

CANADA AND PRESIDENT TRUMP: HOW DO WE MANAGE?

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It is an honour to deliver this lecture. I thank the Johnson-Shoyama School for the invitation and those at the University of Regina who have helped me get here. A particular thanks to my friends Dale Eisler and Doug Moen for their advice and to my brother Neil who literally got me here tonight.

The Saskatchewan Mafia

I met Donald Tansley, Al Johnson and Tommy Shoyama when I first arrived in Ottawa. While I do not pretend to have known them I knew their reputations and I took their measure.

What always struck me about that generation of public servants was that this was a generation tempered by war.

Tansley served with the Regina Rifles. Neil and I would retrace their steps – characterized by valour and sacrifice - at Juno Beach on D-Day and after. It gave them a perspective of life that guided their public service.

Nor did they suffer fools. I know this from personal experience having later served under their colleague Simon ‘Gunner’ Reisman when we negotiated the Canada-US Free Trade Agreement-

As public servants – they were never bureaucrats - they believed in the power of ideas and in vigorous policy discussion. As Johnson would later write of their time in Saskatchewan they “dreamed no little dreams” and believed in government as a force for good.

They took this attitude to Ottawa when they migrated as members of the ‘Saskatchewan mafia’ who served the governments led by Mike Pearson and Pierre Trudeau. Policy implantation was a piece - you had to make things work. But putting things in auto-drive was not their thing – they all sought to build a better Canada.

The disappointment of our current government’s – that of Justin Trudeau - in the public service is not their lack of enthusiasm or loyalty but the lack of ideas and the inability to dream big dreams.

Donald Tansley, Al Johnson and Tommy Shoyama were exemplars of what public service can and should be. They set the bar for succeeding generations of public servants. It is why we continue to honour their contribution to our public life.

My interest in the USA

Like most things in life, I came to Canada-US relations through time and chance.

I am a child of the fifties, a Prairie boy who came to public service through a combination of admiration for Lester B. 'Mike' Pearson's internationalism and the stature and self-confidence that 'helpful fixing' gave to Canada. And public service – thanks to the example set by Tansley, Johnson and Shoyama, was both high calling and an honourable profession.

As an undergraduate I read Charles Ritchie's *The Siren Years*. Ritchie, who would go on to become our ambassador to Washington during John F. Kennedy's presidency, wrote of life in London during the Blitz. He worked with Pearson, George Vanier and Vincent Massey at our High Commission, met the King and Queen and bedded ballerinas. It convinced me that the Foreign Service was the life for me.

I was never disappointed in the Foreign Service although in later years the advent of political correctness, senseless accountability, and a government that didn't care much for its Foreign Service, tested my endurance.

My first assignment was to the UN Bureau where I worked for Geoffrey Pearson, son of Lester Pearson. Through him I met the inimitable Charles Ritchie. I was posted to the General Assembly to the United Nations in New York where I met John Holmes, a protégé of Pearson, who by then was at the Canadian Institute of International Affairs.

Holmes was one of that generation of Canadians who helped engineer the post-war international institutions – the United Nations, the IMF, World Bank, GATT (now the WTO), and the alphabet soup of agencies including FAO, WHO, UNHCR that continue to underwrite international peace and security.

Holmes was in the process of writing a book on Canada-US relations. He remained a steadfast advocate for the rules-based, liberal international system that gave middle powers like Canada a seat, even temporarily, at the great powers table.

Holmes embodied the Pearsonian idea of 'functionalism' – the recognition within the international system that competence, not power, should determine membership and weight to the specialized agencies dealing with issues like food and refugees that give middle powers like Canada place and standing.

But Holmes recognized that the United States was the anchor and guardian of our rules-based, liberal international system. His advice to me was to specialize and to better understand the United States. For Canada, he told me, it would always be the United States and then the rest.

Holmes didn't like anti-Americanism or the Canadian temptation to be smug and superior: "[Stern daughter](#) of the Voice of God" was how Dean Acheson, a former American Secretary of State, famously described this unfortunate Canadian characteristic.

