





# Canada's Future Prosperity in a Changing World: The Need for a Canadian Grand Strategy Focused on Immigration, Trade, and Diplomacy in the Asia-Pacific Region

# **Major Francis Lavoie**

#### JCSP 47

## **Master of Defence Studies**

#### Disclaimer

Opinions expressed remain those of the author and do not represent Department of National Defence or Canadian Forces policy. This paper may not be used without written permission.

© Her Majesty the Queen in Right of Canada, as represented by the Minister of National Defence, 2021.

#### **PCEMI 47**

### Maîtrise en études de la défense

#### Avertissement

Les opinons exprimées n'engagent que leurs auteurs et ne reflètent aucunement des politiques du Ministère de la Défense nationale ou des Forces canadiennes. Ce papier ne peut être reproduit sans autorisation écrite.

© Sa Majesté la Reine du Chef du Canada, représentée par le ministre de la Défense nationale, 2021.



# CANADIAN FORCES COLLEGE – COLLÈGE DES FORCES CANADIENNES JCSP 47 – PCEMI 47

2020 - 2021

MASTER OF DEFENCE STUDIES – MAÎTRISE EN ÉTUDES DE LA DÉFENSE

# CANADA'S FUTURE PROSPERITY IN A CHANGING WORLD: THE NEED FOR A CANADIAN GRAND STRATEGY FOCUSED ON IMMIGRATION, TRADE, AND DIPLOMACY IN THE ASIA PACIFIC REGION

By Major F. Lavoie

"This paper was written by a candidate attending the Canadian Forces College in fulfilment of one of the requirements of the Course of Studies. The paper is a scholastic document, and thus contains facts and opinions which the author alone considered appropriate and correct for the subject. It does not necessarily reflect the policy or the opinion of any agency, including the Government of Canada and the Canadian Department of National Defence. This paper may not be released, quoted or copied, except with the express permission of the Canadian Department of National Defence."

« La présente étude a été rédigée par un stagiaire du Collège des Forces canadiennes pour satisfaire à l'une des exigences du cours. L'étude est un document qui se rapporte au cours et contient donc des faits et des opinions que seul l'auteur considère appropriés et convenables au sujet. Elle ne reflète pas nécessairement la politique ou l'opinion d'un organisme quelconque, y compris le gouvernement du Canada et le ministère de la Défense nationale du Canada. Il est défendu de diffuser, de citer ou de reproduire cette étude sans la permission expresse du ministère de la Défense nationale. »

# **TABLE OF CONTENTS**

Table of Contents		i	
Abs	et		
Cha	apter		
1.	Introduction	1	
2.	Prosperity through Immigration	9	
3.	Prosperity Through Trade	33	
4.	Prosperity Through Diplomacy	55	
5.	Conclusion	79	
Bib	oliography	8	

#### **ABSTRACT**

This study explores the need for Canada to develop a coherent grand strategy that focuses away from traditional partners to one focused on the Asia Pacific Region to ensure Canada's continued prosperity. It looks at three key realms of domestic and foreign policy, which have benefited from the current world order and stand to suffer in the face of the challenges posed by the rise of China and the Asia Pacific Region. Canada's prosperity has consistently relied upon immigration to support the growth of its trade-based economy. This led Canada to become one of the largest economies in the world. Historically, immigration was sourced from traditional American and European allies, contributing greatly to the growth of the nation. However, recent changes to Canadian immigration policies have led to widespread concerns of filling critical labour gaps. Added to problematic of demographic trends across Canada and its traditional partners, the Canadian economy and social welfare programs it supports will face considerable challenges in the future. Moreover, Canada's over reliance on the United States as a primary trade partner, as well as the dwindling returns from its traditional trade agreements in Europe will lead to negative impacts on the Canadian economy. Notwithstanding, Canada's suffering diplomatic influence in the face of a lack of strategic direction, continues to focus primarily on its traditional partners. This limits its diplomatic influence in the Asia Pacific region. As a trade nation with limited future potential from continued focus on traditional partners, it becomes evident that Canada must develop a coherent grand strategy that will seize the opportunities of a rising Asia Pacific region by broadening its immigration policy and developing more profitable trade with the Asia Pacific's rising economies. This can only be achieved by concerted diplomatic efforts. Then Canada will become a key and reliable partner in the region.

#### CHAPTER ONE

#### INTRODUCTION

During its short history as a nation, Canada has benefited from having global superpowers like the United Kingdom and the United States as allies. This led Canada's historical alliances and partnerships to orbit around the concept of the North Atlantic Triangle, which Brebner defines as the "economic triangle of buying and selling, investing and dividend-paying, migration and production into which Great Britain, the United States and Canada poured their efforts." This Triangle, which saw immense success, propelled Canada and its allies into "the mightiest thing of its kind on earth . . . destined to remain so." Not surprisingly, a form of the North Atlantic Triangle is still observable today with the inclusion of Europe in its entirety rather than Great Britain alone as the eastern point.<sup>3</sup> This has worked out favourably for Canada as most of the nations in the North Atlantic Triangle have been parties to the victories in all the major conflicts since Canadian confederation and have been central to global diplomatic and economic efforts. Through this partnership, there has been great economic prosperity whilst many successful organisations such as the United Nations, North Atlantic Treaty Organisation, Word Trade Organisation, and the International Monetary Fund have stemmed from it. Moreover, Canada has had key roles in creating these organisations. However, as John Manley has put it, Canada is "still trading on [a] reputation that was built two generations and more ago . . . that [it hasn't] continued to live up to." Nearly

<sup>&</sup>lt;sup>1</sup> John Bartlet Brebner, *North Atlantic Triangle: The Interplay of Canada, the United States and Great Britain* (New Haven: Yale University Press, 1945), 230.

<sup>&</sup>lt;sup>2</sup> Ibid

<sup>&</sup>lt;sup>3</sup> David Haglund, *The North Atlantic Triangle Revisited: Canadian Grand Strategy at Century's End* (Toronto: Irwin Publishing, 2000), ix-x.

<sup>&</sup>lt;sup>4</sup> John Manley, Minister of Foreign Affairs, in Andrew Cohen, "Seize the Day," *International Journal (Toronto)* 58, no. 1 (2002), 139.

two decades have passed since this comment, and while Canada has occasionally reasserted itself since, Manley's comment continues to resonate today.

