

The Art of Dealing With Trump

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The best metaphor for trade negotiations may be trying to arrange a marriage. Countries come to the table with friendly intentions, hoping to form a partnership. The pressure is to make a deal, not to block one, and if they don't succeed, that is a cause for sorrow, not anger.

Donald Trump has changed all of that. He has turned trade deals from negotiations about marriage to threats of divorce.

Before Trump, the Western consensus had long been that free trade made individual countries richer overall, and the world richer too. Trump does not believe that. More importantly, his trade negotiations aren't only, or even mostly, about trade. They are about domestic politics and geopolitics, and, above all, they are about staging a drama in which he, and America, wins. Trump is trying to turn trade from a win-win relationship to a battle for dominance over adversaries and a protection racket for friends. This is trade policy as per Roald Dahl's *Matilda* rather than Adam Smith.

The organizing principle for this MAGA administration is that countries need to pay for the right to sell things to the United States. They can pay quite literally, through tariffs. They can pay by pledging investments in the U.S. And they can pay with actions that have no connection to trade but that the White House wants. Most of America's allies have simply capitulated—accepting harmful and unjust tariffs or offering other forms of tribute.

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My experience as Canada's international trade minister and foreign minister during the first Trump administration suggests another possible strategy. A decade ago, Trump threatened to tear up the North American Free Trade Agreement and destroy Canada's most important trade relationship. Canada was gobsmacked, but we were also prepared. In the summer of 2016, our ambassador began to warn us that Trump might win. So I asked our outstanding trade officials to prepare a memo outlining what we should do if a victorious Trump carried through on his campaign-trail attacks on NAFTA. We called it the "in emergency, break glass" briefing note. In the days after the election, that homework paid off. Canada was angry, but we also stayed calm. We met Trump and his team at the table, looked for things we could agree about, and held firm to our red lines.

Throughout two years of negotiation, Trump and his minions insulted and demeaned Prime Minister Justin Trudeau and me, calling me a "nasty woman" who "hates America." In 2018, he imposed illegal and unjustified tariffs on Canadian steel and aluminum. Canada then did something that much of the world has forgotten how to do: We fought back, with dollar-for-dollar reciprocal tariffs. Because ultimately, the only thing that works with this president is strength.

During our years of negotiating, we developed a three-part playbook for handling the Trump administration. It eventually got us to a great deal, and it can help America's allies deal with the White House today. First: Look for areas where you agree and can work together. Second, apply the doughnut strategy: Yes, the president is important, but he is just one figure in the middle of a big country. Be sure to talk with Americans in the rest of the doughnut, not just in the Oval Office in the middle. Third, and most important: Do not capitulate.

During the NAFTA negotiations, we shuttled back and forth to Washington more than a dozen times. The talks were high drama. Sometimes the Americans yelled at us; at other times, they graciously served us snacks, including Hershey's Kisses with packaging signed by Donald Trump. As we waited in the White

House for a bilateral meeting between the president and the prime minister, a smiling, jocular Gary Cohn, a senior economic aide to Trump at the time, once told me: “You’re definitely going to get screwed. The only question is whether you get screwed with a kiss.” Occasionally, I would take refuge in the ladies’ washroom—generally a safe space, because there were usually no women on the U.S. side of the table. Once, at a particularly dire moment, I got down on my knees there and prayed.

Holding your ground when Trump demands that you buckle is not easy. Political rivals accused our team of “Napping on NAFTA” and said we should accept more of Trump’s proposals. In response, I said then what I believe now: “Capitulation is not a negotiating strategy.”

That doesn’t preclude finding areas of agreement. Trump lies so much about trade that it can be hard to recognize when he has a point. But the fact is that the old NAFTA, and the free-trade consensus it represented, really did have problems. For example, Trump was right that the low wages paid to Mexican auto workers undermined American workers, especially in the states that had gotten him elected in 2016. We had dealt with similar concerns when negotiating an earlier trade deal between Canada and the European Union: European socialists, much like American right-wing populists, wanted deals that supported high wages for workers and that protected national sovereignty against multinational corporations. I agreed. And that is one reason we were able to make a deal with Donald Trump.

