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Does Canada Need a Foreign Policy Review?

by Randolph Mank
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POLICY PAPER

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► Executive Summary

Canada's contemporary foreign policy has been shaped by deep integration with, and dependence on, the United States, offset by multilateral support for a rules-based international order. The Trump administration's confrontational nationalism, combined with other global events and trends, has now disrupted Canada's position and assumptions.

This raises the question of whether or not it's time for a Canadian foreign policy review.

While the Trudeau government deserves credit for several initiatives, a series of discontinuities in Canada's domestic and foreign policies suggests that our interests could be better served.

The Canadian government has two main options: it can follow its current path of adjusting its policies in an ad hoc fashion, while waiting out the Trump administration and hoping for more favourable successors, or it can attempt to set Canada on a new path, in which case a foreign policy review would be warranted.

The review option would only be useful if everything were on the table, including what to do about bilateral relations with the U.S., the future of our multilateral commitments, and domestic policies on such critical global issues as energy and the environment. The ultimate goal should be to advance Canada's national interests through better aligned domestic and foreign policies.



Though far from perfect, Canada has been blessed with a favourable geographic location, enviable natural assets and effective democratic governance over the years. Today, in Justin Trudeau, the country is led by a prime minister who fits the idealistic mold of the polite, decent and earnest Canadian, intent on tackling the difficult task of managing conflicting constituency interests at home, while advocating progressive social issues abroad. His government deserves credit for concluding important trade deals and championing the liberal international order. It also deserves credit for undertaking several domestic policy initiatives, ranging from encouraging women in the workforce to incentivizing business investment.

Yet, like all others before it, the Trudeau government has faced criticism, fair or otherwise, over its handling of foreign policy since it took office in November 2015. Contentious Canada-U.S. relations around NAFTA renegotiations, missteps during bilateral visits to China and India, weak NATO commitments and even frictions with Saudi Arabia, have been among the targets.¹ Domestically, criticisms have included the growing fiscal deficit and national debt, and problems in the energy sector.

Meanwhile, the global context is changing, with fundamental challenges arising from an ascendant China, a re-assertive Russia, and Britain's withdrawal from the E.U. This, against a backdrop of portentous changes in technology, energy markets and the global climate, along with mounting global debt, a growing wealth gap, failing states, religious conflict and massive refugee movements.

But by far the most important and unanticipated development for Canada has been the Trump administration's ardent nationalism. The president's apparent disdain for maintaining mutually beneficial bilateral relations with Canada and other key allies has been a wake-up call. Moreover, the Trump administration's disregard for the Wilsonian tradition of promoting democratic values and international institutions has created new risks for global stability.

The question arises: have we reached a point where a full-scale foreign policy review is necessary in Canada? Is this the right time for it, and what might it achieve?

Let's look first at what foreign policy is and what it is meant to do.

What is foreign policy?

A country's foreign policy is both an expression of its international intentions and a roadmap for achieving its national interests beyond its borders. A country's international interests are highly

¹ J. Kay, "Justin Trudeau Can't Take Any More Humiliation," *Foreign Policy*, Aug. 30, 2018. Retrieved from <https://foreignpolicy.com/2018/08/30/justin-trudeau-cant-take-any-more-humiliation/>



dependent on its internal affairs and domestic policies, as well as its historical and geographic position and culture.²

Components of an effective foreign policy normally include strategies for protecting national security, promoting trade and economic interests, and playing a role on the global stage. Political leaders and officials pursue these strategies through bilateral and multilateral institutions, using whatever levers of power and influence are at their disposal in conducting international relations.

Foreign policy interests can be further divided into the vital and non-vital.³ Vital interests are those upon which a country's very survival depends. These usually endure over time and involve the security of the population and borders, along with the viability of the economy and the political system itself.

Non-vital interests relate more to satisfying aspirations for influence in the world and often reflect moral values. Initiatives in this category can actually help advance a country's interest in maintaining beneficial international rules. They can also provide a sense of national purpose. Yet, a country's existence is not directly threatened (though it may be indirectly at risk) if these aspirations are not realized.

George Kennan, who led the U.S. State Department's policy planning function during the Cold War period, drew an important distinction between state interests and morality.⁴ Unfortunately, the pursuit of non-vital interests, if taken too far, can blur the hard necessity of protecting vital ones. To paraphrase British Lord Palmerston's famous 1848 remark, countries do not have permanent friends, only permanent interests.⁵ The recent American zero-sum approach to NAFTA renegotiations and Mexico's move to cut a bilateral deal without Canada were useful reminders of this reality.

How has Canada's foreign policy evolved?

We can't know where we want to go if we don't know where we've been. History shows a struggle to find balance between vital and non-vital interests and between dependence and independence in Canada's foreign policy.

Colonial ties to Great Britain, including to this day a shared head of state, shaped Canada's national and foreign policies following the country's formation in 1867. Resisting the pull of the

² H.J. Morgenthau, *Politics among Nations: The Struggle for Power and Peace* (4th ed.), (New York, NY: Knopf, 1948).

³ Ibid.

⁴ G.F. Kennan, "Morality and Foreign Policy," *Foreign Affairs*, 64(2), 1985, 205-218. Retrieved from <https://heinonline.org/HOL/P?h=hein.journals/fora64&i=217>

⁵ Actual quote: "Therefore I say that it is a narrow policy to suppose that this country or that is to be marked out as the eternal ally or the perpetual enemy of England. We have no eternal allies, and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow."