Canada has secured its place in the current world order by negotiating for itself amidst relationships with Great Britain and the United States, which was challenging in the best of times. Haglund's concept of the *bookkeeper's puzzle* stresses these challenges quite effectively by highlighting that Canada had to be strategic while "manag[ing] relations with both Britain and the United States so as to be able to invoke the assistance of the former against the latter's . . . pressure while at the same time ensuring that British desire[s] . . . would not result in a "sacrifice"[sic] of Canadian interests." This became of greater concern when power continued to transition from the United Kingdom to the United States. Yet, Canada remained able to protect its interests despite this powershift.<sup>6</sup> How Canada managed to defend its interests required more than simple cooperation with its allies. It required the development of a coherent grand strategy that "manifest[ed] the values, interests and aspirations of [the] country and its citizens." Grand strategy tends to invoke the idea that it applies to great powers and that smaller powers should simply concerned themselves with *foreign policy*. However, Doran argues that *all* states go through a "cycle of relative power and role" that requires them to use strategy in the form of statecraft to work within the global power dynamics and secure their interests. 8 He further stipulates, "middle powers . . . must act even more circumspectly than great

<sup>&</sup>lt;sup>5</sup> Haglund, *The North Atlantic Triangle Revisited* . . ., 15.

<sup>&</sup>lt;sup>6</sup> Charles F. Doran and David Pratt, "The need for a Canadian Grand Strategy," in Canada's National Security Strategy in the *Post-9/11 World: Strategy, Interests and Threats* (Toronto: University if Toronto Press, 2019), 27.

<sup>&</sup>lt;sup>7</sup> *Ibid*, 25.

<sup>&</sup>lt;sup>8</sup> Charles F. Doran, "Economics, Philosophy of History, and the "Single Dynamic" of Power Cycle Theory: Expectations, Competition, and Statecraft," *International Political Science Review* 24, no. 1 (2003): 14.

powers" for, unlike great powers, middle powers do not have the means to recover from sizable grand strategy mistakes. This certainly holds true for Canada and, through Louis St-Laurent's five principles of strategy in the post-Second World War era, 10 we see the foundation of a Canadian grand strategy in what Cohen views as the "golden age of Canadian Diplomacy." Combined with Canada's Second World War contribution and the prestige it gained from it, the application of St-Laurent's principles of strategy (Table 1) in its domestic and foreign policies propelled Canada to become a key player in the post-war world order. These principles guided Canada in securing its interests, increasing its prosperity through immigration and economic growth and by maintaining close diplomatic relations with its allies, essentially guaranteeing its national security in the process.

When examining foreign policy through the years, Canada appears to have applied these principles to varying degrees, even before St-Laurent's government.

Nonetheless, their application remained within the concept of the North Atlantic Triangle. Increasingly over the years, the ebb and flow of Canada's grand strategy (or lack thereof) began to gravitate closer to the United States while maintaining its traditional ties to Europe. This may seem logical when considering the United States has

<sup>9</sup> Doran and Pratt, *The need for a Canadian Grand Strategy*, 26.

<sup>&</sup>lt;sup>10</sup> Louis S. St-Laurent, ("The Foundations of Canadian Policy in World Affairs," 1947 Gray Lecture, Toronto Canada, 13 January 1947).

<sup>&</sup>lt;sup>11</sup> Andrew Cohen, *While Canada Slept: How we Lost our Place in the World* (Toronto: McClelland & Stewart, 2003), 7.

<sup>&</sup>lt;sup>12</sup> *Ibid*, 3-4.

Table 1 – Louis St-Laurent's Canadian Principles of Strategy
--

First Principle	"External policies shall not destroy [Canadian] unity"
Second Principle	Political liberty shall shape external policies
Third Principle	External and internal policies shall be in "respect of the rule of law;"
Fourth Principle	Foreign policy shall be "based upon some conception of human values;"
Fifth Principle	Canada must be "willing to accept international responsibilities "

Source: St-Laurent, "The Foundations of Canadian Policy in World Affairs . . ."

been a superpower since the end of the Second World War and world hegemon following the Cold War. In fact, the Canada-United States relationship has since developed into an intricate association of collaboration and codependency, manifestly lopsided in Canada's favour, <sup>13</sup> which Canada now tampers by invoking the assistance of Europe rather than just the United Kingdom as it did in the past. <sup>14</sup> This has helped Canada in what McDonough describes as a "goldilocks grand strategy," Canada's propensity to balance proximity and distance with the United States. <sup>15</sup> Nonetheless, this remained favourable for Canada, as the center of economic and military power remained with the Americans and European allies. There are of course those who dismiss the idea of Canadian grand strategy, rather arguing that Canada is mostly reactive to enable the most current American Grand Strategy: doing everything it can to please the Americans while maintaining Canadian sovereignty. <sup>16</sup> Recent events perhaps support this belief, but it has not always been the case. Recent challenges to Canada-United States relations by the

<sup>&</sup>lt;sup>13</sup> Fen Osler Hampson, "Negotiating with Uncle Sam: Plus Ça Change, Plus C'est La Même Chose," *International Journal (Toronto)* 65, no. 2 (2010): 306.

<sup>&</sup>lt;sup>14</sup>Haglund, The North Atlantic Triangle Revisited . . ., ix-x.

<sup>&</sup>lt;sup>15</sup> David S. McDonough, "Getting it just Right: Strategic Culture, Cybernetics, and Canada's Goldilocks Grand Strategy," *Comparative Strategy* 32, no. 3 (2013): 224.

<sup>&</sup>lt;sup>16</sup> *Ibid*, 225.

Trump administration and domestic political partisanship seem to paint the picture of a lack of Canadian strategy with foreign policy meant to maintain whatever benefits

Canada has from its lopsided relationship with the United States and other partners.

Through these recent events, Canada's dependency on the United States for its prosperity and national security has become unquestionably evident. However, this "longstanding, well-entrenched and highly successful" relationship is also beneficial to the Americans as it "provides both countries with greater [physical and economic] security than could be achieved individually." Even so, the world is changing, and the American hegemony and the western rules-based order which has benefited Canada is increasingly being challenged.

