THE CENTER FOR THE STUDY OF CANADA

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"The Trump Challenge: A New Era in Canadian-American Relations?"

The Distinguished Canadian Address 2018

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Thank you, President John Ettling, Dr Michael Morgan, Mayor Read, Mr Paul Grasso, Professor Chris Kirkey, ladies and gentlemen:

First of all, I would like to thank the Center for the Study of Canada at SUNY Plattsburgh for the honour of inviting me to be the visiting fellow. I wanted to thank Professor Kirkey, Amy Sotherden, and Cherice Grainger for all that they have done to make this visit so hospitable. I wanted in particular to thank Professor Ettling for the dinner last night that unfortunately had to be cancelled because of the weather, but I really do appreciate his hospitality.

You've heard the description of the event tonight, and the word "distinguished" appears too often. I am not at all sure that, when I look at the list of folks who have come to deliver this Distinguished Canadian Lecture since 2003, I am in that kind of distinguished company. Perhaps the one thing that I could offer is that I have the right colour hair for this…

I would like to thank Paul Grasso and the Development Corporation for sponsoring tonight's Distinguished Canadian Address. I would also like to thank Fulbright Canada for its support.

I would also like to take this opportunity before I begin to pay tribute to two colleagues, one who is here, and one who is not, but who we could say is here in spirit. Chris Kirkey and Michael Hawes have, both separately as individuals and together as a team, really played a huge and important role in advancing and sustaining Canadian studies in the United States over the years, and I just wanted to take this public opportunity to express my own personal gratitude, as a Canadian who has both a scholar's interest and a citizen's interest in the vitality of the Canadian studies in the US, and wanted to thank them for the excellent job they have done.

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Tonight, I want to address a very simple issue: the Trump challenge. And ask a very simple question: has the election of Donald J. Trump in 2016 ushered in a new era in Canadian-American relations?

As to the issue: I think it safe to say that that Mr Trump *is* a challenge.

He is a particular challenge for Americans, who have to deal with both the short- and the longer-term consequences of a president who is truly unlike any chief executive in your nation's history.

He is a challenge for friends, allies, and trading partners of the United States, who must deal with this president's unorthodox view of global politics, of international diplomacy, and of global trade — and particularly his explicit embrace of an "America First" approach to the world.

And, truth be told, he's also a challenge for those in global politics who wish America ill, for it is no easy task to deal with his profound lack of knowledge about the world, his unpredictability, and, it seems to me as a political scientist, most importantly, the deep disjuncture between what the president says on the one hand and what the vast and powerful apparatus of the American state — to use a political science term — does on the other.

Indeed, the challenge for everyone comes from the very essence of this presidency — an essence that was captured perfectly, in my humble estimation, by *The Economist* magazine.

Two weeks after Mr Trump's inauguration, *The Economist* ran a cover entitled "An insurgent in the White House," and it was illustrated with a brilliant image of Mr Trump in one of his MAGA hats, throwing a Molotov cocktail — or, as one of Mr Trump's more clueless surrogates, Scottie Nell Hughes, thought they were called, a "mazel tov cocktail."

It can be argued that that is precisely what those 62.9 million Americans who voted for Mr Trump got: an insurgent in the White House who spent his first year in office throwing a variety of mazel tov cocktails indiscriminately around.

Some have been directed at the institutions, norms, and political processes of the American republic. Others have been directed outward, at the international system as a whole, at America's friends, partners, allies, rivals, and indeed, yes, enemies.

Mr Trump's insurgent inclinations are as challenging for Canada and Canadians as for all others in the international system. But for Canada the challenge comes from the huge disruption created by the fact that, for the first time since 1945, American voters have elected a president who openly, unapologetically, unambiguously calls into question both the liberal international order that the US brought into being after 1945, and America's role in maintaining that order.

It is important to keep in mind that Mr Trump has held this skeptical view of the liberal international order all his adult life. He first articulated this critique in the 1980s, when he accused friends, trading partners, and allies of the US of brilliantly manipulating Americans in order that we foreigners could grow rich while American taxpayers were providing us with free security.

As he put it in an open letter to the American people in September 1987: "The world is laughing at America's politicians… Let's not let our great country be laughed at any more."

As candidate and as president, Mr Trump has echoed that long-standing scepticism. But, in doing so, he has openly denigrated the key foundation stones of contemporary Canadian foreign policy: the North Atlantic alliance, multilateralism as an approach to global politics, and North American free trade.

