



Canada and the Changing World Order

The Future of Canadian Foreign Policy

Edited by
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Introduction

As the United States retreats from being a unipolar power, the prevailing global order is at a crossroads.¹ For Canada, it's time to start thinking about what comes next and what it means for Canadian policy. The shifting balance of power—marked by the rise of China, renewed assertiveness from Russia, the growing influence of regional actors, and a more belligerent United States—requires Canada to reassess its alliances, trade relationships, and defence commitments. This transitional moment presents both risks and opportunities, demanding a more proactive, strategic foreign policy. Canada must consider how to uphold its values, protect its interests, and maintain relevance in a multipolar world where old assumptions may no longer apply.

The Centre for Civic Engagement is publishing a new essay series to grapple with these seismic changes and offer a new clear-headed direction for Canadian foreign policy. This edited volume considers the broad future of Canadian foreign policy.

¹ Sean Speer and Taylor Jackson, "With America actively choosing decline, it's time for Canada to adapt to a changing world order," *The Hub* (2025, February 15), <https://thehub.ca/2025/02/15/sean-speer-and-taylor-jackson-with-america-actively-choosing-decline-its-time-for-canada-to-adapt-to-a-changing-world-order/>.

Canada's Days of Comfort Are Over

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After three generations of relative peace, Canadians have been smacked by the blunt force of Thucydidean power politics. Much of our establishment is still in denial, but more and more are waking up to the fact that the world they were born into was an historical anomaly. We were lucky. They were good years, maybe the best in human history, to rank alongside “that which elapsed from the death of Domitian to the accession of Commodus.” But it was never going to last.

Human nature doesn’t change suddenly, and neither does the balance of good and evil in the world. As Fukuyama predicted in 1989, the prospect of a liberal future spreading before us—sterile, endless, and forever—strikes horror in the human soul.² Thumos revolts at the prospect of a technocratic peace, where “daring, courage, imagination, and idealism, will be replaced by economic calculation” and “the perpetual caretaking of the museum of human history.”

Fukuyama ended his 1989 essay wondering if “this very prospect of centuries of boredom at the end of history will serve to get history started once again.” The prediction was right, but the reason was wrong. The forces that move history never stopped churning because they work far below the surface level of political systems in profound needs and wants of fallen humanity, and in the ineluctable and insoluble problem of multiple claims to finite territory.

The last Cold War was only the latest chapter of the oldest human story of uneasy neighbours, which technology allowed to be written on a global scale. The Greco-Persian wars, the Warring States period, Rome and Carthage, the Hundred Years War, the clash of maritime empires, the Great Game, two World Wars: any time two empires, two countries, two families live side by side, there will be tension, at best. At worst, well, Kavanagh knew that Homer “made the Iliad from ... / A local row.”

In retrospect, we can see that the end of history itself ended in the last four months of 2001, and with it the stable post-war order that had bound and sustained the Western allies during the Cold War. In the popular imagination, September 11th was the end, but when future historians look back it will be another date, December 11th, that looms larger. That was the day that China was admitted to the World Trade Organisation.

September 11th was a surprise attack that shocked the West, but December 11th was a carefully-measured, self-inflicted wound. It was at least as rash to open the West’s free markets to non-market competition from a hostile rising power as it was to extend a punitive war against the Taliban in Afghanistan into a nation-building exercise or to expand the war to Iraq, which had nothing to do with the original attack.

² Francis Fukuyama, “The End of History?,” *The National Interest* 16 (1989): 3–18, <https://www.jstor.org/stable/24027184?seq=1>.

Those two decisions taken exactly two weeks apart were the beginning of the end of America's brief unipolar moment as the world's unassailable military, economic, and cultural hegemon.³ The beneficiary of both mistakes was China, which abused its access to global markets to get rich quick and increased its military power in real terms while the United States squandered dollars, materiel, prestige, and its will to fight in lengthy, futile, and ultimately losing campaigns.

During the same time, Canada, like most Western European countries, continued to carry on in complacent defiance of reality. We believed we could pocket the peace dividend from the end of the Cold War and keep the world safe on the cheap; we trusted multilateral institutions even as they were slowly corrupted by cynical regimes weaponising international law against us; and we hoped that hostile powers would be tamed by the invisible hand of the global market. It was a fine and foolish delusion.