United Kingdom, Parliament, House of Commons, March 1 Debate (vol. 97, col. 122), 1848. Retrieved from <https://api.parliament.uk/historic-hansard/commons/1848/mar/01/treaty-of-adrianople-charges-against>



U.S. was the central nation-building priority from the very start.⁶ The construction of a national railway to connect the east and west, coupled with the national policy centred on erecting a high tariff wall against U.S. imports, were key components of the national project designed to achieve this goal. Aggressive immigration policies of the early 1900s, aimed at settling Canada's western regions, were also part of a foreign policy designed to resist the pull of the more natural bilateral partner.⁷

But geography is destiny in foreign policy and so, gradually and inevitably, the partnership with the southern neighbour grew closer. Already in the early 1900s, Canada and the U.S. had begun co-operation on trans-boundary water issues, which eventually led to the establishment in 1912 of the International Joint Commission for co-operative management of the Great Lakes watershed.⁸

Canada gained control of its own foreign and defence policy from Great Britain following passage of the Statute of Westminster in 1931.⁹ Canada's entry into both world wars preceded U.S. entry, and was based on enduring ties to Great Britain.¹⁰ But, by the 1950s, aided and abetted by the postwar baby boom and advances in transportation and communications technology, especially television, Canada slowly began to accede to the logic of closer integration with the U.S.

Overt resistance to the U.S. in Canada's foreign policy was gradually channelled into a strong internationalism centred on defining Canada's role in the world. Former prime minister Louis St. Laurent signalled this focus in a seminal foreign policy speech in 1947.¹¹ In helping to resolve the 1956 Suez crisis, itself one of many events marking the ultimate sunset of British imperial power, Canadian diplomat and later prime minister Lester Pearson opened up a new multilateral role for Canada in international peacekeeping.¹²

However, the tensions and even contradictions between strong nationalism and closer bilateral integration continued into modern times, with a noteworthy burst of anti-Americanism in the 1960s, partly fuelled by opposition to the Vietnam War.¹³ This occurred despite already deeply integrated bilateral economic and security arrangements in the form of the Auto Pact, the bi-national North American Air Defence (NORAD) arrangement, as well as the multilateral North

⁶ For a good overview of foreign policy evolution, see C.P. Stacey, "Canadian Foreign Relations," in *The Canadian Encyclopedia*, 2006. Retrieved from <https://www.thecanadianencyclopedia.ca/en/article/external-relations>

⁷ For further reading: C.P. Stacey, *Canada and the Age of Conflict* (vols. 1-2), (Toronto, Ont.: University of Toronto Press, 1977); S. Denis and G.R. Winham, *The Politics of Canada's Economic Relationship with the United States*, (Toronto, Ont.: University of Toronto Press, 1985).

⁸ For details on the 1909 Boundary Waters Treaty and the International Joint Commission established to oversee it, visit <https://www.ijc.org/en>

⁹ Statute of Westminster, 1931 document, in *The Canadian Encyclopedia*, 2006. Retrieved from

<https://www.thecanadianencyclopedia.ca/en/article/statute-of-westminster-1931-document>

¹⁰ For further reading: J.W. Holmes, *The Shaping of Peace: Canada and the Search for World Order* (vols. 1-2), (Toronto, Ont.: University of Toronto Press, 1979).

¹¹ L. St. Laurent, "The Foundations of Canadian Policy in World Affairs," lecture presented at Gray Lecture in University of Toronto, Canada, Jan. 13, 1947. Retrieved from <http://www.russilwvong.com/future/stlaurent.html>

¹² For further reading: J. English, *The Worldly Years: Life of Lester Pearson 1949-1972* (vol. 2), (New York, NY: Alfred A. Knopf, 1992).

¹³ The seminal work on the decline of Canadian nationalism is George Grant's *Lament for a Nation: The Defeat of Canadian Nationalism*, (Toronto, Ont.: McClelland and Stewart, 1965).



Atlantic Treaty Organization (NATO). To add to the contradiction, some 20,000 Canadians reportedly volunteered to fight in Vietnam.¹⁴

Former prime minister Pierre Trudeau and his successors carried Canadian internationalism forward in the 1970s and 1980s with occasional displays of foreign policy independence from the U.S.¹⁵ Examples included maintaining bilateral relations with Cuba during the Cold War, extending official recognition to China in 1970, ahead of the U.S., and later declining to participate in the “Star Wars” Strategic Defence Initiative (SDI) program the Reagan administration introduced.



Figure 1: Mexican President Carlos Salinas de Gortari, U.S. President George H. W. Bush, and Canadian Prime Minister Brian Mulroney, at the initialing of the draft North American Free Trade Agreement in October 1992. (Source: Providence)

The notion of a more integrated North America still met with great resistance in the 1980s. Fear of American dominance led to deeply divisive national debates in 1987-1988 prior to concluding the first Canada-U.S. Free Trade Agreement.¹⁶ Equally fractious debates preceded the 1994 signing of the trilateral North American Free Trade Agreement (NAFTA), which brought Mexico into the arrangement. Liberal leader Jean Chrétien ran a successful campaign in 1993 opposing

¹⁴ C. Corday, “Lost to History: The Canadians Who Fought in Vietnam,” CBC News, Nov. 11, 2015. Retrieved from <https://www.cbc.ca/news/canada/british-columbia/lost-to-history-the-canadians-who-fought-in-vietnam-1.3304440>

¹⁵ For further reading: R. Bothwell and J.L. Granatstein, *Pirouette: Pierre Trudeau and Canadian Foreign Policy*, (Toronto, Ont.: University of Toronto Press, 1991).

¹⁶ For further reading: G. Ritchie, *Wrestling with the Elephant: The Inside Story of the Canada–U.S. Trade Wars*, (Toronto, Ont.: Macfarlane Walter & Ross, 1997).



then-prime minister Brian Mulroney's NAFTA deal, but once in office concluded the agreement with former president Bill Clinton who, interestingly, needed side agreements on labour and the environment to gain congressional support.¹⁷ As if to salve the shift in his own position, as prime minister Chrétien initiated a fundamental review of Canada's foreign policy, which resulted in a government white paper published in 1995, again emphasizing Canadian multilateralism.¹⁸

Since then, however, national debates over whether or not to have such bilateral trade agreements have largely given way to broad public recognition of their benefits, with the only arguments being what provisions should or should not be in them. In that sense, the country has changed fundamentally, with resistance to the economic pull of the U.S. largely replaced by its embrace.

