

The political issues raised by the demand Canada's federal government nationalize Stelco

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Hamilton-based Stelco, one of Canada's most important steel producers, announced late last month that it will lay off up to 500 workers at locations in Hamilton and Nanticoke, Ontario. Cleveland-Cliffs, Stelco's US owner, has explicitly cited the trade war between Washington and Ottawa triggered by US President Donald Trump and further fuelled by the Canadian government's retaliatory tariffs as the reason for the job cuts.

Thanks to anti-worker changes made to Ontario's labour regulations by the province's right-wing, "Canada First" Progressive Conservative government, Stelco has been empowered to throw workers out of a job without any notice. Over 90 workers suffered this fate on Friday, October 9, followed by another 85 the week after. Prior to the layoffs, the steel producer employed about 3,000 people.

Canada's federal Liberal government has responded by threatening legal action against Cleveland-Cliffs, on the grounds the company has violated the pledge it made when it purchased Stelco in 2024 to preserve the then number of unionized jobs for five years. Industry Minister Mélanie Joly has called the shutting down of Stelco's galvanized-steel production a threat to Canada's "national interest" and vowed "all options" are being considered, while the corporate-controlled media has given widespread coverage to Cleveland-Cliffs CEO Lourenco Goncalves's close ties to Trump. Joly has suggested Ottawa could force Cleveland-Cliffs to divest its ownership of Stelco, and in a recent speech said the federal Liberal government may purchase shares in companies especially hard hit by the trade war to bolster their financial position.

Workers thrown out of a job overnight, their families, and wider layers of the working class in Hamilton and beyond rightly view the drive to offload the costs of the trade war onto their backs with anger and are determined to fight to defend all jobs.

However, it would be a fatal error to take the claims of the Canadian government at face value. The intervention by Prime Minister Mark Carney and Industry Minister Joly has absolutely nothing to do with protecting the interests of workers. Rather it is aimed at ensuring Canadian imperialism has the "independent" productive capabilities to rearm for war, and at reducing its economic dependence on the US by strengthening domestic industry and diversifying exports.

The defence of jobs and living standards requires the mobilization of the working class in Canada and internationally as an independent political force. Rank-and-file committees in opposition to the nationalist union bureaucracies must be built in every workplace to coordinate a worker-led industrial and political counteroffensive across North America to break the power of the oligarchs, oppose war and economic nationalism, and fight for workers' power.

The Canada-US trade war is itself part of an imperialist-led drive to repartition the world, with the major capitalist powers, Canada included,

fighting to establish their respective control over markets, resources, key technologies, production networks and strategic territories.

The most important and ominous arena of this struggle is the developing global war—of which the NATO-instigated war with Russia over Ukraine; the US-Israeli drive to create a "new Middle East" by mounting a genocidal assault on the Palestinians and a criminal war on Iran; and Washington's military-strategic encirclement of China are all component parts.

Since Trump's return to the White House in 2025, he has launched a barrage of tariffs against Canada and repeatedly threatened to annex the country as the 51st state. This is part of a broader drive—as witnessed by the illegal US invasion of Venezuela and seizure of its oil, Trump's threats to annex Greenland and Panama, and Washington's economic war on Cuba—to establish unchallenged US dominance over the entire Western hemisphere so it can serve as a base for war against its main rivals, above all China.

The Canadian ruling class "opposes" Trump only because his agenda cuts across their predatory interests at home and abroad. As Carney declared in his speech before the world's oligarchs at last January's Davos World Economic Forum, Canadian capital is determined to secure its "seat at the table" where the imperialists divvy up the spoils of aggression and war, "not be on the menu." And Ottawa is ready to do so as a junior partner of Wall Street and Washington in a so-called Fortress North America if they can reach a mutually agreeable accommodation that acknowledges Canadian imperialism's "sovereign right" to the first claim on the profits extracted from Canada's workers and resources and privileged access to the US market.

In the inter-imperialist struggle, Ottawa and Washington are rivals, with any alliance between them akin to that of criminal gangs. But on the need for a massive onslaught on the working class to fund the enrichment of the wealthy and war, Canada's ruling class and its counterpart south of the border are in broad agreement.

Carney is spearheading a push to sell off Canada's public infrastructure to the international financial elite, raise military spending to 5 percent of GDP with a corresponding onslaught on social spending, and abrogate workers' right to strike. The government's defence industrial strategy aims to equip Canada for world war by converting large swathes of industry from civilian to military production, with the aim of supplying 70 percent of the military's equipment needs from Canadian sources.

