

2023

Journalists' Rountable

Diane Francis

Alex Panetta

David Schribman

Todd Spangler

Follow this and additional works at: <https://scholarlycommons.law.case.edu/cuslj>

 Part of the [Transnational Law Commons](#)

Recommended Citation

Diane Francis, Alex Panetta, David Schribman, and Todd Spangler, *Journalists' Rountable*, 47 Can.-U.S. L.J. 36 ()

Available at: <https://scholarlycommons.law.case.edu/cuslj/vol47/iss1/5>

This Panel Discussion is brought to you for free and open access by the Student Journals at Case Western Reserve University School of Law Scholarly Commons. It has been accepted for inclusion in Canada-United States Law Journal by an authorized administrator of Case Western Reserve University School of Law Scholarly Commons.

JOURNALISTS' ROUNDTABLE

Mr. STEPHEN PETRAS: I'm Steve Petras, the United States National Director of the Canada-United States Law Institute, and it's an honor to welcome everyone here to our 46th annual conference. We're going to start off right away with some introductions to the Co-Presidents of our Institute. First, Michael Scharf, Dean of Case Western Reserve University, School of Law, and Erika Chamberlain, who is the Dean of the University of Western Ontario's law faculty. Michael.

DEAN MICHAEL SCHARF: Good morning, everybody. Wow. CUSLI has delivered a fine morning for a wonderful conference in a beautiful venue. So, here we are at the botanical garden, one of Cleveland's gems. It is completely open to all of you, and so when you're taking breaks you should explore both the inside but especially the outside. It's going to be a gorgeous day, especially in the morning, and all the flowers are in bloom. The last time we were here for a CUSLI conference, we were celebrating the challenges of climate change and it snowed. Same date. So, now we're exploring the challenges of interconnectedness and hoping for a spring in economic relations and so we have spring outside.

Well, as Steve said, I am Michael Scharf. For the last 8.5 years, I've been the Co-Dean of Case Western Reserve University School of Law, but before that, I was the Associate Dean for Global Legal Studies, and before that, I had Steve's job as Director of the Cox Center. So, I've been involved with CUSLI for twenty years. And one of the reasons I was brought into this and fell in love with this organization was Henry King. And one of the things that Henry would do as he organized and opened every conference is he'd ring this old bell, and it was old even back then. We're in our 46th year; I'm sure this was old even 46 years ago, but it still rings. So, without further ado, let me ring in the 46th Annual CUSLI Conference.

So, I think most of you were here last night. Raise your hand if you were here last night. Alright, so I'm not going to repeat any of the things I said last night. I'll just summarize for you that one of the wonderful things about being the Dean, and Erika Chamberlain who you're going to meet in a second is my partner in this, is that we are appointed *ex officio* as the Co-Presidents of the Canada-U.S. Law Institute. And we get to work with a wonderful executive committee that Erika is going to introduce to you in a moment and they are the glue that makes this all work. They are the people who are bringing forth Henry King and Sid Picker's legacy and making CUSLI a better and better conference and a stronger and stronger institution every year.

Last night, I began with a land acknowledgement. I'm not going to do it again, but I do want us just to take a moment and realize that this gorgeous land that we're on, we're just passing through. It has been here for millennia and there were thousands of people, hundreds of generations before us, of tribes, Indigenous people, immigrants, and others who have made this place the beautiful venue that it is now. And not all of the history is wonderful, as we know; and that's part of why you do a land acknowledgement to understand both the good and the bad of the past. The other thing I do want to do is point out that in your programs, you

have a list of our co-sponsoring organizations, and they have really stepped up this year, and I think that's also in large part due to the members of our executive committee who reached out to their friends and their institutions and helped us bring in the money that makes this conference possible. Together, with the live conference, we are also remote; we have about double the number of people watching us through the media sphere as we do have in this room, and we also will be producing the Canada-U.S. Law Institute Journal. You should have before you copies of last year's Journal. These are free; we want you to take those home. Every year we make enough of those so that we can give those out at the conference. Alright so, without further ado, I would like to turn it over to my partner, Erika Chamberlain, the Dean of Western Ontario Law School.

DEAN ERIKA CHAMBERLAIN: Thank you so much, Michael for that kind introduction. So, on behalf of the Canadian partner of CUSLI, it is my pleasure to welcome you to this annual conference. As you may know, CUSLI is a long-standing partnership between our two universities, and I'm delighted that it continues to thrive the way that it does. I'm thankful that the hybrid format this year has made this conference more access to an audience in Canada and across the continent.

For those of you who may not be familiar with the University of Western Ontario, Faculty of Law, or Western Law as we like to call it, we are located in London, Ontario which is one or two hours from the border, depending on which bridge you happen to cross. Western University is located on the traditional territories of the Anishinaabek, Haudenosaunee, Lūnaapéewak, and Chonnonton peoples on lands connected with the London Township and Sombra Treaties of 1796 and the Dish with One Spoon Covenant Wampum. So, that's the land upon which my university is situated. Western Law has a strong and growing group of international law researchers, including experts on trade and conflict of laws as well as a strong international law internship program that allows our students to get first-class experiences in offices of the United Nations, the WTO, World Bank and a range of international organizations. We're pleased as well that we can continue this strong relationship in terms of international law with our partners at Case Western.

Western Law also hosts the Canada-U.S. Law Institute's Annual Distinguished Lecture, here in London and that features leading diplomats, academics, journalists speaking on topics related to Canada-U.S. relations. Just this winter, we hosted Michael Adams, President of Environics who spoke on the topic "American Backlash, Canadian Compromise". We also host several events geared to students which compare Canadian and American approaches to issues like cannabis legalization, law enforcement and of course right now, COVID protections as well.

I'd like to take this opportunity to thank the members of CUSLI's executive committee for their ongoing leadership and for helping to assemble the fantastic lineup of speakers we have for you today. In particular, I would like to acknowledge our U.S. National Director, Stephen Petras; our Canadian National Director, my colleague, Chi Carmody; our Managing Director, Ted Parran; Program Director Steve Paley; our Executive Committee Co-Chairs James

Blanchard and Jim Peterson; and all the other members of the Executive Committee from both sides of the border, and of course all the broader membership who make up the CUSLI family.

I'm delighted that you've joined this conference today on supply chain challenges, which I know are top of mind across our two nations. We have some outstanding speakers presenting today and I think you are up for some very stimulating discussions, so without further ado, I will turn it back over to Stephen Petras to continue with the program.

Mr. PETRAS: Thank you, Erika and Michael. We are going to start off today. First item of business, we lost one of our stalwart, long-standing members of our Executive Committee, Dick Cunningham. And here to do a tribute to Dick is one of our Executive Committee members, Larry Herman. Larry?

Mr. LARRY HERMAN: Thank you, Steve. Last November, we were all shocked to learn of the passing of Dick Cunningham, who for years had been a stalwart supporter of this organization and a member of the Executive Committee. He was a fine lawyer, an outstanding counsel, a great friend and colleague, and I think it is very fitting that we pay tribute to Dick and his memory at the opening of this conference. We miss him greatly. We miss his counsel, his wisdom, and his dedication to everything that this organization stands for; and that is bringing together Canada and the United States in a major way. So, I just want to say how much we do miss him and pay tribute to his memory as we open this session of CUSLI. Thank you.

Mr. PETRAS: Now, we have a very special treat to start off our conference. We will hear remarks from the newly appointed United States Ambassador to Canada, and here to introduce our Ambassador is a former U.S. Ambassador, Jim Blanchard. Many of you know Jim Blanchard, but I wanted to just point out some very interesting facts about Jim. He's been a long-standing member of our Executive Committee, he is the Co-Chair of our Executive Committee, he is a former U.S. Congressman from Michigan, former Governor of Michigan, and a former Ambassador of the United States to Canada. And one thing that is very interesting; is he was elected Governor in 1983 and he faced a \$1.7 billion budget deficit when he started. And he managed at the end of his first term to bring that down to a balanced budget, and the people in Michigan loved him so much that he was re-elected with the largest margin in the history of the state of Michigan as Governor. Then of course, he went on to do other great things, highest of which is to join CUSLI. Jim?