First, Mr Trump has been openly dismissive of the North Atlantic alliance, both in public and in private. It is clear that this president doesn't really understand how NATO works. Rather, he appears to think of the North Atlantic alliance as little more than a grubby protection racket, where smaller states are assumed to "owe" huge sums of money to the US directly for protection provided to them over the years.

We can see this critical view in his demands, for example, that France and Germany send the US funds in "back pay" for American protection over the years;

We can see it in his open musing about whether the US would in fact make good on its commitment under Article 5 of the North Atlantic Treaty to those allies who were not paying America enough for their protection;

We can see it in how he behaved at a private dinner in Brussels in May at NATO, when he decided to throw away both versions of the speech that had been prepared for him: one version had been prepared by the so-called "adults in the room" that was a standard pro-NATO speech; the other version that he had in his pocket had been written by Steve Bannon and Stephen Miller, and you will have a sense of what that speech would say. But Mr Trump decided to put both of the prepared speeches aside, and instead go off-script and improvise. And the result, according to those who were there, was not particularly edifying, but revealed really what Mr Trump thought — and thinks — about NATO.

Now, the behaviour of the American state on NATO has been much more ambiguous than Mr Trump's words. For much of 2017, because there was not a US permanent representative until the end of August, Americans were clearly missing in action in the leadership councils of the alliance. But, importantly, American boots are nonetheless still on the ground in places in Europe that matter.

But the disjuncture is nonetheless unnerving, since we will never really know which Trump are we getting on the question NATO.

We know that Mr Trump might on occasion read words off his teleprompter put there by his speech-writers, but it is not at all clear judging by his private communications that he actually believes those words. By contrast, Unscripted Trump — when he is on Twitter, or at rallies, or when he has thrown his speeches away, as he did in Brussels — always says what he really thinks. And by that measure we need to be highly skeptical about whatever Teleprompter Trump says about NATO.

Second, Mr Trump has been openly critical and unremittingly of multilateralism as an approach to United States foreign policy, believing that foreigners have basically screwed Americans by taking advantage of the US via multilateral institutions and processes. In Mr Trump's telling, America has been "demeaned" by other countries that treat the US unfairly, with those

countries and their leaders "laughing at us," as he put it in June 2017, echoing that earlier concern from the mid-1980s.

It thus came as no surprise that one of Mr Trump's first actions as president was to abandon the Trans-Pacific Partnership, a free trade agreement that the US itself had taken a lead in shaping. Nor was it a surprise when he announced the withdrawal from the Paris climate accord, claiming that the agreement was "simply the latest example of Washington entering into an agreement that disadvantages the United States to the exclusive benefit of other countries." And nor is it a surprise that his administration has sought to undermine the World Trade Organization by refusing to fill vacant seats on the WTO's Appellate Body, a move that *Forbes* magazine characterized as an attempt to "vandalize" the WTO.

Finally, Mr Trump has been unflinching in his denigration of trade with other countries that results in a deficit for the US. He has been particularly critical of free trade agreements that he claims are unfair and always work in the interests of foreigners and not Americans. For example, he persistently claimed that the North American Free Trade Agreement was the very worst deal the United States has ever signed, and spent much of the campaign promising that he would renegotiate NAFTA so that it was more fair for the US, or else he would withdraw the US from the agreement.

Taken together, these three elements of Mr Trump's "America First" approach to international affairs attack the very essence of Canada's foreign policy.

Since the late 1940s, Canadians have made the Atlantic alliance the centre of Canada's global policy. Likewise, for Canada, as for most other small states in global politics, multilateralism remains the preferred approach for dealing with global issues, for clear and obvious reasons. The creation and maintenance of multilateral institutions that are able to develop, through global consensus — and that includes the consensus of all the great powers — a rules-based approach to global governance has been seen by Canadians and most other small countries for at least the last seventy years as a crucial mechanism for resolving the conflicts that will always be a feature of global politics.

Finally, Mr Trump's attacks on NAFTA strike at an institution that has come to be central to Canadian approaches to international trade. We need to remember just how much NAFTA was a transformation for Canadians, who had spent the entire twentieth century trying hard to avoid free trade with the United States, beginning with the election of 1911, when Canadian voters threw out a government that had negotiated a free trade agreement with the United States.

The lessons of 1911 hung heavily over Canadian politics in the decades thereafter, until Brian Mulroney and the Progressive Conservatives came to power in 1984. And even then, Mr Mulroney had promised just the year before never to embrace free trade, claiming that Canadians had made that decision back in 1911.