Like most Canadians I plead guilty to describing myself by what we are not – Americans and I will never forget after a session of self-satisfied grousing with fellow junior diplomats in the UN delegates lounge, a Polish diplomat, older than the rest of us – he endured the Second World War, the Nazis and then Soviet occupation – quietly observed to me: "Would you rather be us?"

There is a natural insecurity that comes from living next door to Goliath. As Prime Minister Pierre Trudeau memorably quipped to the National Press Club in Washington, "Living next to you is in some ways like sleeping with an elephant: no matter how friendly and even-tempered the beast, one is affected by every twitch and grunt."

Fortunately, my childrens' generation don't suffer from this affliction. Instead, as the jingle from the Vancouver-Whistler Olympics put it, they want to own the podium. That's progress of which we should be proud.

One of my mentors and our longest serving ambassador to the United States, Allan Gotlieb, reminds me that the United States is more than a country, it is a civilization.

And the rules-based liberal international order that most of us grew up under and which has preserved the peace, not imperfectly but certainly better than any other period in world history, was created by and sustained by American leadership.

Holmes believed that we had to cut the US some slack – there is always a trap door for the great powers and, as great powers go, the US used this privilege sparingly. It was important, he argued, that we be a good and trusted neighbour to the United States because then, as he wrote in his book *Life with Uncle*, "we could tell them when their breath is bad,"

For me, Holmes' *Life with Uncle* and Allan Gotlieb's *I'll be with you in a minute Mr. Ambassador*, remain the two best guides for active practitioners in Canada-US relations.

I kept copies on my desk when I served in Washington. Their advice helped focus my own thinking on managing Uncle Sam in the Trump Administration.

As you can see, I took Holmes' career advice to focus on the USA. I returned to New York to work at the Consulate General for Ken Taylor – that most cool of Canadian diplomats and a true hero. I later served in Los Angeles as Consul General and then in Washington as the first head of the Advocacy Secretariat.

I was also a member of the Canadian teams that negotiated the Canada-US Free Trade Agreement and the North American Free Trade Agreement.

My travels have taken me to every state in the Union.

On Canada-US relations, I reckon I've done my 10 000 hours – Malcolm Gladwell's definition of deliberate practise to become competent – but I will confess the election of Donald Trump surprised me.

The Trump Phenomenon

Donald Trump is not a typical president. According to the [Washington Post](#), during his first 70 days in office he has made 343 false or misleading claims. As Winston Churchill once observed, democracy is the worst form of government except for all the others.

Mr. Trump is not an establishment Republican – he quickly dispatched Jeb Bush, little Marco and the rest. He defeated the conservative standard-bearer 'Lying Ted' Cruz. And while he didn't win the popular vote he took the electoral college from 'Crooked Hillary'.

That the Russians intervened in the US election is incontestable according to intelligence agencies, although whether he won because of their intervention is an open question.

Don't underestimate Mr. Trump. He went into the campaign with only a 1 percent probability of winning the Republican nomination and on the day of the election was still given odds of less than one in three of becoming president.

Trump confounds not just Canadians and, if the surveys are right, most Americans and certainly the rest of the world.

I think he won because Americans wanted change from a Washington that they felt no longer worked for them. Trump appealed to this feeling of loss of control. The Wall would restore integrity to borders. The Muslim ban would keep out migrants and terrorists. As master of the Art of the Deal he'd restore 'Made in America' and keep out foreign goods. And he'd drain the swamp in Washington.

As one journalist put it Trump's supporters took him seriously but not literally while the elite took him literally but not seriously.

Trump's messaging – including his early hour tweets - continue to be a simple, persuasive and appealing: 'Make America Great Again...America First...Buy American...Hire American'.

As he said in his Inaugural Address, “the forgotten men and women in America” are “forgotten no longer...Everyone is listening to you now.” Donald Trump the tribune of the people.

Some of the messaging— the appeal to protectionism and nativism - accounts for the surprising Brexit vote and is now at play in the forthcoming French and German elections.

