Crowned by big business

Paul Martin to be Canada's new prime minister

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Former finance minister and multimillionaire businessman Paul Martin will be sworn in as Canada's new prime minister December 12, replacing Jean Chrétien. At the same time Martin will unveil a new Liberal cabinet. In answer to corporate Canada's call for a major change in the government's course, Martin is expected to deny ministries to most of those serving in the current Chrétien cabinet. And to underscore his desire for much closer relations with the Bush administration, Martin may create a new cabinet post—minister for Canada-US relations.

Martin was officially chosen as leader of the ruling Liberal Party at the Liberals' November 13-16 leadership convention. But his ascension to the Liberal Party leadership and prime ministership was long a foregone conclusion. Indeed for months, the corporate media has been badgering Chrétien to hasten his previously announced February 2004 departure so as to make way for Martin.

Martin's only remaining serious rival for the Liberal leadership, Finance and Deputy Prime Minister John Manley, announced in mid-summer that he was quitting the leadership race because Martin was unstoppable. In September Martin won more than 90 percent of the delegates chosen in constituency party votes, making it mathematically impossible he would not emerge as the next Liberal leader.

Chrétien was himself essentially forced from office by a Martin-led mutiny in the summer of 2002, although the prime minister had sufficient leverage to delay his exit for another 16 months. Facing almost certain defeat in a leadership review vote slated for February 2003, Chrétien announced in August 2002 that he would not lead the Liberals into the next federal election and would retire in 18 months.

Media discussion of Martin's ultimately successful campaign to unseat and replace his long-time rival—he and Chrétien had contested for the Liberal Party leadership in 1990—has focussed almost exclusively on personal ambitions and grudges. Undoubtedly these have played a role. But if Martin proved successful in doing something never before done in Canadian national politics—unseat a sitting prime minister, one moreover who had won three successive majority governments—it was because the corporate media and big business as a whole gave him overwhelming and unabashed support. One measure of this support is the war chest Martin amassed for his leadership campaign—more than $11 million, or almost as much as the Liberals spent in the 2000 federal election.

What makes this all the more remarkable is that Chrétien has headed the most right-wing Canadian government since the Great Depression. Although first elected in 1993 by appealing to popular anger against the Tory government of Brian Mulroney, the Liberals immediately shelved their promises to focus on job creation, scrap the regressive Goods and Services Tax, and renegotiate the NAFTA pact to win better labor and environmental safeguards. Between 1995 and 1998, they imposed draconian public spending cuts that have ravaged health care and other essential public services and gutted the unemployment insurance program.

Then, on the even of the 2000 election, the Liberals announced a $100 billion, five-year program of tax cuts, the benefits of which have flowed almost exclusively to the most privileged and which has ensured that the state lacks the means to reinvest in social and public services. On a host of other issues,

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from threatening Quebec in the event of secession with partition to legislation limiting the rights of refugees, the Liberals have implemented the policy prescriptions of the neo-conservative Reform Party/Canadian Alliance.

Yet since the end of the 1990s Chrétien faced an increasingly hostile big business press. An MP for almost 40 years, Chrétien was derided for being too closely associated with the "tax and spend" and Canadian nationalist policies of the Trudeau Liberal governments of the 1960s and 1970s. In particular he has been pilloried for jeopardizing Canada-US relations by not being more supportive of the Bush administration in the so-called war against terrorism and for having presided over a serious decline in the strike capacity of Canada's armed forces.

In fact, since 9/11 Chrétien has repeatedly boosted military spending, ordered the biggest deployment of the Canadian Armed Forces (CAF) since the Korean War in support of the US invasion of Afghanistan, rushed through Parliament emergency anti-terrorism laws patterned after those adopted in the US, ordered a further major CAF deployment to Afghanistan to prop up the US-imposed Karzai regime, and backed US plans to withdraw from the anti-ballistic missile treaty and deploy an anti-nuclear missile shield.

Nonetheless Chrétien did run afoul of the Bush administration, especially for his decision to block formal Canadian participation in the illegal invasion of Iraq. In a scarcely veiled rebuke, Bush cancelled a planned May visit to Ottawa and made it known he would not meet with the head of Canada's government until Chrétien had retired.

To a certain extent big business's fixation on replacing Chrétien with Martin reflects its chagrin and disorientation at its failure to develop a strong popular constituency for an all-out assault on public heath care and the other remaining social conquests of the working class. In any event, Martin has proven the beneficiary.

The son of a prominent Liberal cabinet minister, Martin built a global shipping empire now estimated to be worth more than half a billion dollars. Then as Chrétien's finance minister for almost nine years he played a pivotal role in designing and implementing the Liberals' massive public spending and tax cuts. Both his record as finance minister and his business connections have served to solidify Martin's support from Canada's corporate elite, which views a change in the top personnel of government as a means to press for an intensification of the assault on the social position of the working class.

During the year and a half that Martin publicly campaigned to become Liberal Party leader he said virtually nothing about the substance of his policies, hiding behind the claim that were he to outline his program it could be construed as an attack on the government. However, on those few times he did go beyond platitudes about social justice and more inclusive government, he made clear he intends to move the government sharply to the right.

Thus last spring, shortly after Chrétien had said the lack of UN Security Council authorization made it impossible for Canada to join in the US war on Iraq, Martin, without publicly criticizing that decision, proclaimed that Canada must be ready to wage wars without UN approval. Similarly, without publicly attacking Chrétien, he has repeatedly said that repairing relations with the Bush administration will be among his foremost priorities and called for a sharp increase in Canada's military budget.

In September, two days after Chrétien had given a speech that suggested government spending be increased to answer social problems, Martin told the Montreal Board of Trade that his priorities are further reducing taxes and the federal debt, the commercialization of university research, and measures to encourage capital investment and promote cutting-edge industries.

Martin aides have promised that the new government will review all recent cabinet spending decisions and order every department to pare its budget.

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