Canada: Social democrats withdraw support for Liberal government

Keith Jones
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Canada's social democrats announced last week that they are withdrawing their parliamentary support for the minority federal Liberal government of Paul Martin, ending a six-month de facto coalition.

The New Democratic Party's action will in all likelihood result in the date for the next federal election being brought forward, but by at most only three to four months. Last April, after a public inquiry had heard testimony implicating Liberal Party officials in financial improprieties and violations of election financing laws, Prime Minister Martin pledged before a national television audience that he that would call a federal election within 30 days of inquiry commissioner Justice John Gomery tabling his final report. Justice Gomery is slated to deliver his second and final report February 1, 2006.

The other opposition parties—the Conservatives and the pro-*indépendantiste* Bloc Québécois—want to precipitate an early election, because they believe the earlier Canadians go to the polls, the easier it will be for them to frame the election as a referendum on government corruption.

They are hoping to take advantage of the public anger and media furor generated by the first of Gomery's two reports. In his first report, which was made public November 1, Gomery laid out what he had concluded from his investigation of the federal sponsorship program—a program that ostensibly was set up to promote the image of the federal government in Quebec, but saw Liberal-friendly advertising firms make millions for doing little or no work and which became an illegal source of funds for the Quebec wing of the federal Liberal Party. (Gomery's second report is to make recommendations as to how the federal government can better manage its programs so as to ensure that public money is neither wasted nor stolen in the future.)

In his "fact-finding" first report, Gomery said acts of "omission" by Martin's predecessor as Liberal Prime Minster, Jean Chrétien, and by Chrétien's chief of staff, Jean Pelletier, allowed ad companies to profiteer from the sponsorship program and for it to become a slush fund for the Quebec branch of the federal Liberal Party (LPCQ.) And he further held that "the LPCQ as an institution cannot escape responsibility for the misconduct of its officers and representatives."

But even as he castigated Chrétien, former Public Works Minster Alfonso Gagliano and the LPCQ, Gomery went to great lengths to protect the reputations of Paul Martin and his ministers. Not only did Gomery say that he had found no evidence that Martin or any of his ministers knew of any improprieties surrounding the sponsorship program; he declared that "there is no basis for attributing blame or responsibility for the maladministration" of the program to them. They deserve, therefore, to be "exonerated from any blame."

Gomery's anxiety to protect the Martin government from the fallout of the sponsorship scandal is rooted in fears, prevalent in ruling class circles, that the scandal has gravely weakened the Liberals—the only establishment party that can claim significant support in all parts of the country—in its battle with the BQ and the BQ's sister party, the Parti Québécois.

Needless to say, the Conservatives and BQ have focused on those parts of Gomery's report that can be construed as supporting their claim that the Liberal Party is a cesspool of corruption, if not a criminal organization. As for Gomery's exoneration of Martin, they dismiss it, declaring that the government has lost "the moral authority" to govern.

If the Conservatives are so determined to make "ethics in government" the key issue in the coming election campaign, it is because they know that a substantial majority of the Canadian population is hostile to their explicit pro-big business and social conservative agenda.

As for the BQ, it is anxious to deliver a crushing blow to the Liberals, its chief electoral rival. (According to opinion polls, the BQ is poised to win virtually every electoral rising in Quebec that has a francophone-majority.) Although the BQ professes to be equally opposed to the Conservatives and Liberals, it is common knowledge that the *indépendantistes* would like to see the Conservatives unseat the Liberals in Ottawa and this for two reasons: The Conservatives favor a redivision of federal-provincial powers in favor of the provinces, seeing this as a way of further eroding public and social services, and the BQ and PQ hope thereby to win greater powers for Quebec's provincial government; it would be easier for the BQ-PQ to portray the federal government as alien to the interests of Quebecers if it was in the hands of a party without representation from Quebec.

