

Banker and war hawk vie to replace Trudeau as Liberal leader and Canada's PM

James Clayton
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Following the collapse of Justin Trudeau's nine-year premiership, Canada's governing Liberal Party is scrambling to choose a new leader who can assert Canadian imperialism's interests in the face of mounting class struggle at home and a spiraling crisis in Canada-US relations.

The coming to power of the fascist US President Donald Trump has unleashed a volcano of social reaction, as the capitalist oligarchy violently reshapes the architecture of the American state to conform with its underlying economic dictatorship.

The political relations between the American and Canadian ruling classes, heretofore assumed to be among the most stable in the world, have been thrown into a deep crisis. Trump's ripping up of the US-Mexico-Canada trade agreement and threats to use "economic force" to make Canada the "51st state" have resulted in a massive further lurch to the right of the entire Canadian ruling class.

Justin Trudeau's premiership collapsed because he lost the confidence of the ruling class that he could carry out this rightward leap. This was expressed through a rebellion against his leadership by senior members of his Cabinet, led by his former Finance and Deputy Prime Minister, Chrystia Freeland, whose December 16 resignation was designed to cause maximum damage. In her public resignation letter, Freeland condemned the government's proposed meagre social spending plans as "costly political gimmicks," and advocated keeping the government's "fiscal powder dry" so it could be deployed more effectively to defend the interests of Canada's capitalist elite.

While there are six official candidates to succeed Trudeau as Liberal leader, only two of them have a realistic chance of winning the leadership race, which is to conclude March 9, and succeed him as prime minister. They are Freeland and Mark Carney.

Both are right-wing warmongers and ruthless enforcers of capitalist austerity. They emerge from the top layer of Canada's capitalist ruling class, and have already held leading positions within the capitalist state.

Carney is the former Governor of the Bank of Canada and the Bank of England. Freeland, who served as Trudeau's right hand for virtually all of the last nine years, embodies at the apex of the Canadian state Canadian imperialism's decades-long alliance with Ukrainian fascism. They are also close personal friends, Carney being the godfather of one of Freeland's children.

The other candidates, such as Liberal House Leader Karina Gould, are participating not to win, but to position themselves for future Cabinet roles or otherwise bolster their careers. Gould infamously posed for smiling photographs with the Ukrainian Waffen SS veteran Yaroslav Hunka in September 2023. The late entry into the race of former Liberal MP Ruby Dhalla takes the form of a political

provocation designed to push the debate as far to the right as possible. Dhalla, the daughter of Indian immigrants, is campaigning as an ersatz Donald Trump on a platform to deport all "illegal" immigrants. That her candidacy was approved underscores the Liberals' embrace of forms of anti-immigrant chauvinism till recently confined to the far right.

Carney, who has never held elected office, has emerged as the leading candidate, with overwhelming support among the federal Liberal Caucus and Cabinet. This, as well as his entire CV, expose his pretense to being a "political outsider" as a transparent fraud.

Carney launched his career as an investment banker with Goldman Sachs, and helped the investment firm pocket tens of millions in fees and commissions on worthless government bonds in the 1998 Russian financial crisis. From this gilded launch pad, the "outsider" Carney ascended to become deputy governor of the Bank of Canada, then Senior Associate Deputy Finance Minister. He was promoted to governor of the Bank of Canada in 2008 by the arch-Conservative Prime Minister Stephen Harper, who presided over massive tax cuts for corporations and the rich, and tens of billions in cuts to social spending. As governor of the Bank of England from 2013 to 2020, Carney once again managed the inner workings of a gilded paradise for financial speculators and parasites, while successive Tory governments, each one more viciously reactionary than the next, eviscerated social spending and basic democratic rights.

Since 2020, Carney has served as vice chairman of Brookfield Asset Management, one of Canada's largest investment and property development firms, as well as serving on the boards of the media giant Bloomberg and the international online payment processing firm "Stripe." A Mark Carney government would truly be a government of the capitalist oligarchs, fronted by one of their favourite technocrats.

The WSWWS has extensively documented the political career of Chrystia Freeland, the fiercest advocate of imperialist war against Russia in the Trudeau cabinet. Touted only three years ago to head NATO, Freeland emerged from the Ukrainian diaspora, whose political milieu was largely defined by the fanatical anti-communism of thousands of Nazi war criminals and fascist collaborators brought to Canada starting in 1947. Among these was her "beloved" grandfather, Mykhailo Chomiak, the editor of the antisemitic WWII Nazi newspaper, *Krakivski Visti*. Freeland has a lifelong association with the Ukrainian Canadian Congress, which venerates the Nazi collaborator Stepan Bandera and, with the support of the Canadian government, has worked to promote a far-right, virulently anti-communist and anti-Russian form of Ukrainian nationalism.

Freeland entered politics after an extended career at the top levels of the capitalist press, serving as the Moscow bureau chief of the

Financial Times, global “editor at large” for the Reuters news agency, and deputy editor of the *Globe and Mail*, the national newspaper of Canada’s ruling class, among other positions.