In recent years, there has been increasingly competitive exchanges at the geopolitical level between the United States and potential contenders of world superpower status. This has included Russia and China of course but, while Russia has stood firm on its opposition of United States hegemony since the fall of the Soviet Union, for the most part, it is more likely that it will project power regionally rather than globally. Conversely, China appears to have devised an intricate plan to grow its economy, increase its influence, and remove the United States as the world hegemon by unrestricted warfare. China's grand strategy considers everything from military force to political interference as legitimate means of waging war against an adversary. China's pragmatic approach is cognisant of the interconnectedness brought on by globalisation

<sup>&</sup>lt;sup>17</sup> Government of Canada, "The Canada-U.S. Defence Relationship," last accessed 17 December 2020, https://www.canada.ca/en/news/archive/2014/04/canada-defence-relationship.html.

<sup>&</sup>lt;sup>18</sup> Jeanne L. Wilson, "The Russian Pursuit of Regional Hegemony," *Rising Powers Quarterly* 2, no. 1 (2017), 7-8.

<sup>&</sup>lt;sup>19</sup> Liang Qiao and Wang Xiangsui, *Unrestricted Warfare: China's Master Plan to Destroy America* (Panama City, Panama: Pan American Publishing, 2002), xi-xiii.

and the United States' military supremacy which is unlikely to result in great power military confrontation to challenge world hegemony. It is more likely that "[i]n a world where technology has a controlling influence, major powers [will] compete by creating and deploying innovations through their industrial systems," making "industrial policy . . . a new arena for the great power competition."<sup>20</sup> With China's economy thriving, currently standing as the second largest economy in the world and first in purchasing power parity, <sup>21</sup> "China's strategic outlook and military power [that continues to] evolve in line with its economic growth"22 stands to be a considerable competitor against the Americans. Some predictions anticipate that China will dislodge the United States as the world's top economy by 2030.<sup>23</sup> The most significant indication of China's wealth and economic power is perhaps its ambitious Belt and Road Initiative that, if even partially successful, will leave little of the world unaffected. Moreover, predictions also indicate other Asian economies will surpass that of the United States by that same year,<sup>24</sup> with organisations such the Association of Southeast Asian Nation (ASEAN),<sup>25</sup> which saw uninterrupted growth from 2005 to 2015 with gross domestic product (GDP) growth of 8 percent in 2010,<sup>26</sup> to become global economic players. This has the potential to even

\_

<sup>&</sup>lt;sup>20</sup> Lei Shaohua, "Industrial Policy and the Great Power Competition," *China Economist (Beijing, China)* 15, no. 5 (2020): 57-65.

<sup>&</sup>lt;sup>21</sup> John Hawksworth et al., *The Long View: How Will the Global Economic Order Change By 2050?* (Pricewaterhousecoopers LLP, February 2017), 4.

<sup>&</sup>lt;sup>22</sup> Elinor Sloan, "US-China Military and Security Developments: Implications for Canada," *International Journal (Toronto)* 66, no. 2 (2011): 265-283.

<sup>&</sup>lt;sup>23</sup> John Hawksworth and Danny Chan, *The World in 2050: Will the Shift in Global Economic Power Continue?* (Price Waterhouse Coopers, UK: 2015), 11.

<sup>24</sup> Ibid

<sup>&</sup>lt;sup>25</sup> ASEAN nations include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam and boasts a population of more than 625 000 000. ASEAN, "About ASEAN," last accessed 30 April 2021, https://asean.org/asean/about-asean/.

<sup>&</sup>lt;sup>26</sup> Eurostat, "Gross Domestic Product," in *EU-ASEAN Cooperation: Key Economy and Finance Statistics*, last accessed 2 January 2021, https://ec.europa.eu/eurostat/statistics-explained/index.php/EU-ASEAN cooperation - key economy and finance statistics#Gross domestic product.

outclass Europe as a leading world economy. These considerable economic gains are already causing a shift from a western dominated world economy to one centered on China and the Asia Pacific Region.<sup>27</sup>

Notwithstanding Southeast Asia's rise, the more considerable rise of China has the potential to upset the current world order. Yet, it is unlikely to lead to a calamitous confrontation with the United States.<sup>28</sup> Much like "Britain conceded to the shift in power that had made America predominant in the Western Hemisphere,"<sup>29</sup> it is far more likely that it is simply too late for any one nation or group of nations to affect China's rise, instead requiring them to acknowledge it while adjusting their policies to contend with it. This is as true for the United States as the world's current hegemon as it is for Canada as a smaller functional power. Recognizing the challenge to world order and economic power resulting from the continued rise of China and other Asia Pacific nations, it becomes imperative for Canada to adjust its foreign policy to establish a comprehensive and durable grand strategy that will guarantee its national security through enduring prosperity. Consequently, Canada must make considerable changes to its priorities by shifting from its current trans-Atlantic emphasis to one with a trans-Pacific approach that focuses on better contending with China and the Asia Pacific Region's growing power, preserving the Canada-United States relationship, and maintaining its historical alliances and diplomatic influence.

<sup>&</sup>lt;sup>27</sup> B. R. Deepak, "China's Global Rebalancing: Will it Reshape the International Political and Economic Order?" (Singapore: Springer Singapore, 2018), 10-11.

<sup>&</sup>lt;sup>29</sup> Chad E. Nelson, "Why the Great Powers Permitted the Creation of an American Hegemon," *Political Science Quarterly* 132, no. 4 (2017): 687-688.

The following dissertation will look at Canada's history for hints of grand strategy by focusing on three key realms that shaped the nation while enabling its prosperity.

Canada's strategy for immigration, trade, and diplomacy, which have supported its global status and prosperity, must be reviewed to highlight how efforts focused on the North Atlantic Triangle have benefited Canada and how the changing world order requires

Canada to look to the Asia Pacific Region for future prosperity. An initial analysis of immigration policy and demographic trends will highlight a need to shift Canada's attention to the Asia Pacific Region to support its prosperous trade economy. It will then proceed to demonstrate that Canada can only secure its trade economy in the region through a concerted effort to strengthen its diplomatic ties in the region and emerge as a credible and influential partner.

