

Justin and the Beanstalk: Free Trade, Fair Trade and Failed Trade

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Maybe you remember the children's story about a boy named Jack who sold his mother's cow for a handful of beans? In that story, Jack climbs a beanstalk, meets a terrifying giant but somehow survives, defeats the giant and brings back gold for his mother far above the value of the cow. For Jack, it ended well. Of course, that was only a fairytale. That was in a land where "budgets balance themselves" and "sunny ways" make up for failed projects.

Sometimes, it seems like we must be living in a fairytale but not necessarily one that is going to end well. Last week, our Prime Minister signed the United States-Mexico-Canada Trade Deal, (USMCA), and although he did not look that enthusiastic at the signing ceremony in Buenos Aires, the Liberals are claiming it as a win. He and his fellow-negotiator, the Hon. Chrystia Freeland, have been at this for a long time. When they sold the cow (or cows, if you include all those that will be sold out of Canada's dairy herds), did they get anything more than "magic beans" in return?

In October, *Maclean's* ran a glowing piece¹ about Ms. Freeland, our Minister of Foreign Affairs, claiming she had "saved NAFTA." They basically credited her with rescuing Canada from a US bully and securing our economic survival. Is that a fair assessment? What have we bartered away for this new deal?

Let's talk about what we gave up. We gave up sovereignty in our dairy industry. We've basically granted to the US a right to meddle in how we manage that industry². Our trade team allowed indignant US hyperventilation about dairy product tariffs to cloud the issue as to what kind of dairy products we want on our shelves. For example, the US currently allows their dairy producers to use growth hormones not allowed in Canada and products containing them will now find their way into Canadian stores. What kind of labeling restrictions will those products face? Under the USMCA, the market share of US products competing with Canadian products for shelf space will increase to about 17% and will make it harder for some Canadian producers to stay in business. If we lose our Canadian dairy farms, we'll lose not only a significant part of our rural economy but some of our control over food quality and self-sufficiency.

As everyone knows, the deal was also signed with glaring examples of non-free trade staring us in the face. The steel and aluminum tariffs remain in place³, at least for now, hurting Canadian producers of these commodities. Cross-border auto sales and auto parts trade have also been impacted; complex new formulas may hinder growth in that sector, although they may bring some production back from overseas. The simultaneous closing of GM plants in Oshawa and in the US are not encouraging signs for workers in the industry and the insult of having a now-unprofitable GM corporation pocket taxpayer bailouts while cutting thousands of employees is both a symbolic and practical lesson that corporate subsidies and handouts carry no guarantees. Let's remember that as we watch the taxpayer bailout of TransMountain play out.

The USMCA deal also did nothing for Canada's Softwood lumber industry, long a victim of US tariffs and lobby-sensitive congressmen and governors⁴. As in the nearly-defunct NAFTA deal, Canadian lumber producers still do not have unfettered access to US markets and will just have to take their licks when US producers call for sanctions.

What we did get and what our Prime Minister and Foreign Affairs Minister fought for, was language in the USMCA that focused on unspecified "environmental protections" and special protections for "sexual orientation and gender identity" in the production of goods and services subject to cross-border trade. Of all the things that Canada was willing to go to the wall for, it had to be sexual behaviours—yes, the very things that are being used as a wedge in Canadian schools and courts. Those seem to be central to every aspect of government policy these days and the demands for this language in the USMCA no doubt muddied the waters at cross-border trade talks. There is even a rumour that the US Congress may balk at signing the deal just because of the language⁵.

I wonder, if our trade negotiating team had been more focused on things that really matter to Canadian workers, producers, taxpayers and consumers and less focused on so-called "progressive" ideology, if they might have come home with a deal we could all celebrate instead of this patchy compromise with the obligatory poison pill of language capitulation.

Mr. Trump, on the other hand, is certainly happy with the new deal. When it comes to business dealings, he really is a giant. Our Prime Minister should remember that the next time he tries to sell something,

CHP Canada opposes the give-aways of the new USMCA. The "magic beans" of politically correct gender and sexual orientation language will not help Canadian businesses losing market share nor Canadian workers losing their jobs. Honest trade based on mutual need and benefit should be the goal as we negotiate trade deals with our allies and neighbours.

Join⁶, support and Vote CHP Canada.

Footnotes

¹ www.macleans.ca/politics/ottawa/chrystia-freeland-and-the-art-of-the-deal/

² www.dairyfarmers.ca/news-centre/news/policy/dark-day-in-the-history-of-dairy-farming-in-canada-thank-you-prime-minister

³ www.ctvnews.ca/business/canada-folded-on-steel-aluminum-tariffs-union-1.4116873

⁴ www.aacb.com/facts-to-understand-about-softwood-lumber-dispute/

⁵ www.huffingtonpost.ca/2018/11/16/usmca-trump-lgbtq_a_23591891/

⁶ www.chp.ca/get-involved