

Canada drops the gloves in tariff war

As trade tension escalates, border towns feel the heat with shoppers north of the 49th parallel staying home



JAMES HANLON/THE SPOKESMAN-REVIEW Jennifer Wujick, owner of the Falls Market in Metaline Falls, Wash., holds her store's Canadian currency register Wednesday.



JAMES HANLON/THE SPOKESMAN-REVIEW Alex Beaudoin, operations manager of Cantina del Centro, replaces lightbulbs for the restaurant's street patio Thursday morning in Nelson, British Columbia. Beaudoin said he expects to see more business from domestic tourism this year as many Canadians choose not to visit the U.S.

BY JAMES HANLON THE SPOKESMAN-REVIEW

NELSON, British Columbia – An uncertain trade war and threats of annexation have Canadians shaking their heads.

President Donald Trump reiterated his “51st state” comments Wednesday, saying that Canada would cease to exist without United States trade and “as a state, it works great.”

It's led to a surge in national pride, with shoppers gravitating to red maple leaf labels, or even better: “Buy B.C.”

In southeast British Columbia, the mining industry has tariff exemptions for critical metals, and timber already had tariffs in place before Trump took office. But the risk of escalation still looms and residents are more worried about how it will affect the broader economy.

On the other hand, a tourist town like Nelson, a base for outdoor adventure with vibrant street art and a foodie scene 40 miles north of the border, stands to gain more business.

Greg Dick, a Nelson resident who was volunteering for an “Amazing Race”-style high school scavenger hunt at the Nelson Visitor Centre on Wednesday, said it is hard to separate effects of the general tariffs that started in March from continuing inflation, except for some specific items like his favorite coffee, which has gone up \$4 a kilogram.

“I’m certain it’s going to affect the Canadian economy, but we don’t know what that’s going to entail just yet,” Dick said. “We’re sort of waiting for the shoe to drop, as far as the data about financial impact.”

In recent years, Dick said he hasn’t traveled to the U.S. as often as he used to when his kids were younger and the Canadian dollar was stronger. But Trump isn’t encouraging him to come back.

“The best way to piss off a Canadian is to tell them they’re insignificant,” Dick said.

Not everyone has a negative view of Trump. Joyce Moran, another Nelson resident, said she likes that he supports Christian values, is practical and is a businessman.

“He’s a down-to-earth kind of guy,” Moran said. “I know he’s done a lot of different things that have been judged upon, and I wouldn’t want my own son to do those things, but nobody’s perfect.”

She doesn’t like that he is hurting Canada, though.

“I liked him before he became president this time,” she said. “He was kinder

then. I don't know why he's acting like he is."

Mike Boyle, the radio announcer for the Spokane Chiefs, said that at recent hockey playoff games in Vancouver and Victoria, the crowds haven't booed during "The Star-Spangled Banner," but have been respectful and especially quiet, while they are much louder and more boisterous singing "O Canada."

"You can tell a big difference," Boyle said.

While Canadian support for the U.S. may be dropping off, the trend doesn't seem to go the other way.

Several businesses reported sympathetic American visitors specifically asking to support Canadian products.

Alex Beaudoin, operations manager for Cantina del Centro restaurant in Nelson, said he expects to see more business from domestic tourism this year, as many Canadians choose not to visit the U.S. Tom Thomson, executive director of the Nelson Chamber of Commerce, said although it is a little early to know, there does not seem to be a decrease in tourists from the U.S., and Americans are "absolutely" still welcome. The chamber sent a message to its members, encouraging them to thank Americans for visiting.

"People understand this is not a beef between individuals or neighbors," Thomson said. "This just seems to be coming from the White House."

Of course, it also helps that Americans have a very favorable exchange rate in Canada right now.

"Canada is still a nice place to visit," he said.

Travel tumbles

Since the trade war began, hubs for Canadian tourists in the U.S. have reported high cancellation rates as summer approaches.

Canada also updated a travel advisory for the U.S. April 4 warning of additional scrutiny by authorities at ports of entry.

Border crossings from Canada are down significantly to rates not seen since the COVID-19 pandemic, for the entire border as well as at rural crossings to Eastern Washington and North Idaho, according to data from the U.S.