Under the surface, however, deep cleavages still remain in Canada. As economist and historian Harold Innis illustrated in his "staples theory", the country has developed economically and politically from east to west around the exploitation of specific natural resources, from fish and furs to forests, grains and minerals.¹⁹ The development of western energy resources, with political tensions over their control, very much fits this pattern. The struggle to balance these interests has been further complicated by a federal-provincial political structure, French-English linguistic duality and Indigenous people's rights, all of which pose fundamental domestic challenges to the pursuit of a united, interests-based foreign policy.

What are Canada's foreign policy interests?

This brings us to where we are today. It would be difficult to deny that Canada's overarching vital interest is to maintain a secure and open border for bilateral trade and a strong security alliance with the U.S. Some 75 per cent of our exports go to the U.S., our main economic sectors are deeply integrated, and our security depends on bi-national joint command arrangements with the world's pre-eminent military power.²⁰

Other vital interests include defending our sovereign borders, and protecting ourselves and the global system through a strong NATO alliance, a viable United Nations organization, and a rules-based global trading system adjudicated by the World Trade Organization (WTO).

The pursuit of even these interests, however, requires careful management of Canada-U.S. relations. For example, the U.S. does not accept Canadian sovereignty over the Northwest Passage. Similarly, the U.S. applies pressure on Canada (and other allies) to spend two per cent or more of GDP on defence, which is about double the amount that Canada has recently been willing to spend. Meanwhile, Canada's passionate advocacy of the post-Second World War rules-

¹⁷ Ibid.

¹⁸ Government of Canada, *Canada in the World: Government Statement*, (Ottawa, Ont.: 1995). Retrieved from <http://gac.canadiana.ca/view/ooe.b2644952E>

¹⁹ H.A. Innis, "The Importance of Staple Products," in W.T. Easterbrook and M.H. Watkins (eds.), *Approaches to Canadian Economic History: A Selection of Essays*, (Ottawa, Ont.: Carleton University Press, 1984, 16-19); H.A. Innis, "The Fur Trade," in W.T. Easterbrook and M.H. Watkins (eds.), *Approaches to Canadian Economic History: A Selection of Essays*, (Ottawa, Ont.: Carleton University Press, 1984, 20-27).

²⁰ Export Development Canada, "Evaluating the Market in the United States," n.d. Retrieved from <https://www.edc.ca/en/country-info/country/united-states.html>



based international order and its international institutions – founded and funded by the U.S – have now been called into question by the Trump administration, with potentially destabilizing consequences.

The multilateral side of foreign policy includes promoting human rights, advocating international conventions via the UN, participating in peacekeeping and so on. Pursuing these interests not only signals support for the international order upon which we depend, it also has domestic value for creating a sense of national purpose. Unfortunately, however, might is right has been a reality in international affairs throughout history. Even in the modern world, advocating basic human rights can lead to bilateral tensions, as for example in the August 2018 bilateral dispute with Saudi Arabia over the arrest of Samar Badawi, sister of imprisoned Saudi activist Raif Badawi.²¹

The space for such internationalism has always largely depended on Canada's status as a client state, first of Great Britain and now the U.S. As "a state that is economically, politically, or militarily subordinate to another more powerful state",²² Canada could confidently advance a globalist agenda as long as its dominant partner was set on the same path. In effect, this has meant that foreign policy decisions taken in Washington D.C. have been as consequential to Canada's interests as our own foreign policy decisions. The Bush administration's decisions after 9/11 – the temporary closure of the Canada-U.S. border and the decision to go to war in Afghanistan – were just two very clear demonstrations of this reality.

Of course, Canada has still been able to pick and choose its points of resistance. Canada did not follow the U.S. into war with Iraq in 2003. But Canada has nevertheless had to leaven its differences with shows of support. So, for example, Canada quickly fell into line with the U.S. perimeter defence strategy for North America post-9/11, passing a security budget with almost C\$8 billion in spending within months of the attacks.²³

Yet, the Trump administration's new hardline approach forces Canada to address the fundamental question of whether or not its foreign policy continues to serve its national interests.

Is Canada's foreign policy aligned with its interests?

The Trudeau government's foreign policy can be discerned from the Liberal Party platform prior to its election,²⁴ by ministerial speeches and statements in public forums and the House of Commons,²⁵ by already completed development and defence policy reviews²⁶ and by budgetary

²¹ S. Baker, "The Full Timeline of Canada and Saudi Arabia's Feud over Jailed Human Rights Activists," *Business Insider*, Aug. 24, 2018. Retrieved from <https://www.businessinsider.com/timeline-of-canada-saudi-arabia-diplomatic-feud-over-human-rights-2018-8>

²² Merriam-Webster online dictionary, "Client State." Retrieved from <https://www.merriam-webster.com/dictionary/client%20state>

²³ Public Safety Canada, *The Government of Canada's Response to the Terrorist Attacks of 9/11*, 2015. Retrieved from <https://www.publicsafety.gc.ca/cnt/ntnl-scrtr-cntr-trrrsm/sptmbr-11th/gvrnmnt-rspns-en.aspx>; Department of Finance Canada, *Budget 2001: Enhancing Security for Canadians*. Retrieved from <https://fin.gc.ca/budget01/pdf/bksece.pdf>

²⁴ Liberal Party of Canada, *Real Change*, n.d. Retrieved from <https://www.liberal.ca/realchange/>

²⁵ C. Freeland, "Address by Minister Freeland on Canada's Foreign Policy Priorities," speech presented in Ottawa, Canada, June 6, 2017. Retrieved from https://www.canada.ca/en/global-affairs/news/2017/06/address_by_ministerfreelandoncanadasforeignpolicypriorities.html

²⁶ Global Affairs Canada, *Canada's Feminist International Assistance Policy*, 2017. Retrieved from http://international.gc.ca/world-monde/issues_developpement-enjeux_developpement/priorities-priorites/policy-politique.aspx?lang=eng; and National Defence and the Canadian



spending.²⁷ Officially, the priorities are to promote international order, advance feminism, pursue progressive trade and maintain constructive relations with the U.S.²⁸

Whereas an effective foreign policy should cohere with domestic policy and advance national interests, unfortunately we see a series of real discontinuities. Let's look at arguably the three biggest.

