

# Canada and the United States resume aluminum tariff war

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Deputy Prime Minister Chrystia Freeland of the ruling Liberal Party announced last Friday that the Canadian government will impose C\$3.6 billion in tariffs on US metal products in retaliation for President Donald Trump's placing of a 10 percent tariff on Canadian non-alloyed, unwrought aluminum. Trump, in a continuation of his reactionary "America First" agenda, cited unsubstantiated "national security" concerns to resurrect a metals trade war with Canada that he boasted will "save American jobs." The Trump tariff will take effect on August 16.

Freeland branded the Trump administration as the most protectionist in US history and called Trump's national security rationale "ludicrous" and "absurd." However, she was careful to couch her government's criticism as a defence of the Canadian ruling elite's long-standing military-strategic partnership with US imperialism. "Canadian aluminum does not undermine US national security. Canadian aluminum strengthens US national security and has done so for decades through unparalleled co-operation between our two countries," stated Freeland.

With approximately three-quarters of all Canada's exports going to the US and Canada's global position dependent on its military-security partnership with Washington, Canadian big business and its political representatives view their alliance with the US as pivotal to upholding their own imperialist interests.

Canada's response, said Freeland, would be designed therefore to be "perfectly reciprocal," so as not to escalate the trade dispute further. The federal Liberal government will now take the next 30 days to determine what specific US metal products will be targeted, "dollar for dollar," by the Canadian tariffs. It is expected that the government will select industries in the United States that are located in electoral "swing states" that are crucial to Trump's flagging re-election bid.

The current dispute is a resurrection of earlier trade frictions between the two countries. In 2018, Trump imposed a 25 percent tariff on Canadian steel and a 10 percent aluminum tax. The Canadian government then

responded in kind. Those tariffs were lifted in May 2019 in order to ease the way for the subsequent passage through Congress and the Canadian parliament of the new U.S.-Mexico-Canada continental free trade agreement (USMCA). The central purpose of the USMCA is to consolidate North America as a US-dominated trade bloc capable of confronting the global rivals of North America's two imperialist powers, above all China and Russia.

The Liberal government of Prime Minister Justin Trudeau has been striving to accommodate Trump and sustain a close working relationship with his administration since his election in November 2016, both to protect the vast corporate profits dependent on exports to the United States and to enable Canadian corporations to continue to scour the globe in search of new markets on the coat-tails of US imperialism.

The exacerbation of Canada-US trade tensions—at a time when the COVID-19 pandemic, the global crisis of capitalism and the concomitant growth of working class resistance has threatened the very foundations of bourgeois rule—has angered business organizations on both sides of the border.

In the first half of this year, Canada provided about 75 percent of all aluminum shipped to the US. American manufacturers have no ready outlet to purchase aluminum from other sources and thus will be forced to buy the metal from Canada at the increased price, thereby driving up consumer prices. At the same time, the proposed Canadian tariffs on US metal products will put a downward pressure on American jobs in selected industries.

The US Chamber of Commerce, other American trade organizations and think tanks as well as many manufacturers denounced Trump's new tariffs. Tom Dobbins, president of the US Aluminum Association called the move an "ill-advised action on a key trading partner...at a time when U.S. businesses and consumers can least afford it." The *Wall Street Journal* editorial board opined, "Mr. Trump at his policy worst."

As was the case in 2018 when all Canada's political

parties came together to demand swift retaliation against Trump's steel and aluminum tariffs, the Conservatives, NDP, business groups and the trade unions united with the Liberals to denounce Trump. Hard-right Ontario Premier Doug Ford, who has spent his two years in power gutting public spending, attacking teachers, and preparing to privatize large swathes of the public sector, asserted, "I had a good conversation with the deputy prime minister this morning regarding this and I just have to say how disappointed I am with President Trump right now." He added that Canada was in "a battle" and must "hit 'em where it hurts."

A statement by the Canadian director of the United Steelworkers (USW) struck a similarly reactionary nationalist chord. "The Trump administration is flouting the May 2019 agreement between the US and Canada which removed baseless Section 232 'national security' tariffs on Canadian exports at that time," declared USW Canada director Ken Neumann. "The re-imposition today of these bogus US tariffs on Canadian aluminum is now threatening thousands of Canadian jobs. The Canadian government must respond with retaliatory tariffs on a wide range of U.S. exports."

The USW's full-throated endorsement of protectionism and trade war measures is a logical continuation of its pro-corporate, pro-imperialist line that has seen it endorse USMCA and the emergence of a North American trade bloc. The last time Trump imposed steel and aluminum tariffs on Canada, the USW campaigned against them by reminding lawmakers in Washington that Canadian steel and aluminum have been used for decades to supply the US war machine with tanks, guns, and aircraft.

Among Canadian union bureaucrats, USW and Unifor have been first among equals in promoting a nationalist orientation—calling on big business governments to defend "Canadian" jobs and enact protectionist measures to support "Canadian" companies. This pro-capitalist perspective serves to block any united action on the part of workers in North America and around the world against the transnational giants that are relentlessly seeking to intensify the exploitation of all workers, irrespective of their nationality.

Moreover, the unions' nationalism has failed to protect a single job. Unifor, which began talks with the Detroit Three automakers on a new contract yesterday, has waved the Maple Leaf in the faces of autoworkers since the 1980s, while it (and its predecessor the Canadian Auto Workers—CAW) imposed round after round of wage rollbacks and other concessions, and presided over the destruction of tens of thousands of jobs at Fiat-Chrysler, Ford, and General Motors.

In addition to trade war, the conflict between the ever-more integrated global economy and the division of the world into competing capitalist nation-states is paving the way for wars of aggression, including military clashes between the imperialist powers themselves. As Trudeau, Trump, and the European and Chinese leaders recklessly implement tariffs and counter-tariffs, they are all arming their respective militaries to the teeth.

The global capitalist crisis has undermined the Canadian bourgeoisie's long-standing strategy of advancing its own imperialist interests in close alliance with US imperialism, while at the same time relying on multilateral international institutions to offset the power imbalance that has always prevailed between Ottawa and Washington. As tensions between the American and European imperialists, and China mount, Canada's ruling elite is being thrust ever more forcefully into the maelstrom of imperialist conflict.

Workers must reject with contempt the unions' nationalist propaganda and the attempt by the entire political establishment to posture as defenders of workers' interests. In opposition to the nationalist, pro-capitalist policy of lending support to Canada's retaliatory tariffs, Canadian workers must link their struggles to the growing upsurge of the American and international working class.

It is impossible to advance the interests of Canadian workers in alliance with big business and its political representatives. Instead, Canadian workers must join forces with their class brothers and sisters in the US, Mexico, and around the world in a counter-offensive against the austerity, militarism, and nationalism promoted by the ruling elite in every country. In opposition to the imposition of tariffs and counter-tariffs, and the descent of the global capitalist system into trade war and military conflict, workers must make socialist internationalism the axis of their struggles.



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