As Deputy Prime Minister, Foreign Affairs Minister and Finance Minister, Freeland was the leading advocate in the Canadian state of arming and training the Armed Forces of Ukraine and fascist militias such as Centuria and Azov for war with Russia. In 2017 she ominously declared that “war must be part of Canada’s future” and that Canadian imperialism must resort to “hard power.” Becoming finance minister during the 2020 COVID-19 pandemic, Freeland managed the Canadian ruling class’ \$600 billion bailout of the banks and big business, one of the largest transfers of wealth from the bottom to the top in Canadian history. She developed budgets which committed tens of billions to new military spending and enforced “post-pandemic” austerity.

Freeland has sought to counter Carney by adopting more stridently right-wing positions. While he has committed to increase Canadian military spending to 2 percent of GDP by 2030, she has committed to do so by 2027, fully five years faster than the current government target. In the fall of 2024, the MacDonald-Laurier Institute, a major right-wing think tank opined, “Ottawa can only reach the 2 percent target by shedding some of its programs, including its new housing, daycare, dental benefits, national school food, and pharmacare programs.”

The elevation of either Carney or Freeland to the leadership of the Liberal Party will mark a major shift to the political right within Canada’s ruling class, as it attempts to regain its footing in the face of American imperialism’s preparations to “secure the home front” via the imposition of tariffs, an economic attack which foreshadows the potential annexation of Canada, Greenland and the Panama Canal.

Freeland and Carney are preparing to renounce many of the policies they so recently advocated, adapting themselves to the rise of the fascist far right in the United States and elsewhere.

In an interview with the *Toronto Star*, Carney hinted that he would capitulate to the fascist anti-immigrant campaign: “There are a few things I would have done differently. ... You see that in terms of, for example, immigration. That would be a very obvious case where there were huge differences in terms of the objectives of immigration policies relative to the outcomes.”

Carney has also announced that he would repeal the Liberals’ Carbon Tax policy, which has been bitterly attacked and entirely distorted, by far-right Conservative leader Pierre Poilievre. Carney, a long-time advocate of carbon-pricing policies as part of a turn to “green capitalism, has thus demonstrated that everything is on the table in a political capitulation of the Liberals to the far right.

Freeland has cast herself as the advocate of a more aggressive response to Donald Trump’s tariff policy, calling for 100 percent retaliatory tariffs on Tesla vehicles, spirits and other US imports. But this stance by no means rules out her reaching a deal with Trump. She previously stated her policy preference for “friendshoring”—intensifying trade relationships with the USA and countries which toe imperialism’s line in the war against Russia and China. Like the Canadian ruling elite more broadly, she wants to secure a position for Canadian imperialism within a US-led “Fortress North America.”

Framing her campaign in explicitly nationalist terms as a “Fight for Canada,” Freeland declared, “Canada isn’t for sale,” and, nauseatingly, “We’re a proud country, the true north strong and free.”

What a fraud! Any notion that “we’re all in this together” as “Canadians” has been belied by the Liberal government’s escalating attacks on workers’ social and democratic rights, including the right to strike, its unstinting support for the financial oligarchy, and for imperialist war:

- In the face of the far-right, misnamed “Freedom Convoy” which occupied downtown Ottawa in February 2022, the Trudeau government secretly arrogated sweeping anti-democratic powers to itself by activating the draconian Federal Emergencies Act

- In addition to overseeing a vast transfer of wealth from working people to the financial oligarchy during the COVID-19 pandemic, the ruling class pursued a policy of “profits before lives.” More than 59,000 Canadian workers have died thus far, and hundreds of thousands have been debilitated. The pandemic rages on.

- The Liberal government has politically excused and armed Israel’s genocide against the Palestinian people, while smearing principled opponents of this world historic crime as “antisemites.” It has adopted the IHRA definition of antisemitism, which equates political criticism of Israel with hate crimes, a major attack on free speech.

- In response to an escalating series of workers’ strikes, culminating in the strike of more than 50,000 Canada Post workers, it has illegally invoked Section 107 of the Canada Labour Code to force workers back to work, by-passing parliament and based solely on the fiat of the Minister of Labour. Under the cover of a sham commission, it is pushing through the dismemberment and privatization of Canada Post, whose workers will be either dismissed or forced into the “gig economy.”

Faced with the volcanic eruption of US imperialism on the North American continent, Freeland and Carney, the warmonger and former central banker, are competing for who can best serve the interests of Canadian capital, while disguising the true class character of the contest with phony nationalist appeals.

The opposition of the Canadian ruling class to Trump, such as it is, is only about securing its “rightful place” as Washington and Wall Street’s junior partner in a Fortress North America. This is underscored by the fact that it is rapidly moving to adopt fiscal, social, foreign and military policies patterned after those of Donald Trump—which at bottom constitute a full-frontal attack on the working class and preparation for imperialist world war.

The opposition of the working class must be based on an internationalist and socialist political perspective. This must be concretized through the fight to unify Canadian, American and Mexican workers in a joint struggle against trade war and imperialist war, and for decent-paying, secure jobs and well-funded public services for all.



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