

Trump launches global trade war, with Canada and Mexico as his first targets

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United States President Donald Trump escalated a global trade war Saturday with executive orders imposing punitive tariffs on the country's three largest trading partners.

Starting Tuesday, the US will impose a 25 percent tariff on all imports from Canada and Mexico. Goods from China, already subject to a vast array of tariffs imposed during the first Trump and Biden administrations, will face an additional 10 percent tariff.

Trump has signaled that this is only the first step in a broader effort to reshape the global economy, geopolitics and class relations in favor of American imperialism. Further trade war measures against the EU and other countries are set to be announced later this month.

As it is, the measures announced Saturday will roil the North American and world economy. Canada and Mexico quickly announced retaliatory tariffs on a wide range of US goods, which under Trump's orders will automatically trigger further US tariffs.

Trump has lied non-stop about how tariffs work, claiming that they are paid by the foreign-based exporter and will be painless for American workers.

None of this is true. Tariffs are paid by the importing company. Faced with tariffs equal to 25 percent of the value of the commodity they are importing, US companies will pass this additional cost on to consumers in the form of price hikes or else cancel their orders.

In either case, it will be disastrous for the workers of North America. Workers in Canada and Mexico will lose their jobs, while workers in the United States will see a massive surge in inflation. US workers will also face job cuts due to retaliatory tariffs—Canada is the single largest US export market—and the blowing up of continental production chains developed over more than three decades under the North American Free Trade Agreement (NAFTA) and its Trump-negotiated successor, the US-Mexico-Canada Trade Agreement (USMCA).

The tariff hikes will ravage the economies of Canada and Mexico, which rely on the US for 77 percent and 80 percent of their exports, respectively.

A veritable tsunami of mass layoffs and plant shutdowns will be the immediate result. The premier of Ontario, where Canada's auto industry is centered, has warned of 500,000 job

losses in that province alone.

Auto production in North America is highly integrated, with vehicles assembled from parts that cross borders multiple times. Car manufacturers will not only face a 25 percent tariff on finished vehicles imported from Canada and Mexico, but also compounded tariffs on components, including those used in vehicles whose final assembly is within the US.

The eruption of a North American trade war could consequently result not only in the almost immediate shutdown of most Canadian and Mexican auto assembly and parts plants. It will massively disrupt US auto production, likely resulting in tens of thousands of layoffs at US auto plants within days or weeks.

Fearing a massive public backlash, Trump made a single exception to his 25 percent tariffs, capping the levy on imported Canadian energy—primarily crude oil—at 10 percent. Canadian oil accounts for over 20 percent of US consumption.

Trump's trade war is thus inseparable from the escalating war on the working class. It is also bound up with American imperialism's drive to secure global hegemony through world war.

Mexico and Canada have been targeted as part of Trump's drive to assert unbridled dominance over the North American continent. His now realized tariff threats have been accompanied by vows to annex Greenland and the Panama Canal, if necessary through military action; invade Mexico in the name of combating drug cartels; and use "economic force" to compel Canada to become America's 51st state.

Trump's aim is to gird American imperialism for war with China and Russia and mounting conflicts with the European imperialist powers, by consolidating its control over its "near abroad." In this, his actions are modeled on Hitler's *Anschluss* (joining) of Austria to the Third Reich in 1938.

Trump is delivering an unmistakable message: The law of the jungle, in which might makes right, now prevails in global interstate relations.

From an economic standpoint, Trump's global trade war and avowed America First protectionist aims are irrational. They underscore that the capitalist order and its nation-state system, having reached an historic blind alley, are rapidly descending into social reaction and barbarism. The United States, long the

bulwark of global capitalism and still the most powerful imperialist state and center of global capitalist finance, is reviving the cut-throat, beggar-thy-neighbour protectionist policies that helped trigger the Second World War.

That said, there is a definite class logic to the madness.

