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After almost two years of work, they opened the Inn at Lynden in the revitalized downtown in 2015. The 35-room boutique inn features the original hardwood floors and a row of complementary bikes for guests. A map on the back wall of the lobby displays the owners' favorite destinations around the North Cascades. The rooms are a mix of high-end modern furniture juxtaposed with industrial concrete walls, plus a picture of each room from before the renovations.

Treat enthusiastically shows guests the Avenue Bread café and the Cheeks Jeans clothing store, both tenants in the building alongside Overflow Taps and Village Books. Downtown Lynden features restaurants, high-end shops, rows of hanging flower baskets and a 72-foot windmill, which itself has a restaurant on the ground floor.

Treat says Canadians make up at least 10% of the inn's businesses, which mostly evaporated earlier this year. The Inn at Lynden in February lost \$10,000 in advanced deposits, predominantly from Canadian cancellations. The inn's revenue was down almost 20% in the first quarter.

Treat hears from Canadian guests that they love the inn, but they can't support a nation that punishes them with tariffs and repeatedly threatens annexation. She understands the sentiment but tried to maintain relationships with Canadian customers through targeted outreach earlier this year.

"It was difficult. It was like telling your family they can't come to your house for dinner," Treat says. "When you're a small hotel, each booking, each relationship, each guest is really important. If they change their habits, they might not come back."

Even if Canadian travelers make up a small percentage of overall visitors to a given locale, the impact can feel outsized for tourism businesses operating on razor-thin margins, squeezed even thinner by inflation.

A recent rebound has helped the Inn at Lynden, but its revenue is still down 15.4% this year.

At the San Juan Island Inn Collection, which totals 19 units, Canadian travelers make up only about 3% of the inn's business, co-owner Anna

Maria de Freitas said.

Last year was a down year for the inn, so its occupancy is actually up about 1% year to date this year, de Freitas said. But compared to its best post-pandemic year in 2022, occupancy is down 9% this year. Her insurance costs this year are up 30% from the same period in 2022, though she hasn't filed any new claims. She said some insurers won't insure inns anymore, especially historic inns.

De Freitas says the inn can't afford to lose 3% of its business.

"Every head in a bed makes a difference," she says. "In the spring, we had Canadian reservations on the books, and most of them canceled. We don't know the lost opportunity now because we haven't been getting very many Canadian tourists. They're staying at home."

She notes other tourism businesses, such as whale watching boats and kayak trips, are in an even tougher position, since those are expendable parts of a trip that are often booked after guests have arrived.

Many are already looking forward to next summer, when the hope is that the 2026 World Cup will thaw U.S.-Canada relations. The most-watched sporting event in the world will host six matches at Lumen Field and seven in Vancouver, B.C., meaning soccer fans will need to travel between the two cities.

"I actually think this could be the project for Canada, the U.S. and North America that maybe changes the tone," international trade lawyer Dan Ujcz said during the Pacific Northwest Economic Region's annual summit in July.

"The success of Canada-U.S. always comes from pilot projects," Ujcz said. "Here would be a time to roll some things out that we could do effectively and work together. And, I hate to say it, but it's also something the president likes. ... This is something where we can build some momentum around it. Maybe it isn't just neighbors fighting all the time."

But even if the summer of 2026 is powerful enough to mend fences – and to do so before Canadian habits change more permanently – it won't be a quick fix.

Laurie Trautman, director of the Border Policy Research Institute at Western Washington University, says



Commerce and commuters make the border crossing between Blaine and White Rock, British Columbia.



Above: The skyline of the small city of White Rock, British Columbia, can be seen a mere 1.2 miles across the water from a beachside fire pit at Semiahmoo Resort in Blaine.

Bottom right: The Inn at Lynden Managing Partner Teri Treat has done targeted outreach to Canadian travelers, aiming to boost reservations at the boutique hotel located in the U.S.-Canadian border town Lynden.

Canadian dollars make up an estimated 11% to 12% of the retail sales tax base in Whatcom County, where Lynden and Maple Falls are located. Canadians in the past have come south for day trips to shop at popular retailers like Costco and Trader Joe's. Also, the gas is cheaper on this side of the border.

The dip in spending is already impacting essential services in the border town of Blaine, which relies on sales taxes to fund its police department. Some impacts are harder to track, such as the lasting effect on Canadian businesses opening in the U.S. or real estate purchases by Canadians.

"Over time, particularly our region, we will recover. We have a lot of important reasons to do so. We have a lot of connections," Trautman says. "But during this time, there will be new pathways that are developed that I think will have a longer-term impact. Canadians who are now substituting Canadian goods for U.S. goods, they may decide that they are going to continue to do that for the longer term."

'Things are starting to get better'

During extreme low tide at Semiahmoo, guests at one of its 196 rooms could almost hit Canada with a rock.

The high-end resort juts out on a narrow spit west of Blaine, where the air smells of saltwater as the wind blows inland. Guests can see the Peace Arch in the background. The Canadian town of White Rock is on the left as guests face north. American soil is to the right.

On a Monday morning in August, one section of the parking lot had four B.C. plates. Just south, at the country club, seven B.C. plates in a row were parked next to the driving range where a handful of middle-aged men launched golf balls into the distance. It's a small sample size, but for local tourism businesses, it signals hope.

Semiahmoo General Manager Mark Andrew said the Canadian market is a major boost for the resort, given its proximity to the border. Just how much of Semiahmoo's business comes from Canada varies depending on holidays and school breaks, he says, but it can be upwards of 20% over the course of a year. That business has suffered this year.

"I think all businesses in Washington state and all of our border cities are experiencing a slowdown. Not to get political by any means, but some of the rhetoric offends the Canadians," Andrew says. "It was a little more challenging in the first quarter. Things are starting to get better now."

Trump has been needling Canadians for a while, and his stance hasn't softened since he took office in January. The "51st state" case, according to the administration, centers around trade imbalances and that Canadians would benefit from lower taxes and military protection. The president repeated his desire to make Canada the 51st state in a May interview with NBC and again on Fox News in June.

Canadians have roundly rejected the notion. Polls indicate 90% of Canadians oppose annexation. Canadian Prime Minister Mark Carney, who won a landslide victory in March, has strongly reiterated that "Canada is not for sale." Meanwhile, negotiators failed to reach a new trade deal by an Aug. 1 deadline, renewing increased tariffs on certain Canadian goods imported to the U.S.

Throughout Washington's hospitality sector, operators have gone out of their way to distance themselves from the antagonistic rhetoric.

Howard Wright, the president and CEO of the Seattle Hospitality Group, even launched a grassroots campaign called Open Arms for Canada in May to entice Canadians to visit the city. Dozens of businesses enrolled in the effort, offering a 30% discount for tourists who could show their Canadian identification.

Semiahmoo has a Canadian flag outside its main entrance next to an American and Washington one, plus staff wear lapel pins with Canadian and American flags.

Semiahmoo's country club differs from traditional tourism businesses in one key area: its members' net worth. Andrew says deep-pocketed clients weren't immune from the icy relations at first, but the sentiment is starting to soften.

"We have a lot of Canadians who are members of Semiahmoo Golf and Country Club. Initially, the rhetoric from them was no different than

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