#### **CHAPTER II**

#### PROSPERITY THROUGH IMMIGRATION

#### INTRODUCTION

Canada is a country built on immigration. From the first settlers in New France through to the British North America Act of 1867 (BNA 1867) that established the Dominion of Canada, Canada's immigration was regulated and overseen by either France or Britain with an intent to increase their prosperity. However, the BNA 1867 did not sever ties with Britain whereas the link with Britain and the Monarch was maintained within the act itself stating that the "Union would conduce to the Welfare of the Provinces and promote the Interests of the British Empire." Nonetheless, through the BNA 1867, Canada was granted legislative power through the constitution of the Parliament of Canada. Consequently, Canada enacted its first Immigration Act in 1869. This act had very few restrictions on immigrants as its intent was primarily to protect immigrants during their voyage to Canada and ensuring their protection upon arrival. This unrestrictive immigration policy does however highlight a few interesting aspects of Canadian immigration strategy that has continued to influence Canadian immigration policy since.

First, the immigration ports of entry in Halifax, St-John, and Quebec (*Grosse isle*) were established to greet immigrants from across the Atlantic, mainly focused on British emigrants. There were no established ports of entry westward as the North West Territories (then also including Rupert's Land), and British Columbia and Vancouver

<sup>31</sup> Canada, "Immigration Act, 1869," *Canadian Museum of Immigration at Pier 21*, last accessed 29 December 2020, https://pier21.ca/research/immigration-history/immigration-act-1869.

<sup>&</sup>lt;sup>30</sup> "The British North America Act, 1867," in *The Constitution of Canada: The British North America Act, 1867 and the Constitution Act, 1982* (Ottawa: Ontario, East India Publishing Company, 2020), 7.

(still distinct at time of confederation) remained under British control with a mainly aboriginal population.<sup>32</sup> This orientation to immigration would continue well into the interwar years. Second, the restrictions on pauper immigrants and the fact that countless immigrants saw Canada as a "land of second choice" in the early confederations years led to a low immigration rate and a high emigration rate, mainly to the United States.<sup>33</sup> This limited the number of potential labourers that settled in Canada. Prime Minister John A. Macdonald's subsequent efforts to gain the North West Territories and British Columbia from the British, with a vision of settling the West, did grant Canada access to the Pacific but it failed to materialise due to a narrow scope of immigrant prospects, a low attractiveness for settling in Canada, and a failure "to develop concerted schemes for settlement in co-operation with the British government."<sup>34</sup> Therefore, the unrestrictive nature of Canada's first immigration policy did little to increase Canada's population to desired levels. Rather, "[f]rom 1867 to the mid1890s, emigration always remained well ahead of immigration."<sup>35</sup>

It was not until the Laurier Years that immigration in Canada saw a marked improvement. Clifford Sifton, Laurier's first Minister of Immigration, challenged the pro-British sentiment in Canada with an incline to attract *peasant foreigners* from Central and Western Europe.<sup>36</sup> His forward-thinking vision saw the potential for these peasant

\_\_\_

<sup>&</sup>lt;sup>32</sup> Government of Canada, "British Columbia (1871)," *Library and Archives Canada*, last accessed 27 April 2021, https://www.bac-lac.gc.ca/eng/discover/politics-government/canadian-confederation/Pages/british-columbia-1871.aspx.

<sup>&</sup>lt;sup>33</sup> Harold Troper, "Immigration in Canada", in *The Canadian Encyclopedia*. Historica Canada. Article published 22 April 2013, last edited 19 September 2017, https://www.thecanadianencyclopedia.ca/en/article/immigration.

<sup>&</sup>lt;sup>34</sup> Reg Whitaker, *Canadian Immigration Policy Since Confederation* (Ottawa: Canadian Historical Association, 1991), 5.

<sup>&</sup>lt;sup>35</sup> *Ibid*, 4.

<sup>&</sup>lt;sup>36</sup> Whitaker, Canadian Immigration Policy . . ., 7.

immigrants to settle Canada's vast arable lands with their large families, ultimately turning the attention of immigration policy to the European continent and the United States rather than simply remaining pro-British. Sifton was a trailblazer for developing a strategic immigration policy. He linked immigration policy to Canadian strategic goals of developing the *agricultural* West and the positive impact of immigration on further developing Canada's economy. This kind of strategic thinking, as opposed to Macdonald's more nearsighted immigration policies, led to success throughout Canadian history. As various periods of Canadian history have demonstrated, adjusting Canada's strategic outlook on immigration in the interwar years, through the post-Second World War and the post-Cold War years was a key factor in increased or decreased Canadian prosperity, highlighting the need to look towards all viable immigration prospects to sustain Canadian prosperity in the future.

#### THE INTERWAR YEARS

Sifton's strategic vision on immigration saw success in the early 20<sup>th</sup> century.

From 1901 to 1911, Canada had considerable success with its immigration efforts, becoming the fastest growing country in the world.<sup>37</sup> Canada's population and economic growth did continue post-First World War; however, a growing concern from anti-immigrant nativists through the 1920s compelled the government to reconsider its immigration policy, slowing the entry of immigrants. It would be simplistic to argue that immigration was the aggravating factor for Canada during the great depression but Canadian politicians' short-sighted reaction to popular demand created some additional challenges for Canada as it struggled through the Great Depression of the 1930s.

<sup>&</sup>lt;sup>37</sup> John Bartlet Brebner, *North Atlantic Triangle: The Interplay of Canada, the United States, and Great Britain* (New Haven: Yale University Press, 1945), 231.

Restrictive views on immigration source countries and economic challenges abroad led to a decrease in foreign investment and set Canada apart, far behind other western powers, as the second most effected nation after the United States with similar policies.<sup>38</sup> Stuart Wilson's observation of the early years of Canadian migration highlight its impact on Canada's prosperity, resulting in negative impacts when it was low (1871-1901), and positive impacts when it surged (1902-1915 and Post-First World War).<sup>39</sup> Contrasting his findings with the increased success of immigration in Canada, while immigration is high and less restrictive, so too is foreign capital inflow. The prewar years highlight this relationship, which following the war and more restrictive policies on immigration, experienced a significant decrease.<sup>40</sup>

#### POST-SECOND WORLD WAR YEARS

The post-Second World period was key for the progress of Canadian immigration policy as "[i]t established for the first time in law the main objectives of Canada's immigration policy" while the 1947 Canadian Citizenship Act removed the term *British Subject* for Canadians and replaced it with the term *Canadian citizen*. Additionally, "the growing assertiveness of Canada's indigenous peoples, the force of the Québécois nationalism, and increasing resentment on the part of some ethnic minorities regarding

<sup>&</sup>lt;sup>38</sup> A. E. Safarian, *The Canadian Economy in the Great Depression* (Montréal: McGill-Queen's University Press, 2009).