And what of the NDP? Like social-democratic parties around the world, the NDP has moved sharply to the right over the past two decades and participated in the big business assault on public and social services and worker-rights. Six months ago, it came to the rescue of the eleven-and-a-half year-old Chrétien-Martin Liberal government—a government that in terms of social policy has been the most reactionary federal government since the Great

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Depression, that has attacked fundamental democratic rights in the name of fighting terrorism, and that has embarked on a major military build-up so that the Canadian ruling class can aggressively pursue its global interests. In exchange for the Martin government shelving a corporate tax cut, not due to take effect for several years, and announcing some modest increases in social spending, the NDP assisted the Liberals in fending off a Conservative-BQ attempt to force an election last spring.

Now the NDP is conniving with the Conservatives and BQ. On Sunday, the leaders of the three parties were to meet to discuss working together to bring down the government. One problem for the opposition has been the proximity of the Christmas holidays. If the government was to lose a non-confidence vote in the coming weeks, the election or much of the campaign would fall during the holiday season. But for the Conservatives and the BQ the bigger concern is ensuring that the government is defeated on a non-confidence motion that focuses on the question of corruption, so as to lay the foundation for their respective election campaigns.

The social democrats have been divided over whether to continue backing the Liberals or instead ally with the Conservatives and BQ. Both Canadian Labour Congress President Ken Georgetti and Canadian Auto Workers President Buzz Hargrove urged the NDP to continue supporting the Liberals, so as to prevent the Conservatives from coming to power.

This of course has been the argument the Liberals—the traditional governing party of the Canadian bourgeoisie—have long used to gain power and impose the agenda of big business. Although the Liberals have implemented the greatest social spending cuts in Canadian history and in 2000 instituted a five-year $100 billion program of tax-cuts that was hailed even by the neo-conservative *National Post*, they have with the assistance of the unions and social-democrats won election and re-election by portraying themselves as a "progressive" alternative to the Mulroney Tories, Preston Manning's Reform Party and Canadian Alliance and in 2004, the newly-minted Conservative Party.

The majority of the NDP's parliamentary caucus however decided to break their alliance with the Liberals, after Martin made clear that he was not prepared to cede to their demands that his government limit, in anyway, the impact of last June's Supreme Court decision attacking the country's universal public health care system (Medicare.)

Both the NDP and Liberals pose as defenders of Medicare. But it was the massive health care spending cuts made by the Chrétien-Martin Liberal government and by provincial governments—including the NDP governments that govern or have governed Ontario, Saskatchewan, Manitoba and BC—since the early 1990s that have undermined Medicare. This has created the conditions for the right-wing to argue for a "human right" to purchase private health care, thereby opening the floodgates to a two-tier system in which the well-to-do have access to the best health care money can buy and working people are reliant on a shrunken, dilapidated public system.

Two fears lie behind the NDP's decision to join forces with the Conservatives and BQ: fears they will be labeled as soft on corruption and, even more importantly, that many NDP or potential NDP voters will vote Liberal to prevent a Conservative victory in the coming election unless the NDP temporarily repositions itself and becomes more critical of the Martin Liberals.

The Liberal government, meanwhile, has responded to the threat of an imminent election, by rushing to demonstrate to big business, that it remains the best vehicle for imposing its agenda. Martin and his Finance Minister Ralph Goodale have transformed the government's annual fall economic update into a mini-budget.

From all reports, the mini-budget, which is to be presented tomorrow, will include significant corporate tax cuts, personal income tax cuts, and a pledge to speed up the paying off of the national debt—all measures meant to reassure big business that the Liberals are heeding their calls to contain "run-away" federal spending. In conjunction with the mini-budget, Goodale will table a paper on "protecting and enhancing Canada's prosperity" that is to outline a "growth agenda." While the report will not contain specific policy pronouncements, it is expected to argue for tax cuts, deregulation, a shift of government spending from income-support to infrastructure and training, and for private-public partnerships in the provision of public services, so as to lay the basis for the imposition of such policies in the future.

Government officials have likened the "growth agenda" or "prosperity" paper to the Liberals' October 1994 *Purple Book*, which argued that the annual federal budget deficit and mounting national debt threatened Canada's economic future. A few months after the *Purple Book* was made public, the then finance minister, Paul Martin, delivered a budget that proclaimed eliminating the deficit the government's principal objective and imposed a massive reduction in social spending, including sweeping cuts to unemployment insurance and the transfers Ottawa makes to the provinces for health care, welfare and post-secondary education.

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