

Canadian ruling elite reacts to Trump's steel and aluminum tariffs

Roger Jordan
7 March 2018

American President Donald Trump's announcement last Thursday of the impending imposition of steep tariffs on all US steel and aluminum imports has been sharply condemned by Canada's Liberal government and the entire political establishment.

While Canada's corporate media is full of worried reports about the potential rapid descent into global trade war, Prime Minister Justin Trudeau and his Liberals have made clear that their priority is securing an exemption for Canada; or as the *Globe and Mail*, the traditional mouthpiece of the country's financial elite, put it shortly after Trump's election in 2016, ensuring Canadian capitalism is inside "Trump's walls."

Underscoring the aggressive "America First" nationalism underlying his announcement, Trump justified the imposition of a 25 percent tariff on steel imports and a 10 percent tariff on aluminum imports on national security grounds.

Canada is the largest source of both US steel and aluminum imports. But, due to integrated, cross-border production lines, the tariffs threaten to wreak economic havoc, and eliminate thousands of jobs on both sides of the Canada-US border.

Trump and senior administration officials have responded to the Canadian criticisms of the planned tariff by making clear they will be used as leverage in Washington's drive to renegotiate the terms of the Canada-US-Mexico North American Free Trade Agreement (NAFTA). "We're not backing down," Trump arrogantly proclaimed Monday. "Right now, 100 percent [chance we proceed with tariffs]. But it could be a part of NAFTA."

Robert Lighthizer, Trump's Trade Representative, was even more explicit. Speaking on the sidelines of the latest round of NAFTA talks in Mexico City, he said that the tariffs would not take effect immediately, suggesting Canada and Mexico could avoid them if they swiftly reach agreement on NAFTA. Leaving no doubt that this would mean capitulating to Trump's demands for sweeping changes—including "Buy American" government

procurement provisions, a "sunset clause," and a minimum 50 percent US-made content requirement for automobiles, Lighthizer added, "We would prefer a three-way, tripartite agreement. If that proves impossible, we are prepared to move on a bilateral basis."

In appealing for a "Canadian exemption" from the impending tariffs, Trudeau and Foreign Minister Chrystia Freeland have touted Canada's military-security partnership with the US through NATO and NORAD, and emphasized that US defence industry production chains would be disrupted by taxing Canadian steel and aluminum imports.

Freeland, who is leading Canada's delegation in the NAFTA talks, and Finance Minister William Morneau have said Ottawa will take unspecified retaliatory measures against the US if tariffs are imposed on Canadian steel and aluminum—a threat they have demagogically tried to dress-up as "defending" Canadian workers.

Notwithstanding this bluster, the dominant sentiment in Canadian ruling circles is to avoid, if at all possible, a trade clash with the US, which is the destination for three-quarters of all Canadian exports.

To ensure the maintenance of its privileged trading relationship with the US, Canadian big business is ready, even if reluctantly, to join in a trade war against China. Like sections of the Democrats in the United States, the Liberals' criticism of Trump is not based on opposition to protectionist measures in principle, but that their application to Canada adversely impacts North American, including US, economic and geopolitical interests.

The comments of Maine Senator Angus King, who caucuses with the Democrats, were positively cited in Canadian media reports and sum up this view. Appealing for the tariffs to be aimed at China and other newly industrialized countries, King asserted, "You want to do these kinds of things with a scalpel, not a chainsaw."

Over the past seven decades, Canadian imperialism has advanced its global predatory interests chiefly through the maintenance of a close military-strategic partnership with the United States.

A significant factor in the rallying of decisive sections of the ruling class behind Trudeau and his Liberals in the 2015 election was their pledge to renew and deepen ties with Washington, which had become strained in some areas during Stephen Harper's tenure.

Since coming to power, the Liberals have launched a massive rearmament program aimed at enabling Canada to provide enhanced support to the US in aggression and wars around the globe; sent Canadian troops to support Washington's aggressive military buildup against Russia in Eastern Europe and North Korea and China in the Asia-Pacific; and expanded Canada's involvement in the US-led Mideast war, which is increasingly metastasizing into a regional conflict between the major powers.

The Trudeau government has also gone out of its way to establish close working relations with the Trump administration. This has included agreeing to "modernize" NORAD and supporting Washington's plans to fashion NAFTA into an even more expressly protectionist trade bloc. To this end, Liberal government officials have even indicated Canada would be ready to throw Mexico under the bus in the current NAFTA talks if that was the price of reaching a deal with Washington.

In keeping with this approach, Trudeau did not directly criticize the steel and aluminum tariffs when he spoke with Trump by phone Monday. A statement from the Prime Minister's Office noted that Trudeau registered his "concern" with the move, which "would not be helpful to reaching a deal on NAFTA."

As the *World Socialist Web Site* has previously explained, Trump's tariffs mark a further stage in the disintegration of the post-war economic order put in place by US imperialism with the aim of averting the beggar-thy-neighbour trade conflicts of the first half of the 20th century. The same contradictions of capitalism that twice plunged humanity into catastrophic world wars over the past century are re-emerging with full force.

Under these conditions, the trade unions, both in the US and Canada, are stepping forward to fan the flames of economic nationalism, encouraging workers to line up behind their "own" ruling class in support of trade war measures whose logic leads to all-out war.

Jerry Dias, head of Canada's largest private sector union Unifor, appealed to the Trudeau government to "fight fire with fire." Denouncing Trump as a schoolyard bully, Dias continued, "It is crystal clear to us that if Canada is not exempted from the US tariffs... then Canada should walk away from the NAFTA table."

Dias speaks on behalf of an organization that, like the US-based UAW from which it split in 1985, has systematically whipped up nationalism, while integrating itself ever more

fully into management, and imposing round after round of concessions and job cuts on auto and other workers.

In addition, Dias and Unifor have developed intimate ties with the big business Liberals, and are key supporters of both the federal and Ontario Liberal governments. The Unifor president's appeal for Canada to respond to Trump's tariffs with "fire" was delivered from Mexico City, where he was attending the latest round of NAFTA talks as a government adviser.

The pro-capitalist union bureaucracy is viscerally hostile to the emergence of an international working class movement against austerity and war and is determined to line up four-square behind the ruling elite in the global scramble for markets, raw materials, and strategic advantage.

Dias' advocacy of trade war measures mirrors the position adopted by his counterparts in the American union bureaucracy. Richard Trumka, president of the AFL-CIO, enthusiastically welcomed Trump's tariff announcement, describing it as a "great first step toward addressing trade cheating." Trumka explicitly praised Trump for the "effective enforcement" of a 1962 law allowing the president to block imports on national security grounds.

Leo Gerard, president of the United Steelworkers, welcomed the tariffs, claiming they would target "cheaters" in China and protect "American jobs." In words that could just as easily have been uttered by the fascist-minded US president, Gerard raged, "Some of these idiots that say we are going to start a trade war—we are in a trade war now, and we are just sitting back."

However, Gerard, whose union includes workers in Canada, took issue with applying the tariffs equally to US military-strategic allies, like Canada and Australia, adding, "We didn't want to—and didn't ask the administration to—alienate those countries that don't cheat."

The role of the unions as nationalist accomplices of the bosses and capitalist governments could not be clearer. As trade war on a scale not seen since the 1930s re-emerges, laying the groundwork for the explosion of all-out military conflict between the major powers, the unions are peddling nationalist filth to divide the working class and persuade workers to line up behind their "own" bourgeoisie in the ruthless drive for profits.



To contact the WSWs and the
Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)