure both economic and social harmony. This means, in essence, to ensure the peaceful and continual reproduction of the relations of production and the reproduction of the working

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\(^{31}\) James O’Connor, *The Fiscal Crisis of the State*, p 6

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class itself.\textsuperscript{32}

First, the \textit{accumulation} function should be addressed. Because the state has limited direct control over the means of production, its revenue must come through taxation. Taxes are predicated on the production and trade of goods and services (including the sale of labour power). The state, therefore, must ensure that people are employed, that goods and services are easily accessible, and that capital is accumulated. As Offe and Ronge argue, the class nature of the state is not dependent on some form of obscure favouritism for the bourgeoisie. The class bias of the state is instead due to the necessity of its promotion of a class based economic system.\textsuperscript{33} The power of the state (or at least its operating budget) comes from the smooth functioning of an expanding capitalist economy; thus it is necessary to service the economy in such a way as to foster accumulation.

Charles Lindblom, arguing from a liberal perspective, adds to this line of thinking. Working under the assumption that the state will not have direct control over the means of production, the state must therefore rely on private actors to engage in enough economic activity to create an expanding economy. Since government


cannot coerce business to act a certain way (an attempt at such a strategy would surely result in capital flight or investment strike), it must act to induce business performance. This adds to the class nature of the state in that business is seen as providing for the general interest, meaning that the interests of the state coincide with the interests of capital. The direct interests of the subordinate classes are perceived as working against the interests of the state.

The accumulation function acts as a constraint on the actions of a social democratic government in a number of ways. First, it would suggest that a social democratic government, regardless of its desires to do otherwise, would need to act in the interests of capital. To work against these interests could very well lead to capital flight, economic downturn and increases in unemployment. This constraint is only increased in times of high unemployment or conditions amenable to easy capital flight (as the NDP government in Ontario faced in 1990).

A further complication in this equation is the fact that social democratic parties do not offer a radical critique of the existing economic order. Social democrats are more concerned with the redistribution of resources, not with the production of

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34 Lindblom, Politics and Markets, pp 173-175
wealth, suggesting that social democrats have accepted the existing mode of production and believe that it is possible to work within capitalism yet still make it more just. This proves to be a constraint especially (but not exclusively) in times of economic downturn when the needs of capital are ever-present. Without perpetuating the hierarchical structure of a class-based society, the needs of capital will not be met. Without providing a radical (well organized) opposition to capital, structures of power and economic disparity cannot be countered.

Problems associated with superimposing a social democratic government on the state lead directly into discussion of the second function of the state, legitimation. In order for the state to peacefully reproduce the conditions necessary for capital accumulation it must be able to prevent (or at least deal with) pressures exerted by subordinate classes. This function is vitally linked to the notion of class conflict, in that it recognizes the necessity of the state to defuse potentially disruptive scenarios. This concept recognizes the class nature of the state, and the pressures put upon the state to reproduce the conditions necessary for capital accumulation.

35 Adam Przeworski, Capitalism and Social Democracy, Cambridge University Press, New York, 1985, p 42

36 “State power is capitalist to the extent that it creates, maintains or restores the conditions required for capital accumulation in given circumstances and is non-capitalist to the extent that these conditions are not realized”, Jessop, State Theory, p 116
Traditionally, in western democracies, legitimation has come in the form of the welfare state. Sometimes referred to as "the post-war compromise", the welfare state was intended to respond to the demands of a mobilized working class without compromising the conditions necessary for capital accumulation. The welfare state acted to stabilize the capitalist cycle and make the power relations of the economy more palatable to the masses.37 Of course, the welfare state was not only, or as Whitaker argues, primarily, designed for 'progressive' ends. The welfare state also acted as an accumulation strategy, in order to ensure the growth of demand for goods and services.38

With the welfare state came the dilution of radical socialist principles into a tepid, reformist social democracy. Seymour Martin Lipset has noted that "increased social services are an easy solution to the dilemma of the democratic socialist in office, for they improve living standards but do not upset the status quo and are not violently opposed by the people with economic power".39 Lipset does not, however, pay adequate attention to the problem of


class mobilization. If subordinate classes are not mobilized sufficiently to press for such measures, the dominant class does not need to 'violently' oppose welfare state policies to ensure the failure of, or at least the watering down of, these policies. Furthermore, in times of economic downturn, the measures of the welfare state have the potential to cause a fiscal crisis. With increased expenditures and decreased revenues, the state will run deficits. Deficits, and the resulting accumulated debt, tend to provide fodder for the ideological apparatus of the bourgeoisie. Attacks on state spending become a part of the ideological climate of the state (see discussion of ideological hegemony and the 'ideological state apparatus' below) and tend to undermine the ability of the subordinate classes to mobilize for increases to state spending.

The final function of the state, as enumerated by O’Connor is the coercion function. As O’Connor notes, the use of this function is usually kept to the lowest degree possible. He argues that a state that actively uses coercion to promote the interests of one class over another will have very little legitimacy with the electorate.\(^{40}\) Ultimately this will prove to be counter-productive as the use of coercion will tend to decrease stability and therefore threaten accumulation. Coercion will come into play, however, if working class dissent becomes too radical or disruptive

\(^{40}\) O’Connor, *The Fiscal Crisis of the State*, p 6
to the needs of accumulation. Also, coercion need not take the form of direct physical repression, but also can take shape through the rights that the state will sanction, or not sanction, for organized opposition to the state (for example, the denial of the right to bargain collectively, or the denial of the right to strike).

1.2: Ideological Hegemony:

The class nature of society is not only affected by the class nature of the state as it is commonly conceived. Poulantzas argues that the state is constituted by more than just the apparatuses of physical coercion; or simply policy formulation and implementation for that matter. He argues that if the state is to reproduce successfully the conditions necessary for capitalist accumulation it also must concern itself with the reproduction of the dominant ideology. This is achieved through an aspect of the state that lies beyond the institutions normally considered to comprise the state, namely through what Poulantzas calls the "ideological state apparatus". This apparatus includes institutions such as "the church, the political parties, the unions, the schools, the mass media and from a certain point of view, the family".

There are some critical flaws with the idea of these

41 Poulantzas, State, Power, Socialism, p 28
42 Poulantzas, "The Problem of the Capitalist State", p 77
institutions being included as part of the state. Although the state is more than just the system of political-legal institutions that govern society (it is also a reflection of a system of power and a means by which this system of power is reproduced), Poulantzas's definition of the state seems to leave very little out. As Miliband argued, the so called ideological state apparatus is more appropriately defined as part of the political system.43

The state system and the political system work simultaneously to define and limit one another and to legitimize one another. For example, the institutions of the ideological apparatus are sanctioned by the state in that they are allowed to exist; but these institutions also play a dominant role in reproducing the ideology that justifies the state as a system of power. In fact, ideological institutions mystify the nature of the state in such a way as to mask its class nature and create the illusion of pluralism.

Although, for the purposes at hand, the ideological apparatus is not accepted as part of the state apparatus, it is still necessary to discuss this as a system of power; one that limits the actions of any government or party, but most notably a government or party that has the potential to challenge the existing order. Ideology (and the concept of hegemony) acts as a constraint because it informs the way in which people view the surrounding world. It

43 Miliband, "The Capitalist State", p 59
defines political reality and what one might expect to be able to accomplish. Perhaps more importantly, the dominant ideology defines universal constants that should not be challenged.44

The concept of ideological hegemony seems to be an area where instrumentalists and structuralists can converge. Both groups can see the importance of ideology in the formation and reproduction of the class nature of the state. But beyond this, hegemony is a state of mind not only for the dominant, but also for the dominated class. It acts as an inhibitor to the formation of a class consciousness or to the use of class as a legitimate concept in political discourse.45 Of course, as with all systems of power, hegemony is incomplete. There is still room for conflicting world views, but the competition between competing world views is predominantly one sided, favouring the ruling class.

One of the principal agents of bourgeois hegemony is the press. The news media enjoy a privileged position within the ideological apparatus because they have the capability not only to play a dominant role in setting the political agenda, but to shape


45 Clyde Barrow, Critical Theories of the State: Marxist, Neo-Marxist and Post-Marxist, University of Wisconsin Press, Madison, 1993, p 28. As Bob Jessop notes, hegemony requires leadership because it cannot be imposed on people. It requires a sort of complicity between the dominant class and the state to define what is the ‘national interest’. Jessop, State Theory, p 181
the general discourse of what is acceptable to discuss. The media are important as much for what they do not report as for what they do talk about and cover. It is commonly accepted that the news media are the main forum for political discourse, informing all other forms of discourse. Furthermore, political parties play to the media in the hopes of gaining positive attention. As will be discussed below, this inevitably has a constraining effect, because the ideological role of the press prevents the discussion of radical ideas (or at least prevents the favourable discussion of ideas that contradict the dominant ideology).

The first reason why the mass media may be seen as an agent of bourgeois hegemony is the fact that the media (aside from a few small, independently operated publications and public corporations such as the CBC) are owned by capitalists. This is not to say that the owners of the private media will necessarily intervene in the daily operations of the news media to ensure complicity with the ideals of capitalism (although this can happen). Instead, the choices of who will manage these operations tends to provide the most direct control over the daily workings of the media. Also, those who work in the news industry become socialized to the norms


47 Note, however, that the CBC is constrained in its ability to differ from the norms of the private media in a number of ways.
of their respective institutions and are unlikely to bite the hand that feeds them.48

The second way in which the media act in the interests of bourgeois hegemony is through the creation of demand and the reproduction of the consumer culture. More than the informative function, the privately owned media fulfill the commercial function, through the use of advertising. Advertisements act not only to promote the individual products for which they are designed, but also have the cumulative effect of indoctrinating the audience into a system of consumerism, and the acceptance of the capitalist market as a given.49 This is not to suggest a direct causal relationship, or that there is no escape from such corporate propaganda. Simply put, this system of indoctrination is a component of a broad socialization process that reinforces consumerism and support for the existing capitalist economic order.

Furthermore, the advertising function has an impact on the content of the media. Dallas Smythe argues that the media do not sell to the audience, but instead sell the audience to the advertisers. The main source of revenue for private media outlets is the sale of advertising space. Thus the media are not likely to


49 Lindblom, Politics and Markets, p 13
publicize any stories that will offend their principal revenue source; they will not challenge the principles of capitalism. To do so would be financial suicide.

Finally, hegemony is an ongoing historical process. The present limits on discourse are a result of a historical, dialectical process which culminates in the present notion of common sense. The media, as with all structures that partake in or limit political discourse, are constrained not only by the history of the dominant ideology, but by the present-day embodiments of the competing actors. A well mobilized socialist movement that has been able to create a space of legitimacy within the dominant discourse will be able to influence the media to discuss its aims as legitimate. In the absence of counter-hegemonic organization, however, discussion of differing concepts of what is 'common sense' is extremely limited.

1.3: Instrumentalism:

Structuralism provides a convincing account of how the state attains and reproduces a class nature, but little attention has been paid to the instruments of the state apparatus. Governments must act within the state apparatus to enact policy. It is conflict within the state apparatus that prevents a social democratic government from wielding state power. Thus, a

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50 Smythe, "Communications: Blind Spot of Western Marxism", pp 3-5
discussion of intra-state conflict, as described through the instrumentalist theory, is necessary. Although instrumentalism provides a less convincing account of how the state attains a class bias, some contributions made by this framework can be used to develop a more complete analysis of the state.

Instrumentalists tend to argue that the state attains its class bias through the direct involvement of the capitalist class in the operations of the state. They also believe that members of the ruling class wield state power through the direct acquisition of positions within the state apparatus, or through the financing of bourgeois political parties.\(^5\) Political actors can also be induced to act on behalf of the owners of the means of production through the promise of future rewards. For example, instrumentalists argue that the mobility between the political/bureaucratic elite and the corporate elite is evidence that those who occupy positions in the state apparatus will tend to favour the interests of capital.\(^6\) It is assumed that the promise of high-wage employment after a career in politics is enough to ensure compliance with the wishes of capital.

In addition to direct participation in the various parts of the state apparatus, and financial inducements offered to the state

\[^5\] Clyde W. Barrow, *Critical Theories of the State*, pp 13, 16

elite, instrumentalists argue that similar class backgrounds of members of the state and corporate elites ultimately provide for a common world view and common ideological interests. In essence, it is expected that common histories, educational backgrounds and even family ties will inevitably result in policies that favour the bourgeoisie.

Internal divisions within the state help ensure that the class nature of the state is maintained. In the event that one arm of the state apparatus is captured by a group unsympathetic to capital, the other arms of the state will intervene to ensure policy favourable to capital. Miliband suggests that the state consists of the government, parliamentary assemblies, the administration, the military and police, the judiciary and finally the other levels of government. As discussed above, one of the fundamental arguments between Miliband and Poulantzas in the early 1970's was over the applicability of including what Poulantzas calls the 'ideological state apparatus' in the definition of what constitutes 'The State'. The list as enumerated by Miliband


54 Since this study is of a provincial government, the 'other level of government' refers to the federal government. Miliband, *The State in Capitalist Society*, p 50. Garth Stevenson notes that the "sub-central units reproduce, in miniature as it were, each of Miliband's other elements of state power...", thus stating the relevance of Marxist State Theory to a study of a provincial government. Garth Stevenson, "Federalism and the political economy of the Canadian State", in *The Canadian State: Political Economy and Political Power*, edited by Panitch, p 71

55 Nicos Poulantzas, "The Problem of the Capitalist State", p 77, and, Ralph Miliband, "The Capitalist State", p 59; the Miliband-Poulantzas debate continued with Ralph Miliband
shall suffice for the purposes of the discussion of instrumentalism.

The government (executive), in the Canadian case the cabinet, is responsible for the formulation of policy. It also acts as the voice of the state. Although state power is not exclusively in the hands of the executive, this part of the state apparatus is critical to the functioning of the state. A party of the left that is able to win government power will feel pressure, not only from individual capitalists, but from other parts of the state apparatus, to act in the general interest, the interest of capital accumulation.

Closely related to the above is the second part of the state apparatus; the legislature. In parliamentary systems, the executive must maintain the confidence and support of the legislature in order to maintain legitimacy. In Canada, however, this principle has very weakly approximated the ideal. To a great extent, legislatures have provided a weak check on the power of executives. The problem is only exacerbated at the provincial level. Even though the legislatures in Canada have little impact

\[\text{[References here]}\]

\[\text{56 Miliband, The State in Capitalist Society, p 50}\]

\[\text{57 Garth Stevenson, Unfulfilled Union, Canadian Federalism and National Unity, 3rd edition, Gage Educational Publishing, Agincourt ON, 1988, pp 228-229. On the lack of power of provincial legislatures Stevenson argues that "far more than at the federal level, and more than in}\]
on policy, they still remain a potential source of power. Opposition parties have the ability to criticize the government of the day, with the potential to damage a government’s credibility with the public. In the case of a left-leaning government, this can pose a constraint on activity since any policy which is deemed to be too radical could ultimately hurt the government at the polls. On the other hand a left-leaning party could use the opportunity in opposition to interject more progressive ideals, though this opportunity is constrained by the party’s perception of the dominant culture of the electorate, for to appear too radical would still have negative electoral consequences.

In addition to this, any party that enters into the legislature must be willing to act ‘responsibly’; to obey the rules and traditions of the establishment. Miliband writes,

opposition parties cannot be wholly uncooperative. Merely by taking part in the work of the legislature, they help the government’s business... by entering the parliamentary arena they make at least a particular political game possible, and most play it according to rules which are not of their own choosing.\textsuperscript{58}

In essence, Miliband is arguing that all parties play a legitimizing role when they participate in electoral politics. The price of participating is the acceptance of the existing rules of any other liberal democracy, power is concentrated in the hands of a few persons or even one person.

\textsuperscript{58} Miliband, \textit{The State in Capitalist Society}, p 53
the game. This tends to inhibit parties from challenging the established order, or principles that are considered to be natural in the political community in question.

The third arm of the state apparatus that must be examined is the administration. Bureaucracy is a repository of state power and acts as a check on the actions of governments and legislatures. From a purely instrumentalist perspective one would expect that the members of the bureaucracy would be drawn primarily from the ranks of the dominant class, or would at the very least have direct ties to the ruling class. The Canadian state, including the various provincial states, has historically exhibited instrumentalist tendencies. In Ontario, forty-two years of Conservative rule (1943-1985) facilitated the formation of a bureaucracy with instrumental ties to the bourgeoisie. This ultimately acts as a constraint on the actions of a government that might have plans to act in the interests of subordinate classes.

The purely instrumentalist approach need not be completely accepted to understand the conservative tendencies of the bureaucracy. Regardless of the instrumentalist history of the Canadian state, civil servants work under the principles of capitalism and the need for the state to fulfill the accumulation function. Not only are senior civil servants made aware of

budgetary concerns, and the need for the state to maintain revenues, but they are also aware of the fact that such accumulation takes place under a capitalist system. As such, they will implicitly internalize the belief that the interests of capital are the general interest. This does not preclude senior civil servants from advocating an activist role for the state, but it does suggest that state activism will not challenge existing structures of power.

The fourth arm of the state apparatus that needs to be addressed is the federal state.\textsuperscript{60} As with other parts of the state apparatus, the federalist division of powers helps to reinforce the class nature of the state. At times, when a social democratic government is elected provincially, federal accumulation strategies undermine the ability of provincial governments to develop independent accumulation strategies, or even to develop more fully a set of legitimation policies. Because key levers of fiscal and monetary policy are within the jurisdiction of the federal state, a provincial government will have difficulty implementing an accumulation strategy that differs significantly from that of the federal government. This problem is exacerbated when a social democratic provincial government conflicts with a bourgeois federal

\textsuperscript{60} Generally, Marxist theory assumes an analysis of a national government. For the purposes of this study of a provincial government, as noted above (footnote 54), Miliband’s ‘other’ level of government applies to the federal state including all arms of the federal state apparatus.
government. In Ontario in the early 1990's a social democratic government committed to a Keynesian economic strategy was handcuffed by a federal state committed to fiscal austerity and high interest rates. The decrease in revenues that resulted from the federal accumulation strategy hindered the NDP's ability to develop its own policies.

There are several flaws in the reasoning of theories drawn from the instrumentalist framework. First, little attention is paid to the existence of intra-class conflict within the bourgeoisie. Because there are various particular interests within the propertied class there is inevitably conflict between the interests of individual capitalists, enterprises or fractions of capital.\(^{61}\) Conflict between the individual capitalists that wield the state as an instrument would ultimately become dysfunctional and would likely lead to a protracted economic crisis. One of two roads to dysfunction are likely. The first scenario consists of one fraction of capital obtaining a dominant position in the state and ruling in its own interests to the detriment of other fractions of capital. The second scenario sees the various fractions of capital creating a state of gridlock, in which they battle over the use of the state to their own ends. Neither scenario can be observed in Canadian politics\(^{62}\).

\(^{61}\) Raju Das, "State Theories, pp 28-30

\(^{62}\) See Robert Brym, "The Canadian Capitalist Class", p 41
Another failing of the purely instrumentalist approach is that it does not seem to leave room for the existence, or at least the success of political parties of the subordinate classes. As Miliband points out\textsuperscript{63}, for parties of the left especially, acquisition of government power is not equivalent to the acquisition of state power. Yet parties of the left do have a role in determining the degree to which the state will act on behalf of capital.\textsuperscript{64} Class conflict is essential to the Marxist understanding of politics. Even though the dominant class (the owners of the means of production) has unequal representation in the state, both in terms of personnel and ideology, this class is still faced with competition from the working class. The working class is able, at times, depending on its level of organization, to create room for particular advances, even if these advances tend to be palliative rather than revolutionary in nature.

This chapter ends with a discussion of the need for both business and subordinate groups to articulate their demands. As noted, the state is by its nature predisposed to acting on behalf of capital. It is also capable of implementing programs beneficial to the working class under certain circumstances. None of this is

\textsuperscript{63} See Ralph Miliband, \textit{The State in Capitalist Society}, p 46

\textsuperscript{64} Rianne Mahon, "Canadian Public Policy: The Unequal Structure of Representation", in \textit{The Canadian State: Political Economy and Political Power}, edited by Leo Panitch, University of Toronto Press, Toronto, 1977, p 169
meant to assume that the state knows what is wanted or needed by different classes. It is incumbent upon each class to articulate its needs in order for the state to take action.

Contrary to pluralist assumptions, business is at a distinct advantage in this respect as the state is structurally dependent on capital accumulation. Yet a highly mobilized working class that has the ability to bring popular support to its program, and can articulate its needs to the various arms of the state apparatus, will have some success. In the case of a social democratic government the working class will have more access to those wielding government power than at other times. But it is still necessary to mobilize extra-parliamentary support in order to ensure the success of the government and its agenda. If the subordinate classes can demonstrate to all in the political community (including the state, the bourgeoisie and the rest of the electorate) that policies of legitimation are needed to avoid economic crisis they can create the space necessary for a social democratic government to be more autonomous. Of course, as the NDP found in Ontario, the owners of the means of production will tend to increase demands and pressure on the state immediately after the election of a government ostensibly committed to a program designed to redistribute economic and political power.
Chapter Two
The History of Labour and the CCF-NDP to 1972

A study of the relationship between organized labour and the New Democratic Party is essential to understanding how the NDP functions and why it has developed as it has. Labour unions have played a relatively important role in the development and operations of the party, particularly in Ontario. The prime example of this is the role the Canadian Labour Congress (CLC) played in the evolution of the Co-operative Commonwealth Federation (CCF) into the NDP. Recognition of labour’s importance, however, does not mean that organized labour has dominated the NDP. Nor does it mean that unions have had a uniform effect on the party in every area of the party’s functioning. For instance, some have argued that Canadian unions have developed in such a way as to become inherently conservative, and as such have had a moderating effect on the party.  

However, through close examination, it becomes clear that unions have not had a moderating effect on the party in all issue areas. Furthermore, even in cases where affiliated unions have moderated the party, or helped counter more radical elements within the party, there was a faction within the union movement that did not support the more moderate majority.

The purpose of this chapter is to determine what role unions

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played in forming the NDP, as well as to explore the benefits and drawbacks of union affiliation to the party. In order to accomplish this, three different themes will be explored. The first issue to be examined will be the role played by organized labour in changing the CCF into the NDP, and what effect that had on party organization and direction. The second area of analysis consists of the more general effects that organized labour has had on the party over time. This section will include an examination of how labour has affected NDP electoral support and party financing, as well as how affiliated unions have affected party policy and the party leadership. The third and final issue area to be discussed will be the role that the labour movement played in removing the radical socialist and nationalist Waffle movement from the party. By examining the Waffle conflict, evidence can be presented which demonstrates how affiliated unions have, indeed, had a moderating effect on the NDP.

The focus of this chapter will be on the Ontario and Federal wings of the CCF-NDP between 1942 and 1972. Ontario will be a focus because this thesis deals explicitly with the Ontario wing of the party and the majority of unions affiliated with the party come from this province.66 The federal wing will also be examined because the push to create strong ties between the CCF and

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66 Keith Archer and Alan Whitehorn, *Canadian Trade Unions and the New Democratic Party*, Industrial Relations Centre, Queen's University, Kingston, 1993, p 7
organized labour came, to a significant degree, from the executive of the federal party. The year 1942 was chosen as the starting point because this represents the year that the CCF began to pursue labour affiliates more aggressively than at any previous period in its existence. The year 1956 will also be examined as a particularly important benchmark because this was the year that the Canadian Congress of Labour (CCL) merged with the Trades and Labour Congress (TLC) to form the Canadian Labour Congress (CLC). For various reasons, which will be elaborated upon below, the merger that formed the CLC made a stronger link between labour and the NDP more likely. The year 1972 was chosen as the end point of this chapter because this was the year that the Waffle movement was removed from the party. Although the majority of the following discussion will be framed by the parameters set out above, some references to events outside this focus may prove to be necessary and useful.


2.1: Organized Labour and the Evolution of the CCF into the NDP:

Although it is not the purpose of this chapter fully to explain the history of the labour movement in Canadian politics, some background is essential to understand why the CCF and the CLC decided to forge closer ties and form a new party. This will help illustrate what the two groups intended to accomplish and what labour was expected to bring to this social democratic party. It must be noted here that the CCF was not devoid of union affiliation before the creation of the NDP. At its 1937 National Convention the CCF declared that the party was interested in having trade unions affiliate. However, the party’s efforts to encourage such affiliation were minimal until about 1942. Even after this date the rate of affiliation with the CCF was low.  

Union affiliation with the CCF was hampered by a number of factors. One was the nature of the labour movement at the time. The two strongest labour umbrella organizations up until 1956 were the TLC and the CCL. Of the two, the TLC was the more prominent. For the TLC, affiliation to and promotion of the CCF were not regarded as desirable options. In part, this was due to the fact that TLC leaders believed that it was more effective to lobby federal and provincial governments of all political stripes. For this reason, the TLC attempted to remain politically neutral. Moreover, the TLC did not want to alienate its more moderate

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70 Horowitz, Canadian Labour in Politics, pp 71-73
members by promoting a socialist party. Finally, the TLC consisted mainly of international craft unions, which discouraged affiliation on three grounds. The first was that the craft unions of the TLC were characterized by business unionism and were thus less radical than CCL unions. Second, members of the CCF were unsympathetic to international craft unions because of the fear of American influence and dominance within the unions. This antipathy within the CCF deterred even socialists within the TLC from seeking affiliation with the party. Third, the TLC was closely related to the American Federation of Labour (AFL), which was staunchly anti-socialist. This anti-socialist orientation led to a lack of co-operation between the CCF and the TLC.

