

Potential



news

Harper Halts Poll Slide as He Touts Bank Aid, Jobs, Dion Gaffe

By Theophilos Argitis

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Oct. 11 (Bloomberg) -- Canadian Prime Minister [Stephen Harper](#) reversed a slide in the polls heading into the final days before the Oct. 14 election, benefiting from a new plan to help struggling banks, a report of record job growth and a gaffe by Liberal rival [Stephane Dion](#).

Responding to Dion's criticism that he hadn't been aggressive enough in tackling the global credit crisis, Harper's Conservative government yesterday said it would buy C\$25 billion (\$22 billion) in mortgages from Canadian banks to ease high borrowing costs that have crippled lending.

Harper, 49, also slammed Dion for stumbling in response to a question on the economy, after the Liberal leader asked a television interviewer three times to clarify what he meant and then restarted the taped conversation. Harper ridiculed Dion, saying "do-overs" aren't allowed when managing Canada's C\$1.5 trillion economy.

"It seems to me things have begun to change" for Harper, said [Kathy Brock](#), a political scientist at Queen's University in Kingston, Ontario. "He's gotten back on track."

Polls show support for the Conservatives has steadied after a week-long slide, while Liberal gains have stalled.

The Conservative lead widened to six percentage points in a daily survey by Ottawa-based Nanos Research, even as the party stayed at a campaign-low 33 percent. The Liberals fell two percentage points to 27 percent. The poll of 1,200 voters has a margin of error of 2.8 percentage points.

Support Steady

The latest Harris-Decima poll for the Canadian Press newswire had Tory support firming at 34 percent and the Liberals falling back to 26 percent.

Typically, it takes 38 percent to 40 percent of the popular vote in Canada to win enough electoral districts to control Parliament without having to rely on other parties to pass laws. Harper's Conservatives held 127 seats in Canada's [308-seat Parliament](#) when elections were called on Sept. 7.

The poll numbers suggest Harper's efforts to dispel the notion he didn't appreciate the magnitude of the crisis have paid off. Harper contended that tax cuts and regulatory changes by his government helped the economy and banks escape the worst of the financial crisis. Statistics Canada yesterday reported the biggest monthly employment gain in at least 30 years.

Harper, whose spending and tax pledges amount to less than C\$9 billion over four years because he says the country can't afford "risky" policies, argues Dion's plan to tax energy consumption would put the world's eighth-largest economy into recession. Canada has the largest pool of oil reserves outside of the Middle East, most of it in Alberta's tar sands.



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`Advance' Action

``It shows we act in advance to deal with issues, we do not wait to the point we are in crisis," Harper told supporters yesterday in Brantford, Ontario, about 100 kilometers (62 miles) west of Toronto.

The C\$25 billion cash infusion for banks, aimed at ``getting in front" of the situation and ensuring the availability of credit, was part of a ``series of market measures" the government is taking, Harper said yesterday.

Canada's six biggest banks responded to the mortgage plan by cutting their prime lending rate, which they charge to their best customers.

Harper yesterday also hammered away at Dion over a bungled television [interview](#) to argue a Liberal election win wouldn't restore confidence in markets and the economy.

Interview Gaffe

Speaking with an affiliate of CTV News, the Liberal leader struggled to say how he would have handled the crisis any differently were he prime minister. A native French speaker, Dion isn't fully fluent in English and says he has a hearing impediment.

When he did answer the question, Dion repeated a plan he announced last week to seek advice from financial regulators and the Bank of Canada and implement measures that would stimulate growth within 30 days of taking power.

``He has no answer but a carbon tax and to say give me 30 days so I can come up with a plan," Harper said at the rally in Brantford.

Opposition parties have stepped up criticism of Harper in the past week over his perceived lack of response to the crisis, and in an interview with the Canadian Broadcasting Corp. yesterday, Dion said Harper's attacks are revealing.

``Harper's reaction shows again how this man has no class and no plan," Dion said.

The Dion interview may bolster Harper's argument that only he can steer the economy through rough patches.

``When you look at the other leaders, I don't see anyone who I can really trust to run the economy right now," said Godwin Fernandez, 63, an immigrant from Sri Lanka and a real estate broker in Toronto.

Still, Harper's party will win fewer districts than it held at the start of the campaign, largely because of his failure to broaden support in the French-speaking province of Quebec, said pollster [Nik Nanos](#).

``The best he can do is hold onto some type of minority government," Nanos said in an interview. ``In regards to the number of seats, it will be weaker."

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Last Updated: October 11, 2008 00:00 EDT

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