

BEYOND THE SOUND AND FURY

By John Risley



Let's speculate on the meaning of Donald Trump's presidential win.

I doubt very much that there will be a lurch to the far right. As strong minded as this President might be, he will have to bring his team and Congress along with him on major initiatives. While he can move in isolation on some matters, he will have to take into consideration the political cost — the “quid pro quo” of managing a beast like the U.S. government will require him to consider such consequences.

On foreign policy, he can do no worse than Obama. Barack single-handedly cost the U.S. its privileged relationship with the Arab world by pursuing the Iran nuclear accord. He also destroyed his own credibility and eroded respect for his office by ignoring the “line-crossing” incidents promulgated by Assad. Further, he has allowed China to trample over the rights of its neighbors in extending Sino territorial influence in the South China Sea. And, he has convinced Putin that the U.S. will back down every time, over Crimea, Syria, and the Ukraine.

I predict that Trump will insist on the respect that Obama lost; his character and bravado speak to that sort of posturing. The Soviets and the Chinese are likely to tread much more carefully in doing anything that might be considered a provocation.

It is entirely plausible he will strike a relationship with Putin of mutual respect and give the Russian leader the sort of standing you can see he craves. That would be a good thing. Putin has a host of domestic matters which are hugely challenging and he needs to focus both his attention and budget on those internal woes.

On the Chinese front, that country's leadership has been expert at agreeing to various deals with western nations, especially the U.S., and then conveniently neglecting to uphold its side of the bargain while expecting others to abide by the rules. Trump will put a stop to this sort of manipulation. The Chinese economy is desperately dependent on exports and needs the access it has to the U.S. consumer market. I don't doubt Trump will insist on more Chinese co-operation in putting pressure on North Korea's dictator and his nuclear ambitions.

You can also imagine there will be a stepped-up effort to control the spread of Islamic-led extremism. While it may not be politically correct to discuss openly how to do this, I will: the U.S. has the technology to target individuals around the world. The use of drones by the Obama administration to attack the leadership of extremist groups is the most obvious example of such capability. Expect such efforts to accelerate.

I'm also expecting the Affordable Care Act to be

repealed and replaced by something designed to support those most in need. The Dodd-Frank Wall Street Reform and Consumer Protection Act, too, may well be axed or amended. And so it should be. The regulatory burden from this legislation has been crippling small-to-medium-sized banks in the United States. All elements of the political spectrum are calling for tax reform and a good fresh look at regulations is entirely appropriate. A pragmatist can bring in compromise and get something done on a number of these issues. Obama was too stuck in ideals to understand the art of doing a deal.

In Canada, I think the Keystone Pipeline will get approved, and quickly. No doubt Trump will exact some price for doing so but this project will be good for our country. The one worry I have is whether the construction of Keystone might result in the Energy East pipeline being put on the back burner. Not an implausible concern, especially when considering the political capital the Trudeau government will burn in supporting a pipeline through Quebec and into Saint John.

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As for trade, I'm not predicting any material amendments made to trade between Canada and the United States. Were NAFTA revoked, then the FTA of 1988 will prevail and the terms of both are substantially the same. And the nature of the FTA is such that only Congress can repeal it (whereas Trump can put a pen through NAFTA). Besides, supply chains on both sides of the border are so intertwined it would be impossible to do anything which would compromise such cross border activity without inflicting damage on both sides.

It will be an interesting four years. Yes, to some extent it will be a media circus, but we'll just have to ignore the theatrics and look for the substance. Stay tuned.

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FEEDBACK

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