

The U.S. Election: A Wild Ride Ahead for Canada?

What will this U.S. election mean for Canada in terms of trade, security, the environment?

PRIMER PRESENTATION:

COLIN ROBERTSON

Vice-President of the Canadian Global Affairs Institute

PANELISTS:

GARY DOER

Former Canadian Ambassador to the United States and former Premier of Manitoba

GORDON GIFFIN

Senior advisor to the Clinton campaign and former U.S. Ambassador to Canada, currently chair of Dentons' U.S. Public Policy and Regulation practice

RON KAUFMAN (NOT IN ATTENDANCE)

Republican strategist, former White House Political Director for President George H.W. Bush

MODERATOR:

MAUREEN BOYD

Director, Carleton Initiative for Parliamentary and Diplomatic Engagement

COLIN ROBERSTON:

Historically, this election is very significant: Clinton is the first woman, Trump is an insurgent. Within the Democrats, no one was surprised that Clinton would get the nomination but Bernie Sanders was a bit of a surprise in the primaries. With the Republicans, a huge group of qualified candidates ran, but a completely random person won the nomination. As things stand today, Clinton has 85% chance of winning.

Canada is important to the U.S.A. because we are a strong ally, and we enjoy the largest number of exports. In the majority of individual states, Canada is the number 1 export destination. We also share a sense of identity against the rest of the world.

Consider:

- One third of the Senate and all 435 members of Congress are up for election as well as a dozen gubernatorial races including four border-states.
- 40% of Canada's GDP is dependent on trade and 75% of that is with the U.S.
- The U.S. is the biggest investor and long-term trading partner for each province.
- Canada is the biggest market for 35 states and second for most of the others
- 80% of what we sell to the U.S. furthers its domestic manufacturing capacity

MAUREEN BOYD: IS IT GOING TO BE A WILD RIDE AHEAD?

GARY DOER:

The expectations are low and so I think, regardless, each candidate will exceed expectations. In the 2015 Canadian election, we had “steady hand on the wheel” vs “time for something new” and in the U.S. now, it’s “throw the bums out of Washington” vs “steady hands on the nuclear button” and I’m in favour of the steady hands on the nuclear button.

GORDON GIFFIN:

I’m only theorizing, they’re living it. Gary does a good job of being a diplomat: but I’ll say it outright, Donald Trump will not be president. But I’m worried about the wild ride ahead that Trump is. It’s interesting that in my lifetime, candidates have endorsed agreements. The TPP, Clinton will not support, she is a globalist, she understands the world, she understands that engagement economically and geopolitically is essential to our way of life.

BOYD: COULD OBAMA RATIFY TPP BEFORE HE LEAVES?

GIFFIN:

I think it would be very difficult. I think he makes a good case for it, but I don’t know if the Republicans will bring it up, they say they won’t. I think overall, Obama will try and make a case for the merits of the TPP but there’s only 8-9 legislative days left so it would be difficult.

DOER:

Last year, right before the election, we were able to tuck the Country of Origin Labelling provisions into an omnibus bill. The Beyond the Border bill is very important for Canada and U.S. We’ll see what Obama does.

BOYD: WE CAN’T TALK ABOUT TRADE WITHOUT THE POTENTIAL OF TRADE ACTIONS. LET’S TALK ABOUT SOFTWOOD LUMBER

GIFFIN:

I don’t think trade action on softwood lumber is possible, it’s certain. When the Canadian dollar gets below \$0.80, Americans get stressed. Our industry argues that Canadians receive government subsidies. I’m not suggesting the government can fix things by addressing the low dollar but the currency rate will be a factor. You don’t solve this type of issue by litigation.

DOER:

I was part of negotiating the agreement that just expired. I agree about the dollar. When we had an interest rate policy close to the U.S., we could argue that the exchange rate didn’t matter, but now that it is so low, it is an irritant to the U.S. Second, we have won all four arbitration cases that have gone forward and the U.S. won’t settle until there’s something new. The only good news is that there is more housing being built in the U.S.

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It's a tough political dynamic because if Americans don't have as much or more as the last trade agreement, they look weak.

GIFFIN:

There is not really a single "Canadian" position on softwood lumber: on one hand BC produced so much, that they have great interest, all the way over to the Maritimes that say "leave us out of it".

BOYD: WHAT ADVICE DO YOU HAVE FOR CANADIANS ON WORKING WITH MRS CLINTON ON CLIMATE CHANGE AND THE ENVIRONMENT. WOULD SHE RECONSIDER KEYSTONE XL?