The first is in the area of Canada-U.S. trade. A proactive strategy of renegotiating NAFTA was clearly not among the Trudeau government's priorities when it was sworn in. But the Trump administration's threat to withdraw from NAFTA vaulted the bilateral trade relationship to the top of Canada's foreign policy priority list where, in reality, it always belonged.

Canada attempted to make a virtue of necessity by quickly signalling support for modernizing NAFTA, but the objective really became to preserve as much of the existing agreement as possible. Despite fielding a strong negotiating team, the government was clearly unable to control the agenda and appeared to be on the back foot throughout. As the negotiations wore on, the U.S. eventually sidelined Canada in favour of concluding a deal with Mexico first. In the end, presented with a take-it-or-leave-it proposition, Canada had little choice but to declare victory on several hard-fought points and concede the rest.

Though not yet ratified, the new U.S.-Mexico-Canada Agreement, (USMCA) will clearly perpetuate economic integration with the U.S., which is both positive and negative. The positive side is that Canada will retain favourable access to the world's pre-eminent market. Already highly integrated economic sectors should also avoid major disruption. The negative side is that Canada will remain subject to potentially damaging trade protectionist policies, including tariffs on steel and aluminum and on goods from China and elsewhere, and to U.S. domestic policy moves around taxation, deregulation and the like. America's economic vitality itself is potentially undermined by an annual fiscal deficit approaching US\$1 trillion, a growing national debt now at US\$21 trillion (100 per cent of GDP), and mounting state, corporate and consumer debt.²⁹ Deep bilateral integration means that, by choice, Canada is subject to any negative consequences of these factors.

A second major discontinuity concerns domestic and foreign policy on energy and the environment. The government's commitment to limiting carbon emissions, in line with the UN Sustainable Development Goals and the Paris climate change agreement,³⁰ has been fundamentally undermined by the Trump administration's withdrawal from that accord. Canada's commitment has also been contradicted by its support for pipeline construction to sell oil and gas to Asian markets. The government's purchase of the stalled Trans-Mountain pipeline project from Kinder Morgan in 2018 appeared to demonstrate its intention to see the project

Armed Forces, *Strong, Secure, Engaged: Canada's Defence Policy*, 2017. Retrieved from <http://dgpaapp.forces.gc.ca/en/canada-defence-policy/docs/canada-defence-policy-report.pdf>

²⁷ Government of Canada, *Budget 2018: Equality & Growth: A Strong Middle Class*. Retrieved from <https://www.budget.gc.ca/2018/docs/plan/toc-tdm-en.html>

²⁸ Global Affairs Canada, *Priorities*, 2018. Retrieved from <http://www.international.gc.ca/gac-amc/priorities-priorites.aspx?lang=eng>

²⁹ C. Chantrill, "What is the Federal Debt?" *US Government Spending*, Nov. 27, 2018. Retrieved from https://www.usgovernmentdebt.us/federal_debt_chart.html

³⁰ United Nations Framework Convention on Climate Change, *The Paris Agreement*, 2015. Retrieved from <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

through to completion.³¹ However, ongoing efforts to pass bills C-48 and 69, which would further tighten environmental regulations around oil tankers and pipeline construction, have sent contradictory signals to the industry.³²

With energy being the country's single largest export sector,³³ the fact that Canada had been selling Western Canada Select heavy oil as low as the US\$15 per barrel range, when the West Texas Intermediate price hovered in the \$50 per barrel range,³⁴ indicates just how damaging the lack of infrastructure is to Canada's economic interests. But infrastructure isn't the only issue. The U.S. – virtually the only customer for Canadian oil and gas – has become the world's largest oil producer and sits on massive reserves of oil and gas of its own that it intends to export as well. Thus the U.S. will shift from customer to competitor, raising an obvious competitiveness challenge for Canada.³⁵

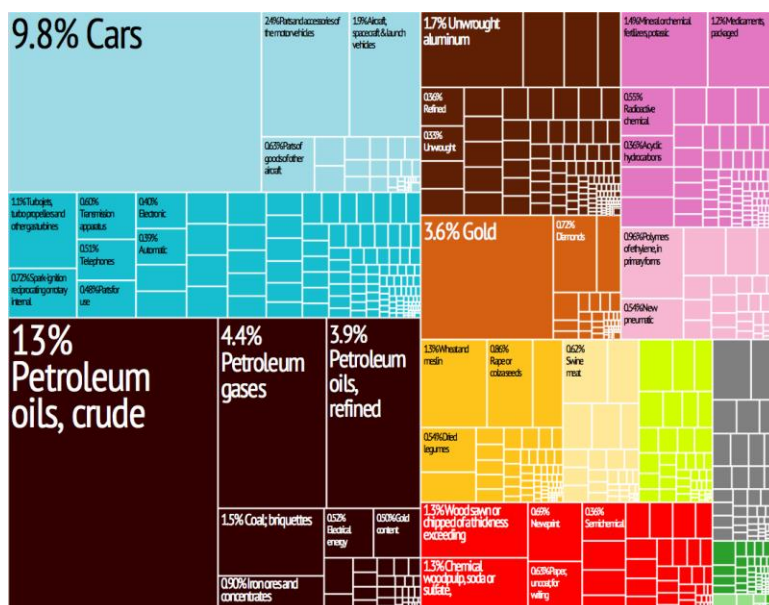


Figure 2: A chart illustrating Canada's main export industries. Canada's primary exports are energy products, motor vehicles, and various mined resources. (Source: Wikimedia)

To boost its own competitiveness, the U.S. government introduced corporate tax reductions, accelerated capital write-offs, and deregulation. Rather than meeting these challenges head on, the Canadian government's February 2018 budget continued to emphasize its overarching gender theme.³⁶ By the time tax relief arrived in the November 2018 fiscal update, it was criticized as being too little, too late. Moreover, the government's reconfirmation of the controversial carbon tax to be implemented in 2019 further alienated the energy sector.³⁷ Several provincial governments have also rejected the tax, setting the stage for a rupture in federal-provincial relations.

