HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Foreign Affairs and International Development

FAAE • NUMBER 065 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Tuesday, June 6, 2017

Chair

The Honourable Robert Nault

Standing Committee on Foreign Affairs and International Development

Tuesday, June 6, 2017

● (0845)

[*English*]

The Chair (Hon. Robert Nault (Kenora, Lib.)): Colleagues, it is 8:45, so everybody's awake and raring to go.

Pursuant to Standing Order 108(2), we are continuing our study of United States and Canadian foreign policy.

Today, we have in front of us Mr. Colin Robertson and Mr. Kim Nossal. Both of these gentlemen have great experience, so this will be a fun hour or so. We're going to wrap it up around 10. I think Mr. Robertson has another appointment, and so do we, in the House, so that will fit perfectly into our schedule.

I think Mr. Nossal is going first, so I'll turn the floor over to him, and we'll go with opening comments, and then questions by members.

Thank you.

Professor Kim Nossal (Professor, Centre for International and Defence Policy, Queen's University, As an Individual): Thank you very much, Chair.

Let me begin by thanking the committee for inviting me to participate in its examination of the impact of the Trump administration.

It's a particular pleasure to appear alongside my friend Colin Robertson. Given his diplomatic experience and expertise on the Canada-U.S. relationship, he will, I'm sure, provide a far more detailed perspective than the more general views I want to offer this morning.

Rather than trying to address your list of very good questions, I'd like to offer some general observations on the relationship, which I hope will offer a useful frame for answering those questions when the committee comes to write its report. Your nine questions reflect a much broader question: how to frame Canadian policy when a new administration comes to power. This is a quadrennial question for Canadians, and an enduring one.

In normal times we'd look at the administration, we'd look to the past, we'd reflect on the received wisdom of those who've offered perspectives on dealing successfully with the Americans, and we'd try to formulate a strategy for dealing with the new administration. But these are not normal times. As so many of the witnesses who've appeared before you have attested, we are entirely in uncharted territory with this administration. Certainly we can't look to the past for guidance about dealing with this particular president. On the contrary, it's worth stressing just how new, and indeed bizarre, the territory is.

Let me begin with what I think is actually the most important feature of this administration from a policy process perspective. As you know, Americans have designed their system so that an incoming president can be confident that the vast administrative apparatus of the American state works for him and his agenda. But to do this, the new president has 4,000 holes to fill—just like in Blackburn, Lancashire—meaning those senior positions in the state apparatus that must be filled by presidential appointment, both with and without Senate confirmation, non-career senior executive service appointments, and so-called schedule C appointments. But 20 weeks into this administration, the American state under Mr. Trump looks like a sieve. The State Department is filled with holes. Scores of ambassadors need to be nominated. Not a single assistant secretary has been nominated for any of the geographical or functional areas. A similar situation exists in the Department of Defense. Just five of 53 positions have been confirmed. For 41 positions there are no nominees at all. In the trade area there are significant holes both in the Department of Commerce and in other executive agencies. This is bizarre and unprecedented. It's new territory, not just for foreigners like us, but for Americans too.

Layered onto this are other unprecedented features. Consider the following: when was the last time a president's daughter and son-in-law occupied central roles in the administration despite a complete lack of experience in policy-making? When was the last time there was such a yawning disjuncture between the policy statements of the president on the one hand and the pronouncement of his cabinet secretaries on the other? When was the last time we saw an administration whose members are so openly at war with one another, a kind of bizarre cross between the *House of Cards* and *Game of Thrones*, with a little bit of *The Americans*thrown in for good measure.

We've never seen an American president who knows so little about the world or about American foreign policy, but, importantly, who seems so indifferent about that lack of knowledge, so unwilling to actually learn something about American foreign policy. We've never seen an American president who has such a stunted view of world politics, such a lack of understanding about America's historical place in the world, such an unwillingness to maintain the mantle of American global leadership and, indeed, such a willingness to cede that leadership to others in the international system. We've never seen an American president who cares so little for the norms of diplomacy that he does and says just what he wants without any apparent concern for the implications of his words or his actions. In short, what we are seeing, in my view, is completely unprecedented. I recite this well-known litany because these very attributes have huge implications for governments that have to deal with this administration.

● (0850)

First, however, we need to ask whether what we have seen in the last 20 weeks will change. Conrad Black, when he testified before you on May 4, assured you that there will be a settling down, as he put it, and that we will get back to a relatively normal government, even though he admitted that it would be a flamboyant government. Mr. Black knows Mr. Trump; I don't. But I have to say I'm less optimistic than Mr. Black is. This is not a normal government. I see no evidence at all that Mr. Trump will settle into the presidency and become a normal president.

My conclusion, mirroring that of the “Never-Trump” Republicans in the United States, is that there is no better Trump. He will always be the “covfefe” president, tweeting out idiocies and provocations at odd times of the day and night, chucking his insurgent hand grenades around with scant regard for the impact.

Rather, what we are seeing is what we are getting, and will get, in my view, until Mr. Trump tires of being president and quits in a huff, which I think is the most likely end to all of this, or until Republicans in Congress tire of the Faustian bargain they struck with the insurgent forces that seized the Republican party in 2016 in a hostile takeover, and push him out. In other words, we could well see another 190 weeks just like the last 20 and, in my view, even more, beyond 2020 if the Democrats continue to be as tone-deaf to the electorate and lose elections as they have been losing at the federal, state, and local levels for the last number of years.

So how should a rational Canadian government deal with what one of my colleagues, Stephen Saideman of Carleton University, has called the “uncertainty engine” that is Donald Trump?

First, continue to deal in a straightforward way with the president and avoid the temptation to give vent to whatever frustration the administration may inspire. Prime Minister Trudeau has spoken eloquently about the importance of getting along with whomever Americans elect as their president. This, it seems to me, is very sound policy.

At the same time, however, there should be no hesitation about pushing back when Canadian interests are threatened by Trump's ideas, particularly when those ideas are grounded in alternative facts, as so many of them are. When Canada does push back, we should be clear-eyed about how the dysfunctions of this presidency could, and should, be used to Canadian advantage. The shambolic presidency that we have seen so far is likely to persist.

