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DISTINGUISHED LECTURE – AN UNCHARTED PATH: CANADA-U.S. RELATIONS IN THE TRUMP ERA

Bruce Heyman[†]

ABSTRACT: This is the annual Canada-U.S. Law Institute Lecture given by Bruce Heyman at Western University on September 24, 2019. The United States is withdrawing from its traditional role in the world, creating opportunities and threats for our allies and adversaries that we are just beginning to come to terms with. Bruce Heyman poses important questions for Canada in light of this: What are the implications if Donald Trump is re-elected and these extreme behaviors persist? How will this impact Canada and the values we historically held together? Will Canada move ahead without its next door neighbor - and if so, what are the risks that go with that?

So thank you, thanks for your hospitality and convincing me to make this journey to a town that of all the cities I've visited this is my first stop here and I'm really enjoying the -- the last couple of days. To the Dean, thank you for having this event here at the law school. And to the Canada-U.S. Law Institute, thank you again for inviting me.

Okay.

So today, um, I'm probably going to provocatively leave you with more questions than answers. But clearly that's my intent in this conversation today. So here's what I want to do to get started. We're going to do something that we generally don't do on a daily basis but we're going to time travel. So all of us, position yourself and propel yourself into the future now. And we're going to fasten our seatbelts and arrive one day after the U.S. elections in November of 2020.

Or should I say the re-election. Donald Trump is re-elected President of the United States.

Yup. He lost by 5 million votes but again won that Electoral College. People across the United States are stunned. Can't believe it. Many Democrats thought they had this one. They're depressed, and yet angry at the exact same time.

After a couple of dozen Democratic candidates for president, Democrats are kind of lost, looking for maybe a new path. We're a country divided. We were divided going into this election and now the stresses of the division will be exacerbated.

At home calls for impeachment rise once again. And this time the speaker is on board but the likelihood of the Senate convicting him is still quite small.

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Institutions in the U.S. government are under stress. They've been under stress but they're now crumbled as people who contemplated leaving in 2019 and 20 throughout the government stayed on, anticipating the government would have changed. Whatever damage you thought was done in that first term, well now the path is becoming more permanent. Thousands of U.S. government employees now preparing resignation letters. Many positions, like in the previous four years, will remain unfilled and those that are occupied will be occupied by Trump loyalists.

With defunding of government agencies, the functioning of many normal services will be delayed. To some it may even mirror the Eastern-bloc pre-Berlin Wall type of democracy. Bureaucracy. Capitals around the world, with only a few exceptions, are in shock once again. The first Trump victory was deemed an aberration, but now with the Trump re-election it's clear America is and will continue to be a very different place.

Several departments of the U.S. government will be effectively closed. One department that stands out most notably is the EPA -- the Environmental Protection Agency. After the previous year of dismantling environmental regulations from prior administrations, the Trump White House has turned over to corporations for corporate self-policing in the spirit of regulation reduction.

By the way, the White House also promises to continue to take funds from closed agencies and departments to fund that wall down at the Mexico border. You know, the President had promised Mexicans would pay for it. So this first new day, he decides once again to put tariffs on Mexico to help pay for that wall, kind of as a post-election fundraiser.

On the world stage, any hope of America's reversion to the global protector of liberal democracy, small L, small D, is dashed. No longer a strong guiding force for good offsetting the extreme, America has become the extreme in an inward-focused, xenophobic, unilateralist nation, and will continue along that path, unfortunately, for the foreseeable future.

The fall. Let's talk about that. So much of this second term, foreign policy will be focused on President Trump's life-long beliefs. You know those beliefs that every country in the world has and continues to take advantage of the U.S.A.

(Laughter).

Well we're not going to take it anymore, says Donald Trump. So specifically he begins to go back on his long-expressed concerns that trade is stacked against the U.S.A. and promises extensive new tariffs on the basis of national security. Oh he also declares NATO, any nation not immediately meeting the 2% spending of GDP on defence will either be kicked out of the alliance or we're going to slap some new tariffs on them so they can pay for it. Simultaneously the master deal maker, maybe even proposed Russia join NATO, especially after he successfully invited them back to the G7 at his G7 meeting at his resort.

(Laughter.)

Oil drilling will soon begin off the coast of Alaska in the Arctic. And the President proposes perhaps even additional drilling as a result of Mideast continued tensions -- maybe even in the Great Lakes, where he believes, with no scientific evidence whatsoever, that large amounts of oil exist.

Why should I even begin and have this conversation in this way? Why should we think this way? Looking into the future is really hard. Just forecasting the weather has its limitations. But predicting political winds are even that much more challenging.

Yes, in some ways this is completely hypothetical. In some ways it's extreme. But in other ways, it's entirely possible.

