

# Rattled by Trump victory, Canada offers to renegotiate NAFTA

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11 November 2016

Canada's Liberal government responded rapidly to the election of the fascistic billionaire Donald Trump as US president, proclaiming only hours after the votes had been tabulated that it is eager to cooperate with Trump and his incoming, far-right administration.

Prime Minister Justin Trudeau quickly sent Trump his congratulations and in a subsequent phone call invited him to visit Canada at his earliest convenience. Speaking of his Wednesday evening conversation with Trump, Trudeau stated yesterday, "It was a brief call, but it was a strong beginning to what is going to be a constructive relationship."

In what the press is describing as a "goodwill gesture," Canada's ambassador to the US, David MacNaughton, announced Wednesday that the Trudeau government is prepared to renegotiate the North American Free Trade Agreement (NAFTA) if Trump so requests. Throughout his campaign to win the Republican nomination and then the presidency, Trump denounced NAFTA, vowing to scuttle it, if major changes were not made to it in favour of corporate America.

Said MacNaughton, "If they want to have a discussion about improving NAFTA then we are ready to come to the table to try to put before the new administration anything that will benefit both Canada and the United States and obviously Mexico also."

The rapid moves to curry favour with Trump could not conceal the fact that the outcome of Tuesday's election has been greeted with shock and trepidation by virtually the entire Canadian elite. Canada relies on the United States for around three quarters of its exports and has been Washington's closest military-strategic partner on the global stage for the past seven decades. There are deep fears that Trump will pursue a more protectionist economic policy by abandoning NAFTA and the prospective Trans-Pacific Partnership (TPP), while shifting away from the traditional military alliances, such as NATO, through which the Canadian bourgeoisie has asserted its own predatory interests.

The Trudeau government made no secret of its support for a Clinton presidency. Liberal officials were reportedly in regular contact with Clinton campaign manager John Podesta and other leading Democrats so as to offer advice on the campaign and discuss the agenda of a Clinton-led administration. But

Trump's victory forced an abrupt shift, with Trudeau and his government quickly pivoting to offer their support to what will be the most right-wing administration in US history. According to the *Globe and Mail*, Trudeau issued instructions Wednesday for Liberal MPs not to publicly criticize the president-elect so as to underscore his government's commitment to developing a close partnership with Trump and his administration.

MacNaughton revealed that talks involving Canadian diplomats and leading Trump campaign figures, including Senator Jeff Sessions, were held last month to examine areas for cooperation. Referring to NAFTA, he even raised the prospect of returning to the 1989 Canada-US Free Trade Agreement, NAFTA's predecessor, if Trump chooses to abandon the trilateral pact.

Increased US tariffs and a "thickening" of the border due to increased security measures—another Trump campaign promise—would roil the Canadian economy and badly disrupt the cross-border production chains upon which the auto and other manufacturing industries depend. A recent study by the Canadian government trade promotion agency, Export Development Canada, said almost 1 million jobs would be lost if NAFTA were to be abrogated.

Seeking to make the best out of a bad situation, and in response to the rise of economic nationalism around the globe, Canada's government has apparently decided to act preemptively on NAFTA. Its aim is to accommodate Trump, while also voicing corporate Canada's own demands for changes to the 22-year-old tri-lateral trade pact. MacNaughton signaled that in any renegotiation of NAFTA, Canada would be seeking "free trade" in softwood lumber, a perpetual irritant in Canada-US relations.

The Liberal government is also concerned about Trump's stance on climate change. Over the past year, Trudeau and Obama concluded agreements on "clean energy" with the goal of exploiting public concern over climate change to boost corporate profits through the development and use of renewable and clean energy alternatives to fossil fuels. Trump opposes such initiatives and this has raised doubts about the viability of Trudeau's plans to implement a carbon tax.

Trump's foreign and defence policies will have a major impact on Canada, whose military is closely integrated with the

US armed forces. Trump's "America First" policy and his sharp criticism of NATO allies for purportedly not pulling their weight in defence spending has caused consternation, because the Liberals recognize that there is no public support for the type of increases Washington is demanding. To meet NATO's target of military spending equal to 2 percent of GDP, Canada would have to double its defence budget to more than \$40 billion per year.