GIFFIN:

I don't think there will be much difference between Presidents Obama and Clinton in terms of policy. I also don't think there is much difference in some policies between Canada and the U.S. I think the collaboration between Canada and U.S. will be quite strong. My question is, do we make that a collaboration on energy as well? I think there should be a North American environmental agreement. It would allow for projects for us to be self-sufficient in North America. It's important economically but also for security.

DOER:

I agree, energy and environment should be together. It's good for efficiency, renewables, and to displace oil from Middle East. A few agreements have been reached with the new Canadian government. I also want to talk about water. I think that Clinton will do a good job there. She was part of the "Raising the Quality of Great Lakes" and she was in Chicago and a senator from New York.

BOYD: WILL U.S. INCREASE PRESSURE ON CANADA TO BOOST ITS DEFENCE SPENDING AND WHAT FORM WILL THAT TAKE?

GIFFIN:

Yes, they will increase the pressure. It's the same song, 45th verse. I think it's an interesting dilemma. While most of what Trump has said is irresponsible and wrong, there are things he has raised that will last after this election. His comments about not protecting NATO countries without "checking to see if they have paid their dues to NATO" were completely wrong, because we have to protect them regardless. But it made Americans think about continuing to be "the policemen of the world." The security conversation will continue - remember when Canada was asked to join the ballistic missile defence and the government of Canada said no?

DOER:

On the missile defence decision, I don't think we've had an intelligent debate. I recall that three years ago, North Korea's threat went from "theoretical" to real. I think that a debate and discussion should happen. I think that if we're part of NORAD, we should be there. Burden sharing is a much bigger issue than it was 5-10 years ago. Canada used to have to hitchhike to Afghanistan, but then we bought the ships and now we use them for humanitarian aid too, so it's not just defence spending

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BOYD: IN TERMS OF MANAGING THE U.S. RELATIONSHIP, WHAT SHOULD WE ASK THE PRESIDENT ELECT?

DOER:

I don't think we "ask", I think we have to lay out the how-to of keeping the world safer, our neighbourhood safer, how to work together and so we can't go into it with an "Oliver Twist" attitude of asking for things. It won't be domestic issues, but mutual issues nonetheless.

GIFFIN:

I'm not a historian but I'm a student of history and I think that overall a Democratic transition will be seamless. I don't think there's ever been a time where there is as much consistency in roles, values, etc between the two leaders. There's no need (if Clinton wins) to think about how there's a new sheriff in town because there won't be. If Trump wins, that's when we'll have to go "oh my god, what do we do?" When you deal with Hillary, you deal with her. She knows what she's talking about. What really makes the Canada-U.S. relationship different is the common set of goals and values that we take with us when we travel the world, it's not just about the trade and the merchandise we sell each other. That will serve us well.

BOYD: LET'S TAKE QUESTIONS FROM THE AUDIENCE.

DAVID PERRY, CANADIAN GLOBAL AFFAIRS INSTITUTE:

Could you offer perspective, if we increase our spending, what will be the view of the new administration on how we should spend it?

GIFFIN:

I assume they will have a view, but I don't know that it'll be 'controlling'. They would like Canada to spend more, but it's not all about money. For example, the fact that it was a Canadian office in charge of the air space that scrambled assets on 9/11 is emblematic of the close relationship between the two countries.

DOER:

While Canada will listen to advice, it will end up doing what is best for Canada.

AGUSTÍN GARCÍA-LÓPEZ, AMBASSADOR OF MEXICO:

Hillary Clinton runs her campaign on the left but President Clinton will govern on the centre right.

GIFFIN:

I don't know if I agree with your description of where Clinton lies in the left-right debate. This election is being run on informed vs uninformed, thoughtful vs harebrained, it's really not a left-right thing. Look at the number of Republicans and far-leftists endorsing her; Clinton has unified all the sides.

ANDRIY SHEVCHENKO, AMBASSADOR OF UKRAINE:

How will Secretary of State Clinton be different from President Clinton?

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GIFFIN:

When you're Secretary of State, you're a big deal, but you work for the President who makes the final decision. When you're President, you take advice and then make those decisions. I will say that left to her own devices, she is decisive. I've watched her work. Bill Clinton always wanted more information, and Hillary would say "no, you don't need more information, make a decision." She is suited to be an executive.

SARAH GOLDFEDER, EARNSCLIFFE STRATEGY GROUP:

The sweet spot with a new administration is the first 18 months. What do you think Canada can do to take advantage of that first 18 months?

GIFFIN:

I don't think the first 18 months are a time to act, but a time of continuity. I'm sure Clinton has different policies, but the continuity between her and Obama will be historic. The disruption won't occur, and as a consequence, relationships will stay in place and we'll be able to keep putting one foot in front of the other.