

Though Postponed, Tariff Threat Presents a Range of Opportunities for Canada

By Conrad Black

The imposition of 25 percent tariffs on Canadian imports—now suspended for a month—by President Trump was an outrage, but it is also an opportunity.



The flags of Canada and the United States in Ottawa in a file photo. The Canadian Press/Justin Tang

It is offensive because the president says the tariffs are a result of inadequate efforts on the part of Canada and Mexico to prevent the entry of undesirables and dangerous

narcotics into the United States. As I've written elsewhere, Canada is not East Germany and does not construct a wall to keep people in the country. It is well-settled international law and usage that sovereign countries maintain their own borders. Mr. Trump's complaint is not with us but with his predecessor, who wilfully allowed 10–12 million or even more illegal migrants to cross the southern border, a significant number of them dangerous criminals bringing with them horrifying quantities of fentanyl and other lethal drugs.

In addition, Mexico, in cooperation with China, has grossly abused its position in the North American free trade area. It is engaged in the widespread practice of enticing American manufacturers to close their factories in the United States

and subsidize them in [relocating just within](#) the Mexico–U.S. border where they employ cheap labour, receive a tax holiday, and export back into the United States the products formally manufactured there. In much of this, they are fronting [Chinese manufacturing](#) whose fabrication is completed in Mexico. All of this is dishonourable and provoking, and the 25 percent tariff on Mexico is amply justified.

The complaint against Canada involves one-tenth of 1 percent of the number of illegal entrants, and presumably approximately the same level of legal drug imports, as from Mexico. And Canada is not accused of nor is it guilty of commercial offences on remotely the scale of those committed by Mexico and China. That Canada and Mexico should be treated in the same way by the U.S. government in these circumstances is grossly unreasonable, and Canadians are right to be infuriated as well as disappointed.

There has been no serious disagreement between Canada and the United States since the end of the War of 1812, and it is well known to most Americans that the United States has no more constant and reliable an ally in any important matter than this country. The world is watching this unfold, and the implications of the United States taking such aggressive and unjustified action against so unexceptionable an ally as Canada will certainly raise questions of American reliability as an ally to countries that it has not known as long or as well and favourably.

Canada has a much larger complaint against the United States for the deluge of illegal firearms that have been brought into this country across our only border, and for the destitute people who had illegally entered the U.S. but out of fear of Trump's promise to deport them, proceeded north and illegally crossed our border. But with Canada, as with the United States, each country is supposed to assure that its own borders are adequately impenetrable to undesirable people and objects.

The fact that, as I have predicted, Trump was playing poker and not launching a real trade war does not eliminate the fact that this is also an opportunity for Canada. For most of our history, since we fully emerged from under the British Imperial umbrella, we have sheltered resentfully under the wing of the Americans. Prior to the Canada-U.S. free trade agreement of the Mulroney era, most companies of any size in Canada had the words (Canada) Ltd. after their names; except for the banks and the railways, we were largely a branch plant economy. Free trade demonstrated that we could compete successfully with the United States.

Unfortunately, the current federal government has so mismanaged our economy, we have lost over \$300 billion of [net investment](#) and tumbled down from near the top of the world's [per capita wealthiest countries](#). And despite its own recent misgovernment and self-inflicted humiliations that the United States has suffered, Canadians still spend an inordinate amount of mental energy justifying to themselves why they are not Americans. Up to a point that is inevitable, given our proximity to a country that has nearly 15 times as many English-speaking people as Canada.

An opportunity is now presented to reinforce and extend the *raison d'être* of this country—even though the immediate threat of an antagonistic relationship with the United States has subsided. From the founding of New France more than 400 years ago, throughout Canada's history there has been a thread of belief that we have the ability and the duty to create a different and excellent country. The fact that for more than half of that time, the United States has been a benign neighbour, and an overwhelmingly successful country for the most part sharing our language, has made it materially and politically easier for Canada to flourish—a challenge we have successfully met to keep pace with America's growth—but greatly more difficult for Canada to be distinct.

In his official announcement of the tariffs, Trump—who believes that the tariff is a far more useful and widely applicable policy instrument than actually it is—described his move as temporary until his grievances about strengthening the border are met. Since Canada's views of drugs and immigration

are essentially identical to those of the United States and our conduct was scarcely blameworthy anyway, and it is up to each country to strengthen its borders as it wishes, the Canadian part of that equation should be easy to fulfill. The current suspension of the threatened tariffs confirms that.

We should assure the Trump administration that no one doubts that we are not Greenland or Panama with no means of response, and that we are a G7 country with a full magazine of effective responses to uncalled-for provocations. We started with reciprocal tariffs and if we must return to them, they should particularly target—as Mexico has skilfully done in the past—the states and congressional districts of potentially vulnerable Republicans upon whose incumbency the Republican congressional majority depends.

We export a large quantity of oil to the United States at an artificially discounted price, and they in turn sell millions of barrels of our oil into the world market at a handsome profit every day. Whatever happens, we could end this arrangement; it is a cold winter, and the termination of these shipments would cause considerable discomfort in parts of the United States. Although there is room for hope that we can avoid that, it should be known that it is under consideration. Of course, we hope for a swift and amicable end to this controversy, but we should send the message to America and the world that Canada is not a doormat.

In any such scenario, the federal government would have to buy the oil from Alberta and Saskatchewan. That would be an opportunity to then finally cast aside these idiotic, self-punitive restrictions we have placed on our own ability to satisfy the world's demand for our energy, utilize the railway and highway systems as heavily as we can to get this oil and gas to ports of shipment, require that tankers be allowed to use Vancouver's harbour under strict precautions, and proceed at once and with maximum speed with the pipelines and refineries that should have been built long ago.

If this now happens, as well as a serious build-up of our military, all Canadians can be grateful to President Trump for it.

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