

Canada: Why is the corporate media in a frenzy over the SNC-Lavalin affair?

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For the past month, Justin Trudeau's Liberal government has been roiled by the SNC-Lavalin affair—that is the exposure of the extraordinary lengths it has gone to in trying to shield the country's largest engineering firm from criminal prosecution.

Following the resignation of three high-profile government members, including two cabinet ministers, much of the corporate media has joined the Conservative official opposition in demanding Trudeau's head. Chrystia Freeland, the current foreign minister and the government's leading warhawk, is already being widely promoted in the press as a suitable replacement.

Media exposés and the testimony of Trudeau's former Justice Minister and Attorney General Jody Wilson-Raybould before the House of Commons Justice Committee demonstrate that the Liberal government has been at the beck and call of SNC-Lavalin, with the prime minister and 11 other top officials working frantically behind the scenes to block the company from being criminally prosecuted.

This included trying to bully Wilson-Raybould, who resigned from the government in protest last month, into ordering the federal Prosecution Service to offer SNC-Lavalin a Deferred Prosecution Agreement, or DPA. This would have allowed the company to pay a fine and make "good conduct" pledges rather than face a criminal trial for a decade-long, multi-million-dollar bribery and corruption racket in Libya. The DPA option was itself only available because the Liberals amended the Criminal Code last year, in a piece of legislation that was so obviously tailored to the needs of the Quebec-based engineering and construction firm that it was described by Ottawa insiders as the "SNC-Lavalin bill."

Underscoring the erosion of the separation of powers between the executive and judicial branches of Canada's government, one of Trudeau's top officials warned Wilson-Raybould that the Liberals might lose the upcoming election if they failed to rescue SNC-Lavalin. Trudeau himself reportedly reminded Wilson-Raybould that he is a Quebec MP in the midst of a discussion as to why she should revisit her decision not to overrule the Prosecution Service.

Although the government has clearly been pushed onto the back foot by the exposure of its readiness to rewrite and bend the law to help SNC-Lavalin, Trudeau and his Liberals are continuing to scheme as to how they can exempt the company from the legal consequences of its crimes; whether by getting the new attorney general to order the Prosecution Service to grant it a DPA or changing the rules so that, if convicted, it won't be barred from bidding on federal contracts for 10 years.

Well aware that their defence of corporate criminality is deeply unpopular, Trudeau and his ministers are trying to portray their unstinting support for a company, which is both one of the crown jewels of Quebec Inc. and among Canadian imperialism's most globally active firms, as motivated by their concern for the fate of SNC-Lavalin's 9,000 Canadian employees. This self-serving propaganda will convince nobody, coming as it does from a government that has failed to lift a finger in defence of the thousands of autoworkers being thrown out of work by General

Motors as it seeks to maximize investor profit.

Disputes over who said what when and over what constitutes "undue government pressure" on an attorney general are at fever pitch in the corporate media. Hardly a day goes by without Canada's most influential right-wing media outlets, the *Globe and Mail* and the *National Post*, devoting pages to frothing commentary about the Trudeau government's loss of "moral authority" and "shocking" partisanship for SNC-Lavalin. The transparent aim of this campaign is to push Canadian establishment politics even further right in the run-up to this fall's federal election.

The working class must not be a bystander to this bitter squabble within the ruling class. Rather it must intervene in opposition to all factions of the capitalist elite and political establishment, advancing a socialist program against austerity and war.

Workers should not be taken in by the corporate media's feigned concern about defending democratic norms and its highly selective moral outrage. After all, this is the same media that hardly batted an eyelid when Tory Prime Minister Stephen Harper shut down parliament in December 2008 to prevent the opposition from exercising its democratic right to defeat the government or when the Trudeau government threatened to deploy the military against protesters opposing oil pipeline projects. Canada's media, it should be added, has provided crucial support for the wholesale criminalization of dissent, cheering on the adoption of a battery of anti-strike laws and a vast expansion of the powers of the national security apparatus.

The reality is that the Trudeau government's handling of the SNC-Lavalin affairs provides a textbook example of how all capitalist governments operate on a daily basis, i.e., as servants of the financial oligarchy and major corporations. Canada's Liberal Party has fulfilled this role more often than any other party, serving as the ruling elite's preferred party of government for much of the last century. When it held power in the 1990s and early 2000s, the Liberals carried out the deepest social spending cuts in Canadian history, paving the way for almost a decade of rule by the hard-right ideologue Stephen Harper. Trudeau, whose government relies on pillars of global finance capital like McKinsey and BlackRock for advice on its economic and social policies, is upholding the interests of corporate Canada no less ruthlessly than did Harper and his Conservatives.

Factional conflicts

The SNC-Lavalin scandal was triggered by the *Globe*'s February 7 front-page allegation that Wilson-Raybould's demotion to Veterans Affairs Minister in a cabinet shuffle the previous month had been bound up with her having resisted the government's demand she give SNC-Lavalin a deferred prosecution agreement. This revelation rapidly became

the occasion for the venting of ruling-class dissatisfaction with Trudeau and his government that had been building for a year or more.

The Trudeau government has maintained ultra-low taxes for big business and the rich and the rationing of social spending, and it has aggressively championed Canadian imperialist interests abroad, including by expanding Canada's role in Washington's military-strategic offensives against Russia and China and by announcing plans to increase military spending by 70 percent by 2026.

With quasi-unanimous ruling class support, the Trudeau government has bent over backwards to work closely with Trump administration. This has included collaborating in his vicious crackdown on immigrants and negotiating changes to NAFTA so as to make it a more explicitly US-led trade war bloc. Canada is also playing a key role in the Trump administration's regime change operation in Venezuela, which aims to replace a democratically elected president with an ultra reactionary regime totally subservient to Washington.