In Canada's case, surrounded by oceans on three sides and a friendly ally on the other, we had the excuse that we did not face any direct military threats. Between our fortunate geography and the shadow of the Monroe Doctrine we could be confident that, if push came to shove, the United States would protect us because doing so would be in its own interest. There was an ignoble canniness to this assessment, but it only held as long as American governments were inclined to indulge our freeloading.

The Europeans had no such excuse. They were warned for decades that choosing butter over guns would have long-term consequences. More than a decade ago, U.S. Defense Secretary Robert Gates warned European countries that their failure to invest in hard military power meant eventual "irrelevance" for NATO. In 2011 in Brussels he said everything that Vice President JD Vance would say in 2025 in Munich, to deaf ears.⁴

"The blunt reality," Mr. Gates said, "is that there will be dwindling appetite and patience in the U.S. Congress—and in the American body politic writ large—to expend increasingly precious funds on behalf of nations that are apparently unwilling to devote the necessary resources or make the necessary changes to be serious and capable partners in their own defense."

Gates's warning came before Vladimir Putin seized Crimea in 2014 and before the full-scale Russian invasion of 2022. What has happened since? Last month Reuters reported that "[t]he German army's battle-readiness is less than when Russia invaded Ukraine in 2022."⁵ Even when confronted with a shooting war just one country over, the wealthiest country in Europe has not just been slow to rise to the challenge, they've actually gone backward.

Charles Krauthammer's once said that "decline is a choice."⁶ Since the end of the Cold War, the Europeans have chosen genteel decline and we Canadians have largely copied them. We got soft and we stopped doing difficult things. We smothered our politics in process and allowed high-but-soft-minded judges to sap our democratic vigour. We preferred talk to action, and when eventually we lost the ability to act we reassured ourselves that talk was enough.

³ The Congressional vote to authorize military force was on November 27th, 2001.

⁴ "After Gates' Blunt Warning, What's Next for NATO?" *PBS News Hour* (2011, June 10), <https://www.pbs.org/newshour/show/after-blunt-warning-from-gates-what-s-next-for-nato>.

⁵ Sabine Siebold, "'50% battle-ready': Germany misses military targets despite Scholz's overhaul," *Reuters* (2025, February 13), <https://www.reuters.com/world/europe/50-battle-ready-germany-misses-military-targets-despite-scholzs-overhaul-2025-02-13/>.

⁶ Charles Krauthammer, "2009 Wriston Lecture: Decline is a Choice," *The Manhattan Institute* (2009, October 5), <https://manhattan.institute/event/2009-wriston-lecture-decline-is-a-choice>.

Trump may yet prove to be an extreme case, and after him American politics may return to the broader consensus that existed before, but I wouldn't bet on it. In any case, in a multipolar world American politics is only half the picture, if that. Nor can we fall back on familiar multilateral institutions and alliances, which are quickly evolving or being replaced. We are an afterthought, if anyone thinks of us at all. That is the price of the irrelevance that we chose. If we want that to change, we have to change. We have to get serious, fast.

If we want to avoid the fate of those European countries stuck in a state of paralysed indignation then we have to stop talking and start making all the hard choices that we've been putting off, hoping we'd never have to face them. If we want to be actors rather than perpetually stunned and scrambling reactors, if we want to re-earn our place at the global table, our leaders are going to have to learn how to prioritise and the rest of us are going to have to learn to accept trade-offs.⁷ The days of comfort are over.

⁷ Howard Anglin, "Canada deserves to be relegated from the G7," *The Hub* (2023, February 1), <https://thehub.ca/2023/02/01/howard-anglin-canada-deserves-to-be-relegated-from-the-g7/>.

Canada Needs a Bigger, More Serious Response to Donald Trump's Provocations

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Although it's been less than fifty days since President Trump's inauguration, it feels like it's been far longer. That's because the Trump 2.0 administration isn't just a redux of Trump's first term—it has moved with far greater ambition and speed this time around.

The most significant developments have been in the areas of trade and foreign policy where the administration is looking for nothing less than a fundamental reordering of global politics. Canada's political class has struggled to grasp this reality.

Even as we were subjected to tariffs this week, the Canadian reaction still fails to see the use of tariffs as a lever to reshape America's trading relationships and the broader global trading system. This myopia is a problem for Canadian policymakers as they formulate a response.