Unions affiliated with the CCL, on the other hand, were more likely to affiliate with the CCF. One reason for this is the fact that several prominent members of the CCF were quite active in organizing industrial unions, which were the primary components of the CCL. Also, CCL union members tended to be younger, more active in politics and the union, and unlike the TLC, had no close ties to other parties or the business community. Furthermore, CCL unions were closely related to the US-based Congress of Industrial

71 Ibid, pp 62, 65

72 Norman Penner, From Protest to Power: Social Democracy in Canada from 1900-Present, James Lorimer and Company, Toronto, 1992, p 89

73 Keith Archer, Canadian Unions and the NDP: The Failure of Collective Action, University Microfilms International, Ann Arbor, MI, 1985, p 165
Organizations (CIO), which tended more towards political action than AFL unions.\textsuperscript{74} Like the AFL however, the CIO did have an aversion to socialism, but this was overcome to a degree by radical members within the Canadian counterparts of CIO unions, as well as the presence of less radical, but clearly socialist, CCF members.

Division within the working class hindered the success of a socialist movement. Because of an unresolved rift between fractions of the labour movement, it was difficult to mobilize the working class behind a program for socialist change. Not only was the CCF hindered by the structural division between industrial and craft unions, but anti-socialist ideology, emanating to some degree from the United States, prevented a united working class political strategy.

Even though the CCF was able to establish ties with organized labour, such ties did not prove to be particularly strong. For the most part, unions that did affiliate with the CCF did not take a very active role in the party. Furthermore, contact between party leaders and union leaders was rather infrequent.\textsuperscript{75} Such a weak link between labour and the party led some within the party to attempt to strengthen the ties to help create a more cohesive working class political strategy. This movement to strengthen ties between the CCF and labour was made easier in 1956 when the CCL and the TLC

\textsuperscript{74} Horowitz, \textit{Canadian Labour in Politics}, p 63

\textsuperscript{75} Ibid, p 81
merged to form the Canadian Labour Congress. The merger of the formerly adversarial union organizations was facilitated by the merger of the AFL and CIO in the United States.\textsuperscript{76} By having a voice in a new organization that represented a larger segment of the unionized population than the CCL, the CCF had an opportunity to pursue the strong link with organized labour that had, to that point, eluded it.

However, between 1956 and 1958 the CCF felt no great need to affiliate with the CLC. Certainly it still had the desire to forge a closer relationship, but such a relationship did not seem to be fundamental to the survival of the party. Even though the party’s popularity had been declining since the end of World War II, the party was still hopeful that its fortunes could be turned around. It was hoped that such a turnaround would be accomplished with the help of organized labour, but few feared for the party’s survival in the absence of official ties to the CLC.\textsuperscript{77}

One issue that caused some concern for members of the CCF was the urbanization of the Canadian population. This phenomenon detracted from the party’s ability to draw on support from areas of traditional electoral strength such as rural, farm-based


\textsuperscript{77} Avakumovic, \textit{Socialism in Canada}, pp 190-191

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communities in western Canada. It was hoped that closer ties between the party and labour would help the party build a base in growing urban, industrial constituencies, particularly in Ontario. Such a strategy seems rational considering the electoral rewards that exist for parties that have support in Ontario. In fact, it is unlikely that any party could form a government without holding a substantial percentage of the seats in this province. So, if a principal goal of the CCF was to win electoral support and eventually attempt to form a government at the federal level (or to form a provincial government in Ontario) such a strategy was probably the best way for a socialist party to better its chances.

By focusing on electoral victory, however, the CCF was, in some ways, changing its nature. It could be argued that the CCF had always been a social movement as well as a political party. In that it was a social movement it was not concerned so much with electoral support as it was concerned with promoting ideas. The CCF began with a relatively strong ideological streak, that had the potential to be weakened if the party attempted to sell itself to the voters. This argument has some merit, but ignores the fact that the CCF had always existed as a party as well as a movement. Thus, it was to be expected that the party would do what it could in the pursuit of the goal that all parties have; to get party

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78 Whitehorn, Canadian Socialism, pp 2, 121

79 Zakuta, A Protest Movement Becalmed, pp 69-70
members elected. It could therefore be argued that a party has the capacity to moderate itself, in that it will attempt to appear less radical or ideological in order to appeal to the electorate's existing notions of what is politically legitimate. This being the case, if unions have had a moderating effect on the CCF-NDP, they are not the only cause of de-radicalization.

It was not until 1958 that both the CCF and CLC put enough effort into joining forces to produce concrete results. In this year two major events occurred which made an official merger between the two organizations a primary goal. The first event was the CCF's electoral fiasco of 1958. In the federal election of this year the CCF earned the support of a mere 9.5 percent of the electorate, and only elected eight members to Parliament. This defeat was so disturbing to members of the CCF that most recognized the need for a new direction and a new way of organizing the party. As such, support for the idea of joining forces with the CLC increased.

The fall of the CCF should be put into the perspective of the economic and political climate within which it occurred. As noted earlier, the CCF had been losing support steadily since the end of World War II. In part, this decline can be seen as a result of the anti-socialist rhetoric of the Cold War. Such rhetoric had an

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80 Whitehorn, Canadian Socialism, p 81
81 Avakumovic, Socialism in Canada, p 189
impact on the political culture of all states in the capitalist world, and Canada is no exception. With socialism discredited as the doctrine of the Soviet Union (and all the ills associated with what the Soviets called socialism) difficulties arose for any party labeled as socialist, or espousing socialist ideals. This most definitely had a negative impact on support for the CCF.\textsuperscript{82}

Another factor inhibiting the development of a socialist party in Canada was post-war economic prosperity. With the economy healthy, and the standard of living on the rise, people were less likely to believe that a radical change in the economic or political order was necessary.\textsuperscript{83} Related to the economic prosperity is the growth of the welfare state. The Liberal Party was able to siphon CCF support, and de-radicalize demands on the state, through the introduction of programs such as family allowances, universal pensions, unemployment insurance and hospital insurance. Because the Liberal Party was able to lay the foundations of the welfare state, it was plausible to consider the Liberals as a left-wing party. It was also more acceptable for the electorate to vote Liberal because this party did not provide a challenge to the existing economic order. It clearly fit within the parameters of the dominant culture.

These factors help explain why there was a noticeable

\textsuperscript{82} Whitehorn, \textit{Canadian Socialism}, p 28

\textsuperscript{83} Ibid, p 28
alteration in CCF rhetoric over this period of time. The CCF’s reaction to the dominant ideology can help explain why the CCF de-radicalized itself. With this explanation, it could be argued that labour was not the original cause of the trend within the CCF toward a more moderate position on most issues. Rather, union affiliation merely coincided with a period of de-radicalization. However, the question still remains as to whether organized labour continued the push toward a more politically moderate position for the party or attempted to slow the forces of moderation. There is also perhaps a third alternative; that organized labour had no designs on changing the ideological makeup or direction of the party.

In addition to external factors which led to the collapse of the CCF, it must be noted that there were factors within the party which helped cause its demise. For instance, the CCF was having trouble raising the funds necessary to function as a party. Election campaigns are expensive and without enough money to finance a well-organized campaign it is unlikely that any party could win very many seats.

The second event that accelerated the drive to join the CCF with the CLC was the 1958 CLC convention in Winnipeg. At this convention the CLC almost unanimously endorsed a resolution calling

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for organized labour to take more direct political action. This resolution stated that a direct link with the CCF was a desirable prospect for unions within the CLC, although the Congress also recognized the necessity of the CCF’s ties with other groups, namely farmer’s organizations, professional people and ‘liberally minded’ individuals who wanted social reform.\(^{85}\) The latter part of the resolution was probably due to two factors. The first was a general recognition of the history of the CCF as a coalition of various elements and groups with a social democratic or socialist ideology. The second was likely due to influence of key CCFers in the CLC itself. Several prominent CCFers were elected to the executive of the CLC during the 1958 convention. The election of people such as Donald MacDonald and Stanley Knowles to the executive of the Congress was essential to bringing the two groups together.\(^{86}\) People who were members of both the CCF and CLC were probably quite sensitive to the fact that many within the CCF were apprehensive about official ties with labour unions. Some feared that labour would dominate the party at the expense of other interests, particularly those of farmers. Others feared that union members would not be socialist enough and would push the party


\(^{86}\) Morley, *Secular Socialists*, p 64
toward the political centre.®

With the party crumbling to such an extent a new direction was essential. Given the new-found willingness of organized labour to affiliate on a large scale, the CCF and CLC set out to forge a new party. The National Committee for the New Party was established to work out the details of how the issue of union affiliation would be dealt with. At first the committee consisted of ten members each from the CCF and CLC®, but soon this formula was called into question. As the CCF had been organized as a coalition of various segments of society, including farmers, labourers and 'liberally minded' individuals, it was believed that groups other than labour needed to be represented on the NCNP. In addition, many members of the CCF were concerned about the potential for labour to dominate the new party, even though most recognized the need for an increased role for organized labour in the party.®

Because of the fear of alienating constituencies that might have been interested in the new party, and because of the recognition that the CCF had always consisted of a wide range of groups, steps were taken to include others in the National Committee for the New Party. In order to facilitate the inclusion of a diversity of interests the NCNP decided to establish what were

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® Avakumovic, Socialism in Canada, p 191
®® Morton, The New Democrats, p 20
®®® Archer, Canadian Unions and the NDP, pp 144, 185

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called New Party Clubs. Although the Clubs were not established until well into 1959, once they were set up their members were encouraged to participate to a great extent. These Clubs were established in order to allow interested individuals to help form the new party without feeling obligated to join either a labour union or the CCF.90

Clubs could be formed with as few as six members and, with the recognition of the NCNP, could participate in discussions on the forming of the new party. Also, these clubs had the ability to make proposals to the NCNP on issues such as the constitution of the new party and the policies to be debated at the convention. In January of 1961, ten new members, drawn from New Party Clubs, were added to the NCNP. Of these ten new members, four were representatives from farm organizations and co-operatives, while six represented professionals and the 'liberally minded'.91 By adding ten new members to the committee, labour's representation was reduced to one third of the committee. This could be seen as a check on the role of labour in founding the new party.

One other check placed on the role of labour was the way in which the party decided to select convention delegates. Members of CCF constituency organizations and members of New Party Clubs were


91 Horowitz, *Canadian Labour in Politics*, pp 207-209
given more delegates at the convention, proportionate to their membership size, than union locals that affiliated to the party. Constituency organizations and New Party Clubs were given one delegate for every fifty to one hundred members, while affiliated union locals received one delegate for every 1000 to 1500 members.\(^2\) The result was that of the 1801 delegates who attended the founding convention of the NDP, 710 came from CCF constituency organizations, 631 came from affiliated unions and 318 came from New Party Clubs. The balance represented CCF MPs and MLAs, members of the CCF and CLC executives and the members of the NCNP.\(^3\)

Another check placed on the power of labour to control party conventions, and therefore party policy and political choices, was the fact that the founders of the NDP made provisions to prevent block voting for union representatives at conventions. Block voting would have allowed labour leaders to cast all of the votes for union delegates represented by that leader in a uniform manner.\(^4\) For instance, if a union leader represented a union that had 50 delegates to the convention, all of these 50 votes would be cast by the leader. By preventing the possibility of block voting, the party limited the power of union leaders, and ostensibly

\(^2\) Ibid, p 208 and Archer and Whitehorn, *Canadian Trade Unions and the New Democratic Party*, pp 4-5

\(^3\) Morton, *The New Democrats*, p 23

\(^4\) Archer and Whitehorn, *Canadian Trade Unions and the New Democratic Party*, pp 5-6
removed the potential for union leaders to direct policy since it would be difficult to coerce all union delegates to vote in a uniform manner. This dissolution of potential labour power was not absolute though, as will be seen when the 1971 party leadership race between David Lewis and James Laxer is examined.

The CLC also helped make provisions within the NDP to limit its own influence. Such a statement may seem rather odd, in that it does not seem rational for an organization to attempt to limit its own influence. However, upon examination of the makeup of the CLC the logic of such a move becomes more clear. The CLC agreed to limit its power by helping to entrench in the NDP constitution that affiliation with the party would take place at the union local level, rather than through the entire CLC or even through entire unions. A prime reason for this was the fact that the labour movement was fragmented over the issue of direct political action. This being the case, the only way for an official link between labour and the party to actually come to fruition was to allow dissenting union locals to refuse to affiliate with the NDP. In part this decision was due to the fact that the CLC is itself made up of affiliated unions which are in turn made up of locals. If the Congress had decided to make affiliation with the party as a link between the central organization and the NDP, many members or entire locals would have been alienated and would likely leave the CLC. In turn this would weaken the ability of the CLC to act as
the voice of labour, and the CLC could not risk losing any of its potential strength or membership. This is because affiliation rates to the CLC itself were quite low. This fact has led some to argue that the labour movement in Canada is weak. In fact, it is weaker than both allies and enemies of labour and the NDP are willing to recognize.

2.2: The Effects of Organized Labour on the NDP:

Now that the role of labour in founding the new party has been examined it is necessary to discuss what organized labour has brought to the NDP. Of special importance here is the analysis of the extent to which the incorporation of labour made the NDP different from the CCF. The first issue to be dealt with is the role of labour at party conventions. Since the CCF only had limited success in attracting unions to affiliate with the party, the issue of labour dominance of conventions and policy was not relevant. The NDP, on the other hand, having been more successful at achieving links with labour, had reason to be more concerned over the role of labour at conventions. In fact there were many critics within the old CCF. Some feared that the influx of a great number of unionists would somehow dilute the NDP and push the party

95 Archer, *Canadian Unions and the NDP*, pp 2, 144

to a less socialist position. There was also a fear that many union leaders were representatives of international unions, most notably American-dominated unions, and as such, would tend to Americanize the party, or detract from the Canadian socialist tradition of the party.  

For the most part the fears of this segment of the CCF were not to be realized. One reason that unions failed to dominate the party's conventions and policy direction is the fact that rates of affiliation to the party have remained very low. In fact, since the founding convention of the NDP, rates of affiliation with the party have failed to keep up with increases in the rates of unionization in the workforce. In addition, union influence is limited by the fact that relative to their numbers, unions receive fewer delegates to conventions than members from constituency organizations. The end result is that unionists have not formed a dominant block at party conventions.

A third explanation for the lack of union dominance at conventions is the refusal of the NDP and the CLC to use a system of block voting at conventions. As noted above, this feature of conventions removes power from the hands of union leaders and places it in the hands of individual union delegates. It has been

97 Avakumovic, *Socialism in Canada*, p 191

observed that union delegates to conventions are not dramatically different from other delegates to these conventions on issues of policy or ideology. In some issue areas, such as gender issues or foreign policy, the union delegates are observed to be more moderate than the average non-union delegate, but there are two qualifiers to this assertion. The first is that union delegates are closer to the NDP mainstream than they are to any other party. The second is that on some issues, mostly in the area of labour relations, the views of unionists are observed to be more progressive than other delegates at convention.99

Even if union delegates tend to vote for more ideologically moderate proposals, these proposals would not win approval without the support of a significant number of other delegates. Moreover, there are unionists who vote for more radical or socialist policies which help to counter the more moderate unionists. As will be argued in the discussion of the Waffle movement’s interaction with labour, there is a fraction of the labour movement that is more radical than the union leadership, which suggests a certain amount of tension between rank and file unionists and labour leaders. Of course, tension of this sort could go in the reverse direction, with more conservative unionists believing that the leadership is too radical, but these people likely would not identify with the

99 Archer and Whitehorn, *Canadian Trade Unions and the New Democratic Party*, pp 19-20
NDP, thus would not attempt to become delegates to an NDP convention. This suggests that more conservative rank and file union members would not have a direct effect on NDP policies at conventions.

A benefit that union affiliates have brought to the NDP is increased membership. During the 1960's the number of individuals who were members of the NDP fluctuated between 60000 and 90000. It was not until the middle of the 1970's that individual membership in the NDP reached the 100000 mark. In contrast, membership in the NDP attributable to affiliated unions reached 209034 by December of 1962, but remained relatively constant for several years. It was not until the mid 1970's that affiliated membership reached the figure of 275000.100 Even though union-affiliated members of the party have traditionally out-numbered individual members by more than two to one, this has not had much of an impact on the party. The primary reason for this is the fact that few of the rank and file union members have become active in the party. Union members of the NDP have no direct ties to constituency organizations101 and thus must actively pursue a direct link to the party. This would require that the individual union member had an affinity for the

100 Avakumovic, *Socialism in Canada*, p 231

101 Chi and Perlin, "The New Democratic Party: A Party in Transition", p 177. Although members of affiliated unions can join local riding associations, such dual membership is not the norm. Also, these members do not act as an official link between labour and the party, merely as individuals with a labour background.
NDP, which is not the case for the majority of unionists. Since the affiliated unions have no direct link with constituency organizations they have no input into resolutions made by these associations, and thus cannot be argued to have a moderating effect on constituency organizations.

With all of this in mind, it can be argued that people who are members of the NDP solely through affiliated unions are treated almost as second class party members. One reason is the negligible power they have to affect constituency associations and resolutions passed by these associations. A second reason would be the fact that union-affiliated members are under-represented at party conventions. It is reasonable, though, to give union-affiliated members less weight in the party than individual members. The fact that very few members of affiliated unions show great affinity for the party\(^\text{102}\) suggests that most union members do not really want more power within the party. Giving unwilling participants equal power to willing participants would likely have one of two effects. The first, and most likely, effect might be that this power would go unused, and thus would not really be power in the hands of these unionists. The second possible effect would be that more conservative elements within the labour movement would use their power to eliminate the socialist and social democratic leanings of the party, thus making it completely irrelevant as a force on the

\(^{102}\) Archer, "The Failure of the New Democratic Party", p 108
political left. Such an effect would make the NDP virtually identical to the Liberal party, which would completely negate any purpose for the NDP.

Another area wherein the affiliation of labour has had an effect on the party is the area of party financing. It was stated earlier in this chapter that one of the failings of the CCF was its inability to raise enough funds to run effective election campaigns or to maintain a strong organization in inter-election years. This being the case, it was essential for the party to seek out new sources of revenue. Through affiliation the NDP had some success in finding a new source of revenue. For instance, the annual budget of the NDP is approximately four times that of the CCF in its best year.\footnote{Chi and Perlin, "The New Democratic Party: A Party in Transition", p 177} This has helped the NDP gain support in election campaigns.

Unions support the party financially in two ways. The first is through the contribution of annual dues from affiliated locals. Donations of this sort help the party maintain an organizational structure in inter-election years. Although these contributions are important, they only represent about five percent of the party’s annual budget.\footnote{Archer, \textit{Canadian Unions and the NDP}, p 108} The second method of financing is donations by union centrals, federations or locals beyond annual affiliation dues. In non-election years these contributions only
add up to about one or two percent of the party's budget, but in election years such donations can constitute as much as twenty-five percent of the party's budget. Even though these funds have assisted the NDP, and have helped to make it more successful than its predecessor, union financial contributions have not been overwhelming. Other parties continue to outshine the NDP with regards to financing, which has some bearing on the success of these parties at the polls.

Unions also donate professional services and volunteer labour to the party during elections. The donation of services and volunteer labour can be considered as equivalent to financial contributions because these services have intrinsic value, and add to the electoral effort, not only through the actual delivery of such services, but also because the delivery of these services allows the party to allocate other (financial) resources to other areas of the campaign.

If union rates of affiliation with the party were higher, then annual dues to the party would be higher, and the party could elicit more election year donations from unions, which might have a positive effect on NDP election outcomes. Some would complain further that increased union contributions to the NDP would make the party more beholden to the interests of big labour, but there

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105 Ibid, p 108
106 Ibid, p 177
are certain checks placed on the ability of labour to buy its way into the party. These checks are related to the way in which affiliated unions act within the party at conventions, and the limited way in which they interact with constituency organizations. Furthermore, it is possible that unions would increase contributions to the party based on the party's past actions, rather than in the hopes of buying further access. For example, unions would contribute based on the fact that the party and labour share common goals, not because labour wanted to gain influence through financial contributions in order to change the party's direction.

A final way in which affiliated unions have affected the NDP is through increasing electoral support for the party. After the CCF evolved into the NDP, the party experienced a marked increase in voter support. In federal elections the CCF received, on average, approximately eleven percent of the vote. Between its founding and 1988, the federal NDP has averaged approximately seventeen percent of the vote. In part this is due to increased

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107 In light of the Social Contract, however, it might be more difficult to argue that labour and the NDP share common goals (and tactics). Events since the Social Contract, such as the ONDP's resolution to never again break collective agreements, might provide evidence of an attempt to mend differences caused by the Social Contract. For example, current ONDP leader Howard Hampton has made it explicitly clear in his communications with labour that the ONDP will never again legislate a Social Contract. Howard Hampton, "Speech to the CUPE Ontario Convention" Sault Ste. Marie, May 29, 1998

108 Whitehorn, *Canadian Socialism*, p 9. The party's fortunes declined substantially in 1993 when it received approximately nine percent of the popular vote. Efforts to rebuild party
financial resources brought to the party by labour, but this increase in support can also be attributed to members of affiliated unions increasing their electoral support for the party. In his research, Keith Archer has found that “union-party affiliation has a moderate positive effect on rates of support for the NDP”. A union affiliated with the party sends an implicit message to members of the union that the NDP is a party working in the interests of unionized workers, and therefore deserves the support of union members. In addition, union leaders often make direct calls for rank and file members to support the NDP.

Furthermore, union membership in general has been found to influence the way in which workers view themselves. In other words, union membership makes individuals more likely to view themselves as working class, which in turn leads workers to identify with the NDP. Political socialization through union membership helps to increase the level of support for the party. Of course there are limits on the ability of unions to socialize members. Dominant ideological structures continue to have influence on union members before and during union membership. Even though union membership can have an influence, this influence support did not bring a substantially higher percentage of the vote in the federal election of 1997.

109 Archer, “The Failure of the New Democratic Party”, p 360

is imperfect, and to a degree is influenced by the nature of the union itself. For instance, if the majority of the members of the union, as well as the union leadership, have already accepted the established power relations between business and labour, and are content to merely bargain for increases in wages and/or benefits, then it is unlikely that new union members will develop a radical socialist ideology or viewpoint solely on the basis of membership in the union.

The above analysis leads directly to an analysis of factors that limit the potential for unions to bring the vote to the NDP. The first reason is the low rate of unionization, and the low rate of union affiliation to the NDP. Since the rate of unionization is so low in Canada, only a limited percentage of the workforce experiences the admittedly weak socialization associated with union membership. Because union affiliation with the NDP is so weak, few unionized workers are actually sent a message that support of the NDP would help working class interests.\textsuperscript{111}

By following this line of argument it could be assumed that increased union affiliation with the NDP would bring greater electoral rewards to the party. This argument has some validity, but is limited by other factors. One factor is the anti-socialist attitude of the Canadian public. This aversion to socialism has led a great many Canadians to view the NDP as incapable of

\textsuperscript{111} Archer, \textit{Canadian Unions and the NDP}, pp 4, 11, 107
governing effectively\textsuperscript{112}, especially at the federal level. Related to this is the fact that a majority of Canadians view the ideal party as being politically centrist, and not specifically geared toward the working class.\textsuperscript{113} To a certain degree this line of argument helps explain why more union members support the Liberal party than support the NDP.\textsuperscript{114}

2.3: Organized Labour and the “Problem” of the Waffle:

Now that issues of what labour has brought to the NDP have been discussed, an examination of the role of organized labour in 1972 expulsion of the Waffle faction from the party is necessary. This section of the chapter is important because it deals with the most concrete example of how organized labour has worked to the detriment of the NDP. This is particularly true of international unions, which played the most important role in dismantling the Waffle. Previous discussion dealt with the limits of union influence on the party, but the Waffle example demonstrates that organized labour can be effective at influencing the party’s direction.

\textsuperscript{112} Linda Erikson, “CCF-NDP Popularity and the Economy”, \textit{Canadian Journal of Political Science}, 21(1), March 1988, pg. 107, 113

\textsuperscript{113} E.M. Schreiber, “Class Awareness and Class Voting in Canada: A Reconsideration of the Ogmundson Thesis”, \textit{Canadian Review of Sociology and Anthropology}, 17(1), 1980, pg. 41

The Waffle arose in the late 1960's, in part out of the radical student movements of the time. Students espousing a more radical version of socialism and Canadian nationalism became very vocal at Canadian Universities. In time, the student groups began to mobilize and become politically active. Such activity almost inevitably led to an alliance between students and more left-leaning elements in the NDP.\textsuperscript{115} It made sense for the student movement to attempt to effect change in an already existing social democratic party. The party provided an existing structure, an organization and an established place in Canadian politics. It was thought easier for the Waffle to gain influence in the NDP and push for a more socialist and nationalist party, than to attempt to build a new party from the ground up. This was made abundantly clear from the inability of the Waffle to maintain strong organization after being removed from the NDP.

