

DATA DIVE WITH NIK NANOS

HOW WILL CANADA NAVIGATE TRUMP 2.0?

Regardless of who forms the next government in Ottawa, there will be big issues to deal with when it comes to our relationship with the U.S.

OPINION

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back targets for newcomers. People want to scale back the number of new Canadians, according to a CTV News national survey completed this fall. The issue is more about the pace and volume of immigrants, as people rightly ask: Do we have enough housing, doctors and teachers for the newcomers who have arrived and those yet to come?

Even as the Liberals scale back immigration targets, new waves of immigrants leaving the U.S. and entering Canada could be another curveball for a government trying to manage the political fallout of its immigration policies.

It's the economy, stupid." That was the 1992 clarion call coined by Democratic presidential strategist James Carville. It carried Bill Clinton to victory over Republican incumbent George H.W. Bush.

It's just as relevant today. Whether running against President Joe Biden or Vice-President Kamala Harris, president-elect Donald Trump managed to consistently have the polling advantage on the economy. As the Democrats quoted macroeconomic proof points such as low unemployment rates and good GDP numbers, they slammed up against Mr. Trump's simple message that the cost of living was up and that taxes should be cut.

The lesson here is one of joyless prosperity. The macro numbers look good. On paper, people should feel better about their personal finances, but faced with sticker shock in the grocery store they are grumpy.

Here in Canada, the federal Liberals are hoping to delay an election long enough for an economic upswing. However, the election south of the border suggests that lower interest rates, lower unemployment and a stronger economy may not be as much of a lifeline as the Liberals might hope.

Voters want to hear solutions about how Canada will build a stronger economy, where good-paying jobs will come from and how people are going to more easily pay for groceries and housing.

Immigration was another flashpoint in the presidential election. Mr. Trump was fully on the offensive, promising the largest deportation in American history. Setting aside the feasibility of his promise, the reality is that just saying he will deport undocumented immigrants will likely have enough of a psychological "chill effect" to reduce the number of people coming into the United States and encourage others to leave the country.

The promise of mass deportations will have a material impact on the binational relationship. Although mostly focused on Mexico, the experience from the first Trump administration suggests that Ottawa should brace for immigrants leaving the U.S. for Canada.

This will compound an already hot political potato for the federal Liberals. After embarking on the most ambitious immigration strategy in generations, the government has been dialling

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The election of Mr. Trump in 2016 will be looked upon as a key turning point in U.S. history. After more than 60 years of America generally being committed to international security and trade institutions, Mr. Trump pivoted to more of an isolationist view of the world.

If, thanks to Mr. Trump's election, America continues to be more isolationist in its policies, the historic ties of allies and trade partners will take a back seat to weighing how countries fit into America's economic and national-security supply chains. Regardless of who forms the next Canadian government,

there are big issues to deal with.

At the top of the list will be Canadian defence spending. Back in 2014, only the U.S., Britain and Greece met or exceeded NATO's spending target of 2 per cent of gross domestic product. Fast forward to the present moment, when 23 of 32 NATO allies are expected to hit their defence spending target. Canada only exceeds Belgium, Luxembourg, Slovenia and Spain in defence spending as a proportion of its GDP.

With war in the Middle East, between Ukraine and Russia, and with China looming, Canada's relevance as a reliable defence and security partner is fading.

Interestingly, those same Canadians who are worried about paying for the groceries and for housing believe that we should meet our NATO defence-spending obligations. This is not an enthusiastic embrace of defence spending but more likely the view that defence investments have been neglected and that we need to catch up. Recent research suggests that Canadians are supportive of defence spending on things such as submarines to help meet our NATO commitments.

More worrisome should be the coming review of the United States-Mexico-Canada Agreement, which replaced the North American Free Trade Agreement. Mr. Trump, during his first term in office, wasted no time in renegotiating NAFTA. Expect Mr. Trump to negotiate an even better trade agreement that favours American jobs. Another Trump presidency, if anything like his first term, will be marked by a strategy of disruption and keeping other countries off balance - the classic Trump negotiating strategy.

Our leverage with the Americans is weak. Today America is more self-sufficient than it ever has been in terms of energy, while at the same time seeking to further in-shore manufacturing and protect key high-tech elements of its economy.

