

A Separate Canada-US Free Trade Deal Would Be a Win-Win

By Conrad Black

There are already suggestions from the country's premiers that Canada express its willingness to divide the existing United States-Canada-Mexico free trade agreement into one bilateral agreement between the U.S. and Canada and another between the U.S. and Mexico.



Donald Trump has made it clear he will not tolerate the Mexican practice of enticing American factories to just within the Mexican border, having disemployed their American employees, and then giving the American firms a tax holiday in Mexico, cheap Mexican labour to fatten their profits, and the ability to exploit existing free trade arrangements by exporting back into the U.S. both goods the Americans previously manufactured for themselves and the unemployment

created in the U.S. by the relocation of the factories. It is clearly not Canada's place to comment directly on these matters, but Canada is informally in considerable sympathy with the American position, and does not wish to run any risk of being confused with Mexico by the United States in terms of its trade methods and objectives.

The U.S.-Mexico relationship is complicated by the open southern border that has been maintained over the past few years, and the effective partnership between the Mexican government and perhaps the nastiest criminal gangs in the world who effectively govern some of the northern Mexican provinces and conduct a massive slave-and-drug-importing business into the United States. The returning President Trump has made it clear that he will not tolerate any of this, that he will close the border, and that he will not hesitate to use the U.S. armed forces to protect the integrity of the country.

It is no wonder and a credit to Ontario Premier Doug Ford and Alberta Premier Danielle Smith that they publicly raised this, and at this point there is no reason to believe that the Trudeau government is particularly hostile to it. Former Mexican President Andres Manuel Lopez Obrador invited an almost complete rupture in his relations with the United States by unilaterally renouncing the arrangement he'd had with then-President Trump to retain would-be U.S. sanctuary seekers in Mexico pending the adjudication of their claims. Obrador had, by agreement with Trump, [allocated 15,000 soldiers](#) and National Guard members to take the pressure off the U.S. border—which Trump was well along in strengthening by an impenetrable wall—and illegal border crossings had practically stopped before the [next administration](#) changed policies, allowing millions of illegal migrants to cross the border.

The Trump policy to address this crisis is also feared in Canada, given the likelihood it will produce substantial numbers of migrants seeking refuge in this country before they can be expelled from the United States southwards. Tom Homan, the incoming U.S. border director and former head of ICE (Immigration and Customs Enforcement), has [expressed concern](#)

about the Canadian border but on a completely different level to the problems on the U.S. southern border. No sane person would imagine that Canadians are in any hurry to charge the U.S. border in order to desert this country and become residents of the United States. And Homan is not alleging that; the concern raised is one that both countries can share—that terrorists and other undesirables are in increasing numbers entering the United States via Canada because the long tradition of cordial relations between the two countries has made that border a legendarily casual one

To the extent that this is a justified concern, our first priority should be—for our sake as well as that of the United States—as careful as reasonably possible about newcomers to this country from overseas. At this point, there's no reason to be concerned that the United States is trying to keep law-abiding Canadians, who as a group spend billions of dollars in the United States every year, out of that country. Anti-terrorist screening is something Canada should be doing without being prompted by a change of government in Washington.

Canada obviously has no standing to tell the United States what it should do about its relations with Mexico, but it is entirely likely that if the Mexicans manage to fumble their way out of the comparatively generous access that their commerce now enjoys with the United States, Canada and the United States could negotiate a better agreement between themselves, as Canada has never been anything other than a fair trader. We should keep our eye on the larger picture: Trump is going to cut taxes, prevent the dumping of cheap foreign goods in the United States through tariffs and other measures, and incite prosperity with a radical program of deregulation. He will also counter the self-punitive climate-change excess, for a start by [resurrecting the Keystone XL pipeline](#) which will be a huge shot in the arm for Alberta.

All of this constitutes the transition in the economic ambience of this continent north of the Rio Grande River from night to day. Economics is essentially Grade 3 arithmetic and psychology, and the economic psychology that will be generated by the pro-growth Trump administration will roll over into

Canada with greater demand for Canadian goods and resources. If we combine this, following our next election, with policies to encourage responsible development and export of resources and encourage a reversal in our present capital outflows and welcome foreign capital and retention of domestically generated income, we will be entering into the greatest period of economic growth in our modern history.

Neither Donald Trump nor any other American president since the War of 1812 has had any reason to consider Canada anything but a friendly and compatible neighbour. We have our differences with the United States from time to time, but when that country prospers, as it is about to, we benefit also.

There has also been some discussion about raising Canada's contribution to military expenses to 2 percent of GDP as we have pledged to do. Defence is the most stimulative of all spending categories as it is heavily concentrated in high-technology areas, and an increase in military personnel exposes that section of the workforce to the most effective place for adult education. It is also entirely complementary to the long-forsaken task of building Canada's influence in the world. The world respects military and economic power, not the appeasement of underdeveloped despotisms or attempts to be loved by the denizens of the sinkhole of pretension and national failure that is now the United Nations.

A Trump administration will be a good thing for Canada, not least because we will once again have determined leadership of the Western Alliance.

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