

Tariffs are a Tool for Trump, but an Opportunity for Canada



Don Trump had introduced a new epidemic in his second term, a Tariff Trade War. While there is no vaccine, there are measures that can be taken to start to fight it.

Trump's Trade War is focused on China, and Canada is caught in the collateral damage of Trump's intent to repatriate production and services into the US. Even the Wall Street Journal has termed Trump's actions toward Canada and Mexico as "The Dumbest Trade War in History".

The false pretext of stopping fentanyl and illegal immigration into the United States from Canada has been disproved and widely ridiculed. There are nominal levels of fentanyl and illegal immigration coming from Canada, and the US is responsible for providing its own border security. Despite this, Canada has committed to \$1.3 billion to increased border security and appointed a "Fentanyl Czar", yet Trump has indicated that he intends to proceed with Tariffs on March 5. Trump is presenting the US State of Union Address to Congress on the same day, so the introduction of tariffs on that day would fit in with his need to present a strong façade to Americans.

The Trump administration continued to add to the anticipation in advance of Trump's Tuesday speech, possibly to fulfill Trump's need to increase his viewership ratings. On Friday, US Treasury Secretary offered optimism by welcoming a Mexican proposal to impose tariffs on imports of Chinese goods and suggested that Canada should adopt it as well. Then to counter the optimism, the US Commerce Secretary stated that while Canada has done a "reasonable job" to address these issues, he expects tariffs to be applied, and President Trump will decide whether they will be at the 25% level. Fostering instability appears to be the strategy.

Canadian unity in the face of Trump's tariff threats and 51st State trolling has been breath-taking. However, sentiment MUST BE followed by action. This is not an exhaustive list of responses, merely just the beginning of reshaping of Canadian attitudes and opportunities.

Consumers must continue to vote with their wallets, demanding Canadian products or alternatives to American-made goods.

Entrepreneurs have faced uncertainty in receiving orders for their goods and must now consider new markets, possibly changing the products they make. Governments must also act to restrict the acquisition of Canadian companies by Americans. This will not be welcomed by many in the business community and the government will need to provide support for these companies and workers. Protectionism will counter the constant threats to undermine Canadian business.

Politicians of all stripes have spoken of their intent to act in response to tariffs. There is unanimous agreement that Canada must impose counter-vailing tariffs on a dollar-for-dollar basis and must focus on inflicting the maximum damage to the US industries, politicians and voters that support Trump. Federal and Provincial politicians, businesses and lobbyists must address the long overdue reduction and elimination of Interprovincial Trade barriers, which will open new markets for Canadian Entrepreneurs and reduce costs for consumers. The existing tax structure must be re-examined to encourage entrepreneurialism and opportunities to invest. Growing trade within our borders and internationally must be the focus, even if there is an easing of the tariff threats.

The current adversity may be Canada's greatest opportunity to reshape its future.

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