Is Canada immune from these frustrations? By this I mean the sense that the system isn't fair and that the system has created advantages for some, the lack of trust in our institutions, the divide between those who have and those who don't, and the sense that our kids will be worse off than we are.

I don't think so.

I think that the conundrum around fairness and inequality – not climate, not terrorism - is the really big public policy challenge for our time.

Dealing with President Trump

We need to take President Trump seriously and, as we are learning, often literally.

With three-quarters of Canada's exports headed to the USA this is our key market. We cannot change our geography, nor would we want to.

We enjoy preferred access to United States. Now we are going to have to negotiate to preserve that access.

Our prosperity and security depends on it.

Canadian policy will require care, circumspection and engagement. But above all engagement.

As we go into trade negotiations with the Trump administration and Congress, active engagement by Canadians, armed with a clear sense of our national objectives, is crucial to success.

This means all hands-on deck and a game-plan supported by all levels of government.

This being Canada, this also means achieving consensus, not unanimity. To remind ourselves, we fought an election around free trade in 1988. Only three provinces - Quebec, Alberta and Manitoba -gave the Progressive Conservative government of Brian Mulroney a majority of their votes.

But free trade worked for Canada. It resulted not just in prosperity but an attitudinal shift on the part of Canadians.

Where once we wondered about our capacity to compete internationally, we now are confident that we can truly own the podium.

I am aware of the controversy around the Global Transportation Hub, but the concept of inland ports with global reach is exactly what Saskatchewan and Canada should be doing.

Where once premiers were divided about the merits of free trade, today every premier, regardless of political stripe, is out on the international circuit promoting trade. Premier Wall is in Washington this week engaged in developing new relationships and building on existing ones. His overriding message is about the vitality and mutual benefits of our trading relationship.

NAFTA worked well

Although it is not appreciated in the United States, NAFTA worked for Americans as well as Canadians. The NAFTA, which improved the FTA and brought in Mexico, helped spark a decade-long economic advance in all three nations.

Some facts gathered by the [Council on Foreign Relations](#) that are not generally known or appreciated by Americans:

- U.S. trade with its North American neighbors has more than tripled, growing more rapidly than U.S. trade with the rest of the world.
- Research from the Peterson Institute concluded that the [nearly two hundred thousand](#) export-related jobs created annually by the pact pay 15 to 20 percent more on average than the jobs that were lost.
- Canada and Mexico are the two largest destinations for U.S. exports, accounting for more than a third of the total.
- Some fourteen million jobs rely on trade with Canada and Mexico – [nine million](#) with Canada alone according to a study conducted for the Canadian Embassy. Canadian companies operating in the U.S. directly employ [500,000](#) Americans.

These facts need to be underlined to our American friends again and again in the coming months.

A word about Mexico: Mexico is now Canada's third largest trading partner and our entrée to the Americas. While Canada and Mexico will pursue their own interests in these negotiations, as sovereign countries do, we need to keep in close contact because divide and conquer is integral to Mr. Trump's 'Art of the Deal'.

Getting Ready: All Hands on Deck

Prime Minister Justin Trudeau and his cabinet are doing an effective job of outreach to the Trump Administration, Congress and now into the states, especially those states that voted for Mr. Trump.

In a [speech](#) before the election Justin Trudeau remarked that “a former Prime Minister – and not the one you think – once said to me that the PM has three big responsibilities:

- Grow the economy;
- Unify the country; and
- Successfully manage our relationship with the United States.”

For our American cousins, said Trudeau, the relationship is consequential. For us, “it has often been definitional.”

The advice on priorities came from Brian Mulroney, the prime minister who best understands the Canada-US dynamic. As Mr. Mulroney, whom Mr. Trudeau has smartly enlisted in the outreach to the Trump team, [observed](#):

“The golden rule of Canada-US relations is very simple. We can disagree without being disagreeable. The Americans are very important to us. We know they are, notwithstanding the differences, our best ally, our closest neighbour, our biggest customer. “

Mulroney, speaking at the time in Washington at a tribute to Ronald Reagan, went on to add, “There is also a rule of global politics - Canada's influence in the world is measured to a significant degree by the extent to which we are perceived as having real influence in Washington.”