Simply put: Trump wants to force regional allies like Canada to fall in line with American interests in a new, multipolar world. If Canadian policymakers don't move beyond symbolic outrage and craft a serious strategy for this new world, our sovereignty could be at risk.

As Oren Cass recently argued, Trump and his administration believe that the liberal international order is no longer serving American interests and hasn't for some time.⁸ In the Trump administration's view, the U.S.-led system of global cooperation on trade and security has become "obsolete," actively working against American economic and geopolitical interests.⁹

International agreements and institutions such as the IMF and the UN that were once considered stabilizing are now seen as constraints that benefit other countries at the expense of the United States. In his Senate confirmation hearing, now-Secretary of State Marco Rubio even described the U.S.-led order as a "weapon being used against us."¹⁰

⁸ Oren Cass, "What I, a pro-tariff advocate, learned talking trade in Canada," *The Hub* (2025, February 10), <https://thehub.ca/2025/02/10/oren-cass-what-i-a-pro-tariff-advocate-learned-talking-trade-in-canada/>.

⁹ Marco Rubio, "Opening Statement by Secretary of State-designate Marco Rubio Before the Senate Foreign Relations Committee," *American Rhetoric* (2025, January 15), <https://www.americanrhetoric.com/speeches/marcorubiosecstatenomhearingopeningstmt.htm>.

¹⁰ Ibid.

At the core of the Trump administration's foreign policy is the belief that the unipolar moment of the United States as the sole global superpower was an anomaly rather than the norm. His administration sees multipolarity as the reality and, in fact, a preferred framework for engagement.¹¹ There's a deliberate effort to upend the post-Cold War order and to reshape globalization in ways that prioritize American economic and strategic interests.

As Canada has found out, his "America First" reordering of the world also applies to allies, not just adversaries. The Trump administration is inclined towards a realist foreign policy that prioritizes regional spheres of influence. It has already sought to reduce American involvement in conflicts outside its immediate sphere, such as scaling back its supportive role in the Russia-Ukraine war, while expecting allies to take on more responsibility.

Trump himself, off-the-cuff policymaking, may be an imperfect vehicle for any kind of consistent worldview, but that does not diminish the seriousness of the situation Canada finds itself in.

According to this point of view, Canada is seen with skepticism. The perception in Trump's Washington is that Canada has benefited from U.S. military protection, gaining preferential market access while investing in social programs and economic policies rather than its own national defence.

This week of course Canada was targeted by tariffs which themselves represent a key part of Trump's political economy. Economic nationalism is central to his vision for remaking the global order, with tariffs and trade restrictions serving as both negotiation tools and structural mechanisms to rewrite the economic relationship between the United States, its allies, and adversaries.

The belief that allies have taken advantage of the U.S.-led system is deeply ingrained in Trump's populist appeal, which is widely shared among his administration's key figures. The use of tariffs against Canada, for example, shouldn't be understood as a temporary pressure tactic but rather a fundamental shift in economic relations.

President Trump's claim that he wants Canada to become the "51st state" underscores his broader push for closer alignment between Canadian policy and American interests even if it comes at the expense of Canada's own interests. The lack of clarity about the expectations or demands from the Trump administration has been frustrating. It's led many Canadians to assume that there's nothing that we can do to reach a new agreement so therefore we must fight in the form of retaliatory tariffs and other escalations.

But there is a better option. By proactively shaping the terms of realignment, Canadian policymakers can ensure that our national sovereignty is preserved. Canada must understand and in turn focus on responding to the new geopolitical assumptions of the United States rather than contributing to an escalatory trade war that we'll certainly lose.

Up until now, the Canadian approach has been to reinforce and double down on the assumptions of the liberal international order that Trump seeks to dismantle. At the same time, the resignation of Prime Minister Justin Trudeau, a prorogued Parliament, and an ongoing Liberal leadership race have left Canada with a leader who lacks both a mandate and the political support needed to defend national interests. If Canada had a prime minister who was focused more on our national interest instead of the Liberal Party of Canada's interest, we might be able to come to the table with the Americans with a series of proposals that can preserve our sovereignty, without a costly trade war and ensure that the Americans view us as a trusted partner in their remaking of the global order.