The campaign to nationalize Stelco

It is within this context that workers must evaluate the calls from various political organizations, eagerly taken up by sections of the mainstream media, for the nationalization of Stelco. New Democratic Party (NDP) leader Avi Lewis, who won the party's leadership earlier this year by posturing as a "left" challenger to the status quo, Ron Wells, the president of United Steelworkers (USW) Local 1005, the bargaining agent for Stelco workers in Hamilton, and the misnamed Revolutionary Communist Party (RCP) have all joined the campaign.

"Canada cannot afford to lose its steel industry," declared Lewis. "If we're serious about saving these jobs and the Canadian steel industry, we need immediate action." Ontario NDP leader Marit Stiles agreed, adding that Premier Doug Ford's Tory government should "work with the federal government to push Cleveland-Cliffs to give up their ownership interest in Stelco and establish public ownership and Canadian management."

In separate comments to the CBC, Wells presented the USW as a longstanding fighter for workers' jobs and advocate of nationalizing Stelco. "We said that back in 2014 when Stelco was put in (creditor protection) and nobody really listened to us," Wells commented. "It's probably complicated and will take a long time, but in the meantime we need to get our members back to work...in a perfect world, we could have both of those things."

The "campaign" to "nationalize" Stelco is not aimed at mobilizing workers as an independent force to defend their jobs and working conditions, but at directing them to making appeals to the big business Liberal government and advancing the interests of Canadian capital.

The NDP, USW, and entire union bureaucracy have for almost two years functioned as key partners of the Liberal government and big business in "Team Canada," the Canadian ruling class' response to Trump's tariffs, and threats to annex the country and crash its economy. In the name of this alliance, workers have been ordered to make "sacrifices," including accepting concessions-filled contracts, layoffs, and increased prices for basic necessities. Through foul nationalism, the unions, NDP and their backers in the pseudo-left subordinate workers to the class interests of the bosses, whose only quarrel with Trump is that his "America First" program threatens their own profits. The USW, Unifor, and NDP have combined this with complaints that Washington is fighting the wrong battle, and that Canadian and American imperialism would be served better by uniting in a "fortress North America" to enforce economic tariffs and prepare for military conflict against China.

"Team Canada" nationalism also serves to assist the ruling class on both sides of the border to drive a wedge between American and Canadian workers, the better to pit them against each other. Draped in the Maple Leaf, Canada's leading union bureaucrats and social democratic politicians mirror the rabid American nationalism of their US counterparts, like United Autoworkers' President Shawn Fain and Teamsters' head Sean O'Brien, who have hailed Trump's tariffs.

The calls to "nationalize" Stelco are a continuation of this nationalist, pro-war, anti-worker agenda. This is clear from the remarks of Lewis and Stiles themselves, who speak variously of "the Canadian steel industry" and ensuring "Canadian management" of Stelco, i.e., Canadian control over a profit-making capitalist concern. But there are no "Canadian interests" unifying workers and their exploiters in the ruling class. "Canadian interests" are the interests of the banks, major corporations, and their spokespersons in the political establishment—headed currently by the former central banker and investment fund manager Carney—who are determined to retain control over key economic sectors, including primary steel production, necessary for today's advanced manufacturing industries, rearmament and war.

For Canadian imperialism, state control over key industries in wartime has a long history. In the Second World War, the MacKenzie King Liberal government created 28 Crown corporations to manufacture munitions, synthetic rubber, and other critical goods in short supply. Stretching back

to the turn of the twentieth century, the Canadian ruling class has frequently used Crown corporations—be it Ontario Hydro, CN Rail, or Hydro Quebec—or other state-controlled mechanisms to promote and regulate economic spheres deemed critical for the development of Canadian capitalism or one of its regions.

Over the past four decades, the leaderships of the USW, Unifor (formerly the Canadian Auto Workers, CAW), and the other unions have promoted the claim that Canadian capitalism is "kinder" and more "worker-friendly," and that in alliance with government and corporate management, it is possible to defend "Canadian workers" and "Canadian jobs."

This nationalist-corporatist strategy has never defended a single job, but rather served to suppress class struggle and assist the employers in imposing mass layoffs and contract concessions. A CBC article recently noted Statistics Canada figures showing that compared to the 29,000 workers employed in steel in 2003, which was already a massive decline compared to the 1970s and early 1980s—when Stelco alone employed over 26,000—only about 14,000 remain today.

Autoworkers have also suffered devastating attacks by the globally operating automakers—while the CAW/Unifor and UAW have pitted workers against each other facilitating the employers' whipsawing of production across the border. A major turning point came following the 2008 global financial crisis, when the federal and Ontario governments took ownership stakes in GM and Fiat-Chrysler, now Stellantis, so they could assist in the reorganization of their operations at workers' expense. With the complicity of the CAW, the automakers imposed massive concessions, including cutting the wages of new hires in half and the imposition of a two-tier pension system—concessions that in "fairness" the CAW then made to Ford. Once the automakers were restored to profitability, both Ottawa and Ontario sold their shares to investors.