THE HONORABLE JIM BLANCHARD: I accept your nomination for - I don't know what it is! But anyway, Steve, thank you for your leadership. Dean Scharf, Dean Chamberlain, thank you for all that you do. I'm really delighted that we have students here. Students, please raise your hand, please. You are going to hear some really good speeches, actually. Of course, you are used to being talked to all the time, but we are delighted you are with us. I also want to thank our Executive Committee members; they have all been great. Jim Peterson, my partner- I do not know if Jim is watching - probably watching this from his farm in Ontario - but he's been a delight to work with for many, many years. And by the way, congratulations to Diane Francis for your award last night, to David

Shribman for his award. We are glad that you have been so helpful to our organization and to the cause of Canada-U.S. issues and relations. Joe Comartin – that was the first I heard that you are actually going to leave your post. Are you going to retire and travel or are you going to go off and run for Parliament again? What is going on there? You have been a fabulous partner to the states of Michigan, Ohio, Kentucky and Indiana, so thank you for everything you have done. He's been managing a lot of different issues, including our favorite, the Gordie Howe Bridge, but there is also Line 5, that will be discussed later in the program. Joe, you have been fabulous and a personal friend of mine as well, so you are going to be missed, but the good news is you are right across the river from me; that Detroit-Windsor connection has always been the cradle of cooperation, really, between the U.S. and Canada. I also want to acknowledge Rick Newcomb my partner, he can't be here. He is an expert in sanctions, and his legal work has been going on and on. He is working more than 24/7, but he is the reason why DLA Piper is a platinum sponsor. But he does not even have the chance to enjoy this conference today. I hope he is watching some of it, but I don't know that. I hope he is. He'll let me know through email.

Also, with our State Department is Russell Singer, I am glad you are here. We hope you will chime in wherever it is appropriate. He is at the Canada desk, which is really the most important desk, as far as I am concerned, in our State Department. I am going to say a few things because we really are honored to have the new U.S. Ambassador to Canada, David Cohen, who is about to speak and give us a greeting. I will tell you this, having served in that position, you may think it is just parochial observation but actually, the position of U.S. Ambassador to Canada is our most important Ambassadorship. It is really the busiest; you get to deal with every issue. It's true that London and Paris and sometimes Rome have a social cache more than perhaps in Ottawa, but on the day-to-day business, the relations between our two countries are so multi-faceted and so complex and so important that that's why our embassy in Ottawa is the busiest. You can deal with everything from space stations to alien smuggling to Great Lakes water quality to energy, trade, NATO issues, it's the gambit. And being Ambassador to Canada is a fascinating blend of politics, government and diplomacy, and you are dealing with domestic issues as well as international issues. You just think about the agricultural issues and the arguments over softwood lumber, it's really an incredibly challenging, important post.

In your material is the bio of David Cohen, our new U.S. Ambassador. It doesn't tell you the things that I think are even most important. You will read that he has been a top executive at Comcast, which is like Rogers Communications on steroids. He has been a leader in communications; he has been effective with our government, our Senate; he's a partner at a major law firm; he was a key advisor and Chief of Staff to Ed Rendell, who was Mayor of Philadelphia, later Governor, later Chairman of the National Democratic Party; he has been a leader in the University of Pennsylvania, chairing their Board of Trustees. He has done an enormous amount. but the thing I like about David Cohen is he is a veteran politician. He understands issues, he is the person that can handle this job that is a blend of government, politics and diplomacy, and most importantly, he is a very

close friend of Joe Biden's, really close. A lot of people have known Joe a long time, including myself, but there are very few who are almost like family to President Joe Biden. As a matter of fact, Dave Cohen had the first fundraiser for Joe Biden when he ran for President. Not only that, but Dave Cohen has had bipartisan support in almost everything he has done. He was confirmed unanimously by the U.S. Senate, and I do not think that would have happened but for the fact that the Pennsylvania Republicans, including their Senator, Pat Toomey, recommended him. This is a big deal. We are very lucky to have an advocate in Ottawa in the person of David Cohen. And the final thing I will say is this: when the President talks with David Cohen, he trusts what he says about what is going on in Canada or elsewhere. Trust and friendship is so critical, as we've all developed with this group and so it is my pleasure to introduce the United States Ambassador to Canada, the Honorable David Cohen.

THE HONORABLE DAVID COHEN: Thank you very much Ambassador Blanchard for that overly kind introduction. You are part of a very small group who understands what a privilege and responsibility it is to serve as U.S. Ambassador to Canada. I stand proudly on your shoulders, representing the outstanding work that you performed when you served in this role from 1993-1996. I also commend your continued work to preserve and strengthen the friendship between Canada and the United States. I am honored to address all of you this morning; and sorry I can't be there in person, but I will happily embrace the hybrid aspect of this meeting to be able to address you this morning.

For 46 years, this Institute has provided the unique forum for experts from both the United States and Canada to discuss the most pressing legal and policy issues in our relationship. And this year's conference featuring supply chains is no exception. And although I am joining you virtually this morning from Ottawa, I want to add how much at home I feel talking to a distinguished group of lawyers. I know my friend and colleague Rachel Poynter, our Deputy Assistant Secretary of State for Canada and Mexico, will be delivering a keynote address later today, so I am going to keep my remarks brief and try not to step on her toes. But I do want to say a few words about what we at the U.S. Embassy and Consulates in Canada are doing to build the relationship between our two countries and the progress that we have made over the past year. For me, serving as the United States Ambassador to Canada is the honor of a lifetime. It is not just about being President Biden's personal representative in another country; it is about representing America to our closest friend, partner and ally, Canada. As you all know very well, our partnership is unlike any other in the world. It is not just about trade or treaties or tourism between our countries - although all of that is important - it is about families that extend across our border and communities that are located along both sides of the border from New Brunswick to Alaska. It is about a shared set of values that informs the way we relate to each other and to the rest of the world. And it is about a friendship between our peoples that has developed and deepened for centuries. To be sure, that friendship has been tested. There have been times when it has been strained, but each time it comes back stronger as my friend Goldy Hyder reminded us in his speech last night, and that is exactly what has happened in the past few years, as I have said many times, the test of a great friendship and

partnership is not when the friends agree, it's when they disagree and how they handle that disagreement and resolve their differences."

About a month after he was sworn in, President Biden held the very first bilateral meeting of his presidency with Prime Minister Justin Trudeau. At the end of that meeting, in February 2021, the two leaders released the 'Roadmap for Renewed U.S.-Canada Partnership'; the kind of shared, ambitious, and strategic vision that can only be put in place by the closest of friends and allies. The Roadmap has brought the partnership between the United States and Canada to a new level of cooperation and collective purpose. As we renew old relationships and look with great optimism and anticipation toward the future. The Roadmap is comprehensive, but it also has very practical implications. I'm not a big fan of strategic plans-I think you can get lost in the process- but the Roadmap is not just a strategic plan, and it is not just about prosperity, or security, or shared values, it is about all these things and more.

The Roadmap is organized around six pillars: combating COVID-19; building back better from the pandemic, very importantly to me, in an equitable fashion; accelerating our climate ambitions; advancing diversity and inclusion; bolstering security and defence; and building global alliances. Each of these six pillars is important in its own right, and they are also interconnected. For example, bringing the pandemic under control and advancing diversity and inclusion are really overlays to all the pillars. Unless we make progress on both simultaneously, we will not succeed in either and we will not get very far with the others.