¹¹ Mallie Prytherch, "Marco Rubio's Multipolar World," *China-US Focus* (2025, February 7), <https://www.chinausfocus.com/foreign-policy/marco-rubios-multipolar-world>.

Many Canadians have reacted emotionally (understandably I might add) to Trump's actions, viewing them correctly as direct attacks on national sovereignty. Yet Canadian politicians have been responding to the raw emotion rather than coming forward with a plan that demonstrates we are a serious nation that should be taken seriously.

Reciprocal tariffs can be a useful threat, but an escalatory trade war cannot be our only response to American threats against Canada. While politicians, business leaders, and media elites worked themselves into an emotional frenzy, it's Canadian workers and consumers who will bear the greatest burden. The elite can weather a trade war—with only minor reductions in wealth and little impact on their material well-being. However, auto workers, skilled tradespeople, forestry workers, and service sector employees will face job losses or significant reductions in income.

Yet the domestic debate has amounted to "you're on Team Canada or you're not." This false binary that considers our options as a destructive retaliation or complete capitulation is self-evidently wrong.

So how should Canada respond? We must craft a strategy that prioritizes Canadian interests while identifying areas of alignment with U.S. interests to secure economic stability. Some may argue that Trump is not to be trusted no matter what we do, and that risk is real. However, by proactively defining a plan that advances our national interest, we will be in a stronger position should a trade war become protracted.

First, we most obviously must increase our investments in our military capacity. This is a longstanding and fair grievance that the Americans have had, including with the Biden administration. We should be expanding our military capacity not to serve the American interests but to preserve our sovereignty in this multipolar world that no longer reflects the post-Cold War equilibrium.

We need to be ambitious, flexible, and courageous in ramping up our military spending and capacity. Pierre Poilievre's plan to build an Arctic military base and massively increase our military presence in the North is a good first step.¹² Ideas like an integrated North American defence procurement model, as the former governor of the Bank of Canada, Stephen Poloz, has argued for, should be seriously considered.¹³

Canada has been unable to procure military equipment in a cost-effective and timely manner and outsourcing the contracting to the United States while we pay the bill could ensure we rapidly expand our military capacity while integrating our militaries further with the United States. Additionally, we could be a leader in embracing technology with the use of drones or other autonomous vehicles helping us overcome our smaller population base for our regular Canadian Armed Forces.

We also need to consider allowing American missile defence systems in the Arctic, a rejuvenation of the Canadian Armed Forces recruitment by following the American lead of putting aside Diversity, Equity, and Inclusion (DEI) policies, and a national morale-building campaign focused on creating pride and honour for all of Canada's historic contributions to global security, not simply peacekeeping efforts.

Second, we need to recognize that many of the international institutions that the Americans criticize, like the UN, are also not serving Canadian interests. We should be working to partner with the Americans to create new institutions and exit ones that conflict with our own interests, such as the Chinese Communist Party-adjacent Asian Infrastructure Investment Bank (AIIB) that the Trudeau government wrongly signed on to. We should only engage with international institutions that can serve the Canadian national interest, which ought to be preserving our sovereignty and economy in that order.

¹² "Poilievre's Part I of "Canada First Plan" To Take Back Control Of Arctic," *Conservative Party of Canada*, <https://www.conservative.ca/poilievres-part-i-of-canada-first-plan-to-take-back-control-of-arctic/>.

¹³ Barbara Shecter, "'Fragile' Canadian economy at risk from Trump's unpredictability, Poloz says," *The Financial Post* (2025, February 5), <https://financialpost.com/news/economy/poloz-impact-tariffs-worse-than-expected>.

Third, we should consider aligning our regulatory frameworks to effectively compete with the American economy. This will enable our entrepreneurs and innovators to operate without unnecessary constraints from regulatory “gatekeepers.” Unleashing Canada’s vast natural resource potential will benefit both Canada and the global community. If a strategically decoupling of our economies ends up becoming a reality, it is essential to focus on enhancing our own economic capabilities. One area where this can be achieved, in alignment with current U.S. efforts, is through the regulation of artificial intelligence, which could serve as a significant driver of economic growth. Recently, Vice President JD Vance delivered a speech at the AI Action Summit in Paris, warning against excessive regulation of AI and criticizing the EU’s approach could potentially “kill a transformative industry.”¹⁴ The Canadian approach thus far has been closer to the EU approach than Trump’s.¹⁵

Fourth, we should immediately request the renegotiation of CUSMA and collaborate with the United States to close loopholes that allow Chinese goods to enter the U.S. through Canada and Mexico. We must be willing to accept changes to the agreement, but we must not capitulate on strategic economic sectors. We should continue aligning our tariff policies with the U.S. on Chinese imports while working to rebuild our strained relationship with India, the world’s largest democracy.