In 1969 the members of the Waffle created a mission statement entitled \textit{For An Independent Socialist Canada}, better known as the Waffle Manifesto. The principal authors of the Manifesto were James Laxer, Mel Watkins and Gerald Caplan\textsuperscript{116} but between 400 and 500 members of the NDP publicly signed and endorsed the document. In addition, more than twenty riding associations passed


\textsuperscript{116} Laxer, \textit{In Search of A New Left}, p 150
resolutions to have the Manifesto and its contents debated at the federal party convention.\textsuperscript{117} The Manifesto itself called for a more socialist direction for the party and independence from American influence. The primary source of US dominance was seen to be foreign control of the Canadian economy, but the role of international unions was also called into question.\textsuperscript{118} Such a claim harkened back to the fears of some CCFers regarding the inclusion of international unions in the new party. It was believed that these unions were responsible, at least in part, for causing the Canadian labour movement, and in some ways the NDP, to be less radical.

Aside from the denunciation of the international unions though, the Waffle was in favour of strengthening the Canadian labour movement. One goal of the Waffle was to help create a strong, militant labour movement that was willing to question established power relations between owners and workers. Certainly the members of the Waffle wanted the labour movement to be entirely Canadian\textsuperscript{119}, but this did not lead to an anti-union posture. Yet the rhetoric used by the Waffle was harsh, and represented a direct

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challenge to the way in which unions operated. This being the case, the union leaders of international, as well as domestic, unions were likely to see the Waffle group as a threat, not only to the power of these leaders, but also to their ideas and the way in which they achieved their goals. Furthermore, rank and file union members were unlikely to move in great numbers to the Waffle’s position, mostly because these people were, for the most part, rather comfortable with the established order. Also, as noted above, rank and file members are not noted for their radicalism. In fact, the socialist rhetoric of the Waffle had the potential to alienate those union members who felt a greater affinity for the political centre than for the socialist fringes. Therefore, even though the Waffle proclaimed itself pro-union, the union movement was unlikely to view the Waffle as a viable alternative to the status quo. This can be seen in the fact that very few unionists actually signed the Waffle Manifesto, or publicly espoused its principles.\textsuperscript{120}

One of the key incidents in the history of the Waffle which demonstrates organized labour’s capacity to promote a more moderate direction for the NDP was 1971 federal leadership race that featured James Laxer and David Lewis as the main contenders.\textsuperscript{121} It was at this convention that a replacement for outgoing leader Tommy

\textsuperscript{120} Ibid, p 185

\textsuperscript{121} Ed Broadbent, John Harney and Frank Howard were the other candidates
Douglas was to be selected. David Lewis represented traditional NDP values, including the desire to attempt to appeal to the widest variety of voters in order to attain electoral success. His biggest flaw, in the eyes of many convention delegates and party observers, was his age. Laxer on the other hand represented youth and radicalism; a new direction for the party, or perhaps for some hopeful CCFers, a return to the party’s socialist roots. On the final ballot of the convention Lewis won the leadership of the party by a margin of 1046 to 612.\textsuperscript{122} At that convention there was an unusually large contingent of labour representatives, consisting of 490 delegates. Of those delegates, the vast majority voted for Lewis, which means that the vote from constituency organizations was split almost evenly.\textsuperscript{123}

This episode suggests that if organized labour does effectively work as a cohesive unit it can have an impact on the direction of the party. There are some qualifications that need to be added to this statement though. The first is the fact that not all votes for Laxer at the convention were necessarily votes in favour of the Waffle, or a more socialist party.\textsuperscript{124} For instance, some might have voted for Laxer as a protest against Lewis as leader. Over the years, Lewis had accumulated a lot of political

\textsuperscript{122} Laxer, \textit{In Search of a New Left}, p 159

\textsuperscript{123} Penner, \textit{From Protest to Power}, p 103

\textsuperscript{124} Whitehorn, \textit{Canadian Socialism}, p 166
baggage, such as the impression that he was intolerant of dissenting viewpoints. Such a characteristic might not be appealing in a democratic party. Also, some may have wanted a more youthful leader in the hope that youth would be an attractive feature for the electorate. One other qualification must be noted here. During the 1971 convention, labour delegates were credited with helping pass several resolutions brought forth by the Waffle group. This suggests that union delegates were not completely averse to a more radical policy direction. However, it also does not detract from the fact that labour played a key role in electing the more moderate leader, which would have a greater effect on the direction of the party than the passing of a few strongly worded resolutions.

Perhaps more important than the role of organized labour in general was the part played by international unions in removing the Waffle faction from the party. It did not take long for the tactics and rhetoric of the Waffle group to begin to earn it some enemies, particularly among international unions and the leadership of the Ontario NDP, most notably Stephen Lewis, son of the new federal party leader. At times it appeared as if the Waffle had the potential to gain a great deal of influence within the party.

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125 This is especially relevant when the 'mania' surrounding a youthful Pierre Trudeau is considered.

126 Hackett, “The Waffle Conflict in the NDP”, p 195
It had won several seats on the federal and Ontario provincial councils, and this was very threatening to more moderate leaders in the party.\footnote{127}{Avakumovic, \textit{Socialism in Canada}, p 200; Lewis must have felt that the Waffle posed a threat to his personal influence within the party in addition to its attacks on the traditions that he held dear. Note the ‘albatross’ comment re: the expulsion of the Waffle.}

Even though the Waffle appeared to pose a very real challenge to the established leadership of the party, no measures were taken against the Waffle until its rhetoric began to offend the leaders of international unions. Several authors have noted that this was the final outrage, and that these attacks on international unions were what provoked the action taken against the Waffle.\footnote{128}{Morton, \textit{The New Democrats}, p 97; Penner, \textit{From Protest to Power}, p 102; Smart, “The Waffle’s Impact on the New Democratic Party”, p 182; Laxer, \textit{In Search of a New Left}, p 160} One reason why the Lewis family and many other prominent NDP leaders were so disturbed by these attacks is that these unions had played a fundamental role in helping these leaders achieve office, through financial contributions and delegate support at conventions.\footnote{129}{Hackett, “The Waffle Conflict in the NDP”, p 202} Another reason why the party establishment might have been defensive over attacks on organized labour is the fact that unions were seen as a fundamental pillar of the party. The NDP would not have come into existence had it not been for a merger between labour and the CCF. Also, there would have been a recognition of what union affiliation had done to support the party, bringing to
it a modicum of electoral success.

The Waffle crisis came to a climax in June of 1972 at a provincial council meeting. Stephen Lewis alleged that the Waffle was hurting the party and acting as a divisive force. At this meeting a resolution was passed that required that the Waffle disband its organization or risk being expelled from the party. Refusing to give up their organization, a great many members of the Waffle decided to drop out of the party. Since the majority of the Waffle's leaders came from Ontario this departure virtually extinguished the Waffle faction in the ONDP. The resolution that passed had the support of the unions and almost two-thirds of the constituency associations. This suggests that support for the expulsion of the Waffle had a wider base than just the leadership of international unions, but it is possible that the Waffle could have survived had it not attacked the unions so vigorously, and thus earned the enmity of the union leaders.

The expulsion of the Waffle demonstrates that unions have a secure place within the NDP, and if the role of unions is challenged strongly, the party will work in the defense of unions. While it is not likely that the unions alone could have forced the Waffle to back down, it is true that when unions were put on the defensive a large number of people within the party rushed to the

130 Morley, Secular Socialists, p 98
131 Avakumovic, Socialism in Canada, p 239
defense of organized labour. Affiliated unions are entrenched within the structure of the party, and even if they do not have an overwhelming amount of power or influence in the NDP, their position is safe.

To conclude this chapter some points need to be made to demonstrate the significance of organized labour to the NDP. Unions were instrumental to the development of the NDP from the CCF, and participated in a period of ideological moderation. Although Canadian unions are politically weak (especially compared to some European counterparts) they have benefitted the party by bringing more of the working class to the party. They have also helped finance the party to make it more electorally viable. A weak relationship exists between the party and organized labour preventing either group from dominating the other, but at times each group has facilitated a de-radicalization of the other. The most notable example of unions moving to de-radicalize the NDP came with the expulsion of the Waffle movement. The Waffle represented the last organized attempt to make the NDP more of an ideological party and political movement.

Weak links between the party and labour demonstrate the lack of a cohesive working class political strategy. It is thus more difficult for workers to act collectively to counter bourgeois dominance of the state. The expulsion of the Waffle made it more
difficult for the NDP to articulate a socialist challenge to bourgeois ideological hegemony. As will be seen in the next chapter, the moderate, brokerage style that characterized the party after 1972 is in part responsible for the party's inability to act on behalf of labour and counter to the interests of capital. Organized labour had a strong enough link to the party to help the NDP win government in Ontario, but it was not strong enough or politically active enough to ensure the party's success. The working class was not sufficiently mobilized to counter the power of the propertied class.
Chapter Three
The Ontario NDP From 1972-1990:
Continuing the Centrist Trend

After the expulsion of the Waffle, the Ontario NDP continued its drift to the middle of the political spectrum under the leadership of Stephen Lewis, whose belief in the practice of brokerage politics resembled that of the previous ONDP leader Donald MacDonald. Adamant adherence to electoralism at the expense of ideology consistently drove the party through the 1980's.\(^{132}\) Ideological moderation serves the purpose of attracting voters, (although many still see the NDP as too left wing\(^ {133}\)), and did eventually bring the NDP to government in Ontario. This tactic, however, weakens the party's ability to develop a coherent program for change or viable challenge to the ideological hegemony of the bourgeoisie. The experience of the party between 1972 and 1990 demonstrates this clearly.

The Waffle represented the last organized attempt to challenge the existing party oligarchy. J.T. Morley, in his biography of the ONDP, describes a party that has a deeply entrenched history of rule by the few.\(^{134}\) The leadership of the ONDP ensures its own

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\(^{133}\) Lynn McDonald, *The Party that Changed Canada: The New Democratic Party Then and Now*, Macmillan of Canada, Toronto, 1987, pp 82-83

\(^{134}\) J.T. Morley, *Secular Socialists*, pp 173-177; also see Robert Michels, *Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy*, Free Press,
perpetuation, or the election of hand-picked successors, through
the use of slates in party elections. Few people not placed on the
slate are ever elected, and it is generally held that running
against the slate is contrary to party tradition\textsuperscript{135}, and is thus
discouraged. Loyalty to the moderate nature of the party is
ensured in two ways. First, those who wish to hold a high level
office in the party will keep their principles in line with the
party establishment in order to be included on a slate. Second,
because elected officials owe their position to the existing
oligarchy they will likely feel a sense of loyalty to this dominant
group. Loyalty of this nature will result in support for the
policies advocated by the oligarchy.

Stephen Lewis, as party leader, represented a continuation of
this oligarchical tendency. Even though it is clear that Lewis was
ideologically to the left of his predecessor, Donald C. MacDonald,
he owed his position in the party to his family ties. His father,
David, was a moderate within the party, which undoubtably had an
impact on Stephen. In fact, the younger Lewis was flirting with
the idea of endorsing the Waffle Manifesto in its early years, but
was talked out of it by his father.\textsuperscript{136} As will be seen below, in an

New York, 1962 for a description of the 'Iron Law of Oligarchy'. Morley suggests that the
ONDP fits all of Michels criteria for an oligarchy.

\textsuperscript{135} George Ehring and Wayne Roberts, \textit{Giving Away A Miracle: Lost Dreams, Broken
Promises and the Ontario NDP}, Mosaic Press, Oakville, 1993, pp 11-12

\textsuperscript{136} Morley, \textit{Secular Socialists}, pp 211-212

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examination of the election campaigns of 1975 and especially 1977, Stephen’s ties to the party oligarchy were coupled with a trend towards ideological moderation and brokerage politics.\textsuperscript{137}

In 1975, the provincial Tory government of Bill Davis called an election for September 13. During the election campaign, the NDP decided to focus its attention on the issue of rent control, with some vague promises to more fully develop the welfare state, without increasing the size of government. The Tories and Liberals decided to focus their energies on personal attacks on each other.\textsuperscript{138} Although the NDP’s platform was muddled, especially considering the anti-big-government stand, the party was able to win 38 seats with 28.8 percent of the vote. For the first time the NDP formed the official opposition in Ontario.\textsuperscript{139}

Even though the Liberal party received a higher percentage of the vote (34%), the distribution of the votes resulted in the Liberals taking only 36 seats. The Progressive Conservatives were

\textsuperscript{137} Alan Whitehorn argues that a party’s ideology cannot be seen as a static property, it is in constant flux based on the political and economic circumstances of a given time. Ideological flexibility could therefore be seen as imperative to the survival of a party. This approach, however, fails to recognize the constant rightward shift in party policy; that ideological moderation has indeed been a tool to appeal to the existing perceptions of what is legitimate, instead of developing a program to educate and fight for an equitable and just society. Whitehorn, \textit{Canadian Socialism}, p 27

\textsuperscript{138} Avakumovic, \textit{Socialism in Canada}, p 273 and Ehring and Roberts, \textit{Giving Away A Miracle}, p 57

\textsuperscript{139} Morton, \textit{The New Democrats}, pp 177-8, The CCF had become the official opposition in 1943, but this was the first breakthrough for the New Party since its rebirth in 1961.
able to form a minority government with 51 seats. The NDP did hold some sway in this minority situation, as the Tories implemented rent controls, the major plank in the NDP’s platform. Unfortunately, this election result reinforced conventional perceptions about Ontario politics. The first was that the Ontario PC party was the embodiment of the ideal government form for the province, combining mildly progressive policy with conservative management style. The second was the notion that any future NDP success would necessarily come at the expense of ideology. Since the party won its position within the legislature based on the vagaries of the First-Past-The-Post electoral system and a brokerage style of electioneering, it became less likely that the party would challenge these systems. The 1977 election confirms this trend, as do the elections of the Bob Rae era.

By 1977 the Tory government was ready to go back to the polls. Stephen Lewis, fitting with the model of brokerage parties, decided to downplay many of the party’s long-held policies. Most notably, the NDP’s commitment to nationalize the resource industries was removed from the party platform, much to the chagrin of the party’s left wing. Also, Lewis was only able to provide a tepid defense of a previous commitment to raise the province’s minimum wage to four dollars an hour.\textsuperscript{140} The hope was that the NDP could appeal to

enough of the politically centrist population to win a second term as the official opposition. The result was not what was hoped for though. The party lost five seats, placing third, one seat behind the Liberals.\textsuperscript{141}

Stephen Lewis, taking personal responsibility for the loss, announced his resignation shortly after the election.\textsuperscript{142} A leadership convention was scheduled for 1978. At this convention something unexpected happened. The party establishment, anticipating an easy win for Ian Deans, its chosen successor to Lewis, failed to organize adequate support for him. This resulted in Michael Cassidy, the most left-leaning of the candidates, winning the party leadership. His political leanings to the side, Michael Cassidy was seen to be uncharismatic,\textsuperscript{143} a distinct liability for a party that stresses electoral victory above all else.

As a result of Cassidy’s perceived deficiencies, relations between the leader and the party executive (as well as between the leader and the rest of his caucus) were grim. The new leader received only a minimum level of support from his party, and was

\textsuperscript{141} Ehring and Roberts, \textit{Giving Away a Miracle}, pp 58-59

\textsuperscript{142} Problems arise for leaders of brokerage parties when the party fails at the polls. Since the image and style of the leader are presented as being among the most important characteristics of the party, electoral defeat is usually blamed on the leader. When the defeat comes at a critical time for the party the leader must resign to make room for another, seemingly more credible leader

\textsuperscript{143} Walkom, \textit{Rae Days}, p 39

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left to his own devices. Internal gridlock led to a disastrous election outcome in 1981. The party was reduced to twenty-one seats in the legislature, and Bill Davis finally won his majority government. There are those that suspect that the election results of 1981 were desired, or at least welcomed by the party establishment, as it was an excuse to get rid of an unpopular leader who did not fit with the existing oligarchy. Considering the lack of support given to Cassidy, and the fact that the party executive and labour leaders had been searching for a new leader for months before the election had even been called\textsuperscript{144}, this claim seems to be plausible.

The party oligarchy was not unprepared for the leadership campaign of 1982. Bob Rae, who had decided to leave federal office to run for the ONDP leadership, had the support of the party oligarchs, including former leader Stephen Lewis. Furthermore, Rae had the support of most of the important labour leaders in the province. Buzz Hargrove notes that the CAW and other unions supported Rae because they believed he had good leadership qualities, not necessarily because of any particular policies that he supported.\textsuperscript{145} This suggests that labour unions, including the more left-leaning unions, had also become content with the brokerage, leader-centered, tactics of the party. In no small part

\textsuperscript{144} Ehring and Roberts, \textit{Giving Away a Miracle}, pp 61, 68

\textsuperscript{145} Buzz Hargrove, Personal Interview, December 18, 1997, Toronto.
this is due to the tendency of organized labour to be concerned primarily with legislation that increases its strength within the existing structure of labour-management relations.

Conversely, the party executive supported Rae specifically for his ideological bent and predisposition toward moderate/brokerage politics. Rae put it best himself in saying,

My message to the party was simple enough: we had to present a credible, contemporary message to the electorate in our opposition to the Conservatives. There was no point in going back to the details of the Regina Manifesto; there was no particular salvation there, and the public wasn't interested in being saved.146

This statement clearly shows that Rae intended to continue in the tradition of Donald MacDonald and Stephen Lewis; disavowing any ideological tendencies within the party that might be detrimental to electoral gain. Rae was eventually successful at bringing the party electoral success, but as will be seen, blindly holding to the ideology of brokerage politics severely limited the party's ability to implement an agenda for social democratic change while in government. It kept policy options at the political centre where voters already are, and did not mobilize support behind Social Democratic ideals which made it difficult to stand up to reactionary pressures.

Bob Rae did not have the opportunity to prove his electoral competence until 1985. In the meantime, Rae focused the

146 Bob Rae, From Protest to Power: Personal Reflections on a Life In Politics, Viking, Toronto, 1996, p 84
parliamentary party's energy on question period. In Ottawa, Rae had been known as a witty orator who was able to score points in question period with well-timed barbs. Finding this the best way to discredit his opponents in Toronto, Rae pressed caucus to dedicate most of their time (and the time of their staff) to the development of 'good questions'. This is in contrast to the rest of the party's tradition of focusing on development and debate of policy. It shows a distinction and separation between the parliamentary party and the party executive and party rank and file. This makes it more difficult to develop a parliamentary party capable of dealing with policy and reinforces the tendency toward brokerage politics.

By 1985 the Tory government was ready to call a new election, confident that the party's popularity would be enough to secure a victory under new leader Frank Miller. The NDP ran a relatively uninteresting campaign, neither maximizing the new leader's potential, nor providing a clear alternative to the standard of moderate policy. In contrast, the Liberals were able to cut into PC support by providing a competent opposition in the legislature and capitalizing on the media's growing hostility towards and boredom with the governing Tories. The Liberals were also fortunate in that the NDP was cast as the party of special interests by the media and the Liberal and Tory parties. On May 2nd, election night, the Liberals won 37.9 percent of the vote (48
seats), the Tories won 37 percent (52 seats) and the NDP won a mere 23.8 percent (25 seats).^147

Although the NDP’s share of the vote increased by only three percent from the previous election, and the party only won four additional seats, there were no overtures to depose Rae as leader. Several factors account for this. Rae, unlike Cassidy, was chosen by the party oligarchy, and thus was given the opportunity to build over a longer period of time. Also, Rae, unlike his predecessor, was part of an increase, although a modest one, in electoral support. Finally, and at least as important as the first point, was the fact that the NDP in 1985 was in a position to help end forty-two years of Tory government in Ontario. After the election the NDP signed an Accord with the Liberal party to make David Peterson the new premier.

At first the NDP caucus was divided over the prospects of supporting the Liberals. The party leadership, as well as key union leaders, were interested in the principle, but were divided over whether the arrangement should be a coalition or simply an agreement to let the Liberals govern.^148 Initially Rae wanted to form a formal coalition, which would have resulted in the first NDP

^147 Georgette Gagnon and Dan Rath, *Not Without Cause: David Peterson’s Fall From Grace*, Harper Perennial Press, Toronto, 1992, p 25. It is interesting to note that the people of Ontario turned away from the Provincial Tories less than one year after embracing the federal party at the expense of the Federal Liberals.

^148 Walkom, *Rae Days*, pp 43-44
cabinet minister in Ontario history. In the face of immense pressure from the party executive, however, Rae acquiesced and settled for the Accord. This Accord stated that the NDP would support Liberal legislation for a period of at least two years in exchange for some input into the agenda of the Liberal government. In essence, the Liberals agreed to implement some progressive reform legislation in exchange for two years of guaranteed support.

It might seem that the arrangement to depose the Progressive Conservatives was a great accomplishment for the NDP, and might even have given them public credibility in the long run as some of the party’s policies would finally be implemented. The consensus, however, is that the NDP gained very little from the agreement. One reason for this is the fact that the Liberals, as the sole party of government, were seen as the source of any good legislation that emanated from Queen’s Park. Moreover, the Liberals had some credibility on progressive issues. In fact, much of the legislation passed under the Accord already had support within the Liberal caucus. Attorney General Ian Scott argued that despite the NDP’s belief that only its pressure brought about this legislation, the Liberals would have implemented the Accord agenda

149 Rae, From Protest to Power, 93-94

independently of outside pressure.\textsuperscript{151}

This raises an interesting point regarding the NDP's drift away from a stronger socialist ideology. It suggests that the party's abandonment of ideology was nearing completion, to the point where it so resembled the Liberal party as to make the two logical partners in such an accord. If the Liberals could come up with a similar program to the NDP, or at the very least eagerly accept a few policy proposals from the party, then it seems evident that the NDP is another party of the ideological centre (even if of the centre-left). It suggests that the NDP can only be counted on to provide progressive legislation within the framework of the existing political order. Some, however, still see the Accord as a positive move in that it proved to be a dramatic shift in the politics of Ontario, and was an opportunity to finally depose the PCs after more than four decades as the 'natural' governing party of the province.\textsuperscript{152}

The NDP's ability to build support during the Accord years was hampered by several factors. The first is the fact that the party was attached to the Liberal agenda through the written agreement. As such, it was difficult for the party to have the distance necessary to fulfill the functions of an opposition party, for example, to criticize the government incessantly to detract from

\begin{itemize}
  \item \textsuperscript{151} Gagnon and Rath, \textit{Not Without Cause}, p 27
  \item \textsuperscript{152} Hargrove Interview December 1997
\end{itemize}
its support. This would seem to be the natural behaviour of a brokerage party, and would certainly be in keeping with the party’s habit of focusing on question period, yet the party even cut itself short in this regard. The Accord did not help in the mobilization of the party or the development of a more coherent social democratic critique of the economy or politics. Nor did the Accord afford the party the ability to continue in its traditional role as critic of the governing party. All in all, support for the minority Liberal government provided the dubious distinction of replacing one bourgeois party with another, albeit one with a more pronounced predisposition toward a minimal standard of progressive legislation.

The election of 1987 shows just how disastrous a strategy the Accord turned out to be. The NDP ran a typical populist type of campaign in that it attempted to portray itself as the only party that cared about ordinary people; that the other parties only listened to powerful, propertied interests. This is not to say that the campaign was based on a class analysis of Ontario. Instead, it was based on image, one the party believed had resonance with the majority of people. At the time, Ontarians believed that the NDP was the most credible party on the issue of working for the average citizen. Unfortunately, the party chose to focus on this image instead of developing a detailed platform that would outline just how the party would work in the interests of
working people. Again the party put its energy into electing more members without much thought to what they would do if they were elected, or how they would accomplish whatever they decided to do.

It should not be assumed that the party has no mechanism for developing policy. Quite the contrary is true. New Democrats have always prided themselves on their capacity to discuss and debate policy and continually add to the party’s policy book. The problem is the fact that the party has never been able to organize these policies into a program for governing. Nor has the parliamentary wing of the party had any desire to do so. Adherence to the brokerage style of politics was easier, and had the potential to reap more immediate gains. Despite some rumblings from the party’s rank and file that election strategies did nothing to advance party policy, the focus on winning elections won out.

The NDP’s inability to formulate a coherent program for government did little to offset its inability to capitalize on its role in the Accord agenda. The 1987 election resulted in a landslide victory for the Liberals. The NDP was able to win back

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153 Gagnon and Rath, Not Without Cause, p 42; Ehring and Roberts, Giving Away a Miracle, pp 192-193


its position as official opposition, primarily due to the Tories’ near complete collapse from 51 to 16 seats. However, the NDP lost four seats, ending up with nineteen. The party did make modest gains in the proportion of the vote it garnered, increasing 1.9 percent to 25.7 percent of the vote.\textsuperscript{156} It is interesting to note that Rae was still encouraged to continue as leader, despite two consecutive poor electoral showings. Had Rae begun his tenure as leader without the support of the party oligarchs, as Michael Cassidy did, it seems unlikely that he would have been able to maintain his position for a third election.