Trudeau is also practicing well what former US Ambassador Gordon Giffin called the Goldilock's rule of Canada-US relations: Don't let the relationship get too close – we Canadians like some distance. But don't let it get too cold, either.

I think Mr. Trudeau has found the right temperature and created the right team for our negotiations. Putting Chrystia Freeland, who brought home both country of origin labelling and the Canada-Europe agreement, as both Foreign Minister and minister responsible for trade with the USA, is brilliant.

Having former General Andrew Leslie as parliamentary secretary is also very smart. He knows personally Generals McMaster (National Security Advisor), Mattis (Secretary of Defence), and Kelly (Homeland Security Secretary).

General Leslie joined Premier Wall recently in Iowa where they spoke to Iowa legislators and met with Governor Terry Branstead (whom Mr. Trump has nominated as US ambassador to China).

This kind of strategic federal-provincial collaboration that Canadians want to see.

Prime Minister Trudeau was in Houston recently - he told an American energy executive audience that pipelines and action on climate were entirely compatible – he was joined by Alberta Premier Rachel Notley. He also warned, to the applause of his American audience, that a border adjustment tax would hurt both economies.

We have the right team in Washington.

Our ambassador, David MacNaughton, is shrewd and unflappable – the right temperament for these volatile times. He has the trust of the prime minister and, in quarterbacking the outreach to the Trump team, he has been very effective.

Our negotiating team will be headed by Steve Verheul, our Chief Negotiator for the Canada-Europe trade agreement/ He is well known to his provincial counterparts through his role as our CETA Chief Negotiator. Saskatchewan farming community will be pleased to know that he cut his negotiating teeth on agriculture. Like MacNaughton, Verheul is low-key and effective.

He will lead an experienced team, many have just come off the CETA and/or the Trans Pacific Partnership negotiations.

President Trump has foolishly jettisoned the TPP - the comprehensive deal with 12 other Pacific nations, including the USA and Mexico. There is a lot in that agreement that, inevitably, will be applied to the upcoming negotiations.

Preparing and negotiating the Canada game-plan has to involve all levels of government and our most experienced hands, regardless of partisan affiliation.

The fact that Mr. Mulroney and Derek Burney, his former chief of staff who later served as ambassador to Washington (and was both my boss and one of my mentors) are attending the cabinet committee on Canada-US relations tomorrow is visible demonstration of this 'Team Canada' approach.

This also means the provinces and the national government working together like lips and teeth in preparations and negotiations. The model should be the Canada-Europe trade negotiations where provinces were full partners and at the negotiating table.

Of critical importance will be the premiers with their governor counterparts and provincial members with their state counterparts. If we are to make the gains we want in terms of access to procurement - and that means sales and contracts for Canadians - we need the states to be onside.

Premier Wall needs to repeat his 2010 effort when he took a delegation of premiers to Washington during the National Governors Conference and negotiated a reciprocal agreement on procurement purchasing. If Mr. Trump gets his way the US procurement plan could be worth a trillion dollars.

In the meantime, the premiers should create a standing committee of the Council of Federation and figure out what it is we want from the USA and what we are prepared to give in return for gains. They should start with softwood lumber because next month we are going to start paying through the nose for our lumber exports to the USA.

Softwood is a dispute dating to George Washington's second term – Canada has a natural advantage in wood. Softwood lumber and its variation - 'shakes and shingles' - threatened to derail the negotiations that eventually led to the Canada-US Free Trade Agreement in 1988.

Forestry practises are a provincial responsibility and the premiers need to figure this one out. Until then the Americans will happily collect our dollars. Softwood lumber is also a reminder of the importance of having alternate markets than the USA.

Business has an important role.

The big companies – the GEs and GMs need to step up and warn President Trump of the threat to their supply chains, especially for manufactured goods - from soup to computers to trains, planes and automobiles. Supply chains work for North Americans.

