Britain: Prospect of hung parliament raises fear of "Canadian" scenario

Julie Hyland 4 December 2009

Opinion polls forecasting a hung parliament as the outcome of the General Election due by June next year have provoked a debate as to its constitutional implications.

On Tuesday, a ComRes poll for the *Independent* put the Conservatives on 37 percent (down three points on last month), Labour on 27 percent and the Liberal Democrats on 20 percent. A previous Ipsos MORI survey for the *Observer* had put the Tories on 37 percent, Labour on 31 percent and the Liberal Democrats on 17 percent. Under Britain's first-past-the-post electoral system, either of these results would leave the Tories short of an overall majority.

The polls are a political upset. With Labour implicated in the worst economic crisis for more than seven decades, and severely politically compromised by its support for wars of aggression in Iraq and Afghanistan, the ruling elite counted on the Tories under David Cameron being the automatic beneficiaries.

For months, commentators had predicated a Tory landslide—a prospect which they regarded as even more certain once media mogul Rupert Murdoch transferred his support to Cameron. In the meantime, the Tory leader has sought to reassure the financial markets that he is the man able to recoup the billions handed over to the banks in various fiscal stimulus programmes through drastic cuts in public spending of up to 20 percent. *Bloomsburg* reported that the Tories had raised £6.6 million in donations in the third quarter—more than double that raised by Labour—a significant portion of which had come from hedge fund managers and investors attracted by Cameron's pledges.

But the latest polls show that while Labour's fortunes continue to wane, voters are also turning away from the Tories, whose support has fallen as well over the last months. This has led to warnings about the danger for Britain's economic stability should the general election result in no clear winner. The Tory business spokesman, Kenneth Clarke, said, "I do think that in the middle of an acute national crisis a hung parliament would be one of the biggest disasters we could suffer ... that would be a bigger danger than a Labour victory."

Financial Writings, David Othdey that previously UK investors had been "reasonably sanguine" about a general election outcome, assuming "the Conservative party would win comfortably, introduce an emergency budget and take the necessary measures to tackle the dangerously high levels of public debt."

Predictions of a hung parliament had challenged this assumption, as it would make it much "harder to reach the necessary political consensus to push through the tough measures needed to reduce the debt mountain, while at the same time preventing a new economic slump."

With net debt as a percentage of GDP expected to rise to 65 percent next fiscal year, the markets were "rattled," he said. "[S]ome bond investors are already positioning themselves for a sell-off in gilts and sterling. One fund manager told me this week that he had just bought UK credit default swaps, which protects his fund against a possible default on UK debt," Oakley continued, noting that the cost of insuring UK debt has risen by £20,000 since the start of the month, to £70,000 a year for every £10 million of debt.

A run on sterling was made more possible by a hung parliament, he suggested, as it would increase the likelihood of the UK being downgraded by leading rating agencies who "are all waiting for the election result before making any decisions."

"Any downgrade could prompt a run on the pound and lead to a rise in gilt yields, prompting a vicious circle of rising interest costs and increasing debt levels. Forget talk of a V-shaped or W-shaped recovery, and forget talk of a further stock market rally. At that point, all bets would be off."

Under these conditions, a number of political commentators are demanding that ruling circles turn their attention now towards the implications of a hung parliament.

In Britain, the government is formed by the party most able to command the confidence of parliament, which is not necessarily the party with the most votes or seats. Of particular concern is that failure to agree between the parties in the event of a hung parliament could precipitate a constitutional crisis, in which the monarch would be called upon to act as arbiter.

The ramifications of such a scenario could threaten the monarchy itself, David Finkelstein warned in the *Times*. Writing that the UK was far closer to such a crisis than many imagined, he described a situation in which a Conservative minority government called on the Queen to intervene and suspend Parliament so as to avoid a vote of noconfidence by its opponents. Immediately, there would be allegations of an "attempted coup d'état," he said, and protest rallies.

This was not a "thought experiment," on his part, he continued, but "a description, every word of it, of the constitutional crisis that hit Canada a year ago this week."

Canada's federal elections in November 2008 took place just months after a series of major banking collapses globally, signalling the onset of global recession. A minority Conservative administration took power, elected by less than one in five voters. Within weeks, however, differences as to the best measures to deal with the financial crisis saw the opposition parties agree to force a no-confidence vote that would have brought down the Conservative administration.

Under Canada's constitutional monarchy, based on the British system, Queen Elizabeth II's representative, the Governor-General, wields virtually unlimited "reserve" powers, although it almost always is legally required to follow the "advice" of the prime minister.

"Through this archaic mechanism," the *World Socialist Web Site* wrote, "the Canadian ruling class has given itself a means of short-circuiting parliamentary democracy in a period of acute crisis." In this instance, Tory Prime Minister Stephen Harper asked Governor-General Michaëlle Jean to suspend parliament, and she obliged.

Never before in Canada, or any other country following the British parliamentary pattern, had a government prorogued parliament for the purpose of avoiding a noconfidence vote. However, in Australia in 1975, the Labour government of Gough Whitlam was sacked by Governor General John Kerr when the bourgeoisie became concerned it was unable to deal with growing working class militancy.

The Tory move amounted to a constitutional coup aimed at preventing the opposition parties from exercising their right to form a government. It established a reactionary precedent that could be invoked against working people in future political crises.

Finkelstein is not concerned with such matters. Ultimately, he suggests, the Canadian crisis was overcome, even if this was primarily due to the complete absence of any serious opposition. "[D]uring the suspension, the opposition coalition fell apart," he wrote. "The Liberals deposed their leader and then agreed to an amended finance Bill.... The

Harper Government sailed on."

It was, however, "a nasty episode" for the monarchy which had "been pitched directly into a political battle."

Finkelstein is concerned that a repeat in Britain "could rock the throne." The problem, he complains, is that rules surrounding such a crisis are "shrouded in mystery." "[W]ho is going to act, now, while it is all still hypothetical?" to ensure the Queen does not become embroiled in such a situation. "The Speaker? Buckingham Palace? The Cabinet Secretary? Somebody, somewhere, do something."

Phillip Johnston, writing in the *Telegraph*, also expressed the hope that "politicians can reach some sort of agreement among themselves" before the UK was plunged into a "constitutional quagmire."

"Whoever it is would have to pick their way very carefully through a political minefield, trying to keep the Monarch out of making any decision that could be seen as *parti pris* in any way," he wrote.

The *New Statesman* went further—proposing its own strategy in the case of a hung parliament. Under the heading, "Towards a progressive consensus," it suggested an alliance between Labour and the Liberals, who would agree to share power for two years before calling fresh elections, giving them time to make "British democracy fit for the 21st century."

Unfortunately for the *New Statesman*, Liberal Democrat leader Nick Clegg has appeared to rule out an alliance with a minority Labour administration. "The party which has the strongest mandate from the British people will have the first right to seek to govern," he said—indicating that he is more inclined to make a deal with a minority Tory administration.

Given the widespread disaffection with both Labour and the Conservatives, either scenario would be regarded by many as tantamount to a putsch. In the final analysis, the prospect of a hung parliament and its constitutional implications signify the breakdown of the traditional bourgeois-democratic set-up under conditions of economic crisis and growing social tensions.



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