

ALASKA STATE LEGISLATURE

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SENATE JOINT RESOLUTION No. 8

SPONSOR STATEMENT

Senate Joint Resolution No. 8, developed by the Pacific NorthWest Economic Region (PNWER), urges the federal government to remove steel and aluminum tariffs on imports from Canada and Mexico. Currently, there is a 25 percent tariff on steel and a ten percent tariff on aluminum imports.

These tariffs between the United States, Canada, and Mexico oppose the doctrines of free and fair trade, and stifles industries in all three countries. When markets are open, the result is economic growth, new businesses, and more high-paying job opportunities. Removing these tariffs will encourage bilateral relationships, cut red tape, and spur joint innovation. The incentive created by removing barriers would allow the smooth flow of trade.

SJR 8 supports the United States and Canada's trading relationship, which is vital to the Pacific Northwest's economy. The United States and Canada have the largest trading relationship in the world, with over \$630 billion traded annually. Of that sum, \$22 billion is traded in the Pacific Northwest. In 2017, Alaska exported \$707 million worth of goods to Canada, \$331 million of which was metal.

SJR 8 opposes protectionism that would seriously damage the essential economic regional partnership between the three nations. According to U.S. Bureau of Economic Analysis, when tariffs are imposed, they most likely lead to higher prices for consumers in the United States and in Canada, limiting economic growth. Should any tariffs be considered on steel and aluminum, Canada should be exempted due to our shared economics ties, supply chain integration, and mutual defense partnership.

Therefore removing tariffs will assist in facilitating a better economy, supporting open and free trade, and encouraging better business relations between the United States, Canada and Mexico.