

The Royal Canadian Mounted Police's "inexplicable" intervention into Canada's election campaign

A warning to the working class

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Media commentators agree: the Royal Canadian Mounted Police's announcement that it is conducting a criminal investigation into the possible leaking of a Liberal government decision on the taxation of investment income has had a major impact on the campaign for the January 23rd federal election.

Writing the day after the Royal Canadian Mounted Police (RCMP) confirmed that it is conducting an investigation into allegations of insider stock market-trading surrounding Finance Minister Ralph Goodale's November 23 tax announcement, John Ibbitson, a pro-Conservative *Globe and Mail* columnist, gushed that the police probe could "cost the Liberals this election." According to Andrew Coyne of the right-wing *National Post*, the RCMP announcement was a "bombshell." Susan Delacourt, author of a flattering biography of Liberal Prime Minister Paul Martin, has said that the RCMP announcement has so altered the dynamics of the campaign, Canada's national police have emerged as a "fourth" Liberal "political opponent," alongside the Conservatives, Bloc Quebecois and New Democratic Party.

The opposition parties seized on the RCMP's December 28 criminal investigation announcement, touting it as further proof of their claims that the 12-year-old Liberal government is mired in corruption. They have demanded that Goodale, arguably the second most important Liberal minister, step down pending the outcome of the police investigation.

For two years, the Conservatives have made the sponsorship scandal—the looting of a federal government program by Liberal-friendly advertising firms and their provision of kickbacks to the Quebec-wing of the federal Liberal Party—the axis of their opposition to the government. Their aim in this has been to escape scrutiny of their neo-conservative program and close ties to the US Republican right and thereby bamboozle their way to power.

As would be expected, the Conservatives have made the RCMP announcement new fodder for this campaign. Conservative leader Stephen Harper proclaimed the as of yet unproven allegations of insider-trading part of "an ongoing pattern of scandal and corruption" and reference to the scandal was soon incorporated into the Conservatives' television ad campaign. In a January 2 speech, Harper proclaimed that the first priority of a Conservative government would be passage of a Federal Accountability Act that will purportedly ensure ethical, corruption-free government.

The Conservatives, however, have let the social-democratic NDP take the lead in trumpeting the charges of possible illegalities surrounding Goodale's November 23 announcement. This is because corporate Canada is none too anxious for light to be shed on the events surrounding the Liberals' decision to maintain the tax-free status of income-trusts and

lower the taxation rate on stock-dividend income—and not just because if anyone profited from insider information about Goodale's announcement it was almost certainly large institutional investors, such as the brokerage firms of the country's six major banks.

Any serious look at the Liberal government's decision would expose how corporate Canada dictates policy to the government and how the various political parties vie with each other in trying to please big business. According to economic affairs columnist Eric Reguly, Bay Street "was drunk on income trust brew, ensuring that any effort to tame the trusts"—that is to tax them like other corporations—"would be met by a formidable political backlash."

The NDP, for its part, has placed the criminal investigation into the income trust affair at the very center of its campaign, with party leader Jack Layton leading the calls for Goodale to resign and the party's campaign headquarters issuing a stream of related news releases. By so doing, the social democrats, who propped up the Liberals in parliament for half-a-year, hope to counter Liberal attempts to woo potential NDP voters and Conservative attempts to paint the NDP as soft on Liberal corruption.

This has nothing to do with a principled, working-class opposition to the major parties of Canadian big business. Obscured by the NDP's campaign over whether "well-connected Liberal friends" financially benefited from prior notice of Goodale's announcement is what Goodale's decision to implement corporate Canada's solution to the income trust issue reveals about the evolution of Canada's fiscal and social policies and the state of class relations.

Indeed, the NDP has been so anxious to take up the cudgels for "ordinary investors," it has not even spelled out with clarity or consistency whether it opposes the substance of Goodale's decision: to maintain the tax-free status of income trusts—a financial vehicle which has grown to represent more than 10 percent of the total value of all shares trades on the Toronto Stock Exchange because it enables companies to escape all income tax—and to "level the playing field" for investors in traditionally-structured companies by slashing the taxation rate on their dividend income.

The NDP's decision to make corruption allegations the focus of its opposition to Goodale's November 23 announcement arises from the fact that the social-democrats' relations with big business are not fundamentally different from those of the Liberals and Conservatives. Where the NDP has held power at the provincial level, most importantly in Ontario and British Columbia, it has implemented massive public spending cuts and suppressed worker rights to win investors' favor. The social democrats and their allies in the trade union officialdom have insisted time and again over the past two decades that workers accept job

cuts and concessions so as to boost corporate “competitiveness,” i.e., profits.

As is generally the case, opportunism goes hand-in-hand with criminal political shortsightedness. While there certainly are legitimate questions—questions worthy of investigation—concerning the November 23 stock market surge, the NDP leaders have not paused to consider whether in raising a hue and cry over corruption they are serving as dupes for an RCMP dirty-tricks operation aimed at lending legitimacy to the Conservatives’ attempt to stampede the electorate by framing the ballot-choice as a referendum on corruption.