³¹ Department of Finance Canada, *Backgrounder: Details of Agreement for the Completion of the Trans Mountain Expansion Project*, May 29, 2018. Retrieved from <https://www.canada.ca/en/department-finance/news/2018/05/backgrounder-details-of-agreement-for-the-completion-of-the-trans-mountain-expansion-project.html>

³² K. Green, “Trudeau Sticking with Bill C-69,” Fraser Institute, Nov. 16, 2018. Retrieved from <https://www.fraserinstitute.org/tags/bill-c-69>

³³ Global Affairs Canada, *2018 Canada's State of Trade: Trade and Investment Update*, 83. Retrieved from

https://www.international.gc.ca/economist-economiste/assets/pdfs/performance/state_2018_point/SoT_PsC_2018-Eng.pdf

³⁴ Oil Price.com, Oil price charts, n.d. Retrieved from <https://oilprice.com/oil-price-charts>

³⁵ C. Dunn and T. Hess, “The United States is Now the Largest Global Crude Oil Producer,” U.S. Energy Information Administration, Sept. 12, 2018. Retrieved from <https://www.eia.gov/todayinenergy/detail.php?id=37053>

³⁶ M. Zilio, T. Cardoso, and M. Lundy, "Federal Budget Highlights: Twelve Things You Need to Know," *Globe and Mail*, Feb. 27, 2018. Retrieved from <https://www.theglobeandmail.com/news/politics/2018-federal-budget-highlights/article38116231/>

³⁷ Environment and Climate Change Canada, "Pricing Carbon Pollution in Canada: How it Will Work," June 21, 2017. Retrieved from https://www.canada.ca/en/environment-climate-change/news/2017/05/pricing_carbon_pollutionincanadahowitwillwork.html



As an aside, while controversy has surrounded the morality of selling C\$15 billion in armoured vehicles to Saudi Arabia,³⁸ Canada has imported over C\$20 billion worth of oil from the Kingdom during just the past 10 years for energy needs that arguably could have been met at home.³⁹

The third major discontinuity arises from the government's decision to conduct development and defence policy reviews without the umbrella of an overall foreign policy review to provide context. The government's gender priority again drove the aid review, which was published as *Canada's Feminist International Assistance Policy*.⁴⁰

More critically, the defence review, *Strong, Secure, Engaged*, failed to set out a convincing plan for meeting Canada's own needs and its NATO military spending commitments.⁴¹ The U.S. decision to create a new space force came later, and Canada's role in it is therefore left undefined.⁴² Persistent problems surrounding defence equipment procurement also remain unresolved. The situation has festered to the point that the former commander of the navy is facing trial for allegedly trying to expedite shipbuilding inappropriately, and the government has been forced to purchase used aircraft from Australia to fill the gap caused by a decade of delays in the jet fighter replacement program. In sum, unfortunate timing and poor sequencing rendered both policy reviews far less relevant to changed circumstances than they could have been and, as a result, leave Canada looking out of step.

While these may be the three biggest discontinuities, there are certainly others. Canada's demand that Russia return Crimea to Ukraine has been accompanied by sanctions and military support for the region, including military training in Ukraine⁴³ and a deployment to Latvia.⁴⁴ Yet, the more fundamental foreign policy questions around NATO enlargement up to the borders of Russia, and the longer term viability of denying spheres of influence to Russia and China, have yet to be considered in the broader geopolitical context. With the U.S. in the clear lead, Canada significantly lacking military capacity and Canada's Foreign Affairs Minister Chrystia Freeland barred from

³⁸ For example: K. Dangerfield, "Canada Still Selling Armoured Vehicles to Saudis Despite 'Concern' of Missing Journalist: Trudeau," *Global News*, Oct. 12, 2018. Retrieved from <https://globalnews.ca/news/4541383/justin-trudeau-armoured-vehicles-saudi-arabia-missing-journalist/>

³⁹ Statistics Canada, "Imports – Mineral Fuels, Mineral Oils and Products of their Distillation; Bituminous Substances; Mineral Waxes," Canadian International Merchandise Trade Database, 2018. Retrieved from [http://www5.statcan.gc.ca/cimt-cicm/topNCountries-pays?lang=eng&getSectionId\(\)=0&dataTransformation=0&refYr=2018&refMonth=6&freq=12&countryId=0&getUsaState\(\)=0&provId=1&retrieve=Retrieve&country=null&tradeType=3&topNDefault=10&monthStr=null&chapterId=27&arrayId=0§ionLabel=&scaleValue=0&scaleQuantity=0&commodityId=270900](http://www5.statcan.gc.ca/cimt-cicm/topNCountries-pays?lang=eng&getSectionId()=0&dataTransformation=0&refYr=2018&refMonth=6&freq=12&countryId=0&getUsaState()=0&provId=1&retrieve=Retrieve&country=null&tradeType=3&topNDefault=10&monthStr=null&chapterId=27&arrayId=0§ionLabel=&scaleValue=0&scaleQuantity=0&commodityId=270900) ;

T. Hopper, "Why has Canada Spent Billions of Dollars Buying Saudi Arabian Oil?" *National Post*, Aug. 8, 2018. Retrieved from <https://nationalpost.com/news/canada/why-has-canada-spent-billions-of-dollars-buying-saudi-arabian-oil>

⁴⁰ Global Affairs Canada, *Canada's Feminist International Assistance Policy*, 2017. Retrieved from http://international.gc.ca/world-monde/issues_developpement-enjeux_developpement/priorities-priorites/policy-politique.aspx?lang=eng

⁴¹ D. Perry, "Following the Funding in *Strong, Secure, Engaged*," Canadian Global Affairs Institute, January 2018. Retrieved from https://d3n8a8pro7vbm.cloudfront.net/cdfai/pages/3244/attachments/original/1517275897/Following_the_Funding_in_Strong_Secure_Engaged.pdf?1517275897