First, by wreaking havoc on the North American economy, Trump hopes to place corporate America in the best position to dramatically increase worker exploitation, while using the extreme dependence of Mexico and Canada on the US market to extort maximum concessions from its capitalist rivals.

Second, in so far as Trump seeks to compel the “reshoring” of manufacturing to America, this is aimed at rebuilding Washington’s military-industrial capacity.

In his 1934 essay, “Nationalism and Economic Life,” Leon Trotsky warned that Hitler’s claims he would build an autarchic national economy were “both reactionary and utterly utopian ... [L]ike a hungry tiger, imperialism has withdrawn into its own national lair to gather itself for a new leap.”

Although Trump’s actions have a desperate character about them, they have staggered Canadian imperialism and the Mexican bourgeoisie.

While five million Mexican jobs are reportedly directly dependent on US trade, Mexican President Claudia Sheinbaum sought to downplay the tariffs’ impact and pleaded for “discussion and dialogue” with Trump. “Mexico,” she asserted, “does not want a confrontation.”

Canadian Prime Minister Justin Trudeau spoke to the nation late Saturday. Even as he deplored Trump’s actions, Trudeau was adamant that Canada is America’s staunchest ally and Washington would have its full support if only it would lash out at the common enemies of North America’s imperialist powers.

Addressing Washington, Trudeau declared, “From the beaches of Normandy to the mountains of the Korean Peninsula, from the fields of Flanders to the streets of Kandahar [Afghanistan], we have fought and died alongside you during your darkest hours.” Following Trump’s election in November, Trudeau rushed down to Mar-a-Lago in a desperate attempt to appease the would-be dictator.

Wracked by mercenary internal conflicts, the Canadian bourgeoisie “opposes” Trump solely from the standpoint of securing for itself the most advantageous position within a US-led Fortress North America.

At the same time, like Trump, it will use the trade war to intensify the class war on the working class. Already, Trudeau has been forced to resign to pave the way for a new government, most likely led by the far-right Conservative leader Pierre Poilievre, that will implement Trump-style policies, from massive military spending hikes and social spending cuts to huge tax cuts for corporate Canada and the rich, and the removal of all regulatory restraints on capital.

The biggest impediments to the development of a united counter-offensive of the North American working class in

defence of the jobs, wages and social and democratic rights of *all* workers are the reactionary nationalist trade union bureaucracies, along with their political advocates and attorneys in the organizations of the middle-class pseudo left.

They are whipping up nationalism, so as to pit workers against each other and politically bind them to the very capitalists who exploit them and use them as cannon fodder. United Auto Workers President Shawn Fain issued a statement Saturday declaring, “The UAW supports aggressive tariff action to protect American manufacturing jobs as a good first step to undoing decades of anti-worker trade policy.” Meanwhile, Jagmeet Singh, the head of the union-sponsored New Democratic Party in Canada, declared, “Now is the time for Canadians to stand strong and stand together.”

Workers in the US, Canada and Mexico must emphatically oppose all attempts to corral them behind their respective ruling classes and governments in the developing trade war.

They should dismiss with contempt the rival phony claims of Trump and Trudeau that they are fighting for “American” and “Canadian” jobs, and declare with one voice, “This is not our war and we will not be made to pay for it.”

They must join forces in a united movement of the North American working class, through the development of rank-and-file committees, independent of the trade union apparatus, as part of the International Workers Alliance of Rank-and-File Committees. These committees will organize opposition to the demands of the ruling class for “sacrifices” in the form of mass job cuts, concessions and the evisceration of public services and social programs.

Opposition to trade war and its ruinous impacts on the working class must be infused with a socialist internationalist program, key tenets of which are opposition to imperialist war and anti-immigrant chauvinism.

As they build new rank-and-file organizations of genuine class struggle and fight to unite their struggles into a continent-wide mass movement for workers’ power and a Socialist North America, workers in the US, Canada and Mexico must reach out to their class brothers and sisters in China, Europe and beyond. More than ever: the watchword of the working class must be “Workers of the world unite!”



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