The reactionary character of the campaign to "nationalize" Stelco was underscored by Lewis's positive reference to Britain, where the Starmer Labour government used Parliament's emergency powers to take control of British Steel from its Chinese owner in April 2025. The decision was taken to stop the planned closure of two blast furnaces, which would have made Britain the only G7 member incapable of producing primary steel. In September, Starmer's successor, Andy Burnham, organized the state takeover of Speciality Steels UK, another manufacturer producing steel components for the military and other "advanced manufacturing" sectors.

The *World Socialist Web Site* wrote at the time of the Starmer government's takeover of British Steel, "The government's decision to take over a de facto collapsed steel firm has no rational explanation from the standpoint of British capitalism, without understanding that the Starmer government views losing the ability to produce virgin steel within Britain's borders as incompatible with a huge rearmament programme and British imperialism's ability to fight wars..."

"There is tremendous and entirely legitimate concern over the threat of 2,700 job losses at Scunthorpe—and they are still not safe—as well as the knock-on effect in a heavily deprived area. But this must be consciously politically separated from all calls to unite with Britain's ruling elite, its trade war and escalation of military tensions with both Russia and China. This will not only threaten hundreds of thousands more jobs. It poses the incalculably greater risk of war."

Socialism and the class character of nationalizations

It has never been a principle of the socialist movement to uncritically support, let alone advocate, nationalizations irrespective of the class forces carrying them out. When Lenin and Trotsky at the head of the Soviet

government organized the nationalization of Russia's banks and major industries following the conquest of power by the working class in 1917, it marked a major step in the transition to socialism. A workers' state, established by a proletarian revolution and based on the democratic organs of the working class—soviets—seized control of the private property of the counterrevolutionary bourgeoisie and began subjecting it to democratic economic planning.

It was quite another matter when, facing revolutionary working class struggles following World War II, social-democratic governments in Western Europe nationalized key industrial sectors to stabilize discredited capitalism. In Britain, which had been bankrupted by the war, and was losing its global empire to a rising US imperialism and the growth of anti-colonial struggles, the Labour government nationalized the coal and steel industries, and the railways. These measures were both necessary from the standpoint of bailing out British capitalism through the use of state funds to help it rebuild and restructure after the war (including mobilizing the resources to invest in new technology), and to maintain political control over the working class, who were told by the union bureaucrats and Labour “lefts” that the nationalizations would serve workers' interests. The nationalizations went hand in hand with the integration of the trade union bureaucracies into tripartite “bargaining” structures with the state and big business that served to suppress the class struggle for decades, and under which massive job reductions were imposed in a staged manner.

This approach is a closed book to the RCP, which on the question of nationalizing Stelco, as with virtually every other, functions as the “left” flank of the union bureaucracy and NDP. The RCP is the Canadian section of the Revolutionary Communist International (RCI), an organization whose roots lie in Ted Grant's national-opportunist repudiation of Trotskyism following World War II. The RCI specializes in employing radical and “Marxist” rhetoric to revive illusions in national-reformism, and chain young people and workers to the trade union bureaucracies, social democracy, and the remnants of Stalinist parties.

In “Stelco layoffs: how capitalism is gutting Canadian steel,” the RCP embraces the interests of Canadian imperialism in the US-Canada trade war. “Cleveland-Cliffs has already explicitly demonstrated that it prioritizes corporate profits over any obligation to Canadian workers,” they write, casting the conflict as one between an American corporation and “Canadian workers.” “Rather than waiting for lengthy litigation to play out, the union should demand that Stelco be nationalized without compensation.”

Unlike the NDP's Lewis, the RCP chose not to directly call on the Carney government to nationalize Stelco so as to protect its tattered “Marxist” credibility. However, its call for “nationalization without compensation” follows the same logic as the NDP leader's position, since the RCP wholeheartedly accepts that the takeover of Stelco must be performed by Canadian imperialism's federal state.

The class character of nationalization is not determined by the decision whether or not to compensate the previous owners. Rather, it is determined by which class holds state power and in whose interests nationalizations are carried out, the bourgeoisie or the proletariat. The RCP article advances no strategy for workers to take political power out of the hands of the imperialist bourgeoisie, where it is presently lodged. All that workers are permitted to do, according to the RCP, is “occupy” the Stelco facilities, leaving the “demand” of nationalizing the company to “the union.”

No less tellingly, the RCP accepts the reactionary framework of the Canada-US trade war. It makes no mention of the workers at Cleveland-Cliffs's US operations, whom the USW has kept on the job although their contract expired two months ago—let alone the need to forge the unity of workers across North America against the trade war and the developing global war, which are being waged at their expense.