Over the years of the Liberal majority government the parliamentary wing of the NDP continued to focus on question period as the key to attaining a higher level of support. Of course the party did maintain a moderate, social democratic focus to its attacks on the Liberals but this did very little to attract voters to the party, much less build a competent social democratic alternative to the policies of the other parties. Stephen McBride argues, convincingly, that the NDP’s focus on the post-war compromise of liberal Keynesian economics resulted in the abandonment of a “class analytic perspective” which in turn detracted from the ability of the party to present a “distinctly social democratic account of the political economy of a capitalist

\textsuperscript{156} Ehring and Roberts, \textit{Giving Away a Miracle}, pp 198-199
society." The acceptance of the dominant ideology, or at least of the most reformist elements of the dominant ideology, gives the NDP a minimal amount of credibility with the public, but tends to make it the party of last resort. In essence, Ontario voters tend to support the NDP only when the traditional parties have discredited themselves.

By the summer of 1990, only three years into its mandate, the Liberal government was hovering at about fifty percent in opinion polls. Sensing the opportunity to capitalize on his own popularity, and the relatively uninspiring or unorganized opposition, David Peterson called an election. Other reasons for Peterson’s early election call were the indications of a coming recession and the prospect for the Patti Starr scandal to attract public attention later that year. The Tories had just elected a new leader, Mike Harris, who was an unknown commodity to the majority of the province, so the Progressive Conservative Party was unlikely to pose a serious threat to the Liberal campaign. The NDP was sitting at about twenty-six percent in the polls and had never earned more than thirty percent of the vote in a provincial election. The Liberals could not be faulted for assuming they were

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in for another landslide victory.

Unfortunately for David Peterson and his supporters, Liberal strategists drastically underestimated the electorate’s desire for change. A growing disillusionment with old style politics, and the perceived arrogance of political leaders worked to the detriment of the Liberals, who expected a continuation of Ontario’s tradition of political dynasties. Change for the sake of change characterized the campaign of 1990, with little need for highly developed campaign promises.\(^{159}\) Perhaps the Accord of 1985 had something to do with the new-found acceptance of change in Ontario politics. If so, this would be a partial vindication of the NDP’s decision to support the Liberals at the Tories’ expense. A more likely comprehensive explanation would be related to the decline of deference within the Canadian electorate, and oddly enough, voter cynicism growing from the neo-conservative movement’s anti-statist and anti-politician rhetoric. Relying on support based on distrust of politics is dangerous indeed, as a volatile electorate is just as likely to turn from one party as another.

Despite the dangers implicit in relying on voter cynicism, the NDP campaign began with an attempt to bring attention to the Starr affair. The focus was on the worst aspect of politics, the scandal. The NDP had been attacking the Liberals on this issue for

most of 1990, and the election campaign was no different. A reading of the two major newspapers in Ontario reveals a two pronged attack on the Liberals. The first was to point out Peterson's lack of credibility and apparent dishonesty; basically to focus on negative politics and enhance voter cynicism. The second was to argue that only the NDP would work in the interests of all Ontarians. Interestingly enough, this also took a primarily negative tone, in that Rae consistently argued that Peterson was aligned with the powerful interests of the province and would work on their behalf, not on behalf of the average citizen.

It was not until August 20, the day of the televised leaders debate, that the NDP unveiled its own platform. Until that point the party had run an almost exclusively negative campaign, helped in many ways by environmental activists who dogged Peterson's campaign from day one. "An Agenda For People", as the document was called, was drawn up primarily because the media had been critical of the party's inability to provide clear policy proposals during the campaign. The Globe and Mail began this criticism

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161 Rae, From Protest to Power, pp 120-121

162 Walkom, Rae Days, p 96, Gagnon and Rath suggest that the NDP had not initially intended to develop a complete package of policy proposals. Senior strategists felt that it was electorally more beneficial to focus on the attacks against Peterson. Not Without Cause, pp 140-148
early. Only four days into the campaign it was criticizing the NDP for having no substance to its rhetoric. The NDP was accused of focusing merely on Grit bashing. The Toronto Star was more generous, waiting until August 13 (fourteen days into the campaign) to suggest that the NDP strategy was to avoid making policy proposals. In fact, early in the campaign (August 4th and 8th) the Star was willing to suggest that some of Rae’s criticisms of the premier did contain some policy proposals, including a minimum corporate tax and public auto insurance, although the specific details of these policies were absent.

It should be expected that the NDP would receive more favourable treatment from The Star than The Globe and Mail considering the histories of these papers and their traditional political leanings. Neither paper, however, printed articles that predicted an NDP majority victory. At best the papers conceded that an NDP minority government was one of three possibilities. The other two possible scenarios presented were a reduced Liberal majority or a Liberal minority. Furthermore, both papers endorsed the Liberals, suggesting that the NDP was bad for business and therefore bad for the province.163

Although it was the first large-scale policy document to be

163 The Toronto Star endorsed the Liberals in an editorial on September 1 (p D2) suggesting that the NDP would discourage business confidence and weaken the economy. The Globe and Mail’s endorsement came on September 4, stating that there were no ‘credible alternatives’ to the Liberals. (p A14)
tabled in the election, "Agenda For People" was hastily thrown together by key NDP strategists over a weekend. As such, it lacked the characteristics of a program for governing. In fact, since the NDP did not expect to form a government in the near future, it based the document on the assumption of a healthy economy and high government revenues. Since the party did not expect to win it felt it was safe to make promises without costing the programs necessary to implement them. In addition, the items in the document were not prioritized, further limiting its usefulness as a program for governing. This highlights the party's continuing tradition as a brokerage party; one that makes a wide variety of promises to a wide variety of groups in order to win office, with no serious intention or plan for implementing all of the pledges. Furthermore, such a tactic merely reinforces the public's cynicism about politics, politicians and parties, a cynicism that would later come back to haunt the party (and not only in the 1995 election).

Even after "Agenda For People" was tabled the NDP did not focus on issues very intently. The attacks against Peterson persisted. Rae continued to be the focal point of the campaign: a focus on the leader instead of policy is another trait of the brokerage party. Also, Rae continued to downplay specifics on the agenda. In The Toronto Star on August 31 (p A10) it was reported that the leader of the NDP was still avoiding specific details on
what the party would do if it won the election. By this point in the campaign the NDP was leading in the polls, so it took a softer line on criticizing the Liberals, but all in all, the tactics remained the same.

In many ways the NDP was extremely fortunate to win the 1990 election. The failings of the opposing parties were as much to blame for the NDP victory as anything the party did. The Tories were in disarray and unprepared for an election, with a new unknown leader. The Liberal campaign fell apart due to several factors. One would be the constant harassment from protesters that Peterson faced during the campaign (a good indication of the effectiveness of a grass roots mobilization to get its agenda in wider discourse). A second would be the Patti Starr scandal that tarnished the credibility of the Ontario Liberal party. A third would be the public’s perception of Peterson as an opportunist. The early election call was perceived as unnecessary and as an underhanded attempt to secure a new mandate.\textsuperscript{164} The fourth reason would be the looming recession. Peterson believed that if the election could be held before the recession reached its height the Liberal government would not feel the brunt of voter frustration with a weakening economy. Unfortunately for the Liberals they miscalculated the mood of the electorate, and the state of the economy, and were held responsible for a worsening economy.

\textsuperscript{164} Rae, \textit{From Protest to Power}, p 173; Penner, \textit{From Protest to Power}, p 132
Aside from the failings of the other two main parties, the NDP benefitted greatly from the distribution of the vote and the workings of the electoral system. Vote splits, including an unusually high turnout for fringe parties, helped the NDP win many seats by a very slim margin.\textsuperscript{165} The result was heretofore unheard of in Ontario politics, a majority government with less than forty percent of the popular vote: the NDP won 74 seats with only 37.6 percent of the vote.\textsuperscript{166} Even though the NDP's support was low, shortly after the election the party had an approval rating of about 58 percent of those who were willing to answer poll questions, suggesting that a majority of Ontarians were willing to accept the legitimacy of the government.

\begin{itemize}
\item[\textsuperscript{165}] Wilson, "The Ontario Political Culture at the End of the Century", p 67
\item[\textsuperscript{166}] Ehring and Roberts, \textit{Giving Away a Miracle}, pp 287, 287
\end{itemize}
Chapter Four
External Factors Limiting Social Democratic Possibilities

The Ontario election provides the apotheosis of the Canadian left, the triumph of the forces of envy, slothfulness, fiscal confiscation and misplaced sanctimony that have been enfilading the province for decades, creeping forward on hairy little feet.

Conrad Black

Such was the hysterical reaction of some within the business community upon hearing of the election of Ontario’s first nominally social democratic government. Since the explanations for the Social Contract lie in the economic and political circumstances that led up to the passing of Bill 48 (the Social Contract Act), this chapter will continue the historical approach that has characterized this study. It will investigate the influence/pressure that three distinct groups placed on the NDP against the implementation of social democratic agenda. These groups include the financial and industrial fractions of capital, the media (related more broadly to ideological hegemony) and finally the other sectors of state apparatus (including the bureaucracy and the federal government). Originally the two fractions of capital were to be separated and dealt with independently. Research showed, however, that with regard to dealing with an NDP government the interests and behaviour of the two fractions of capital were very similar. As such, separating

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167 Conrad Black, “Socialist Hordes have their day” Financial Post, September 8-10 1990, p 11
the two seemed unnecessary. The discussion of the media is separated from the other sectors because of its ideological/hegemonic function and because discussion of the media more readily falls under the discussion of culture, which itself can be a limit on the abilities of a social democratic government.

4.1: Capital as a Limit on Political Options:

By outlining the business reaction to the election of the NDP and detailing the attacks by business on the government, the extent of business influence can be ascertained. This investigation will include analysis of business tactics and reaction to the first three NDP budgets, as well as two key issues that preceded the Social Contract. These issues were government-run auto insurance, and amendments to the Ontario Labour Relations Act (enacted as Bill 40). Also, the impact of the global recession, economic restructuring and globalization will be examined.

To begin, it is important to detail business reaction to the election of the NDP in Ontario. Despite the fact that a great number of corporate headquarters in the Toronto area are primarily national and transnational in scope, "they still have an interest in the policy output of the Ontario legislature. These corporations are well situated - geographically, economically and socially" to have a strong influence on what transpires within the
walls of Queen’s Park. Little time was wasted in letting the public and the government know exactly where business stood on an outcome that was labeled a “Business Nightmare”.

Many business leaders were quick to point out that the NDP victory was not an endorsement of its principles, merely an electoral accident and a repudiation of the seeming arrogance of David Peterson. The party was warned that it must carefully consider all of its policies before action so as to prevent damaging the economy. Such was the reaction of the Ontario Chamber of Commerce and the Canadian Manufacturers Association, which also argued that any increases in corporate tax (one of the promises in “Agenda For People”) would hurt Ontario’s competitiveness. A senior economist at Burns Fry suggested there would be “serious repercussions” if the NDP attempted to implement its agenda. Not only did business leaders attack the NDP program, which seems to be in accordance with the ideology and even the direct, specific interests of business, but they also called

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170 Ibid - see also headline in The Financial Post September 7, 1990, “Rae steals power in ironic twist of fate”, p 6

the legitimacy of the government into question right from the beginning. Beyond this harsh criticism from business leaders, many pundits and business economists were quick to blame the drop in the value of the Canadian Dollar and a stock market fall on the election of the ONDP. It was claimed that foreign markets 'fear socialism' and were therefore reluctant to invest in Canada.\textsuperscript{172} All of this amounted to an unveiled threat of economic disaster if the NDP proceeded with any of its agenda.

It did not take long for such pressure to be felt and to have an impact on the government in waiting. The day after the election, premier-elect Rae was quick to point out that the party would govern on behalf of all Ontarians, and would be certain to consult with business before proceeding with any reforms. He also stated that the party would be "fiscally responsible", would act "cautiously" and that the new government might not implement its entire agenda.\textsuperscript{173} Rae also backtracked on an election promise to challenge the Free Trade Agreement.\textsuperscript{174} Finally, Rae said that the government would not be bound by the policies passed by the NDP at

\textsuperscript{172} Financial Post, September 7, 1990, "C$ drop reveals world wary of NDP", p 47; Globe and Mail, September 8, 1990, "NDP makes TSE see red" Report on Business, p B7

\textsuperscript{173} Globe and Mail, September 8, 1990, "Rae seeks to reassure business community", p A1

\textsuperscript{174} Toronto Star, September 7, 1990, "NDP majority", pg A1. During the election campaign Rae had promised to initiate a court challenge to the FTA on the grounds that the federal government overstepped its jurisdictional boundaries in implementing a treaty that (in the NDP's estimation) unfairly limited provinces in their ability to govern.
convention. Instead, the cabinet would be responsible for all policy.\textsuperscript{175} This confirms an earlier trend of the parliamentary party of distancing itself from the grass roots of the party, acting as a brokerage party and making itself more vulnerable to external pressure.

Reassurances from Rae, as well as labour leaders, seemed to quiet the vitriol emanating from the propertied class. By the second day after the election some business leaders were willing to concede that a more diplomatic stance might prove to be tactically wise. A representative of the Canadian Bankers Association stated that, although his organization was wary of the government, it was not time for all out war. He was sure the NDP would be 'moderate and pragmatic'. A representative from the Canadian Federation of Independent Business was also confident that the NDP would "moderate while in power".\textsuperscript{176} Business leaders had come to the conclusion that it was easier to promote their agenda if lobby groups maintained a friendly face. After all, it was reasoned, "working people have the greatest stake in maintaining business confidence".\textsuperscript{177} None of this is to suggest that the business

\textsuperscript{175} Toronto Star, September 8, 1990, "Rae vows action on trade, taxes, nuclear freeze", p A1


\textsuperscript{177} Globe and Mail, September 8, 1990, "Sense, Sensibility and Socialists" Report on Business, p B12; In The Financial Post September 8-10, 1990 a representative from Royal Trust Co. said that a need for re-election would force the NDP to moderate, suggesting that voters
community was happy with the outcome of the election. There was merely an understanding that the NDP, while not representing the specific interests of capital, was not necessarily going to work completely against capital. The government was seen to be vulnerable to pressure and liable to be forced to an even more moderate position.

In a further attempt to placate business, Rae initiated a series of meetings with business leaders in an attempt to downplay the party’s radical image. Instead of taking a direct part in the transition from Liberal to NDP government (this job was given to Stephen Lewis) Rae took time to consult with business groups. Although Rae could have used this much needed opportunity to learn the ropes of governing, an experience that could have helped him navigate around the pitfalls of the bureaucracy, he instead chose to meet immediately with business. Stephen Lewis said of his experience in the Transition that he learned more in two weeks than he had as leader of the party, suggesting that Rae could have benefitted from the first-hand experience rather than rely on a briefing.

identify their interests with business. “We’re ready to work with government on economy” and a CFIB representative was optimistic that the government would moderate as other NDP governments did not enact a complete socialist agenda, “Taking a more positive view”, p 7


179 Ehring and Roberts, Giving Away a Miracle, p 293
Shortly after the election, Rae and Treasurer Floyd Laughren made their first official trip to New York City to meet with the representatives of finance capital. It is telling of the influence of this sector of capital that it is a normal occurrence for newly elected Canadian political leaders to make such a trip. At this meeting the New Democrats were told that in order to maintain the confidence of financial capital they must not make a foray into deficit financing.\textsuperscript{180} This was only a sign of the pressure that was yet to come. Although the premier and finance minister were not immediately convinced of the 'perils' of the deficit, the seeds for further pressure had been planted.

There are, of course, reasons for the incoming premier and cabinet to take an interest in appeasing business and entering into such consultations. As the centre of Canadian economic strength and the manufacturing sector, Ontario was bound to be the hardest hit by the recession. Moreover, Ontario was most likely to feel the burden of the economic restructuring that went along with the new Free Trade Agreement with the U.S.\textsuperscript{181} This being the case, it seems natural that a government would consult so as not to make a sensitive situation worse. A reaction like this is compounded when

\textsuperscript{180} Walkom, Rae Days, pp 111-112

\textsuperscript{181} Jane Jensen and Paule Rianne Mahon, "From 'Premier Bob' to 'Rae Days': The Impasse of the Ontario New Democrats", in Late Twentieth Century Social Democracy, edited by Jean-Pierre Beaud and Jean-Guy Prevost, Presses de l'Universite du Quebec, Sainte-Foy, 1995 p 153
the province does not have a strong social democratic history, or a party with a clear vision of how to implement an agenda for progressive economic change.

Furthermore, the government was in a dependent relationship with private financiers and the existing capitalist system of finance. A provincial government has no control over monetary policy, or the major levers of macro-economic policy. More than federal governments it is at the mercy of others in terms of interest rates and the money supply, leaving it dependent on the willingness of private capital to lend money. Some have argued that private interests are unlikely to lend to a government with a radical agenda that is diametrically opposed to their interests. This problem is exacerbated in the situation of a recession when the government’s program relies on deficit spending. While the lure of profit might ensure that private capital will invest in government bonds, bond rating agencies are likely to lower credit ratings, which in turn increases the cost of servicing the accumulated debt, further curtailing the government’s ability to borrow, or spend on social programs.

There is a problem with seeing these forces as immutable, though. To suggest that nothing can be done to counter the power of business is to be resigned to the impossibility of social

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democracy (or socialism) and to the adoption of neo-liberal or neo-conservative policies.\textsuperscript{183} Despite early meetings and backtracking, the ONDP seemed to believe that something could be done. Over time, however, mounting pressure forced the government into a full reversal and set the stage for the Social Contract.

Other problems for the new government began to surface shortly after the election. During the campaign there were signs that the Liberals had been less than honest about the allegedly balanced budget that finance minister Robert Nixon had tabled. On September 13, Nixon made a public statement that there would be a deficit of $700 million. An increase in social assistance payments was stated as the cause.\textsuperscript{184} The extent of the damage caused by the recession was not to be known for some time. Bob Rae suggests the government did not know for several months just how bad things were.\textsuperscript{185} Rachlis and Wolfe suggest the lag in statistical data would blind the government to the severity of the problem until 1992, but that four days after the election the Ministry of Finance was predicting that if all programs remained unchanged the province would face a

\textsuperscript{183} Marjorie Griffin Cohen, “Social Democracy: Illusion or Vision?”\textit{, Studies in Political Economy,} 37, Spring 1992, p 154; Andrew Jackson argues that the federal party has been accepting of a mixed economy for many years, but is still attempting to search for alternatives, unlike many who would have the party moderate even further. “The Last Best Left?”, \textit{Studies in Political Economy,} 37, Spring 1992, p 164

\textsuperscript{184} \textit{Globe and Mail,} September 13, 1990, “Treasurer reveals deficit in millions” p A1.

\textsuperscript{185} Rae, \textit{From Protest to Power,} p 131
deficit of $6 billion by 1992.\textsuperscript{186} Regardless of the time-frame, the looming budgetary shortfall and protracted recession, not to mention the lag in the ability to react, had the potential to act as a limit on the government.

The NDP’s first budget showed that the government had not been completely pushed away from its election platform or its principles, but it also provoked the greatest amount of business hostility towards the government. Cabinet had decided that it was important to fight the recession instead of the deficit. Program spending was not cut, in fact in spite of a swelling of the welfare rolls, the NDP increased welfare rates. This was done to soften the blow of the recession and also to provide a stimulus to the economy in the form of increased purchasing power for those most in need in order to stimulate economic growth.\textsuperscript{187} Left-wing economists were, at the very least, pleased that the budget addressed progressive issues and did not make the recession worse.\textsuperscript{188} Others noted that the budget’s Keynesian principles were not enough to push Ontario out of the recession, but were enough to spark the wrath of capital.\textsuperscript{189}

\textsuperscript{186} Rachlis and Wolfe, “An Insider’s View of the NDP Government”, p 131

\textsuperscript{187} Rae, From Protest to Power, p 193

\textsuperscript{188} Mel Watkins, “Ontario: Discrediting Social Democracy”, Studies In Political Economy, 43, Spring 1994, p 140

\textsuperscript{189} Walkom, Rae Days, p 103
The budget was a signal to party supporters that the government, regardless of initial backtracking, was not held hostage to corporate interests. Unfortunately, business got the same message and heightened its campaign to erode public support for the government and put direct economic pressure on the government to reverse its course. The first step was to lower the province’s credit rating. Not long after Provincial Treasurer Floyd Laughren tabled the budget, complete with a $9.7 billion deficit, the bond rating agencies reduced the province’s credit rating by one gradation.\(^{190}\) As a result, the government was faced with increased debt servicing charges, which would push the deficit higher and, in time, would push the government to cut back on expenditures. The political motivations of a move of this sort should not be under-estimated. While this move did have primarily an economic function, in that it drew more funds into the hands of those who hold public debt, it also provided direct and indirect disincentives to government spending. Direct disincentives are as mentioned above. Indirect disincentives come in the form of public disapproval of a government that was seen to be mismanaging the economy.

Beyond direct economic sanctions, the business community began pressuring and lobbying in bizarre new ways, taking up tactics

usually reserved for the left. A flock of business-suited protesters descended upon Queen’s Park in a demonstration against the budget deficit. Fifteen-hundred people in all marched on the lawn outside the legislature waving placards, calling for the resignation of the premier. In the wake of the fallout from the budget and business attacks on the government, support for the party dropped 20-25 percent in the polls. Such a display can only be seen as a move by the business community to lower support for the government, making it easier to win concessions at a later date.

There is no room for communication through this type of protest; no attempt to win over the government through consultation and negotiation. This was a simple political attack. Unlike other groups, the government could not reciprocate with a similar political attack. To try to undermine people’s confidence in business could further threaten economic stability, hamper confidence in the economy and worsen the recession. Other groups, including organized labour, without such economic power, could plausibly be discredited as merely representing special interests. Business, on the other hand, has the luxury of being seen as representing the common interest. Of course a political party


192 Rachlis and Wolfe, “An Insider’s View of the NDP Government”, p 344
could launch a political attack on capital if it is not the
governing party. But when the party enters into the state
apparatus, and holds, to some degree, economic confidence in its
hands, its capacity to criticize is limited.

Coupled with the protest outside Queen's Park, the National
Citizens' Coalition, a neo-conservative pressure group, launched a
billboard campaign against Bob Rae. The billboards, as Rae
describes them, "worthy of Allende's Chile", were an overblown
attempt to compare the NDP to the Soviet regime. While it is
unlikely that this attempt to discredit the government had much
impact, it does show just how vicious the attacks became.

Attacks on the government and the budget did not all take such
a heavy-handed approach. Most of the major business lobbies issued
stern warnings to the government that its approach would not win
any friends in the corporate sector. The Canadian Manufacturers' 
Association argued that a government cannot create wealth merely
through increased spending. The Canadian Federation of Independent
Business and the Ontario Chamber of Commerce stated that the budget
would do nothing to boost business confidence, nor, it would seem,
would it bring the province out of recession or help counter the
effects of the Free Trade Agreement. Of the three tactics set

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193 Rae, From Protest to Power, p 196

194 Financial Post, April 30, 1991, "Big spending NDP savaged", p 1; "Business
disgusted by Ontario budget", p 10
out, this was the least hostile since it at least left room for the
government to provide an alternative explanation for the deficit, and perhaps to counter the attack. Yet the government lacked a coherent public relations or communications strategy, leaving itself virtually defenseless. In fact, it can be said that the government's future policy reversals were a direct result of the political attacks it sustained in the aftermath of the first budget.196

The government's first major policy reversal came on the first anniversary of the NDP's election victory. During the election campaign, and earlier during the Peterson government, the New Democrats had scored political points on the issue of auto insurance. This made the public more accepting of a long held NDP ideal of a government-run system. Such a system was promised in "Agenda for People".197 The fallout from the first budget had sufficiently weakened support for the party that the insurance industry was able to discredit the idea of public insurance with the electorate, as well as among members of the NDP caucus.

After the attacks the government sustained following the first budget, many within caucus became demoralized, and the honeymoon

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196 Tanguay, "Not in Ontario", p 24

197 Ibid, p 24
with the public was over. With the government’s credibility on economic issues in question, the private sector was able to use threats of economic disruption and job losses to persuade the public, and many in caucus, that the plan for government-run insurance was ill conceived. This culminated in what became known as the ‘pink ladies’ campaign, wherein female employees of insurance companies (convinced that their jobs were on the line) lobbied the government to back down.\footnote{Walkom, Rae Days, pp 74, 77} Four reasons for the government’s reversal on this key issue can be suggested. First, the party’s inability to maintain credibility on the economy. Second, the party had no long term plan for implementing an agenda (if one had ever existed). Third, the necessity to fulfil the accumulation function for an industry that had a significant role in the provincial economy. Fourth, the severity of the recession made the thought of potential job losses too risky. After all, the government was elected on a promise to fight the recession and create jobs, not lose them.

The implementation of government-run auto insurance was hindered by several factors, some structural, some circumstantial. Unlike other provinces that implemented such a plan, Ontario was home to the majority of head offices, making the industry a significant employer and actor in the economy. This made it plausible for the industry to claim that private ownership was in
the public interest, since the efficiency obtained through nationalization would likely result in fewer jobs in the sector. Related to this is the impact of the FTA, which would give American insurance companies the right to sue the government for unfair practices under the agreement. These two factors had the greatest impact on members of caucus.199

Another factor affecting the decision was the recession. Had the government come to office under better circumstances, it might have been able to disregard the threat of lost jobs. Since it was unlikely that those displaced workers would readily find new jobs, the NDP decided to err on the side of caution. A final factor would be that the government and the bureaucracy could never come to agreement on a plan that would lower rates and still reinstate the right of accident victims to sue.