⁴² C. Davenport and D. Lamothe, "Pence Details Plan for Creation of Space Force in What Would Be the Sixth Branch of the Military," *Washington Post*, Aug. 9, 2018. Retrieved from https://www.washingtonpost.com/business/economy/pence-details-plan-for-creation-of-space-force-in-what-would-be-the-sixth-branch-of-the-military/2018/08/09/0b40b8d0-9bdc-11e8-8d5e-c6c594024954_story.html?noredirect=on&utm_term=.1cbfe8d59286

⁴³ National Defence and the Canadian Armed Forces, *Operation UNIFIER*, n.d. Retrieved from <http://www.forces.gc.ca/en/operations-abroad/op-unifier.page>

⁴⁴ Global Affairs Canada, *Canadian Sanctions Related to Ukraine*, n.d. Retrieved from <http://www.international.gc.ca/world-monde/international-relations-relations-internationales/sanctions/ukraine.aspx?lang=eng> ; Government of Canada, *Canada-Ukraine Relations*, 2018. Retrieved from http://www.canadainternational.gc.ca/ukraine/bilateral_relations_bilaterales/index.aspx?lang=eng ; National Defence and the Canadian Armed Forces, *Operation REASSURANCE*, n.d. Retrieved from <http://www.forces.gc.ca/en/operations-abroad/nato-ee.page>



even visiting Russia,⁴⁵ Canada's reach probably exceeds its grasp on Eastern European diplomatic and security issues.

Last, after a delay of many years the government has finally committed Canada to a new peacekeeping role. But its decision to send an air support mission to Mali⁴⁶ is widely seen as a move to bolster Canada's bid for a non-permanent UN Security Council seat in 2021.⁴⁷ Aside from the merits of the Mali mission itself, there is no clear agenda for what we would hope to achieve in the Security Council role.

These discontinuities suggest gaps in Canada's foreign policy thinking and a lack of alignment with, and clarity about, a range of its key interests.

Addressing global challenges

In addition to these policy discontinuities, there have certainly been global changes in recent years that affect Canada. President Donald Trump's disruptions go beyond the bilateral relationship. Language in the USMCA deal that effectively constrains Canada's latitude to negotiate a free trade deal with China is one significant example.⁴⁸

But there are many other challenges. Great Britain's decision to withdraw from the European Union following the Brexit referendum continues to unfold and will have profound implications for Europe. Canada needs to position itself for the effects of the split. At minimum, Canada will need a new trade agreement with Great Britain, while working with the private sector to reap benefits from the still new Canada-Europe Comprehensive and Economic Trade Agreement (CETA).⁴⁹

Re-emergent Russian aggression in regional hotspots has been mentioned.⁵⁰ But Russia's alleged meddling in the 2016 U.S. presidential election⁵¹ also raises issues of Canada's own election

⁴⁵ A. Minsky, "Why is Canada's Top Diplomat, Chrystia Freeland, Banned from Russia?" Global News, Jan. 12, 2017. Retrieved from <https://globalnews.ca/news/3177689/why-canadas-top-diplomat-chrystia-freeland-banned-from-russia/>; "Russia Targets Canada's Freeland with Smear Video," CBC: The National, April 27, 2018. Retrieved from <https://www.cbc.ca/player/play/1221181507682>

⁴⁶ M. Fisher, "Canada's Mission to Mali: To What End?" Canadian Global Affairs Institute, 2018. Retrieved from https://www.cgai.ca/canada_s_mission_to_mali_to_what_end; C.W.J. Roberts, "Op PRESENCE – Mali: Continuity over Change in Canada's 'Return to Peacekeeping' in Africa," Canadian Global Affairs Institute, 2018. Retrieved from https://www.cgai.ca/op_presence_mali_continuity_over_change_in_canadas_return_to_peacekeeping_in_africa

⁴⁷ M. Canneri, "What Will it Take for Canada to Get a UN Security Council Seat?" Open Canada, July 3, 2018. Retrieved from <https://www.opencanada.org/features/what-will-it-take-canada-get-un-security-council-seat/>

⁴⁸ Government of Canada, *United States-Mexico-Canada Agreement Text* (art. 32.10), Sept. 30, 2018. Retrieved from <https://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/usmca-aeumc/index.aspx?lang=eng>

⁴⁹ J. McGregor, "Canada-EU Trade, One Year On: Canada's Imports are Rising Faster than Exports," CBC News, Sept. 16, 2018. Retrieved from <https://www.cbc.ca/news/politics/ceta-anniversary-imports-exports-1.4823822>

⁵⁰ BBC News, "Tension Escalates after Russia Seizes Ukraine Naval Ships," Nov. 26, 2018. Retrieved from <https://www.bbc.com/news/world-europe-46338671>

⁵¹ K. Scannell, D. Shortell, and V. Stracqualursi, "Mueller Indicts 13 Russian Nationals over 2016 Election Interference," CNN News, Feb. 17, 2018. Retrieved from <https://www.cnn.com/2018/02/16/politics/mueller-russia-indictments-election-interference/index.html>; Government of the United States, House of Representatives, Select Committee on Intelligence, Russia Investigation Task Force Hearing (115th Cong.), 3. (Testimony of John O. Brennan). May 23, 2017. Retrieved from <https://docs.house.gov/meetings/IG/IG00/20170523/105992/HHRG-115-IG00-Wstate-BrennanJ-20170523.pdf>; DHS Press Office, "Joint Statement from the Department of Homeland Security and Office of the Director of National Intelligence on Election Security," Oct. 7, 2016. Retrieved from <https://www.dhs.gov/news/2016/10/07/joint-statement-department->



security. To its credit, the Canadian government initiated a cyber-security review in 2016, led by Public Safety Canada, and its rollout is ongoing.⁵² But the convergence of rapid technological advances around computing power, Big Data, social networking, artificial intelligence, robotics and nano-technology raises unprecedented security threats and suggests the need for a new kind of quantum diplomacy.⁵³ The arms control and disarmament treaties of the future may well centre on these areas.