We can just imagine the ways of Trump re-election would impact climate, the environment, commerce, energy, military, intelligence, homeland security, international affairs. The list can go on and on and on. But here's the reality. Most presidents running for re-election for the last 100 years have won. Those that aren't re-elected have been due to weak economies. And I'm not rooting for that.

(Laughter.)

So all things being equal, which they never really are, but all things being equal, a Trump's re-election is a distinct possibility. What does that mean for our international relations and, more specifically, Canada?

Well we don't know exactly. But like fire drills in an office tower we don't believe the fire's coming but if it does I sure want to know what the plans are and where the exit is.

Today, here in Canada a federal election is underway and much of it -- much of a lot of things are appropriately being discussed, and of course most of its on domestic issues. Internationally, the important relationship with the U.S. while not -- not the smooth functionality of the Trudeau-Obama era, I think things are generally in better shape than they've been in over these last few years during the Trump government.

After navigating a renegotiated NAFTA and disposing of the inappropriate steel and aluminum tariffs on Canada, the Canada-U.S. relationship is generally working well. Clearly, the issues with China and how Canada has found itself caught in between these two superpowers continue to persist, but overall, given the range of possibilities, the relationship is in about as good a position as one could hope for. Especially relative to relationships the U.S. has with other nations around the world right now. But in the event Donald Trump is re-elected that balance will be tested. So knowing this possibility what types of things can Canada do to prepare itself?

The reality -- as I said at the beginning -- there may be more questions than answers. But I thought a realistic assessment of some of the many questions Canada may face would be a constructive way to have this conversation today.

When I became Ambassador, I set out in a speech in the National Gallery in Ottawa, a broad set of objective of my tenure covering various subjects. Trade, energy and the environment, cultural diplomacy, international affairs, and of course, the functioning of our shared border. So let's talk trade for a minute.

NAFTA. A revised NAFTA. That deal's not done yet. It may not get passed if the administration doesn't adequately address the problems that exist in this agreement. So if it doesn't get passed, what is the path ahead? The range of possibilities ahead is wide, but the most challenging path is that the U.S. withdraws from the existing NAFTA.

I know people who say ‘he can’t do that.’ Or, ‘not to worry, we’ll fall back on some previous trade agreement that we have or the W.T.O.’ But I think if the President does that, the uncertainty that he will create will indeed hurt the Canadian economy. In addition, global tariffs are generally a bad course. And the impact is affecting decision-making by businesses all around the globe.

Self-proclaimed “Tariff Man”, who said trade wars are easy to win, may indeed dial up trade wars and tariffs in the second term. Canadian businesses should game out these scenarios now and build in contingencies for both raising tariffs on non-Canadian goods but also potentially as well as new tariffs on Canadian goods. Or products like Uranium which was already debated on the basis of national security just a few months ago.

Finally, I think Canada has this really unique opportunity to go on offense. You see, Canada has several very large international trade agreements already in place: CETA with Europe, CPTPP trade with Asia. Canada may be better positioned on international trade given Trump’s behaviors on trade and tariffs than the US.

I think Canada should also continue to expand talented immigration and expand skill sets especially as the US is closing its door. You should keep your immigration open in your own way—in your own way but we’re in a battle. A battle of old economy vs. new economy. And in fact, the old economy jobs continue to be threatened. They’ve been initially threatened by low wages and low wage countries and moving jobs overseas. But now, automation is replacing jobs at an incredibly fast rate. Canada needs to stay focused on the new economy and if it does, it could find itself very well positioned for this next economic landscape.

Let’s talk energy and the environment—they go hand in hand—energy and the environment. We have to take into account the carbon impact and the environment and bring it together. But now we’re on a new and dangerous path that will only get worse as the administration continues to reduce or eliminate pollution standards in the United States. So in a world, where countries, virtually all the scientists, and millions of people recognize that climate change is real, the US Federal standards are continuing to get weakened and continue to potential put Canada in a very uncomfortable position.

Just look at the legal battle right now under way between the U.S. government and the state of California and the auto industry on mileage and pollution standards. Canada will be further challenged between the two worlds of carbon based and clean economies both at home and abroad.

Geopolitically, liberal democratic order of this post WWII, Canada has been a middle power and has always relied on being there with your big brother or might I say big sister, U.S.A, at your side. But a self-focused, xenophobic, isolationist president has left Canada to fend for itself. A perfect example of that is the retaliation and stress with Saudi Arabia leaving Canada alone fending for women’s rights and suffering the consequences. You also see it with China and the competition for implementing illegal extradition.