Nonetheless, if one looks carefully at the American political environment, one can see that Mr. Trump actually faces huge obstacles in transforming his ideas into action. These obstacles include the huge holes that will likely continue to exist in those who actually run the American bureaucracy; Mr. Trump's stunning ignorance of the American system of government, of his own system of government; the generally awful relationship between him and the Republicans in Congress; his own limited attention span; his persistent forgetfulness about what he has said; his laziness in refusing to learn about policy, which seems to make his posturing relatively easy to call; and finally, the checks and balances that were so presciently built into the American system of government by their founding fathers. All of these factors will conspire to ensure there will be massive gaps between his ideas on the one hand and actual policy implementation on the other.

● (0855)

Moreover, we should recognize that the White House in general, and the president in particular, are increasingly isolated within the American body politic. Yes, there is his much-vaunted base, but the president's general popularity is around 36%, and the spread between that and his disapproval rating is around 22 points.

This means that Canadian officialdom—members of the federal government, members of Parliament, federal officials together with provincial and municipal officials in this country—have lots of opportunities to press their positions to their American counterparts even within the administration, not necessarily the president himself. This is particularly true, it seems to me, on the legislative side. Never before have interparliamentary links been as important for the pressing of Canadian interests as they are now. In short, this does not mean that Canada can avoid planning for the challenges that the president might throw out there, but it does suggest that we're not entirely without some strong cards to play in defence of our interests.

Thanks, Chair.

The Chair: Thank you, Professor Nossal.

Mr. Robertson, please.

Mr. Colin Robertson (Vice-President and Fellow, Canadian Global Affairs Institute, As an Individual): Thank you, Chair.

I spent most of my professional career working on Canada-U.S. relations for 33 years as a foreign service officer, with postings in New York, Los Angeles, and Washington, and as a member of the teams that negotiated the Canada-U.S. Free Trade Agreement and then NAFTA. I've had the privilege of visiting every state in the union. I continue to be involved with the U.S. from the vantage point of business and think tankery. Let me start with a couple of observations.

First, for Canada, our international relationships will always be conditioned by our relationship with the United States. We cannot change our geography, nor would we want to. The U.S. is not only our most important ally and trading partner, but when we leverage personal relations and our role as bridge or linchpin, we also significantly enhance our diplomatic weight.

It was, for example, the U.S. that muscled us into the G7, in no small part because successive treasury secretaries, George Shultz and then Bill Simon, knew that then finance minister John Turner and external affairs minister Allan MacEachen brought value to the table. We gain when we play the role of explainer or interpreter of the U.S. to the rest of the world, especially during Republican administrations. At the same time, Allan Gottlieb observes in his *Washington Diaries* the starting point for anyone who wants to understand the practice of Canada-U.S. relations, namely, that when we are on our diplomatic game, our advice and insights into what the rest of the world is thinking are always welcomed by the United States.

Our smart immigration policy and the lessons of pluralism give us people-to-people links in every corner of the world to the benefit of our trade, investment, and tourism, and in marketing Canada as a place to study.

We're also a great place from which to observe and get perspective on the United States. As Paul Evans recounts in *Engaging China*, that fact that we were somewhat independent and that Canada could play a middle-power role in bringing China in from the cold were major factors in the Chinese decision to take advantage of Pierre Trudeau's invitation to open relations with Canada in 1971.

Other countries also appreciate the vantage point of Canada into the U.S.A. Know it or not, we get a better grade of diplomats in Ottawa than would otherwise be the case.

My second observation is equally obvious. Management of the relationship with the U.S. has become much more difficult with the Trump administration. With President Trump we encounter an administration unlike any we have encountered. It is nativist, protectionist, and unilateralist. Mr. Trump's policy of America first, buy American, and hire American is cavalier treatment of the NATO alliance and G7. With his sweeping aside of the Trans-Pacific Partnership, the European trade deal, and now the Paris climate agreement, we witness a radical departure from post-war American policies.

Mr. Trump's musings are music to the ears of Vladimir Putin and Xi Jinping, both of whom favour the return to a concert of great powers with spheres of influence. Thucydides long ago described this approach to international affairs: “the strong do what they can and the weak suffer what they must“. The Athenians, who followed that maxim, came to a bad end, having alienated all of their allies. I am confident that, with different leadership, the U.S. will return to its traditional role as the anchor of the rules-based, liberal international system. As Churchill once remarked, “You can always count on the Americans to do the right thing after they have tried everything else.”

But for now, the more America turns inward, the greater the requirement for Canada to broaden its foreign policy options and to deepen its investment in our diplomatic and defence capabilities and capacities. What middle powers like Canada cannot do is sit on the fence or play it safe. Canada, in league with other middle and like-minded powers who value representative government, human rights, and freer trade, needs to again step up and reassert our interests in sustaining and preserving the rules-based liberal international system. In practical sense, this means working in tandem with our European and Pacific partners.

Divide and conquer are key elements of Mr. Trump's art of the deal, so staying especially close with Mexico, our friend and continental partner, will be critical as we renegotiate the North America economic accord with the U.S.

Canadian policy must begin with an activist international engagement strategy, with a special focus on the U.S. while simultaneously seeking to diversify our trade. This means getting our resources to tidewater so we can access world markets and get world prices. When you only have one market, it's the buyer that sets the price. It will require investment. In dollar terms, we should set as goals of good international citizenship making a contribution of 2% of GDP to defence spending, the NATO norm, and 0.7% of GDP for development, the Pearson Commission standard. If the United Kingdom can mange it, so can we.

The Chinese use two brush strokes to write the word “crisis”. One brush stroke stands for danger, the other for opportunity. In crisis, be aware of the danger, but recognize the opportunity, so let's look at the Trump challenge as an opportunity.

● (0900)

Let me share with you 10 rules of the road that we Canadians should apply in managing Mr. Trump and the U.S. relationship.

