

# Canada's Conservative government sideswiped by Senate expenses scandal

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The latest attempt of Canada's Conservative government to extricate itself from a scandal surrounding the lavish, padded and most likely criminally-fraudulent expense claims of three Senators has backfired. Instead, it has provided fresh evidence that Prime Minister Stephen Harper and his government have repeatedly dissembled and lied about the affair and that their overriding concern is to cover it up.

The scandal revolves around three Conservative Senators—all appointed to the unelected upper chamber of Canada's parliament by Harper and given high profile roles by him. Media personalities Mike Duffy and Pamela Wallin were given their Senate sinecures (\$132,200 per annum plus expenses) in exchange for helping Conservative fund-raising efforts. Aboriginal leader Patrick Brazeau was tasked with shouting down critics of the government's callous cuts to funding for native people and its championing of “market-based solutions” to the chronic poverty that plagues most native communities.

Earlier this year, the three were shown to have made numerous dubious and outright duplicitous expense claims. These include: claiming an allowance for maintaining their primary residence in their home province, when in fact they were living in the Ottawa-Gatineau national capital region; making travel and other expense claims when not on Senate business; and, in Duffy's case, making “double dip” claims, so as to obtain payment from the government and a private organization for the same expense.

After detailed audits revealed their systematic misuse of their expense privileges, Wallin repaid \$120,000, which represented only a portion of her contested expenses, while Duffy paid back \$90,000 in housing and other expense claims using money that was secretly gifted him by Harper's then chief of staff. Brazeau brazenly refused to meet a deadline to pay back almost \$50,000 in unwarranted expenses. As a result, his Senate salary is now being garnisheed.

A fourth Senator, the Liberal Mac Harb, resigned in August after being found to have misrepresented his primary residence so as to collect the housing allowance and making

numerous questionable travel expense claims.

The Conservatives have gone to extraordinary lengths to cover up and contain the Senate expense scandal.

A Tory-dominated Senate committee, working in collaboration with the Prime Minister's Office, doctored a report so as to excuse and minimize Duffy's misuse of his expense privileges.

Even more damningly, Nigel Wright, Harper's principal secretary, wrote a personal cheque to Duffy for more than \$90,000 on the stipulation that he use the money to repay the Senate. In the weeks that followed, the Conservatives acclaimed Duffy as an honourable man who had reached into his own pocket to clear up a controversy over expense claims he had made in “good faith” but that were ultimately deemed ineligible because he had misunderstood the rules.

When it became public knowledge last May that Wright had bailed out Duffy, Harper initially defended him, while maintaining that neither he nor any other member of his staff or of the Conservative Party had any idea that Duffy had not himself repaid the \$90,000.

However, this position quickly became politically untenable and for a host of reasons.

First off, Wright's readiness and ability to help a prominent Conservative caught gorging at the public trough could only grate and anger ordinary Canadians who must struggle to make ends meet.

It also shed unwanted light on the Conservatives' intimate ties to big business. If Wright was in a position to gift a delinquent Conservative senator with whom had no more than a passing acquaintance, a sum far larger than the annual income of most Canadians, it was because he had made millions working as a corporate lawyer, most recently for Onex, one of Canada's largest venture capital companies. In late 2010, Onex agreed, as it was described in the press at the time, to “loan” Wright to Harper, allowing the Onex executive to thereby assume what is arguably the second most powerful post in the government.

A third reason, Harper ultimately was compelled to accept Wright's resignation was that his secret gift to Duffy had the

stench of criminality about it. It is illegal to purchase a senator's vote or otherwise give him money to influence his actions—in this case to get Duffy to return money he was determined to keep, on the self-serving and frankly far-fetched claim that he didn't know he was playing fast and loose with the Senate rules.

While forced to jettison Wright, Harper stuck to his claim his top aide had acted alone and that apart from himself and Duffy, no one knew about the \$90,000 payment.

Disclosures over the course of the summer and especially in recent days, have put the lie to this claim. While Harper conceded to parliament last week a “few people” knew about the payment to Duffy, as of last count, 13 people including Harper's current chief of staff, Ray Novak, were actually in the know.

If the government has been so concerned about the Senate expense scandal it is because it cuts across the political appeals that Harper and his Conservatives have used to rally support for their right-wing big business agenda. With their incessant denunciations of “big government” and “public sector waste,” the Conservatives have sought to mobilize middle-class support for slashing public services, attacking federal government workers, and transferring via tax cuts an ever greater share of the national income to the most privileged sections of the population.

Harper is also acutely aware that his government, while enjoying strong support from corporate Canada and wielding a large parliamentary majority, has only a narrow base of popular support. In the 2011 federal election, the Conservatives won the support of barely one in five potential voters.

Recognizing that the Senate scandal is a growing liability, the Conservatives, once their attempted cover-up came partially unraveled, have resorted to increasingly desperate measures to distance themselves from Duffy, Wallin and Brazeau. The latter two were kicked out of the Conservative caucus within days of the public exposure of Wright's payment of Duffy. And last week, the Conservatives brought forward a motion in the Senate to indefinitely suspend the three without pay or benefits.

But to the Conservatives' chagrin, the delinquent senators pushed back. While much of what they had to say in the debate on the Senate expulsion motion was transparent grandstanding, they made a series of damaging revelations about the two-faced attempts of the government to cover up and manipulate events.

Over the past six months, the official opposition, the trade union-supported New Democratic Party (NDP), has made the Senate scandal the almost exclusive focus of its attack on the Harper government. To prolong this line of attack, the NDP has in recent months expanded it by trumpeting the call

for the Senate to be abolished

That the Senate is an anti-democratic body used as a sinecure for Liberal and Tory bagmen and party hacks is indisputable. In arguing for its creation, Canada's first Prime Minister Sir John A. Macdonald claimed an appointed Senate would serve to protect the minorities, then added that the rich have always been a minority.

But the NDP's focus on the small change of the Senate scandal is highly revealing. Under conditions where the Harper government and the Canadian ruling class are mounting an all-out offensive against the working class, the NDP and its union allies are either openly supporting these attacks—in Ontario, for example, the NDP is propping up a minority Liberal government that has slashed billions from social spending and cut public sector workers real wages—or maintains a complicit silence about them.

The NDP rails against the anti-democratic Senate—a body that has next to no popular credibility and that broad sections of the ruling class have long wanted to either reform or abolish so as to give Canada's parliament greater popular legitimacy. But they have maintained a near complete silence about the illegal activities of the Communications and Security Establishment Canada (CSEC), thereby aiding and abetting the government cover-up of its use of police state methods. A close partner of the NSA, the CSEC has been metadata mining Canadian electronic communications since at least 2005 and under secret ministerial directives has otherwise spied on Canadians.

Between 2004 and 2006, Harper's Conservatives focused their attack on the Liberal government around the so-called sponsorship scandal so as to divert public attention away from their plans to push politics sharply to the right. The NDP, anxious to prove to the ruling class that it is ready to govern—i.e. that it can be counted on to impose austerity and to champion the global interests of the Canadian ruling class, including through joining US-led imperialist wars—is using the Senate scandal as a means of attacking the Harper government without challenging its corporate-supported agenda.



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