The Americans demanded that a specific quota of U.S.-made parts be included in a NAFTA-compliant car. We made a counterproposal: A certain percentage of the car had to be manufactured by workers making at least \$16 an hour. This would become one of the smartest features of the new NAFTA, designed to protect the jobs that had been outsourced since the original deal while disarming American efforts to kill the Canadian auto industry.

But for Trump, getting a good deal isn’t really the point. In 2018, the United States levied illegal and unjustified tariffs against Canadian steel and aluminum, claiming that our exports were a threat to U.S. national security. I pushed for retaliation, and Prime Minister Trudeau agreed. We weren’t a security threat to America; to suggest that we were was insulting. We were responding more in sorrow than in anger. But this was a big move, the largest trade retaliation Canada had imposed since the second world war.

We targeted goods that would cause maximum political pain in the United States and do little damage in Canada: ketchup and jam made in Pennsylvania and Ohio, to put pressure on the president’s Rust Belt constituency; bourbon and playing cards, to make an impact in Kentucky, home to Senate Majority Leader Mitch McConnell and the U.S. ambassador to Canada, Kelly Craft; and cheese and yogurt to pressure House Speaker Paul Ryan of Wisconsin.

[Read: Europe and Canada are like the kids in an ugly divorce](#)

Canada didn’t start this fight. We were simply responding, dollar for dollar, to the tariffs the U.S. had imposed on our steel and aluminum. We coordinated with Mexico and the EU to maximize our impact, and we left room for negotiation by waiting a month after U.S. tariffs went into force before imposing our own. When we announced our retaliatory action, I told Canadians that I had spoken with Robert Lighthizer, the U.S. trade representative, six times in the previous week and that Canada was willing to talk any place, any time.

The mere declaration that we were going to retaliate infuriated President Trump. He started bullying Canada and Canadian leaders publicly and privately. Just as we were getting ready to unveil our final tariff list, Trump made a personal phone call to Trudeau, in which he threatened dire consequences, including destroying the Canadian auto industry, if we went through with our plan. He told Trudeau that I was a “nasty woman” who had spoken critically about him to other world leaders. Peter Navarro, the White House’s trade adviser, hastily dismissed the impact of retaliatory tariffs as little more than a “rounding error” for the U.S. economy, but Trump’s intemperance betrayed greater anxiety.

Many Canadian business leaders were anxious about an all-out trade war with the United States, and at least one of my cabinet colleagues, the finance minister, argued that we should postpone our trade action

beyond the one-month grace period we had already extended and just keep talking. I understood the fear. A trade fight with the United States would be more painful for us than for the Americans, as the \$16.6 billion in goods targeted by the tariffs was 0.06 percent of the U.S. GDP, but 0.74 percent of ours. We also had more at stake: Trade accounts for about 65 percent of the Canadian economy, and more than 70 percent of our exports were to the United States in 2018. Trade is about 25 percent of the U.S. economy, and 18 percent of U.S. exports were to Canada in 2018.

But I was absolutely certain that we needed to fight back, and I was equally confident that if we did so, we would succeed. Trump is a textbook bully. For him, weakness is a provocation. But when he is met with strength, he finds a way to make a deal. Trump doesn't always chicken out, per the TACO meme. Just ask Nicolás Maduro. But he does find ways to change course when the other side keeps its nerve, as the dictators in Beijing and Tehran—and the Democrats in Minneapolis—have shown.

The economic facts had always been on our side. Trade between Canada and the United States was balanced, mutually beneficial, and made both of our countries more secure. Our countries had been building things together since Henry Ford manufactured the first Model T, and Canada was a secure and reliable supplier of oil and electricity to the United States. The value of this partnership should have been enough to secure a deal—and it had been, for decades.

But with this president, facts alone don't matter, and a win-win outcome is a last resort. We had to prove to him that he couldn't bully Canada, and that trade with Canada was actually in America's national interest. Only by demonstrating painful consequences could we get back to a reciprocal relationship with our neighbor.

