

Former central banker Carney to become Canada's prime minister

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Former governor of the Bank of Canada and Bank of England Mark Carney will take over from Canadian Prime Minister Justin Trudeau in a matter of days after winning the Liberal Party's leadership race Sunday.

Carney is a tried and tested representative of the financial oligarchy. He has never been elected to public office. After making a fortune working for Goldman Sachs, details about which he has refused to yet make public, he served as a central bank governor for 13 years. He secured overwhelming support from the Canadian ruling elite's traditional party of government, which has ruled the country for over 50 of the 80 years since World War II, winning over 85.9 percent of the vote. All of the other candidates, including former Deputy Prime Minister and anti-Russia war hawk Chrystia Freeland, won negligible vote totals.

Carney is viewed by the ruling class as a strong candidate to lead Canadian imperialism under conditions of an unprecedented breakdown in the bilateral relationship with the United States, which has served as the basis for the pursuit of Ottawa's global imperialist interests for over 80 years.

US President Donald Trump has not only launched a trade war with Canada as part of a broader policy of tariffs on all trading partners around the world, but repeatedly threatened to annex America's northern neighbour as the 51st state of the United States and derided the outgoing prime minister as "Governor Trudeau." Trump wants to strengthen American dominance over the Western Hemisphere as a platform to wage world war to uphold its global hegemony, as shown by his simultaneous pledges to take back the Panama Canal and seize Greenland.

Carney's governorship of the Bank of Canada coincided with the 2008 economic crisis, when massive wage cuts and the destruction of jobs were imposed on the working class across North America. This included the halving of wages in the auto sector for new hires, which was enforced on both sides of the border by the United Autoworkers (UAW) and Canadian Auto Workers (CAW)—the predecessor of Unifor—and served as a low-wage benchmark for the entire private sector.

Conservative Prime Minister Stephen Harper, whose 2006-15 federal government oversaw ruthless austerity policies, invited Carney to become finance minister in 2012. The former central

banker touted Harper's invitation as proof of his credentials during the Liberal leadership campaign.

Carney chose instead to switch to the Bank of England in 2013. He presided over the pumping of billions of pounds into Britain's financial markets through so-called quantitative easing. His governorship from 2013 to 2020 coincided with the vast majority of the brutal social spending cuts imposed by successive Tory governments, which led to unprecedented levels of social inequality and poverty in post-war Britain.

The Bay Street oligarchy wants an equally ruthless class war agenda to be implemented in Canada in the period ahead. They view this as essential to make the working class pay for the trade war unleashed by Trump and the massive military build-up necessary to allow Canadian imperialism to participate aggressively in the new redivision of the world that is already well under way.

During his victory speech, Carney vowed to continue with tariffs against the US until Washington "respects" Canada. He reiterated campaign pledges to cancel a proposed increase in capital gains tax and reach the target of spending 2 percent of GDP on defence by 2027. The 2 percent goal is now the minimum required of NATO member states.

Since Trump came to power, however, the US president and other leading officials in his administration have raised the demand that NATO member states spend up to 5 percent on defence. Matching this demand would require Canada to spend tens of billions of dollars more on the military every year. Finding such sums would entail the gutting of what remains of federal and provincial government support for social and health spending, which has consistently been falling in real terms under Trudeau. Carney hinted cryptically at this fact, stating, "It won't be business as usual. We will have to do things we didn't imagine before at speeds we didn't think possible."

Carney intends to conceal the devastating implications of his agenda behind filthy Canadian nationalism. "America is not Canada," he declared during his victory speech. "And Canada never, ever will be part of America in any way, shape or form. We didn't ask for this fight, but Canadians are always ready when someone else drops the gloves. ... In trade, as in hockey, Canada will win."

Notwithstanding this aggressive rhetoric, Carney, like

Trudeau before him, advocates the dominant position held within the Canadian ruling class: that the decades-long military-strategic partnership with Washington must be rescued so that the US and Canada can confront their rivals and nominal allies alike around the world on the basis of “fortress North America.”

