



Perspective on international trade

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Everyone uses the term free trade, but that doesn't necessarily mean the trade is fair.

Trade is critical to the smooth functioning of an economy. I'm a big proponent of free trade. If we're all in a level playing field and you're producing a good or a service at a better cost than I am, then you should win that particular trade discussion.

But what happens if a government steps in and begins to subsidize someone who's not so efficient? If they're made competitive through subsidization, that's not fair.

You also have to look at the levels of levies put on or taxation that's put on an import. Are they reasonably equal around the world? And if that's not the case, then that's what these trade negotiators are trying to resolve. But sometimes it does take shock tactics to get those discussions going, because there's a lot of embedded self-interest, and you sometimes need a sharper tactic to get the discussion going. But the goal should be to provoke that type of discussion, as opposed to trying to get into a trade war, where we all put up barriers to each other's imports. Because ultimately, that means that the cost of goods and services become higher, which causes inflation, and the goods and services available become more scarce, which in turn produces higher prices as well.

So, trade wars are not a good thing, but trying to get a fair balance on the rate of revenue that is applied to both imports and exports, trying to make sure that the trade is both fair and free, I think is a very valuable discussion, even if some of the rhetoric at the moment is somewhat difficult.

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