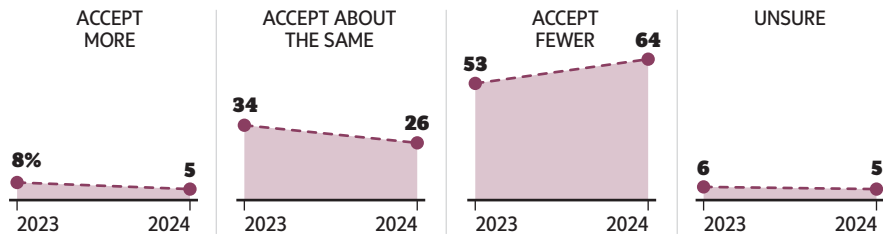
Framed within a political environment in the U.S. that is more isolationist and domestically focused, free trade with Canada and Mexico may fall into the category of "nice to have" rather than "need to have" for the Americans. The exception might be if North American free trade is framed within America's global economic and national-security strategy targeting China.

In any case, the key lesson from the U.S. election is that, for Americans, it really is the economy, stupid, and that countries such as Mexico and Canada may be the unintended victims of isolationist policies meant to deal with the global competition between the U.S. and China. How Canada navigates these turbulent waters isn't just a question for the Liberals, but all of Canada's political parties.

Canadians on immigration and defence

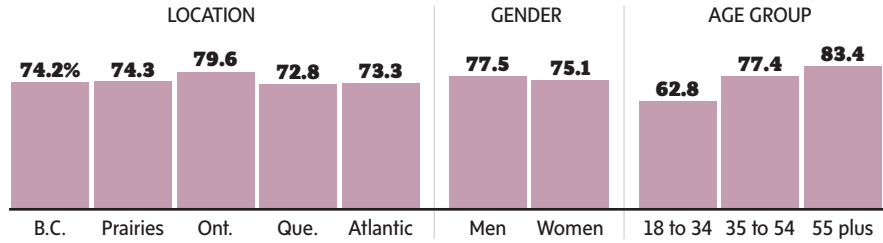
IMMIGRATION

Should Canada accept more, about the same or fewer immigrants
Percentage; Surveys conducted in Sept. of 2023 and 2024

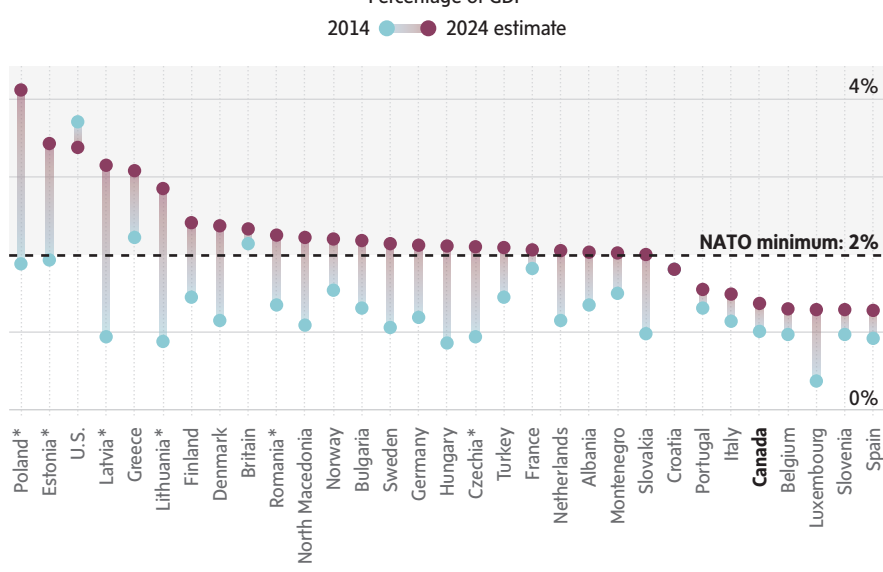


DEFENCE

Support for Canada buying submarines to defend coasts and fulfill NATO commitments
Percentage, by demographics



Defence expenditure of NATO countries, 2014 vs. 2024 estimates
Percentage of GDP



*These countries have national laws or political agreements that call for 2 per cent of GDP or more to be spent on defence annually.

MURAT YÜKSELİR / THE GLOBE AND MAIL, SOURCE: NORTH ATLANTIC TREATY ORGANIZATION; NANOS RESEARCH

Toxic myths about Ukraine are poisoning its future

DOUG SAUNDERS

OPINION



Your view of what should be done in Ukraine after 2024 is determined by what you believe happened there in 2014.