Fifth, as Canada prepares to host and chair the G7 summit this June in Alberta, we have an opportunity to demonstrate our seriousness on the world stage. By crafting an agenda that serves both our interests and those of the Americans, we can focus on how the Canadian interest can shape the new global order, the G7’s response to rising threats from China, Russia, and Iran, immigration security, and increased defense spending among G7 nations. This summit presents a leadership test that Canada must rise to—showing President Trump that we are a sovereign nation capable of asserting our national interests while aligning with his administration’s vision for reshaping the global order.

Canadian policymakers must recognize that Trump’s approach to global politics is not an anomaly—it reflects a broader transformation in American foreign policy that is likely to persist. Instead of reacting with indignation or short-term symbolic gestures, Canada must develop a coherent strategy that protects national interests while engaging with the new reality of American interests. Failing to do so will leave Canada vulnerable to economic destruction and isolation from our most important neighbour.

The choices made today will determine Canada’s place in the evolving world order, and our leaders must rise to the occasion before it is too late.

¹⁴ Olesya Dmitracova, “Excessive regulation could ‘kill’ AI industry, JD Vance tells government leaders at Paris summit,” CNN (2025, February 11), <https://www.cnn.com/2025/02/11/tech/jd-vance-ai-regulation-paris-intl/index.html>.

¹⁵ Bruce D. Sokler, Alexander Hecht, Christian Tamotsu Fjeld and Matthew Tikhonovsky, “Trump Administration Seeks Public Comments for AI Action Plan — AI: The Washington Report,” Mintz (2025, February 12), <https://www.mintz.com/insights-center/viewpoints/54731/2025-02-11-trump-administration-seeks-public-comments-ai-action>.

Canada's Destiny Remains in North America

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The U.S. president's refusal to play by the established rules of the game is eliciting stunned reactions from all four corners of the globe. For a world that's grown used to the banalities of so-called proportional responses and discretion from its leaders, Donald Trump's antics are simply hair-raising.

This is especially true in Canada, where this electroshock therapy seems to have shaken us out of our torpor, or the cozy cocoon where we had found shelter, somewhere between comfort and indifference, leagues away from growth and dynamism.

In these pivotal moments, it's important to agree on key principles and to be guided by a solid compass rather than playing it by ear. After all, as Nietzsche put it, he who has a "why" can bear almost any "how."

I'll suggest one cardinal rule: don't lose true north. Ultimately, regardless of the tumult and the trouble, sharing a border with the most powerful economy and military in human history will remain for the foreseeable future, and doubtless much beyond, one of our biggest assets.

Gilles Duceppe, former leader of the Bloc Québécois and a surprising prophet for Canadian affairs, was fond of repeating that we have the politics of our geography. We therefore have every interest in embracing our own North American identity, and that which distinguishes us among Western countries. Our destiny has as its foundation a strong and dynamic North America, where it is still possible to build, to grow, and to prosper. That is the spirit of our more or less recent ancestors, who braved the elements and other difficulties in order to feather their nest in the New World.

The return of patriotism and of a strong desire to persist (to cite French poet Paul Éluard's *dur désir de durer*) that we observe among our fellow citizens is commendable and undoubtedly necessary.¹⁶ But without a productive channelling of these feelings, we risk coming out of this misadventure inexorably weaker.

It's not by beating our chests that we will bring about winning conditions for Canada, but rather by realizing that our opportunity to establish a certain balance of power is located on the economic side of the equation. As General de Gaulle put it in his unfinished *Mémoires d'espoir*, the efficiency and ambition of one's policies are commensurate with the strength and hope of its economy.¹⁷

While some solutions to the crisis we are living through are simple, they will not necessarily be easy to implement. To put it bluntly: our politicians will need a little more courage than usual.

¹⁶ Paul Éluard, *Le Dur Déir de Durer*, (London: The Trianon Press, 1950).

