

The Canadian Political Crisis
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The G-20 met several weeks ago to address the worldwide economic crisis. Economies nearly everywhere are crashing, and most countries are facing pressure to overhaul regulatory systems over their financial markets and banking systems. Most countries, but not all. It turns out that Canada received considerable praise for its handling of the economic crisis, in part due to the strength of its regulatory systems and strong banking industry. Canada, while by no means unaffected by worldwide economic trends, has already built a large number of dikes and dams to guard itself from fortune's rising waters. Its current Conservative government, under Prime Minister Stephen Harper ([first elected in January 2006](#)), can take a large measure of credit for ensuring Canada's preparedness.

Yet, as I write, Canada faces a political crisis, and potentially a crisis of national unity, that it has never seen before. Harper's Conservatives won a minority government in October. Yet, in just six short weeks, his government is facing defeat in Parliament, and the country is faced with the prospect of government being taken over by a coalition of Liberals, New Democrats, and Bloc Quebecois who currently form the Opposition. Parliament has been temporarily shut down (called "proroguing") until the end of January. But proroguing simply delays the inevitable of whether Harper can retain confidence of Parliament or whether the coalition will take over.

The proposed coalition includes a party, the Bloc Quebecois, whose purposes are twofold: 1) seek sovereignty for the province of Quebec, and 2) seek mass transfers of wealth from English-speaking Canada to Quebec (a recent suggestion was a [\\$1 billion increase in wealth transfers](#)). The two purposes coincide, but are in the end contradictory. Who wants independence when one can be bought? Even so, Canada faces a situation where a separatist party holds the balance of power of its government. Canadians, in effect, face the prospect of having an extortionist's knife held to its throat. While Americans worry how delays in presidential transition might delay quick action on the economy and security issues, Americans should take solace in the stability they enjoy and in the competence of the Bush Administration and Obama transition team.

The political crisis in Canada was precipitated by Harper's decision to propose cutting a public subsidy political parties receive to help pay for their election campaigns. According to election law, the maximum amount an individual may donate to a political party is about \$1,000, and corporations and unions are prohibited from making donations. To supplement their own fundraising efforts, parties receive \$1.95 from the taxpayer for every vote cast for them in the election. The point of this law, which was passed under former Liberal Prime Minister Jean Chretien, was to ensure large donors could not exert inordinate influence on political parties. It also meant parties would have to work harder to compensate for lost financial resources. They now need to raise funds from large numbers of

individual donors instead of relying on large donors. After the law changed, the Conservatives responded most quickly in setting up phone banks, large mailing lists, and other devices to raise numerous small donations. They borrowed their strategies from those devised by U. S Republicans (and now improved by the Obama campaign).

The other parties did not respond so effectively, which means that the Conservatives are the only political party not in debt, making them better equipped to fight election campaigns. For example, the Bloc Quebecois, the separatist party, survives almost exclusively from public subsidy, as it only raised \$50,000 on its own. Many English-Canadians are resentful they support a party dedicated either to dismantling Canada or to sucking them dry further. For their part, the Liberals have stumbled because previously they had to rely on a few wealthy donors (one figure I heard was a meager 300). While the Bloc is the party of dependency, the Liberals the party of oligarchy, the NDP depended on unions. Only the Conservatives were able to have a “democratic” party structure for their fundraising. As a result, all the Opposition parties, under the new funding regime, depend on public subsidy for their own survival.

With the opposition parties strapped for cash, Harper saw an advantage after the election literally to cripple them financially. [By taking away their subsidy, Harper saw an opportunity increase Conservative dominance and perhaps a chance at winning a majority in the next election.](#)

The Opposition parties, seeing their survival at stake, instead of manning the phone banks to raise money, joined forces to protect their subsidy by declaring a coalition that threatens to overturn the government.

Of course, the Liberals, NDP, and Bloc are not so brazen to admit that losing the subsidy is the reason for their coalition. After all, one would have to be especially shameless to topple a government to protect one’s “entitlements.” Rather, the reasons they offer shift between the Harper government’s purported mishandling of the Canadian economy, and the sheer fact that Harper has lost their confidence. Harper has not mishandled the economy, [as the recent measures the government has taken have yet to feel their effects ripple through the economy.](#) Moreover, the coalition has offered little in what they plan for the economy. What they have said looks a lot like what Harper has done, though they have mentioned their intention of spending, at least initially, \$30 billion on various measures, which one economist as declared would put Canada into a permanent [“structural deficit.”](#)

The other reason for withdrawing confidence from the Harper government, that Harper has lost confidence of the House, is of course a tautology. With this, the Opposition parties have declared their intention of getting rid of the Harper government regardless of the reason. Indeed, evidence shows that the leaders of the NDP and Bloc, Jack Layton and Gilles Duceppe, had planned this coalition as early as October. The subsidy cut simply precipitated it.