The question, the question you will have going forward will be how to handle future requests from the U.S.A. What if those challenges and those requests from

the USA challenge your values but line your pocketbook? How will you confront social injustice when the cost of doing so continues to rise?

For me, today, while the UN General Assembly is all together, a Canadian seat on the UN Security Council is more important than ever. See, the world is losing its defenders of liberal democratic order of things and I believe this increases the importance of having Canada's seat on the Security Council, but it probably makes it harder as President Trump may be more transactional in supporting who gets this seat. Canada, are you willing to transact?

And there's NATO. The second term, as I mentioned, Trump will probably force countries to make sure they spend at that 2% level or out. Or adding in Russia. But look, we have NORAD which protects North America. We have the Five Eyes, the intelligence community, and others areas of cooperation. Will these be dismantled? Are these going to be jeopardized? Or a breakdown, a result of the behavior of the United States just as the world moves ahead without the U.S.A in the Paris Accord or TPP. Will the world move ahead in these other areas? Will Five Eyes become Four Eyes without the United States because of the lack of trust of the intelligence community of the president?

Culture. Let's talk culture for a minute. Free speech will be under attack as fake media could move to fake everything. Especially if Trump doesn't like the narrative—it's just fake. So for me, I think of the artist and the voice of the artist through their work, that may be threatened. Movement of art and artists and media under threat at the US borders.

You see today, we're even seeing it today. Reporters being rejected to come to the US. Art being turned away because they think it is inappropriate because some border official is rejecting it. But tomorrow's border policies can get even worse. So when I arrived in Canada, people talked to me about the Canadian/US border in this term: thick vs. thin. If Donald Trump is re-elected, one has to assume they may thicken substantially.

What happens if individuals are further micro-targeted at the border because of race, because of religion, because of background? What happens if the US federal government does a crackdown on something? Maybe it's marijuana use. What happens if enhanced inspections are instituted? Heightened immigration fears in the USA will cause people of diverse backgrounds not to be admitted to the United States just because border officials may fear that if they come for holidays, they may not leave—so just not let them in.

But I think there's another thing that Canada needs to focus on and the real impact may increase migration northbound. Plan for it. Prepare for it. The American refugee. In light of news of what might happen if Donald Trump makes a threat to Canada for personal or political gain at the expense or the benefit of the country below, what will Canada do? We just have seen this with Ukraine and these issues. How should you handle this as a country? What happens if Donald Trump's international policies continue to impact Canada adversely à la China, other sorts of retaliation, or additional Chinese retaliation is directed toward Canadians? Many questions. Not easy answers. But Canadians need to prepare because this is a distinct possibility that this could happen.

Let's talk the economy. The path of things under Donald Trump and the huge opportunity for Canada I think lies ahead. See, back about a hundred years ago or a little more than a hundred years ago, the world moved from agrarian to industrial. We experienced rising wages, rising productivity, workers got new jobs. Next came corporate movement of jobs to lower cost labor markets so that started farming jobs out to the detriment of both Canada and the U.S. Those were the early days of the stress of NAFTA which unfortunately, is being portrayed in that way today. As he [Trump] says, "the worse agreement of all time."

But there still exists a world today where increasingly automated job replacement is taking place. But it is a world where highly skilled workers are increasingly in demand. So my recommendation to Canada in that world is to continue to focus on RND, continue to focus on immigration, continue to focus entrepreneurial activities, focus on education. In this new world, Canada should lean in aggressively. Again, I want to reiterate, position yourself for the new economy. It's here, it's happening and it's happening fast.

Relationships, we all have them. Friends, family, partners. Relationships are based on trust. That the same whether it's between companies or countries. Even when there are disagreements we have a set of rules in engagement. A set of standards. Laws, we're all learning laws. But what happens when one party doesn't respect the standards of interaction nor believes the laws pertain to them? Or to further complicate matters, what happens when one party plays by their own set of rules and yet expects you to respect the law? You have a breakdown in that trust.

This has happened between the Trump administration and institutions and organizations at home and abroad. And in a second term, relationships will be further tested and Canada, this relationship will be tested as well. You'll need to navigate very carefully and very creatively in a world like that. How you do this I think may be one of your biggest challenges.

So this discussion today is meant to be a first step, a reality check. Do I think Donald Trump is getting re-elected? Well, I didn't think he'd win in the first place.

(Laughter.)

So I'm making no assumptions here! Anything is possible. The lecture is a message to you. Don't be complacent. Prepare for a next Trump administration and the world it might create.

Back in the embassy I had a senior officer who worked with me at the embassy and when I first arrived, I came in and I said, "so, tell me about the challenges between the US and Canada." She looked at me and said "Sir, there are no challenges. There are only opportunities."

