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# In Trade Actions, Trump Embraces Unpredictability

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By PETER S. GOODMAN



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**PARIS** — President Trump has rarely been accused of running a surplus in predictability. As his administration this week imposed punitive tariffs on a Canadian airplane

manufacturer, it exacerbated confusion over where Mr. Trump might venture next in his zeal to redraw the terms of American commerce with the world.

Trade experts strained to find evidence of a cohesive strategy, noting that Mr. Trump has sparred over trade with a sometimes bewildering array of nations.

He has frequently trained his wrath on China and Mexico, accusing them of stealing American jobs. He has attacked Germany for its exporting prowess. He has threatened to blow up a trade deal with South Korea.

Few could have foreseen that a primary target of Mr. Trump's actions would be a stalwart ally, Canada.

For global companies seeking to divine the new rules of the Trump era, ambiguity has become a seemingly permanent state of affairs.

“Companies care less about what the rules are than whether the rules are stable and predictable,” Professor Rivoli said. “They are not going to have clarity under this administration.”

That Canada came to be anointed an American trade adversary appears to reflect the disqualification of other potential candidates.

China, long Mr. Trump's favored example of a supposedly nefarious trading power, is a critical piece of efforts to prevent thermonuclear hostilities with North Korea, tempering the urge for confrontation with Beijing. Mexico makes components that are crucial parts of factory operations in the United States.

Canada may present a tempting focus as Mr. Trump seeks to sate clamoring from his political base for an alteration of supposedly job-killing trading arrangements without imperiling other geopolitical interests.

Or maybe Mr. Trump saw something about Canada on television that piqued his ire. Maybe one of his advisers dropped a useful piece of data.

Some days, Mr. Trump acts like a traditional Republican who caters to big business and its penchant for moving investment around the globe without hindrances like trade hostilities.

Other times, he acts like the president whose inaugural address announced the dawning of an “America First” era in which the niceties of multilateral cooperation — on climate change, security and trade — were to be ditched in favor of an unapologetic pursuit of the national interest.

Nowhere has Mr. Trump's unpredictability been more prominent than on China.

As a candidate, Mr. Trump frequently promised to brand China a currency manipulator while imposing across-the-board tariffs.

He accused China of pushing down the value of its money to make its goods unfairly cheap on world markets — even as China was in fact doing the opposite, intervening to prop up its currency.

Once in office, Mr. Trump muted such talk while embracing its president, Xi Jinping, as a critical ally in the bid to contain North Korea.

But Mr. Trump grew frustrated by China's reluctance to deprive North Korea of support. His administration let it be known that it would soon unleash tariffs on steel aimed at constraining China's massive sales of cheap product on world markets. That has yet to happen.

Such tariffs would hurt other exporters of steel, including South Korea and Japan — two American allies. The tariffs would increase steel prices for American automakers.

Some members of the Trump administration continue to attack China as a menace to American prosperity. In a speech delivered earlier this month in Washington, Robert E. Lighthizer, the United States trade representative, called China “a threat to the world trading system that is unprecedented.”

Faced with such an enemy, one might imagine the United States would gather allies in a concerted effort to contain China's mercantilist ambitions. Except that Mr. Trump, in one of his earliest actions, revoked American participation in the Trans-Pacific Partnership, a pact promoted by his predecessor as a means of doing precisely that. He walked away while extracting no discernible benefits from China.

The decision on the Canadian airplane maker, Bombardier, may imperil a deal on which Mr. Trump has broadcast conflicting intentions — the North American Free Trade Agreement, the landmark pact spanning Canada, the United States and Mexico.

After initially vowing to abandon the deal, Mr. Trump opted to instead renegotiate it. Those talks continue with as yet no signs of meaningful progress.

The announcement of the Bombardier tariffs resonated like a grenade thrown into the talks. If the decision is ultimately affirmed by the International Trade Commission — a quasi-independent judicial agency — that would leave in place tariffs as much as 219 percent on sales of some Bombardier planes in the United States.

Some speculated that the action was designed to display American muscle in seeking improved Nafta terms.

At a steel facility in Seoul. Trump has threatened to unleash tariffs on steel, which could hurt South Korean exports. Credit Kim Hong-Ji/Reuters

**“With Trump, his approach seems to be, ‘We are going to put everything on the table,’ ” said Chad P. Bown, a trade expert at the Peterson Institute for International Economics in Washington. “He wants to make the other side as uncomfortable as possible.”**

**But the Bombardier case runs the risk of making things so uncomfortable that negotiations collapse. If tariffs cost the company enough business, it might shutter factories in Canada, presenting a humiliating turn for its prime minister, Justin Trudeau.**

**“This thing could really spiral out of control,” said Mr. Bown.**

**The action also strained relations with another key ally, Britain, given that Bombardier manufactures wings for its airplanes at a plant in Northern Ireland.**

**The threat to that enterprise comes just as Britain is ensnared in fractious talks with the European Union over the terms of its pending exit from the body, widely known as Brexit.**

**Prime Minister Theresa May of Britain has portrayed Brexit as the beginning of a glorious new chapter in British history, allowing it to expand trade with major commercial powers. Mr. Trump has promised to strike an American trade deal with Britain.**

**Such a deal always seemed more about political optics than economic returns, which will almost surely be modest. Now, the merits of counting on Mr. Trump are draped in fresh uncertainty.**

**In a message posted to her official Twitter account on Wednesday, Ms. May pronounced herself “bitterly disappointed” by the Bombardier case, which was brought by Boeing. Her administration later threatened to scrap British orders for Boeing military wares.**

**“It’s just more evidence that trading partners are going to be very reluctant to negotiate deals with Trump,” said Mr. Bown.**

**In the end, the closest thing the Trump administration has to a trade policy may be an enduring bias against trade deals.**

**More days than not, the president appears to view trade pacts as fresh opportunities for the United States to get mugged in a global marketplace in which countries are either pillaging or getting pillaged.**

**“It seems to me that he’s a nationalist, and maybe that’s his guiding principle,” said Susan Helper, an economist at the Weatherhead School of Management at Case Western Reserve University in Cleveland. But she ended that sentence with an upward lilt as if posing a question. “It does seem like Trump likes to be unpredictable.”**