

Trump's tariffs begin to bite as Stellantis shifts production from Canada to the US

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Stellantis' decision to move production of the Jeep Compass from Brampton, Ontario, to Belvidere, Illinois, has brought into sharp relief the widening economic fallout from the trade war between the United States and Canada that US President Donald Trump launched earlier this year.

The announcement means the loss of roughly 3,000 jobs at one of Canada's key auto assembly plants and reflects how the new tariff regime is accelerating the reordering of North American manufacturing at the expense of the working class across the continent.

What Stellantis calls a "strategic realignment" is part of a broader process in which tariffs on vehicles and auto parts are pushing production and investment south of the border. Thanks to the imposition by the United Auto Workers (UAW) of one round of concessions after another over the past 40 years, the jobs being transferred to the US will be characterized by ruthless exploitation, low wages, and a total lack of job security. As shown by the shocking death in April 2025 of Ronald Adams Sr. at Stellantis's Dundee Engine Plant, the automaker and the Trump administration have no concern about the conditions facing US workers, let alone those left jobless in other countries.

Canadian auto parts suppliers have reported layoffs and idlings as costs climb and market access narrows. These cutbacks across the supplier industry, on top of the Stellantis announcement, underscore how deeply Canada's economy depends on integrated continental supply chains now being reshaped by protectionist measures designed to concentrate production inside the United States.

In seeking to "reshore" manufacturing, the Trump administration is not simply working to boost inward investment and economic growth. A key motivation for its America First tariffs, as frankly stated in US Commerce Department documents, is rebuilding America's military-industrial base in preparation for waging war around the world.

The impact of Trump's trade war extends well beyond auto production, with the US now imposing tariffs on a raft of Canadian economic sectors, accounting for well over \$100 billion in annual exports to the US. These include 50 percent tariffs on steel and aluminum, 35 percent on semi-finished copper products and 35 percent on all exports not in compliance with USMCA, the US-Mexico-Canada trade agreement.

In northern Ontario, the impending closure of the Kapuskasing paper mill, threatening more than 2,500 direct and indirect jobs, has been linked by industry analysts and local officials to the 25 percent US tariff on pulp and paper products. The plant's shutdown will devastate a region already struggling with declining employment and population loss.

Algoma Steel in Sault Ste. Marie, Ontario, the region's main employer, is expected to begin layoffs soon despite a \$500 million loan from the federal and provincial governments as it accelerates the shutdown of its blast furnace and coke ovens and moves to electric arc furnace steelmaking due to the pressure of tariffs which have effectively cut off the US market.

In the forestry sector, the Trump administration's new duties of 45 percent on softwood lumber and 25 percent on furniture and cabinetry have forced mills in British Columbia, Ontario and Quebec to scale back or suspend operations. The sector's long-running dispute with Washington over softwood lumber exports has deepened into a crisis that provincial governments admit they cannot offset.

Canada's manufacturing workforce has contracted sharply since the summer, particularly in steel, aluminum, and machinery, as orders from the United States decline and domestic producers face higher input costs. While the September job report shows that 28,000 jobs were added to the manufacturing sector last month, this didn't even cut in half the 58,000 jobs lost since January. The national unemployment rate meanwhile remains stuck at 7.1 percent and is even higher in Ontario, the center of auto production and manufacturing, at 7.9 percent.

The response from the Liberal government in Ottawa has been to treat the economic crisis sparked by the trade war as an opportunity to accelerate long-planned restructuring in favour of big business and finance capital. This has been combined with a deafening silence on Trump's Operation Dictatorship in the United States, a silence driven by a desire on the part of Canada's financial elite to reach an accommodation with the would-be dictator in the White House. What the Canadian ruling class desires above all is recognition of its economic and geopolitical interests as a junior partner of American imperialism in a "Fortress North America," which it believes would permit Ottawa to cash in on the loot produced by US-led aggression and war against its main rivals around the globe.

To this end, Canada's ruling class wants to inflict Trump-style attacks on the working class at home, including the gutting of public services and the abrogation of worker rights.

Prime Minister Mark Carney, the former governor of the Banks of Canada and England, addressing the US Council on Foreign Relations in New York in September, described Trump's tariffs and threats as a "favor" to Canada's capitalist elite. He noted they "needed the rupture" to push through changes in policy that would have been politically difficult or impossible under normal conditions.