In recent months, the Liberals have also moved to intensify the class war assault on working people by criminalizing last year's postal workers' strike, and providing additional multi-billion-dollar subsidies and tax cuts to big business.

Nevertheless, powerful sections of big business are angered that the government hasn't moved more expeditiously to match Trump's corporate tax cuts and gutting of environmental regulations. They are also frustrated by the government's inability to get oil pipelines built to tidal water and to push through major purchases of new warplanes and battleships. There is also a pronounced element of regional ruling-class rivalry—one the Conservatives have been eagerly fanning—with claims that the Liberals are privileging Quebec-based companies like SNC-Lavalin and Bombardier over Alberta and Saskatchewan's energy producers.

The ruling elite has already effected a sharp turn right in Canadian politics, bringing to power governments headed by right-wing populists in the country's two most populous provinces.

As the result of a manufactured sex scandal an Ontario Progressive Conservative leader who was derided as "too moderate" was replaced by the Trump-wannabe Doug Ford in March 2018. Having won office last June thanks to massive big-business support, Ford and his Conservatives have rolled back the minimum wage, slashed welfare benefits, gutted student assistance, and laid the groundwork for huge cuts to education and healthcare, while scapegoating refugee claimants for the deepening social crisis.

In Quebec, where the outgoing Liberal government was widely hated due to its imposition of years of brutal austerity, the capitalist elite propelled the Coalition Avenir Quebec (CAQ) to power in last October's election. While for electoral reasons the CAQ sought to downplay its hard-right agenda, it favors privatization, massive tax cuts for big business and the rich, and promotes anti-immigrant chauvinism.

Meanwhile in Alberta, where provincial elections are due in May, the corporate elite is four-square behind the election of Jason Kenney and his United Conservative Party, which advocates sweeping social spending cuts and makes rank chauvinist anti-Quebec appeals.

The Canadian bourgeoisie's lurch to the right is part of a global process, driven by the rapidly accelerating global capitalist breakdown. In Europe, where the ruling elites have imposed vicious austerity on the working class in the decade since the 2008-09 global financial crisis, powerful sections of the ruling elite, including the corporate-controlled media and state apparatus, are systematically promoting far-right and fascist parties. In Italy, Austria, Hungary, and Poland these forces have been integrated into government. In Germany the Alternative for Germany (AfD), which trivializes the crimes of the Nazis, functions as the official opposition in the federal parliament and effectively dictates the German government's vicious anti-refugee policy.

The clearest expression of the rot of global capitalism is to be found in

the United States. There establishment politics is split between Trump, who is using the Oval Office to cultivate an openly fascist movement, and the ostensibly liberal Democratic Party-led opposition, which seeks to unseat him in league with the national security agencies, denouncing Trump for not pursuing a sufficiently aggressive stance against Russia and, in the name of combating "fake news," is spearheading the push for internet censorship.

Whatever their differences, these rival factions are united in the drive to uphold US global hegemony, through trade war and military conflict.

Although Ottawa remains Washington's closest military-strategic partner and the Canadian ruling class views its alliance with the US as pivotal to securing its own imperialist interests, the turn of the US ruling class to an ever more aggressive and unilateralist posture has intensified the crisis of Canadian imperialism—causing it to lash out more violently both at home and abroad.

The collapse of the multilateral trading system and weakening of international institutions like the UN and NATO has shattered the framework on which Canada, as a second- or third-rank imperialist power, has sought to advance its global interests while counteracting the vast power imbalance with its southern neighbour.

Apart from China, Canada has arguably been the country that has been hardest hit by Trump's trade war measures. In June 2018, Trump imposed tariffs of 25 percent and 10 percent respectively on Canadian steel and aluminum imports, and these tariffs remain in force despite the renegotiation of NAFTA.

The return of the class struggle

From the standpoint of the ruling elite, the past year has also provided dangerous warning signs of a return of the class struggle. From a vote in favour of an illegal strike by 10,000 Nova Scotia teachers in February, to the rebellion of Lear auto parts workers against the attempts of the Unifor union to impose a rotten contract, to rank-and-file organized protests against the shutdown of GM's Oshawa car plant, the past 12 months have witnessed growing signs of a working class fight back against decades of austerity and wage cuts imposed by governments of every political stripe with the connivance of the pro-capitalist unions.

In October and November, 50,000 postal workers rebelled against years of declining wages and working conditions. Their struggle could have become the catalyst for a broader working-class challenge to austerity, the dismantling of public services, and the criminalization of worker struggles, but the left-talking leadership of the Canadian Union of Postal Workers (CUPW) systematically isolated the postal workers. Then when the Liberals introduced their back-to-work law, CUPW immediately ordered compliance.

The deepening crisis of perspective within the ruling class and the reemergence of the class struggle are producing a sharpening of disagreements within ruling circles on how best to defend the interests of Canadian capitalism. What unites all of them, however, is a fear of the social anger brewing in the working class. As the country's top civil servant, Privy Council Clerk Michael Wernick, revealingly remarked in his testimony on SNC-Lavalin, "Most of all, I worry about people losing faith in the institutions of governance in this country."

The only way the current political crisis can be resolved in a progressive manner is if the working class intervenes with its own revolutionary socialist program. This requires above all a relentless political struggle against all of those forces, including the trade union bureaucracy, and their supporters in the New Democratic Party and the pseudo-left, who have portrayed and continue to portray Trudeau's "sunny ways" as a

“progressive” alternative to almost a decade of Tory rule.

To carry out this struggle, the working class must build its own revolutionary political party which fights to unify the struggles of workers across Canada with the growing international working-class offensive on the basis of the program of international socialism. That party is the Socialist Equality Party.



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