So as difficult as we, the United States, make it for you, Canada—especially if Donald Trump is re-elected—you will have boundless opportunities if you're willing to grab them.

(Laughter.)

Thank you.

(Applause.)

AUDIENCE MEMBER: If the U.S. economy slips into a recession or an economic crisis, how do you think the Trump Administration will react and handle it?

MR. HEYMAN: So for those of you who couldn't hear, let's talk about a potential recession in the United States. And then how will that impact the U.S., Canada, and what do you think Trump will do?

So let's break it down a couple ways. First of all, recessions happen. It's not if – we're going to have a recession. It's just a matter of when. It's part of the natural cycle of things. This cycle is particularly extended and it's longer than most, and part of that is the base in which we started. We started at such a low base section – the 2008-2009 economic crisis that took place.

So the first question that might be applicable here is, is that recession coming between now and election day or is that election coming *after* election day?

(Laughter.)

And I will say the following: I'm concerned about the next recession. I always get concerned about recessions because it impacts people and it's hard and, you know, stock markets decline, etcetera.

But in the U.S. let me just give you a few statistics that you can think about which give me unease as to how tenuous the economic is right now in the States. First of all, stock market's morale is huge, unemployment's near 50-year low, so we've got all that good news at the headline level. But below the headlines, the gap between rich and poor and the focus of where that wealth has been created – in the 10%, maybe in some cases really the top 1%, of the people in our country have gotten that wealth. The bottom end of the spectrum had not really increased their wealth at all throughout this last cycle.

In fact, the Federal Reserve has said that, you know, something more than 40% of Americans have less than \$400 reserved. 40%. Almost half the country has less than \$400. Recent surveys say that 78%, up from like, low 70s, live paycheck to paycheck. So just getting one paycheck, spending the money, getting the next paycheck.

And picture this. It really just happened, really, at the beginning of this year, when the federal government, the U.S. government, shut down as a result of a dispute between Congress and the White House. In two weeks' time, the U.S. government employees were at food loss. So it's a real stressful point where once we experience less, which happens in recessions, that things could get very, very difficult very quickly in the States.

The second thing is that private equity has blown way out of proportion in terms of valuations, and I think there's a lot of services that have been provided throughout the States even up here, through things like Uber and Lyft and delivery of food and goods, and We Work Space. All off that, all of those things have been done at a loss. You're buying all those services at below cost and these companies have been able to exist, been able to fundraise, both in private equity, or debt markets, or equity markets, but they keep operating at losses. I think in a recession those companies are going to be under stress. So they're either going to raise prices or go out of business because you can't keep operating at a loss, especially if you lose your sustenance, the capital, that's coming in.

So the Federal Reserve has very little room to keep lowering rates. Rates are really low. Congress has very little room to spend a whole lot more money because we're running huge budget deficits. So the cushion is not there. You know, like a squirrel saving nuts for winter – we're actually eating all of the, you know, the nuts and when winter comes it's going to be a lot more challenging.

And the world is slowing down quite a bit right now because of these tariffs. Businesses can't make economic decisions, so we're seeing numbers in Germany throughout Europe, Japan, Asian, China – everything's slowing down.

What's keeping the U.S. a-prop is the U.S. consumer. We spend a lot of money. 70% of the economy is consumer-based, and so it's still being propelled and lowering interest rates are doing it. The President is screaming for a couple of things. He's screaming at the Head of the Fed to lower rates a lot, like keep lowering, because he sees the slowing happening. So he's trying to get interest rates even lower.

The second thing is he's throwing out ideas of cutting taxes again even though we're kind of like, tax cut out. He's trying to find ways to stimulate things. He may actually come up with an idea for big expenditures. Big government expenditures next year. But I don't know if Nancy Pelosi and the Democrats are going to go along with all that and big infrastructure projects take a long time to go. You can't just like, wake up, let's spend a trillion dollars on infrastructure and you know, it takes a long time to build roads, bridges. You've got to get permits, you've got to do analysis.

So we're going to have a recession. I'm worried it's going to be really difficult. The tools in our toolbox are diminished. Not completely gone. And you guys saw 70 plus, close to 75% of your exports go to one country and that country is the United States. So you feed into it. Some large portion oil and gas, some large portion autos, and other things, and so you'll be impacted by it and you should prepare for it as well. Because as the U.S. will go I think the Canadian economy will, you know, you can't avoid it, you're just too linked together as two economies going together.

Historically, I would say Canada has not gone down or up as much as the U.S. economy. Like if the U.S. did this [gesture of tall wave with hand], Canada's always like this [gesture of small wave with hand]. I think personality-wise it's like that too.

(Laughter.)

