Consulate General of Canada in Detroit The Ohio Society of Association Executives Canada"s Response to Steel and Aluminum Tariffs Tuesday, June 5, 2018 4:47:53 PM

Canada's Response to Steel and Aluminum Tariffs

I am writing to advise that starting July 1, 2018 Canada will impose duties up to <u>\$12.8</u> billion worth of tariffs on imports of steel, aluminum and other products from the United States. These countermeasures are being taken in a dollar-for-dollar response to U.S. tariffs imposed on Canadian steel and aluminum imports as of <u>June 1, 2018</u>. As a key NORAD and NATO ally, and as the number one customer of American steel, Canada should be permanently excluded from any 232 restrictions imposed on steel and aluminum.

Canada considers it an affront that the U.S. Administration is invoking "National Security" as justification in taking this trade action. There can be no doubt that Canada and the United States are integral partners in one another's security. Canadians have served alongside U.S. forces as reliable defense partners through two World Wars, the Cold War, Korea, Balkans, the Middle East, Afghanistan, and the fight against terrorism. Together, Canada and the U.S. partner on a range of other national security issues. We share intelligence; our border agents work collectively to manage the Canada-U.S. border; and our police forces work jointly on drug, transnational crime, and terrorism investigations.

The U.S. and Canadian steel industries are so highly integrated that measures taken against Canada will harm U.S. companies that rely on long-term contracts and just-intime delivery. The balance of trade clearly favors the U.S., as the U.S. ran a trade surplus in steel-related trade with Canada of nearly \$2 billion in 2017. Canada buys half of the United States' total worldwide steel exports. Our interdependence allows manufacturers to specialize in complementary products thereby enhancing mutual productivity and competitiveness. This is particularly true in the automotive industry, where access to a trusted supply of steel grades with precise weight and strength capabilities is essential.

Canada is Ohio's largest customer and over 308,700 jobs in Ohio depend on trade and investment with Canada. Canada's countermeasures could impact up to \$2.2 billion worth of exports from Ohio. In addition to tariffs on steel and aluminum, Ohio products that could experience the greatest economic impact are detergents and soaps, washing machines, and paper towels and toilet paper.

Whether in terms of our national security or our shared industrial base, we are stronger together. We trust that our American partners will recognize this interdependent relationship and respond appropriately by immediately and permanently lifting these tariffs on Canada. Please make your voice heard among members of U.S. Administration and Congress to exclude Canada from these tariffs.

Feel free to contact me if you have any questions or would like to discuss further.

Regards,

Consul General Douglas George

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