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Harper Sharpens Attacks on Liberals to Stem Slide (Update1)

By Theophilos Argitis and Alexandre Deslongchamps

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Oct. 10 (Bloomberg) -- Canadian Prime Minister [Stephen Harper](#) ramped up attacks on his main rival, [Stephane Dion](#), in a bid to shift voter attention away from financial turmoil and stop his party's slide in polls before elections on Oct. 14.

Harper and Finance Minister [Jim Flaherty](#) yesterday sought to reassure investors they're "doing everything" necessary to help the [economy](#) cope with a credit freeze,

after opposition parties said the Conservative Party government wasn't doing enough. Harper also said a Liberal Party proposal to tax greenhouse gas emissions would trigger a bigger crisis, and sought to capitalize on a bungled television [interview](#) by Dion to claim the Liberals don't have a plan to restore confidence.

That line of attack helped Harper take a commanding lead in polls early in the five-week [campaign](#), until a plunge in [stock markets](#) gave opposition parties a chance to attack his response to the global financial crisis. Harper has argued throughout the race that Liberal Leader [Dion's](#) tax plan is "insane" and "risky" and would undermine the economy.

In an Ipsos Reid poll published Sept. 2, most Canadians said they oppose Dion's [plan](#), which would place a levy on carbon-based fuels while cutting income taxes for individuals and corporations. Dion says the proposal, dubbed the "green shift," would leave government revenue unchanged.

'Prime Minister Dion'

The Ipsos poll came before support for Harper's party hit a campaign-low of 33 percent this week in a daily survey by Ottawa-based Nanos Research. The Liberals are now within 4 percentage points at 29 percent, after trailing by 15 points last month. The rolling poll of 1,200 voters has a margin of error of 2.8 percentage points.

Harper yesterday referred to his chief opponent as "Prime Minister Dion" at least three times, reminding his supporters that he believes Dion, if elected, would cause economic ruin.

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"The alternative is spending we can't afford, financed by a carbon tax that will drive us into a recession," Harper said. "That is what will happen if you get Prime Minister Dion."

Canada has the largest pool of oil reserves outside of the Middle East, most of it in the western province of Alberta's tar sands. Harper says the energy industry is crucial to Canada's economic health.

French-Speaker

Harper, speaking to reporters last night in Winnipeg, Manitoba, said a botched

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interview by Dion highlights how the Liberal leader "doesn't have a plan" for the economy. The interview, to an affiliate of Canada's CTV News, showed Dion unable to understand a question about how he would handle the crisis any differently than Harper if he were prime minister "now."

Dion, a French-speaker who is not fully fluent in English, struggled to grasp the question and asked the interviewer three times to restart the interview.

"If I would have been the prime minister 2 1/2 years ago?," Dion asked, referring to the start of Harper's current term. Then Dion began to answer the question before requesting a retake. Asked the same question again, Dion said: "Again, I don't understand the question."

Harper told reporters at a hastily arranged news conference that you don't get an opportunity for "do-overs" when you are managing a C\$1.5 trillion economy.

'Fear Advertising'

"It's a version of fear advertising -- if you vote for him something terrible will happen, therefore you should vote for me," said Lindsay Meredith, a professor of marketing at Simon Fraser University in Vancouver. "Fear advertising can sometimes work, but it's not foolproof."

Harper's Conservatives were 27 seats short of a majority in Canada's [308-seat Parliament](#) when elections were called on Sept. 7, meaning his government needed rival parties' support to pass laws and stay in office. At the time, Harper said he wanted a fresh mandate to get around legislative gridlock, though now he's fighting to keep his job.

"His timing is turning out to be immaculately bad," Meredith said. "The American meltdown has caused some real concern for the economy and he's kind of a do-nothing prime minister when Rome is burning."




Opposition parties yesterday kept attacking Harper on his economic management, with Dion, 53, telling reporters in Halifax, Nova Scotia, that it was "a little too late" for the government to introduce a new plan.

The Conservative leader, in turn, sought to dispel the notion he hasn't been active enough on the crisis, saying the government has a "series of options at its disposal" to stabilize markets.

The Canadian government today announced it would shore up the nation's banks by taking on some of their mortgages in a bid to ease soaring borrowing costs that have crippled lending. Flaherty said today in Ottawa the Canada Mortgage and Housing Corp., a government-run housing agency, will purchase as much as C\$25 billion in mortgages from the banks. The lenders will get cash, giving them more money to lend to consumers and businesses.

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