Trudeau’s trade union-backed Liberals have for a decade advanced a bogus “progressive” Canadian nationalism. At the same time, they collaborated with the first Trump administration, Biden and the second Trump administration on “border security,” i.e., deporting desperate migrants, establishing a US-dominated North American trade bloc to face off against China and modernizing Canada’s military capabilities, including through the North American Aerospace Defense Command (NORAD), to wage world war alongside the US.

The union-backed Liberal government has carried through right-wing social policies, slashing transfers to the provinces in real terms and providing subsidies to big business. As a result, wage inequality rose to its highest levels on record and provincial governments of all political stripes privatized healthcare and slashed public services. The support extended to Trudeau for his government’s program of austerity and war by the trade union bureaucrats and New Democratic Party, which secured Trudeau a parliamentary majority since 2019, has enabled far-right Tory leader Pierre Poilievre to cynically posture as the only alternative to the current set-up.

The election of a multi-millionaire ex-central banker and private financier to the leadership of the Liberals is a fitting culmination of the utter bankruptcy of the politics advanced by the unions, NDP and their pseudo-left appendages over the past three decades.

Ever since they connived in Ontario to sabotage the mass movement in the working class that developed against the Tory Mike Harris-led provincial government’s “common sense revolution” in the 1990s, the constant narrative promoted by these political forces has been to vote for “progressive” parties, above all the Liberals, to stop the Tories.

This “anybody but Conservative” strategy was instrumental in demobilizing working class opposition to Harper’s federal government in the years leading up to the 2015 federal election, Doug Ford’s frontal onslaught on the working class in Ontario since 2018 and the ongoing devastation wrought by the Trudeau government on living standards under conditions of a sustained strike wave that has swept across all sectors of the economy since late 2021.

The venom from the likes of Carney currently directed at “America” is not aimed at Trump’s drive to establish a presidential dictatorship to impose the same onslaught on the rights and conditions of American workers that Carney and company want to enforce on Canadian workers. Rather, it is focused on Trump’s refusal, at least for now, to recognize the interests of Canadian imperialism as a junior partner of

Washington.

It also serves as a useful propaganda slogan that is amplified by the union bureaucracy and New Democrats—the chief purveyors of foul Canadian nationalism within the working class—to keep workers across North America divided and fighting against each other and prevent them uniting against the common offensive of the financial oligarchy on both sides of the 49th parallel.

Carney therefore insisted that he would keep the tariffs in place against American imports adopted by the Trudeau government until Trump drops all tariffs and the threat of tariffs against Canada. Trump imposed 25 percent tariffs on all Canadian imports March 4, but two days later he announced a reprieve for goods that Washington asserts comply with the US-Mexico-Canada free trade agreement, which meant an estimated 62 percent of imports would remain subject to tariffs. A further 25 percent tariff on steel and aluminum products is due to take effect March 12.

In response to Trump’s March 4 tariffs, Trudeau adopted 25 percent tariffs on \$30 billion of US imports. The same rate on an additional \$125 billion of imports is planned to come into force April 2, the same day Trump has pledged to implement a further round of tariffs. Ontario imposed a 25 percent levy on all energy exports to the US Monday, a vindictive measure calculated to hit workers through power bill increases.

These policies aim to impose the cost of trade war firmly on the backs of the working class through price hikes and mass layoffs, while defending the interests of Canadian capital. Tariffs are charged on the company importing the goods, meaning that they can either increase the price of the products they sell, charging consumers more, or cancel the order and put workers out of a job.

Whether Canada’s leader over the longer term is Prime Minister Carney or Poilievre, the ruling class will work to impose the same essential class war agenda. This fact was summed up in media coverage of Carney’s victory speech. They noted that his new slogan appeared to be “Canada Strong,” as opposed to Poilievre’s fascistic “Canada First.”

Stopping this ruling class assault and the threat posed by Trump is possible only through the independent industrial and political mobilization of the working class in Canada and across North America on the basis of a socialist and internationalist program.



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