

Canada joins US in imposing 100 percent tariff on Chinese-made EVs

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Prime Minister Justin Trudeau announced last week that his government was following in the footsteps of the United States and imposing a 100 percent tariff on all electric vehicles manufactured in China. This move—which would double the cost of EVs and hybrid vehicles imported from China—was coupled with the imposition of a 25 percent tariff on Chinese aluminum and steel.

In announcing the new tariffs, Trudeau postured as a defender of “Canadian workers.” In reality, the tariffs are driven by the predatory interests and ambitions of Canadian imperialism, and are being coordinated with Washington, its principal partner, to reassert North American imperialist global hegemony through aggression and war.

At the July NATO summit, the final communique approved by all 32 members, Canada included, denounced China as a “decisive enabler of Russia’s war against Ukraine.” NATO’s increasingly bellicose threats against Beijing, and closer cooperation with regional rivals like Japan, South Korea and Australia, are aimed at preparing for war as part of the imperialist powers’ drive to redivide the world. The imperialists deem it necessary to prevent China’s emergence as an economic peer competitor in the coming decades, especially in key “clean energy” sectors like EVs. They are also determined to secure dominance over the raw materials needed for their production, as well as of advanced armaments and weapons systems.

Trudeau claimed doubling the cost of EVs from China was necessary to “level the playing field for Canadian workers.” He complained that, “Actors like China have chosen to give themselves an unfair advantage in the global marketplace, compromising the security of our critical industries and displacing dedicated Canadian auto and metal workers. So, we’re taking action to address that.”

The announcement by Trudeau came at a Liberal Party

cabinet retreat in Halifax, Nova Scotia, which was addressed by President Joe Biden’s National Security Advisor, Jake Sullivan, who was on his way to Beijing for talks. Sullivan told reporters that the US was hoping that Canada and its other allies would take a coordinated approach to cutting off the sale of Chinese EVs. Beijing has responded to Ottawa’s actions by announcing an investigation into possible tariffs on canola, one of Canada’s largest exports.

Canada’s anti-China trade war measures—which are strongly supported by the Conservatives and the Liberals’ governmental allies in the trade union-sponsored New Democratic Party—are an integral part of Canada’s ever-deeper involvement in US imperialism’s economic and military preparations for war with China. At the end of July, a Canadian warship sailed through the Taiwan Strait in a military provocation against China, an action which was carried out in close coordination with the Pentagon. The Trudeau government, at the urging of the military establishment and foreign policymaking circles, has pushed to expand Canada’s military presence in the Asia-Pacific as it carries out a comprehensive program of military rearmament so Ottawa can play a major role, as it did in the two imperialist world wars of the last century, in a rapidly developing global war.

For much of the past 18 months, official Canadian political life has been dominated by a furor whipped up by the intelligence agencies and amplified by the corporate-controlled media over supposed Chinese efforts to “subvert” Canadian democracy. Key aims of this furor have been to force the Trudeau government to adopt an even more hard-line stance towards Beijing, and poison popular attitudes toward China and delegitimize anti-war sentiment.

While the sales of EVs made by China-based companies have yet to take off in Canada, US-based Tesla has been importing cars made at its Shanghai gigafactory to the

country since 2023. The tariff, which goes into effect on October 1, is expected to force Tesla to shift the production of imports to Canada to its plants in the US or Europe.

The cheapest vehicle offered by Chinese-based BYD is just over C\$14,600, while EVs currently available in Canada start at C\$40,000.

The Canadian government, in conjunction with the provincial governments of Ontario and Quebec, has shelled out C\$53 billion in incentives and subsidies to entice the global automakers to establish EV operations—from battery manufacturing to final assembly—in the country.

Stellantis, in partnership with LG, is currently building an EV battery plant in Windsor, Ontario with \$15 billion in promised government funds, while \$13 billion is to be handed over to Volkswagen to build its own battery plant in St. Thomas, Ontario. And \$7 billion has been offered to Northvolt for a battery plant in Quebec.

Through these massive public subsidies and the new tariffs, the Canadian bourgeoisie hopes to establish itself as a major player in the emerging global EV industry, even as the transnational automakers—led by the Big Three: Ford, GM and Stellantis—restructure their operations, closing plants and slashing jobs to increase profitability.

This program is supported by the Liberals, NDP, Conservatives, Bloc Quebecois and Greens. Unifor, the main auto workers' union, and the entire Canadian Labour Congress bureaucracy, are also fully on board with it. The unions have lobbied the Trudeau government to open the spigot and offer the auto companies however much money they demand to build new plants or retool current operations. This goes hand in hand with their imposition of concessions-filled contracts on workers, so as to attract investment and protect the “global competitiveness” of Canadian capitalism.

The unions are fully integrated into the war plans of Canadian imperialism and are party to the cross-border conspiracy with the Biden-Harris administration to suppress the class struggle across North America. Top Unifor and CLC officials have held closed-door meetings with Trudeau and Biden government officials to discuss their North America-wide efforts to smother worker opposition to their joint program of austerity and war.

Statements by the likes of Unifor President Lana Payne are in keeping with the position taken by United Autoworkers president Shawn Fain, who has taken to appearing in public with t-shirts picturing B-52 bombers

and invoking the “arsenal of democracy” to underscore his union’s support for Washington’s policy of world war. His reference is to the unions’ role in smothering working-class opposition during World War II so that American imperialism had peace on the home front as it fought savagely against its imperialist rivals for world domination. This illustrates perfectly the part the UAW and Unifor intend to play in the rapidly emerging third world war on behalf of the ruling class in Washington and Ottawa.

“Canada can and must protect auto and manufacturing jobs here in this country, which thousands of workers rely on for their livelihoods,” Payne declared in a statement welcoming the new tariff. “There is no justification to trade away high-paying, high-skilled jobs for cheap high-carbon intensive vehicles build [sic] under deplorable working conditions. Our union welcomes the Canadian tariff that matches the U.S. to present a united front in support of the auto sector and the communities that benefit from it. We must all remember that cheap comes at a very high cost—a cost to good Canadian jobs and communities.”

Payne and her fellow union bureaucrats are championing a “united front” with governments that are readying for war with China, back the genocide against the Palestinians to the hilt, and have instigated and are relentlessly escalating a bloody war with Russia. They seek to pit Canadian workers against their Chinese brothers and sisters in a race to the bottom, while offering up their labour to the global auto giants for exploitation. This poisonous nationalism fans the flames of the war fever being whipped up by all the major powers.

Instead, workers must fight to unite with other workers internationally, who are exploited by the same transnational conglomerates and face the same threat of being dragooned into war. The allies of Canadian auto workers are not among the Canadian bosses and their political representatives in Parliament, but among workers in the US, China, Europe and everywhere else. Together they must wage a common fight against imperialist war and to secure quality jobs and public services for all through the reorganization of the world economy along socialist lines.



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