MacNaughton responded to questions on whether Trump would be pressuring Canada to hike military spending by emphasizing the Liberal government's willingness to mount aggressive military operations. "Some people, when they want to talk about defence, send their accountants out and we tend to send our soldiers out. I think," continued MacNaughton, "we have stepped up to the plate in terms of defence and NATO."

Indeed, under the one year-old Trudeau government, Canadian imperialism has continued to expand its already significant role in Washington's principal military-strategic offensives. The Trudeau government has expanded Canada's role in the Mideast war, by tripling the number of Special Forces deployed to Iraq; pledged 450 troops to lead an anti-Russian NATO brigade in Latvia as part of NATO's encirclement of Russia; and increased Canada's involvement in the Asia-Pacific region as part of the US-led drive to isolate and confront China.

The demand that Canada provide even more support for the US in its drive to assert global hegemony unites the US political and military-security establishments. President Obama, in his speech to Parliament earlier this year, urged the Liberal government to move rapidly towards enacting NATO's 2 percent defence-spending target.

To lay the political groundwork for military spending hikes, greater Canadian involvement in wars of aggression, and Canada's participation in the US anti-ballistic missile shield program, the Liberals are currently conducting a defence policy review.

Nevertheless, substantial sections of the ruling elite have welcomed Obama's and now Trump's criticisms, seeing them as a means of pressing the government to massively hike military spending and rapidly proceed with the "modernization" of Canada's armed forces, that is, rearmament. In response to a question about Trump's demand US allies shoulder more of NATO's costs, David Perry, an analyst at the Canadian Global Affairs Institute, told the *Globe and Mail*, "We've benefited since the Second World War from a whole number of co-operative arrangements with the United States on defence where the U.S. carries a disproportionate share financially."

More troubling from the standpoint of the Canadian ruling class has been Trump's ambivalence towards NATO, which is seen as critical for asserting Canadian imperialism's interests in Europe and countering Russia, including in the Arctic. The *Globe and Mail*, which fully endorsed the Democrats' right-

wing, anti-Russian hysteria during the election campaign, has repeatedly accused Trump of having ties to Russian President Vladimir Putin.

The Trudeau government's readiness to collaborate closely with the incoming Trump administration is a devastating exposure of its "progressive" posturing. In something of a contrast to the more confrontational tone being struck by some European politicians in the wake of Trump's victory, Canada's Liberals are going out of their way to pander to Trump.

Having made the deepening of the Canada-US alliance a key plank of their government, the Liberals are determined not to let the arch-reactionary, demagogue Trump get in the way. In this they are faithfully implementing the agenda of the Canadian bourgeoisie as a whole, which calculates that Canadian imperialism can only advance its rapacious global interests through a close partnership with US imperialism, the most aggressive and destabilizing force on the planet.

Although the vast majority of the Canadian bourgeoisie favoured Clinton, a small but important minority have welcomed Trump's victory, because of his advocacy of massive tax cuts for big business and the rich, privatization, and deregulation. Thus the *Financial Post*'s Kevin Libin penned a column titled "Cheer up, Canada, President Donald Trump just might be good for you."

Trump's victory has been welcomed by a large section of the opposition Conservative Party, which is currently in the midst of a leadership race to find a replacement for ex-Prime Minister Stephen Harper. Kellie Leitch, a right-winger who made her name in the previous government for her anti-immigrant positions, including calls for a snitch-line to denounce "barbaric practices," is promoting herself as the Canadian Trump. Leitch is advocating all new immigrants be screened for their commitment to "Canadian values."

Interim Conservative leader Rona Ambrose, who has sought to strike a more moderate tone, also embraced the Republican victory, noting that it paves the way for the revival of the Keystone XL oil pipeline project. Ambrose urged Trudeau, who also supports the project, to make its realization a priority now that it has the support of the incoming president, in addition to the Republican-dominated Congress.



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