Although party stalwarts had become uncomfortable with the government's reversals, especially regarding public auto insurance, the party still had not capitulated to the point of being unable to fulfill any of its objectives. The next major issue to be looked at in the lead up to the Social Contract is the reform of the Ontario Labour Relations Act. To its credit, in late 1991, the NDP government was still committed to the promise to make reforms to the act, even after a year's worth of threats from business and a

199 Former MPP, Cristel Haeck (St. Catharines-Brock), Personal Interview, St. Catharines, December 2, 1997, St. Catharines
subsequent drop in popularity. Reforms to the act included extending the right to organize to new groups and, most controversially of all, the banning of replacement workers in strike or lock-out situations.

Although the thought of reforming the labour legislation was bitterly opposed by business, and business groups were likely to do all they could to stall, prevent or weaken the legislation, the Rae government still insisted on a protracted series of consultations with business and labour on the issue. It is understandable that a government would want to hear business concerns regarding anything that might have an impact on profitability and thus the ability to employ. Minister of Labour Bob Mackenzie was quick to react to business criticism (in the spring of 1991) that the NDP must consult with business as it had promised. He set up a series of meetings across the province to gather input on the issue. Even though the government (most notably Mackenzie) were aware that the interests of management and labour are opposed, the consultations seemed necessary to quell business criticism and maintain business confidence.

The process was long and arduous, with the Ontario Federation of Labour presenting a long list of proposed amendments, and business groups tabling a proposal for no changes. Businesses in

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200 Hargrove interview.

201 Walkom, Rae Days, pp 127-128
Ontario formed three separate lobby groups to push the government away from its proposed changes, resulting in a watering down of the legislation. In addition to the lobby at the province-wide level, MPPs were lobbied by local businesses in their own constituencies, not only affecting the morale of NDP caucus members but also hurting the government in the eyes of constituents.

Added to all of this was a harsh media campaign (organized by the owners of the press) against the bill. Since news reporting relies on quick output (news cannot be stockpiled like manufactured goods) a strike with a ban on replacement workers would paralyze the newspaper industry making it unable to operate. It can therefore be understood that these businesses would be hostile to the prospect of this legislation. The tactic, however, failed because of its heavy-handedness and the personal attacks it involved.

The rhetoric was so overblown that it backed the government into a

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202 Jenson and Mahon, “From ‘Premier Bob’ to ‘Rae Days’”, p 164. Brian Tanguay argues that the lobby against the changes to the OLRA, not the first budget or the insurance issue, was the highpoint of the business lobby against the government. “Social Democracy On Trial: The Parti Québécois, the Ontario NDP and the Search for a New Social Contract”, Late Twentieth Century Social Democracy, edited by Jean-Pierre Beaud and Jean-Guy Prevost, Presses de l’Universite du Quebec, Sainte Foy, 1995, p 191

203 Haeck interview; Monahan, Storming the Pink Palace, p 120, Rachlis and Wolfe, “An Insider’s View of the NDP Government”, p 342


205 Rae, From Protest to Power, p 228
corner and, more importantly, showed cabinet the unrealistic scenarios that business was putting forth. As Bob Rae notes in his memoirs, in spite of the threat of a negative impact on investment in Ontario, investment actually increased over the next two years.\textsuperscript{206}

Even though the government went ahead with the OLRA reforms, a heavy cost was incurred. Government standing in public opinion polls had dropped considerably due to the severity and duration of business pressure.\textsuperscript{207} A great deal of political capital was expended during the process of reform. Much of it could have been spared had the government taken less time to pass the legislation by consulting less with business. As Buzz Hargrove notes, business took every opportunity to obstruct and harangue without bending, and the NDP kept returning to the table. Had the party consulted briefly, heard the business and labour arguments, deliberated and enacted the reforms, business would not have had as much time to score political points at the party’s expense.\textsuperscript{208} Instead, a negotiated settlement was attempted with groups that refused to negotiate in good faith.

By the time of its second budget, the NDP had been knocked around by its opponents, was low in the polls and had expended most

\textsuperscript{206} Ibid, p 228

\textsuperscript{207} Rachlis and Wolfe, “An Insider’s View of the NDP Government”, p 342

\textsuperscript{208} Hargrove interview.
of the political capital it had accumulated. Disheartened and wary of further confrontations and controversies, the party brought down a budget that had no major new initiatives, and no new corporate taxes. In fact businesses both small and large benefitted from lower taxes, to the delight of the CMA and CFIB. Included in the budget was an increase in personal taxes that was intended to raise revenues by $1 billion. But Laughren also cut spending, with a formula of four dollars in spending cuts to every one dollar of new taxes. Although the business community was worried that the deficit was still $9.92 billion, it was content with the new, more moderate government. Business leaders were also happy that the government was beginning to cut the size of the civil service as Laughren announced that 2500 jobs would be lost through attrition.209

An increase in taxes on all individuals and a cut in taxes for business was the opposite of what the NDP had promised, both in the election campaign and throughout the rest of its history. Just a year and eight months into its mandate, the government had conceded that it had lost the battle on fiscal policy. The recession had strengthened the influence of business as a lobby. NDP history had weakened its ability to develop progressive and innovative policy. In another year, the party was to make the retreat complete, fully

embracing the policies of fiscal austerity.

Fiscally, the Ontario government continued to be hindered by the extent and severity of the recession. Decreased revenues and increased use of social services helped to drain the public coffers more quickly than anticipated. Increasingly, the government became convinced that this placed limits on its room for manoeuvre.\(^\text{210}\) By the time the party realized how deeply the recession and economic restructuring had cut into its ability to pursue Keynesian economic policy (mid 1992 by most accounts) they felt it was too late to find a new alternative. In the face of mounting business pressure, and the lack of a clear alternative economic model, the government panicked. Grossly over-estimating the projected deficit for 1993, the government embraced the principles of deficit reduction, regardless of the means.\(^\text{211}\)

Inside caucus, members were feeling overwhelmed by the level of attention given to the deficit issue. The media and right-wing think tanks such as the C.D. Howe and Fraser Institutes seemed to control the public agenda, making caucus members wary of

\(^{210}\) Monahan, *Storming the Pink Palace*, p 192. This suggests a growing convergence between NDP and business thought on the subject. Business had been arguing since election night that the recession would force the NDP to be more moderate. See “NDP inherits deteriorating economy”, *Globe and Mail: Report on Business*, September 8, 1990 p B3

\(^{211}\) Leo Panitch and Donald Swartz, *The Assault on Trade Union Freedoms: From Wage Controls to Social Contract*, Garamond Press, Toronto, 1993, p 169-170. Mel Watkins argues that the government’s projected deficit was far higher than the majority of economists were predicting. “Ontario: Discrediting Social Democracy”, p 142
challenging fiscal orthodoxy. In addition, the inner cabinet, ever mindful of the threat of the investment strike, was beginning to consider more drastic measures to deal with the deficit.

In preparing for the third budget, the provincial Treasury predicted that, in a worst case scenario, the province would be facing an $18 billion deficit for fiscal year 1993/94. The inner cabinet was convinced that in order to prevent a negative reaction from business the deficit needed to be kept below $10 billion. In response, the government decided to pursue a three-pronged attack against the deficit, increasing taxes by $1.8 billion, decreasing social spending by almost $4 billion, and cutting the province’s wage bill by $2 billion.

The business reaction was the complete opposite of what it was in 1991. Satisfied that the NDP had been tamed, business reaction was subdued, restrained, perhaps even friendly. A representative of the Ontario Chamber of Commerce commented that there should have been more cuts to the civil service, even though 11 000 jobs would be cut. Michael Dector, chief negotiator for the government in the Social Contract talks, warned that up to 40 000 jobs could be lost.

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212 Haeck interview
213 Tanguay, “Social Democracy on Trial”, p 194
214 Walkom, Rae Days, pp 118-119

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if the Social Contract was not successful.\textsuperscript{216} Despite the minor suggestions of those who likely thought that further pressure could achieve additional gains for business, the business reaction to the suggestion of the Social Contract was favourable.

To business, the Social Contract represented a repudiation of Bill 40. Because of the importance of manufacturing in the Ontario economy, the most important fraction of organized labour to business lies in industrial unions. Even though the Social Contract did not directly affect relations between the private sector and its employees, a project that Panitch and Swartz note is more "fraught with problems than taking on public sector employees",\textsuperscript{217} the Social Contract did represent a reversal of the government's past, more favourable, treatment of labour. Divisions in the labour movement that were exacerbated by this legislation were almost as good for business as direct legislation against private sector unions since these divisions diminished the role of labour as a political force.

The principal reason for the Social Contract, however, was not to bust unions, even if this was the result. First and foremost, the Social Contract was an attempt to bring the province's deficit

\textsuperscript{216} \textit{Financial Post}, April 24-26, 1993, "Ontario message, taxes up; jobs down" p 1; "Market discipline for governments", p S1

\textsuperscript{217} Panitch and Swartz, \textit{The Assault on Trade Union Freedoms}, p 131
under control. Rae notes that a major failing of the left’s strategy is that too little attention is paid to the problems of an accumulated debt. The problem was that the government was so rattled by earlier attacks and by its inability to proceed with any policy without a disaster of some sort that it was all too willing to accept the worst case scenario as inevitable. Even if the province did exceed the $10 billion deficit without the Social Contract, the ratio of debt to GDP would still have been less than that of the federal government, and debt servicing charges as a percentage of government expenditures would still have been lower than for the federal government. Government debt and deficit would still have been manageable, yet still a problem. There was still time to find an alternative to the coercive method of legislating the opening of collective agreements.

A second, less obvious reason for the Social Contract lies in Bob Rae’s ideas about the relationship between business and government. Rae believes that the only principled way for an NDP government to govern is in constant consultation with business and labour. There are those who suggest that the premier expended too

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219 Rae, From Protest to Power, p 278
much effort trying to sell the NDP to the business class.\textsuperscript{220} Constant contact with those that opposed the government (and even questioned its legitimacy) inevitably weakened the ability of the government to act as independently of the bourgeoisie as is possible in a capitalist democracy and maintain public confidence. Rae believed that by bringing two sides together the government could reach compromises beneficial to all. In not realizing that the power relations were stacked in favour of the business class, making them unwilling to negotiate for a re-balancing, the NDP allowed itself (and its friends in labour and other social groups) to be politically dis-empowered precisely at the time it expected to be at the peak of its political efficacy.

4.2: Hegemony. The Ontario Political Culture and the Role of the Media:

Political culture has the potential to act as a constraint on a social democratic party because it affects what people believe to be true about politics. This is especially true of a culture that has a strong history of conservatism. Furthermore, political culture is reproduced through political education and socialization, which are themselves a product of the political culture. Political culture contains within it the seeds of its own reproduction. Also, the spectrum of political debate can only be

\textsuperscript{220} Mel Watkins, "The Book of Bob", \textit{Journal Of Canadian Studies}, 31(4), April 1997, p177
as wide, or as narrow, as people are willing to perceive as legitimate. While it cannot be said that political culture has a deterministic impact on political behaviour, it does influence how people think about politics, and how they act on their beliefs. It should also be noted that the political culture of a given community is reflective of the balance of class forces, and similarly of the balance of ideological forces at any given time. It is not static, nor is it unidimensional. Political culture can be determined by the nature of the economy, the relative affluence of the community, the relative strength of the labour movement and/or the relative strength of political parties in determining what should be in the public forum of debate.

Many observers have characterized the Ontario political culture as containing both progressive and conservative elements. This is due in no small part to the forty-two years of Tory dominance at the provincial level, and the relative affluence of Ontario in the Canadian federation. Because the political culture within which they worked contained these elements, the three major parties have also developed with both progressive and conservative elements in order to appeal to "a fairly narrow ideological

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Since parties, and most other groups for that matter, have until recently been willing to participate within this framework, it has been very stable over time.

The ONDP election victory came, in some respect, because the party embraced the existing political culture. Voters could see that a vote for the NDP would not represent a dramatic shift in the political make-up of the province. Over time the party has worked within the confines of the established way of thought without organizing a challenge to it which might broaden the spectrum. In accepting the existing terms of discourse and political strategies the ONDP set itself up to govern in a manner similar to those who came before. Later in its mandate the party accepted the emerging discourse of fiscal restraint without providing a serious challenge or modification to it, allowing the principles of fiscal austerity to dominate at the expense of vulnerable groups. Ultimately, this helped push the Ontario government toward cuts to welfare and wage reductions that would be imposed on public employees through the breaking of collective agreements.

Ontario's political culture, characterized by moderately

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progressive tendencies, cautious/pragmatic government, individualism and materialism, is shaped not only by the limited political discourse of parties, but is also shaped by the prosperity of Ontarians. Because Ontario is the economic heartland of the country, the pursuit of economic success has become ingrained in the public consciousness. Since this prosperity comes within the framework of a capitalist economy, with all the ideological baggage that accompanies it, prosperity is linked to individual success and is measured in terms of the acquisition of property. Despite the individualism fostered by economic conditions, there has developed an element of collectivism; the idea that the government could be used to develop the economy.224

Desmond Morton states that "as owners and consumers of wealth, Ontarians are not politically adventurous",225 suggesting that the relative affluence of the province helps explain its long-term commitment to pragmatic, conservative, government. This might help explain why the NDP, a potentially anti-business party, is the party of last resort in Ontario (notwithstanding some long-standing NDP strongholds). With no coherent critique of capitalism, and no counter-hegemonic strategy to educate people as to the benefits of social democracy, the party was open to hostile criticism from

224 Sid Noel, "The Ontario Political Culture", p 54
225 Desmond Morton, "Sic Permanent: Ontario People and their Politics", p 387
those who use red-baiting as an electoral technique.\textsuperscript{226}

As noted earlier, political culture is also shaped by the nature and scope of political discourse within a community. Robert Williams suggests that all three major parties in Ontario are "pragmatic and opportunistic", the classical ideological self descriptions serve mainly as "flags of convenience rather than being rigorous depictions of party objectives."\textsuperscript{227} In limiting the range of debate to the existing centre, none of the parties has posed a challenge to the existing dominant view. In fact, the reverse is true in that the parties acted to reinforce the dominant ideology. For the NDP this further limited party options and, as time passed, made it more difficult to break out of the mold set by its bourgeois adversaries.

Of course political parties are not the only agents of political discourse, and are thus not the only agents of political culture reinforcement, reproduction or change. The media also play a major role in the discourse of politics. In fact parties must rely on the media to communicate messages and images. Power within the political culture, and over the reproduction of political culture, comes in part from the filtering, gate-keeping and framing roles of the media. Political discourse is limited by what the media choose

\textsuperscript{226} It should be noted, however, that in 1990 David Peterson attempted to use anti-socialist rhetoric to scare people away from voting for the NDP. In the end, this was interpreted as a desperate attempt to retain power and had little effect.

\textsuperscript{227} Williams, "Ontario Party Politics in the 1990's", p 218
to report, and how they decide to report on an issue.\textsuperscript{228} Since the media are owned by capitalist enterprises and rely on advertising revenue from capitalist enterprises, they are unlikely to discuss as legitimate any policy or ideology that is perceived to be threatening to the capitalist mode of production.

However, deliberate and overt political bias is not in the interests of the media. They must at least maintain the appearance of objectivity and impartiality. Nor is it likely that the privately owned media would avoid criticizing individual capitalist enterprises (or bourgeois parties) for any transgressions or failings. The spectrum of debate is limited, though, so as not to alienate revenue sources.\textsuperscript{229}

The limiting factor of the media has an even greater impact in Ontario because of the absence of a newspaper with a social democratic leaning. In European states with well developed social democratic parties such newspapers are common. The existence of these newspapers helps give social democracy more public legitimacy and aids in creating a political culture that is accepting of social democratic principles, policies, governments and legislation.\textsuperscript{230} Room for a social democratic newspaper must be

\textsuperscript{228} Knight, "Hegemony, The Press and Business Discourse", p 96

\textsuperscript{229} James Winter, Common Cents: Media Portrayal of the Gulf War and Other Events, Black Rose Books, Montreal, 1992, p xiv

\textsuperscript{230} Lynn MacDonald, The Party That Changed Canada, pp 137-138
built through the struggle to make these principles acceptable. A left-leaning newspaper cannot simply develop and expect to have a market. The market must already be ready for the paper if it is to be successful. Left wing newspapers are more prevalent in Europe because the political left and the labour movement have mobilized to create a base for such a paper to be politically viable.

Now that the general limiting factors of political culture and the media have been outlined, the specific limiting factors of the media in Ontario during the NDP’s term in office need to be discussed. During the 1990 election campaign, as noted earlier, both of the province-wide dailies (The Toronto Star and The Globe and Mail) endorsed the Liberal party, because the NDP was perceived to be bad for business. Regardless of the moderate stance of the NDP, especially compared to European social democratic parties, these papers attempted to define the party as being out of the mainstream of pragmatic politics. Many newspapers and television commentators expressed a desire to elect anyone but the NDP.231 The fact that the NDP won the election lends credence to the notion that hegemony is always incomplete.

The two major dailies also acted in ways that inhibited social democratic growth through the way in which the election campaign was reported. First, the focus was, as usual, almost exclusively on the party leaders, which detracts from the discussion of new

231 Fletcher and Sottile, "Spinning Tales", p 262
ideas or ones that challenge existing perceptions. Second, much attention was paid to the scandals surrounding the Liberal party. Granted, most of this benefitted the NDP as a party, but it did not facilitate discussion of political ideas which would aid the NDP as a movement. Furthermore, the focus on negative politics helped to foster the kind of cynicism that detracts from the legitimacy of politics and the state. Declining legitimacy in this regard hinders the development of social democratic and Keynesian policies which, to a large degree, rely on state action. Third, very little attention was paid to groups which support the NDP, while a great deal of coverage was given to business organizations that were opposed to the NDP. The Globe and Mail carried no stories that focused on labour, while The Toronto Star was more willing to rely on labour sources, albeit usually tempered with business references. Finally, there was an abundance of stories on the "style" of politics. For example, the day after the leaders' debate The Star ran a story suggesting that Peterson won the debate because he was wearing the nicest suit.

Needless to say, reporting of this nature does not broaden the spectrum of debate. Strategists for the NDP did consciously work within this system, though. The party itself bears some responsibility for the way in which it was covered during the election campaign. What can be said is that the media, and the way in which elections are covered, foster the climate for the
development of brokerage parties. It is much easier for a party to accept the current conditions of debate and work within them than it is to challenge them and develop a new style of politics (one that focuses more on substance).

After the election, the press did much to heighten the business hysteria and negative reaction to the NDP victory. Again The Globe and Mail carried no stories that dealt with the labour movement, but many that highlighted fears among the business community that the NDP would drive the economy into the ground. The day after the election The Toronto Star published one article devoted to labour’s reaction to the win, but several more were devoted to the business reaction and the drop in value of the Canadian dollar and stock prices. By highlighting the notion that the new government might be bad for the economy the press helped legitimize business arguments and put them at the forefront of political discourse. Although the party’s popularity did not drop immediately as a result, this did set the stage for further domination of discourse by business groups. Had the NDP and labour had a better communications strategy this impact might have been mitigated slightly. It is interesting that The Financial Post, only a minor player in structuring political discourse, published more articles referring to labour than The Globe and Mail. Generally, though, these articles quoted labour leaders as saying that the NDP was more moderate than business thinks and that it
would not be a threat to business.

A pro-business bias can be seen in the media's coverage of NDP budgets as well. After Floyd Laughren tabled the NDP government's first budget the media went on the attack again. James Winter conducted a content analysis of 228 news items in a one week period after the budget. He found that seventy-two percent of items were negative towards the government, eighteen percent positive, and ten percent neutral. He also found that the negative stories were in more prominent positions (although a minority of negative stories criticized the government for not going far enough with its spending).\(^{232}\) This negative coverage primarily focused on the damage that deficit financing might do to business confidence and the profitability of business. Coverage like this can help explain the dramatic drop in NDP popularity after the first budget, which in turn weakened the confidence of the government in its ability to implement many of its policies. This can also be seen as a first step in this government's mandate toward creating a political discourse that focused on excessive spending and the need to drastically reduce the deficit, which led to the development of the Social Contract.

Negative coverage of the budget also helped to reinforce stereotypes about the NDP's lack of credibility on economic issues. The government did, however, fail to manage its side of the story

\(^{232}\) Winter, *Common Cents*, pp 172-174
with an effective and coherent communications strategy. Such a strategy would have taken some of the sting from the media’s criticism and, more importantly, would have given party supporters the kind of arguments needed to counter the business assault. Instead, the party left the budget open to any interpretation that reporters, columnists and editorialists chose to make. Even if the ideological argument is ignored, a coherent communications strategy would have been wise considering the media’s predisposition to consider themselves the unofficial opposition, taking a critical stance on all government initiatives.

The media reaction to OLRA reform is also telling of the anti-social democratic bias of the press. News outlets, as noted above, felt particularly threatened by the ban on replacement workers contained within Bill 40. Not only were they in a position to lobby the government to water down its proposals, but the media were directly able to influence public debate on the topic through news items. Graham Knight’s study of news items on this subject found that coverage was overwhelmingly slanted toward the business critique of Bill 40. Debate was shaped around what the Bill would do to business, giving only reactive quotes from the government and labour groups. Supporters of the Bill were only able to state why it was not dangerous; they were unable to explain why Bill 40 was progressive and necessary. At least any attempt at justifying the

233 Fletcher and Sottile, “Spinning Tales”, p 258
reforms was given little space in low-profile positions within the press. Again, press coverage helped to weaken government support among the electorate and reinforce preconceived notions that the party would only cater to "special interests" and not the common interest. Ultimately this weakened the government's ability to counter business pressure and thus helped push the government toward implementing a more business friendly (and labour unfriendly) agenda.

A final point regarding the media's role as a limit on the NDP would be coverage of the deficit issue. Although this issue had been on the federal agenda since the mid 1980's, it did not become a serious topic of debate in Ontario politics until the first NDP budget. Subsequent reporting on NDP budgets had a primary focus on how the government dealt with the deficit. Also, research groups such as the Fraser and C.D. Howe Institutes were continuously publishing reports on the harmful effects of deficits from a right-wing perspective, advocating regressive legislation. All of this created a public mood for fiscal restraint, and cutbacks in the areas for which the NDP had traditionally advocated spending increases. In turn, this led to direct constituent pressure on NDP MPPs. Consistent pressure and an asymmetrical structure of debate forced the government to deal with the issue. However, the

234 Knight, "Hegemony, The Press and Business Discourse", pp 101, 111, 117

235 Haeck interview
terms under which the party would deal with the issue were not of its own making and therefore took on the shape of the ideas of their political opponents in the form of the Social Contract. Interestingly enough, this received positive coverage in the press.

4.3: The State Apparatus as a Limit on Social Democracy in Ontario:

The various parts of the state apparatus have the power to limit the options of a social democratic government in several ways. First, they can stall or prevent the passage of legislation. Second, they can alter or gut legislation before implementation. Third, they can make impossible the conditions necessary for social democratic legislation or action. An example would be maintaining high interest rates to discourage deficit spending. Fourth, the members of the various arms of the state apparatus can use ideological pressure to lower public support for the government, ultimately making it too timid to proceed with its agenda. This section of this chapter will deal with two segments of the state apparatus; the bureaucracy and the federal government; to show how the NDP's power was limited.

There are, of course, other sectors of the state apparatus, namely the judiciary, the legislature and the coercive apparatus. These do pose limits on the potential for social democracy. Research for this chapter, however, largely ignored these because they only had an indirect impact on the NDP government, especially
with regard to the Social Contract. Also, the rewards that would have accrued as a result of such research would have not justified the energy, time and space required, as the impact of these groups with regard to the specific question at hand is minimal.

To begin this analysis the bureaucracy as a limiting factor will be discussed. As the element of the state apparatus that provides technical support, advice and policy options to the government, and oversees the implementation of government policy, the bureaucracy has the potential to wield great influence over the direction and success of government initiatives. While the professionalism of civil servants would prevent the kind of direct sabotage that would directly undermine the success of the government, the subtleties of the nature of the bureaucracy certainly inhibit a ready flow of legislation that differs drastically from the norm. As an organization (or series of organizations) with an institutional memory, standard operating procedures and established norms of conduct, the bureaucracy is prone to react very slowly to changes in direction or changes in norms of operation.

In Ontario, the shape and nature of the bureaucracy had been cast by the post-war Tory dynasty. Much as the political culture of Ontario had been shaped by one-party dominance, the norms of the bureaucracy tended to take on progressive and conservative elements. Industrial capital, as a dominant fraction of the
province's bourgeoisie, also played a role, as the bureaucracy evolved and took shape with the needs of capital as a major factor in determining action. The bureaucracy, no less than the government, is tied to the need for capital accumulation. Five years of Liberal rule in Ontario did not significantly change the modus operandi of the civil service.

