

Canada's Liberal government implodes

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Justin Trudeau's prime ministership and his Liberal government hang by a thread after his Finance Minister and Deputy Prime Minister, Chrystia Freeland, resigned from the cabinet Monday morning in a manner calculated to inflict maximum political damage.

Freeland had been slated to deliver the government's fall economic update, which is akin to a mini-budget, on Monday afternoon. Instead she issued a public resignation letter in which she attacked Trudeau for engaging in "costly political gimmicks"—a reference to token measures to help ordinary Canadians cope with soaring prices—rather than imposing deeper austerity in preparation for a potential trade war with a Trump-led America.

"The incoming administration in the US," declared Freeland, "is pursuing a policy of aggressive economic nationalism, including a threat of 25 percent tariffs.

"We need to take that threat extremely seriously. That means keeping our fiscal powder dry today, so we have the reserves we may need for a coming tariff war ...

"That means," she continued, "pushing back against 'America First' economic nationalism with a determined effort to fight for capital and investment and the jobs they bring."

As Freeland's now forsaken political titles suggest, she has been considered Trudeau's most important minister for most of his nine years in office. In addition to leading the Canadian effort to renegotiate the terms of NAFTA, the US-led North American trade bloc, during Trump's first term, Freeland has been the government's leading Ukraine war hawk. For that reason, she was once championed by Washington as a potential NATO Secretary-General. Freeland, whose grandfather was a prominent far-right Ukrainian nationalist Nazi collaborator, has a lifelong association with the Ukrainian Canadian Congress, which has served as a key link between Ottawa and the political descendants of Stepan Bandera and other Nazi collaborators, who infest Ukraine's US-NATO proxy government and military apparatus.

In recent weeks there have been press reports of growing policy differences between Freeland and Trudeau. It was also public knowledge that Trudeau was seeking to persuade Mark Carney to enter the government and assume the Finance Ministry, in a desperate bid to shore up big business support for his government. Carney is a former head of the Bank of Canada and Bank of England and currently is the chair of the board of directors of both Bloomberg and Brookfield Asset Management.

In the wake of Freeland's resignation, there have been widespread calls from within Liberal ranks for Trudeau to resign, with the number of Liberals MPs ready to publicly urge Trudeau to quit rapidly swelling. When Freeland entered an emergency Liberal caucus meeting Monday evening, she was reportedly greeted with a standing ovation.

Polls show that were an election to be held today, the official

opposition Conservatives would sweep to power, with the Liberals reduced to a tiny rump of MPs. Under Pierre Poilievre, who staked his claim for leadership on being the most strident parliamentary supporter of the fascist-instigated "Freedom Convoy," the Conservatives are rapidly morphing into a far-right party.

The leaders of all three officially recognized opposition parties in parliament called on Trudeau to resign after Freeland quit the government Monday. But tellingly Jagmeet Singh, the head of the trade union sponsored New Democratic Party (NDP), refused to commit his party to bringing down the minority Liberal government, merely blustering, as he has in the past, that "all options are on the table."

Union-NDP-Liberal alliance and suppression of the class struggle

Monday's events in Ottawa unfolded as the Canadian Union of Postal Workers (CUPW) enforced an edict, issued by the government via the Canada Industrial Relations Board (CIRB), criminalizing a strike by 55,000 Canada Post workers after 32 days.

Among the postal workers there was strong support for defying the back-to-work order, which is the third time in four months that the Trudeau government has criminalized worker job action based on a cooked-up, patently illegal "reinterpretation" of Section 107 of the Canada Labour Code.

Moreover, with the government discredited and widely hated, and the postal workers fighting for the defence of public services and the right to strike and other issues of vital concern for all workers, objective conditions for rallying the working class behind the postal workers could hardly have been more favourable. That is precisely why the CUPW, egged on by the Canadian Labour Congress and the entire trade union bureaucracy, ordered the postal workers to surrender and corralled them back on the job.

Since 2019, the NDP, at the unions' urging, has propped up the minority Liberal government in parliament, as it lurched ever further right. This includes presiding over a murderous profits-before-lives response to the COVID-19 pandemic; massively increasing military spending; backing the genocide of the Palestinians in Gaza and integrating Canada ever more fully into the US-NATO war with Russia and Washington's military-strategic offensive against China; and enforcing increased worker exploitation through inflation-driven real wage cuts and government strikebreaking.

Nevertheless, the ruling class has increasingly soured on Trudeau. Fearing that Canadian imperialism is losing out in the frenzied struggle for markets, investment and geopolitical advantage, its most powerful sections have been pressing for a more aggressive assertion

of their predatory interests on the global stage and against the working class at home.

Trump and the unravelling of the Trudeau government

In response to Trump's election and his trade war threats, they have dramatically escalated their push for an escalation of militarism and class war.