One, what is our ask? What will we give? Know our facts. Messaging must be blunt and on-point, and get to the point. If at first you don't succeed, try and try again. If you still aren't getting through, change your pitch. Practice and persistence make perfect, but remember it's not a level playing field. When we play against the U.S., we have a better-than-even chance only when we are playing on ice, so we need to be very well prepared.

Two, we need to get our act together, within governments, with business, labour and civil society. The Americans will exploit our differences to our cost, as we are learning once again on softwood lumber. They will happily collect their import levy until we get our own act together. We've a good brand, but we need to develop it and use it more strategically. Keep in mind that Americans like us more than we like them, and that there are always more Americans who think like Canadians than there are Canadians. Margaret Atwood famously observed that, when Americans look north, it's like looking into a mirror. They see a reflection of themselves; we see something different, but Canadians too often define themselves by what we are not—Americans. It's an insecurity we need to get over.

Three, no surprises. Americans don't mind differences, but they don't like being blindsided, especially on security issues, like some feel we did on our participation of ballistic missile defence or on going into Iraq. The Americans don't mind our taking a different tack, but they do want clear notice. Be careful with tit-for-tat: it may get us attention, but when you threaten to pull a trigger, be prepared to pull it and then suffer the consequences. For the same reason, be very careful with linkage between issues.

Four, personal relationships are everything. We would never have had the Canada–U.S. Free Trade Agreement but for Brian Mulroney's relationship with Ronald Reagan. I applaud the efforts at the national level to have cabinet ministers and MPs from all parties travel to the U.S., especially into Trump territory, to remind their American counterparts just how much the Canadian relationship does to underpin local jobs.

The premiers and provincial legislators have a critical role. Their long-standing participation in the regional meetings of governors and state legislators are vital. For me, the best regional model is the Pacific Northwest Economic Region, PNWER, an association of business, legislators, and civil society that gets things done. The best functional model addressing supply chains in North American is NASCO. Both, incidentally, are based in the U.S. There are also a group of extremely useful trans-border business associations, like the Canadian American Business Council. At the state level the best-in-class is the Canada Arizona Business Council. Together, these assemblies of premiers, and governors, and legislators, and the regional, functional, and trans-border organizations constitute the hidden wiring that keeps our relationship greased and in working order.

Five, make it a U.S. issue and identify U.S. allies. That's how we've gotten around various Buy American restrictions. Recently, for example, the U.S. acted against aluminum imports. The target was China, but as is often the case with U.S. protectionism, we get sideswiped. We make aluminum in Quebec. The workers are members of the United Steelworkers union. The Steelworkers are advocates of Buy American, but they consider their Canadian brothers and sisters to be family, so we got an exemption. It helps that their president, Leo Gerard, is a Canadian—a reminder that we need to make use of the international union ties between Canada and the U.S.

Our networks need a thousand points of contact. Pitching is retail and a contact sport, and as an icebreaker, knowledge of U.S. college football and basketball is very useful. When I was posted in the U.S., I would tell new arrivals that a good way to meet Americans, especially in red states, was to join a church or a gun club.

Six, Ottawa does not have all the answers. The provinces have competence and experience. Trust the staff at our missions in the U. S., the embassy and our consulates, for their read of the local environment. They know a lot and have a superb Rolodex of contacts.

Seven, the administration is our entry point, but the battleground is Congress and the states. We need to devote more attention to legislators, both in Congress and in the states. When we play in the U.S., play by their rules. In a relation that transacts over $1 million a minute in trade, we need to use lawyers and lobbyists. For legislators who must fundraise daily, all politics is local: special interests, business, labour, environmentalists, minorities represented by lawyers and lobbyists fund legislators and drive domestic policies like Buy American. Protectionism is as American as apple pie, a deep-rooted political response to structural problems in the U.S. economy.

Eight, beware of noise and don't get spooked. We need to practise risk assessment and differentiate between what is real, a threat, and what is noise. A lot of what we're hearing now and what we will hear in the coming weeks of congressional hearings on NAFTA is positioning. The Americans are masters at positioning and will exercise the excitable, and give editors a daily dose of dramatic headlines. Most congressional legislation fails, but we tend to behave like Chicken Little every time we see something we don't like. Again, their system is different from ours, with checks and balances, and separation of power.

● (0905)

The bogeyman out there is the border adjustment tax. It's a real threat, because it is endorsed by House Speaker Paul Ryan, but the Americans also recognize that, as in physics, for every action there is a reaction. If they adopt a border tax, so will we, and so will other nations. Going down that route with Smoot-Hawley contributed to the Great Depression.

Nine, go for gold. We are better than we think we are, but there is a Canadian tendency to compromise from the outset. An admiral trait, it is a natural reflection of our national character developed to come to terms with our vast geography and harsh climate. It makes us good diplomats, but compromising before we sit down is a mistake with the Americans. We should not out-negotiate ourselves beforehand. In other words, ask for what we really want rather than what we think they will give us. Nor should we ever expect gratitude in what we think we did for them. Business is business, and the business of America is business.

Ten, it's a permanent campaign that needs all hands on deck—all levels of government, business, labour, and civil society. Canadians who have American friends and family and who spend time in the U. S. need to be enlisted. We need to engage more with Americans and start every conversation with three main messages. First, we are a reliable ally and security partner, although we do need to invest more in our armed forces. Second, we are a fair and trusted trading partner. Canada is the main market for 35 states and the second market for the rest. U.S. trade with Canada generates nine million jobs. It's more than trade. It's making things together through supply chains to our mutual advantage. My favourite factoid is that the average Canadian eats $629 worth of U.S. agrifood products annually. The average American spends $69 on Canadian agrifood products. And third, Canada is a secure, stable, and reliable source of energy. It lights up Broadway, keeps the cable cars going in San Francisco, powers the Mall of America in Minnesota, and fuels American manufacturing. With $2 billion in trade daily, Canada has only a slight surplus, because we provide 40% of U.S. energy imports. Otherwise, they enjoy the surplus.

