

Budget vote leaves Canada's Liberal government hanging by a thread

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Canada's minority Liberal government escaped defeat in the House of Commons May 19 by the slimmest of margins, with the speaker forced to break a tied vote on a budget bill.

The subsequent scenes of a jubilant Prime Minister Paul Martin celebrating his government's victory with fellow Liberals notwithstanding, last Thursday's vote has not resolved or staunched the political crisis. The government continues to hang by a thread. Moreover, it, the official opposition Conservatives, and the Canadian bourgeoisie's political-party system have all been badly damaged by the Conservatives' campaign to use corruption allegations to topple the government.

The Conservatives were determined to force a June election, because they see recent revelations that Liberal officials and workers in Quebec filled their own pockets and party coffers with money siphoned off from a federal advertising program as providing them with their last, best hope of seizing power. By framing the next federal election as a referendum on corruption, the Conservatives intend to escape public debate of their right-wing platform and intimate ties to the Bush administration and religious right.

While much of big business was ready to support the Conservatives, even if it required their forging an anti-Liberal alliance with the pro-Quebec independence Bloc Québécois (BQ), the public proved increasingly hostile to the Conservative-power bid. Polls repeatedly showed the Conservatives with the support of no more than a third of the electorate. The failure of the Conservatives to generate more public support led several of their prominent press supporters to argue in the days immediately before the budget vote that it might be a blessing in disguise if the government survived.

Voting for the budget bill were: 131 sitting Liberal MPs, including Belinda Stronach, the former CEO of auto-parts giant Magna International who crossed the floor from the Conservatives just two days before the vote; the 19 MPs of the social-democratic New Democratic Party (NDP); an independent who was kicked out of the Liberal caucus for deriding Martin and George Bush; a Conservative who was re-elected as an independent after losing his party's nomination; and, last but not least, the speaker.

Voting to defeat the government were all 98 Conservative and 54 Bloc Québécois MPs.

The corporate media responded to the vote by calling on the Conservatives to accept the result and put off a further push to defeat the government at least until parliament reconvenes next September. An election some time between now and next February is, noted the newspaper editorialists, in any event, inevitable. (In an April 21 address to the nation Martin pledged to call an election within 30 days of a public inquiry into government corruption delivering its final report and that report is due before the end of the year.)

Whether the Conservatives, who are led by neo-conservative ideologue Stephen Harper, will heed the media's calls for them to stand down is far from clear. Influential establishment voices have repeatedly expressed

concern that Harper's scandal-mongering is undermining public confidence in the entire political establishment and serving only to boost the fortunes of the BQ and the cause of Quebec independence. But Harper continues to make Liberal corruption the Conservatives' principal point of attack. In his first remarks after last Thursday's vote, Harper painted the Liberal Party as a criminal enterprise—one moreover that in its lust for power has “fatally undermined its commitment to fiscal responsibility.”

According to CanWest News Service, Harper told his caucus that had the Conservatives succeeded in toppling the government they would have made the first plank of their party's election platform widening the mandate of Justice Gomery's corruption inquiry to include the power to recommend the laying of criminal charges and to investigate other federal advertising contracts, including some awarded by the Finance Ministry when headed by Paul Martin.

Should they choose, the Conservatives and BQ could mount more than half a dozen further attempts to defeat the government on an “issue of confidence” before parliament recesses for the summer in June.

A by-election victory Tuesday has made the Liberal's position in the House of Commons slightly less precarious. But given the narrowness of the budget vote and the volatility of the political situation, it is by no means assured the government will survive the coming month.

At root, Canada's political crisis has two principal causes. First and foremost, there is the ever-widening chasm between the reactionary political trajectory of big business and the needs and aspirations of working people. Because of the subservience of the official labour movement, that is the trade unions and the NDP, to the profit system, the popular frustration and dissatisfaction has not found a positive and coherent expression. But there have been signs of a political radicalization, including the mass antiwar demonstrations of early 2003 and this year's Quebec student strike. Ruling class spokesmen have been forced to concede that there is a deep-rooted and, in their view, dangerous popular alienation from establishment politics.

A second factor is the pressure Canada's ever-increasing economic integration with the US and the eruption of a new inter-imperialist struggle for markets, resources, sources of cheap labour and geo-political advantage is placing on the Canadian nation-state. The development of a “continental economy” is destabilising relations between the various regionally-based components of the Canadian bourgeoisie, even as the most powerful sections are seeking through the federal state to project their power onto the world stage.

Canada's ruling elite is dissatisfied with both of its principal political parties—a sentiment which was exemplified by the title the *Globe and Mail*, the traditional voice of Canada's banks and financial houses, gave to its lead editorial two days after the budget vote: “Harper and Martin are both on sufferance.”

In the view of corporate Canada neither party nor leader has yet demonstrated the capacity and willingness to mount the massive new assault on the social position of working class for which it has been

pressing through reports issued by the Canadian Council of Chief Executives, the Fraser Institute, and other lobby groups and think-tanks.

