Infighting in Canada's government deepens with release of surreptitious SNC-Lavalin recording

Roger Jordan 2 April 2019

The revelation that former Justice Minister and Attorney General Jody Wilson-Raybould secretly recorded a telephone discussion with Canada's top civil servant over the SNC-Lavalin affair has intensified the crisis that has been roiling Canada's Liberal government since early February.

The scandal's roots lie in the efforts of Prime Minister Justin Trudeau and his top aides to prevail on Wilson-Raybould to shield SNC-Lavalin, one of Canada's largest and most internationally active companies, from criminal prosecution on corruption charges. It has laid bare bitter divisions not only within the Liberal Party, but more importantly within Canada's ruling big business elite, which is using the crisis to shift official politics still further right.

Wilson-Raybould announced last Friday that she had taken the unprecedented step of surreptitiously recording a December 19 call from Michael Wernick, Clerk of the Privy Council, and would be turning the audio over to the House of Commons Justice Committee.

Wernick had called Wilson-Raybould, at the prime minister's behest, to pressure her to overrule the Public Prosecution Service of Canada's decision to proceed with the prosecution of SNC-Lavalin. He argued that the Attorney General should intervene and offer the company a deferred prosecution agreement (DPA), which would have seen the charges that SNC paid tens of millions in bribes to Libyan government officials between 2001 and 2011 dropped, provided the company paid a fine and made "good conduct" pledges.

DPAs had only come into existence through an amendment to the Criminal Code the Trudeau government pushed through earlier in 2018—a move so obviously tied to the corruption case that Ottawa insiders referred to the DPA law as the SNC-Lavalin bill.

On the tape, Wilson-Raybould can be heard warning Wernick that the pressure that has been brought to bear on her to bail out SNC-Lavalin borders on illegal government interference. She goes on to say that if this were to become public, it would undermine the claims Trudeau has made, in rebutting charges that the arrest of Huawei executive Meng Wanzhou was politically-motivated, that "the rule of law" prevails in Canada.

For weeks the Conservative official opposition has been urging the RCMP to open a criminal investigation into the SNC-Lavalin affair.

It and much of the media are now triumphantly proclaiming the Wernick tape conclusive proof that Trudeau and his government violated the law.

Meanwhile, Wilson-Raybould's release of the tape, along with other new evidence, has further inflamed relations within the Liberal Party.

Reports suggest it is highly likely that the former Attorney General—who as both a woman and Canada's first-ever aboriginal Justice Minister had been touted as the physical embodiment of Trudeau's "progressive" "diversity" agenda—will be kicked out of the Liberal parliamentary caucus, along with her fellow former minister and close personal friend, Jane Philpott.

Philpott, who was lionized by the media as one of Trudeau's most effective ministers, resigned from her post as President of the Treasury Board on March 4, three weeks after Wilson-Raybould, citing Trudeau's handling of the SNC-Lavalin affair as the reason. By giving an exclusive interview to *Maclean's* two weeks ago in which she asserted, "There's much more to the story that needs to be told," Philpott helped ensure that the media furor and opposition attacks against the government over the SNC-Lavalin affair would continue.

Initially senior Liberals, including Canada's self-proclaimed "feminist" prime minister, were loath to be seen purging two prominent women from the party. But with Wilson-Raybould and Philpott so manifestly working to undermine the government and Trudeau's own authority and credibility, the sentiment appears to have changed. A growing list of Liberal MPs are publicly demanding the two be expelled, with the secret taping of Wernick cited as proof of the former Justice Minster's disloyalty.

Whatever Wilson-Raybould and Philpott's original intentions, there is no question they have been emboldened by the corporate media in their challenge to Trudeau and to the government in which they themselves served until only a few weeks ago.

The entire imbroglio was initiated by a *Globe* exposé published in early February. It suggested that Wilson-Raybould's demotion to Veteran Affairs Minister at the beginning of 2019 had been due to her refusal to buckle to pressure from the Prime Minister's office over the SNC-Lavalin prosecution.

Soon after the media, at least in English Canada, was all but universally applauding Wilson-Raybould as she quit cabinet, then went public with her claims she had been bullied by the Prime Minister's Office to protect SNC-Lavalin. Philpott has been similarly promoted as a politician of rare principle and integrity.

That the Trudeau government rewrote and tried to bend the law to prop up a titan of corporate Canada is beyond dispute. But far from being an unprecedented act of Liberal corruption and cronyism, the determination of Trudeau and his ministers to defend SNC-Lavalin from prosecution is little more than a run-of-the-mill example of how bourgeois governments operate on a daily basis, i.e., at the beck-and-call of the major corporations and financial elite.

If the corporate media has chosen to feign shock and outrage, it is because powerful sections of Canadian big business have soured on the Liberal government and either want to replace it or restructure it by replacing Trudeau with a more openly rightwing figure, like Foreign Minister and Russia "war hawk" Chrystia Freeland.

Behind a smokescreen of pseudo-progressive, identity-politics-laced rhetoric, the Liberals have pursued a right-wing agenda little different from the Harper Conservatives who preceded them. They have expanded Canada's role in the US military-security offensives against Russia and China and are playing a leading role in the US regime-change drive in Venezuela. They are collaborating with Trump in his anti-immigrant witch hunt, are expanding the powers of the national security apparatus, and criminalized last fall's postal strike.

But under conditions of global capitalist breakdown—anemic growth and fears of a 2008-type financial crash, the eruption of trade war, and a surge in great-power conflict—sections of the ruling class are determined to bring to power a government that will even more aggressively assert Canadian imperialism's interests on the world stage and more aggressively attack the working class at home.

Specific complaints include everything from the government's failure to match Trump's corporate tax cuts and get oil pipelines built to tidewater to the Liberals' failure to push through the military procurements and major hikes in military spending promised in their 2017 national defence policy.

Moreover, after four years of right-wing Liberal rule, the "progressive" aura that Trudeau projected and used, with the enthusiastic backing of the union bureaucracy, to contain social opposition, is well past its best-before date.

Recent polls indicate the media furor over the SNC-Lavalin

affairthds damaged the Liberals ald the particular Trudeau, who now trails his party in support. For the first time since 2015, the Conservatives are consistently leading in the polls. Their return to power under Andrew Scheer, who describes himself as "Stephen Harper with a smile," now appears a distinct possibility.

The ruling elite, it need be underlined, is fresh from carrying out such a lurch to the right in Ontario. Last year a purportedly "progressive" Liberal government that had used its close ties to the Ontario Federation of Labour, Unifor, and the teachers' unions to slash taxes for big business and the rich while imposing years of austerity on working people, was replaced by a Progressive Conservative government led by the Trump wannabe Doug Ford. Ontario's new government has launched a class-war assault on the working class, slashing welfare rates, Pharmacare, and the Ontario Student Assistance Plan (OSAP), rolling back a minimum wage increase, gutting labour standards, hiking high school class sizes, and laying the groundwork for massive cuts to education and health care.

If the resolution of the deepening governmental crisis is left in the hands of the bourgeoisie, the outcome will prove disastrous for working people. Whether Canada's ruling elite brings a Conservative-led government to power, replaces Trudeau at the helm of a restructured Liberal government, or allows him to continue in office, the policies of the government that will take office after the next election, currently slated for October, will be determined by the accelerating breakdown of global capitalism.

The only progressive way out is for workers across Canada to unite their struggles against austerity, job cuts and concessions and constitute themselves as an independent political force, fighting, in opposition to all the establishment parties and factions of the capitalist elite, for a workers' government and socialism.



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