I would say, though, I think you need to really work hard on, you know, save some money. Be prepared. Understand the path that may lie ahead. Sorry for the long answer but it's something that I am personally concerned about.

AUDIENCE MEMBER: You mentioned drilling for oil off Alaska and the Great Lakes...But I'm wondering what you think the President's endgame is with respect to energy movement between Canada and the United States. We're having our own problems with pipelines as you know, but it seems that he blows hot and cold in terms of whether or not the pipelines are going to come across or not.

MR. HEYMAN: Figuring out how Donald Trump behaves or believes on a given day is really challenging.

(Laughter.)

I think in general his number one goal is, you know if you listen to some of his speech today in the UN, he is all about U.S.A., U.S.A., U.S.A., U.S.A., U.S.A. He doesn't think multi-lateral, he doesn't think bi-lateral. Everything is a product of what's just driving home. And so he's fracking, and drilling, and going, and looking everywhere for energy. That all being said, I believe the energy component for the United States is deeply dependent upon our imports from Canada – energy from all sources.

I think that the recent military activity that took place, the attack from Saudi Arabia that took place, demonstrates the security of our energy as a result of our relationship with Canada. And I think I'm, you know, I'm appreciative of that. I gotta believe that the people around him, especially the large money donors to his campaign, which are very energy-based, at least some segment of it is, that they're going to be proponents of the U.S.-Canada energy relationship and continuing to grow it.

The challenge, then, is the people on the ground. New faces here in this country, with regard to pipelines. I mean we have dozens of pipelines between Canada and the U.S. It's just the new incremental pipeline, when you call somebody and say this is, do you believe in it, some parts of the country go, "sure, I believe in it." "Great, it's going through your yard." "No, no, I don't believe in it that much."

(Laughter.)

And so it's this new need, 'not in my backyard' exists, you know, everywhere. I think people in concept are much more favorable for different things as long as it doesn't directly impact them. So where are we? We're highly dependent on Canada for energy. We continue to assume it. I think, though, the path ahead for fossil fuels is, regardless of whatever the Trump Administration is doing, is declining. And will continue to decline over time as alternative energy source become cheaper and cheaper. I think you've got to prepare for that. But there's a short-term, medium-term, and long-term gain for energy.

The short-term game is this is still, you know, we're still using it. I still took a plane here, a car here, still use fossil fuels, and I don't see that changing anytime really soon. The problem with a pipeline, or some of these other big infrastructure projects, are that they hope to get paid back over 30, 40, 50 years. Well, I think in the fossil fuel business you can see how five and ten—beyond ten it gets more challenging. And so, you know, that's the issue of where we're going to allocate capital to build things new, and I think that may be a bigger part of the equation than the permissions that would be granted to put these pipelines in. These are expensive and who's going to allocate their capital to do this if they think it's going to go away and the product's not going to be there anymore.

It's kind of like, you know if I went around a few years ago and said I've got this great idea, we're gonna put in more Blockbuster locations all over the country.

(Laughter.)

And we've used videotapes for a long time, isn't this a good idea? You're like, "I don't think so. This new technology may be putting them out." You know, it may very well be that the oil and gas industry is the Blockbuster equivalent. But I don't know the timeline. If I knew the timeline I could give you a better answer.

AUDIENCE MEMBER: I listened carefully to your presentation and appreciate you very much. I particularly like the topic of the NAFTA agreement that you mentioned a couple times, as well as the CVT. But I think you have not mentioned CETA, which is the Canada European Union Trade Agreement which came into force in 2017. I would really appreciate if you can maybe give a little bit of those kinds of political positions of the U.S. towards that Canada-European Trade Agreement.

MR. HEYMAN: So the President thinks in really bilateral terms. He has a really hard time, and we've finally been able to get to this new NAFTA on trilateral terms, but he's really having challenges on a multilateral basis. He doesn't operate that way. Either he thinks we're getting taken advantage of, or...

So remember he got out of Paris, he got out of TPP, he-you know, really the Iran deal was a multilateral deal although it was Iran, but a lot of European countries in the U.S. were all involved in this. He just needs to, he's talking now "I'm gonna do China alone. I'm gonna do Japan alone. I'm gonna do each of these deals, one-off deals." And he doesn't think about the collective. That's harder when Europe operates as a collective. So his answer, instead of saying, which he talked about today, he said "Britain leaves, we'll do a deal with Britain." Hello, you've got all the rest of Europe sitting there. What about that? Why don't we talk about doing a deal with Europe?