Those events unfolded so quickly and chaotically, and were witnessed firsthand by so few, that many have come to believe three malicious fictions about 2014.

First, that it involved NATO. Second, that it was a "coup" - a mob overthrow of a legitimately elected president. And third, that the United States and its officials interfered.

These fictions are retailed by U.S. president-elect Donald Trump and his circle, by Russian President Vladimir Putin, by some on the left who view world events as acts of U.S. imperialism, and by a range of people who call themselves foreign-policy "realists."

Well, I was in Kyiv during some of those decisive weeks of 2014. And more significantly, I was

there during 2010 for the presidential election that lit the fuse for the explosion of 2014.

That election pitted Kremlin-backed Viktor Yanukovich, who'd briefly claimed victory after the fraudulent presidential election of 2004, against the nominally pro-Western prime minister Yulia Tymoshenko.

One thing wasn't an issue in that election: joining NATO. The military alliance wasn't so much as mentioned in any candidate's platform. While Mr. Yanukovich did eventually pledge to end further integration with NATO, that was an afterthought, as NATO members had made it clear in 2008 and after that they did not want Kyiv in the alliance. Ms. Tymoshenko countered with her own pledge to effectively end any NATO relations.

Nobody campaigned for NATO. And the alliance and its largest members were generally opposed, then and for the next dozen years, to Ukrainian membership.

One thing that was a big issue: the European Union. Ms. Tymoshenko promised to get Ukraine into it. Mr. Yanukovich also

did - but even faster, and without irking Russia.

Harvard University historian Serhii Plokhy writes that Mr. Yanukovich and his circle of eastern Ukrainian oligarchs sought the EU because they "hoped to imitate reforms, protect their business interests from Russia, and penetrate European markets" - and win the next election in the popular afterglow.

Mr. Yanukovich won the presidency, and he spent the next few years negotiating with Brussels.

That culminated in November, 2013, when he was to fly to Vilnius to sign an association agreement. Then, after landing, he refused to sign. It later emerged that Mr. Putin had promised Ukraine a US\$15-billion bailout if he dropped the bid, and "threatened to occupy" Crimea and Donbas, according to Mr. Plokhy, if he didn't.

Shocked Ukrainians took to the squares of Kyiv and other cities, their numbers soon swelling to the millions. Kyiv's Maidan Square was a cross-section of the country's people - and there was no mention of NATO. Diplomats from the U.S., Europe and Canada

were taken entirely by surprise; their governments did not like the timing, and generally preferred the stability of Mr. Yanukovich.

One part of the story that is true involves U.S. interference - but not the way it's told. Inside Mr. Yanukovich's campaign offices in 2010, I regularly encountered neatly besuited Americans, proud to say they were from the political-consulting company of Paul Manafort, who would become Donald Trump's 2016 campaign chair, as well as other Republican Party-linked bodies. They would continue their work for Mr. Yanukovich through the events of 2014. Mr. Manafort later pleaded guilty and served prison time for laundering and hiding money for this Ukrainian work; a Senate committee concluded that his ties to Russian intelligence had made him a "grave counterintelligence threat."

But the United States wasn't interfering on the other side, or even providing significant support to the Ukrainians after Russia invaded. Mr. Putin tried to make it seem as if they were, by releasing a wiretapped phone call

between then-assistant secretary of state Victoria Nuland and her ambassador as they helped mediate transition negotiations after Mr. Yanukovich stepped down, expressing her wish that more democratic candidates would prevail - as one would hope any diplomat would. But it was the elected legislature that used its constitutional powers to make the democratic transition - as far as you can get from a coup.

In fact, it was a constant source of frustration in Kyiv that Washington wasn't offering support, in 2014 or after. President Barack Obama went as far as saying in 2014 that Ukraine was a "core interest" of Russia's, and the conflict fell into Moscow's sphere of influence; Mr. Trump actually got impeached for withholding aid to Ukraine in exchange for favours.

Talk of Ukraine joining NATO, and of significant Western support, didn't really begin until after Mr. Putin's second invasion in 2022. A decade ago, the Americans and NATO both wanted to stay away from Ukraine. Far from the "Western expansion" fictions, the fate of Ukraine was left to Ukrainians.