So, not surprisingly given my background as an executive with a Fortune 500 company, I do have a particular affinity for the "building back better" pillar of the Roadmap. I am not allowed to choose between pillars, it's a little bit like asking who your favorite child is, so I am a big fan and enthusiastic supporter of all six of the pillars, but I do have a special affinity for "building back better". Recovering from the financial ravages of COVID-19 is simply a huge priority for both the United States and Canada. And we have begun to make real progress on that. In the United States, we have created more than 6 million jobs since Joe Biden took office - the largest growth in jobs at the outset of a presidency in United States history. And our unemployment rate has dropped from 6.2% to 3.9%, also setting a record for the biggest drop in any single year in U.S. history. But this recovery will ring hollow if it is not equitable and sustainable. We must ensure that small and medium-sized enterprises, SMEs, share equally in the recovery, especially SMEs owned by women, people of color, and Indigenous peoples. After all, it is SMEs, and especially SMEs owned by underrepresented groups, that were hurt disproportionately by the pandemic. This is the way the Roadmap is stitched together to accomplish multiple, critical priorities. Building back better in a fair and equitable manner, making sure we support SMEs and their recovery, and making sure that women, people of color, and Indigenous peoples are not being left behind. Only addressing all of these issues will ensure that we are in fact building back better, as opposed to just building back. The Roadmap has guided the work of both of our countries over the past year, and I can confidently report that we have made tangible progress. Releasing the Roadmap itself was a real accomplishment; something that could only be done by the closest of partners.

And although much of our work has been constrained by COVID and other world events, we have progressed in a number of consequential ways. Most importantly, we have successfully laid the groundwork to make substantial progress across the board in 2022 and beyond. Deputy Assistant Secretary Poynter will speak in more depth about the Roadmap pillars later today, and I do not want to steal her thunder, so I will stop here. But I will leave you with one final thought on the U.S.-Canada relationship, this one from President Joe Biden, a man I have known for almost three decades, and I quote: “there is nothing we [Canada and the United States] cannot achieve when we commit ourselves to it and when we work together as the closest of friends should, we only make each other stronger.” That is truly how I feel about the U.S.-Canada relationship. The United States and Canada are friends, partners and allies in the truest sense of those words; and as we work together to advance the pillars of the Roadmap, our partnership is made stronger every day. So, I hope you have a great day, and thank you all very much for the invitation to appear and for your attention.

THE HONORABLE JIM BLANCHARD: Ambassador, thank you very much for taking the time to be with us and for your informative remarks. All the best to you as you meet the great and exciting challenges our two countries face. Thank you again. Now, I will turn it back to Steve Petras for the rest of our program.

Mr. PETRAS: Okay, so we’re going to step right into our program today with our first panel. I want to emphasize to everyone; we are delivering this in a dual capacity, right. We’re doing it virtually plus in person. So, in order for the people who are virtual to hear us, and also so we can record these proceedings for publication, if you have questions, please use the microphone. There’s one right there.

So, our first panel is being moderated by Diane Francis, and she’s put together an outstanding group of journalists who are going to focus in on supply chain challenges for the United States and Canada. Now, many of you were here last night, and you heard that Diane was the recipient of our Sidney Picker award, much deserving recipient. Diane is a well-known journalist, she is the editor at large of the National Post, she’s been published all over the world in Post Media newspaper chain, the Atlantic Council, and interestingly, the Kyiv Post. She is a very detail-oriented researching journalist. If you’ve read her blogs recently or her column on what’s going on in the Ukraine, she comes up with facts and insights that you just can’t get anywhere. So, it’s an honor and privilege to have Diane moderate our first panel. Diane.

Ms. DIANE FRANCIS: Okay, all right I’m on. I’m not sure how this is going to work; I have three panelists and they’re all remote, and I’m going to try and do a debate with them later, but I don’t know we’ll all be able to see them, or they’ll be split screen, or what. But anyway, we’ll go. Let’s go. I’m going to start, setting the scene for actually the whole conference, but the supply chain issues. And we’re going to plunge into it from the point of view of journalists, who are, you know, in the trenches talking to politicians and the businesspeople and the unions about the issues on a more granular level.

But to give you the overview: you know, we’ve been in an era of freer trade—we never quite achieved free trade, but freer trade. And you know it began with

the European Union, which was a terrific example, and then grew into NAFTA and what we have now. And more and more global trade, more and more members into the WTO, and all of that has created a global economy that's stitched together with supply chains that are very effective and very pervasive. Cracks began to appear when China was caught cheating; cheating on its books, the way it kept its books for its public companies listed in the United States, and also in its own country; stealing intellectual property, harvesting it without acceding to legal copyright and patent laws. That's when the cracks really started to appear and then, of course, on top of that was the upheaval in labor markets in the richer countries who hadn't adapted or didn't have workers or a system that could adapt to the fact that they were going to be offshore to death. So, we have rust belts in Ontario, in Ohio, and in parts of Europe as well, and this, of course, created a huge backlash against so-called free trade, which is, as I say was really never that free.

And now we have a situation where the pandemic came along, and that began to rattle the supply chain system through lockdowns, aggravating the ability to access, aggravating favoritism, healthcare supplies made in China kept for the Chinese, even though they were contractually obligated to deliver them to North America and Europe, so all of these things - understandably, they were trying to protect their own people - but all of these things have undermined the old so called free trade system, and most of the supply chains.

And then we have the war. The war with Russia has, I think, launched on the heels of the pandemic a de-globalization. We have a new world order. Supply chains are going to be politicized, supply chains are going to be completely revamped, ended in some cases, replaced with better, but not necessarily better systems. And that's the way it's going to be from now on, particularly as Russia is cratered economically by the Biden administration and the alliances which by the way, I agree with. And they're going to be put offline. Their commodities and so on are the biggest so we're also going to go through a major resource reset. And countries like the United States, Canada, Brazil, Australia, countries that are very resource-rich, are going to ascend in importance. And they are already being badgered by people who want to replace the old supply chains that they had in the old sourcing they had in Russia and in other countries with those countries with the rule of law, with rule-based trade and sort and plenty of resources. So, that that means that Canada, Australia, United States, Brazil, and other very rich resource countries are going to have more business, more activity, and more opportunities and more benefits; and it's not that they're benefiting off the horrors of war, it's just that people cannot and will not be able to trust Russia as a supplier, and they're roughly 20% of the resource mix. Not 20% of the food stuffs, but 20% of critical metals and minerals, 20% of the oil and gas supplies and things like potash and fertilizer, so they're very critical and they're going to be taken offline virtually, in my opinion.

So that's going to change everything as well, that's the bigger picture. And then, you know, grilling down, there's the specific areas. There's the energy supply lines which are going to be dealt with in another panel, the auto industry, which is critical to the United States and Canada, Europe as well, and China, that's another panel. And then you've got the supply chain issues surrounding the transfer of

technology, particularly technology that's of national security importance or industrial importance, and telecoms. So, these are going to be areas where things are going to change as well, in terms of the overall supply chain situation-military goods and course foodstuffs, naturally. And again, I would say that China runs the risk of being also partially put offline, which is even more disruptive, because of its failure to condemn the invasion and also because of other dislikes toward China going back to when the cracks began to appear over supply chain shenanigans, shall we say, and trade shenanigans.

So, the whole thing is going to be moved around and changed, there is going to be winners and losers, and I think that what we're going to see is a world that, in terms of supply chain, is going to go from offshoring to partial on-shoring, in other words let's get our jobs back and close those factories in China and Mexico or wherever, to friend-shoring: we're going to have friend-shoring, so we're going to deal with countries that we're compatible with geopolitically. Right or wrong, expensive or cheap, that's going to be more and more the trend. So, it changes the matrix, and that is sort of my take on the bigger picture and to set the scene for the whole supply chain issues that that you're going to hear today, which are critically important.