<sup>&</sup>lt;sup>39</sup> Stuart Wilson, "Factor Accumulation in Canada Before the Great Depression: Investment and Immigration Dynamics," *Empirical Economics* 31, no. 1 (2006): 264.
<sup>40</sup> Ibid.

<sup>&</sup>lt;sup>41</sup> Gerald E. Dirks, "Immigration Policy in Canada," in *The Canadian Encyclopedia*, Historica Canada, article published 7 February 2006, last edited 23 October 2020, https://www.thecanadianencyclopedia.ca/en/article/immigration-policy

<sup>&</sup>lt;sup>42</sup> Ninette Kelley and Michael Trebilcock, *The Making of the Mosaic: A History of Canadian Immigration Policy* (Toronto: University of Toronto Press, 1998), 314.

their place in society" led to the demise of the policy of assimilation. In 1963, Prime Minister Pearson established the Royal Commission on Bilingualism and Biculturalism (B&B Commission) meant to help "develop the Canadian Confederation on the basis of an equal partnership between the two founding races, taking into account the contribution made by the other ethnic groups to the cultural enrichment of Canada." The commission's final report in 1969, "which dealt with the contribution of non-Indigenous, non-French and non-English ethnic groups to the cultural enrichment of Canada" paved to the way for Canada's Official Languages Act and set the stage for two key aspects that would set the stage for Canadian immigration policy: multiculturalism and the points system.

#### **Multiculturalism Policy**

In 1971, as result of the B&B Commission, meant to specifically examine the situation between the French and English groups in Canada, Prime Minister Pierre E. Trudeau announced that multiculturalism was to be an official government policy.<sup>47</sup> While this was a first for the world, it was nothing new for Canada. As Guo and Wong highlight, multiculturalism had been a *Canadian thing* since pre-confederation, albeit

<sup>&</sup>lt;sup>43</sup> Michael Dewing, *Canadian Multiculturalism* (Ottawa: Parliamentary Information and Research Service, 2012), 3.

<sup>&</sup>lt;sup>44</sup> Government of Canada, "Prime Minister Lester B. Pearson Establishes the Royal Commission on Bilingualism and Biculturalism," *Office of the Commissioner of Official Languages*, last accessed 2 May 2021, https://www.clo-ocol.gc.ca/en/timeline-event/prime-minister-lester-b-pearson-establishes-the-royal-commission-on-bilingualism-and.

<sup>&</sup>lt;sup>45</sup> Dewing, *Canadian Multiculturalism* . . ., 3.

<sup>&</sup>lt;sup>46</sup> G. Laing and Celine Cooper, "Royal Commission on Bilingualism and Biculturalism," in *The Canadian Encyclopedia*, Historica Canada, published 12 August 2013, last edited 24 July 2019, https://www.thecanadianencyclopedia.ca/en/article/royal-commission-on-bilingualism-and-biculturalism

<sup>&</sup>lt;sup>47</sup> Erica Gagnon et al., "Canadian Multiculturalism policy, 1971," *Canadian Museum of Immigration at Pier 21*, last accessed 5 March 2021, https://pier21.ca/research/immigration-history/canadian-multiculturalism-policy-1971.

with aboriginals, French and British peoples as the largely dominant cultures.<sup>48</sup> Yet, this policy change set the stage not only to recognize the contribution of many cultures to Canada, but value and normalize it. Accordingly, as Dewing surmises, Canada currently finds itself in the third developmental stage of multiculturalism: the institutionalization state.<sup>49</sup> The policy is likely a factor in why visible minority groups have increased substantially over the decades since.

Multiculturalism of course, much like most immigration initiative and policies in Canada, progressively evolved over time, with no significant indication of an elaborate vision. Multiculturalism shifted its focus from a more language-based approach to a more ethnic and racial perspective and then a religious one. It appears to have adapted to what ever happened to be politically popular at the time. Yet, through its inception, it essentially catered to the post-Second World War needs "of European immigrants and refugees from the Baltic states, the Netherlands, Italy, and Hungary ... supplement[ing] the previous generation of Europeans" that benefited from Sifton's recruiting efforts in the early 1900s. <sup>50</sup> The formative years of the multiculturalism policy saw considerable efforts to maximize inclusivity and foster various cultural identities across Canada, which later led to the creation of a Multicultural Directorate and subsequently to a Minister and Ministry of Multiculturalism. <sup>51</sup> Future developments to multiculturalism and continued efforts to strengthen its influence in Canadian society reinforced the concept of *Canadian multiculturalism* and arguably led Canada to be considered one of the greatest

<sup>48</sup> Shibao Guo and Lloyd Wong, *Revisiting Multiculturalism in Canada: Theories, Policies and Debates* (Rotterdam: Birkhäuser Boston, 2015), 1.

<sup>&</sup>lt;sup>49</sup> The three developmental phases of multiculturalism are defined as "the incipient stage (pre-1971), the formative period (1971-1981, and institutionalization (1982 to the present." Dewing, *Canadian Multiculturalism* . . ., 2-3.

<sup>&</sup>lt;sup>50</sup> Guo and Wong, *Revisiting Multiculturalism* . . ., 2-3.

<sup>&</sup>lt;sup>51</sup> Dewing, Canadian Multiculturalism . ., 3.

immigration destination.<sup>52</sup> Notwithstanding its sustained efforts, multiculturalism alone did not ensure continued arrival and diversification of immigrants to Canada. A policy change in how immigrants were rated was also key to more targeted and less biased immigrant selection.

#### **The Points System**

Canadian Immigration further evolved with the introduction of an innovative system that would supplant traditional immigration policies. In 1962, the policy of *preferred* or *non-preferred* nations as sources for immigrants yielded to a system that considered individual characteristics instead. Later in the same decade, "Canada pioneered the use of a [points system] for selecting economic migrants" that was later adopted by other nations.<sup>53</sup> With this points system, it was possible for immigrants from less traditional source nations to apply successfully for immigration to Canada, without being discounted as originating from *non-preferred* countries. Of course, this point system applied more specifically to economic immigrants as Canada had identified growing concerns around its dwindling labour force, hoping to attract, select, and integrate highly skilled individuals in Canada's economy through the process.<sup>54</sup>

Notwithstanding, the points system of the early 1960s was not strategic in nature.