Carney's remarks make clear that the Liberal government sees the trade war and Trump's annexation threats as providing political cover for imposing policies long sought by the Canadian ruling

class—massive increases in military expenditure, greater “flexibility” in labour markets, “streamlined” environmental and industrial regulation, and further corporate tax cuts. Carney has declared that his budget will be one of “austerity and investment,” meaning the slashing of funding for social programs and scientific research which benefit the working class, in order to funnel tens of billions into the military and corporate coffers.

Responding to complaints from Bank of Montreal CEO Darryl White that Canada’s corporate tax regime is uncompetitive, Carney declared Thursday that his government is “well aware of what the relative tax rates are on investment”; he then vowed, “we will make sure they are competitive in the (November 5 federal) budget.”

Behind pledges of assistance for laid-off workers, Ottawa’s actual measures—short-term retraining funds and corporate tax credits—signal acceptance that much of Canada’s traditional industrial base will be decimated by an extended trade war.

The government’s focus is on implementing the agenda of the corporate elite, increasing worker exploitation so as to maintain “investor confidence,” and rearmentation so as to ensure the Canadian ruling class has a “seat at the table” in the imperialist redivision of the world. With the support of the trade unions, Ottawa plans to manage the social consequences of deindustrialization, not prevent it.

In this collaboration, the key role of suppressing all working class opposition to the class-war onslaught will fall to the likes of Canadian Labour Congress President Bea Bruske and Unifor (the former Canadian Auto Workers), which has a long and despicable record of working with the Liberal government to uphold the interests of corporate Canada.

Carney’s candour before an audience of the American foreign policy elite revealed the essential continuity between Canadian and US policy: both aim to increase the profitability of North American capitalism through wage “restraint,” the evisceration of public services, the right to strike, environmental and workplace regulations and the contractualization and gig-ification of work. Canadian imperialism aims to remain a junior partner of American imperialism, if possible, comfortably within Trump’s walls. This is exemplified by Carney’s repeated groveling visits to the White House even as the US president continues to threaten to make Canada the “51st state.”

Canada’s union bureaucracy has responded to the Stellantis announcement and related job cuts with a renewed outburst of Canadian nationalism and appeals to the Carney government. Unifor, which represents the Brampton Stellantis workers, has denounced the company’s decision as a blow to “Canadian jobs” and demanded government intervention to protect domestic production. Yet such rhetoric conceals more than it explains. By portraying the issue as one of “national betrayal” rather than the outcome of corporate and geopolitical interests operating across borders, the unions channel legitimate anger into the dead end of “Team Canada” and divide workers from their brothers and sisters in the United States and beyond.

Unifor’s Brampton-based Local 1285’s endorsement of Ontario Premier Doug Ford’s Progressive Conservatives in last February’s provincial election typifies how the union’s nationalism leads to accommodation to the pro-business right wing and the false notion that Canadian workers can defend themselves by aligning with one faction of the ruling elite against another.

These developments pose critical questions for working people. The destruction of jobs at Stellantis, the devastation in forestry and steel, and the wider economic impact are not isolated national problems but

expressions of a global process in which the ruling classes of every country are seeking to offload the crisis of capitalism onto their competitors and their own populations. Trade war is a key tool of imperialism, fought through tariffs and subsidies, instead of tanks, warplanes, and nuclear weapons, but driven by the same underlying struggle for markets, profits, and geopolitical advantage.

To oppose this, Canadian workers must reject the nationalist framework advanced by both the government and the unions. The real allies of Brampton’s autoworkers are not the politicians in Ottawa or Queen’s Park but the workers in Belvidere, Detroit, Toluca and Saltillo facing the same pressures under the same corporate management. The same is true for forestry, steel and paper workers on both sides of the border. The means to resist lies in uniting workers’ struggles across national lines, establishing rank-and-file committees in every workplace, school and community, and linking them through the International Workers Alliance of Rank-and-File Committees.

Only by building such independent organizations can workers begin to coordinate action against the global corporations and governments that serve them, and to advance their own common interests—for secure employment, decent living standards and the rational use of resources—across North America and internationally. The alternative is to remain trapped within a nationalist politics that offers workers nothing but managed decline, deeper exploitation, austerity and war.

The lesson that workers must draw from the Stellantis announcement and the tariff crisis now gripping Canada is that the working class can defend its future only by organizing and fighting together, across all borders. This fight is first and foremost political, because it must directly confront the questions of which class will rule society and in whose interests will socioeconomic and budget decisions be made.

The only genuine basis to unify workers internationally in a counteroffensive against capitalist austerity and war is a revolutionary socialist perspective committed to the fight for workers’ power. This is the program fought for by the Socialist Equality Party in Canada in the closest unity with our American co-thinkers and comrades in the Socialist Equality Party (US).



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