So, that's my piece now I'm going to turn, I have three terrific panelists, and they're introduced in the program, so I'm not going to reintroduce them, except just to give you their names and I'm going to start off I'm going to ask each of them to give us about seven minutes from a specific viewpoint, about what they see the supply chain issues going forward are. And then I'm going to ask them some supplemental questions and hopefully get them to engage, if I can figure out how to get them engaged not seeing them, or seeing them on a split screen, and then we're going to do a Q&A with the audience and that that should do it. I'm going to open up with Todd Spangler, who is based in Washington DC as a reporter covering Washington for the Detroit Free Press, very important newspaper in a very important part of the United States. I'm going to ask Todd to give us his seven minutes, five to seven minutes, however long he wants to take on the supply chain controversies issue solutions, whatever he wants to talk about from an American perspective. Todd?

Mr. TODD SPANGLER: Hi can everybody hear me? It's hard for me to tell. Great, thank you. Diane, thank you for having me on the on this panel, it's really an honor and hello to Governor Blanchard who I know well. I do have to say, before I start that it's also a real honor to be on here with Alex and with David. David may not remember this, but 20 years ago when I was running the Associated Press Bureau in Pittsburgh, he and I had breakfast when he was coming into the Post Gazette and it's really a pleasure to see him again.

I don't know that I have five or seven minutes really to talk to add here, but I will say that, from my perspective, supply chain issues which certainly the auto companies which I paid specific attention to are trying to work out these questions, particularly about semiconductors and battery materials and items like that. But the disruptions are such that there's really no good answer as to what's going to happen going forward; in large measure because of the war in Ukraine, and also because this question of whether or not there is going to be a recession. I mean,

when you have a Larry Summers saying that there's a 50% to 75% chance of a recession in the next two years, you know, automakers may be moving to reduce supply chains, but that could be completely tossed out the window if there's a major recession. Recessions have a very strong impact on a state like Michigan, on the manufacturing that happens in in that state and in the Midwest. If that happens, I can see those supply chains being tossed all over again. There's just so many questions out there about how to remake the supply chains. Like Diane said, the China question is a big one. If something happens with Taiwan, what happens with semiconductors? I know there's a there's an enormous effort underway to try to get semiconductor manufacturing, which is so important to the automakers, into the US, but again, if there is a recession some of that capital could dry up, some of those plans could really get tossed aside.

And so, it's really moving through a truly uncertain time that it's difficult to see where it's going to end. I will also say the other thing that comes to mind on this question is the question of friend-shoring or ally-shoring, which is how it's talked about by some folks here in DC. Politically speaking, there's been these very strange indications even between allies such as the US and Canada, where during the trucker blockade of the Ambassador Bridge that lasted a week and cost manufacturers, you know, millions of dollars. We had Democrats in the Michigan delegation least one that I can think of saying: here's another example of why we need domestic production, meaning the US, and I mean it just the sort of thing having covered this relationship for more than a decade, it's very strange to hear Michigan politicians talking about Canada in that kind of way. I mean, the relationship goes back so far, politically speaking when we start talking about, even with the US content stuff in build back better, when they talk about these the US content for electric vehicles and something that Trudeau talked to Biden about, and he's clearly not happy about, which might even violate the USMCA. Politically speaking, this is a really fraught time for that relationship and how to figure out those supply chains. So, I'll leave it at that, but it's a really unsettled time and it's going to be a fascinating time going forward.

Ms. FRANCIS: Excellent that's a good wrap up but Todd I wanted to ask you to expand a little bit more on the protection side as we go through all of this disruption. And could you tell me whether this has legs, politically, and may end up not shattering but, shall we say, corroding the US-Canada relationship in all respects?

Mr. SPANGLER: I think it has legs politically, which is the problem with it. I think that there's enough policy and enough people who are who behind the scenes are saying this is not going to work, that I think I don't know whether it will actually change the relationship, I just think we're going through a period where politically speaking, it makes sense for a lot of people to talk about this for campaigns and to try to make points. By the way, I should also throughout say it's my sense that there's a lot of that going on with line 5 we mentioned. You mentioned line 5 earlier, I mean there seems to be a lot of sort of political posturing about line 5 that just doesn't seem like it makes a whole lot of sense not to sit down at a table and work out these issues versus the rhetoric that you hear and a lot of it coming from Michigan. So, political rhetoric has a chance of becoming political

reality, and I think right now the protectionism that you hear is getting pushed back enough by people like Manchin which - I mention mostly because Toyota's doing business in his state - that it may not be part of this, but look for instance the build back better, but I think that you know, it is a really, really unsettled time and I think Ambassador Cohen's got his work cut out for them, of course, you know guy who you know did what he did with Rendell in Philadelphia is probably up to the task, so there you go.

Ms. FRANCIS: Our next journalist is Alex Panetta, who's also based in Washington D.C. on behalf of the Canadian Broadcasting Corporation. Hi Alex. I want you to address - and there'll be overlap, so change lanes, no problem, that's okay - because I'm sure many of the Canadian concerns about supply chain issues are something that was just addressed by Todd in terms of our auto industry and "buy American," all that sort of thing-so could you address the supply chain issues going forward from the Canadian viewpoint.

Mr. ALEX PANETTA: Sure, so I'll just throw out a scenario that I don't think most Canadians would have imagined they'd find themselves in a few years ago. And that's that, we may find that we arrive in a moment, where Canadians are grateful that Donald Trump forced us to renegotiate NAFTA. And, which would have been inconceivable, a few years ago, because we were dragged kicking and screaming and resolutely unenthusiastic about it, but I was having a conversation with a friend yesterday here in Washington, who was talking about the inefficiencies of our trading relationship and saying USMCA is an imperfect deal, and if you have to design a trade deal from scratch, this is not the one you would end up with. I said, well, we don't live in that perfect world, we live in the world we live in, and there had been a disconnect for years between elite opinion on trade and the popular opinion on trade, even in Canada, where free trade is generally popular. You see, it was not as popular as elite opinion would have led you to believe and I'm basing that on public opinion polling, and what you hear when you talk to people not involved in public policy. Suddenly, you've got this trade agreement that has bipartisan consensus behind it in the United States, it's not going to be blown up anytime soon, it would be shocking if it were, and not just that, it could actually act as a bulwark against future problems. I'll give you an example. You know, Canadians follow this electric vehicle tax credit debate a little bit over the last few months, when it seemed that Canadians might be potentially frozen out to a certain extent, out of this or Canadian production be shut out of this electric vehicle credit. A huge concern to our country. So much has changed in a few months, the credit appears dormant, and I'll talk about that in a second. But one of the things that USMCA might allow us to do is if and when that credit ever resurfaces as an issue in Congress - and I'm not sure it will, but if it does - there are amendments ready to go within Congress to switch the credit designed by Debbie Stabenow and others, to replace it with the USMCA standard, saying basically if the vehicle qualifies under USMCA rules of origin, that's good enough, it's eligible for the credit. And I'm not saying this is going to happen, I'm not saying it's going to arrive on the floor, but if it does, there's a decent chance that that thing gets 51, 52 votes and suddenly Canadians are grateful that USMCA exists. And that's just an example of how you know the phenomenon, I think,

Diane referred to as friend shoring, you know could occasionally act in Canada's favor; not always, but that's one example of how it manifests itself. Speaking of EVs, I just wanted to sort of touch on the latest there. I think most people here are probably aware of build back better being stalled, Joe Manchin kind of pulled the plug on it for now. It may come back in some lesser more limited form. If it does, what I'm detecting is not a lot of expectation that the electric vehicle credit, the irritant in the form it had originally appeared, would resurface. Even Debbie Stabenow, who I referred to earlier – senator from Michigan - was asked I think on a panel, a few weeks ago, if it were to come back what would you like to see, and she said, where would we just be happy to have the existing electric vehicle credit extended. So, I mean, when the provision sponsors are not even expressing much hope of it surviving in the previous form, I don't think you'd expect it to come back. And if it does come back, as I said earlier, there are amendments ready to go within the Senate, so you'd probably end up with something more palatable from a Canadian perspective.