Intending to answer punctual occupational shortages, it attributed points to specific and critically low occupations across the country. This intent was not entirely successful.

<sup>&</sup>lt;sup>52</sup> Canadian Citizenship & Immigration Resource Center, *Canada Rated Best Country in the World for Welcoming Immigrants*, last updated 24 September 2020, https://www.immigration.ca/canada-rated-best-country-in-world-for-welcoming-immigrants.

<sup>&</sup>lt;sup>53</sup> Both Australia and the United Kingdom adopted the points system for their immigration policies decades later, suggesting that Canada had in fact developed an innovative process. Ana M. Ferrer, Garnett Picot, and William Craig Riddell, "New Directions in Immigration Policy: Canada's Evolving Approach to the Selection of Economic Immigrants," *The International Migration Review* 48, no. 3 (2014): 847.

<sup>&</sup>lt;sup>54</sup> *Ibid*, 847-848.

Points attribution were based on an immigrant's intended occupation once immigrated but, they were under no obligation to work in that field once immigrated, nor were they required to move to regions in need of these skilled applicants.<sup>55</sup> Nation wide critical shortages remained. This forced a review of the point system in the 1990s with a more strategic approach.

The 1990s amendment to the points system saw a shift from trade specific point allocation to one based on human capital characteristics such as education. This perspective, more consistent with a strategic view, considered longer-term objectives and characteristics that Canada considered more indicative of long-term economic benefits. Share predicted, it led to favourable outcomes, increasing the number of immigrants in the economic class as well as a leading to a higher level of education attainment.

Interestingly, through a review of immigrant integration and education levels of their family members, it became apparent that children of immigrants were more likely to attend post-secondary education than Canadian nationals were. Whether this was an intended or second order effect is difficult to say. However, it has benefited Canada and it continues to do so with reports suggesting that as of 2006, 50 to 60 percent of immigrants between the ages of 25 to 54 had university degrees.

#### POST-COLD WAR YEARS

Following the fall of the Soviet Union, Canada seized opportunities to make changes to its immigration policy. Continuing to feature prominently on Canadian

<sup>&</sup>lt;sup>55</sup> Ferrer et al., *New Directions in Immigration Policy* . . . . 849.

<sup>&</sup>lt;sup>56</sup> Ibid, 849.

<sup>&</sup>lt;sup>57</sup> Stephen Childs, Ross Finnie, and Richard E. Mueller, "Why do so Many Children of Immigrants Attend University?: Evidence for Canada," *Journal of International Migration and Integration* 18, no. 1 (2017): 24.

<sup>&</sup>lt;sup>58</sup> *Ibid*, 2.

policies, immigrants from more various source nations, previously inhibited due to various restrictions, began to change the racial makeup of immigrants to Canada, leading to Asia surpassing Europe as a source region.<sup>59</sup> Canada also increased its immigration goals to better contend with its aging population and dwindling labour force. Perhaps aware of some earlier challenges to Canadian immigration efforts and in fear of facing a potential return of nativist sentiment, the Canadian government reinvigorated efforts to enable a better integration of immigrants in Canadian society. Some of these efforts included language training or certification as well as skills and education equivalencies and certifications.

#### Language

With French and English as Canada's official languages and their political significance, <sup>60</sup> Canada naturally attributes a significant number of points to applicants' abilities to communicate in these languages as it will enable them to integrate and contribute to Canadian society more quickly. In the early 1990s, the government began to champion efforts to normalise language training for newcomers to Canada and began federally funding the Language Instruction for Newcomers to Canada (LINC) meant to help immigrants "live, work and thrive in their community". <sup>61</sup> LINC developed the Canadian Language Benchmark (CLB) still used today to assess language abilities of

<sup>&</sup>lt;sup>59</sup> Dirks, *Immigration Policy in Canada* . . .

<sup>&</sup>lt;sup>60</sup> Helaina Gaspard, Canada's Official Languages: Policy Versus Work Practice in the Federal Public Service (Ottawa, CA: University of Ottawa Press, 2019), 9-11.

<sup>&</sup>lt;sup>61</sup> Government of Canada, "Understanding the Canadian Language Benchmark," *Immigration*, *Refugees and Citizenship Canada*, last accessed on 17 April 2021, https://youtu.be/dswbbWj-PtE.

applicants for which the points system attributes no points below CLB 4.62 While most of Canada's traditional immigrant source nations may achieve this benchmark with ease official languages training and testing to immigrate is a requirement for less traditional ones. This has had some impacts on immigrants from the Asia Pacific Regions and African nations, which may never have been introduced to French and English. While the points system requires immigrant applicants to hold CLB 4 or better, recent changes in policy have shifted from family reunification immigration and concentrated efforts on economic immigration. With nearly 60 percent of all immigrants being considered economic immigrants, more skilled immigrants are coming to Canada with spouses and children who do not meet the entry criteria.63 These immigrants can also benefit from the LINC, which consequently, enables them to better integrate Canadian Society. Furthermore, immigrants who meet the minimum criterion on language but are not yet functional in their technical field can use a more specific level of training under LINC to prepare for work in their fields.64

#### **Equivalency**

Many educated and qualified immigrants come to Canada with equivalency caveats. This leaves some of the more educated and specialized immigrants from less developed nations obligated to find employment outside of their expertise, a criterion on

<sup>&</sup>lt;sup>62</sup> CLB 4 is defined as "Fluent Basic" which means applicants can communicate basic information, "read non-demanding texts," and 'short, simple texts." Canada Visa, "Canadian Language Benchmark (CLB) Descriptions," last updated 28 August 2020, https://www.canadavisa.com/canadian-language-benchmark-clb-descriptions.html#gs.zpq9jb. And Government of Canada, "Comprehensive Ranking System (CRS) Criteria – Express Entry," *Immigration, Refugees and Citizenship Canada*, last accessed on 17 April 2021, https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/express-entry/eligibility/criteria-comprehensive-ranking-system/grid.html.