An American ambassador once observed that Canadians think they know all about Americans, while Americans think they know all they need to know about Americans. We are both wrong. We need to know them better, because for now this relationship is asymmetrical. They matter more to us than we matter to them. For very good historical overviews, I would refer you to the good work, especially on middle powers, by Kim. I would also suggest you read Bob Bothwell's *Your Country, My Country*, as well as Jack Granatstein and Norman Hillmer's *For Better or For Worse: Canada and the United States into the Twenty-First Century*.

The rest of the world is watching how we manage Mr. Trump. We need to stick to our game, work with our partners, especially Mexico, and we will do just fine.

Thank you.

The Chair: Thank you, Mr. Robertson.

We'll go straight to questions, and we'll start with Mr. Kent, please.

Hon. Peter Kent (Thornhill, CPC): Thank you, Mr. Chair.

Thanks to you both for your attendance here today. It's always stimulating to hear your insight and offered advice.

First, with regard to Professor Nossal's point about how governments deal with unprecedented situations, when the United States announced its withdrawal from the TPP, our government hit the pause button for reconsideration. That reconsideration of next steps is ongoing. When the United States announced its withdrawal from the Paris agreement, there was an immediate reaction to recommit immediately, without review and reconsideration of our interconnected economies and the impact of going it alone on the continent.

I'm wondering if you could offer, Professor Nossal and Mr. Robertson, some thoughts on that.

Prof. Kim Nossal: Thank you very much for that question, Mr. Kent.

I think the key here is to differentiate between these two accords. What the Canadian government did on the TPP was to indeed to pause, to wait for the reaction of others around the Pacific to see what would emerge from the general reaction of the other partners. This was largely because everyone, including, it seems to me, the Canadian government, recognized that the withdrawal from the TPP basically ceded the leadership, or the possible leadership, in the Asia-Pacific to China and the alternatives.

When we look, though, a little further than the immediate reaction to how the Canadian government then responded, once it was clear from around the Pacific that in fact there was the possibility of going it alone minus the United States, we saw a rather different reaction from that initial pause. We saw the Canadian government stepping up and providing some degree, it seems to me, of leadership—which is actually ironic, given the course of Canadian engagement with the trans-Pacific partnership over the years.

On the Paris accord, I think the Canadian government's reaction was in line with the reaction of every other government in the world, bar only Syria. To me, it's interesting that you hear in Nicaragua, the only other non-signatory, a desire to revisit their decision not to sign because Paris didn't go far enough in their view.

I think that the universality of the responses to the American decision—and it's not simply the American decision, but how that decision was announced and how the Paris accord was portrayed by the President of the United States—drove the Canadian reaction as much as it drove the reaction of every other country I'm aware of.

I must admit, I'm not entirely sure that the Canadian government has been overly limited in its response to the TPP, on the one hand, or overly incautious on the question of the Paris accord. Is the fact that the United States is out of the Paris accord going to create significant difficulties for Canada in the future? Yes, except for the fact that—and it's one of the reasons I raised the issues I did—there is a considerable degree of opposition within the United States to the President's own positions on this. That provides everyone, not only Canadians, but other foreign countries too, an opportunity to shift what the Americans actually do, not just simply what Mr. Trump says.

● (0910)

Hon. Peter Kent: Mr. Robertson.

Mr. Colin Robertson: In terms of how the government has handled this, on both issues I would take it back to Brian Mulroney, who argued, I think correctly, that the most important relationship any prime minister has is that with the President of the United States. It's something that I think Mr. Trudeau has taken on board. He made a reference to it in a speech before he became Prime Minister, and I think he's practised that. They call it a "bromance" with President Obama. It's obviously much more difficult with President Trump. I think he's managed that very well by keeping it from becoming personal. Everything I've read in a psychological profile of Mr. Trump is that you do not want to take him on directly and personally because it will become personal, as you've seen how he's behaved with the mayor of London, and probably will now with the....

If you want to have an anti-Trump, let it be President Macron. It shouldn't be Prime Minister Trudeau, because we have so many vested interests in the United States. I think Mr. Trudeau gets that, and that's wise. The Canadian prime ministers who understand that do well for Canada.

Hon. Peter Kent: In different ways both of you have mentioned checks and balances in our continental relationship. One issue you brought up was the original rejection by Canada of participation in the ballistic missile defence. More current today—and we may hear more about that tomorrow in the defence policy review and the decision one way or the other—would be to re-engage in our continental as well international defence treaties.

With regard to the government's pursuit of a free trade agreement with China, which the U.S. administration and President seem to see as the opening of a wider back door for dumping Chinese product in the United States, I'd like your comment on the advisability of either pausing the pursuit of this free trade agreement, which seems to be going ahead faster than anything else at the moment, or pausing to see how the renegotiation of NAFTA begins and seems to be setting a course.

● (0915)

Mr. Colin Robertson: My observation for Canada, as a middle power, would be to keep engaged with everyone. I am convinced that the engagement with China is going to take some time. As you know, Mr. Harper also wanted to engage, but it took a long time. I don't think we're going to move quickly with China, because I think we still have to do a lot of homework on our side.

At the same time, for strategic reasons vis-à-vis North Korea, Mr. Trump seems to have decided to try to work out a relationship with Xi Jinping. The Americans can't have it both ways, and ultimately Canada has to pursue its own interests, just as we did in 1971 when we opened the relationship with China.

My view would be to proceed with caution and be very sure what we are seeking. There are lessons to be learned from the New Zealand and Australian examples of free trade. They have a bit of buyer's remorse.

I think we will proceed and should proceed, and are probably going at about the right speed, given our capacity. Remember that we do have capacity limits. The first priority of this government is going to be the renegotiation of the North American accord. There's still the follow-up to be done with the Canada-Europe trade agreement. Then there's the Trans-Pacific Partnership. We are stretched. Then of course there's China and other things as well.

You're going to have a resource constraint that is naturally there, but at the same time trying to get our own act together is going to take some time.

The Chair: Thank you, Mr. Robertson and Mr. Kent.