Asia is another area deserving special focus, given its size and growth prospects. China's move to extend sovereignty over the South China Sea by building artificial islands and placing military installations on them has changed fundamental security calculations in the region. China's Belt and Road Initiative, designed to revive the old Silk Road trade routes over land and sea, has further regional and global implications.⁵⁴

Though the successful conclusion of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) Agreement⁵⁵ has assured Canada an improvement in market access in Asia – most importantly in Japan – we continue merely to study the desirability of a free trade agreement with the Association of South East Asian Nations (ASEAN).⁵⁶ In the absence of such an agreement, Canada is shut out of the ongoing negotiations to create a regional comprehensive economic partnership (RCEP). While largely ignored in Canada, when negotiations are completed in 2019, the RCEP will become the world's largest liberalized trading zone with a combined population of 3.5 billion people and a GDP of US\$25 trillion, linking China, India, South Korea, Japan, Australia, New Zealand and ASEAN.⁵⁷

Elsewhere, the near-collapse of Venezuela, combined with stresses in the Middle East and Africa, has increased the potential for economic disruption and conflict. Debt and foreign exchange crises in various countries have posed threats to global economic stability. Massive refugee movements have put strains on immigration and social services in Canada and other countries. The thawing of the polar ice cap and the increased interest in shipping through the Northwest Passage portend yet another disruptive development.

In short, change is constant and the challenges numerous. But would a foreign policy review help?

[homeland-security-and-office-director-national](#) ; E. Nakashima, K. Demirjian, and P. Rucker, "Top U.S. Intelligence Official: Russia Meddled in Election by Hacking, Spreading of Propaganda," *Washington Post*, Jan. 5, 2017. Retrieved from https://www.washingtonpost.com/world/national-security/top-us-cyber-officials-russia-poses-a-major-threat-to-the-countrys-infrastructure-and-networks/2017/01/05/36a60b42-d34c-11e6-9cb0-54ab630851e8_story.html?utm_term=.709747e87636

⁵² Public Safety Canada, *National Cyber Security Strategy: Canada's Vision for Security and Prosperity in the Digital Age*, 2018. Retrieved from <https://www.publicsafety.gc.ca/cnt/rsrscs/pblctns/ntnl-cbr-scrtr-strtg/index-en.aspx>

⁵³ R. Mank, "Quantum Diplomacy for a New Technological Age," Canadian Global Affairs Institute, 2017. Retrieved from https://www.cgai.ca/quantum_diplomacy_for_a_new_technological_age

⁵⁴ The World Bank, *Belt and Road Initiative*, March 29, 2018. Retrieved from <https://www.worldbank.org/en/topic/regional-integration/brief/belt-and-road-initiative>

⁵⁵ Global Affairs Canada, *Overview and Benefits of the CPTPP*, 2018. Retrieved from <http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpp/overview-apercu.aspx?lang=eng>

⁵⁶ Global Affairs Canada, *Public Consultation: Consulting Canadians on a Possible Canada-ASEAN Free Trade Agreement*, 2018. Retrieved from <http://www.international.gc.ca/trade-commerce/consultations/asean-anase/index.aspx?lang=eng>

⁵⁷ ASEAN, *Regional Comprehensive Economic Partnership*, n.d. Retrieved from https://asean.org/?static_post=rcep-regional-comprehensive-economic-partnership ; Australian Department of Foreign Affairs and Trade, *Regional Comprehensive Economic Partnership*, n.d. Retrieved from <https://dfat.gov.au/trade/agreements/negotiations/rcep/Pages/regional-comprehensive-economic-partnership.aspx>



When are foreign policy reviews conducted?

A case can be made for re-examining foreign policy whenever the global context has changed substantially, as it has now. But timing is a crucial consideration and the electoral cycle is key. The last Canadian foreign policy review was begun in early 2001, and was characterized at the time as a modest “update”.⁵⁸ The Chrétien government had been re-elected to its third mandate in November 2000 and was looking for fresh ideas.

With Lloyd Axworthy in the foreign minister role from January 1996, there had been some genuine achievements in the multilateral arena: the Ottawa Convention banning anti-personnel landmines, the establishment of the International Criminal Court (ICC) and the UN’s Responsibility to Protect initiative. However, the U.S. did not accept the ICC’s jurisdiction and the court’s proceedings were slow and inconsistent. Canada’s rhetoric about the responsibility to protect was contradicted by even its own reluctance to get involved in the messy internal affairs of other countries when it came to specific cases. And the commitment of resources to peacekeeping had actually declined.

The shift to a new foreign minister, John Manley, in late 2000, meant the timing was right to take a fresh look. The foreign affairs policy planning team at the time believed that the goal should be to achieve a better balance between the pursuit of interests and values, and between the use of bilateral and multilateral instruments. As an explicit proposal, it meant admitting that managing practical relations with the U.S. had to be Canada’s top foreign policy priority, with government spending aligned accordingly, rather than looking for new multilateral initiatives.

As a counter-balance, it also meant prioritizing other key bilateral, instead of mainly multilateral, relations in foreign policy. This included bilateral relationships with other G7 partners, the U.K., Germany, France, Italy and Japan, along with other emerging giants such as Mexico, Brazil, China and India.

The proposal to place Canada-U.S. relations front and centre failed to gain traction at the political level even up to the summer of 2001, not because the U.S. relationship wasn’t obviously important, but because the Canadian public would not necessarily want to hear it formulated so explicitly. After all, as St. Laurent had said: “It is not customary in this country for us to think in terms of having a policy in regard to the United States.”⁵⁹

The terrorist attacks of Sept. 11, 2001 changed that and demonstrated how thoroughly U.S. imperatives could shape Canadian priorities. The low-key foreign policy update suddenly became an urgent action item. Proposals for strengthening Canada-U.S. relations, including better management of the border, became top priorities, with the post-9/11 emergency security budget focused on precisely these measures. The U.S. invasion of Afghanistan drew Canada’s military into a major deployment of its own. Canada assumed the chair of the G8 process in 2002 and, at the U.S.’s insistence, delivered not only a counter-terrorism action plan, but also a \$20 billion

⁵⁸ The information in this section comes from first-hand involvement.