The ruling class is adamant that Canada must secure its place in a US-led "Fortress North America," by moving to rapidly surpass NATO's 2 percent of GDP floor for military spending—an annual hike of more than \$20 billion—and supporting Trump's anti-immigrant witch hunt, by effectively militarizing the Canada-US border.

It is also clamouring for Ottawa to at least match Trump's tax cuts for big business and the rich, which are to be funded through the evisceration of public services; follow his lead in removing all environmental and other regulatory restraints on capital; and replace Trudeau's ad hoc strikebreaking with the permanent abolition of the right to strike in "essential" sectors, beginning with transport and logistics.

The Trudeau government is scrambling to accommodate itself to these demands. On Tuesday, it outlined plans to spend \$1.3 billion to equip the RCMP (Royal Canadian Mounted Police) with helicopters and drones to intensify border surveillance. But its actions are widely dismissed within the Canadian ruling class as too little, too late.

Big business has responded to Freeland's resignation and her attack on government policy with effusive praise. The *Globe and Mail*, the traditional voice of Canada's financial elite, reported Monday evening, "Most CEOs long ago gave up on Mr. Trudeau as a leader and look forward to his departure. In anticipation of that day, the business crowd is grateful to Ms. Freeland for using her exit to help set priorities for the next prime minister, whoever that may be."

Trump, meanwhile, chortled over the crisis rocking the Canadian government, declaring on his Truth Social platform, "The Great State of Canada is stunned as the Finance Minister resigns, or was fired, from her position by Governor Justin Trudeau." Trump clearly relished the opportunity to mock Trudeau and skewer Freeland, accusing the latter of "totally toxic" behaviour, which "was not at all conducive to making deals"—a reference no doubt to the renegotiation of NAFTA, whose successor agreement, CUSMA/USMEC (Canada-US-Mexico Agreement/US-Mexico-Canada Agreement), Trump has vowed to reopen and potentially scrap.

The crisis of the Trudeau government parallels developments in all the major imperialist countries. Both the German and French governments have collapsed in the weeks since Trump's election, as the ruling class demands massive new austerity measures to fund the US-NATO war with Russia and the development of a European military and military-industrial base able to act independently and, if need be, against Washington.

The return of the fascist would-be dictator Trump to the US presidency is both an expression of the acute crisis of US imperialism—which remains the financial centre of world capitalism and the cockpit of global reaction—and a major accelerant of great power conflict and global class struggle.

With US imperialism seeking to secure global hegemony through trade war, a developing global war, and a dramatic increase in the

exploitation of its own working class, Washington's imperialist allies, Canada among them, are scrambling to assert their own predatory interests and to remain "competitive" by moving to destroy what remains of public services, slashing labour costs and diverting an ever greater share of society's resources to waging war.

While the ruling class is moving sharply to the right and increasingly resorting to authoritarian methods of rule—as in the case of the Trudeau government's arrogation to itself of new strikebreaking powers under Section 107 of the Canada Labour Code—and bringing forward fascist forces, the working class is becoming increasingly militant and radicalized.

In Canada there has been a massive strike wave since the fall of 2021 that has involved all sectors of the economy. Hundreds of thousands of workers and young people have also taken to the streets over the past 15 months to oppose the Israeli genocide in Gaza and Canadian imperialism's complicity.

If Poilievre and his far-right Conservatives are poised to replace Trudeau and his Liberals, it is because the trade unions have systematically suppressed the class struggle, not only by their isolation and betrayal of strikes, but above all by propping up the Trudeau government, as part of the anti-worker union-NDP-Liberal alliance. It is this that enables Poilievre to make a demagogic social appeal to working people who are enduring socio-economic distress due to the skyrocketing cost of living, the collapse of public services, the housing crisis, etc.

In strangling the postal workers strike, the unions have not only given Trudeau a victory over the postal workers and further entrenched the use of Section 107 as a weapon to break strikes. They dashed what was a golden opportunity to launch a working class counteroffensive against state strikebreaking, austerity and war that would not just have shattered the Trudeau government, but also derailed the ruling class drive to bring to power a far-right Poilievre Conservative regime dedicated to implementing, in the name of "Canada First," a Trumpian-type social counterrevolution.

It is not by clinging, as the unions and NDP have done and are doing, to the right-wing, utterly discredited, phony "progressive" Liberal government that workers' democratic and social rights can be defended. Rather what is required is intensifying the class struggle and developing an independent political movement of the working class to fight for a workers' government and the socialist reorganization of socio-economic life so as to make fulfilling social needs, not enriching the few, its animating principle.

This requires building new organizations of working class struggle, entirely independent of the corporatist trade union apparatus, and above all, a mass revolutionary party of the working class based on socialist internationalism. All who agree with this perspective should join and build the Socialist Equality Party.



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