We need to apply the people-to-people relationships, especially when the prevailing policy is 'America First' and because, as President Trump declared in his [Inaugural Speech](#), "We will follow two simple rules: Buy American and Hire American."

Plus ça change

The congressional hearings that will begin shortly will generate a lot of heat and noise. Much of it will be aimed at Mexico but Canada will also come in for its share of criticism.

Canadians should not panic. It's a useful venting session and it will give our negotiators a better sense of what will be on the American agenda when they sit down later this year to open up the now 23 year-old NAFTA.

Some perspective:

"I have recently talked quite a lot to Americans about how they perceive, or misperceive, Canada-U.S. trade. I have called their misperceptions the seven deadly myths. I listed them as follows: Canada is not the American's biggest trading partner; that we try to keep our dollar low to gain an unfair trade advantage; that we have piled up huge trade surpluses; that we subsidize trade and the Americans don't; that public sector ownership automatically equals subsidy; that we are not the biggest energy supplier to the United States; and that a free trade agreement would benefit only Canada and not the U.S"

Those words aren't mine but those of Allan Gotlieb, our longest serving ambassador to the USA in a [speech](#) he delivered almost in 1987 -thirty years ago - to Toronto's Empire Club.

As the French say *Plus ça change, plus c'est la même chose*.

Main Messages to Americans

My mother used to tell me that on an exam the key is to answer the question asked, not what I'd like to tell them. It is a lesson that has taken me years to learn. So how do we manage Mr. Trump?

How many of you have travelled to the USA in the last year or plan on travelling in the next year?

We start with three main messages to Americans:

- First: We are a reliable ally and security partner. In the USA, security trumps everything else so start every conversation reminding Americans that we have their back.
- Second: We are a fair and trusted trading partner. Canada is the main market for 35 states and the second market for the rest. US trade with Canada generates 9 million jobs. It's more than trade, it's 'making things together' through supply chains to our mutual advantage. And one of my favourite factoids: The average Canadian eats [\\$629](#) worth of US agri-food products annually. The average American spent [\\$69](#) on Canadian agri-food products.
- Third: Canada is a secure, stable and reliable source of energy. It lights up Broadway, keeps the cable cars going in San Francisco and powers the Mall of America in Minnesota and it fuels American manufacturing. With \$2 billion dollars in trade daily, Canada has a slight surplus because we provide 40 percent of US energy imports. Otherwise, they enjoy the surplus.

Rules of the Road

Let me now give you ten rules of the road that we Canadians need to think about in managing Mr. Trump and the US relationship.

1. What is our 'Ask'? What will we 'Give'? Know our Facts.

Messaging must be blunt and on point. And get to the point. It is not a level playing field. We only have a better than even chance when we are playing on ice.

2. 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 where they will happily collect their import levy until we get our own act together.

We have a good brand but we need to develop it and use it more strategically. Americans like us more than we like them. As Margaret Atwood famously observed, when Americans look north they look into a mirror and see a reflection of themselves. There are always more Americans who think like Canadians than there are Canadians.

Canadians, of course, too often define themselves by what we are not – Americans. It's an insecurity we have to get over.

3. NO SURPRISES.

Americans don't mind differences but they don't like being blind-sided especially on security issues like ballistic missile defence or Iraq. And linkage between issues is tricky and rarely works to our advantage.

4. Relationships are everything. We would never have got the Canada-US FTA but for Brian Mulroney's friendship with Ronald Reagan.

Our networks need a thousand points of contact. I applaud Saskatchewan legislators John Nilson and Wayne Elhard for their continuous and constructive efforts with their fellow state legislators including the Mid-West State Legislators, the Pacific Northwest Economic Forum and NASCO. Nilson and Elhard may have represented sat on different sides of the aisle in the legislature but when they traveled to the USA they took a Team Saskatchewan and Team Canada approach. Nilson and Elhard set the bar for their successors in the Legislature.

Make it a US issue and identify US allies. This is how we've gotten around various 'Buy America' restrictions. Recently, for example, the US acted against aluminium imports. The target was China but, as is often the case with US protectionism, we got sideswiped.