Bob Rae notes in his memoirs that conservatism of the bureaucracy became more and more apparent over the life of the government. This was a conservatism in the sense of being stuck in the old habits; habits learned over four decades of Progressive Conservative government. The premier was not necessarily complaining about hostile senior civil servants who bitterly opposed the NDP on ideological grounds. Of all the members of the governing party, Rae was most likely to identify with the position of civil servants. Rae was arguing that it was difficult to get bureaucrats to do things in a new way. Graham White, however, suggests that it is safe to suggest that the NDP and the bureaucracy had "significantly different world views", which caused conflict between the government and the bureaucracy. Although this likely did not result in direct, conscious sabotage of the NDP government, it would be safe to say that differing world views inhibited bureaucratic understanding of NDP aims and contributed to

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236 Rae, *From Protest to Power*, p 129

237 White, "Traffic Pileups at Queen's Park", p 141
a distrust between New Democrat MPPs and the bureaucracy; a distrust that would not facilitate the easy functioning of the government.

Another factor relating to the conservative nature of bureaucracies is the continuity that the civil service provides. It is a duty of the civil service to ensure that government programs run smoothly, whether or not the legislature is sitting, as well as in periods of transition between governments. In the specific case of the 1990 transition the bureaucracy played a limiting role in two ways. The first was the fact that bureaucrats did not expect a change in government and thus did not prepare for a new administration. Since no preparations for a potential change were made before the election night, the civil service had to scramble afterward in order to make up for lost time.\textsuperscript{238} This level of disorganization detracted from the ability of senior civil servants to devise ways to implement the agenda of the NDP.

The second factor stems from the first. Because the bureaucracy is concerned with continuity, and because it was unready for change, bureaucrats attempted to cut corners in an attempt to begin implementing the ‘Agenda For People’. This document was a campaign document, not a program for governing,

\textsuperscript{238} Graham White, “Transition: The Tories Take Power”, \textit{Revolution at Queen's Park}, edited by Sid Noel, James Lorimer and Company, Toronto, 1997, p 140

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which made its relevance to bureaucrats of spurious value.\footnote{White, "Traffic Pileups at Queen's Park", p 117}
Regardless of this, bureaucrats, attempting to find a smooth transition between Liberal and NDP governments, attempted to find policies within the document that might be ready for immediate attention. A problem arose because the civil servants attempted to graft NDP campaign promises onto existing Liberal initiatives. Members of the NDP caucus saw this as a bureaucratic attempt to water down NDP policy,\footnote{Haeck interview.} which began a heightening of tensions between the two camps. A direct undermining of the government’s agenda is not to be suggested. Instead, it should be interpreted as the bureaucracy taking the path of least resistance, acting as a force of continuity between governments, regardless of the long term aims of the parties involved.

A heightening of distrust existed between the New Democrats and their civil servants, which exacerbated the problems inherent in superimposing a reformist government on a conservative bureaucracy. Distrust compounds the problem of putting a social democratic spin on the bureaucracy in several ways. First, it hampers the transition process, which was already under immense time constraints. After the election the bureaucracy asked for immediate decisions on several initiatives proposed by the Liberals (an example being the issue of government support for Toronto’s bid

\footnote{White, "Traffic Pileups at Queen's Park", p 117}
\footnote{Haeck interview.}
to host the Olympics). The transition team believed this to be a tactic to change the NDP’s direction, and decided to delay responses. Communications became tense and the educative experience of the transition was hindered,\(^\text{241}\) although Stephen Lewis still found it worthwhile.

In the beginning, new ministers quite openly expressed their suspicions about a hostile bureaucracy. Angered, bureaucrats responded by communicating less with ministers. The problem was compounded by the inexperience of staff hired by the ministers. The major result of this was that new ministers had to find their own means of dealing with policy implementation because they were deprived of the advice of experienced bureaucrats.\(^\text{242}\) It has been suggested that beyond merely reducing communicative ties with the government, top bureaucrats were waiting anxiously for 1995 when they could finally be rid of a government they found difficult to work with.\(^\text{243}\)

Distrust was further compounded by a belief within the civil service that the NDP had “politicized the bureaucracy to an unprecedented and dangerous degree”. Although there is little evidence to support this claim, it can be understood as a response to the NDP’s desire to change the bureaucracy’s methods of

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\(^{241}\) White, “Traffic Pileups at Queen’s Park”, pp 132, 135

\(^{242}\) Desmond Morton, “Sic Permanent: Ontario People and Their Politics”, p 10

\(^{243}\) Laxer, *In Search of a New Left*, p 53
developing and implementing policy. While Rae did give a great deal of power over the government’s agenda to the cabinet office, in particular to cabinet secretary David Agnew, this really did not represent a stacking of the senior civil service. Instead of enabling the government to organize a coherent social democratic strategy, strengthening cabinet office merely put a rigid structure on internal policy development. In centralizing the policy process, Rae did not intend to politicize the bureaucracy, nor did it result in greater caucus control over policy. The end result was that the centre of policy power was brought closer to the premier himself.

One final factor that suggests that the bureaucracy was a limit on the social democratic nature of the government was the structure of representation and consultation between bureaucrats and groups affected by any particular government policy. The government was concerned that the Progressive Conservative history of the bureaucracy led it to consult primarily with business groups, and take the interests of these groups as a primary concern. Reform of the system was attempted through an increased reliance on stakeholder meetings with an emphasis on partnership between the various groups. This did not reduce bureaucratic

244 White, “Transition: The Tories Take Power”, pp 147-149
245 Walkom, Rae Days, p 68
246 White, “Traffic Pileups at Queen’s Park”, p 132
control of the outcome of consultation because the diversity and conflicting nature of the groups involved prevented any consensus. In the end, bureaucrats were left in a position to interpret results and develop policy based on that interpretation.\textsuperscript{247}

The second component of the state apparatus that acted as a constraint on the ONDP government is the federal government. Both federal and provincial governments share an interest in providing for the accumulation function. Paradoxically, this can result in a conflict between the two over how to best fulfil this function. It might also result in conflict if the federal government decides to support a fraction of the bourgeoisie that is of lesser significance in a particular province. In recent years, however, the interests of Ottawa and Toronto have been similar in this regard. A problem can arise, though, when one of the two decides to pursue alternate strategies. Another problem can arise if the fiscal policies of the federal government impinge on the ability of the provincial government to finance programs essential to its program.

With the implementation of the Free Trade Agreement the federal government limited the prospects for any party in Ontario to implement a program that did not fit with the terms of the agreement. The FTA was, in part, responsible for an economic restructuring in Ontario; a restructuring that cost the province

\textsuperscript{247} Sheldrick, "Welfare Reform Under the Ontario NDP", pp 46-47
(at least in the short term) tens of thousands of jobs,\textsuperscript{248} most notably in the manufacturing sector. This restructuring resulted in lower revenues and increased reliance on social programs and lowered the ability of the province to finance new initiatives. Furthermore, the agreement itself posed specific limits on governments' abilities to intervene in the economy. As mentioned earlier, the agreement gave corporations the power to sue the Ontario government if it had proceeded with its plans to nationalize automobile insurance.

Beyond this, the federal government's decision to facilitate economic globalization in general weakened the ability of provincial governments to implement a social democratic agenda. By promoting the atmosphere wherein jurisdictions compete more fiercely for increasingly mobile capital, the federal government (and other national governments) put pressure on provincial governments to deregulate industry and lower taxes on corporations in order to lure them to stay in the province.\textsuperscript{249} As this trend continues, the ability of governments to intervene in the economy for whatever purpose is reduced. Organized labour is also challenged because the threat that increased wages and improved working conditions might lead to jobs leaving the province always hangs over its head. Weakening the strength of organized labour

\textsuperscript{248} Winter, \textit{Common Cents}, p 178

\textsuperscript{249} Peter Woolstencroft, "More Than a Guard Change", pp 47-48
makes it more difficult for labour to mobilize support for progressive legislation. Ultimately, the threat of capital flight was a factor in the NDP government's decision to decrease (rather than increase) business taxes, limiting its fiscal capacity which in turn led to the implementation of the Social Contract, itself an attempt to get spending under control.

Tax policies of the federal government also have an impact on the ability of a provincial government to raise revenue. Although few major battles are now fought between the federal government and Ontario regarding income tax policy, the implementation of the Goods and Services Tax by the Mulroney government was highly unpopular with the government in Ontario. During the election campaign Bob Rae promised to take a leading role in the fight against the GST, but found later that very little could be done. Rae was justifiably concerned over the impact that the new tax would have on the Ontario economy. Caucus members to this day suggest that the Ontario government lost revenues as a result of decreased consumer spending and cross border shopping that resulted from the federal sales tax.\(^{250}\)

An even bigger hit to revenues was taken by the Ontario government in 1991 when the federal government, in an attempt to deal with its own fiscal difficulties, cut transfer payments to the province. Premier Rae lobbied the federal government to reconsider

\(^{250}\) Haeck interview
the decision, but as Rae himself claims, the Mulroney Tories were “oblivious” to the fact that Ontario’s revenues were already falling and social service costs rising, in part due to the GST, free trade and high interest rates.\textsuperscript{251} It should be noted that this trend toward reduced transfer payments continued after the 1993 federal election victory for the Chretien Liberals.\textsuperscript{252} Although the cuts by the federal Liberals did not have a direct impact on the implementation of the Social Contract, this point highlights the impact that federal government fiscal policies can have on a provincial government.

One final way in which the federal government reduced the capacity of the Ontario government to act autonomously was through the maintenance of high interest rates. Technically, this was the responsibility of the Bank of Canada, acting at arms length from the federal government, so it would be more accurate to say that the federal state was responsible for this policy. High interest rates result in higher debt-servicing charges, which deter governments from incurring deficits. Keynesian economic policies, the cornerstone of the NDP’s economic strategy, require deficit spending in periods of recession in order to stimulate economic growth. In making the costs of Keynesian policies too high, the federal state caused an NDP retreat on the issue. In 1991 the NDP

\textsuperscript{251} Rae, \textit{From Protest to Power}, p 193

\textsuperscript{252} Woolstencroft, "More Than a Guard Change", p 47
attempted to buck this trend, albeit in a relatively moderate fashion (with $350 million in new spending). After that, the costs of proceeding with deficit spending appeared to be too great so the government decided to cut, embracing the same type of fiscal austerity as the federal government.

To no small degree the policies of the federal government pushed the NDP into a position wherein it felt obligated to reduce spending and increase personal, but not corporate taxes. The federal government reinforced the trend of globalization, which reduced the ability of the provincial government to implement programs unpopular with the corporate sector for fear that jobs would travel to environments perceived to be more business-friendly. The strength of labour was also reduced in this time frame, which reduced labour's capacity to mobilize support for social democratic programs. Furthermore, the wage restraint that private sector unions endured caused the members of these unions to view their sisters and brothers in the public sector with envy. The attitude that all should be suffering to the same degree led many in private sector unions to support initiatives that would roll back public sector wages. This sentiment acted to weaken labour solidarity and collective strength, making it more difficult for labour to act politically in the last two years of the

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253 Walkom, *Rae Days*, pp 87, 103

government's mandate.
Chapter Five
Inside the Social Democratic Movement:
Agents of Potential Support for an NDP Government

As a general rule, it is quite certain that any left government in a capitalist democracy would be involved from the start in a struggle with a variety of conservative forces over most aspects of its policies. It is in this perspective, remarkable that so much writing on socialism by writers on the left should take little or no account of this struggle and what its consequences must be for the way the government proceeds.

Ralph Miliband

No social democratic government can possibly survive without the extra-parliamentary support of certain groups. By support is meant active support, not merely financial contributions and dialogue between the government and its natural constituents. Support must go beyond this, to create the kind of political climate that can defuse the power of entrenched interests. If the government can maintain popular support in the face of harsh business criticism, lobbying and even threats, it is more readily prepared to implement policies that are contrary to the direct, specific interests of capitalists. Limits would still remain on the policy options of the government because of the need to fulfill the accumulation function of the state, but with enough political support, a social democratic government can more readily fulfill the legitimization function, which is more in keeping with the ideological

255 Ralph Miliband, Socialism For a Skeptical Age, Verso, London and New York, 1994, p 163
leanings of the party.

To accomplish this task three constituent groups will be examined to determine what role these groups played, or were capable of playing, in the support of the NDP’s agenda. The first group to be examined is the labour movement, a natural choice because of ties between this movement and the party, but also because the Social Contract issue itself is explicitly linked to this relationship. The second group to be looked at will be the NDP caucus of backbench MPPs. Not only does this group have close contact with the government, but it also is free of the specific concerns of governing; namely the fulfillment of the functions of the state. Caucus therefore has the potential to raise concerns of the party and constituents without the burden of structural limitations as well as pressure the government into fulfilling its agenda. Finally, the party rank and file will be examined. This will include the role played by the provincial council and party executive in lending support to the government.

5.1: The Role of Labour in the NDP Government:

Before delving into the role of labour in the NDP government, some preliminary notes on the labour movement must be made. First, as noted earlier, only a minority of workers in Ontario are affiliated with a labour union, suggesting that the movement only has a limited power in organizing political support behind any given
project. Second, only a minority of those in unions are affiliated with the NDP, suggesting only limited power exists to bring about any real change within the party. However, this fact does not necessarily affect the ability of the movement to mobilize support for the programs of the party while in office. Third, the membership of the union movement has traditionally been skeptical about the need for socialist or social democratic governments. The gains achieved through the collective bargaining process have a conservative effect on attitudes of union members. Finally, the specific conditions of globalization diminish the capacity of labour to organize for gains, as well as convinced workers of the need for all to share in the burden of restraint.

On September 6, 1990, the leadership of the union movement, as well as countless union activists who had worked on the NDP campaign, were understandably thrilled with the electoral triumph of the party. A sign of the close ties of union leaders and the party, and perhaps a promising sign of future close contact, was the fact that several labour leaders, including Bob White of the CAW and Leo Gerard of the United Steelworkers of America, attended the premier-elect’s victory party. Their place is understandable considering a high level of financial and volunteer labour support provided by

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256 M. Janine Brodie and Jane Jenson, Crisis, Challenge and Change: Party and Class in Canada, Methusen, Agincourt ON, 1980, p 241; also see Jay Cassey, “Why CAW local 222 dumped the NDP”, in Canadian Dimension, 27(3), May-June 1993, pp 11-12

257 Walkom, Rae Days, p 33
these unions in the election campaign.\textsuperscript{258}

On election night Gord Wilson, president of the Ontario Federation of Labour, was quoted as saying of labour’s duties; “our role is to make sure he can survive”.\textsuperscript{259} This suggests that labour knew that the implementation of the party’s (and labour’s) agenda would be a difficult struggle. This quote, however, seems curious compared to other statements made by Wilson and Bob White on September 6. In a report in The Financial Post Wilson attempted to reduce business fears, telling investors not to panic over the NDP victory. White went so far as to suggest that the election of the New Democrats would not result in a “major shift of business”.\textsuperscript{260} Statements such as this suggest that the labour movement’s first priority was to calm business fears, rather than promote the cause of the party. A reaction like this is understandable, though, as the role of organized labour is linked to the perpetuation of labour-management relations. To prevent a catastrophic reaction by employers, labour’s first reaction was to suggest that demands against business privilege would be kept to a minimum.

Still, labour was excited about the prospects of having a greater role in the policy process. Even those unions with no

\textsuperscript{258} Hargrove interview.

\textsuperscript{259} Quoted in Walkom, Rae Days, p 124

\textsuperscript{260} Financial Post, September 7, 1990, “Business leaders fear more economic damage”, p
explicit, or formalized ties to the NDP were optimistic about the prospects of an NDP government. For example, the leadership of the Ontario Secondary School Teachers Federation (OSSTF) expected that the new government would provide progressive labour legislation, and a moderate Keynesian economic program. It should be noted that this union did not directly support the NDP in 1990. Instead, it worked against the Liberals, in the hopes of creating a minority Liberal government. Members of the OSSTF felt that their interests had been ignored in the majority government, but not quite so much in the minority government of 1985-1987. This suggests that unions that were not directly linked to the party had some sympathies toward the "Agenda For People", as well as some capacity to act politically to win support for their issues.

In the early days of the government the labour movement enjoyed links to the government that were unprecedented in Ontario history. Although there was no official, formal privileged position for labour in policy making circles, there were many union activists in the government, and unionists had ready access to members of cabinet and caucus. Lines of communication between the government and labour were certainly well established. Perhaps the most


262 Walkom, Rae Days, p 124

263 Haeck interview
telling sign of labour representation in the government was the appointment of Bob Mackenzie to the position of Labour Minister. Mackenzie, with a history of strong ties to the labour movement, was well positioned to bring the concerns of labour to cabinet.\textsuperscript{264}

Beyond these links, the NDP was in a position to make patronage appointments from the ranks of the labour movement. For example, Carol Phillips, CAW president Bob White’s assistant, was to handle patronage. Ross McLellan, out of the OFL, came to work for the government and Jeff Rose, a former president of the Canadian Union of Public Employees, was made Deputy Minister of Intergovernmental Affairs.\textsuperscript{265} Many other appointments were given to others, mainly with links to the Toronto labour elites.\textsuperscript{266} As can be seen, direct links between labour and the government of Ontario were at an all time high. These links, and lines of communication do not necessarily translate into political influence or power. Nor do they constitute the kind of support necessary for political survival.

One of the factors limiting labour influence in the government was Rae’s overly rigid conflict of interest guidelines. In an attempt to hold the party to a higher ethical standard than any other government, the premier implemented guidelines so strict that contact (like attending and participating in meetings) between

\footnotesize{\textsuperscript{264} Monahan, \textit{Storming the Pink Palace}, p 94

\textsuperscript{265} Walkom, \textit{Rae Days}, p 53; Haeck interview.

\textsuperscript{266} Dyck, “The Socio-Economic Setting of Ontario Politics”, p 63}
caucus members and the groups from which they came would violate the rules. In cutting members off from their base of support Rae limited the direct input that these groups could have. This also had the effect of alienating support groups from the government and caucus, making them outsiders. Groups would by necessity act as traditional pressure groups and would be less likely to be able to mobilize support for the government. While not working against the government, these groups were forced to pressure the government from outside and could not be seen as working with the government to produce a viable agenda.

Another factor limiting the success of these groups was the demands that they put on the government. Some observers, Bob Rae included, have suggested that supportive groups made constant, excessive demands on the government. Demands were expected to be granted to these groups based solely on past support. When demands were not met, these groups turned to old habits of protest, increased pressure and threats. To some degree this is the fault of the government for trying to distance itself from the so-called special interests. Yet these groups bear some responsibility as well for not working together to build a climate of mutual support.

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267 Kerry McQuaig, "Social Movements and the NDP Government of Ontario", in A Different Kind of State: Popular Power and Democratic Administration, edited by Greg Albo, David Langille and Leo Panitch, Oxford University Press, Toronto, 1993, pg 220. As an extreme example of the harsh nature of the guidelines, Bob Mackenzie had to tear up his union card in order to comply with the regulations.

268 Dyck, "The Socio-Economic Setting of Ontario Politics", p 63
They are also responsible, in part, for not realizing that the particular interests of one group needed to be balanced against the interests of other groups and the agenda as a whole.

The problem of coordinating strategy between labour and other groups supportive of NDP policies is derived from the conflict between the specific interests of various groups. These disparate groups were able to work together in the lead-up to the election, accounting for a number of the breakthroughs for the party.\textsuperscript{269} Once in government, however, these groups were incapable of agreement on certain issues.\textsuperscript{270} For example, conflict between environmental activists and union arose over issues of nuclear power (Power Workers Union, CUPE local 1000), production of aluminum cans (USWA), and the discriminatory tax on large cars (CAW). As the interest groups squabbled amongst themselves, the government was left to make decisions in the absence of consensus. Ultimately, this ended up alienating every group at one point or another, and distracted them from building support in the community as a whole for the specific agenda of each group, let alone building the kind of support necessary to assist the government in implementing its stated policies.

Aside from representation and access to the government and

\textsuperscript{269} Donald C. MacDonald, “Ontario”, p 139

\textsuperscript{270} Haeck interview; David Kraft, “A Paler Shade of Green”, \textit{Canadian Dimension}, 25(7), October-November 1991, p 11
party at Queen’s Park, the labour movement also had a caucus of its own at the NDP provincial council meetings. Before council meetings were held, the labour caucus would meet to plan strategy and coordinate policy. Also at these meetings were members of the caucus and cabinet. This provided labour with a ready input into strategy and planning of the party, and also gave added communication with members of the government. However, as noted earlier, the government felt it had no obligation to abide by resolutions passed by the party (at convention or at council). This being the case, the added opportunity to communicate would not necessarily give labour more influence or input into governmental decisions. The party as a whole, however, would bear the brunt of criticism when relations between the government and labour became acrimonious. Even though there is a distinct division between the parliamentary party and the other wings of the party (and labour could not help but be aware of this), labour’s strategy of non-support and even outright criticism of the parliamentary party could not avoid hurting the entire party. This becomes more clear when the party’s history of brokerage politics is considered. Despite the extra-parliamentary party’s predisposition towards policy formulation and coalition building, its principal goal has tended to


272 Haeck interview
be to elect as many New Democrats as possible.

The inadequacy of the communications and contacts between the government and its supportive constituency can be seen in labour's reaction to the first budget. Also, the problems associated with the conflict between labour and other groups can be seen through this episode. Although organized labour was generally pleased with the budget, especially the focus on fighting the recession instead of the deficit, conflict did arise. The CAW was infuriated with two particular initiatives in the budget. The first was a discriminatory tax on large automobiles, which threatened to put a burden on automakers and thus threaten jobs.\(^\text{273}\) The second was the decision to increase taxes on tobacco and alcohol products. Buzz Hargrove of the CAW suggests that this was a tax on the poor since it would increase the cost of some of the few luxuries affordable to the working class, and went against the interests of his members as well as groups that the NDP normally would support. Furthermore, Hargrove argues that these measures were implemented without consulting the unions.\(^\text{274}\)

In part because they felt alienated by certain elements of the budget, labour seemed to feel no need to show public support for the budget. Many within the caucus felt let down by the lack of union


\(^{274}\) Hargrove interview
voices in the press and in constituencies. They believed that if the unions had come out to defend the budget or at least helped highlight positive elements of it, the government could have slowed the loss of public support.\textsuperscript{275} Had the government been able to maintain a higher level of credibility in the public eye it might have been able to prevent some of the policy retreats that were to come. In any case, if the unions had provided more support it would have been an immediate indication to business that it was not the only voice in public debate.

Auto insurance would prove to be another policy area wherein labour would disappoint the New Democrat caucus. Again, the voice of labour was not to be heard. Many in labour were uninterested in the subject, suggesting that the agendas of labour and social democracy are not necessarily identical. This poses a problem as it is difficult to mobilize labour to support programs that do not affect the material well being of members or do not relate to the structure of labour/management relations. A particular problem arises for the social democratic government as it will find itself politically vulnerable on issues that do not directly affect its most prominent ally.

As the government continued to withstand attacks from its opponents on the issue of public auto insurance, the labour movement compounded its problem. When business tabled its 'pink ladies'

\textsuperscript{275} Haeck Interview
campaign, and many female insurance workers, fearful of losing their jobs, protested the policy, some in labour joined in opposition. Julie Davis, who was both the secretary-treasurer of the OFL and the president of the ONDP, was concerned about the fate of these workers and suggested to the government that it drop the issue. Gord Wilson pushed the government to proceed, while Judy D’Arcy of CUPE was ambivalent, suggesting insurance should not be a priority.276

The lack of support from labour was a direct factor leading to the demise of the plan for auto insurance, although New Democrats tend to use the problems associated with job losses and the FTA as the main excuses for the decision. The issue ended up being a public relations disaster for the party, a major disappointment to rank and file members, and a further confirmation to business that hyperbole and rhetoric, along with economic threats, could make the NDP back down. Public auto insurance itself is not the issue here. Regardless of the economic arguments for or against the policy, public insurance has long been a hallmark of Canadian social democracy. Some would say New Democrats have an undue reverence for the principle considering the limited nature of such a reform. But a retreat on a major plank of the government’s platform hurt its credibility and further hindered its capacity to implement its agenda. Each political defeat and drop in the polls has a long term negative impact on a government’s resolve.

276 Walkom, _Rae Days_, pp 77-78
One issue that was of particular interest to the labour movement was reform of the Labour Relations Act. The OFL made a presentation to several key members of cabinet outlining the reforms that it wanted to see implemented. Gord Wilson suggested that this was labour’s primary objective with the government.\(^{277}\) When the time came for the government to proceed on its promised OLRA reform, it also honored a pledge made by Rae on election night. No reforms were to be implemented without consulting the business community. As noted in the previous chapter, the government’s consultative process was flawed in that it allowed business more than enough opportunity to pressure the government for no reforms, and to mobilize a public relations campaign to discredit the government.

The labour movement did very little to counter the business lobby’s public relations campaign. The OFL did have a modest advertising campaign, but as Bob Mackenzie remembers, not all unions were willing to contribute financially to the campaign.\(^{278}\) In part this was due to the belief in the union movement that the NDP would act on their behalf even without evidence of union support for its initiative. Instead, some unionists saw this as an opportunity to use funds for other initiatives.\(^{279}\) Regardless of the motives, the low level of public support given by the unions caused the NDP to

\(^{277}\) Rachlis and Wolfe, “An Insider’s View of the NDP Government”, p 340

\(^{278}\) Walkom, *Rae Days*, pp 129-130

\(^{279}\) Blackadder interview
water down the legislation, although even the moderated reforms were beneficial to labour\textsuperscript{280} and infuriating to business.