We're going to Mr. Sidhu, please.

Mr. Jati Sidhu (Mission—Matsqui—Fraser Canyon, Lib.): Thank you, Mr. Chair.

Thank you both for your remarks this morning.

Mr. Kent touched on the NAFTA issue. Mr. Robertson, as you're a former member of Canada's NAFTA negotiation team, I would be curious if you would touch on the softwood lumber issue. You have said that Canada has won most disputes in front of the WTO, but at the same time you're saying it's not the solution. It has to be dealt with when it comes under the policies. Given your experience in diplomatic negotiation and the nature of the administration south of the border now, how confident are you that in the future this problem will be resolved?

Mr. Colin Robertson: Sir, I'm not that confident it will be resolved. When I was posted in the United States at one point with Ambassador Frank McKenna, he turned to me when we were getting into the negotiation that led to the 2006 accord and asked when all this started. I phoned a friend who was the Librarian of Congress, and he said it went back to the second George Washington administration, when Massachusetts, which then included Maine, was trying to keep out timber from New Brunswick for shipbuilding.

This is a dispute with long antecedents. If you look at a topographical map of North America, we have a great advantage when it comes to wood, but it is for the small landowner particularly in the southeast who may live in a trailer park. It's where they hunt and fish, and it's their annuity. If you go down to the museum of timber in Jackson, Mississippi, you'll see that they post the price of timber just the way a gas station posts the price of gas.

I was told by a former American governor that we would resolve it, but we would resolve it on an incremental basis, so I'm afraid it's going to take some time.

The challenge within Canada, as I see it, is that we have four and a half positions. There's a position in the Atlantic, in Ontario and Quebec. They're similar. There's a position in Alberta. Then in B.C. you have a division between the coastal and interior regions' positions. Happily, we now have envoys from each of the provinces. I hope that the British Columbia government keeps David Emerson because he's very smart and understands this stuff.

● (0920)

Mr. Jati Sidhu: For Canada, why don't we want to get to the negotiators today, if you want to...?

Mr. Colin Robertson: As Kim pointed out earlier, first of all, there's nobody to negotiate with on the American side. At the United States trade representative's office, which will be responsible for this, with support from the commerce department, there's just nobody home right now. That's part of our problem. It's not aimed at Canada. It's just that the Americans who we would like to deal with simply aren't there in the state department and in the National Security Council, and this also applies.

But we do actually have.... I think the first thing we should do is to get the envoys that have been appointed—Jim Peterson and Raymond Chrétien and others—to see if they can't, first of all, work out the Canadian position, and then engage with the coalition.

Mr. Jati Sidhu: Thank you.

Professor Nossal, on the world stage, as you know, the United States' soft powers are on the decline, and our partners in the European world, Germany and France, are becoming the face of the globe, if you want to say that. In your view, how does Canada configure into the new global reality?

Prof. Kim Nossal: That's a good question.

I think the argument about American soft power on the decline needs to be questioned a bit. In fact, in terms of the response to Mr. McMaster and Mr. Cohen's denial of there being a global community and the rise of an administration that has indeed called into question the American-led liberal international order of the last 70 years, it seems to me that this response of the international community strongly suggests that American soft power is absolutely still there, and that it is the desire—the strong desire—of so many countries and peoples that the United States continue to exercise global leadership that reflects that soft power. It seems to me that, as Colin said, when this shifts—because I think it is going to shift—we are going to see the return of that soft power, which continues to exist.

Canada's role in the interim, it seems to me, is to try to provide leadership with other like-minded powers, in particular the Europeans in NATO. Also, we need to look to the Asia-Pacific in a way that we generally as Canadians tend not to do: by looking at like-minded powers across the Pacific, notably the Republic of Korea, Australia, New Zealand and others, in particular Japan, to ensure that, in a sense, the elements of the American-led global order are managed in a kind of caretaker way until we see an end to the kind of nativist, isolationist, America-first perspective that is currently being articulated by the President of the United States.

It really needs to be stressed that it's the President articulating this. If you listen to the so-called adults in the room, as they're called in Washington—Mr. Mattis, Mr. McMaster, and even Mr. Tillerson—what you find is essentially a willingness to continue the American global leadership of the last 70 years. The problem is that there's a huge disjuncture between what the adults are saying and what Mr. Trump and some of his advisers, such as Stephen Bannon, are saying on the other hand.

Mr. Jati Sidhu: Thank you.

The Chair: Thank you, Mr. Sidhu.

[*Translation*]

Ms. Laverdière, you have the floor.

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Thank you, Mr. Chair.

I want to thank our two witnesses for their excellent presentations. I'll print them and keep them on my desk. I don't know how many times I nodded my head.

I greatly appreciate the mention of the 0.7% we must achieve and the fact that President Trump may decide one day that he has had enough and leave. I also consider this possible rather than probable.

I want to keep talking about what we have just discussed, meaning the main issue, which I think the Minister will mention in the House this morning. I'm referring to Canada's interest, as a middle power, in a multilateral system based on rules that work properly, and the current American administration's threat in relation to several components of this system. The threat concerns not only policies, but often money as well.

We've seen cuts to maternal health programs, and other things of that nature. The Netherlands has implemented great initiatives. It has produced funding to compensate for the American cuts. The withdrawals aren't only in this area. The United States also wants to play a less prominent role in the WTO.

My first and main question concerns the G7 meeting in Italy. How should we work with our partners to maintain the system in this situation? Do you have specific advice for all those who must prepare for the next G7 meeting, which will take place in Canada?

● (0925)

Mr. Colin Robertson: As Mr. Nossal said, to maintain the system, we must work with middle powers like Canada. Many people think like us, both here and in the United States. We have many allies in the United States, not only in Congress, but also in the administration, among the adults in the room.

We saw this in the climate debate, for example. There was a real exchange of views in the White House. Unfortunately for us, the Trump administration decided that Mr. Bannon was more important than the others.

We think we must use this time to become a leader among the middle powers. We have the opportunity to do so, and a prime minister who can do so. That's the type of role I hope to see Canada play.

