



Friday » January  
11 » 2008

## **U.S. trade protection expected to grow this year** American election a time for Canadians to 'duck and cover,' expert warns

**Michael Kane**

Vancouver Sun

*Friday, January 11, 2008*

Canada's best approach to the U.S. presidential election is to "duck and cover" while enjoying one of the most open races in history, an expert on international trade agreements said Thursday.

And British Columbia should count its blessings that the Olympics take place in Vancouver in 2010 rather than 2008, said Barry Appleton, the Vancouver Board of Trade's honorary representative in Washington, D.C.

The Beijing Games will only sharpen attention on the loss of jobs to China at a time when all political parties in the U.S. favour protectionism.

"Everybody likes protectionism and that means nobody likes Canada," he said. "They like Canadians . . . but they don't like the idea of free trade and they don't like the idea of open borders."

Appleton, managing partner with international lawyers, Appleton & Associates, said Americans are in a sour and uncertain mood with trust in government even lower than it was during the Watergate scandal.

While a desire for change generally favours the Democrats, he said it's too early to tell who will be the final candidate for each party, let alone who will replace George W. Bush in the White House.

"If you are political junkie, 2008 is going to be the best year you have ever had because nobody is going to know what is going to happen for some time."

Meanwhile the focus on border security poses more challenges to trade when British Columbia needs an open border to be able to serve the U.S. market, he told the Vancouver Board of Trade's 2008 Economic Outlook forum.

On the plus side, Canada received an 18-month delay just before Christmas in rules that will require persons crossing the border by land or sea to have a passport.

Americans are also very interested in guaranteed access to a safe and secure supply of energy and that is "the only card we have to play."

While trade disputes are inevitable in an election year, Appleton said 2008 is the time for Canada to keep a low profile. "We're not an issue and we don't want to be an issue. Right now duck and cover is the strategy."

A U.S. recession is possible in 2008 but the U.S. is no longer as dominant as it was in global economics, noted Bernie Mangan, the board's chief economist. Demand for commodities and other goods from China, India and other developing countries could

keep the world economy afloat.

B.C.'s growth in 2008 is expected to come in at a modest 2.8 per cent in 2008, down from an estimated 3.0 per cent last year, said Helmut Pastrick, chief economist with the Credit Union Central of B.C.

He expects housing prices to climb another 10 per cent on average, down from 12-13 per cent in 2007.

"The housing market is still underpinned by fundamentals," Pastrick said. "Speculation exists but it is not high, we're not in a bubble."

International lumber consultant Peter Woodbridge said B.C.'s forest industry is facing "absolute hell" as a result of the combined impact of the strong dollar, U.S. trade sanctions, the U.S. sub-prime and housing market crises, and the mountain pine beetle epidemic.

However, he said a slimmed-down industry will survive and prosper longer term as the global supply of softwood lumber diminishes and millions who need housing are better able to pay for it.

mkane@png.canwest.com

© The Vancouver Sun 2008

CLOSE WINDOW

Copyright © 2008 CanWest Interactive, a division of CanWest MediaWorks Publications, Inc.. All rights reserved.