In their defence, labour leaders argue that unions simply do not have the same access to money as business, making it more difficult to finance high profile campaigns. Also, they suggest that the NDP put them in a difficult position by dragging out the reforms over a two year period.\textsuperscript{281} To their credit, the New Democrats were able to capitalize on the tactical overkill of the business lobby and implement reforms. The process did, however, hurt the party in the polls. Lobbyists for business were able to characterize the government as catering to the special interests of labour and not the general interests of the province, confirming some people's pre-existing notions of the party. Also, labour felt somewhat betrayed at being subjected to a two year battle for what they naively thought would be an easy reform to make. New Democrat caucus members felt betrayed as well. They felt that they provided labour with the reform they wanted most and received virtually no help along the way. Not only was the party as a whole hurt, but individual MPPs would find it difficult to win re-election in no small part because of the long battle over Bill 40. Strained relations between party and base, coupled with low standing in the

\textsuperscript{280} Jenson and Mahon, "From 'Premier Bob' to 'Rae Days'", p 164; Panitch and Swartz, \textit{The Assault on Trade Union Freedoms}, p 165

\textsuperscript{281} Hargrove interview
polls, made it difficult for the NDP to face the business lobby head on.

By 1993 the NDP government was so timid and battle-worn that it was inevitable that the capitulation to the demands of the corporate lobby would be nearly complete. In the budget of that year the government outlined a plan to roll back the public deficit by $8 billion. In addition to cuts in social spending and increased taxes, public sector wages were to be cut as part of a Social Contract. Reaction from the labour movement was swift. Sid Ryan, president of the Ontario Division of CUPE, was quoted as saying that there was nothing in the budget for labour.\footnote{Financial Post, April 24-26, 1993, "Ontario message: taxes up, jobs down", p 3} The CAW was publicly critical of the government (and had been since at least December 1992) suggesting that the NDP needed a push from the left.\footnote{Hargrove interview} At this juncture, relations between labour and the party were at an all time low. Face to face contact between the two groups was rare. Mutual distrust was the only thing the two groups could agree upon.

When the government did meet with labour leaders the atmosphere was tense and little agreement was reached on the government's new direction. In February 1993, before the budget had been introduced, Rae met with leaders from the OFL, USWA, CAW, CUPE and OPSEU. None of the unionists involved saw a need to deal with the deficit, while this issue was of utmost concern to Rae. Buzz Hargrove was most

\footnote{Financial Post, April 24-26, 1993, "Ontario message: taxes up, jobs down", p 3}
\footnote{Hargrove interview}
adamant about the need to avoid swallowing the rhetoric of the right. Rae suggests that the failure of labour to see the problems associated with the deficit cost them some leverage. With labour out of favour with the government it was easier to proceed with the Social Contract, although Rae did still try to get labour on side on the deficit issue.

After the budget was tabled, labour lobbied various friendly or seemingly friendly cabinet ministers to try to prevent the government from moving on the issue. Frances Lankin, who came out of the labour movement, and was also part of the inner cabinet (along with Rae, Laughren and Dave Cooke) was seen to be fighting for labour's interests on this issue, so she was a target of the lobbying campaign. Bob Mackenzie was also the target of the lobbying campaign. He, along with Lankin, assured labour leaders that cuts to wages would not be legislated. As can be seen, labour was easily mobilized when its specific interests were in jeopardy. Mobilization at this late date, however, proved to be too little, much too late. Once Rae and Laughren (and most other NDP MPPs) had been convinced of the need to reduce the deficit by $8 billion, labour had already lost. It would prove to be impossible to find savings through the Social Contract without relying on the failsafe

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284 Rae, From Protest to Power, pp 205, 208

285 Walkom, Rae Days, p 178

286 Monahan, Storming the Pink Palace, p 187
mechanism of a legislated settlement.

As it became more clear that the unions could not reverse the government’s decision to attempt a Social Contract, an attempt was made to table alternate proposals that would meet government targets, but would be more acceptable to labour. The union-led Public Services Coalition proposed that the government could raise taxes more and thus would need to cut less, but Rae was not willing to discuss government tax policy. Others suggested that if the government waited for collective agreements to expire, and spread the cutbacks over seven years, the unions would be more agreeable to the process. Some within the parliamentary party were interested in this proposal, but Rae was interested in immediate returns on the Social Contract and wanted a deal struck by the summer of 1993.

Other unions attempted less diplomatic tactics. The OSSTF, believing that the Social Contract violated international agreements on labour practices, launched a complaint with the ILO in Geneva. The Federation of Women’s Teachers Associations of Ontario launched a court challenge on the premise that constitutional guarantees of freedom of association were violated by Bill 48 (the Social Contract Act). All of this, of course, led nowhere. In fact, the acrimony and ill will fostered by this process worked to the detriment of

287 Panitch and Swartz, The Assault on Trade Union Freedoms, p 173

288 Haeck interview

289 Martel, A New Education in Politics, pp 12-13
both sides. Labour lost its connections to the government and the

government lost a great deal of support, although the general public

seemed to approve of the Social Contract.

At the beginning of the process the government was committed to

the principle of a negotiated settlement, as Lankin and Mackenzie

promised. As negotiations dragged on, though, it became more
evident that a negotiated settlement was not likely. Labour,

already disgruntled that they were forced into negotiations, with

collective agreements opened, found that the government was not

offering much, fostering further disillusionment. Two months into

negotiations the process hit a snag and the unions walked out, one
day before the government’s deadline for a settlement. Part of the

problem for the unions in negotiations was an inability to co-

ordinate strategy. The government had given organizations that had

never before negotiated a collective agreement the same status as

experienced unionists. This weakened the collective strength of

the unions as it was difficult to bring these groups up to speed and

still negotiate with the government.

The government was not going to let an impasse of this sort

interfere with the Social Contract. Bill 48 was introduced on June

\[290\] Walkom, Rae Days, p 136

\[291\] Rachlis and Wolfe, “An Insider’s View of the NDP Government”, p 354

\[292\] Blackadder interview. An example would be the Ontario Confederation of University Faculty Associations (OCUFA)
14 and was passed on July 7. All previously negotiated wage increases were voided and a three year freeze on salaries was mandated, although those groups that negotiated a deal before an August deadline would have their cutback targets reduced. Still, the coercive nature of the legislation represented the nadir of union/government relations and ensured that little support would be coming from the labour camp for the duration of the government’s term.

One reason for union distrust of the Social Contract was the fact that its primary purpose was to bring government expenditures down. To counter this perception the premier argued that he was struck by the idea because it represented a new model for labour/management relations. It was, he argued, a way around the adversarial system, and a method of giving labour real power in management. It was, he said, an invitation to partnership. This reasoning seems rather weak in light of the coercive methods used to reach so-called agreements. Most public sector unions saw Rae’s call to partnership as a method of mystifying the real purpose of the Social Contract, which was wage control. After all, the concept of labour/management partnership did not even arise until the government became fearful that it might have a deficit in excess

293 Panitch and Swartz, *The Assault on Trade Union Freedoms*, p 173

294 Rae, *From Protest to Power*, p 204

295 Tanguay, “Social Democracy on Trial”, p 174
of $10 billion, which could have been a threat to the province's credit rating and would have angered business.

As a result of the legislated Social Contract the OFL passed a resolution at its convention condemning the NDP and those members who voted for the Social Contract. According to the resolution those members would not receive any support from the OFL at election time. The resolution was passed with the support of the public sector unions and the CAW. The majority of private sector unions, however, did not support the resolution. In fact, these unions left the floor of the convention so as not to get caught in a debate they were bound to lose.\(^\text{296}\) The final result of the Social Contract was not the wage rollback, but an obstacle to the building of a social democratic movement in Ontario. The two necessary partners for this found they could no longer work together.

The split at the OFL convention was merely a symptom of a larger fissure within the labour movement. On the one hand were the public sector unions and the CAW, fighting together to defend the common interests of the sanctity of the collective agreement. On the other, most private sector unions were calling for public sector workers to feel the same kind of wage restraint that they had been experiencing for some time. While a difference had existed between the business unionism of the USWA and the social unionism of the CAW before the Social Contract, the heightening of the infighting that

\(^{296}\) Rachlis and Wolfe, "An Insider's View of the NDP Government", p 355
resulted from the Social Contract brought the tensions to a head. The NDP encouraged this split because it was a way to take the pressure off the government for implementing the Social Contract. If labour was busy fighting within its own movement, it would not be a problem for the government in the future.

5.2: Caucus as an Agent of Support:

As an agent of support, caucus is in a tenuous position, and is the weakest of all agents of support. Backbench MPPs have the responsibility of selling government policies to their constituents, as well as bringing the concerns of constituents to the government. Even though the government relies on the support of backbenchers to maintain the confidence of the legislature, in many ways the power of backbenchers comes through their affiliation with the governing party. Rarely in Canadian politics have groups of backbenchers wielded enough power to dominate a government. Yet with sufficient organization, and a party history that facilitates the democratic operation of caucus meetings, backbenchers can affect change and significantly influence cabinet decisions.

Historically in Ontario, as with other Canadian legislatures,


the power to develop policy has been held exclusively by the cabinet. In Ontario the inner cabinet has taken authoritative control of the cabinet, centralizing power in the hands of a small group of officials. Checks on the power of the inner cabinet exist, but to a large degree the legislature is insignificant, playing only a minor role in the politics of the province. The focus on party leaders that inevitably results from a system like this cannot but hinder the chances for a party-based approach to politics. A brokerage electoral strategy fits easily, however, and as discussed above, bodes ill for a social democratic movement that focuses on ideological or idea politics.

Upon entering office, the Rae cabinet was structured along the same lines as previous Ontario governments. Once the cabinet was sworn in, backbenchers were virtually powerless, and became dissatisfied with their roles in the governing party. To compound their frustrations, regardless of their powerlessness at Queen’s Park, backbench MPPs still took heat in their home constituencies for decisions made by cabinet. To a degree, it is not surprising that the government was originally structured like this. The


301 Haeck interview.
premier had already stated that the government would not feel compelled to develop policy based on resolutions passed at conventions. Also, the electoral history of the party would suggest that the party had already accepted the stylistic norms of other parties. Little within the behavioural history of the party would suggest it would act to empower backbenchers without pressure.

Aside from the division between the parliamentary party and the rest of the party, and the fact that Rae himself did not feel obligated to hold to the democratic structure of convention, there still remains a culture of democracy in the party. Regardless of the oligarchic nature of the party, New Democrats believe the party holds to democratic principles and practices. There is no reason to believe that this ideal is held to a lesser degree among MPPs than other party members (the premier’s comments notwithstanding). This element of party history, ideology and culture has the ability to act as a lever in the quest for internal caucus democracy. It would be difficult for the premier or cabinet to argue that they were entitled to a monopoly of input into policy when, at least at the rhetorical level, they had claimed to be of a different kind of party.

It would necessitate a group decision to utilize this lever, though. It would have been all too easy for cabinet to rely on the

traditions of the legislature to exclude their backbench caucus mates from policy formulation circles. Backbenchers would need to mobilize in order to achieve the influence and input that was potentially theirs. This is precisely what they did in September of 1991 at a caucus retreat at Honey Harbour. Up until this point the government had not made any policy decisions that contravened the party platform. When caucus members found out that cabinet had decided to abandon the plans for public auto insurance, though, they finally felt the need to alter their position within the policy formulation process. In what has been called a "spontaneous revolt", caucus members demanded that they have more input into policy decisions, and the power to overturn decisions of cabinet.\textsuperscript{303} It should be noted that the revolt was not necessarily due to the content of the decision. It was a reaction to the process. Had caucus members had the opportunity to debate the issue, and all the problems surrounding it, it is likely that the same decision would have been reached.

The caucus revolt did end up empowering backbench MPPs. After the Honey Harbour retreat, backbenchers were able to participate in debates over decisions made by cabinet. Debate was generally free and open, with all given the ability to voice their concerns. Few held back for fear of offending the premier, suggesting that few

\textsuperscript{303} Ibid, p 284
were concerned about the possibility of reprisals. This power was, however, almost exclusively reactive. Caucus input into policy at the initiation stage remained insignificant. Backbench members had only won the opportunity to review decisions already made by cabinet. This is hardly the kind of influence necessary to keep the government to its original agenda. It could, however, be enough influence to prevent the government from passing legislation that contravenes that agenda or party principles.

The veto power of caucus had some distinct limits. It is safe to assume that once cabinet had developed a policy and agreed upon the desire to implement it that the ministers would vote as a block when items were up for a vote by the entire caucus. If this was the case, it would take agreement by thirty-eight backbenchers to utilize the veto power. A telling sign of the limited nature of the veto power is the fact that caucus only rejected one piece of legislation that was tabled by cabinet. This suggests one of three things. Either caucus was unable to attain any real influence over the direction of the government or it was in agreement with the policies of cabinet to the degree that caucus felt no need to disagree with cabinet decisions; or the government was generally

304 Curtis and Wong, "Not Without Caucus", p 263


306 Haeck interview
careful not to introduce legislation that caucus was unlikely to support.

In any event, caucus did not seem to act as an agent of support for a social democratic agenda. In order to determine why this was the case an examination of the limits on caucus power is needed. Backbench MPPs showed a capacity for independent thought and collective action with the revolt at Honey Harbour. This event also showed that these members were willing to challenge the traditions of the legislative process, namely cabinet control of policy. How was it that this group, in the end, came to bring about very little substantive change?

To begin with, the issue of caucus divisions must be looked at. If there was a distinct division between groups in caucus then the inability to attain the requirement of thirty-eight votes would be understandable. Aside from three members (Dennis Drainville, Peter Kormos and Mark Morrow) who chose the path of long term dissension\(^{307}\) no discernable divisions could be observed. This is not to say that the various sides of any debate did not have supporters. It is just that divisions on any one debate were never predictable. Any individual member could take a moderate or conservative position on one issue, but a more radical or socialist stance on another.\(^{308}\)

The unpredictability of caucus divisions could actually work

\(^{307}\) Rae, From Protest to Power, p 6

\(^{308}\) Haeck Interview
more to the detriment of caucus power than any noticeable and significant ideological division. Since only two members represented the consistently left-wing critique of the government, and since only one of them had a recognizable public image, they could be discounted as un-pragmatic, unyielding or even obstructive. If, however, a core group of backbenchers had mobilized along ideological lines their position would have been given more credibility and the government would have needed to do more to placate this group for fear of open division wreaking havoc with the party's standing in the polls. Instead, with members divided almost randomly on any given issue the cabinet did not need to recognize a consistent left critique. It only needed to concern itself with winning any given vote.

Another factor limiting the power of backbench MPPs is the fact that cabinet controls information on all policy decisions. The average caucus member does not have the technical or research expertise of the bureaucracy at his or her disposal to assist in the formation of policy options or to derive the data needed to support any given policy direction. In fact, many backbenchers complained that the downward flow of information prevented them from being able to fully analyze a policy or assemble a coherent critique of that proposal.309

Regardless of any intent to ram cabinet decisions past

309 Curtis and Wong, "Not Without Caucus", p 265

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unprepared backbenchers, ministers still had the ability to do so. Intent to subvert caucus veto power is not required. All that is required is the existing structural imbalance of resources. Related to this is the fact that debate was structured by cabinet. The agenda setting role of cabinet resulted in caucus only having a reactive roll to play. Backbenchers could not prepare too far in advance for any debate since the direction of government action was not in their hands. Nor could caucus insert new items into the agenda for debate.

Backbench MPPs also noted that the party whip was used to ensure allegiance to decisions made by caucus. While this did not necessarily affect the actions of members during in camera caucus meetings, it did affect the ability of members to act independently outside of these meetings. Caucus members generally felt they had the ability to make meaningful contributions during meetings. Often these contributions were contradictory to the views of the cabinet. The frequently heated debate over policy can attest to that. In the legislature these members, by and large, could no longer contradict cabinet. In taking a public stand that supported the government's decision it became unlikely, or even impossible, to work with others to push the government to change its course. The solidarity imposed on members by the traditions of parliamentary government did much to disempower caucus as a check on the direction of the government.

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310 Haeck Interview
The NDP's use of the whip to ensure backbench support of the government's program was certainly in keeping with the norms of the Canadian parliamentary system, and this is precisely the problem. If it is the goal of social democrats to alter the structure of representation within the state apparatus, and empower groups that have traditionally been excluded, then it is incumbent upon a social democratic government to facilitate such a restructuring. A deconcentration of power held by the inner cabinet can help ensure that supportive groups are not structurally limited by the nature of the state. A social democratic government must open itself to new forms of checks on its power. The nature of the capitalist state ensures that propertied interests have power. In order to allow the natural constituents of the governing party to have power the government must allow these groups to challenge governmental power.

The use of the whip helps create a hierarchy of obligations for backbenchers. At the top of the hierarchy is cabinet. In order to ensure the legislative survival of the party the member is coerced into voting party line. Reprisals that result in deviation from group decisions, including the loss of parliamentary assistantships and the loss of future patronage appointments, far outweigh the benefits of dissent, unless, of course, wide-spread dissent threatens to undermine the government's credibility. Atomized individuals would see no gains made as a result of dissent, but would feel the weight of sanctions levied as a result of dissent.
Various reasons can be put forward to suggest why mass dissent did not occur.\footnote{The success of the whip would be one reason. The moderate ideology of the majority of NDP MPPs would be another. MPPs tend to be more moderate than the average party member because of electoral imperatives, legislative norms, parliamentary party history and the power of the leader.} The second group to which MPPs would feel beholden is the parliamentary party as a whole. Because the party’s success and longevity depend on maintenance of the confidence of the legislature, any dissent could harm the parliamentary party as a whole. The whip helps to instill a kind of solidarity amongst MPPs that holds them to the party above ideology or constituents.

Bob Rae’s leadership also had an impact on the quality and nature of input from backbench MPPs. His moderate, brokerage style to the side, Rae can be characterized as a popular leader who commanded the respect of most in caucus. He is articulate, well spoken and well educated. NDP MPPs respected him for this and for the fact that he was seen as the one who brought the party to office. As such, a great deal of loyalty was given to him. Add to this a gift for oratory and Rae was well placed to exercise the kind of authority that could dominate caucus meetings.\footnote{Haeck Interview; Walkom, Rae Days, p 69} The more cynical amongst the group, as well as outside observers, often suggested that Rae imposed a consensus on caucus.\footnote{Ehring and Roberts, Giving Away a Miracle, p 313} This ability to win consensus at caucus meetings was a way of reinforcing the dominance

\begin{thebibliography}{9}
\bibitem{haeck-interview} Haeck Interview; Walkom, Rae Days, p. 69
\bibitem{ehring-roberts} Ehring and Roberts, Giving Away a Miracle, p. 313
\end{thebibliography}
and ready-made decisions of cabinet, which in turn would prove to limit the ability of backbenchers to counter a trend towards pragmatism.

A less attractive attribute which limited the ability of backbenchers, and many cabinet ministers, to have any input into policy is Rae’s penchant for aloofness. The former premier is certainly a brilliant orator. His ability to win over a crowd, particularly a crowd of potential sympathizers, is unquestioned. But, beyond that, his interpersonal skills were abysmal. Some backbench MPPs complained that they did not speak to Rae more than once or twice during the five year mandate. Even some cabinet ministers were unable to access Rae outside of cabinet meetings. Such insular behavior disempowers backbenchers. It is not merely that input was ignored, but the opportunity to provide it was minimal at the best of times.

Rae’s leadership style, one that emphasized winning consent at meetings rather than constant consultation with MPPs (and other supportive groups) worked to counter the party’s pretensions to being internally democratic. The premier, bolstered by the inner cabinet and premier’s office, clearly set the agenda for governing. Granted, some observers note that the NDP premier’s dominance over the government’s agenda was somewhat less than that of other premiers. Relative to other Ontario premiers Rae might have

314 White, “The Legislature: Central Symbol of Ontario Democracy”, p 77
exercised less power than usual. Relative to the standards of internal democracy though, his record is not stellar. Rae’s willingness to use his resources, and lack of communications skills, to limit the power of supporters suggests that the power and influence of backbenchers could not even approximate its potential. Even though Rae acted to limit this potential, most members of caucus tended to accept the premier’s authority and posed very little challenge to it.315

Further to Rae’s personal style, the potential of backbenchers was limited by a set of strict conflict of interest guidelines. It was the intention of the premier to ensure a higher ethical standard for his caucus than had been previously set. The result, however, was to cut MPPs off from meaningful contact with the party’s natural constituents. As noted before, this disempowered cabinet ministers and also had the effect of cutting them off from a source of information contrary to the policy directions of the government. The same was true for parliamentary assistants.316 The imposition of the conflict of interest guidelines effectively tied the parliamentary assistants to the government’s agenda, as they were unable to act outside of their role as MPP. These regulations

315 Curtis and Wong, “Not without Caucus”, p 267

inhibited the potential for independent action and, in conjunction with the whip, kept backbenchers tied to the decisions of cabinet. Evidence of caucus’ tendency toward moderation and adherence to Rae’s agenda lies in the high level of support for the Social Contract. Although intervention into labour-management relations can be consistent with social democratic principles, and many MPPs were willing and able to make the connection between the two, the coercive nature of the proposal would suggest that this particular Social Contract falls outside the purview of social democracy. Support for a measure of this nature and purpose suggests that MPPs were willing to follow Rae’s lead, and were for the most part ideologically moderate. It also suggests that MPPs had succumbed to the pressure of business and pro-business ideological sympathizers. Furthermore, it suggests that MPPs were not influenced to a great degree by labour pressure.

Cabinet had come to the conclusion rather early that spending needed to be controlled more tightly. Ostensibly, the goal was to prioritize spending to ensure certain programs remained viable. A further rationale for reducing expenditures was the argument that continual deficits and a high debt load acted as a transfer of

317 It is, however, possible that MPPs would not have exerted pressure on the government in the absence of these restraints. The parliamentary party’s tradition of moderate centrism, based on brokerage style politics both in and out of the legislature, could account for such restraint in the absence of the whip and the conflict of interest guidelines. The use of the whip and the guidelines can be seen as yet another obstacle to MPPs ability to act independently of the party hierarchy, and, as such, deserves note.
wealth from the poor to the wealthy.\textsuperscript{318} Premier Rae argued, convincingly, that prioritized spending and deficit reduction are in keeping with social democratic principles. One need look no farther than the example of the Tommy Douglas government in Saskatchewan to find an example of fiscally prudent Canadian social democracy. The problem with the cabinet's plan, however, was that the action taken to fulfill a social democratic end did not use social democratic means; means which would redistribute wealth and political power more equitably.

Although the Social Contract was not social democratic in nature, the internal caucus process used to decide upon the use of this tool can be seen to be democratic. Caucus was made aware of the Social Contract plan in March of 1993. Insiders suggest that caucus could have altered or even rejected the plan, but instead chose to support it. In fact, nearly the entire caucus was willing to support the Social Contract as a tool to control spending.\textsuperscript{319} By the time the Social Contract was introduced to caucus the majority of members had already been convinced that deficit reduction was essential. In part this is due to the ideological campaign of right-wing and business groups to make the deficit a high priority for governments. Included in this movement would be the nature and scope of press coverage of the issue, direct lobbying by

\textsuperscript{318} Rae, \textit{From Protest to Power}, p 194

\textsuperscript{319} Haeck interview
corporations and indirect lobbying by right-wing think tanks such as the Fraser Institute. Another force that put the issue on the priority list for caucus was Bob Rae’s leadership and insistence that the province was in crisis. As part of his push to make the deficit of highest priority Rae forced caucus (and attempted to force labour leaders) to watch a W5 documentary by Eric Mailing. The documentary, focusing on the fiscal crisis in New Zealand and the Labour Party’s attempt to address the issue, convinced Rae that failure to act would result in disaster. Rae then used this video to instill the same kind of fear in members of caucus.

Although caucus, for the most part, was behind the decision to proceed with the Social Contract, there were three caucus members who refused to vote for it. The decision of two of the members, Peter Kormos (Welland-Thorold) and Mark Morrow (Wentworth East), was of no surprise to anyone within the party. Kormos had, almost since the beginning of the government’s term, chosen to work against the moderate direction of the party. The lesser known Morrow had taken a similar position. Some within the party saw the stand of these members as ideological posturing and as a self-interested ploy; an attempt to distance themselves from unpopular and difficult decisions and pose for certain supportive groups. However, their position as outsiders within caucus meant that they had little power to convince other members to alter their positions. Because these

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320 Rae, From Protest to Power, pp 6-7
members were seen as rebels without cause, it became difficult to organize caucus to seek an alternative.

The other member who chose not to support the Social Contract was Karen Haslam (Perth), Minister without Portfolio, Ministry of Health. Haslam was the lone member of cabinet to resign as a result of the Social Contract, and was virtually the only dissenting voice within cabinet when the decision was made to proceed with legislation.\(^{321}\) As the lone dissenting opinion within cabinet, Haslam was not well situated to mobilize for an alternative to the Social Contract. Also, because she was a junior minister and had a low profile within the government, her stand could be easily dismissed. This is especially evident when the Social Contract was supported by long time union activists such as Bob Mackenzie, Frances Lankin and Dave Christopherson.\(^{322}\) Although some of these ministers also had reservations about the Social Contract, their support for the measure more than outweighed the role of Haslam in terms of mobilizing caucus support.