So, electric vehicles are closely connected to the issue of critical minerals. President Biden recently invoked the Defense Production Act on that. It's funny - the critical minerals story in Canada is really a play in three acts. You know, act one is 'what are critical minerals? I've never heard of these things' and that's just a few years ago. And then you arrived in a place over the last couple years where Canadians were kind of being told or hearing that we might be some critical mineral superpower, to the point that it might be a source of geopolitical leverage for us. And I think that might have been overstated, a little bit, I think, just a few months ago, you had, you know, a union leader in Canada saying well if we suffer from these electric vehicle credits we're not going to send our minerals to the US, you know, that was that was a kind of a preemptive use of a geopolitical weapon you don't even own. Yes, these minerals sit in Canadian soil; they're hard to get, they're not always economically viable, and it's going to take some hard work to develop that that sector. And I think we're in the third stage, the third act of this play, which is a recognition of the challenge ahead; and I think you're seeing that addressed in a bunch of places, including in the recent federal budget in Canada, which earmarked - I'm going from memory here - I think it was \$8 billion over a few years, or maybe \$3 billion over eight years now, several billion dollars over a few years, for things like a mapping, infrastructure, and investments in certain projects because, like I said, they're not all these things are not commercially viable at this point, but if you're talking about a geopolitical protection against China's dominance over this space and not wanting to find yourself threatened, you know with being cut off or threatened with shortages like in semiconductors, that recent federal budget at least acknowledges the challenge and takes a step toward alleviating it.

I think we're going to have a little bit of clarity in the next bit on what this 'friend-shoring' looks like. I think a lot of people here are probably familiar with the semiconductor bill or this Chips act or Competes act, it was what it was called in the House of Representatives. Basically, a bunch of funding for semiconductor production in the United States, a big industrial policy bill. An aspect of that bill is of great interest to Canada: there's a page in there, a couple pages and they're

referring to Canada. Sorry, before I get into that I'll just say that the state of the bills - it's passed both Houses of Congress passed the House and Senate in different forms and it's going to probably go to conference committee soon and I expect that will probably pass Congress within a few months. In that bill, or there's a long reference to Canada and some other trading partners, but I'll talk about the Canadian portion for a second. It requires the US Administration to publish within 90 days a strategy for how it intends to work with Canada on issues related to China. Where do the United States and Canada agree on working with China; where does it disagree with Canada on China policy; where are the vulnerabilities in the supply chain; what are the opportunities. It's fantastic, because basically Canadians will get to see to see this blueprint published, and I think it's supposed to be mostly unclassified - there'll be a classified portion to it as well. So that's something to look out for and that will give us a sense of what this 'friend shoring' may look like. But, of course, you know you can lay out the strategies, and again Ambassador Cohen mentioned earlier that, you know, strategies are great and everything, but they have vulnerabilities too, and they can susceptible to events. Just think back four years ago: Canada was talking about sectorial trade agreements with China, and was having a really difficult time renegotiating NAFTA with the US, and was looking toward China for a possible new trade deal; partly, you know, to poke a stick in the eye at the Trump administration, and then suddenly Meng Wanzhou was arrested, Canadians have been imprisoned by the Chinese, and that kind of scrambled the entire picture. Again, think just a few months ago: how electric vehicles were going to turn into this monumental irritant between Canada and the United States. And more recently, just a few weeks ago, the Ambassador Bridge which Todd referred to. I mean I think some people were kind of spooked by that, saying if we want to 'friend shore' will our friend's goods be available easily to us? So, you know, these unforeseen events can scramble this strategy, but at the end of the day, other events bring us together. And I think Ukraine, you know these few weeks my understanding is most conversations between Canada and the United States in Washington, just Ukraine is the issue now, and some of the other stuff has taken a back seat. And you look at American public opinion polling on Ukraine, it's not all that different from Canada's. I think if I'm not mistaken something like 80% of Americans see Russia as a foe, side with Ukraine in this conflict, and two-thirds or more of Americans are willing to sanction Russia even if it worsens inflation in the United States. So then you get into these questions of fundamental values where our national interests intersect and that bolster our friendship. So, that's where things stand from what I can see, and like I said, just keep an eye on this Competes Act conference committee; I think it'll be interesting to see how the United States sees uh the competition with China and Canada's place in it.

Ms. FRANCIS: Okay thanks Alex. So, to sum it up, same old relationship; bickering at the edges but no fundamental confrontations and problems. That's a good thing for both of us. The next speaker is Professor David Shribman; he's at McGill's School of Public Policy, the Max Bell School of Public Policy. And welcome. And I'd like you to address the issues involving international supply chains.

Professor DAVID SHRIBMAN: Well, thank you. And I would say that Alex and Tom are far more informed and far more articulate on this subject than am I. I'll give you an anecdote to start: when my daughter who, was an orchestra manager - she's now the chief of staff of the San Francisco Symphony - went to Stanford Business School, in her first semester she was required to take a course in supply chain management. And I thought that was some kind of a joke; that somebody who would be involved in labor negotiations with violinists, and in trying to keep an orchestra hall open even before COVID should have had to have taken that. And she said: oh no dad. that's a serious topic. But also, say, to give some broader perspective on all of this and in the decade and a half in which I was in Washington in the Washington bureaus of the two most important papers in national papers in the country, the Wall Street Journal and New York Times, there was only one person who cared about the U.S.-Canada relationship. Of the 100 people in those two bureaus, and that was me. And everybody kind of laughed me off the stage when I, it was clear to me that the only way the best way to empty your room in Washington was to utter the three words: 'softwood lumber dispute'. So, the notion that this is front of mind in our minds those of our Canadian and American minds of the people here it's true, but it's not necessarily front of mind in Washington, particularly with COVID raging and with a war in Ukraine raging. But I would say this: that disputes about trade have traditionally, with some important exceptions, been second-tier disputes in political Washington. They have enormous economic impact to be sure, and companies and lobbyists fight furiously over them, but the general Washington attitude toward these is that they're peripheral. That's not always the case though, and it may well not be the case now. In 1828 - that was the first tariff I covered in 1828 - the so-called tariff of abominations, set South Carolina against pretty much the rest of the North, and was a precursor to the American Civil War. It was a huge dispute basically between and among agricultural interests and manufacturing interests, even though manufacturing interests at the time were quite small. Even more recently in 1984 and 1988, the presidential elections, particularly in Iowa, came down to questions about free trade. The free trade coalition and the free trade notion in the United States is very, very strong from 1945 to 1946 all the way to about 1987, when the focus really was on Japan. And Dick Gephardt, congressman from Missouri, won the uh Iowa caucuses in 1988 by virtue of his talk about protectionism. So, the great danger in all of this supply chain management issue is the threat of renewed protectionism in the United States. We saw a lot of it in the Trump years, we see traces of it, more than traces of it, in the Biden rhetoric, and I would urge you to focus on when the president talks about 'buy American'; he can sneeze 'buy American' and Canada will catch a cold, for good reasons. It's hard for me being in Pittsburgh, which is of course a manufacturing center, or was, to gauge the Washington attitude toward that. But, surely the notion that President Trump did not invent, but mobilized and utilized to protect American jobs, has been a hearty perennial in American politics for the last 25 years. And to the extent to which this new crisis poses new challenges, the great danger, as both Todd and Alex have explained, is to what extent Canada is affected by this. I mean, Chrystia Freeland was astonished when President Trump regarded America's relationship

with Canada as a matter of national security. It is, to be sure, a matter of national security on the northern part of the border, but not on the southern part of the border. It was an extremely unfortunate phrase, and Chrystia, she had a good time with it. Not particularly a pleasant one, but a very effective one. So, my warning here is the same as that of Todd; is that I worry that there are precursors to a new burst of protectionism, and that will endanger supply chain management and the entire nature of the relationship. I know a lot of businesspeople in Canada who were apoplectic about the situation during COVID, and I worry that could be something that we might see again. So, I would defer to my other colleagues, Alex and Todd, for their expertise. I just want to give you an overall sense of the salience of these issues in Washington, which is low, but the importance of them, which is high.

