

Put Canada on a (trade) war footing

By Conrad Black

The controversy over American tariffs has quickly escalated from a corrective action supposedly prompted by complaints about the porosity of both the southern and northern borders of the United States, to a comprehensive attempt to reset America's commercial relations with the world, to restore the strength of American manufacturing and to discontinue trade and foreign aid practices from the Cold War, which were effectively bribes to persuade a variety of foreign governments to remain in the western, rather than the Soviet,



U.S. President Donald Trump PHOTO BY ANDREW HARNIK/GETTY IMAGES

sphere of influence. Following the Second World War, there was a great wave of decolonization, most of it – such as in the old British Raj, which included present-day

India, Pakistan, Bangladesh, Myanmar, Sri Lanka, Nepal and Bhutan – voluntarily, but some of it – such as Algeria, Indochina and up to a point, Kenya and Cyprus – violently and painfully. As the Cold War developed, the foreign aid

practices of the U.S. and other western countries (including Canada) had a humanitarian component topped up by the political understanding that recipient countries would remain passably co-operative with the West.

Near the end of the Cold War, developing countries launched a deafening chorus demanding "trade, not aid." In practice, this meant that the advanced countries were expected to open their markets to the dumping of cheap goods that they had formerly made for themselves. Instead of extending foreign aid for a defined project, we would all allow developing countries to sell finished goods into our markets, creating unemployment that advanced countries could deal with through their own methods of job creation.

The United States has such a creative and productive workforce and immense economic scale that it had no real difficulty managing this process through to the great and bloodless strategic victory that it led the West to in the Cold War and for more than 30 years since – a period in which the rationale for accepting such deficits in the balance of trade no longer existed. The United States has been such an enticing place to invest that its trade deficit was returned to it as job-creating investment. There is nothing that is unreasonable in U.S. President Donald Trump's determination to eliminate this shortfall. We're living in a multi-polar world, rather than the stark Cold War division into communist and anti-communist blocs, with a few neutrals in the middle. The system started to liberalize with U.S. President Richard Nixon's triangulation of the superpower relationship with China and his detente with the Soviet Union, including the Strategic Arms Limitation Talks. The U.S. and its allies are no longer concerned with the existence of leftist, or even communist, governments, as in many Latin American and African countries, as long as they do not constitute a strategic threat to the West.

Added to this is President Trump's refusal to continue

subsidizing the defence commitment of America's NATO allies that refuse to honour their commitment to the western alliance, and his conviction, which is about to be tested, that the world's desire for access to the gigantic U.S. domestic market will enable him to turn tariffs into a great source of revenue, as he cuts taxes and increases defence spending to assure U.S. military superiority, which is being challenged by Chinese naval expansion and Russian and Chinese advances in hypersonic missiles. The initial statement of Trump's intention to impose 25 per cent tariffs on Canada and Mexico was obnoxious to Canada because the conduct of the two countries were treated equally. The northern provinces of Mexico are largely run by some of the world's most violent criminal gangs, which have profited hugely from smuggling millions of illegal migrants and large quantities of dangerous drugs into the U.S. while Mexico has taken advantage of the North American Free Trade Agreement to steal manufacturing jobs away from the United States by subsidizing factory relocations from the U.S. to Mexico. This attempt to treat Canada and Mexico the same is outrageous, but it is now clear that the U.S. administration intends to cast a much wider tariff net than its immediate neighbours and to accept somewhat higher domestic prices for what it imports, while reducing taxes and accelerating job creation as industry is repatriated from other countries.

There is nothing objectionable in this except in Canada's case, due to President Trump's gratuitous condescension about America's fictitious \$200-billion trade deficit with Canada and his presumption in saying that we would do better to petition the United States for admission into the American union. We would vastly expand the resource base of the United States and increase its population by over 12 per cent, for which we would receive two senators, about 50 congressmen around 55 electoral college votes and, soon enough, a deluge of tens of millions of firearms, a sharp increase in violent crime and the explicit acknowledgement that despite having bootstrapped ourselves up over the past 400 years to become a G7 country, Canada is a failed state. Obviously, this is completely unacceptable and Trump can't be serious; we should not allow our politics in this election year to become a contest of Trump-bashing. President Trump is presenting us

with an irresistible incentive and a long-awaited opportunity to transform Canada from an under-performing and complacent society to one that takes full advantage of our magnificently rich geography and skilled and law-abiding population. If there is to be a trade war, reciprocal tariff increases should only be the first stage of our response. While maintaining a sensible environmental policy, we must dispense with the entire green authoritarianism of conducting war on our principal industry, oil and gas. We must stop replacing retiring federal civil servants and use federal transfer payments to impose the same policy on provincial and municipal governments until we have a million fewer (than our present 4.1 million – over 10 per cent of our whole population), but better paid, public-sector employees, while tripling the number of personnel in our Armed Forces. We must sharply reduce taxes; incentivize investment in Canada; maximize the export of our natural resources, especially with pipelines (no province has the right to stop a pipeline from being built); effectively bring a few of the Caribbean islands into our Confederation and heavily incentivize winter vacationing there as opposed to Florida and Arizona; and patriate substantial parts of our primary and secondary industries from foreign owners at respectable but not over-generous prices. The federal government should buy the next two months of Alberta oil exports and ship it overseas to allow the current American buyers to enjoy the fresh winter weather more fully. We should also make it clear that the U.S. states that border Canada would all be welcome to join Canada and enjoy lower crime rates. And we should contribute heavily to American foundations that provide legal aid to the victims of that country's corrupt criminal justice system. The great American democracy has around five per cent of the world's population and 25 per cent of its incarcerated people. Pew Research found that in 2022, nearly 90 per cent of defendants in federal criminal cases plead guilty and of those that did go to trial, prosecutors won 99.6 per cent of them. This is due to the corrupt abuse of the plea-bargain system and the granting of immunity for perjury. We would only be following President Trump's well-justified condemnation of the American justice system and doing the U.S. a favour in helping to force American prosecutors to try at least half of their cases and

bring that appalling system to a complete standstill. I write this as a believer in making Canada great again and in the United States as the world's indispensable country and as a cordial supporter of President Trump.

This should just be the start of our retaliation – Trump is starting a game all prosperous countries can play. Let us teach ourselves, the United States and the world a lesson that all will remember.

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