<sup>&</sup>lt;sup>63</sup> Ferrer et al., New Directions in Immigration Policy . . ., 847-848.

<sup>&</sup>lt;sup>64</sup> GoC, Understanding the CLB...

which their admission was assessed,<sup>65</sup> not fulfilling the intended targeted professional field. To palliate this, Canada has developed the educational credential assessment (ECA) programs to validate that their foreign credentials are equivalent to Canadian ones.<sup>66</sup> This does ensure that their education is accounted for during the selection process, but it does not guarantee that they will find employment nor receive a license to practice in their field, often leaving the additional requirement of negotiating with their intended province or territory of residence, which have varying requirements.<sup>67</sup> Consequently, it can lead to some qualified immigrants working in lower paying jobs. Even so, with the points system favouring educated economic immigrants some concerns remain as some fields of the Canadian job market need a less educated labour force. This is particularly true for certain provinces.

#### **Provincial Nominee Program**

The aforementioned initiatives have greatly enabled better integration for immigrants in Canada. However, combined to the increased propensity of Canadians to migrate to urban centers such as Toronto, Montreal, and Vancouver has left many regions across Canada struggling with considerable challenges to fill labour markets and, not surprisingly, has hindered their ability to meet their own work force requirements.<sup>68</sup>

Recognizing the added pressures of immigrants flocking to larger cities on provincial concerns with the federal immigration plan, between 1998 and 2009 Canada instituted the

<sup>&</sup>lt;sup>65</sup> GoC, CRS Criteria . . .

<sup>&</sup>lt;sup>66</sup> Government of Canada, "Educational Credential Assessment (ECA) for Express Entry," Immigration, Refugees and Citizenship Canada, last accessed 17 April 2021, https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/express-entry/documents/education-assessed.html.

<sup>&</sup>lt;sup>67</sup> Government of Canada, "Get Your Credentials Assessed in Canada," *Immigration, Refugees and Citizenship Canada*, last accessed 17 April 2021, https://www.canada.ca/en/immigration-refugees-citizenship/services/new-immigrants/prepare-life-canada/prepare-work/credential-assessment.html.

<sup>&</sup>lt;sup>68</sup> Ferrer et al., New Direction in Immigration . . ., 849.

Provincial Nominee Programs (PNP) as a means to offer provinces more say in their own immigration needs.<sup>69</sup> Quebec, a pioneer in this realm, had already reached subsequent agreements with the federal government starting with a modest agreement in 1971 to a more empowered role from the 1991 McDougall and Gagnon-Tremblay Accord. 70 The provinces' PNP are squarely aligned with their own economic and labour market needs. Yet, while appearing to offer some respite for the provinces, the PNP continues to struggle with significant issues that led the Canadian government to reassert its role in immigration.<sup>71</sup> Perhaps responding to the PNP's lack of strategic vision, the federal government has approached issues of concern in what can plainly be defined as a bilateral approach, dealing with provinces individually. This of course can do much to address specific provincial needs and concerns as "the distribution of newcomers . . . benefit smaller provinces,"72 but it does little to address immigration and internal migration from a more holistic approach. This leads to inconsistencies in policy and continued friction points across the country. More pertinently, the PNP does little to address challenges rising from internal migration currently occurring throughout Canada. As populations continue to flock to Canada's urban regions, there has also been an increasing trend of internal migration to specific provinces at the expense of others.

The need for a holistic approach seems apparent when considering recent population fluctuations across provinces. For example, the Atlantic provinces have seen a near zero population growth in recent years with Newfoundland and Labrador, Nova

<sup>&</sup>lt;sup>69</sup> Leslie F. Seidle, "Canada's Provincial Nominee Immigration Programs: Securing Greater Policy Alignment," Institute for Research on Public Policy, 2013: 1. Quebec had reached an agreement with the federal government in 1991.

<sup>&</sup>lt;sup>70</sup> Seidle, "Canada's PNP . . . , 4.

<sup>&</sup>lt;sup>71</sup> *Ibid*.

<sup>&</sup>lt;sup>72</sup> *Ibid*, 3.

Scotia, and New Brunswick each recording more deaths than births in 2014, the first negative natural increase in recorded history that, when combined to interprovincial migration trends, results in two of these provinces facing negative total population growth. 73 In contrast, all other provinces continue to benefit from natural population increase, albeit to varying degrees, with Alberta, British Columbia and the Yukon Territory being the only provinces and territory to have benefited from interprovincial migration. 74 Not surprisingly, immigration remains the common denominator which has been the saving grace for those provinces struggling with population growth while also acting as a considerable enabler for those benefiting from positive population growth.<sup>75</sup> This is likely to continue to be the case as current trends indicate continued decreases in natural population growth across Canada, highlighting the need for a universal PNP approach. Over the years since general implementation, the PNP has progressed from a very limited program with a mere 477 admissions in 1999 to a more substantial number nearing 82 000 admission in 2012. This has of course much to do with new provinces benefiting from the PNP and Quebec's continued use of their own more permissive provincial accord. Yet, its future is uncertain, and Martel makes many astute observations that highlight the importance of international migration to provincial population growth.<sup>76</sup> Looking at the PNP's uneven contribution to provincial immigration totals, the need for a more concerted effort is evident. In 2011, the PNP's contribution ranged from 12.4 percent of total immigration in British Columbia to 90.4 percent of total immigration in

\_

<sup>&</sup>lt;sup>73</sup> Laurent Martel, "Recent Changes in Demographic Trends in Canada," *Insights on Canadian Society*, 2015, 3.

<sup>&</sup>lt;sup>74</sup> Ibid.

<sup>&</sup>lt;sup>75</sup> *Ibid*.

<sup>&</sup>lt;sup>76</sup> *Ibid*, 4.

Prince Edward Island. Ontario, with a PNP that expired early in 2011, remained an outlier that year with the PNP accounting for only 1.7 percent of total immigration.<sup>77</sup>

The PNP's current short-sighted and atomistic approach remains of unequal benefit for individual provinces, Quebec perhaps benefitted most of all from its early agreements. With growing concerns in Canadian demographics, the PNP along with other previous initiatives will require critical reviews to increase their inclusiveness and their permissive nature whilst remaining attentive to growing global demographic trends. Through this approach, Canada and its provinces may be able to broaden the pool of prospective immigrants and concurrently ensure a lasting prosperity.