Department of Transportation.

It's impossible to track the exact number of Canadian visitors to Spokane, but the tourism nonprofit Visit Spokane tracks checkins at the visitor center in Riverfront Park. Public Relations Director Kate Hudson said Canadians made up about 5% of visitor traffic last year, including 954 visitors from British Columbia.

Since March, the numbers are down significantly compared to last year.

In March 2024, the visitor center had 58 check-ins from Canada compared to 39 last month. And as of April 16, there had been nine check-ins this month compared to 18 by that point last year. It's not a perfect count, but those numbers are expected to be more significant during the summer months.

Visit Spokane also received several messages recently from Canadians saying they won't be traveling to Spokane this year like they usually do for dinner, a show and shopping, Hudson said.

Justin Kobluk, president of WestCoast Entertainment that presents Best of Broadway at the First Interstate Center for the Arts, reported similar messages from ticket holders.

"I've received messages citing everything from not wanting to support U.S. businesses due to the tariff/trade war, to not feeling safe to travel into the U.S. due to the overbearing immigration policies," Kobluk said in an email.

For large shows like "Hamilton" that was in Spokane for two weeks this month, even a 5% drop in sales where more than 35,000 attendees are expected is a significant hit to business, Kobluk said.

Typically, 30-40% of ticket sales are from visitors outside of Spokane and 5-10% are visiting from Canada.

A drop in attendance from out-of-towners means secondary economic losses from hotels, restaurants and shopping, Kobluk said.

Rose Noble, president of Visit Spokane, said the organization will continue to track the situation and listen to the concerns of international travelers.

"We understand there might be some hesitation to travel right now," Noble said.

Visit Spokane is discussing with other destinations across the state the possibility of coordinating a unified message or a digital campaign, but it's a little early to know how much to invest in that strategy, Noble said. They could emulate something like Palm Springs, where businesses have put up Canadian flags.

Ads in Canada could say something along the lines of: "We understand and we are still here when you're ready."

It's not just Canadians, though. Seattle is a hub for Asian tourism, and any decline there will affect Spokane too, since a portion extend their stay to see more of the state, Noble said.

Tourism makes up a \$1.5 billion industry in Spokane County and supports almost 18,000 jobs, according to an economic impact report by Tourism Economics.

Border business

The effect is more pronounced for towns on the border.

The Falls Market in Metaline Falls, Washington, has a separate cash register for Canadian currency.

Owner Jennifer Wujick said it hasn't had a transaction in six weeks. Normally, Canadians make up about 10% of her business, she said, as they buy products they can't get in Canada like Tillamook cheese.

Now, there are new restrictions on what they're allowed to take back.

A block from the border crossing in Porthill, Idaho, the business Jake's Landing depends on Canadians who make up a majority of customers.

Many patrons crossed the border to the combined gas station, convenience store and parcel service to buy cheaper gas and goods and to pick up Amazon packages faster. That dried up as soon as Canada enforced counter tariffs on American goods a couple of months ago, owner Lars Jacobson said.

The business already was struggling to recover from the pandemic. Now it's down more than 50% on top of that.

“This is so serious, it rivals the border being closed during COVID,” Jacobson said.

At this rate, the business won’t survive, he said.

He doesn’t think it’s anything personal. Many of his customers have similar conservative views as North Idaho.

“A lot of them admitted, ‘We took advantage of the U.S. for a long time,’ ” Jacobson said.

Jake’s Landing and Metaline Falls are stops along the International Selkirk Loop, a 280-mile scenic byway that circles through North Idaho, Pend Oreille County in far northeast Washington and the Selkirk Mountains of British Columbia. It’s North America’s only international scenic loop, according to the organization’s website.

Executive Director Donna Molvik said she has heard anecdotal reports about Canadian travelers opting for domestic trips, but she is still collecting feedback from businesses and organizations along the route to understand how travel patterns have been affected.

“The Selkirk Loop remains a unique symbol of cross-border connection,” Molvik said in an email.

“We’re committed to welcoming all travelers and supporting a memorable visitor experience, regardless of shifting governmental priorities or public policy trends.”

James Hanlon can be reached at (509) 459-5467 or by email at jamesh@spokesman.com.