

Intelligence MEMOS



From: Gitane De Silva and Grant Sprague
To: Canadian Businesses with US Interests
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Re: **PREPARING ORGANIZATIONS FOR CHANGES IN THE CANADA-US RELATIONSHIP**

In the first weeks since Donald Trump's re-election, there was no shortage of speculation and commentary on what this might mean for Canada and our economy.

Now we know.

His 25-percent tariff threat means Canadian businesses will need to be particularly savvy. In fact, that announcement could just be the beginning of numerous challenges for Canadian organizations.

Here are five things that must be considered.

Do you speak American?

Sure, we can all say "trash," "soda" and "y'all," but do you understand how the US works? A lot of the focus is on the White House and the federal government, but it is important to understand the powers that states and cities have on a range of issues like permitting, tax incentives and regulations.

Who is keeping an eye out for you?

Anyone can read *The Washington Post* or watch Fox News. Do you have someone on your team who is paying attention to the issues, and who can provide meaningful insights on how events will affect your business? Now may be the time to brief your board and update your risk register.

Does your message resonate with Americans?

Going to the Americans with a pitch about how they can help you won't get you very far. Think about how to position your pitch in a way that focuses on how it serves their interests.

Are you running with the right crowd?

Remember when your parents said your reputation is affected by your friends' actions? Well, that holds true now, too. Team Canada is all well and good until you are a beef rancher running with a group that is focused on defending dairy and supply management. Tensions between orders of government are normal. Your job is to avoid becoming the political football in the game of cross-border trade.

Don't be complacent.

President-elect Trump ran the table: The popular vote, the electoral college, the Senate and the House. He has a mandate to implement his campaign promises to protect the US economy, its borders and its people. Pay attention.

To state the obvious, Canada's most important relationship is with the US. No other country comes remotely close in terms of trade, security or connections. Even if you don't think you are trade exposed to the US, you actually are, just by virtue of the importance of that relationship to our entire economy.

Don't be distracted by unconventional language. Look at Trump's proposed Cabinet appointees and their views on Canada, on trade and on immigration. Now is the time for chess, not checkers.

Gitane De Silva is a former diplomat who served in Washington, DC and Chicago, former CEO of the Canada Energy Regulator and current Global Fellow with the Canada Institute at the Woodrow Wilson Center. Grant Sprague is a former Deputy Minister of Energy for Alberta and Senior Fellow with the C.D. Howe Institute. Both now work with Blue Rock Law, a business law firm in Calgary.

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