But when Mr Mulroney saw the depth of protectionism that was facing trade in North America, he changed his mind in 1985, negotiated a comprehensive free trade agreement with the administration of Ronald Reagan, won the 1988 election, and successfully managed to trilateralize free trade negotiations between the US, Mexico, and Canada.

The overall success of NAFTA in the quarter-century after 1994 has fundamentally changed Canadian views of free trade. The growth of Canadian wealth — in the aggregate —meant that Canadians today remain strongly committed to the idea that continentalized supply chains and the increasing integration of the North American economy constitute a positive outcome, certainly for Canadians.

The contribution of the Canadian welfare state to this positive view is crucial. For as we know, NAFTA brought with it, as economists had promised, a considerable degree of economic disruption that affected huge numbers of Canadian jobs, particularly in manufacturing.

But the Canadian welfare state — particularly the provision of universal healthcare, cheap college education, and relatively generous unemployment benefits — provided a sufficient cushion that we never saw in Canada the kind of economic and social dislocation to communities we have seen in some parts of the United States. We have not seen in Canada what clearly has been the case in the United States, where we have seen the kind of "American carnage" that Mr Trump spoke of in his inaugural address. As a result, we have not seen in Canada the emergence of a Trump-like political movement that has been able to capitalize on "carnage" as Mr Trump was able to do so successfully in 2015 and 2016.

Now when you look at the presidents attacks on NATO, on multilateralism, on NAFTA, you might think that having such an insurgent in the White House, lobbing Molotov cocktails at those things Canadians hold dear, might transform the Canadian-American relationship.

I want to suggest tonight — and that is why I put the question mark at the end of the title — that, paradoxically, we have not seen any "new" relationship emerge as a result of the Trump challenge. Canadian-American relations, on the contrary, have remained on a remarkably consistent trajectory.

Some of this can be attributed to the very careful diplomacy of Justin Trudeau, who has demonstrated a high degree of discipline in his relations with President Trump. There are very few commonalities between these two leaders, and on policy issues, they do not see eye to eye on virtually anything.

But Mr Trudeau has worked hard to avoid conflict with Mr Trump, mostly by the simple expedient of refusing to say anything about the president. Instead, Mr Trudeau resorts to a standard line: as he put it after the election, "Canadians expect their government to have a

constructive working relationship with the incoming American administration, and that's exactly what we're going to do."

And that's exactly what he has done, mainly by dancing around efforts by the media to elicit a quoteworthy reaction. For example, after Mr Trump allegedly referred to a number of states in other parts of the world in rather uncomplimentary language, Mr Trudeau was asked at a news conference what his reaction was. His response demonstrates nicely how one can easily avoid headlines that might come to the attention of Fox News and thence to a notoriously thin-skinned president:

> "I think you all know," he said to the media, "that I'm not going to opine on what the president may or may not have said. I will simply repeat that Canada is a country of openness, of respect, and we will continue to be there to support friends around the world and to welcome people who will contribute to building a stronger country."

You cannot take that wordstring and do anything else with it except be happy.

Another factor, particularly in the early days of the relationship, was Ivanka Trump, and the Canadian government's decision to engage in what has been called "daughter diplomacy" – appealing to Ms Trump's policy interests in women in business. (Indeed, one former high-ranking Canadian diplomat, looking at the relationship between the president's daughter and the Canadian prime minister, would be prompted to say: "It's just so *Game of Thrones*…")

But "daughter diplomacy" has been just one strand of the Trudeau government's tactics for coping with the Trump challenge, particularly on NAFTA. Because the government has tried hard to engage as many American leaders outside the White House to press the one key Canadian interest: saving NAFTA.

Thus, Canadian diplomacy has been directed at members of Congress, particularly from those states where job losses would be most negatively affected by a termination of the agreement; governors and legislators at the state level; even key municipalities have been targeted – thus, for example, yesterday Trudeau began a three-day visit to the United States to press the benefits of NAFTA; he met with Illinois governor Bruce Rauner and Chicago mayor Rahm Emanuel before heading to California, where tomorrow he will deliver a speech to the Ronald Reagan Presidential Foundation about the benefits of free trade.

But it is not just federal Canadian government officials that have been involved in this. The premiers of the provinces have been active. For example, Ontario premier Kathleen Wynne was in Washington on Tuesday lobbying John Melle, the chief NAFTA negotiator, and was in New York yesterday meeting with business leaders.