Whilst there are differences, in some cases not insignificant, over how to overcome popular resistance, there is a ruling class consensus on the need to dismantle what remains of the welfare state, further transfer wealth toward the most privileged sections of society and give Canadian capital greater “global reach.” Big business’ principal policy prescriptions include: slashing taxes on business and the well-to-do; gutting environmental and labour regulations; giving private-for-profit companies a far greater role in the provision of health care and making individuals and their families assume a greater portion of health care costs; reducing the proportion of state expenditure on “non-productive” Medicare and income support programs so as to increase that on public infrastructure and the development of a more “competitive” workforce; greatly expanding Canada’s military so as to increase its capacity to participate in colonial-style pacification and “stabilization” missions; and the forging of a still closer economic, military and geo-political bloc between Canada and the US.

Big business looked to Martin, to pursue this agenda and therefore supported him in his campaign to wrest the prime ministership and Liberal Party leadership from Jean Chrétien. After all, had not the multimillionaire shipping magnate implemented the biggest social spending cuts in Canadian history, then unveiled a five-year \$100 billion scheme of tax cuts, while serving as finance minister from 1993-2002?

But Canada corporate elite has become increasingly dissatisfied with Martin, accusing him of dithering and of failing to show leadership—that is of failing to defy public opinion—on such issues as Canadian participation in the US missile defence shield.

As for the Conservative Party—a new political formation born of the marriage, less than 18 months ago, of what remained of the Progressive Conservatives and the right-wing populist Canada Alliance—it has, in the view of important sections of big business, yet to demonstrate that it is a viable instrument for imposing wrenching, unpopular changes.

In regards to such issues as Canada-US relations and tax cuts, the Conservatives have spelled out policies that conform more closely with those demanded by big business. But important sections of the elite view Harper’s courting of the religious right to be problematic since it could become a lightning rod for opposition to a Conservative government. Even more importantly there is concern that a Conservative government, with its policy of ceding power to the provinces, will weaken the federal state, especially given Harper’s own long association with the demands of the West—i.e., the corporate and political elite of western Canada and especially oil-rich Alberta—for greater autonomy for the West and power in determining national policy.

Harper’s readiness to ally with the BQ in recent weeks and eagerness to sully the name of the Liberal Party—the Canadian bourgeoisie’s traditional governing party and the only one of its parties that can make a legitimate claim to being a national party—has raised further questions in ruling class circles as to his “judgement” and reliability.

Belinda Stronach is a political lightweight, who owes her political prominence to her father’s fortune and a fawning media. But when she condemned Harper’s strategy of allying with the BQ, she was voicing the reservations of many in the business circles she frequents.

Significantly, much of the editorial criticism of Harper and the Conservatives has been from the right. Both David Asper, the chairman and co-proprietor of the neo-conservative *National Post*, and the editorial board of the *Globe and Mail* have criticized the Conservatives for not more vigorously championing tax and public spending cuts. “There is plenty of room,” declared the *Globe*, “for a party of the center-right that will stand up for fiscal conservatism, competitiveness and the prosperity that pays for social programs.” But instead, Harper popped up “jack-in-the-box style ... to say ‘me too’ when Mr. Martin extended funding for

day care, the environment and the cities.”

The current political crisis is a harbinger of a rapid intensification of the class struggle. The great danger is that while the ruling class is striving to fashion a political instrument to shred what remains of the social conquests of the working class, the organizations that purport to speak for working people are doing their utmost to tie them to the existing social-political order.

At the insistence of the Canadian Labour Congress (CLC), the NDP has forged a parliamentary alliance with the Liberals. Thus the social democrats are now propping up a government that during its twelve years in office has implemented systematically, although in piece-meal fashion, the socio-economic policies and many other planks of the Reform/Canadian Alliance and Conservative platforms.

The NDP has itself played a major role in the assault on the working class, carrying out major social spending cuts and other fiscal austerity measures in those provinces where it has formed the government in the past 15 years.

Just how far right the NDP has moved was well-illustrated by the campaign it mounted in this month’s British Columbia provincial election. NDP leader Carole James criticized the union-baiting, budget-slashing, and tax-cutting Liberal government of Gordon Campbell for being “too confrontational,” but said an NDP regime would leave most of its “reforms” intact. To further appeal to big business, James criticized every previous NDP government in British Columbia for being fiscally irresponsible and biased in favor of the unions.

While the CLC and federal NDP have aligned with the Martin Liberal government, the unions in Quebec are promoting the BQ and its sister party at the provincial level, the Parti Québécois (PQ). When last in power, the PQ carried out socio-economic policies that closely paralleled those of their federalist opponents, Martin and Chrétien.

Through their support for the BQ-PQ, the Quebec unions are providing assistance to the drive of the Conservatives to topple the Liberals and bring to power a government modelled after the Bush administration.

Because the labor bureaucracy has suppressed the class struggle and split the working class, big business and its governments have succeeded time and again over the last quarter century in imposing policies bitterly opposed by the majority of the population. To prevent a new round of debilitating reversals, working people must adopt a new perspective, one that challenges the subordination of social needs to the profits of big business and consciously strives to unite the struggles of workers across Canada with those of workers in the US and around the world.



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