Ms. FRANCIS: What is the role of the union movement in the two countries? Obviously, it's been very eroded, because of so-called 'free trade', but what currency do they have politically and sociologically?

Professor SHRIBMAN: Well, it's very shrewd of you to divide it into political and social. You know, social and culturally, the union movements have been enormously important in American politics, really dating to what you might think of as an agricultural union that produced the Populist party in 1892. The Roosevelt Coalition was built, metaphorically and really, on the on the bricks and foundation of the union movement, but today only 13% or something like that of American workers are unionized. Even democrats from time to time look at scants at this. You know, the democrats were the party of the unions, and as recently as 1984, presidential candidates who were trying to challenge front runners would always call them the 'tools of the labor barons'. You hear that phrase all the time. Walter Mondale was particularly vulnerable to that. There aren't many labor barons today, and of course most labor unions today are in the service and governmental sectors, but politically they're very, very important. The democrats were the party of organized labor and of the working person - the working man as we said at an earlier time, but the working person today - and now, it is the republican party that is the leading edge of that. We've seen a dramatic switch in the profiles of the two parties; there was a time when, for example, the professors at elite American universities were all republicans. We used to say at my own college - I went to Dartmouth college, which is the most Canadian of the American colleges - that the way to get tenure in the English department at Dartmouth was to have a good backhand. Today, the American professors are on the left rather than on the right. And that's not an isolated thing. The union leadership may be on the side of the democrats, but union membership increasingly, beginning with Ronald Reagan, but turbo charged during the Trump years, union members have moved in attitude, if not in necessarily voting, but largely in voting, to the republican party, while the kind of people who were in the republican party: manufacturing, executives, bankers, people who were presidents of the local rotary club, in smaller cities, though not smaller towns, became members of the democratic party. So, we've had really had, this is a case where all the 'isms' have become 'wasms', and so, the profile of the union movement and its place in American life is, as you so eloquently put it, a question of both culture and politics.

Ms. FRANCIS: Just to return before I open it up to the three of you, and I want to get you to comment, I think the national security issue is exceedingly important between the two countries, and recently we saw in the fall the department of national defense sort of, I don't want to say shove down Canada's throat, a deal whereby they're completely in control of vigilance in the Arctic. And then Britain came along and said that they would patrol the Arctic with their nuclear submarines. And I don't know whether we took them up on that, but they made some not very nice remarks about Canada's military unpreparedness. You want to comment on that? Because I think that's going to heat up.

Professor SHRIBMAN: If I could just jump in right there Diane for just a second, you know, Chrystia Freeland quite rightly ridiculed the notion of national security in this relationship, because since 1989, there was no question about American national security anywhere in the world. Ukraine's changed all of that. Questions of national security are um salient now. And so, just that that phrase now has traded with meaning that it didn't have before February 23rd or 24th. So, national security now involves access to resources and worries about nuclear annihilation in a way that they didn't if we had held tell this conference in January. We would have used those phrases with a with a little more cavalier approach, I think.

Ms. FRANCIS: Excellent. All right I'm just going to throw out a question I'd like each of you to answer. Let's start with Todd and then Alex, and then David, can weigh in on the issue of, what is your fearless forecast as to the next supply chain controversies the next one or two, in the next year anywhere in the world? What's going to be a flashpoint?

Mr. SPANGLER: Well, I know from, I mean from my point of view, I'm very Michigan-oriented, so I'm just thinking about cars. I'm thinking about, you know, what happens next in terms of fixing supply chains. And to be honest with you - and David touched on this with his daughter's example - previous to the pandemic, I mean there's 800 top-tier suppliers to the auto industry, there's 18 000 suppliers beneath that, and no one knew who they were. I mean the auto companies did not have people who knew who the bottom suppliers were. They do now. I mean, so they've figured that out, but now they're trying to search around, and you know GM's trying to get stuff out of Australia and, I mean Chrysler's doing stuff in in Ontario - they're all trying to figure that out. The question is going to be whether or not the attack on globalism, because you have Larry Fink at Blackrock saying globalism's dead, I mean you have people saying that these supply links are not going to get put back into place, and I think a big question for me is if the auto companies are going to try to start selling more electric vehicles, and these new supply chains cost more at a time when inflation is rising and threatening a recession, how do those factors all come together and they actually sell the damn cars. Because if they don't, then it doesn't matter if they say they're going to invest and they're going to have to do something else. So, I'm really sort of watching all of that and how the Competes Act and how that just all plays together. It's just like I said, I just don't know exactly if Taiwan's still making semiconductors and making them less expensively than Intel is in Columbus, that supply chain might just go move back over there if it's more effective. I just see tremendous

uncertainty and I'm, like you, have watching this 'ally shoring', 'friend shoring' versus whether there's just a shrug and say well we're not done with globalism yet. So that's sort of how I'm watching it play out.

Ms. FRANCIS: Alex, is Alex there? Flash points next year.

Mr. PANETTA: Sorry about that. In the short-term? Energy. Todd referred earlier to line 5; at some point the Michigan government, or the I guess the United States and Canada, are talking about a longer-term solution to that issue, somebody's going to have to make a decision soon about whether that pipeline gets refurbished under the great lakes. That's going to be a short-term issue. Longer term? Critical minerals. I don't know whether this surfaces over the next year, but it could. President Biden just invoked the Defense Production Act at the same time as that his party was on the verge of introducing a tax credit that would have discriminated against inputs of critical minerals from Canada. Now, the potential disconnect there is, Canada's part of the US defense industrial base. So, if we're part of your national defense industrial base, and you're also calling critical minerals part of your national security strategy, but at the same time threatening tariffs on some of the products created in a country that is part of your defense industrial base, there's a disconnect there that has to sort of be worked out. And I think we're going to have to figure out a long-term plan on how we guarantee that we have access to these inputs that are going to be monumentally important in shifting to electric vehicles.

Ms. FRANCIS: David, in particular you're worried about protectionism, is that, does that apply to both sides of the border? And what flashpoint?

Professor SHRIBMAN: I was for 16 years the editor of a newspaper, and we used to say that "news is what the editor sees on his way to work". Well, right now no one's going to work, or in the office. And so, I would say that the two biggest challenges I would see are the two biggest things that a household has to do in the course of their economic lives. And actually, they apply to my own life as well, and that is home and car. Those are the two biggest purchases any American or Canadian makes. In terms of car, we all know that car prices are skyrocketing; you can't buy a used car, you can't buy a new car. I think that's a huge problem. And home repairs and home construction; you know, we're doing a construction project at home, kind of a renovation deal, and every week the prices of the implements and the materials go up. And I think Americans who spend more time in their homes, and who have looked around and say, "well this needs to be fixed, that needs to be fixed" and "this needs to be repaired" are going to feel this and it's going to have a political impact in a greater way than the toy crisis we thought we'd have last Christmas. So, I would say the two biggest investments a family makes are the two biggest flash points, and that would be automobiles and homes.