¹⁷ Charles de Gaulle, *Mémoires d'Espoir*, (Paris: Plon, 1970).

This moment in our history must give rise to highly necessary reforms, as much in terms of interprovincial trade as in terms of improving the business environment.¹⁸ In recent years, the competitive advantage Canada could boast about has been diminished considerably, if not completely eliminated, by the tax cuts introduced during the first Trump administration.

To reinvigorate Canadian companies, a corporate tax cut and a federal regulatory burden review panel should be imperative for whoever inherits the position of prime minister of Canada. The same goes for reducing individual income taxes, especially for the Canadian middle class which has been hit hard by the nightmarish economic experiments of the pandemic.¹⁹

As I pointed out in a previous column, the increased development of our natural resources and their export to a wider range of countries—which, incidentally, are clamouring for them—represents one path to partial salvation for our economy.²⁰ After all, the economic ties with the United States that I continue to see as a cornerstone of our prosperity in no way preclude us from trading with other countries, especially if they can offer us more advantageous terms.

In this sense, we should look to other liberal democracies in order to see to what extent we can strengthen our trade agreements.

All our governments will have to review the “little privileges” granted to various labour interest groups in order to allow a reorganization of labour on the basis of rationality and efficiency rather than the redistribution of sums extorted from the public with no real benefit. At the federal level, supply management comes to mind, an eminently regressive policy, while at the provincial level, an example is the reserved acts doled out like candy to professional orders.²¹ Taken together, all of these measures have exorbitant direct costs for the public and indirectly lead to economic sclerosis.

We have some solid assets: a very favourable geography, a reputation as a stable and honourable country, and an educated population. We might even allow ourselves to hope that the challenges we’re facing will allow us to once again properly value effort, which was once the key to human progress, as Olivier Babeau fiercely advocates in his excellent *L’Ère de la flemme (The Age of Sloth)*.²²

Once the snow has melted and we have a new federal government, it will be time for a big spring cleaning. We’ll need to roll up our sleeves and put a little more effort into the task, a little more courage than usual.

¹⁸ “Ambition and Action: An Urgent Plan for Canada,” *The Business Council of Canada* (2025, February 13), <https://www.thebusinesscouncil.ca/report/ambition-and-action/>.

¹⁹ Maria Solovieva, “Middle-Income Families are Poised to Take the Wind Out of the Economy’s Deflating Sails,” *TD Bank* (2024, April 22), <https://economics.td.com/ca-middle-income-families-economy-deflating-sails>.

²⁰ Daniel Dufort, “It’s time for Quebec to get on board with Canada’s pipeline projects,” *The Hub* (2025, February 7), <https://thehub.ca/2025/02/07/daniel-dufort-its-time-for-quebec-to-get-on-board-with-canadas-pipeline-projects/>.

²¹ Khamla Heminthavong, “Canada’s Supply Management System,” *Library of Parliament* (2018, November 30), https://lop.parl.ca/sites/PublicWebsite/default/en_CA/ResearchPublications/201842E; “The Reserved Acts,” College of Licensed Practical Nurses of Manitoba (2023), <https://www.clpnm.ca/for-registrants/legislation/the-regulated-health-professions-act/>.

²² Roger-Pol Droit, “L’Ère de la flemme, d’Olivier Babeau,” *Le Monde* (2025, January 24), https://www.lemonde.fr/livres/article/2025/01/24/l-ere-de-la-flemme-d-olivier-babeau-la-chronique-essai-de-roger-pol-droit_6514017_3260.html.

The Real Reason Trump Wants to Make Nice With Putin and Russia

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Most of the Western world is grappling with the dramatic change in U.S. policy towards Ukraine. The easy narrative among some is that Trump at a minimum admires and in some eyes is an asset of Putin, and will sell out the West and NATO in the service of his relationship.

Of course, our loyalty to Ukraine and commitment to the removal of Russia from the Donbas is not absolute. Europe is buying more energy from Russia now than before the war and even Canada purchased \$200 USD million in oil last year.²³ Still, most of us are rooting hard for the besieged and deplore the idea that Russia should be rewarded for its aggression.

