

Take heed Canada: the U.S. would win a true trade war

Behind the peeling façades of Norman Rockwell and Walt Disney, America is a monster, and not always an amiable one

by Conrad Black



At this point, everyone on both sides of the proverbially unguarded (except for aggressive customs and immigration officials) Canada-U.S. border wins from the G7 meeting at La Malbaie last weekend. President Trump has broad public support for eliminating the country's \$865-billion trade deficit. Americans have no grievance against Canada and don't want bad relations with Canada, whom they essentially consider, as a compliment, to be like themselves. It's not quite such a coronation-level pat on the head as the English saying, "He's one of us," but to be thought of as like the Minnesotans or Oregonians, or for the Québécois, the Franco-Americans of Maine, is no insult, other than to Canadians seeking not to be like Americans.

The American public generally supports the Trump view that the EU, China, Japan and Mexico are picking America's pockets and excusing themselves with the endless repetition of the assurance that they are allies. Japan is the only "ally" that is acting like an ally as it is the only one of the six other G7 countries that needs the protection of the United States now (from North Korea). The tiff with Trudeau was seen in the U.S. as quaint, an almost piquant incident that added a little interest to what are usually just inconsequential, expensive and pretentious bloviation-fests. They were cross words with almost the only significant country in the world that never exchanges cross words with the U.S.



German Chancellor Angela Merkel speaks with U.S. President Donald Trump during the G7 Summit in La Malbaie, Que., on June 9, 2018. Jesco Denzel/German Federal Government/AP

There are far too many of these "summits," far too undistinguishedly attended, expensive to organize, and conducted in public in ways that attract swarms of hooligans who vandalize shops, beat up bystanders, and provoke the police. Canada spent \$400 million on three days of photo-ops at La Malbaie, to achieve practically nothing. For the first nearly 30 years of summiting, there were only nine such meetings; Roosevelt, Churchill and Stalin at Tehran and Yalta (1943 and 1945), Stalin, Truman and Attlee at Potsdam (1945), Eisenhower and the divided Russians and Anthony Eden and Edgar Faure at Geneva (1955), Eisenhower, Khrushchev, Macmillan and de Gaulle at Paris (1960), Kennedy and Khrushchev at Vienna (1961), Lyndon Johnson and Alexei Kosygin at Glassboro (1967), and Richard Nixon and Leonid Brezhnev at Moscow and San Clemente, Calif. (1972, 1973).

The first three were essential to plan for victory and peace, though many of their key provisions, especially for the liberation of Eastern Europe, were ignored by Stalin. The first Nixon-Brezhnev meeting was substantive and a couple of the later Reagan-Gorbachev meetings were very productive.

These were intense business meetings between people who really were at the summit of world power and influence. The only matter agreed to in meetings between Soviet and American leaders between 1945 and 1972 was in the “kitchen debate” between then vice-president Nixon and Khrushchev in Moscow in 1959, when (forgive my coarseness in the interests of historical accuracy), Khrushchev accused Nixon of uttering “Horse shit, no, it is cow shit, and nothing is fouler than that” to which Nixon replied, “You don’t recognize the truth, and incidentally, pig shit is fouler than cow shit.” Khrushchev conceded the second point.

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The Americans were irritated by the agenda of the others at La Malbaie, discussing global warming that the United States considers a fraud, and gender issues, which the Americans don’t consider suitable for such a meeting. The American overreaction to the Trudeau press conference that Trump and his entourage viewed from their aircraft on the way to Singapore was really directed to the serious trade-offending countries as part of Trump’s usual nerve-warfare buildup in disputes, the equivalent of the threats to destroy “rocket man” that clearly rattled Kim Jong Un’s self-confidence (with good reason – Trump was not bluffing and he’s not bluffing on trade, either). Trump will also have to restrain the rabid greed of corporate America, which knows no borders or other sentimental traditions where dollars are at stake. Trump’s overzealous Bannonite trade wonk, Peter Navarro, has apologized to Trudeau, and poor old Larry Kudlow, a delightfully courteous man, suffered a minor coronary after his out-of-character intemperateness.



U.S. trade adviser Peter Navarro, seen at the White House on June 7, 2018, has apologized for saying there is “a special

place in hell” for Prime Minister Justin Trudeau because of comments Trudeau made regarding trade talks. Chip Somodevilla/Getty Images

Justin Trudeau struck just the right Canadian note of our gentle nature but refusal “to be pushed around,” and he predictably will reap the short-term reward for standing up for the country opposite the ideal American bogeyman, the blustering billionaire president who has been a Garry Trudeau caricature of the Ugly American for 25 years. (It is a very incomplete picture, like most caricatures, but it works for Trump and he often cultivates it.) The boycotts of American goods and holidays will be a bonus to Canada economically and the anti-Trump American media will be along within two weeks to lionize doughty Canada like “Gallant little Belgium” in 1914 and “Plucky Israel” in 1947, and it will strengthen Canada’s always fragile self-regard opposite the United States.

On the other hand, Trump isn’t just a blowhard; all his career he has known how to go for the jugular and his reference to 270-per-cent Canadian tariffs on butter is a valid complaint that threatens to tear the scab off this egregious payoff to the comparatively small number of Quebec dairy farmers who mainly profit from it. The same issue was hammered hard by Martha Hall Findlay when she ran for the federal Liberal leadership in 2013 and by Maxime Bernier when he ran narrowly behind Andrew Scheer for the Conservative federal leadership last year. The issue died down after their unsuccessful campaigns, but if Donald Trump is incited to hammer that theme, he will roil the domestic Canadian political waters and English-French relations in the country generally.



Dairy cows are seen at an Eastern Ontario farm on April 19, 2017. U.S. President Donald Trump is a harsh critic of Canada’s supply-management system for dairy and poultry products. Sean Kilpatrick/CP

Presumably our trade negotiators will not become so

intoxicated by the prime minister's peppy talk and spontaneous popular boycotts of the U.S. that they forget the correlation of forces. An aroused American administration could do serious damage to Canada's standard of living, and it could be a tempting tactic to expedite more important negotiations with Mexico and the principal Asian and European powers. The United States is now enjoying three times as great a rate of economic growth as Canada (4.8 to 1.5 per cent), has lower tax rates, 11 times as great an economy, and more unfilled jobs than unemployed people.

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Behind the peeling façades of Norman Rockwell and Walt Disney, the United States is a monster, and not always an amiable monster. If Canadians are blinded by their visceral dislike of Donald Trump, as the antithesis of Canadian criteria for likeable public figures, they will be exposed to the ruthless pursuit of the national interest that in his own career propelled him from technical insolvency to immense wealth and celebrity and then, against all odds, to control of a great political party and to the headship of the most powerful country in the world. If these talks blow up, the U.S. doesn't have to settle for WTO rules; it can impose outright protectionist measures. Justin Trudeau has been agile, and the country has responded admirably. But Canadian policy-makers must understand that they are playing for almost mortal stakes with potentially dangerous protagonists who have no sense of fair play and no interest in what Canada thinks of them.

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