Despite the overwhelming support from caucus, there was still debate about how the Social Contract would be implemented. Some argued that the Social Contract should be extended over seven years instead of five. That would have meant that the most coercive element of the plan, the opening of collective agreements, could be

\(^{321}\) Monahan, *Storming the Pink Palace*, p 175

\(^{322}\) Rae, *From Protest to Power*, p 214

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avoided, and wage restraints could be negotiated as agreements expired. This might have made the measure more palatable to labour, although the reduction in wages still would have made public employees somewhat bitter. A greater effort to get labour on side also might have lessened the electoral consequences of a bitter feud with a political ally.

Regardless of the ideological or tactical justifications for moderating the coercive element of the Social Contract, the government decided to press ahead with the plan to impose a settlement. By the time that the decision to proceed was made, caucus had been tamed by the structure of the governing party and the institutional norms of the existing parliamentary democracy. Add to this a deliberate attempt to cut members off from organizations of traditional support and it becomes evident that caucus was not capable of pushing the government away from its moderate policy goals. Had enough caucus members had the wherewithal to organize against the existing structure, however, the caucus would not have been powerless. Of course, internal turmoil has its costs as well. It divides and makes action less likely or possible. It gives the opposition and the press ammunition to fight against the government. It has the potential to alienate supporters. However, it does also have the potential to redirect a government.

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323 Haeck Interview
5.3 The Relationship Between Party Members and the Government:

The final group to be analyzed as an agent of support for the ONDP government is the party rank and file. Traditionally, Canadian political parties have not been driven by grass-roots participation. In practice, the ONDP has been no different. In principle, party conventions are the supreme body of the party; a principle that was meant to ensure that party members ruled. As was discussed earlier, however, the party oligarchy has tended to rule over party resolutions and has tended to dominate the agenda of conventions. Also, the parliamentary party has tended to distance itself from the extra-parliamentary party. Never was this more clear than when premier-elect Rae commented that cabinet would decide policy, not the party. Nevertheless, the party rank and file did potentially have power to influence the government. These members had voice at the constituency and provincial council levels. Furthermore, given the will, this group could act collectively to pressure the government. Such pressure might appear to be an embarrassing internal power struggle, but it is the unique potential to embarrass that could empower this group. Traditional political logic would assume that a government seeking re-election would act to ensure the support of existing party members and to prevent the appearance that it acted alone and without support.

Regardless of the party’s stated intent to rely on member input, a great number of members do not believe that the party
leadership paid sufficient attention to the volitions of the rank and file. In his study of NDP conventions, Alan Whitehorn found that 48.7 percent of New Democrats felt that they had inadequate voice within the party. Only 38.4 percent felt that members have sufficient input.\textsuperscript{324} Considering that the sample for this study was party activists, those who are most likely to feel that their voice is heard, it is likely that a greater majority of other party members feel virtually powerless to affect real change within decision making circles. Members who are only active at the riding level (if active at all), will feel less of a connection to the party leadership than those who are active at provincial council and at conventions.

It has also been noted that during the ONDP government’s term, party members felt that there was too little consultation on policy issues.\textsuperscript{325} Members in constituencies with an NDP MPP would have consistent access to a caucus member since a position for elected members of the legislature is reserved on riding association executives. This, however, does not necessarily translate into direct input at Queen’s Park. As discussed previously, members of caucus had little, if any, input into policy formulation. Also, constituency association meetings are not exclusively, nor primarily, concerned with policy discussion. In ridings that did

\textsuperscript{324} Whitehorn, \textit{Canadian Socialism}, p 131

\textsuperscript{325} Tanguay, "Not in Ontario", p 25
not elect a New Democrat, the direct link between riding association and caucus would be even more tenuous.

Despite perceptions of NDP rank and file members, the structural relationship between member and party still bears investigating. Such an investigation can help determine what potential for influence existed and how well that potential was realized. In terms of policy formulation and party communications, the role of provincial council is made stronger due to a declining relevance of conventions. Also, conventions are, to a significant degree, directed by the party executive. It is this body's role to determine which policy resolutions make it to convention for debate.\(^{326}\) Thus, for rank and file members to control the party's direction, input at provincial council meetings can be more important than input at conventions. The size of conventions also affects the ability of delegates to act as the supreme governing body of the party.\(^{327}\) The size and infrequency of conventions make it less likely that conventions can be used to govern directly. As such, responsibility for governance and policy development will fall more heavily on the provincial council. The transition of power from conventions to provincial council does not lessen the party's reliance on delegatory democracy. This is not necessarily

\(^{326}\) Ian MacLeod, \textit{Under Siege}, pp 11-12

problematic if delegates to provincial council accurately reflect the volitions of constituents. Nor is it problematic if greater delegation of responsibility results in a greater decentralization of decision making from the parliamentary party to the extra-parliamentary party. Although it is beyond the scope of this study to determine how well provincial council delegates represented party members, this does not limit the ability to make conclusions about member empowerment through provincial council.

Other than the direct link to MPPs discussed above, every riding association is entitled to send delegates to provincial council meetings. During the life of the NDP government, provincial council would make regular reports to caucus, so any resolutions passed by members would be heard by the government. So as not to over-burden the cabinet, the party executive made an effort to keep its input relatively limited. There was not a constant barrage of demands placed on the parliamentary party. In fact, the extra-parliamentary party undertook an effort to clean up the policy book to help develop a consistent policy program. Nevertheless, the parliamentary party was unwilling, or unable, to decentralize policy-making authority. Input was received on a regular basis, but there was an understanding that it was only input. In no way would the cabinet be responsible for implementing the recommendations of provincial council.

The premier was not the only one to believe that the cabinet
should be solely responsible for policy formulation. Other cabinet ministers felt no need to actively consider resolutions passed at party conventions. This was evident quite early in the mandate of the government.\(^\text{328}\) In part this was because the party’s policy book was overflowing with vague and often contradictory policies. Since the policy book lacked a certain degree of direction and consistency, it is understandable that strict adherence to these resolutions was not possible. In part this argument is countered by the provincial council’s attempt to clean up the policy book. Part of the argument against mining the policy book for guidance rested on the principles of flexibility and efficiency. Caucus members recognized a difference between the government and the party. There was the belief that the government could not hold on to ideological principles, as verbalized in party resolutions, because they would not be marketable to the public. Nor would they give the government the ability to develop new economic and fiscal strategies. The former reason speaks to the party’s tradition of brokerage politics; a tradition that eschews convincing the electorate that a radical alternative is viable and necessary, but instead promotes moving the party to the ideological centre to attract votes. The latter could be understandable and acceptable to party activists so long as long term social democratic goals are of primary importance when developing these strategies.

\(^{328}\) Wolfe and Rachlis, "An Insider’s View of the NDP Government", p 350
Another potential link between the party rank and file and the parliamentary party existed, potentially at least, in the attendance of the party executive at caucus meetings. Although the party executive was in regular attendance, it was denied access to any meetings wherein confidential issues were discussed. Furthermore, the executive was not given an active role in policy formulation. Instead, the extra-parliamentary party and its representatives were relegated to the role of organizing and fund-raising. The division of responsibilities prevented a full integration of the wings of the party. Considering the oligarchic tendencies of the party it is unlikely that executive empowerment within the government would have led to significant power for rank and file members. Government willingness to empower the extra-parliamentary party is, however, a necessary precondition for rank and file members to exercise any sort of direct control over, or have any sort of meaningful input into the government’s agenda. As the government disempowered its supporters and alienated itself from them it became more likely that the government’s direction would be vulnerable to pressure exerted by the other arms of the state apparatus.

One key event that highlights the lack of rank and file input into government decisions was the decision to scrap the proposal for

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government run auto insurance. Party members have long held dear the notion that auto insurance is best run by the government. Even as support within the party for nationalization of industry declined support for public automobile insurance remained relatively stable. Had the party rank and file wielded greater power within the party, and over the parliamentary party, it is unlikely that the government would have completely abandoned the principle. It almost certainly would not have ruled it out of the question as early as September 6, 1991. Observers of the party note that the decision to abandon public auto insurance was the first, and possibly most significant event in alienating the rank and file from the government. In fact, as early as the fall of 1991 party members were actively protesting within the party apparatus against the move away from public insurance. The parliamentary party and the party executive had to work to maintain order, and prevent overwhelming dissent at a provincial council meeting shortly after the policy decision, a clear sign that the party establishment was, at best, marginally concerned with policy preferences of rank and file members.

Many within the party establishment believe that this type of internal protest and complaint was ill founded. Bob Rae comments in his memoirs that "it became conventional wisdom for our friends to

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330 Tanguay, "Not in Ontario", p 24
331 Walkom, Rae Days, p 80
say they were 'disillusioned' because more wasn’t being done."\textsuperscript{332}

This suggests that the parliamentary party and, likely to a lesser extent, the party executive were well aware that the rank and file was unhappy with the direction of the party. The disillusionment of which Rae speaks was not limited to the Social Contract or auto insurance. He notes that rank and file pressure was being applied at provincial council meetings as early as June of 1991. As is evident by the government’s policy choices, this pressure went unheeded. Judging by the tone of Rae’s memoirs, he continues to believe that it was proper to maintain such a distance from the rank and file. In part this is because he believed that the expectations of party members were too high; especially considering the fiscal problems of Ontario. In part, Rae maintains this position because of his corporatist views of the state. The belief that the state could act as a dispassionate arbiter between the interests of labour and capital would necessitate that party supporters have no more power or influence than any other interest group.

The Social Contract proves to be the most striking example of the government’s unwillingness to accept the recommendations of provincial council. Buzz Hargrove contends that the premier and cabinet were consistently ignoring resolutions made at provincial council. Julie Davis, the provincial party president, was campaigning actively to change the minds of those who decided to

\textsuperscript{332} Rae, \textit{From Protest to Power}, p 199
proceed with the Social Contract.\textsuperscript{333} The unwillingness of the parliamentary party to adhere to the recommendations of provincial council suggests a weakness in the party structure. It suggests that the extra-parliamentary and parliamentary wings of the party are insufficiently integrated to allow for member input, let alone control, of the government's agenda.

Under traditional models of parliamentary representation this would not be problematic. Liberal-pluralists would suggest that party members still have a role in policy debates, and it is one without special status. Considering the nature and functions of the capitalist state, and also considering the existing, inequitable structure of representation, it makes political sense to empower supporters; not only to ensure that they support a common ideological program, but also because these rank and file members are needed to pursue further electoral success.

Party members continued to feel disillusioned with the government throughout its term in office. The issue of the Social Contract proved to be what was probably the most divisive internal debate for the party. Although non-union rank and file members were not as vehemently opposed to the Social Contract as unionists, there was a significant group of party members that voiced opposition. As the labour movement was divided over the issue, so was the party. Again, provincial council meetings were used to voice dissent. In

\textsuperscript{333} Hargrove Interview
June of 1993 the Social Contract was debated at provincial council, at which point both camps (for and against a legislated Social Contract) spoke. Despite a heated debate and impassioned appeals to the ideological underpinnings of the sanctity of collective bargaining, the government proceeded with its plan to legislate a solution to the impasse in negotiations. Considering the government’s, and especially the premier’s, concern for the fiscal problems of Ontario it is unlikely that protest at provincial council could have changed the eventual outcome. The problem is made more acute as control over policy was centralized in the hands of the premier and a few select advisors.

In some ways the apparent split at provincial council can be explained by the historical attitudes of NDP activists. Archer and Whitehorn have found that more than half (55.6 %) of New Democrats oppose the opening of collective agreements. Less than 40 percent of non-union members share this sentiment. The ONDP government could legitimately claim to be representing the party’s interests and policy choices. Through the Social Contract, the government could be seen as upholding social democratic principles in the management of the economy. Despite the fact that some within the party were being represented by the policy choice, the mechanism by which this policy was chosen did not involve input from rank and

334 Rae, From Protest to Power, pp 214-215

335 Archer and Whitehorn, Political Activists, p 58
file members. Nor were rank and file members empowered to alter the
details of the Social Contract. Also, the division within the party
caused by the Social Contract debate worked to the detriment of the
party's ability to mobilize support for other policies.

Once rank and file members concluded that existing party
structures were insufficient for affecting changes in policy, other,
less diplomatic, tactics were utilized. Dissidents within the party
joined with labour activists and, as Rae describes them, "the usual
gang of would be proletarian anarchists..." to publicly rally
against the government.336 Party meetings were disrupted by hecklers,
mass demonstrations arose and "the whole paraphernalia of popular
protest was brought to bear" against the government.337 Protest even
spilled over into the realm of the federal election campaign as
federal party leader Audrey McLaughlin was often confronted by anti-
Rae protests at NDP events.338 Such protest can be understood as a
type of exit from the party. With the knowledge that existing party
structures provided inadequate input, and a leadership that was
unresponsive, party members felt a need to act outside of the party
in order to voice displeasure, and attempt to humiliate the
government into reversing its course.

336 Rae, From Protest to Power, p 214. Rae suggests that the "would be proletarian
anarchists" were all too willing to demonstrate against any government, including a social
democratic one, regardless of the issue at hand.

337 Ibid, pp 212-213

338 Ian McLeod, Under Siege, p 104
Exit from the party was not limited to this type of protest. The Social Contract, and the existing body of policy reversals, led to a real exodus from the party and a decline in membership. After the Social Contract was implemented approximately five hundred people left the party, citing dissatisfaction with the government's record as the reason. Considering that this is the 'official' number, as confirmed by the party's provincial secretary\textsuperscript{339}, it is possible that the actual number is significantly higher. Still, the conservative estimate is telling of a dissatisfaction with the parliamentary party’s direction. It also suggests that a group of party members felt so impotent to affect change within the party that exit was the only method of registering disapproval. While this is generally an ineffective way of influencing policy (unless the exodus is so great that it threatens the viability of the party), it is a way for members to avoid legitimizing a process and outcomes that exclude them.

Also significant in terms of exit was Julie Davis' decision to step down as president of the provincial party and, to a lesser extent, Karen Haslam's resignation from cabinet. Although Davis did not give up her party membership, and her departure did not have the same impact as a mass exodus of rank and file members, her resignation signifies a rift between the government and the party executive. It suggests that the government was willing and capable

\textsuperscript{339} Robert Williams, "Ontario's Party Systems", p 136
of ignoring input from the executive. This is relevant in terms of rank and file interactions with the government because it is through the party executive and provincial council that members, in theory, are able to influence the party’s direction. Even if the executive and provincial council lived up to all of their potential (which they did not), the rank and file would still not have been empowered within the party. As such, the power of the rank and file to act as an agent of support for the party’s platform, and to act as a counter to existing pressures on the government, is negated.
Conclusions

Will There Ever Be A Rainbow?

So You Bought it all, the best your money could buy
And I watched you sell your soul for the bright shining lie
Where are the principles of the friend I thought I knew
I guess you let them fade from red to blue
Billy Bragg

The Social Contract will likely always be remembered as the most important event of the ONDP government. Any programs that the government delivered specifically for its core constituency are over-shadowed by the divisiveness caused by the legislated Social Contract. Many within the labour movement are still hesitant to trust the NDP despite a party resolution passed in 1996 to never again open collective agreements. Attempts by new leader Howard Hampton to reinforce this commitment are greeted with skepticism.

The division resulting from the Social Contract can be seen as a factor in the electoral defeat of the Rae government, and the resulting victory of the right-wing Conservative government of Mike Harris. Unless the NDP, and the left more broadly defined, learn some fundamental lessons from the experience of the Rae government, there is little hope for a socialist or social democratic revival

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340 Billy Bragg, "From Red To Blue", from the album *William Bloke*. Bragg's lament for a 'friend' (the British Labour Party) that has betrayed its values also seems to represent the sentiments of many NDP members.

341 Discussion of political strategy at various CUPE bodies (from the Ontario Division Convention in May 1998 to CUPE regional council meetings in St. Catharines) usually includes a discussion of the Social Contract, and a lack of trust in the NDP. Rarely are the pro-labour programs of the NDP mentioned, even by those who are pushing for renewed backing of the NDP.
in Ontario.

The lessons to be learned come from analysis of three areas; the nature of the capitalist state, the history of the NDP and the balance of class forces at a given time. To begin with, an examination of the role of the capitalist state in limiting governmental options is necessary. Constraints on governments stem primarily from economic imperatives. The various arms of the state apparatus play a role in holding governments to the functions of the state. Governments must fulfill the accumulation and legitimation functions in order to avoid economic and political crises. This does not mean that governments are in a position wherein there are no policy options. Room can be made for policy innovations in terms of both functions. If these policy options are to benefit the working class, and various social activist groups supportive of the NDP, there must be sufficient pressure placed on the government to make it too costly for the government not to implement such programs. This will be discussed in more detail in below in the section dealing with analysis of the balance of class forces.

Under normal circumstances the necessity of fulfilling the accumulation function puts distinct limits on the government's actions. In 1990 the objective conditions of the economy proved to tighten the range of policy options. The economic crisis limited the financial capacity of the government, making it more difficult
to fund the types of programs essential to a social democratic agenda. The recession limited the party’s ability to spend on social programs and it also impinged on the government’s ability to alter the tax system. This is made evident by the government’s refusal to implement the recommendations of the Fair Tax Commission. The insecurity of economic conditions made the government more timid and more receptive to arguments that changes to the tax system might make capital accumulation (and thus job creation) more difficult. The need to fulfill the accumulation function constrained government action, and the specific economic conditions of the time made the constraints tighter. Because the Social Contract was an attempt to deal with the fiscal crisis brought about by the recession, this can be seen as a direct cause of the government’s move to such a divisive, anti-social-democratic program.

The various arms of the state apparatus also helped constrain the actions of the government. Of the six arms of the state apparatus, two were examined as particular sources of constraint on the Rae government. The first was the bureaucracy. Although it cannot be said that the bureaucracy acted deliberately to undermine the success of the government, there was certainly animosity between senior civil servants and the government. This stemmed in

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342 As enumerated in Chapter One, the arms of the state apparatus include the government, the legislative assembly, the administration, the police and military, the judiciary and the other levels of government.
part from differing viewpoints on how the state should manage the economy and the existing social safety net. The bureaucracy had developed under forty-two years of Progressive Conservative rule and the five years of Liberal government did little to change the nature of the bureaucracy. As a body designed to promote continuity, the bureaucracy became a force for conservatism and was not immediately responsive to dramatic changes in policy objectives.

The federal government also placed specific constraints on the ability of the Ontario government to proceed independently of the federal accumulation strategy. Because monetary policy is the responsibility of the federal government, provincial governments do not have all of the necessary tools at their disposal to implement a Keynesian program. In the early 1990's the federal state was tied to a policy of high interest rates in a quest to fight inflation. High interest rates had a dual impact on the economy of Ontario. First, they discouraged investment in productive capital, worsening the job losses of the recession. This helped worsen the fiscal crisis of the Ontario state because it resulted in lower revenues and greater reliance on social programs. Second, high interest rates made deficit financing of social programs (an essential component of Keynesian economic strategy in economic downturns) far more expensive. The resulting fiscal crisis led the ONDP government towards austerity measures, of which the Social
Contract was the most drastic.

The second area to be studied is the history of the NDP. Through this analysis it can be seen that many of the problems of the party are of its own making. Traditionally, the NDP has followed a program of brokerage politics; a program that stresses ideological moderation rather than developing a long term program for social and political change. To this day, Bob Rae defends the idea that the party should move to the centre, where the voters are. Rae suggests that this is the only way that the party will ever form a government again\(^{343}\). What Rae neglects to acknowledge, though, is that the movement to the centre for electoral gains does not build support for a social democratic agenda or an agenda for change. By moving to the centre the NDP creates another liberal party, thus ensuring its irrelevance as a people’s party even if it does win office.

Historically, the party has tended to concentrate power in the hands of a self-perpetuating oligarchy. This has helped reinforce the trend to ideological moderation because the party oligarchy holds a tight grip on policy debate and formulation. Ostensibly party conventions are the supreme body of the party, but the party executive determines what resolutions will be debated at convention. Also, during party elections the party executive uses official slates to assure the victory of the 'appropriate'

\(^{343}\) Bob Rae speech "On the Three Questions", Brock University, March 25, 1999

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candidates. Rarely do those not on the slate win positions on the executive. The trend to oligarchy not only ensures a moderate policy program, but it also works to alienate rank and file members from the party, which detracts from the party's ability to act as a cohesive movement. In turn, this inhibits the type of counter-hegemonic project that is essential to building a class consciousness and support for an agenda for political, social and economic change.

Within the NDP the concentration of power has an odd twist. A division exists between the party executive/provincial council and the parliamentary party. NDP MPPs act independently, and sometimes in contradiction of the party establishment. Popular control over the legislative agenda of the party is virtually impossible as a result. The division works to the detriment of the development of a coherent social democratic agenda, and the development of a viable movement for change, as the parliamentary party has tended to act no differently from other parliamentary parties. As an opposition party, the NDP focused on embarrassing the government as opposed to articulating a different political vision.

In many ways this tendency toward brokerage politics and traditional party behaviour within the legislature is understandable. It is, after all, the path of least resistance. Such a strategy fits well with the general public's perceptions of
politics, both in terms of style and substance. Certainly the news media are complicit in the perpetuation of existing modes of politics. It would be difficult to gain the type of media attention necessary for a modern political campaign without reliance on traditional styles. If, however, the party is accepting the existing structures of political discourse, it is consigning itself to an irrelevant position. Unless it builds for a new style of politics, along with a new substance to politics, it can be nothing other than another liberal party, and that, it might be suggested, is something that the people of Ontario neither need nor want.

In taking the form and style of traditional parties, the NDP was ill-equipped to formulate a strategy for managing what little power it won in 1990. Not only was it in a weak position in its dealings with the other arms of the state apparatus, but it was incapable of mobilizing a movement against the existing power of capital. Because the party had focused exclusively on winning office, little attention was paid to developing a movement of support for the government when it actually won office. What organization did exist was not empowered to push the government toward a social democratic agenda. The government viewed any challenge to its direction as a threat to its power instead of an attempt to promote social democracy. Had the government allowed itself to be used as a tool for a broader movement, it might not

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have capitulated to capital so quickly and so completely.

The disorganization of the requisite movement speaks to problems with the third area of study, the analysis of class forces. The relative weakness of the labour movement in Canada makes it more difficult to organize a socialist project. Granted, there is greater working class organization in Canada than in the United States, but that is hardly the standard by which the working class organization should be judged. The position of the working class was made all the more tenuous by the trend toward free trade and economic globalization. Moreover, unemployment caused by the recession weakened labour's political power.

The NDP's actions in government did little to empower the labour movement. Although legislation was passed to make it easier to organize unions, labour was not given a privileged position within policy making circles. When proceeding with legislation, the NDP forced the labour movement to compete with business in lobbying for changes in policy. This unnecessarily depleted the resources of organized labour, and distanced it from the government, further complicating labour's political strategy. In trying to make the government more appealing to business, the NDP cut itself off from its own constituency. This fostered division between the party and its broader base of support. Despite the compromises made in an effort to gain its approval, capital never really accepted the NDP, or its policies, no matter how much the
government consulted with business.

Ultimately the division between the government and traditional NDP supporters, especially labour, was made most apparent in the Social Contract. After the Social Contract, contact between the government and its supporters was at an all time low. The breakdown in the left resulted in a humiliating defeat for the Rae government and the NDP was relegated to third party status in 1995. Before the election was called, labour had made some commitments to cut off support for the party. Also, the government was dogged by protests against the Social Contract along the campaign trail. Some within the party blame labour for its loss, and the subsequent electoral victory of the Tories. Labour activists counter that the government defeated itself by ignoring the concerns of its supporters. Either way, the left's political position in Ontario has been compromised as a result of this rift.

Oddly enough, the Harris Tories might provide an opportunity for the left to re-organize and develop a new strategy and a new program. The policies of the Harris government have made Ontario more divisive and polarized. They have given labour and social activist groups something against which they can rally.\(^{344}\) Whether

\(^{344}\) The Days of Action strategy employed by various left organizations has resulted in co-ordinated strategy, and an infrastructure for further organization. The NDP was largely kept out of the organization of these events, but it is possible that the party could work with the existing organizations in the future to work for a common goal; Marcella Munro, Ontario's Days of Action and Strategic Choices for the Left in Canada", *Studies in Political Economy*, 53, Summer 1997, pp 127-131
this leads to a long-lasting movement for social change remains to be seen.

The NDP's role in the reorganization of the left remains to be determined. Electoral action has its place in such a movement, but the NDP must be willing to act as an equal participant with other groups. Labour must also be willing to work with environmentalists and other social movements. A strategy must be developed with both short and long term goals. This strategy must include (1) an economic policy platform that challenges existing accumulation strategies and empowers workers without threatening the environment; (2) a plan for organizing mass support for changes that redistribute political, social and economic power; (3) a communications strategy that articulates the goals and methods of the movement. Until Ontario experiences an ideological shift to the left, however, it will be necessary to develop a communications strategy that does not rely exclusively on the existing mass media.

For its part, the NDP must develop a coherent plan for change. It must not compromise this for short term electoral gains, lest it weaken a long term strategy. At present there is the chance that the NDP will be able to mend its ties with labour, though this is not enough. History suggests that the party has traditionally been incapable of developing a new strategy and a new direction. Unless the trend can be reversed the NDP will become another liberal party and it will be necessary to create a new party of the left.
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