

Liberals’ “Canada strong” class-war budget passed with NDP, union and Green Party complicity

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Prime Minister Mark Carney’s minority Liberal government pushed its first budget through the House of Commons last Tuesday in a politically stage-managed vote that demonstrated the unanimous support of all sections of the ruling class for sweeping austerity and massive rearmament in preparation for global war.

Carney’s “Canada Strong” budget slashes public services while funnelling tens of billions into the military and corporate coffers. The budget and the government prevailed in Tuesday’s parliamentary “confidence” vote only because of the calculated intervention of the social democratic New Democratic Party (NDP), their sponsors in the trade union bureaucracy, and the Green Party. The role of these forces, representing privileged layers of the upper middle class, in securing the budget’s passage confirms their function as props of a right-wing big business government committed to restructuring class relations in the interests of Canadian capitalism at a time of rapidly deepening social and economic crisis.

The Liberals entered the week two seats shy of a majority, facing the possibility of defeat on a confidence vote that would have triggered a federal election. However, no faction of the bourgeoisie wanted such an outcome while trade war with the United States intensifies, fiscal strains mount and polls show that neither the Liberals nor the Conservatives—the ruling class’s two traditional parties of national government—have a clear path to securing a stable parliamentary majority little more than six months after the last election.

That the budget ultimately passed 170 to 168 was the product of cross-party abstentions and backroom agreements designed to keep the former banker Carney in office, while the ruling class tests both him and far-right Conservative leader Pierre Poilievre as instruments for ratcheting up the exploitation of the working class at home to improve Canadian imperialism’s “competitiveness” and pay for rearmament.

The budget’s attacks on public services and federal workers underscore how Canada’s ruling class is determined to offload the cost of the ongoing trade war with the US and preparations to participate in a third world war onto the working class. Tens of thousands of jobs have been lost over recent months in the auto, steel, lumber and other industries impacted by steep US tariffs.

Behind the bogus “Team Canada” rhetoric, the Carney government has made clear that it stands on the side of Canadian big business in its drive to slash workers’ rights and augment profits. It has virtually criminalized the right to strike, as shown by its aggressive interventions into labour disputes at Canada Post and Air Canada. In this it has relied both on the draconian powers that it has arrogated through a bogus “reinterpretation” of a section of the Canada Labour Code and the trade union bureaucracy to smother rank-and-file militancy.

All of the parties in parliament participated in cynical maneuvers to

ensure that Carney’s class war policies continue. Two NDP MPs, Gord Johns and Lori Idlout, abstained rather than vote against the budget. Two Conservative MPs, including Alberta MP Matt Jeneroux, who is soon to resign, also did not vote. The Liberals also benefitted earlier in the month from the floor crossing of Conservative MP Chris d’Entremont, which reduced the number of opposition votes needed to pass the budget.

Also revealing was the “Yes” vote cast by Elizabeth May, the Greens’ lone MP. May had spent days posturing as an opponent of the budget but announced her support after Carney declared during Question Period that his government remained committed to Canada’s climate targets. “Without what I heard from the Prime Minister today, I would have voted no,” she said. That the Greens could countenance voting for a budget that guts environmental regulation, expands oil and gas development through “national project” designations and shifts billions into defence procurement exposes once again their role as a loyal ally of the ruling class and the Liberal Party.

Critical to the passage of the budget were the public interventions of provincial leaders across parties who made clear that it must not fail. Ontario’s hard-right Progressive Conservative Premier Doug Ford declared Monday that he hoped the federal budget would pass, calling on all parties to act in the “best interest of the country.” Ford praised the First Ministers Meeting that preceded the vote as proof that governments across party lines were working as “Team Canada.” Asked whether his endorsement might trouble federal Conservatives, Ford shrugged, “That’s up to them. We’re the Ontario PC party.”

Ford was not alone. British Columbia NDP Premier David Eby echoed his call for the budget to be adopted, while Manitoba’s NDP Premier Wab Kinew held a joint press event with Carney on the eve of the budget vote to announce a major agreement to “build a stronger, more competitive and prosperous economy.”

Canada’s premiers, regardless of party label, lined up behind the budget because it is aligned with the needs of Canadian capitalism as a whole. Their united front is yet more evidence that the trade union-sponsored NDP and Liberals are tools of the financial oligarchy, advocating its program of imperialist war abroad, and the gutting of workers’ democratic and social rights at home.

Inside Parliament, Poilievre, as leader of the opposition, made his expected bloviations, denouncing the budget as reckless and fiscally irresponsible. He cited a recent report by interim Parliamentary Budget Officer Jason Jacques showing the Liberals are unlikely to meet their own deficit targets. “The Prime Minister’s costly deficit gambles our future on the national credit card,” Poilievre said.

The Tory leader combined this attack with hypocritical criticisms of the government for its failure to advance any meaningful measures to address the “affordability crisis” facing working people. Poilievre and the faction

of the ruling class he represents demand even deeper cuts, faster implementation of military expansion and a more aggressive stance against China and Russia. While the Conservatives, exploiting the NDP and unions' role in propping up a right-wing Liberal government that has presided over mounting socio-economic distress for working people, try to posture as defenders of "working Joes," their real complaint is that Carney's attacks on the working class are not harsh enough.