[*English*]

Prof. Kim Nossal: I think the question of middle-power leadership is a problematic one, mainly because in Canada there is a reluctance to embrace the ideas of middle-power leadership in those particular terms.

As Colin suggested, even if we don't talk about middle powers any longer—and Canadian leaders don't like to talk about middle powers—the essence of trying to find positions that will garner support from other like-minded states is critical.

This, it seems to me, means that we have to have a large-scale effort on the part of Canadian diplomats and Canadian politicians, both on the government and the opposition sides, to press the ideas that we have embraced so readily over the last 70 years or so as Canadians to remind others, to remind Americans, of the positive aspects of that order.

[*Translation*]

Ms. Hélène Laverdière: Thank you.

I was also struck by an issue that we often discuss, but that we haven't talked about much this morning. I was wondering whether you had specific views on the Russian scandal and on what will happen this week in Washington.

● (0930)

[*English*]

I was wondering if you had any insight.

Mr. Colin Robertson: No more than I read in the newspapers.

Prof. Kim Nossal: That's a very diplomatic answer.

Ms. Hélène Laverdière: We can see the training.

Prof. Kim Nossal: The diplomatic service in Canada made an excellent decision in 1974 in rejecting me—

Voices: Oh, oh!

Prof. Kim Nossal: —so I actually don't have to be as diplomatic as Mr. Robertson does.

I think the issue of the Russians and the Russian involvement in American politics is a story that has yet to be fully told. Despite the fact that there are strong forces in the United States seeking to squelch the story being told, I think there is a story there that will be told. It may well be a story that is intimately connected with the President's tax returns, which have been so carefully protected from release.

It seems to me, however, that we cannot ignore the fact that the interests of the Russian Federation, and in particular the President of the Russian Federation, have been well served by the election of Mr. Trump. The ability of the Russian Federation to sow some discord in the transatlantic alliance is something that will bring smiles to Mr. Putin's face, as Colin said. On that issue, we will need to see what the results are.

One of the consequences of Mr. Trump's declaring war on the intelligence community in the United States is that, as many people have said—so this is not at all original—it is entirely possible that what we will see emerge in the next year or so will illuminate whether there is, in fact, a Russian connection.

The Chair: Thank you, Madame Laverdière.

Mr. Saini, please.

Mr. Raj Saini (Kitchener Centre, Lib.): Good morning, gentlemen. Thank you very much for your opening comments.

Mr. Robertson, I'm going to start with you, because you have the most experience with the Canada-U.S. trade file.

One of the things you didn't mention in your opening comments was the influence of the Mexican election next year. There was a very elegant timeline created by one of our previous witnesses, Mr. Carlo Dade, from the Canada West Foundation. What I gleaned from that timeline was that the earliest possible date, if everything works out well, the agreement would be signed, but not implemented, is August 28, 2018. That would be after the Mexican election.

If you look at the current state of domestic politics in Mexico, the leading candidate there, Mr. Andrés Obrador, from the left-wing AMLO party, I don't think is too keen on this deal.

We're putting a lot of emphasis on our bilateral negotiations with the United States, but we haven't looked at the possibility of actually.... We will be entering into a trilateral negotiation, and we don't talk about Mexico so much.

My question to you is this. If Mexico decides not to sign, what will be the ramifications of that? Also, there will be congressional mid-term elections in November. There are a lot of things we don't control. No matter how good our negotiating stance is, there might be factors beyond our control, ones that we don't have any influence over. What would be the repercussions? What would be the ramifications? What do you see happening if Mexico does not sign?

Mr. Colin Robertson: I read Carlo's testimony. He's a friend of mine and the timeline he points out is accurate. If you think about it, trade negotiations take a long time. The original Canada-U.S. free trade agreement took us about four and a half years to negotiate, and NAFTA, which was, in a sense, building on the free trade agreement, took us two and a half years.

The United States is only now in the legislatively mandated process of holding hearings in Congress, so the earliest they can begin is really mid-August. Do we think we can finish this up by Christmas? Given the breadth of the agreement, I'd be very doubtful, and again, as Carlo pointed out, there is a timeline that takes this forward.

Ultimately, what is important for Canada is to get a good deal for Canada. I do think we should be working in tandem with Mexico. That partnership is very important and I'm encouraged to see that Foreign Minister Freeland has stated, with her counterparts Minister Videgaray for trade for Mexico and Minister Guajardo Villarreal, the intent to work together and that she has been down to Mexico recently to do this. We should stay together because the Americans would like—I wouldn't say the American approach, but I would say the Trump approach is to divide and conquer.

On NAFTA itself, NAFTA remains intact, so the Canada-Mexico piece of that stays in place. There's nothing to stop us from upgrading it, if the United States pulls out. Also, there's nothing to stop us from bringing other countries into that. This is why it will be interesting to see how the Trans-Pacific Partnership negotiations play out.

Whatever happens, personal relationships really do count. The personal relationships now at the various levels between our negotiators, between Canadian and Mexican ministers, are strong enough that they will stay intact, even if, at the end of the day, the Americans insist on two separate bilateral negotiations, which is certainly the preferred approach of Mr. Trump. Wilbur Ross, the Secretary of Commerce, has said it's more important that we get a result than the format, so they seem to be wobbling a bit there, but we're still not exactly sure how that's going to play out. On the time frame, I do think the Mexican election is probably going to intervene. Whether the Mexicans will be in a position to do a deal quickly—there was talk of that back in January, but it didn't pay off. Within Mexico, there will be a lot of suspicion as well, if there's a quick deal done.

Most important, for both Canada and Mexico, is that we get a good deal, whatever comes next.

● (0935)

Mr. Raj Saini: The second question I have is more out of personal curiosity. The Americans have now left the climate change agreement. They have recused themselves from TPP, which was a bulwark designed by Obama against China, or to contain China. We have issues in the South China Sea. We have the creation of the Asian Infrastructure Investment Bank. We have the one belt, one road policy that's happening now. We have the Chinese influence in Africa. For me, as a political observer, if you look at the commentary right now in the press, it's more focused on Russia. However, the silent power that's working behind the scenes is China, and for the first time in my life, I am witnessing no commentary about a rising power.