Ms. FRANCIS: Okay, okay now the audience. We have time for questions. I think we have about 20 minutes or so for questions. So, I don't know, is everyone's mic on? If the green light's on or do you have to push it? So, just raise your hand and ask me the question and I'll let my panelists jump in or I'll sort of suggest directly who might best answer this. When you're lawyers, you have to cross-examine here, let's go; we're ready for the cross. Larry.

UNIDENTIFIED SPEAKER: I'd like to hear what the panelists have to say about the prospects of the U.S. midterms, and what that might do not only to the relationship in general, but to the supply chain issue. Will the ground be changed substantially when it comes to Canada-U.S. issues on supply chains, critical minerals, and that sort of thing? Or will life kind of go on, perhaps with a bit more tension, but go on as it as it has up until now? So, I'm interested in what might happen as a result of the of the midterms, and we all know what the predictions seem to be.

Ms. FRANCIS: Excellent question. Okay, Todd, would you like to start? Todd, then Alex and David again, in that order.

Mr. SPANGLER: Sure. Yeah, well, I expect that there's a better than decent chance that the Republicans retake the house, and take the senate, although not by large margins. I think the impact on that going forward depends on a whole bunch of different things. Clearly, that Republican congress will set itself up against President Biden. The question will end up being how much does that congress bring Trump-ism with it. Because Trump-ism was protectionist to a great degree. I mean, again, the idea that Canada was a national security risk, you know, broke norms in a way that, if that new congress sees that as the way forward, you know, and that they need to boost their chances with union members in Michigan and Ohio, then you'll see more of that protectionism. It'll become more of a part of that. That congress will also almost certainly not want to give money or spend money; it's going to argue that Biden's overspent money and increased inflation, and every time the price goes up, they're going to use it against him, and say it's not their fault, it's his. And so, they're not they're not going to be spending money to try to help shore up supply chains, I don't think, in any great capacity. So, those are my those are my initial thoughts; it won't resolve any uncertainty, certainly.

Ms. FRANCIS: Just your take on it. My take on Joe Biden is that this is a man with a very pronounced moral compass, but he's also a deal maker, and he believes in democracy. And I would think that a change in the midterms, he will turn more moderate just to get things done. What do you think?

Mr. SPANGLER: I agree, and I think he has done that too. I think he's trying to play both the long game of I want to keep the progressive wing, which has so much energy in it, close to me by build back better and other things, but at the same time, you know, when it comes to actually getting something done, you know, he was the one working with Senators Collins and Romney and et cetera in getting the infrastructure bill done, which is still, I would argue, probably the major bipartisan achievement of his administration. And I think build back better, or whatever it ends up being, will be a scaled down version, and it may bring along some republican votes as well if it's crafted right away. I agree with you there. I think he'll try to find ways to work with the republican congress. The question will be whether or not the senate is willing to go along with him in an election year.

Ms. FRANCIS: He'll break through.

Mr. SPANGLER: Yeah, he'll break through on some things. I think he'll have his share of headaches too.

Ms. FRANCIS: Okay. Alex.

Mr. PANETTA: I'd anticipate you'd probably see a few pieces of legislation. I mean, it won't be a remarkable, it would not be a productive congress, but some things would get done, I think at some point, because both parties do have an interest in at least being able to say: "look this is what we've achieved." The question is, and the risk to Canada is, is does protectionism become the glue that unites President Biden and a Republican congress? I mean, would you see a bunch of buy American proposals get through, whatever legislation ends up getting cooked up over the coming two years. It's definitely a possibility. Some irritants will go away; I don't think you'll have this electric vehicle irritant resurfacing, as I said earlier. You'd see a congress that is friendlier to Canadian oil, but there are limits to the usefulness of that if you're in the Canadian oil sector. So, for example, under President Obama, the congress even passed a bill to get the Keystone pipeline built, and he kind of just ignored it. So, I don't think there's a major change there. Todd referred to the macroeconomic effects, and I think one thing that we want to start looking at is the debt ceiling. The way, you know, twenty-five, thirty years ago it would have been, if not inconceivable, certainly a remote possibility that we'd be living in a world where it might become impossible for a U.S. President to get a Supreme Court Justice named unless he controls congress, we may be entering a world where debt ceilings become harder and harder to extend unless a presidential party controls congress and who knows what bedlam that could cause for the global economy. You'd like to believe that they'd be able to extend it, I think they probably will, but the level of drama we've witnessed over the last decade on this issue is just continuing to escalate, and I think it could get worse and worse until pandemonium gets unleashed, and that's something to keep an eye on.

Ms. FRANCIS: David?

Professor SHRIBMAN: Diane, if you were to choose the profession, that would be from horticulturalist to barbers, who would be the least well-qualified to make predictions about American politics, I think you would have chosen journalists. My wife often says, only half in jest, that her husband, I thought Gary Hart would be a two-term president. So, to ask us to make predictions is a very risky thing. But I'll go against the grain here. I think that the Democrats will lose control in a pretty severe way, a pretty large number, almost approaching the Obama and Clinton numbers of 1994 and 2010, but that the Democrats will enhance their position in the Senate from 50-50 plus the sweetheart of Westmount High School, Kamala Harris, to 51-49. And so, I think that's a recipe for paralysis. I think Alex's analysis about the dangers and opportunities in there is spot-on, but I think you're going to have a split congress, you're going to have a President that is peculiarly unable to articulate a vision. Take a look at the column in the Wall Street Journal, it'll appear in print tomorrow, it's online today, by Peggy Noonan about the kind of rhetoric the President uses and how ineffectual it is and I think we're looking towards an unusually ineffective congress. That may seem redundant to Canadian ears, but I think unusually unproductive.

Ms. FRANCIS: I'm going to add on to what you said, David about how we are eminently unqualified as journalists to answer a lot of different question so now I'm going to go to.

Professor SHRIBMAN: Oh hang on. After something happens that we didn't predict, we will be able to analyze why it happened, and say we saw it coming all the way.

Ms. FRANCIS: Exactly, because we have the last word. One of the things I wanted to ask you was, and none of you are businesspeople or economists, but you're reporting. I'm asking you to be reporters here. What are you hearing from sources – economic, business and otherwise – as to whether or not we're going to have a recession this year?

Professor SHRIBMAN: Well, I'll go first. I took one economics course and got a B- in it, and having predicted nine of the last four recessions, I think I think that a recession is almost inevitable. Equity prices are too high. The economy still doesn't have enough workers. Inflation is raging. I don't see anything good about this. And as Charlie Schultz once said, a great economist at Carnegie Mellon down the street from where I live, "something that can't go on forever can't go on forever."

Ms. FRANCIS: Alex, what are you hearing?

Mr. PANETTA: Yeah, so the big bank economists are looking at, you know, one third to a 50 per cent chance of a recession in the next year or two. It's like, I mean it's the ultimate economist answer. You've got a 50 percent chance of something happening. So yeah, there's obviously a good chance of a recession in the next couple of years. The question is what do supply chain changes over the last few years do to a recession. The IMF had an interesting paper this week. The World Bank IMF financial meetings are happening in Washington right now, and its global economic outlook looked at some of the issues we've talked about this morning. And it describes a scenario where there is a shortage of industrial inputs and looks at the risk of this shortage, causing a recession or decline, a GDP decline, of 0.8 percent. But it says diversified supply chains would reduce the damage of such a recession by half. Something that would cause a GDP reduction of 0.8 would suddenly be only 0.4, because we have diversified our chain of industrial inputs and that's kind of the risk of protectionism, as you may make a recession worse.

Ms. FRANCIS: Todd, what are you hearing about a recession overall and sort of the auto sector, is there going to be a recession there?