We also knew that we needed to talk with people other than Trump. Among the Republican allies we courted, starting in 2017, was Paul Ryan, the speaker of the House, whose home state of Wisconsin exported nearly \$7 billion a year to Canada. "I just like trade," Ryan told me, saying that among partners, "Canada is the one that's fair and balanced." I met with Arizona Senator John McCain, who warned me that some of the tariff proposals, including those involving Canada, were "nuts, crazy, insane." But he said that he would "lay down on the tracks" to oppose that approach and that "there's enough Republicans who are against it."

Fewer than four weeks after our retaliatory tariffs went into effect, in July 2018, a business coalition supported by farm-state political leaders on both sides of the aisle launched a multimillion-dollar campaign called "Tariffs Hurt the Heartland." They held 15 town halls across the Midwest and carried out three aggressive ad campaigns, including one called "Rounding Error" and one titled simply "Tariffs Are a Tax." This political pressure on Trump, including from his own supporters, kept the talks on track through difficult weeks. It also enraged the president. But ultimately, and quite rightly, the people whose views most mattered to the administration were Americans themselves. They were the lobbyists who really counted. And that is why retaliation, together with the doughnut strategy, was so important.

In arguing that tariffs and counter-tariffs couldn't really hurt the United States because international trade was relatively unimportant to the American economy, Navarro and like-minded economists made the same mistake that globalization advocates once made. They failed to account for the pain their policy would cause specific people and specific communities. Tariffs might be a "rounding error" in aggregate, but for some people and some places, they were devastating. Ground zero for tariff pain was Iowa, a farm state where one in five jobs depended on trade. By May, coordinated retaliatory tariffs imposed by Canada and other countries hurt by the U.S. had cost the state's farmers, particularly pork and soybean producers, nearly \$1.5 billion in lost export revenue. That came out to roughly \$17,000 per farm. The Tariffs Hurt the Heartland campaign created an interactive map, populated with heart-wrenching stories from midwesterners.

When President Trump took office for his second term last year, he was met with a wave of capitulation. Many American CEOs, lawyers, and university presidents bowed their heads to avoid his wrath. America's international allies largely surrendered too—knuckling under in response to tariffs, appeasing the president at the first NATO summit, and responding to insults and ridicule during White House visits

with sycophancy and fixed smiles.

But America's allies have also shown that they can stand Trump down. When Trump threatened to seize Greenland in January 2026, the EU did not give in. And Greenland remains part of the Kingdom of Denmark, following some clever diplomacy by Copenhagen, which succeeded in reaffirming its sovereignty without reigniting the war of words.

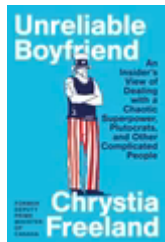
[Read: America's allies are no longer waiting for Trump to leave](#)

Many of us in allied countries feel so angry, so frightened, and so betrayed right now that we easily forget how much we have prospered, together, during the American century. Pax Americana has not always been benign, of course, and living with a hegemon is often uncomfortable. Prime Minister Pierre Trudeau, Justin's father, brilliantly compared sharing a border with the United States to sleeping next to an elephant: Even if the elephant is gracious and well disposed toward you, you never sleep altogether easily.

A lot has changed since 2018, but I still believe two things that I believed then—that America can be a force for good in the world, and that we need to be frank with our American friends about how profoundly they are losing our trust. The official public obsequiousness that is the love language of the Oval Office, and which America is hearing from too much of the world, masks a disenchantment that is hardening into contempt.

Rather than containing the president, his appeasers have enabled him. America's allies must speak out, and they must do so together. Canada's prime minister, Mark Carney, is showing America's other friends that when you stand up to a bully, you can rally your country behind you. That approach worked in 2018, and it can work today. And, ultimately, it is in America's best interest too. By refusing to submit, we can help Americans remember that the most effective way to treat their allies—and not just authoritarian tyrants—is with partnership, not punishment. If America can relearn that lesson, which the postwar generation first taught, it will be a win-win outcome for democrats and democracies everywhere.

This article has been adapted from Chrystia Freeland's new book, [Unreliable Boyfriend: An Insider's View of Dealing With a Chaotic Superpower, Plutocrats, and Other Complicated People](#).



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