We make aluminum in Quebec. The workers are members of the United Steelworkers Union. The Steelworkers have been particular advocates of Buy America. But they consider their Canadian brothers and sisters to be part of 'America' 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 USA.

And play by their rules so use lobbyists and lawyers.

If at first you don't succeed try and try again. If you still aren't getting through change your pitch. Practice and persistence makes perfect.

Pitching is retail and a contact sport. As an icebreaker, knowledge of US college football and basketball is very useful. A good way to meet Americans: join a church ... or a gun club.

6. Ottawa does not have all the answers.

The provinces have competence and experience.

Trust the staff at our missions in the USA – the Embassy and our Consulates for their read of the local environment. They know a lot and have a superb rolodex of contacts.

7. 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.

Special interests - business, labor, environmentalist, minorities represented by lawyers and lobbyists - fund legislators and drive domestic policies eg 'Buy America'. Protectionism is as American as apple pie - a deep-rooted political response to structural problems in the U.S. economy. For legislators, who must fundraise daily, all politics is local.

8. Beware of noise and don't get spooked.

A lot of what we are 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 it will excite the excitable and give the Toronto Star a daily feed of dramatic headlines.

We need to differentiate between the real and the improbable.

The bogeyman out there is the border adjustment tax – 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 and if they adopt a border tax so will we and other nations. The closest parallel would be the Smoot-Hawley tariffs that contributed mightily to the Great Depression. No one wants to go down that road.

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.

9. Go for Gold.

We are better than we think we are but there is a Canadian tendency to think about compromise from the outset – a natural reflection of our national character that has had to come to terms with geography and climate.

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 on what we think we did for them.

This is not a problem for the USA. Business is business and the business of America is business.

10. It's a permanent campaign that needs all hands on deck – all levels of government, business, labor and civil society and ordinary Canadians who have American friends and family and who spend time in the USA.

Further Reading

Former US Ambassador David Jacobson used to say “Canadians think they know everything about Americans and Americans think they know all they need to know about Canadians.” We are, Jacobson concluded, “both wrong”.

And here are some books that you might want to look at to help you learn more about our favourite neighbour. I particularly recommend Richard Haass' *A World in Disarray*. Haass was head of policy planning in the Bush Administration's State Department and now heads the Council on Foreign Relations. And for an insight into Trump America read J D Vance's *Hillbilly Elegy*.

On America

I am worried about our southern neighbour but the Founding Fathers designed a Constitution to prevent another King.

While Mr. Trump and George III may share certain attributes, the Constitution with its checks and balances and separation of powers also applies to Donald Trump. And it works.

The courts over-tuned his executive order to keep out Muslims and his Supreme Court nominee, Neil Gorsuch was emphatic about the independence of the judiciary. Despite holding a majority in Congress, Obamacare remains the law of the land. And his national security team – Mr. Tillerson and Generals McMaster, Kelly, Mattis are sound. Waterboarding is not coming back.

I leave you with this observation from the greatest modern observer of the United States, Alastair Cooke.

As a boy, I listened to Alistair Cooke's Letters from America. He delivered his fifteen minute broadcast weekly from 1946-2004, nearly sixty years to audiences around the world through the BBC. Those of you with hair my colour will remember him as the host of Masterpiece Theatre.

While posted in New York I met Cooke at the English-Speaking Union. He had recently finished his epic television series on *America: A Personal History of the United States*.

America in 1979 was going through a bad patch. New York City was dirty and crime was a problem. There were gas lines and Jimmy Carter told people to turn down the heat and wear cardigans. The Russians had gone into Afghanistan and I wondered about the West.

I had the impression of a nation in decline. I asked Cooke what he thought of the future of the United States. He then told me that "In America, the race is on between its decadence and its vitality, and it has lots of both".

Cooke paused and added that one should never underestimate another American quality- its remarkable resiliency.

I think Cooke is right and to end on a hopeful note I give the last words to Winston Churchill: "You can always count on Americans to do the right thing - after they've tried everything else."

Thank you.