He can't do it. I just don't think they operate that way. And I think as I mentioned in my remarks, I think that's the competitive advantage that Canada now has. That you now have these two deals – you basically have the world map now, of where you can do trade. So a company that comes to Canada can actually export to the entire world, especially if NAFTA is done. I mean, you're gonna have most of the economy of the world. You've got Europe, you've got Asia, you've got this [gestures]. I mean, I would take advantage of that. As a country I would continue to lean in, knowing, of course, that the U.S. is not entering TPP, says the President, the U.S. will not do CETA. The U.S. is going to be left out of most of these big deals. And again, I think that's a competitive advantage Canada has on the U.S. now, and if there's a Trump re-election, I point out that that's a big opportunity for the country.

AUDIENCE MEMBER: I'm just wondering, in your own opinion do you think that the private-sector development agreement that he recently made with Brazil, was in good faith that this was going to be a good agreement with the Amazon?

MR. HEYMAN: Who? He, Donald Trump?

AUDIENCE: The U.S. Mike Pompeo and Brazil's Foreign Minister.

MR. HEYMAN: I'm not deeply steeped in that specific agreement, but I will tell you that I worry about the word trust and reliability. That what good is an agreement if you enter an agreement and you don't trust the party to abide by the laws of the agreements that you work on?

And I think that the biggest indication of concern for me, was when we had just signed this North American new deal, and it was just signed, and then the President says, "I'm gonna put tariffs on Mexico." On the basis of immigration. And what he's done is he's weaponized, now, economic tariffs that were used only

for economic outcomes, historically, he's now weaponized those. And so then the answer is, "well, how do I rely on and trust you?"

Interesting thing that's happening, just a side note, you've got Japan, where he is saying that "I'm working on a trade deal." He, Donald Trump, is saying I'm working on a trade deal with Japan. The word out over the last couple of days is Japan is saying, "okay, we can do this interim deal but I want a guarantee you're not going to tax my autos." And I think it's an impediment for the guys to say, "well wait a minute, I want to be able to tax your autos."

Well, that's the great thing that your sitting Prime Minister actually got accomplished. He slipped in that letter that basically said Canadian autos would not be tariffed, and he had it as part of the deal that was signed. It went into effect immediately. Even if the trade deal doesn't pass in the U.S. he's got this deal with Donald Trump that the Canadian autos aren't going to be tariffed. And so I think the Japanese are going, "I want one of those."

(Laughter.)

Right? "I want one of those?" Which is effectively putting a squeeze on the President. And so the question is will they do the deal with Japan? If he does the deal will he give the auto exemption? That's his big threat tool out there, I mean, it'll be fascinating to watch.

I-I don't trust him. He lies every day, he puts people in different positions. So I have a hard time trusting his deals and because you know he hasn't demonstrated that he lives by his word, and so that's my challenge. Brazil or not.

AUDIENCE MEMBER: Yeah, that was my concern. Particularly with this point with climate change, and it being such a – dominating the world stage at the moment. And he's making deals to invest in the Amazon.

MR. HEYMAN: He doesn't believe that climate change is a man-made condition.

AUDIENCE MEMBER: Exactly, so to respect the Amazon, and start exploiting land and people.

MR. HEYMAN: It's pretty sad what's going on there.

AUDIENCE MEMBER: Hi, my name's Connor. So you mentioned the Iran deal, you talked on Saudi oil rigs...So, I guess, now with U.S. troops going into Saudi Arabia, pulled out, I'm wondering about the potential for conflict. Is a precondition for the tensions cooling between the United States and Iran a new president? We hypothesized about a Trump re-election, so I'm wondering, perhaps, what your thoughts are on how the Iran-United-States relationship will proceed if he's re-elected.

MR. HEYMAN: So the President has this perverse approach to things, of, you know, it was like when we were doing health-care: repeal and replace. It's, you know, kind of like if you need to go to work every day and drive your car, but I'm going to take your car but don't worry I'm going to get you a new car *some time*. You're like, "wait a minute, on Monday I need to get to work."

He has this mentality, so he's used that mentality with abrogating agreements all around the world. So instead of going in on Paris, and saying you know, let's fix Paris so it fits for me, for me, the U.S., or wherever we are. By the way, I think

the U.S. is actually meeting the standards for Paris right now even though he said we're getting out.

But TPP he's gotten out, Iran deal, he's getting out. And he's not – he's like, "now we'll work on the replacement." So it puts the U.S. in a very difficult negotiating place and creates a lot of havoc. And so I think, had you taken the position I don't like the deal we have with Iran currently, so I'd like to come in and sit down and here are the things that I'd like to get corrected. Let's all work together, Europe, and the Middle East, and come together, and if we don't, here are the various outcomes that will happen. And I'm going to put these in place if this doesn't happen. That's very different than "I'm out. Now let's do this. By the way I'm slapping sanctions on you, by the way I'm squeezing I'm squeezing I'm squeezing you", which is forcing them to respond. You squeeze somebody hard enough, they respond. You punch somebody, eventually they're gonna punch you back.

