



Who is taking advantage of who?

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U.S. President Donald Trump was reportedly a star athlete while attending New York Military Academy as a young man. Perhaps that's where he developed his affinity for playing hardball.

Trump was at it again, complaining that the U.S. is tired of being taken advantage of by Canada when it comes to trade, and threatening to introduce a new foreign "reciprocal tax."

"Canada does not treat us right in terms of the farming and the crossing the borders," Trump said at the White House. "We cannot continue to be taken advantage of by other countries."

Trump's assessment of the trade situation is a little like the neighbourhood bully complaining about his victim using his face to hit the bully's fist.

The notion that Canada is pushing around the juggernaut U.S. in the trade arena is laughable. Canada has had to continually fight to keep from being outmuscled by the Americans over trade issues and has had to regularly seek refereeing by the World Trade Organization to hold its own.

Canada's latest appeal to the WTO over the Americans' countervailing and anti-dumping duties have prompted anger from the U.S., but then, bullies don't like it when someone stands up to them. After Trump's initial threat to scrap NAFTA completely, U.S. negotiators came to the talks armed with a long list of major concessions it was seeking from Canada, including a push to eliminate the trade pact's independent dispute settlement process.

Certainly it's important for Canada to maintain trade ties with its largest trading partner, but not at the expense of letting the U.S. have its own way on everything.

Trump has called NAFTA a bad deal for the U.S., but it would be economic suicide for Canada to agree to a new NAFTA deal in which the Americans get everything they want while forcing Canadians to take a bad deal.

The recently signed Trans-Pacific Partnership gives Canada a little more leverage in the NAFTA negotiations.

As for Trump's claim that the U.S. loses money on trade with Canada, the Americans' own statistics show otherwise. The webpage of the Office of the United States Trade Representative notes that in 2016, the U.S. enjoyed a \$12.5-billion goods and services trade surplus with Canada, not a deficit.

Trump didn't offer details about what his threatened "reciprocal tax" would entail. A Canadian Press story noted the idea of such a tax wasn't included in the 2018 budget proposal released by the White House.

One trade expert, Dan Ikenson of the Cato Institute, told the Canadian Press the only measure he could imagine might be a violation of international trade law.

Whatever the case, the trade talks, as in any negotiation, are a matter of give and take. That doesn't mean one side does all the giving while the other side does all the taking.

And anyway, the idea of the NAFTA trade deal is to benefit all participants. As Prime Minister Justin Trudeau noted in a story by the Toronto Star, "Trade is not a hockey game. The truth is that both Canada and the United States are winning. And so is Mexico. And that's how we should keep it. When trade is working as it should, all partners win."

Let's hope the NAFTA talks produce an outcome in which everyone wins.