Mr. SPANGLER: It's everything. I mean, in autos it's a very complicated sort of thing, because people are willing to spend more on cars because they need them right now, but they can't get them. As production ramps up, if the supply chain settles itself, then there's demand. They'll be able to sell cars, but at some point, that will hit. People are just already starting to say 'You know what? Screw it I'm not going to buy a car right now. I'll hold off until they come down.' And they might not come down anytime soon. So, that could have a sort of rolling effect to push inflation up, up, up. I will say that Alex is right about the things you could do: supply chain diversification. And there's a bunch of, I mean, no one's going to do this, but I mean there's an argument to be made that if you allow more migrants into the country, it could bring down, you know if you get rid of tariffs, that the trump administration put into place, that the Biden administration has been very slow to walk back, it could have some great impacts on inflation, of a point

or so, but whether that's going to happen, there's just such political problems with doing that. It seems like very smart people expect a recession to happen, and I take them at their word that it's likely to occur. How big, that is, how long it lasts, how aggressive the Fed is going to be in the politically charged world we live in is really a big question about that. And right now, they haven't been very aggressive; they say they're going to be, but it's just, it's tough to see that happening until there's a lot of pain on the street. And so yeah, I think it's coming, and how it gets worked out, it could not, it might be, it doesn't look like right now it's necessarily going to have to be as bad as the great recession was, but there's probably going to have to be some pretty strong action taken to keep that from happening. And I just want to jump back real quick to the midterm question too. There is also a question about if the Supreme Court overturns *Roe v. Wade*, what sort of impact does that have on the election as well, and that's up in the air.

Ms. FRANCIS: Okay, one more question.

UNIDENTIFIED SPEAKER: So, we have an online question and it says, 'You have briefly mentioned the trucker protests in Canada, and of course trucks are key to the supply chain. What are your perspectives on how that has evolved, including government reaction in response, as well as the truckers and the business community? Also, what about response in the U.S. and the impact on partnership?'

Ms. FRANCIS: Great question. Okay, let's start with David this time. So, what's the fallout effect?

Professor SHRIBMAN: I'm going to defer to the experts on this, because I don't really know. Most of us on this side of the border view that with astonishment. And the significance in this part of the border wasn't so much economic – though to be sure, economic factors were involved – it was cultural. It was those nice Canadians up there, you know, who care about hockey and maple syrup and go to sugar shacks in Quebec, that they should be behaving in such an unseemly way, that was the impact down here. It was astonishing, and of course as the only Canadian any of my friends ever knew, I was besieged by questions about why the Canadians, who don't cross the street until the signs say they can, were behaving so unruly. I think that was the principal reaction down here, culturally. Economically, I'm going to defer to my two colleagues. But I think that it's not insignificant, the cultural disconnect that it produced. I had written a piece for the literary review of Canada on something involving the United States and the last line was 'I always have a way out of this mess. I have a Canadian passport.' And the most radical Canadian lover I know in Ottawa wrote me a note and said, 'Maybe that passport's not so great anymore.' So, there you go.

Ms. FRANCIS: Okay, Alex?

Mr. PANETTA: You know, it couldn't have come at a worse time. Todd referred to a Michigan lawmaker using it to illustrate the need to re-shore auto production. It was actually, I think, two Michigan representatives that talked about it. And I made note in a story that one was Debbie Dingell, whose husband John was one of the co-sponsors of a bill banning U.S. oil exports in the 1970s because of the oil embargo. And the point I made, I think, in a story was the United States can have long memories about having its industrial inputs shut off, because that oil export embargo lasted, you know, four decades. The good news for Canada is

I think it's kind of come through it, for a couple of reasons. Number one, the big conversation in the U.S. about kind of cutting off Canada from this electric vehicle credit seems to have dissipated. On top of that, you've had major auto industry investments in the electric vehicle sector in Canada, battery production, cars. The timing of that bridge closure was brutal, but it didn't have the damage it could have had. And now you've just had this bill passed in the Ontario legislature, Bill 100, which the point of the bill is to make it easier for police to crack down on such a bridge closure, a vital infrastructure closure, in the future. That just received Royal assent, I think, last week. And now you're actually seeing similar problems on the southern border, where the Texas governor is inspecting a bunch of trucks as part of a protest against migration and that has slowed down trade on the southern border, too. So, what happened in Canada has more recently happened in Texas, so you know, no country is immune to it.

Ms. FRANCIS: Todd?

Mr. SPANGLER: Yeah, the trucker protest, which I covered from here, was pretty amazing to me in terms of, like David talked about, the norm bursting. But then Trump really accelerated that whole idea of norms being broken, and it's been coming down – actually, maybe before that, I mean Brexit was a great example of that as well. I mean, it just seems like everything we took for granted got tossed out the window. I'll come back to that in a second, but I will say on the on the question of the trucking industry, which seems like that was part of the question as well, that here a few years ago in Washington, the question was 'Are we going to have autonomous trucks that won't have drivers and what's that going to mean to the teamsters and union drivers and people like that?' It's gone, that's gone away now, we're not talking about that anymore, or at least that's not front and center. What we're talking about is, wow these truckers don't make any money, and the deregulation has left so many people, I mean, vulnerable. And then the pandemic comes and people say: 'I can get a job somewhere else,' and 'screw it, I'm not going to do this anymore.' There clearly needs to be more thought given to how to make the trucking industry more attractive and to reward these drivers because they're such an important part of the supply chain. But on the other side of that is that you see, we were talking about this earlier in terms of changing supply chains, things might cost more. There have been polls done that say people want to buy American, for instance. The Morning Consult put out something earlier last week, that said, people, we absolutely think domestic-made stuff, we want to do that, we want to buy that stuff. Oh, how much are you willing to pay for it? Well, not a lot more. And so, that ends up being the question you have. Cheap trucking was allowed to be able to move stuff around and the truckers were getting hurt by that, but it kept prices low. So, I mean, I think that all those things have to have to be worked out together. But yeah, I think in terms of just the norm-busting and where this parochialism, this protectionism leads to, is going to be extraordinary to see how it plays out and I don't know exactly where it is going, and we'll see.

Ms. FRANCIS: We have one more question, time for one more. Go again, great. Another online one?

UNIDENTIFIED SPEAKER: Another online one.

Ms. FRANCIS: Good.

UNIDENTIFIED SPEAKER: What is the impact of 3D printing on the supply chain?

Ms. FRANCIS: Of? I'm sorry, of?

UNIDENTIFIED SPEAKER: On the supply chain.

Ms. FRANCIS: What is the impact of, sorry?

UNIDENTIFIED SPEAKER: 3D printing.

Ms. FRANCIS: 3D printing, okay. Who wants to take that one?

Mr. SPANGLER: I'm going to say, I don't know anything about 3D printing.

Ms. FRANCIS: Okay I'll take that one, as a denizen of Silicon Valley and a big tech investor. The 3D printing can eliminate the need for logistical supply chains. And as it gets more and more proficient, they're now printing pretty big houses, you know, three-room houses in China on-site. And so, you will start to disintermediate the logistical supply chain altogether wherever this is doable. And so, this could include, you know, fashion, being able to make your own garments at home in a closet. This could be making kitchen cupboard gadgets and that sort of thing. So exponentially, it completely disintermediates supply chains at the end. Anybody else want to weigh in on it?

Mr. PANETTA: I don't know the first thing about 3D printing, but I would say that in a world that, like the one you just described, countries with lots of raw materials and a highly educated workforce would potentially come out better than most. So, it might not be the worst thing for Canada.

Ms. FRANCIS: David, you want to comment?

Professor SHRIBMAN: Disintermediation is where I get off the bus, I have no idea.

Ms. FRANCIS: Yeah, it'll do to supply chains what Amazon is doing to the retail sector. Think of it that way. Okay, I think that's a wrap. Okay, well, I think this has been a great panel, I think you guys have done a great job so let's give them a lot of applause here. We're ending a little bit early, so a little more time for bathroom break, cell phone breaks and a coffee, thank you.