In short, the Trudeau government describes this as a full court press, invoking the old naval slogan "All hands on deck." And indeed, the effort has been fully bipartisan, involving putting

as many Conservatives hands on deck as Liberal ones. So the Liberal government even included Brian Mulroney, the Conservative prime minister from 1984 to 1993 who negotiated the first free trade agreement and then NAFTA, as a key player in the Liberal strategy. Mulroney has consistently lent his voice to the campaign, most recently in very powerful testimony before the US Senate in January, openly contradicting Mr Trump on the benefits of NAFTA (though not by name).

But another reason why the Canadian-American relationship remains on a relatively even keel despite the assaults on Canada's core interests represented by the Trump insurgency is that Canadians, like many other friends, allies, and partners of the US, have begun to make their peace with the prospect that the era of American leadership in global affairs may be coming to an end.

For many in the international system recognize that the election of Mr Trump was a reflection of a wider disaffection among Americans about America's role in the world. And so even if Mr Trump's presidency come to an end tomorrow, it is not clear that there would be a sudden return to American enthusiasm about its role in the world.

Moreover, most of us outside the United States know that if the voters gave the world Donald J. Trump once, they could do so again, with another leader who is skeptical about American leadership.

Hence, the adoption of an increasingly zen view of the insurgency. Thus, for example, rather than simply cede leadership to the People's Republic of China in Asia-Pacific trade, which is what Mr Trump's abandonment of the Trans-Pacific Partnership would have done, Japan and Australia stepped up and provided the leadership to create a new "Comprehensive and Progressive Agreement for a TPP," but without the US. Indeed, the new TPP was a carefully-calculated snook cocked directly at the US, right down to the date on which the agreement was signed — one year to the day after Mr Trump had withdrawn from the TPP.

In a similar fashion, all the other member states of the Paris climate accord have resolved that they will simply proceed without the US, and indeed many are reaching out to American states and cities, many of which are taking a very different view that climate change is the hoax that the president claims it is.

On security, in Europe, the other members of NATO are essentially ignoring the president, recognizing the wisdom of Angela Merkel's comments after the very discordant G-7 meeting last year. "The times in which we could rely fully on others — they are somewhat over," she said. This means, she continued, that we should "really take our fate into our own hands."

And in Canada, we have seen the embrace of what might be called defiant resignation on the challenges Mr Trump poses to Canada's core interests. On the one hand, there is a defiant insistence that Mr Trump's narrow transactional view of the benefits to Americans of the liberal

international order, including the free trade regime, is simply wrong; an equally defiant attempt to press for outcomes that are in Canadian interests. And we are beginning to hear a defiant assertion made more frequently: that no NAFTA deal is better than a bad NAFTA deal.

Indeed, in that defiant assertion there is also a resigned view of the possibility that the counter-insurgency operation might fail. But here the view is zen, too. Canadians, it is said, survived the abrogation of the last free trade agreement with the United States — and that was back in 1866, when Congress abrogated the Reciprocity Treaty of 1854, that had created a free trade area between the United States and what were then the British North American colonies; Canadians, it is said, survived the Smoot-Hawley tariff of 1930; and thus, so too, it is said, Canada will survive should Mr Trump terminate NAFTA.

Indeed, Canadians, like many others, recognize that the major losers will, ironically, be Americans. For the fact is that if the United States withdraws from NAFTA, then the market will simply work its magic. Currencies will adjust in value, trade will continue, albeit with WTO tariff rates that will be passed on to American consumers. In the meantime, the neoconservative think tank, the American Enterprise Institute, estimates that over 1.8 American jobs, the vast majority in the service sector, will be lost in the dislocation — and again, ironically, many will be lost in the very regions where voters bought into Mr Trump's idiosyncratic view of trade and voted for him. *[Ian Bremmer tweet with AEI summary appears on p. 10.]*

In short, in one sense, Mr Trump does pose a challenge — to Canada, as to many other friends, allies, and partners of the United States. But Canadians, like Mexicans, know that the relationship with the United States, whatever the challenges thrown up by American voters, doesn't really change. For Canadians, as for Mexicans, the *essence* of the relationship has not changed a great deal over the last 150 years: Canadians, for their part, have always been tightly bound to the US, and that is not going to change regardless of the challenges.

Thank you.

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US job losses if NAFTA goes:

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Energy 3,227
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