I appreciate the fact that the President is the President, but the state department, other think tanks, other academics are not speaking about the relationship with China. Everybody is focused on this Russian relationship, but no one is actually keeping an eye on the Chinese relationship. I am wondering why there has been no focus on that because, for the last century, the Americans have always tried to be a rising power, but now China is on the move, so why is there no dialogue? Why is there no commentary on the Chinese question, as opposed to the Russian question, which is not as important as the media has portrayed it to be, in some cases?

Mr. Colin Robertson: This is trite, but empty vessels make the most noise. There really is a lot of attention behind the scenes on China. The Trans-Pacific Partnership really was an effort to secure a set of trade rules in the Pacific to match what was going on in the security side. Behind the scenes, there really is a lot going on, such as the dialogue last week at the IISS Shangri-La Dialogue on the military front. I've just come back from Asia, where they are much more concerned about what's taking place with regard to China than they are necessarily about Russia.

I'd recommend a good book to read, *Easternisation: War and Peace in the Asian Century* by Gideon Rachman, who is the lead foreign affairs correspondent for *The Financial Times*. It's just out. I think that would address a lot of what you're talking about.

I do think there is actually a fair bit of attention, as there should be, because I do think China is the rising power. The declining power, which is, in fact, probably the more dangerous one, is Russia.

● (0940)

Prof. Kim Nossal: Can I just add a very quick comment here?

It seems to me that part of what drives your question is, in fact, a very Canadian focus. In other words, we are not hearing in Canada the discussion, but if you go to the Asia-Pacific region, there is a lot of discussion about the role of China and how to deal with China.

Australians have been engaged in a national conversation the likes of which we just simply haven't seen in Canada. That's one of the reasons why I think Canadians should start thinking about precisely the dynamics that you have identified.

Thanks, Mr. Chair.

The Chair: Thank you, Mr. Saini.

Mr. McKay, please.

Hon. John McKay (Scarborough—Guildwood, Lib.): Thank you, Mr. Chair.

Thank you both for your very thoughtful and excellent presentations. I adopt Madame Laverdière's views with respect to how thoughtful you actually have been.

Power abhors a vacuum. It seems to me that the G7 and NATO meetings last week were maybe watershed meetings, particularly with respect to Chancellor Merkel's comments.

Are we witnessing a transference of real power to Germany? Since World War II, Germany has constrained itself in terms of its militarization. Given Chancellor Merkel's comments and the saber rattling by the more, as you rightly say, dangerous adversary, Mr. Putin, do you think we are in for a period of rearmament, particularly by the Germans, but more generally by the Europeans?

Mr. Colin Robertson: I don't think we're in for a period of rearmament because I'm not sure that's where Chancellor Merkel, if she is re-elected, wants to go. I think she very much remains a transatlanticist. She just doesn't, like many others, have a lot of respect for Mr. Trump.

I do think Germany is the most important power in Europe and has been for more than a decade now. I would subscribe to *The Economist*'s characterization of Chancellor Merkel as "the indispensable European".

I think what you saw was simply a reaction to a particular personality who isn't necessarily going to be in the field. That German-American relationship is very important, although Mr. Trump, as my friend David Frum tweeted, has done more to divide Germany from the United States—the goal of Russian policy since the Second World War, first by the Soviet Union and now Russia—than Mr. Putin or any of his predecessors, but I think that will pass.

I think Chancellor Merkel gets that. Her comments at the party rally were done, I think, in the context of the upcoming German election. She has to win that election and, not surprisingly, leaders often want to play to the hometown crowd. That's reasonable. However, her subsequent comments and those of the people around her were to say that she very much understands the importance of the transatlantic relationship, as do we.

Hon. John McKay: I don't disagree with you there.

Mr. Colin Robertson: I think there are real odds to rearmament, though, in Asia. That's where I would watch. If you want to see where a lot of money is being spent on arms, it's in Asia and, as we saw from Mr. Trump's visit, in the Middle East.

Hon. John McKay: I don't disagree that Chancellor Merkel is pretty reluctant and believes in the transatlantic relationship, etc., but we are in for a rough four years, in theory. We can't leave ourselves exposed.

I also want to pick up on Mr. Saini's question, and particularly on this one belt, one road concept. That road runs right through Afghanistan, which seems to be deteriorating into a pretty chaotic state once again.

I would be interested in your thoughts as to what "accommodation", for want of a better word, the Alliance-U.S.-West should make with China vis-à-vis the security requirements of Afghanistan because One Belt, One Road will go nowhere if there's total chaos in Afghanistan.

● (0945)

Prof. Kim Nossal: The One Belt, One Road has a number of roads and a number of belts. Yes, indeed, one goes through Afghanistan, but Pakistan is the far more important bit of the belt in the road. The possibility of making some accommodation with China over Afghanistan does two things. First, it overstates Afghanistan's importance to this Chinese initiative. If you look at where the arrows are generally drawn in Chinese descriptions of this initiative, they go north and south and indeed partly through Afghanistan.

The second problem, it seems to me, is that it overstates the capacity of the People's Republic of China to actually do what might be necessary in Afghanistan to provide the kind of security that, bluntly put, we haven't really seen since the late 1970s. Because our attention as Canadians has been elsewhere since 2014, you claim that once again it's descending into problems. The reality is that it's always been there, including when we were there from 2001 to 2014. The capacity of the Chinese to solve the governance problems of Afghanistan is exceedingly limited, it seems to me. I don't think there is any willingness in Beijing to try to get into that particular mess. They will run their belt and roads in different areas if, in fact, Afghanistan continues to be the security problem that it has been and remains.

Hon. John McKay: Finally, the government is releasing its suite of policies this week—foreign affairs, defence, and development. The defence policy review will be out tomorrow. What will we be looking for?