⁵⁹ Supra, note 11.



Global Partnership Against the Spread of Weapons and Materials of Mass Destruction. As its contribution to this, Canada itself committed an unprecedented \$100 million annually for 10 years.

Subsequent rifts in the Liberal caucus, which led to Paul Martin taking the prime ministerial role in December 2003, along with changes in foreign ministers, shifted the still ongoing foreign policy review to the back burner after that. It took several more years to draft, consult and, finally in 2005, publish the official documents. A Global Fund for Peace and Security was established as a key deliverable. But by then, the world and Canada had moved on. The new Stephen Harper government, which took office in February 2006, promptly shelved and ignored the review.⁶⁰

As for the current situation, Canada faces a similar timing problem for a foreign policy review, three years into the Trudeau government and less than one year from the next federal election. The renegotiation of NAFTA has been completed and, if ratified, has arguably already affected Canadian interests beyond any other policy initiative that might be conjured up.

The government certainly has the valid option of sticking with its current policies and waiting to see how events unfold. Yet it is open to the criticism that its foreign policy directions have not been subjected to broad public debate or a more comprehensive search for areas of improvement.

What foreign policy options might be considered?

If the government's ambition extends only to minor adjustments, there are certainly things that could be done, with or without a foreign policy review. Ideas left on the table after the last review include the creation of a special agency for trade policy along the lines of the U.S. Trade Representative (USTR), further improvements in Canada-U.S. border management and crossing facilities, the strengthening of defence co-operation, including ground-based ballistic missile defence, and the doubling of the Trade Commissioner Service to assist companies abroad and attract foreign investment.

However, the truth is that none of these will address the more fundamental problems in Canada's foreign policy. For that level of ambition, a foreign policy review would be useful. But it would only be truly productive if everything were on the table for Canadians to consider and debate, including the discontinuities outlined previously, as well as the fundamental connections between domestic and foreign policies. If such a review resulted in a conscious choice of even closer co-operation with the U.S., then devising a package of initiatives to strengthen relations would yield the benefit of driving improved policy coherence.

⁶⁰ Government of Canada, *Government of Canada Publications*, n.d. Retrieved from <http://publications.gc.ca/collections/Collection/FR4-4-2005E.pdf>



Figure 3: Minister of International Trade Diversification, Jim Carr, brought together a collection of Ministerial delegates from 13 members of the World Trade Organization on Oct. 25, 2018 in Ottawa. This meeting was generally seen as a preliminary step to restarting broad discussions on how to reform the WTO. (Source: The Canadian Press)

However, a review might also reveal that Canadians wish to reduce dependence on the U.S. The Trudeau government created a new Minister of Trade Diversification portfolio in July 2018, already seeming to signal its intention to move Canada away from its current level of trade dependency. However, such a move will require more than a change in ministerial title. It will require pulling off the delicate trick of preserving as much benefit as possible from the relationship with the U.S., while investing heavily in the conditions for its reduction in relative importance over time.

As the world's second largest economy, China is sometimes viewed as the key to diversification, but a free trade deal with China must be approached cautiously. First, the caveat implicitly requiring U.S. approval of such a free trade deal, under the USMCA, limits Canada's scope of action. More fundamentally, increased trade with China would bring a different set of problems, especially around security, human rights and democratic governance. The December 2018 arrest in Vancouver of Meng Wanzhou, Huawei's chief financial officer, in response to a U.S. request for her extradition, and the subsequent retaliatory detentions of two Canadians in China, illustrate just how exposed Canada is in the U.S.-China rivalry. It also demonstrates that, despite Canada's spirited defence of international law, powerful countries often play by different rules when their interests are at stake.

In any case, China will be less amenable to increased trade with Canada until the Huawei issue is resolved. Of course, China isn't Canada's only option for diversification. But any concerted move



in that direction would require a deep review of the policies necessary to achieve it, along with broad buy-in from the Canadian public and provinces.

In Conclusion

Foreign policy reviews are intensive exercises. They should not be undertaken lightly and shouldn't be begun at all if there is no appetite for real change.

The Trump administration's actions against NAFTA and the post-Second World War global order pose a profound challenge to Canada's foreign policy assumptions. While 9/11 drew the two countries closer together bilaterally, the Trump administration's moves have driven a wedge into the relationship. Whether it will endure into the future, no one can predict. In the meantime, global geopolitics are changing profoundly, as well.

In the end, the Canadian government can choose between two main options: it can follow its current path and only adjust foreign policy as necessary, while waiting out the Trump administration and hoping for more favourable successors, or it can try to set Canada on a new path. The first option has the benefits of being cheaper and less time consuming than a full policy review. It also preserves flexibility, though at the cost of ceding initiative.

The second option would require greater cost and effort, but there would be merit in looking for new ways to reset Canada-U.S. relations, perhaps even searching for some new leverage. This might mean options for even closer co-operation on border efficiency and security, as well as on continental defence, including a joint space force and ballistic missile defence.

Following the bruising NAFTA renegotiations, looking for ways to reduce our dependence would also be justifiable, not least because of the signal it would send bilaterally. Of course, the Brexit experience offers a cautionary tale; Canada cannot defy its geographic destiny. Reducing economic dependence on the U.S. even over a decade or two, though not impossible, would require a national project with costly and divisive elements.

In sum, Canada has arrived at an inflection point. Given the deep issues at play, a full foreign policy review would seem warranted, if not prior to the 2019 election then early in the new government's mandate. Given the country's historical evolution and today's geopolitical realities, Canada could only benefit from an opportunity to define and pursue its national interests more clearly and purposefully. Change is being thrust upon the country and Canadians should have a voice in how their government is handling it.

► About the Author

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