There is a simpler context to view the change in policy, and it becomes clearer if we suppose that the only thing that matters to the Americans is their struggle to contain a rising Chinese threat; that Russia, now enfeebled by three years of self-destructive war is only a regional menace; that Ukraine is irrelevant to global power dynamics and that Russian oil and minerals (and Ukrainian) are better directed to the West than China.²⁴

If you accept those precepts, then the logical thing to do is to throw Ukraine under the bus and let Russia save face to prevent a nuclear exchange. It may not be an appealing prospect for those who value the multinational order or even morality itself, but there is a cold hard logic to it that is hard to escape. The only silver lining is a pause to the ongoing destruction of what remains of Ukraine if a ceasefire is actually reached.

First it is essential to understand the context that from the day he descended the escalator, Trump has been talking about the Chinese threat. To his credit, he was early among political leaders in recognizing China as not just a rival but indeed a significant economic and military adversary.

Over the past 50 years, the commitment of the West to liberal economic policies including relatively unrestrained trade and capital flows, protected by U.S. naval dominance, has allowed consistently rapid economic growth and consumer well-being. While economically beneficial overall, the U.S. manufacturing base has been decimated and the social and economic damage to former manufacturing areas of the country has been profound. For the blue-collar labour force, the despair over their abandonment provided the political energy channeled by Trump to both his electoral victories.

²³ "Canada imported US\$200M of Russian oil in 2024 despite sanctions: CREA," *BNN Bloomberg* (2025, January 23), <https://www.bnnbloomberg.ca/video/shows/commodities/2025/01/23/canada-imported-us200m-of-russian-oil-in-2024-despite-sanctions-crea/>.

²⁴ Ryan Hass, "Can Trump seize the moment on China?," *Brookings Institution* (2025, January 28), <https://www.brookings.edu/articles/can-trump-seize-the-moment-on-china/>.

The restoration of U.S. manufacturing independence and the reduction of American vulnerability to China underlines virtually all of the Trump administration's economic policies. China could shut down the U.S. economy virtually overnight—without its products, the U.S. could not manufacture a single car, washing machine, or airplane, much less a tank or missile. While tariffs are helpful in restoring fiscal balance, they are crucial to the task of reshoring and rebuilding domestic manufacturing capacity. In a complementary way, the Trump administration has also focused on the supply of critical minerals as a key security issue, even making them central to the resolution of the Ukraine conflict.²⁵

Wooing Russia to weaken China

John McCain used to describe Russia as a gas station masquerading as a country.²⁶ Indeed, there is very little other than oil and gas that anyone wants from Russia. Three years of war with Ukraine has decimated its military forces, cleaned out its arms stockpiles, driven its best and brightest out of the country, and sent inflation and interest rates to 20 percent.²⁷ Putin's miscalculation of the cost of that war has severely weakened his country. But McCain should have also included "nuclear-armed" in his description of Russia, and we need to take that reality seriously.

China has been Russia's strongest supporter through the Ukraine conflict. Most importantly they have been Russia's largest customer for oil and gas and provided critical hard currency when much of the rest of the world confiscated their foreign reserves and sanctioned their economy.²⁸ And they have provided manufactured goods that were somewhat cut off from the West.

But China's support does not come from friendship and will carry a price. Russia is now heavily dependent on China, and extremely vulnerable.²⁹ To feed the war machine, Russia has moved troops stationed in the East to Ukraine, and her vast Eastern territory, adjacent to China, lies virtually undefended.³⁰ The former Chinese territories of outer Manchuria—part of Russia since 1860—are under increasing discussion within China. With their deep-water ports at Vladivostok and access to the Sea of Japan, they could be the price that Russia pays for Chinese support. We know well how China feels about restoring former territories.

²⁵ Gracelin Baskaran and Meredith Schwartz, "Breaking Down the U.S.–Ukraine Minerals Deal," *Center for Strategic and International Studies* (2025, February 27), <https://www.csis.org/analysis/breaking-down-us-ukraine-minerals-deal>.

²⁶ Jon Terbush, "John McCain: Russia is a 'gas station masquerading as a country,'" *The Week*, (2015, January 8), <https://theweek.com/speedreads/456437/john-mccain-russia-gas-station-masquerading-country>.