Harper deserves praise for his [contempt of the culture of entitlement](#) and dependency the other parties perpetuate. He deserves blame for failing to resist his inclination to poke them in the nose. However, it is indeed difficult to avoid poking them in the nose when their snouts are so long.

According to the Canadian constitution, the coalition's actions are legal. According to the Westminster parliamentary system of responsible government, which Canada, like Great Britain, Australia, and other countries have, the government depends on the support of the House of Commons. If the House withdraws support (called losing the confidence of the House), the government falls. Usually, an election gets called when the government loses the confidence of the House. However, having just had an election, and given how costly they are to run (about \$300 million for the previous election), Canada is unlikely to return to the polls so soon.

First, the House actually must vote on whether to permit the government to continue. This vote was originally scheduled for this past Monday, but the crisis permitted Harper to delay the vote. Second, Harper met with Governor-General Michaëlle Jean this Thursday to ask her to end the current session of Parliament, which she accepted. This is called "proroguing." It differs from dissolving Parliament because proroguing simply ends Parliament's business until it resumes at a later time. Unlike the dissolution of Parliament, there is no election. Parliament will likely resume at the end of January when Harper will introduce his budget. That would be the time when the House would vote on whether the Harper government has its confidence.

A lot can happen between now and the end of January. Harper is betting Canadian public opinion will turn against the coalition, [especially for its dependence on Quebec separatists for support](#). Some have pointed out the hypocrisy of Harper's position because when he was Opposition Leader he approached the Bloc to form a coalition against then-Prime Minister Paul Martin. But blood dries, and that was then, this is now. Harper is betting Canadians will reject the coalition.

And it seems the coalition is unstable because its partners have as much incentive to destroy each other as they do to [destroy the Harper government](#). It would be headed by Liberal leader Stéphane Dion, a sociologist from Quebec who led the Liberals, frequently referred to as "Canada's natural governing party" for its dominance in electoral politics for the past century and a half, to its worst electoral defeat in the last election. The coalition would be headed by a lame duck. Worse, Dion is quite literally hated by Quebec separatists because he was the point-man in previous Liberal governments for defeating Quebec separatism. Until now, Quebec separatism has not recently been popular among Quebecers, and this is due to Dion's efforts. During a previous federal election, Quebec separatists accused Dion as the reason [his father committed suicide](#). Such is the hatred they have for Dion.

So he is accused of selling out his federalist principles to form a coalition with those who hate him.

Worse still, the Liberals are going through a leadership race to replace Dion. One of the contenders, Michael Ignatieff, [refuses to participate in the coalition's Cabinet](#). One assumes he does not want later to take the mantle of the Liberal party leadership and have to defend Dion's actions in an election. Other Liberal MPs are now coming out against the coalition. The Liberals have numerous reasons to avoid "sleeping with" Quebec separatists, and many on the center-right of the party, like Ignatieff, also wish to avoid joining forces with the NDP, who are further to the left. Compounding difficulties for the purported coalition is its lack of organization, including issuing vague statements on its plans for "economic stimulus" and ["appointing" prominent Canadians to leadership positions without them even knowing about it](#) and outright [rejecting their "appointment"](#) when they find out about it.

As troubling as things are for Harper, the coalition's prospects (as a group of parties, in addition to the prospects of each individual party in the long run) do not look much better. Harper has won a small victory by convincing the Governor-General to prorogue Parliament. He hopes to use the interim period to convince the Canadian public, as well as luke-warm allies of the coalition among the Opposition parties (mostly Liberals), to reject the coalition.

This is the situation Canada's Governor-General faced when she accepted Harper's request to prorogue Parliament. In fact, she had three choices: 1) allow Harper to prorogue Parliament until a confidence vote can be called for later in January, 2) force Harper to call the vote immediately; if he loses the confidence of the House, invite the coalition to form the next government, or 3) refuse Harper's and the Opposition's requests, and force them to return to the House and forge an agreement. Dissolving Parliament and calling an election was never a likelihood because the previous election was so recent.

Canada faced a situation where the figure-head Governor-General will actually exercise what John Locke called "prerogative" power. My next article will explain how this works in the Canadian context. That is, what powers does the Head of State have to deal with a constitutional crisis arising from a political crisis?