

# Canada's Liberal government rocked by high-profile resignations

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Justin Trudeau's Liberal government has been rocked over the past 12 days by two high-profile resignations triggered by its intervention into a scandal involving Canada's largest engineering and construction company, SNC-Lavalin.

The former Justice Minister and Attorney-General, Jody Wilson-Raybould, quit cabinet and Gerald Butts resigned as Trudeau's principal secretary or "chief of staff" after reports emerged that the Prime Ministers' Office (PMO) had sought to bully Wilson-Raybould into halting SNC-Lavalin's criminal prosecution for fraud and bribery.

The scandal erupted February 7, when the *Globe and Mail* charged that members of the PMO had put undue pressure on Wilson-Raybould to overturn the decision of the Public Prosecution Service not to offer SNC-Lavalin a "deferred prosecution agreement," under which the charges would have been dropped in exchange for pledges not to engage in further law-breaking.

The *Globe* also suggested that the reason Trudeau had relegated Wilson-Raybould—whose appointment as Canada's first indigenous Justice Minister he had touted as proof of his government's "progressive" character—to the lowly post of Veteran Affairs minister last month was because she had refused to do the PMO's bidding and exempt SNC-Lavalin from criminal prosecution.

SNC-Lavalin has been charged with paying \$48 million in bribes to Libyan government officials between 2001 and 2011 to secure public contracts under the Gaddafi regime.

If it is convicted, the engineering giant will be automatically banned from doing business with the federal government for 10 years.

The Trudeau government has made little secret of its desire to come to SNC-Lavalin's rescue. Last year, it buried in a hundreds pages-long budget bill a change in the law creating the option for the Prosecution Service or Attorney-General to forgo a criminal prosecution and instead strike a "deferred prosecution agreement" with a company implicated in systematic law-breaking. That this measure was from the get-go meant to be a life-line to SNC-Lavalin is underscored by the fact that Ottawa insiders reportedly

referred in private to it as the "SNC-Lavalin bill."

The Montreal-based concern is one of the crown jewels of "Quebec Inc." and has lobbied Ottawa extensively to secure business contracts, and in recent years to derail its prosecution. Some of Canada's most well-connected political figures, including former Prime Minister Stephen Harper's principal secretary, have met with Liberal officials to press them to create the "deferred prosecution" option and then apply it to SNC-Lavalin.

For his part, Trudeau has admitted meeting with Wilson-Raybould last September to discuss SNC-Lavalin, just two weeks after the head of the Public Prosecution Office ruled that the company would not be given the opportunity to negotiate a deferred prosecution agreement.

Everything suggests Wilson-Raybould's demotion was meant to pave the way for the government, via the Attorney-General, to overturn the Public Prosecution Office's decision in the SNC-Lavalin case, although the charges of undue political interference have now dramatically raised the political cost to the government of proceeding along these lines. Nevertheless, Wilson-Raybould's replacement as Justice Minister and Attorney-General, David Lametti, has said he is reviewing the SNC-Lavalin file and will make a fresh determination in the matter.

The government is making the self-serving claim that its interest in supporting SNC is linked to its desire to protect jobs. In truth, the Liberals want to come to the aid of one of Canadian imperialism's key players. The construction and engineering firm employs some 50,000 workers around the world, has offices in 50 countries, and operates in 160 countries. Some of SNC's recent major international projects include a \$4.6 billion contract to construct the Ambatovy mine in Madagascar, an \$800 million oil and gas processing management contract in the Middle East, and a \$100 million contract for the building of gas facilities in the United States. It recently bought out its British rival, W.S. Atkins, for \$1.9 billion, and Irish engineering firm Kentz for \$2.1 billion.

However, the optics of the affair have become a major

problem for Trudeau and his Liberals, as they have put the lie to the government's carefully-crafted image as a "progressive," even worker-friendly, government, a little more than a half-year before the next election.

