



The Daily Dish

Playing Nice and Not

DOUGLAS HOLTZ-EAKIN | SEPTEMBER 18, 2026

Bloomberg [reports](#):

The US is expected to delay the announcement of new tariffs over allegations of trading partners' excess manufacturing capacity at least until after next week's planned summit between Presidents Xi Jinping and Donald Trump, according to people familiar with the matter.

China, of course, is the poster child for excess manufacturing capacity and the report behind the allegations of excess capacity will recommend an additional 7.5-percent tariff on Chinese goods. Delaying the announcement until after the summit continues the non-confrontational approach adopted by the Trump Administration after the initial tariff war essentially cut off trade between the countries.

On the other hand, there is Canada. As noted in [U.S.-Canada Trade Interdependence](#) by Jacob Jensen and Shantanu Kamat:

On July 22, President Trump issued three proclamations implementing 50-percent tariffs on certain imports from Canada. The proclamations were justified on the basis of Section 338 of the Tariff Act of 1930, an authority never previously used to levy tariffs.

Canada retaliated by putting tariffs on \$20 billion of U.S. exports to Canada, and the tit-for-tat responses ensued from there. Most recently, Canada floated the idea of moving away from its North American neighbor and sorta, maybe joining the European Union. As [reported](#) by *The Washington Post*:

In a speech at the European Parliament, delivered in English and French, Carney laid

out his vision for deepening ties on everything from securing critical minerals to providing visa-free work opportunities for citizens.

He welcomed an offer to make Canada an “associate member” of the 27-nation European Union but stopped short of fully endorsing the idea. Carney said the two sides would define their future alliance together.

The president responded, of course:

Trump said late Wednesday he could impose “very serious tariffs” or cut trade with the E.U. if he determines the offer to Canada is “a hostile act.”

Trump added, however, that “if it’s a good intention, that’s fine. If it’s a bad intention, we’ll put very heavy tariffs on Europe.”

The Canda-U.S. trade war is just stupid. While small enough at the moment, these back-and-forths have the potential to spin out of control. The North American economy is a productive, integrated jewel that we should be protecting and enhancing. Failure to do so will lead, as Hobbes said, to a life that is “solitary, poor, nasty, brutish, and short.”