It did not take long for the duplicitous character of the RCP's phrase-

mongering to be exposed. Following the publication of the RCP's article, its wish was granted when “the union,” i.e., the USW apparatus, did in fact “demand” that the Carney government, their ally in “Team Canada,” nationalize Stelco.

The USW, like every other union bureaucracy, has a decades-long history of systematically suppressing the working class and tying it to pro-war, pro-capitalist parties like the NDP and Liberals. It routinely incites Canadian and American chauvinism against China, playing into the hands of the ruling class' preparations for war against Beijing. Its “demand” to nationalize Stelco is therefore entirely in keeping with Lewis's program, which, like the Labour government's in Britain, aims to protect the interests of the imperialist bourgeoisie amid a rapidly escalating third world war.

The RCP's conclusion illustrates their very conscious effort to conceal this Canadian nationalist agenda of war and austerity behind “socialist” rhetoric. They assail Carney for his failure to defend the nation-state and advance the hope that “socialists” could do a much better job managing the Canadian state's affairs. They wrote, “Carney speaks endlessly about ‘nation-building’ infrastructure projects, but grand ambitions like high-speed passenger rail lines or nationwide clean-energy power grids cannot exist without a guaranteed supply of domestic steel. If he were truly committed to developing Canada's productive capacity, he would take vital producers like Stelco and Algoma out of the hands of private speculators and place them under public ownership...”

“Only by replacing market chaos with rational, democratic planning of the economy can we unleash our true economic potential, undertake these transformative projects and provide a high quality of life for everyone.”

For the RCP, socialism is thus not the result of the unification of the international working class in struggle against capitalism, the outmoded nation-state system in which it is historically rooted, and for the conquest of political power. Rather it is a policy option to save the Canadian nation-state from itself and open up a glorious new era for “our true economic potential” by carrying out the “transformative projects” proposed by the former central banker Carney that he dare not himself implement!

Mobilize Stelco workers alongside US steel workers, National Steel Car strikers to defend jobs!

All of the political forces in the “nationalize” Stelco campaign, from Lewis's NDP to the “Marxist” RCP, reject out of hand the possibility of mobilizing Stelco workers in an industrial and political counteroffensive with their colleagues in the United States and the ongoing strike at Hamilton's National Steel Car in defence of jobs and worker rights, and against trade war and imperialist war. Such a movement would collide violently with their lineup behind the Canadian bourgeoisie in the trade war with the US, their rotten Canadian nationalism, and their political suppression of the working class.

It is precisely such a unified cross-border movement that is urgently required. The most effective way to put Cleveland-Cliffs owner and Trump acolyte Goncalves onto the back foot as he throws workers out of a job in Hamilton and Nanticoke would be to shut down production at his company's US facilities, where thousands of workers have been labouring for close to two months on contract extensions agreed to by the USW. Between US Steel and Cleveland-Cliffs, some 23,000 US steel workers have been without a new contract since August 31 and could be on strike were it not for the union leadership's stalling tactics, which leave Goncalves with a free hand to lay off workers north of the border at Stelco. With their deafening silence on these developments, the Canadian nationalists in the NDP and RCP demonstrate that as far as they are

concerned, the struggle of US steel workers may as well be happening on another planet.

A joint struggle by US Steel and Cleveland-Cliffs workers in the US and Stelco workers in Canada could link up with the more than two-month-old National Steel Car strike, which over 1,200 workers launched in mid-August. They are demanding an end to the murderous piecework system at their Hamilton, Ontario, rail car production facility, which is within walking distance of Stelco's main site. They would also find support from the more than 9,000 Stellantis workers in Canada, who recently voted overwhelmingly for strike action amid plans by the global automaker, which Carney's Liberals want to facilitate, to sell the Brampton Assembly Plant to a maker of military vehicles.

Organizing this fight is possible only in a rebellion against the corporatist and nationalist trade union bureaucracies. It demands the construction of rank-and-file committees in every workplace as part of the International Workers Alliance of Rank-and-File Committees (IWA-RFC) to provide workers with the organizations necessary to coordinate their mobilization.

This must be combined with a decisive political break by workers on both sides of the border from the nationalist and pro-capitalist politics propagated by the union bureaucracies and their defenders. In Canada, this means a political settling of accounts with the union/NDP/Liberal alliance, a key mechanism for suppressing the class struggle over the past four decades. South of the border, US workers must break from the Democratic Party, the party of Wall Street and the military and intelligence establishment.

Workers should instead turn to a socialist and internationalist program, one aimed at the struggle for workers' power to place society's vast resources, including steel and other manufacturing sectors, under the democratic control of the working class. This is the perspective fought for by the Socialist Equality parties in Canada and the US, and we urge all workers ready to take up this fight to join and build our party.



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