²⁷ Grace Mappes, "Russia Has Failed to Break Ukraine," *Institute for the Study of War* (2025, February 24), <https://understandingwar.org/backgrounder/russia-has-failed-break-ukraine>; Mithil Aggarwal and Max Butterworth, "Satellite images show Russian setbacks: Arms depots hit by Ukraine and a failed missile test," *NBC News* (2024, September 24), <https://www.nbcnews.com/news/world/satellite-images-russia-arms-depot-ukraine-strikes-missile-test-failed-rcna172383>; Anastassia Boutsko, "Who are the Russians leaving their country?," *DW* (2022, April 5), <https://www.dw.com/en/who-are-the-russians-leaving-their-country/a-61364390>; "Russian Interest Rate," *Trading Economics* (2025), <https://tradingeconomics.com/russia/interest-rate>.

²⁸ Maia Nikoladze and Mrugank Bhusari, "Russia and China have been teaming up to reduce reliance on the dollar. Here's how it's going," *The Atlantic Council* (2023, February 22), <https://www.atlanticcouncil.org/blogs/new-atlanticist/russia-and-china-have-been-teaming-up-to-reduce-reliance-on-the-dollar-heres-how-its-going/>.

²⁹ John C. K. Daly, "Russia's Fiscal Dependence on China Grows," *Eurasia Daily Monitor* (2024, November 13), <https://jamestown.org/program/russias-fiscal-dependence-on-china-grows/>.

³⁰ Tuqa Khalid, "Russia pulls troops from China border for Ukraine, plans to mobilize 500,000: Reports," *Alarabiya News* (2023, July 6), <https://english.alarabiya.net/News/world/2023/07/06/Russia-pulls-troops-from-China-border-for-Ukraine-plans-to-mobilize-500-000-Reports>.

The Trump administration has also made its focus on hemispheric security clear. Securing the Americas through the embrace of Argentina, the security of the Panama Canal, the Mexican border, the Canadian North, and possible integration one way or another with Greenland creates an inevitable hemispheric alliance. While it would be constructed through intimidation over cooperation, its trajectory eventually terminates in Russia.³¹

Russia now faces an existential crisis, weakened by its disastrous Ukrainian mission, beset by internal economic turmoil, and diminished by the depreciation of its young generation. But it remains a resource powerhouse and more than ever needs a prime customer. The question likely on the minds of the newly installed U.S. foreign policymakers is who that will be. Forcing Russia into full capitulation and subservience to China is not an appealing scenario. By joining Russia in a U.S. alliance, China becomes completely surrounded. By pushing them into an alliance with China, America creates a much stronger adversary.

Most of us would like to live in a world where morality matters, where the good guys win, where alliances are respected and nurtured, where borders are respected. We have pride in and want to preserve the post-Second World War international order. But those international institutions have been losing credibility and power for some time.³² The world we really live in increasingly looks like a power game between two geopolitical rivals, with the veneer of global institutions and cooperation being steadily stripped away.

Sometimes the anger we feel over moral violations blinds us to the cold hard logic of the situation we face. We want to support the underdog and defend Western allies. We don't like to reward aggression, create moral hazard, align with psychopathic despots, or support war criminals. But the U.S. may be deciding that reintegrating Russia into its side of an increasingly bipolar world order is better than the alternative. That securing critical minerals, energy, and trade corridors is important, and withholding those resources from its real adversary is critical.

What this means for Canada

If that's the case, then Canada better get on board—quickly. It has no other real choice, even if the implications are unappealing. The U.S. wants us to pay for our own security, wants a healthy chunk of our manufacturing capacity to move south, and wants to return us to a raw materials supplier to their economy.

We need to try to avoid retaliatory measures to American tariffs that will make the problem worse while addressing the real shortcomings of our economic policies. We are already starting to lose manufacturers and talent, so we had better figure out how to restore growth in our traditional extractive industries and defend our borders. Otherwise, our economic suffering will be profound and our very independence will be at risk.

³¹ Allan Smith and Carol E. Lee, "Pressure on China and pure 'trolling': Why Trump is pushing an expansionist agenda," *NBC News* (2025, January 9), <https://www.nbcnews.com/politics/donald-trump/trump-take-canada-greenland-panama-canal-rcna186591>.

³² Jared Cohen and Ian Bremmer, "The Global Credibility Gap," *Foreign Policy* (2023, December 6), <https://foreignpolicy.com/2023/12/06/global-geopolitics-credibility-us-china-competition-alliances-deterrence-military-economic-power/>.

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