And you think that this whole Iranian move came out of the air, like he's like, "wow, Iran's really acting in a bellicose way." Well, you've been squeezing them economically so hard that they're going to have to do something otherwise the economy is going to fail and there's going to be anarchy domestically. I think we're playing a very dangerous game right now. Very, very dangerous. It's like a President who's flicking matches in the dry woods and, you know, is it going to catch on fire? I don't know, but it's getting more and more dangerous as the days go on.

I'm for diplomatic conversations and working together and finding paths, you know. In the John F. Kennedy's book *Profiles in Courage*, he talks about the word compromise. Compromise isn't equated with weakness, it's actually a strength. And we've got to find paths to compromise and find paths to win-win, as opposed to keeping us in an I-win you-lose mentality. So if I'm gonna win you gotta lose.

I think the world is better off in a time where the U.S. wins and the counterparty wins simultaneously. But he's not of that mindset. So I don't know where it goes and that's the uncertainty that causes the anxiety of where we are. And especially I think he's emboldened because we have so much oil in North America now that we don't, we're not beholden to it in the same way. Which should be another reason why we're not messing around there to begin with. But unfortunately, we are.

AUDIENCE MEMBER: Can you comment on the relationship between Trump and the administration's policies with the judiciary. And the tensions that has resulted from them.

MR. HEYMAN: As a result of?

AUDIENCE MEMBER: His policies like, separating families, or bans on certain groups.

MR. HEYMAN: So the judiciary is not a monolith. We think about it may in this one way, but the judiciary in and of itself is made of individual judges and courts. And you go to a court and you ask for an opinion, especially if you think something's wrong and you bring a case against somebody. What he's been doing is very rapidly replacing judges or nominating, putting positional judges that follow his philosophy and his party's philosophy to an – almost to an extreme,

whether it's at the Supreme Court or on down. And so the relationship should be professional but not linked, right? We should have three distinct separate branches of government that all act, you know, independently, but work together in running the functioning of our government.

But he's trying to stack the courts, he's working very hard to do this with his accomplices in Senate. And so I think that there's still some courts, California district courts, and so forth, that still have more liberal bias, overall. That are protecting some of these rights and doing these things. So it depends where you know, cases are brought. And so people kind of are very careful about where they bring various cases and how those come about.

So just think 'the courts' have very different sets of outcomes. But if he gets a second term it will dramatically change the footprint. We're already doing that, but you will dramatically change the footprint of the court system of our country. And remember many of these appointments are for life, and he's appointing a lot of fairly young-ish – everybody's young to me –

(Laughter.)

– young people and so the impact could be profound for a second administration.

AUDIENCE MEMBER: Thank you for your thoughts...I was wondering if you could talk more about your response to Trump's speeches and to his approach to the UN in general and his resistance to the collective.

MR. HEYMAN: You know, I didn't hear all of his speech, and so, but it's clear he used the tone, "Looks it's about me, and me being the U.S." It sounded to me like a campaign speech, almost like setting up for 2020, with the exception of very distinct messages to China and to Iran. But aside from that, it was all about, you know, protecting the unborn and you know, I'm going to – you know, his views of the border, and what he can do. And I'm always fighting for Americans and all of us will always fight for our people first, and he used language that sounded very campaign-esque to me. Which isn't a surprise, because it was probably written by a lot of people who have, you know, desires for him to be re-elected.

I do think, his strong-tone on China – it'll be interesting how they received that. China, which I don't think he fully appreciates, is in large part about how they want to save face and not be embarrassed in the process of you know, relationships and standing, etcetera. And I think you can get a lot done if you could do it quietly. That's not his style. To stand up on the world stage at the UN, and to take a stick and wack around China the way he did – I don't think that's constructive to reach a larger deal and the question is, what – you know I absolutely think China, Iran, others, have the President boxed in because of the way he approaches thing. So it'll be interesting to see how each party wants to play him right now, knowing he's so focused on his re-election.

AUDIENCE MEMBER: Obviously Canada's really close relationship with the U.S. has been advantageous in a lot of ways. You mentioned there's a lot of opportunity there. But I was wondering at what point does that asset sort of become a liability, particularly with a Trump 2020 possibility, as the U.S. increasingly demonstrates no regard to the rule of law – both international and domestic...At

what point does it actually hurt Canada to be so immensely interconnected with the United States.