Prof. Kim Nossal: One of the things the defence policy review needs to do is to address some of the concerns that not only Mr. Trump but the Americans generally have to consider. You perhaps know what's in the defence review, and I don't. What I would be looking for is a resolution of the issue of ballistic missile defence, finally. I would also be looking to address the replacement of our legacy CF-18 fighter jets for the future of NORAD.

Whether we get to, as Colin says, the magic 2%"...I mean, think about it. To go from where we are now at 0.88% to 2%, we're talking about defence spending at close to 40% as opposed to 18% or so. Canadians can't spend like Australians on defence. Australians have no difficulty spending 1.9% of GDP, but I can't remember a Canadian government of either political stripe that could seriously consider spending 2% of GDP on defence. I will personally be interested to see how Mr. Sajjan squares this particular circle.

Mr. Colin Robertson: Money does count here. I'm looking to see if the trend line is going to move forward; I think that's important. Our navy patrols the longest shoreline in the world. I think the maritime domain in this age of uncertainty really does matter even more to how we're going to manage things. Are we going to take a different look at procurement practices, for example, not just for the F-35 but also for our shipbuilding? I'm looking to see what there might be in terms of peace operations. We heard a lot about peace operations with former minister Dion, but it seems to have slipped off the rails. Are we going into Mali, for example? Where are we headed there? It should always reflect Canadian interests. I'm interested in the direction of the government, where it wants to move in terms of security and defence for Canada have weight as a middle power.

I'm a Pearsonian, from the Pearsonian school. Pearson put great weight on diplomacy, but he always understood that you had to have the hard power to back it up. I think in this age of uncertainty it serves Canadian interests. Think of our forces, for example, as first responders. When it comes time to do humanitarian relief, being able to have the big planes that can go in to carry cargo is really important. It's also helpful to have amphibious ships when seas rise and there are floods.

● (0950)

The Chair: Thank you, Mr. McKay.

Mr. Kent, please.

Hon. Peter Kent: Thank you.

Just to pick up on Professor Nossal's last point about the resolution of the question of ballistic missile defence and the continuing conversation about whether or not NORAD should be updated to be more than an air defence program, with Canada playing a greater role in overall continental defence, what would your advice be to the government on BMD?

Prof. Kim Nossal: It's very simple.

Join.

Mr. Colin Robertson: I would say exactly the same thing, as I have said before in this committee. My view is that it is now a threat to Canada.

Kim Jong-un and North Korea now have the capacity with their missiles, and the trajectory.... The algorithms and the American interceptor systems now protect the west coast of the United States up to Alaska. They might protect Vancouver, but the danger is that cities like Calgary, Edmonton, and Saskatoon are not protected, so I think it's in our own interest to join. That's why you do these things. You don't do this because we're being doing something good for the United States; we're doing this from a Canadian interest perspective. I think the Canadian interest now demands that, as an insurance policy, we participate in ballistic missile defence.

Prof. Kim Nossal: And it's not only against North Korea. We're talking about 20 to 25 years. We have no idea what the geopolitical realities will be, but we do know that 25 years into the future, we're going to be deeply linked to the United States, continuing as we have been since 1941. It only makes sense, it seems to me, to complete the process that basically began in the 1950s.

Hon. Peter Kent: I would assume that both of you advise the expansion of the continental defence in terms of unconventional warfare, the—

Mr. Colin Robertson: Cyber?

Hon. Peter Kent: Well, cyber warfare certainly, but there is the potential for a device in a shipping container sent by conventional maritime freight.

Mr. Colin Robertson: This is just common sense. It's the role of government to defend its people.

Prof. Kim Nossal: Since 2006 or so, we have been embracing the maritime side of that.

Hon. Peter Kent: To speak, finally, about the gaps in appointments in key departments in the United States, it's been interesting that at the same time, even while these vacancies have existed and do exist, to see foreign policy professionals like Tom Shannon and Mike Froman continue with pretty much their assigned roles, interacting with Canada on a number of issues. How do you explain that? Do you think their voices have continuing weight inside the White House?

Mr. Colin Robertson: That's like trying to understand Mr. Trump.

Do they have influence? I think they have influence, as Kim said, on the adults in the room, on the generals and Secretary Tillerson.

As they recruit, I think inevitably there will be more predictability in the process in the United States. The Americans themselves want to see that. The Congress wants to see it, but you're always going to have Mr. Trump and his tweets at 3 a.m.

Prof. Kim Nossal: One of the real difficulties is that Mr. Trump was so negative about the Republican foreign and defence policy community in the United States that the administration is having difficulty recruiting the people necessary to run these things. If you look at the list, you wonder to yourself where you would actually find qualified individuals to serve in these incredibly complex assistant secretary and ambassadorial positions.

● (0955)

Hon. Peter Kent: Thank you.

The Chair: Thank you very much to Professor Nossal and Mr. Robertson. Thank you very much for spending this quality time with us. I think it was a very good discussion. We probably could sit here for a couple more hours, and maybe at some point we will have an opportunity to revisit this. These are very interesting times, to say the least.

One of the things that I'm very interested in is that there must be some positives to Mr. Trump from a Canadian perspective. Chaos is a good negotiating position, or so I have always found when I negotiated. I am very curious if anybody has any idea of what positives could come out of what's going on in the U.S.

We would like to hear about that at some point, because the narrative seems to be that this is impossible, but sometime what comes out of this may be an opportunity for Canada in other areas of the world or even in the U.S. to gain some leverage, so I would be interested in that at some point. It's not for today, of course, because we don't have the time, but I would be very interested in that, because of course there is a strong belief, if you're a negotiator, that sometimes when the other side is a little bit preoccupied there are things you can get accomplished.

Again, on behalf of the committee, I just want to say thank you. I very much enjoyed this morning, and as the other colleagues have said, your presentations were extremely well done. Thank you.

Prof. Kim Nossal: Thank you.

The Chair: Colleagues, we'll call it a day, as there's a lot going on in the House that I'm sure you'll be interested in.

The meeting is adjourned.