

A step toward trade war:

Trump's Commerce Department imposes huge tariff on Canada's Bombardier

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The Trump administration has imposed a massive 219 percent interim tariff on imports of Bombardier's new C Series of mid-size passenger jets, effectively shutting the financially-troubled Canadian-based aerospace manufacturer out of its largest potential market.

The decision, announced by US Commerce Secretary and Trump billionaire crony Wilbur Ross late Tuesday, has been met with anger and threats of retaliation from Canada and Britain.

Both Canadian Prime Minister Justin Trudeau and British Prime Minister Theresa May had personally lobbied Trump not to act on a complaint from the US-based aerospace giant Boeing that Bombardier has unfairly benefited from state subsidies.

But rather than heeding their pleas, the Trump administration imposed a penalty almost three times more the 79 percent duty Boeing had sought.

"The U.S. values its relationships with Canada," said Ross, "but even our closest allies must play by the rules."

Bombardier is scheduled to deliver the first in a possible sale of up to 125 of its "100 C-Series" aircraft to Delta Airlines next spring. However that deal, which has been viewed as pivotal to Bombardier's plans to market the C Series globally, is now very much in doubt.

The size of the Commerce Department penalty has shocked international observers.

Boeing is undoubtedly a powerful US transnational. One moreover that is a charter member of the US military-industrial complex. But clearly, the Trump administration is also using the Bombardier-Boeing dispute to send a message to the world that it intends to press forward with its "America First" program, which seeks to halt the accelerating decline of US global economic power through protectionism and economic nationalism.

This offensive is above all directed at Washington's chief economic and geostrategic rivals, China, Germany, and Russia, who undoubtedly will have taken note of the

Bombardier decision. If this is how the Trump administration treats an ostensible ally, Beijing and Berlin must be wondering what measures Washington will resort to in its trade conflicts with them.

In announcing Tuesday's decision, Ross boasted that under Trump the US Commerce Department has initiated 48 percent more trade investigations than during the same period last year.

The Bombardier tariff is only the latest indication of an accelerating drive towards trade war. In the aftermath of the 2008 financial crash, all of the major powers foreswore protectionist measures, noting the ruinous impact they had in exacerbating the Great Depression of the 1930s and in laying the groundwork for the Second World War. But less than a decade on, all such paper promises have been swept aside.

At a series of top international economic gatherings, Trump administration officials have insisted that standard references to opposing protectionism and promoting "free trade" be excised from joint statements. In April, Trump, basing himself on rarely-used powers to examine trade from the standpoint of national security, initiated an investigation into the alleged dumping of cut-price steel on the US market.

Washington's recent decision to enforce unilateral sanctions on Russia brought to light the extent of the economic rift that has opened up between the US and Europe, and in particular with Germany. German and other European politicians vowed they would respond with counter-measures within days should the US sanctions impact European companies engaged in Russia's energy sector.

Washington's aggressive economic nationalism is also guiding its push to renegotiate the North American Free Trade Agreement (NAFTA), talks on which were ongoing in Ottawa as Ross made his Bombardier announcement. The timing of the Commerce Department decision was undoubtedly calculated to strengthen the hand of US negotiators, who are demanding, among other things, that

Mexico and Canada accept America-specific content requirements for tariff-free access for cars, trucks and other manufactured goods.

Washington's fundamental goal in the NAFTA talks is to transform it into a more explicit North American trade bloc, whose rules it can then use as a template to reinforce its economic position around the world.

The Canadian bourgeoisie is fully on board with this reactionary agenda, calculating that it can best uphold its own imperialist interests in alliance with Washington and Wall Street.

However, the Bombardier dispute is far from the only front on which the two neighbours are clashing. Another is softwood lumber. Last spring the US imposed tariffs of more than 20 percent on Canadian softwood lumber producers as talks on a new agreement "voluntarily" restricting Canadian exports to the US stalled.

Canada and Mexico hoped that they would be able to moderate US demands for a wholesale rewriting of NAFTA, by acceding to the insertion of clauses on "currency manipulation" and state-owned firms that the US could wield against China and in trade negotiations around the world.

But the flurry of Canada-US trade spats and the Trump administration's vicious attacks on Mexican migrants to the US, as well as its demands that Mexico bring its trade with the US "into balance," have thrown all this into doubt.

Trudeau has already indicated his Liberal government will retaliate to the Bombardier decision by abandoning its plan to purchase 18 Super Hornet fighter jets from Boeing, in what was supposed to be an interim measure while Ottawa rearms with a fleet of 88 new fighter aircraft.

The British government is also threatening to retaliate through military purchases. "This is not the behaviour we expect from Boeing," said British Defence Minister Michael Fallon yesterday, "and it could indeed jeopardize our future relationship with them ... [including] further contracts."

Bombardier, with 4,000 employees in Belfast, is Northern Ireland's largest manufacturer. Further complicating matters for Britain's Conservative government, which is already embroiled in the fractious Brexit negotiations, is that its slim parliamentary majority is dependent on support from Northern Ireland's Democratic Unionist Party.

The trade unions are incapable of advancing any progressive response to the ever more embittered commercial conflicts between rival companies and governments. Instead, they are playing a poisonous role in lining up workers behind their employers and "their" governments.

In the US, major unions like the United Steelworkers and United Auto Workers (UAW) and the AFL-CIO bureaucracy

have championed claims that Trump's America First policies can protect workers' interests. Steelworkers President Leo Gerard attended the signing of Trump's executive order on alleged steel dumping and gave it his blessing.

Canada's unions are playing a no less despicable role. Last week, Unifor, the country's largest private sector union, led a company-sponsored rally of Bombardier workers and Bombardier managers in Toronto on an explicitly nationalist basis. Beating the drum for trade war measures, Unifor head Jerry Dias declared that it was essential to tell "our federal government, you continue to fight against the United States, and you make sure you continue to fight for our jobs...and when Justin Trudeau says to Boeing we're not buying any of your damned planes as long as this fight is going, we say congratulations Prime Minister we're right here with you."

Similarly, Unifor is refusing to lift a finger to fight for any of the demands of the 2,800 workers currently on strike against GM-owned CAMI, including for an end to two-tier wages and job security. Instead its sole concern is to secure a contract provision that would ensure Mexican workers would be the first to be laid off in the event GM cuts production of its hot-selling Equinox SUV.

In the name of "saving Canadian" and "American jobs," Unifor and the UAW have for decades imposed round after round of concessions and job cuts, while assisting the automakers in pitting Canadian, US and Mexican workers against each other in a race to the bottom.

Workers must oppose the efforts of the unions to drag them behind trade war. In the case of Boeing and Bombardier, these are both huge corporations, backed to the hilt by their respective big business governments, that have fought for market share by ruthlessly squeezing workers with concessionary contracts and job cuts, while funneling massive profits to investors.

Boeing and Bombardier workers, together with their colleagues throughout the aerospace, auto and all industries, must counterpose to the reactionary nationalist policies of the capitalist governments and their union accomplices an internationalist and socialist program. Only by uniting their struggles around the globe can workers stop the social destruction caused by the corporate struggle for profits and market share and stop the insane drive of the ruling elites towards trade war, which as history demonstrates merely serves as the prelude to military conflict.



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