

# Though US Tariff Negotiations Will Take Time, a Positive Outcome for Canada Can Be Expected

By Conrad Black

It is generally agreed that not since Franklin D. Roosevelt 90 years ago has an American president attempted so comprehensive a policy reform in so many areas simultaneously as President Trump is now attempting. A wholesale invasion across the southern border deliberately tolerated by the previous administration has been ended. Trump has torn up, root and branch, the woke leanings of the previous administration across the board, from critical race theory in the armed forces to transgender athletes in women's sports, and from inverse discrimination in hiring and promotion to extreme environmental regulations—the latter causing great expense to the public, particularly those of modest incomes.



Vehicles cross the Ambassador Bridge in Windsor, Ont., to go to Detroit, Mich., on April 1, 2025. Jeff Kowalsky/AFP via Getty Images

Tariffs are already a major element in this broad assault on the public-policy status quo, which Trump began in 2016 and whose walls he has finally broken through with last November's presidential and congressional elections.

As part of America's successful containment strategy in the Cold War, which led to the bloodless collapse of the Soviet Union, its only rival as a superpower, the United States made its incomparably rich market relatively accessible to a number of countries as an incentive to them to keep their distance from the Soviet bloc. As long-pursued policies do, this practice was maintained by an inertia of its own with the result that, compounded by sharp conduct from some of America's ostensibly friendly trading partners, its trade deficit steadily increased over decades, and President Trump is entirely justified in concluding that last year's [trade deficit of US\\$1.2 trillion](#) is completely unacceptable and ultimately dangerous.

In these circumstances, and in keeping with the president's customary operational technique of beginning new policy

initiatives with a “shock and awe” launch, he began with an outrageous implication of equivalently unacceptable conduct from Mexico and Canada. But Canada is a fair-trading country, and the United States does not in fact have a trade deficit with this country if energy is excluded. Much of the oil that the United States buys from Canada is at a knock-down price, and it sells it on to third parties at a profit.

Mexico, on the other hand, not only fabricates Chinese parts and exports them to the United States under the trade agreement, it also incentivizes American companies to close their plants in the United States and build new ones just south of the U.S.-Mexican border, from where it can export with the benefit of cheap Mexican labour and special income tax breaks. These contraventions of existing trade agreements are greatly amplified by the immense grievance that the United States has against Mexico for its complicity in assisting what has amounted to an outright invasion of the United States by destitute people, and in many cases, dangerous criminals.

In this light, lumping Canada in with Mexico was a gratuitous insult to Canada, though it was not particularly intended by Trump to be so. It had a material and unjustified influence on the outcome of our federal election, though that too was a matter of complete indifference to the president, who does not consider Canadian politics any business of his. (He did, however, have a justified aversion to Justin Trudeau, who did not always act respectfully or in good faith towards him. This can be hazardous with American presidents, given the power they dispose.)

The next step in the new tariff policy was to declare a “[Day of Liberation](#)” and unveil proposed tariff increases against practically every country in the world. Trade negotiations are exceptionally complicated, and the president and his advisers were well aware that this method, while in keeping with Trump’s undoubted talents as a showman who always maintains the enthusiasm of his huge following, is singularly poorly adapted to the intricacies of trade discussions. More than 130

countries quickly expressed their desire to negotiate better arrangements than what the president proposed, but only one large trading entity has yet [reached an agreement](#) and that's the United Kingdom, with which the United States does not have a trade deficit.

Because foreign trade is only [27 percent](#) of U.S. GDP, and is a larger percentage with almost every other country, and because the American market has more than one quarter of the entire production of the world, there is no doubt that all parties have an incentive to reach agreement with the United States and most of them will do so as promptly as the intractable nature of the subject permits. But this will take time, during which uncertainty will flourish.

Added to this is the fact that the president's domestic political opponents, shattered and diminished though they are, have again demonstrated their tenacity by retreating to the next line of defence after the deluge of spurious indictments and legal harassment with which they attempted to slow the Trump juggernaut, until he was acquitted by a jury of 78 million voters. They have [thrown every aspect](#) of this vastly complicated trade and tariff question before judge-shopped federal district judges who profess to have the authority to injunct the conduct of the president of the United States. Trump has many other tools by which to exercise his authority over tariffs, and he already has the support of the U.S. Senate, but the dilatory procedures available to resourceful and well-funded American litigants will prolong and intensify the current state of uncertainty, requiring the whole world to await the stately and pedantic pace of American courts.

To everyone curious about the somewhat chaotic unfolding of American tariff policy, a number of predictions may confidently be made. Trump is not particularly preoccupied with foreign trade since the United States is capable of replacing almost everything that it imports with domestic production, or importing it from more cooperative countries than present suppliers, albeit at increased cost. A very small percentage of American employment is dependent upon foreign exports. Trump has a legitimate grievance that the European Union is "largely a protectionist institution," and that the United States has the right and the ability to require more

equitable treatment from its so-called allies.

Matters with Canada will be easily resolved. The invocation of complaints about undesirable people and substances entering the United States from Canada is fatuous, considering the monstrosly greater problem on America's southern border and the fact that these are American borders and it is up to the United States to secure them.

None of the countries negotiating or preparing to negotiate new trade arrangements with the United States expect those arrangements to be an improvement on the status quo. And the intolerably large U.S. trade deficit will be substantially reduced, though it will probably take the better part of a year to conclude all of the major arrangements. All of these negotiations will be satisfactorily concluded eventually, including those with China. Russia has been spared up to now as Trump wishes to include that subject as a bargaining chip in a negotiated settlement of the Ukraine war.

As usual with this president, sound and fury will produce something useful, including some revenue increases, and Canada has little to fear from it.

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