MR. HEYMAN: So I think that's the big question for you as a country, as you watch these behaviors and as they get, you know, more and more exaggerated. I can't tell you what that is and what point do you put your values above, you know, other outcomes. As I said, your values and your pocketbook may go in conflict, going forward. And, you know, is it all about jobs? Is it all about selling product? Is it all about that? At the same time, you may find yourself stepping into a place – a dark place, from a value perspective. Or are you willing to sacrifice some part of that, you know, threatened relationship to stand up for your core sets of beliefs.

I think that will define the country going forward, if in fact we get a second Trump Administration. I think it's a defining time for the country. You're a middle-sized power in terms of economic, military, size, everything – but you had outsized influence on the world stage promoting this liberal democratic order of things because you've done this in partnership with their neighbor. And we've done this together and you've had the support of the United States all along the way even if there are policies that we disagree with.

We have, generally, been in agreement regardless of Democrat, Republican, conservative, or liberal, we had certain ideals that we promoted – that small L and small D level Democratic order of things. If that then is in jeopardy, which it is right now, if it continues along that path, what is the path that Canada wants to take for yourself?

And the purpose of this conversation today, is to spur those conversations that you have to ask that now and, you know, you're better to be proactively thinking about the possibility of this happening as opposed to just getting surprised, and be in scramble mode trying to deal with the fact that it's happening and circumstances around it then start whirling away every day coming at you. Your ability to operate strategically may be limited at that point. You're just tactfully responding to the U.S. and I think that would be a bad place to be.

I'm hopeful. Look, I'm gonna work really hard to make sure this doesn't happen. But I'm also cognizant of the possibility of this happening.

AUDIENCE MEMBER: Which Democrat do you think has the best chance of defeating Trump?

(Laughter.)

MR. HEYMAN: Well according to polls, any person walking in the streets could defeat Trump but I'm not sure that's accurate. It's way in advance, more than a year away from where we are. Tell me where the economy is, tell me what actions he's doing, tell me what he's doing in terms of abusing our relations internationally, what he's doing on guns, what gun violence is taking place domestically at the time, treatment of women and minorities, and where we are. You know, I think there are different candidates based on that environment actually. I'm all for this process that we're going through. It's painful and long, different than Canada with people you know, you have to just understand your parties select who the leader's going to be and that's what you get.

You pick, you know, whichever party – your choices are the Liberal Party, Conservative, the NDP, Green, this is it. This is your weird universe. For us, we

pick the person who's representing the party. Now there's something big move afoot in the U.S. that Trump feeling threatened in some way in his primary system, he's basically shutting down the primaries. So the selection process is changed. Maybe looks a little more like the way you guys have done it here, and the party just picks the leader and that's the way it is, as opposed to the people. So I will vote for anybody who runs against Donald Trump. That includes if there are any Americans in this room. I will vote for you if you decide to run.

(Laughter.)

I mean in all seriousness I think that, you know, we have elected somebody who I don't believe thought he would win. I think found himself in a position. He is being the extreme of himself and I think that it's causing such great damage at so many levels. But I think this damage during four years is repairable. Eight years is more permanent.

I meet with many of these candidates. I say "good luck, keeping going. If you're the nominee I'll be there with you."

Last question, go ahead!

AUDIENCE MEMBER: If this possibility of Trump 2020 takes place, do you feel that our current Prime Minister is prepared for all those possible worst case scenarios?

MR. HEYMAN: I'll tell you what. As the former U.S. Ambassador it would probably be inappropriate for me to dive into your election at this time.

(Laughter.)

I'll let Canadians decide.

(Applause.)

I just, think, you know, it's more important that the U.S.-Canada relationship is strong. And whoever occupies 24 Sussex, albeit it isn't occupied right now, but whoever occupies 24 Sussex or the White House, my goal is to promote the U.S.-Canada relationship. The reason I'm taking the position I am so strongly against the President, which I never would have done in a post-Ambassador role...I'll tell you my thinking, which we can then bring this together.

So two things. In the United States, the term Ambassador and the title, different than Canada, is for life. So I get this title for life. I think that comes with responsibility and I owe something back for that.

Secondly, when I swore to preserve and protect the Constitution of the United States against enemies foreign and domestic, when my term is over as Ambassador, you don't, like, swear out.

(Laughter.)

You take an oath. I feel that today I am still under that oath. And I feel some of the things and many things he's doing, and saying, and the way he's operating, is a threat to the Constitution of the United States of America. And thus I am taking a perhaps significantly bolder step than a Former Ambassador would ever take and putting myself way out there in trying to do what I can to tell my best friend in Canada, "hey guys, this is bad. And it could get a whole lot worse, so I'm here to help the relationship going forward and back at home I'm working hard to try and find paths to tackle the damage, fixing the damage he's doing, as well as making sure he doesn't do any more."

With that, thanks for taking time out today.
(Applause.)