Under any circumstances, a mid-election campaign announcement from the RCMP of a criminal investigation with potential political ramifications would have been unprecedented. All the more so under conditions where the principal opposition party has proclaimed government corruption to be the overriding issue.

Just how unprecedented is made clear in a column by Jeffrey Simpson in Friday’s *Globe and Mail*. The national affairs columnist for the country’s most politically influential newspaper for more than two decades, Simpson has innumerable contacts and connections with senior politicians and government officials and members of the police and judiciary.

“You don’t,” writes Simpson, “have to be a shill for the Liberals to ask what the heck the Mounties [RCMP] thought they were doing in announcing a criminal investigation during an election campaign.

“... What the RCMP did was inexplicable and quite wrong. Informed friends who know about RCMP practices are baffled. They’ve never seen anything like it before.”

Simpson adds that “normal RCMP practice, according to those familiar with such matters, would have been to acknowledge receipt of” a November 28 letter from NDP MP Judy Wasylycia-Leis asking for a police inquiry into the events surrounding the large spike in the volume of trading and value of Toronto Stock Exchange shares in the hours preceding Goodale’s Nov. 23 announcement. Then the RCMP should have determined whether there was sufficient reason to warrant an investigation and if it did, launch one, but “without informing the world.” Instead, writes Simpson “the Mounties put themselves smack in the middle of an election campaign, which is where they should not be.”

In the face of such criticism, the RCMP has sought to justify its actions by pointing out that it was the NDP, not the force, that informed the press that the RCMP had launched a criminal investigation. But this attempt to pass off the RCMP’s conduct as routine cannot pass muster. If the NDP was in a position to make public that Canada’s national police had launched a criminal investigation into possible insider trading surrounding the Liberal government’s announcement of changes to the taxation of dividends and income trusts, it was because the head of the RCMP—Commissioner Guiliano Zaccardelli—took the extraordinary step of writing to Wasylycia-Leis to tell her that “the RCMP will be commencing a criminal investigation.”

Zaccardelli could not have expected that Wasylycia-Leis would not make the police investigation public. Nor did he ask her to keep it private.

Zaccardelli’s involvement underscores that the decision to make public the criminal investigation into the insider-trading allegations was made at the highest levels of the force—by those who presumably would be most aware of the political impact of such an announcement.

While Jeffrey Simpson terms this conduct “inexplicable,” it can be readily explained: the RCMP’s top brass is seeking to influence the results of the January 23 election.

The Liberal government of Jean Chretien and Paul Martin has been the most right-wing federal government since the Great Depression. In addition to imposing massive social spending cuts and rewarding the rich and corporate Canada with massive tax cuts, it has responded to the emergence of the Bush administration and its “war on terrorism” by launching a major expansion and rearmament of the Canadian Armed

Forces, massively hiking the budgets of the RCMP and Canadian Security Intelligence Service (CSIS) and giving them sweeping new powers that in many cases overturn long-established judicial principles.

Nevertheless, there is a long history of bad blood between the RCMP and the government, with elements in both the RCMP and CSIS insinuating that the Liberals are soft on crime and terrorism. The Conservatives meanwhile have ingratiated themselves with the police, CSIS and the military, by championing their demands for increased budgets and powers. The pro-Conservative *National Post* has repeatedly served as a conduit for leaks by members of Canada’s national police and intelligence service complaining about various government decisions and policies.

It is well-known that the RCMP top brass believed that the Liberal government failed to shield the force from complaints that it manhandled protesters at the 1997 APEC summit in Vancouver, although the order to clear the protesters arguably came from Prime Minister Chretien’s top aides.

Much more significant is the controversy surrounding the RCMP’s role in the US government’s seizure of Maher Arar, a Syrian-born Canadian citizen who was falsely fingered by Canada’s security forces as a terrorist suspect, then rendered by the CIA to Syria, where he was brutally tortured. To the consternation of CSIS and the RCMP, the Martin government called a public inquiry into the Arar affair. Undoubtedly the public outcry over the treatment of Arar was a major factor in Martin’s decision, made shortly after he became prime minister and with an election in the offing, to order a public inquiry. But it is also likely, the government was angered by the failure of either CSIS or the RCMP to fully disclose to their civilian political masters their respective roles in the Arar affair.

The RCMP’s intervention in the 2006 elections must serve as a warning to the working class. Under conditions of intensifying social inequality and the increasing reliance of the bourgeoisie on the repressive powers of the state to suppress strikes and other forms of opposition, the men in uniform are taking courage from their increasing importance and challenging the norms that have traditionally upheld their subordination to the elected government.

No less significant is the relative silence of the press about the RCMP’s intervention in the election campaign—a silence that signals not only the readiness of much of Canada’s corporate elite to use an RCMP dirty-trick to help bring to power a Conservative government, but even more fundamentally their indifference, if not hostility, to key tenets of bourgeois democracy.

The struggle to defend democratic rights is inseparable from the development of an independent political movement of the working class against the big business assault on public and social services, wages and working conditions, and worker rights.



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