Behind the parliamentary theatre lies the real content of the 2025 "Canada Strong" budget. As the WSWWS has previously analysed, it marks a decisive shift to the right. The government is slashing operational spending across federal departments and pushing real-term reductions in health, education and social transfers to the provinces. It aims to eliminate 40,000 public sector jobs by 2028, while stripping back environmental oversight, weakening immigration services and shrinking capacity in transport, fisheries, workplace safety and science. The tax dollars freed up by these cuts are being directed toward corporate tax incentives, a massive rearmament program, and subsidies for big business infrastructure projects and expanding Canada's military-industrial base.

The budget also intensifies a brutal anti-immigrant offensive. Temporary resident admissions will be almost halved from 2024. Asylum seekers will face new copays for medicines, vision care and other basic services. Restrictions on refugee applications are being tightened under Bill C-12 while border enforcement is strengthened. These attacks mirror the xenophobic agenda of Trump and far-right forces internationally and serve the same purpose: dividing workers and creating scapegoats while social services are dismantled.

In the weeks leading up to the budget, the Carney government used Canada Post as a proving ground for its broader agenda. The Liberals ordered the Crown corporation to deliver a "restructuring" plan that will end daily and home mail delivery and destroy tens of thousands of full-time jobs over the next decade. Canada Post CEO Doug Ettinger in remarks this week openly boasted that as many as 30,000 positions out of a current workforce of 68,000 will be eliminated through attrition over the next decade, with no clarity on what will remain of the public post office or how many of the surviving jobs will be part time and precarious.

The Liberals have promoted the attack on postal workers as evidence of their willingness to make "tough choices" in pursuit of what they call "fiscal sustainability." By targeting postal workers, historically one of the most militant sections of the working class, the Liberals have signalled that every public service and every worker is now on the chopping block as they restructure the state to fund war and enrich corporate Canada.

The Canadian Labour Congress (CLC) and the broader trade union bureaucracy have responded to the Liberals' austerity budget with a mixture of mild criticism and enthusiastic collaboration. The CLC urged the NDP to work with the Carney government to "improve" the budget rather than defeat it.

The Public Service Alliance of Canada (PSAC), which has 165,000 members in the federal public service, responded to the announced job cuts by meekly pledging to pressure the government to follow collective agreements. It remained silent on the question of mobilizing workers in defence of jobs and public services, which the union bureaucracy bitterly opposes. The unions' role is to manage the anger of workers as layoffs begin and living standards fall, while upholding a collective bargaining system rigged in favour of the state and employers.

Through their abstentions and last-minute theatrics, the NDP—which propped up the hated Trudeau government as it imposed "post-pandemic" austerity, hiked military spending, supported the US-NATO war on Russia and backed Israel's genocidal assault on the Palestinians—has once again saved a Liberal government committed to an agenda they claim to oppose. The capitalist press describes this as a tactical maneuver driven by the NDP's weakened finances and absence of a leader. In reality, their actions reflect the deeper truth that the NDP is an essential instrument of

bourgeois rule. It props up governments of austerity and war, providing a false left cover for attacks on the working class.

The *Globe and Mail's* response to the budget is a clear expression of ruling-class expectations. In a recent editorial urging the government to "restore Canada's fiscal stability," the paper scolded Finance Minister François-Philippe Champagne for failing to match the brutal austerity imposed by Liberal Finance Minister Paul Martin in the mid-1990s. The editorial hailed the 1995 budget which initiated a massive years-long assault on public services and social supports, at both the federal and provincial levels, and eliminated tens of thousands of public sector jobs as a model for today.

The *Globe's* warnings about credit ratings, debt servicing costs and "generational inequity" are not neutral financial observations, but ideological cudgels used to justify a far deeper offensive against workers and retirees. Behind the handwringing over aging populations and "unsustainable" benefits lies a demand that the state claw back pensions from working class retirees while protecting corporate tax cuts and expanding military spending.

What the newspaper that is the traditional voice of the Bay Street banks and investment houses calls "milquetoast" is in reality the most right-wing budget in decades. Its insistence on even sharper cuts and a thorough dismantling of public services reveals the intense pressure being exerted on the Carney government from Canada's financial elite: the Liberals must move faster, hit harder and drive down social spending more rapidly to free up resources for war and profits.

The "Canada Strong" budget must be understood in the context of the global capitalist crisis. Across North America and Europe, ruling classes are dismantling social protections to fund military buildup. Governments are expanding police powers to repress strikes and protests. The political establishments in all the major countries are legitimizing far-right forces and incorporating them into governance. The Carney budget is the Canadian expression of this worldwide turn toward authoritarianism and imperialist conflict.

The working class faces a stark choice. It cannot defend its democratic rights, jobs and future through the NDP, the Greens or the pro-capitalist trade union apparatuses. These forces serve the ruling class and collaborate in its assault. What is required is the building of new organizations of class struggle to mobilize its social power and arm it with a revolutionary socialist program and strategy—rank-and-file committees, independent of the unions and rooted in workplaces and working class neighbourhoods, and the Socialist Equality Party.

These are the essential means whereby the growing opposition to jobs cuts, war and the gutting of workers' social and democratic rights can be systematically mobilized; workers' struggles across Canada and internationally linked together and an industrial and political offensive developed for a workers' government that will place human needs before capitalist profit.



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