Since coming to power in 2015, the Liberals, supported by their cheerleaders in the trade union bureaucracy, have sought to portray themselves as focused on addressing the needs of ordinary working people. Additionally, Foreign Minister Chrystia Freeland and others have cast the Liberals' aggressive foreign policy as being "feminist" and motivated by a commitment to "diversity." The SNC-Lavalin affair has torn aside this already tattered veil of deceit, exposing the Trudeau government to be a pliant tool of big business and the ruling elite.

Reports of Trudeau and his ministers bullying a female indigenous minister are also highly damaging, since they cut across Trudeau's efforts to retain a base of support within the population by means of "progressive" sounding diversity rhetoric while pursuing right-wing, pro-corporate policies.

Another aspect of this affair—although one entirely blacked out in the avalanche of media coverage—is the light it sheds on the extensive interests Canadian imperialism had developed in Libya in the final years of Gaddafi's rule, and the real motivations behind its leading role in the 2011 NATO regime-change war on Libya. The cynical claims made by the then Harper Conservative government, and echoed by the Liberals, NDP and Bloc Quebecois, that Canada was participating in the bombardment of Libya to defend "human rights" and "democracy" now appear even more absurd. In reality, Canada intervened in the US-led military onslaught, which claimed tens of thousands of Libyan lives, to consolidate its geopolitical and economic interests in North Africa and the Middle East.

A former First Nations chief in British Columbia, Wilson-Raybould was a willing accomplice in Trudeau's efforts to use identity politics to provide a pseudo-progressive veneer to a big business government that in all its essentials has continued the agenda of austerity and war of the previous hard-right Harper regime.

Her resignation, coming just hours after Trudeau proclaimed that her continued presence in cabinet was proof she didn't believe she had been unduly pressured by the PMO in the SNC-Lavalin affair, was highly damaging to the prime minister and the Liberal government.

However since then, Wilson-Raybould has gone out of her way to reaffirm her support for the Liberals and was allowed to meet, at her request, with the cabinet for three hours this week. There is already chatter that she may yet be reintegrated into the government.

In any event, Wilson-Raybould is a typical representative of the petty-bourgeois indigenous elite that the ruling class is

seeking to cultivate through affirmative action and land claims, and who, in exchange for privileges, will work to "reconcile" the historically-oppressed aboriginal population to Canadian capitalism.

Although the significance of the Trudeau government's defence of SNC-Lavalin's corruption should not be underestimated, there is no doubt that sections of big business and the corporate media are exploiting the scandal for their own reactionary political ends. Since the story broke February 7, the SNC-Lavalin affair has dominated political news coverage, and broad sections of the media are suggesting that Trudeau's re-election is in serious jeopardy.

While the Liberals were swept to power in 2015 with the support of decisive sections of the bourgeoisie, frustration with the Trudeau government has been building in the ruling elite for well over a year. The reasons for this are bound up with the intractable geopolitical and economic crisis confronting the Canadian ruling elite under conditions of the breakdown of the post-World War II order, the eruption of trade war, and the threat of a new global downturn. Ruling circles are frustrated with Trudeau's inability to resolve Ottawa's multiple trade disputes with the United States, his government's failure to build oil pipelines to tidal water to enable Canadian companies to ship bitumen to the world market, and its slow response to the "competitive" challenges created by the Trump administration's tax cuts and gutting of environmental regulations. Additionally, the ruling elite believes that the Liberals are not moving fast enough to implement their promised 70-percent hike in military spending and the associated plans to procure new battleships and warplanes, which would require a savage assault on social spending and the working class.

The opposition Conservatives have denounced the Liberals for their dealings with SNC-Lavalin, and are seeking to use the affair to incite regional tensions. They are citing the Liberals' attempt to shield the Montreal-based company from criminal prosecution as evidence of a purported bias in favour of Quebec business and contrasting it with the government's reputed lack of support for the oil and gas sector in western Canada, particularly in Alberta.

Whatever transpires over the course of the coming days and weeks, absent the independent political intervention of the working class on the basis of a socialist program, the outcome of the SNC-Lavalin affair will be the shifting of official Canadian politics still further to the right.



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