#### **KEY DEMOGRAPHIC TRENDS**

Canada's recent immigration efforts have helped with broadening the source nations of immigrants. But it still favours our traditional immigration source nations that are likewise also faced with similar demographic trends. These initiatives may have arguably helped address punctual concerns at both the national and sub-national levels. However, as they adapted over time to address and mirror main conceptual and cultural tendencies regarding Canadian immigration, they have lacked a concerted strategic direction to address underlying and potentially critical demographic realities that Canada is predicted to encounter in the near future. As alluded to above, the demographic concerns projected to impact Canada cast a stark shadow for the future of Canadian prosperity. Immigration should be seen as a key policy sector requiring immediate attention if Canada is to curb the likely negative impacts of two specific demographic trends: population aging and population growth. These two elements alone innately

<sup>&</sup>lt;sup>77</sup> Seidle, Canada's PNP..., 5.

indicate that continuing to favour Canada's historical European source of immigration should be adjusted to favour the Asia Pacific with a larger and younger population.

#### **Population Aging**

The United Nations has been concerned with the global trend of population aging for decades. The first world assembly on aging was convened in 1982 with the intent to highlight areas of concern requiring both international and national efforts to address it. These areas ranged from health, housing, and social environments to more economically oriented concerns regarding the aging population's "social welfare, income security and employment."<sup>78</sup> These themes were highlighted again in subsequent assemblies and continue to figure prominently on United Nations agendas, which has prompted regular reports on aging starting in 2002, becoming biannual in 2013, and now an annual occurrence with reports in 2019 and 2020. While the 2020 report focused primarily on issues arising on older persons from the effects of the COVID-19 pandemic, a common theme remained: the proportion of older persons (aged 65 or older) will continue to rise and is predicted to account for 16 percent of the world's population by 2050.<sup>79</sup> This of course has some probable impacts globally but when considering trends in Canada, it is predicted that 24 percent of Canadians will be aged 65 or older by 2034, with some provinces even predicted to be above 30 percent. 80 When contrasting these predictions to the findings of the 2016 Canadian census, which highlights that for the first time in

<sup>&</sup>lt;sup>78</sup> United Nations, Report of the World Assembly on Aging (New York, 1982), 9.

<sup>&</sup>lt;sup>79</sup> United Nations Department of Economic and Social Affairs, *World Population Ageing 2020: Highlights* (United Nations, 2020), 3.

<sup>&</sup>lt;sup>80</sup> Nora Bohnert, Jonathan Chagnon, and Patrice Dion, *Population Projections for Canada*, (2013 to 2064), *Provinces and Territories* (2013-2038) (Ministry of Industry, Statistics Canada, 2015), 22.

Canadian history, "seniors outnumber[ed] children in Canada,"<sup>81</sup> those trends become more concerning.

The United Nations' observations that population aging will have considerable global impacts is relevant for Canada on multiple levels. First, with a quarter of the population predicted to be outside of the working age and, consequently reliant on social welfare for continued quality of life, this will present Canada with considerable challenges through the increased cost of medical care and increase income security requirements. Second, as the population ages, the workforce decreases and so too do the taxpayers who finance Canada's social welfare. Consequently, the issue does not lie in the ability for Canada to support such increases in demand. In fact, Canada currently possesses the requisite programs, policies, technology, and infrastructure to do so. Rather, it lies in the fact that Canada's capacity to support such a growing demand is decreasing as it faces a rapidly declining workers to retirees ratio by 2040.82 As with the case of the Atlantic provinces that have seen negative population growth in recent years, the rest of Canada impacted by an aging population is likely to suffer similar outcomes by 2034 when the national death count is predicted to outnumber the birth count.<sup>83</sup> This leaves immigration as the main source to increasing the younger working population. In contrast, halting immigration to Canada would lead to considerably lower economic growth and Canada's population would age even more quickly than current predictions.<sup>84</sup> Without concerted efforts in adapting Canada's current immigration policy and lack of

<sup>&</sup>lt;sup>81</sup> Éric Grenier, "Canadians Seniors Now Outnumber Children for 1st Time, 2016 Census Shows," *CBC News*, 3 May 2017, last updated 7 May 2017, https://www.cbc.ca/news/politics/2016-census-agegender-1.4095360.

<sup>&</sup>lt;sup>82</sup> Kareem El-Assal and Daniel Fields, "Canada 2040: No Immigration Versus More Immigration," *The Conference Board of Canada*, May 2018, 17.

<sup>83</sup> *Ibid*, 19.

<sup>&</sup>lt;sup>84</sup> *Ibid*, 13.

strategic objectives that may favour younger, perhaps even less educated and qualified immigrants, increasing the working age group will be difficult and, much like the PNP fails to assist in filling key shortfalls in the labour market, Canada's prosperity will suffer from the rising costs of its social welfare programs.

Immigration has been palliating such demands for decades now and, as estimates seem to indicate, it would be unreasonable to expect any changes in the future. However, as noted above, Canada's immigration policy, while multicultural and more global in nature than it historically has been, still favours key elements such as education, skills, and language. These key selection criteria do not fully enable the type of immigration needed to support demographic changes projected by Canada's aging population as it continues to favour more traditional source nations in the North Atlantic Triangle. Unfortunately, these nations are subject to similar demographic trends. Aside from Japan, the demographically oldest nation on earth, out of the top 10 oldest nations in 2019, seven were in Europe, with five of the ten predicted to remain in Europe through 2050.85 Some accounts even suggest that as of 2021, nine of the top ten oldest countries would be in Europe with Western nations dominating the top 50.86 Moreover, current immigration data for Europeans coming to Canada also suggest this is equally becoming a concern for them. In fact, from 2000 to 2012, the proportion of immigrants coming from Europe has decreased from 19 percent to just under 14 percent, accounting for a net yearly decline of more than 7 600 immigrants.<sup>87</sup> With the median age of most European and North

<sup>&</sup>lt;sup>85</sup> United Nations Department of Economic and Social Affairs, *World Population Ageing 2019* (United Nations, 2019), 16.

<sup>&</sup>lt;sup>86</sup> Avery Koop, "Mapping the World's Youngest and Oldest Countries," *Visual Capitalist – Markets*, 12 February 2021, last accessed 5 March 2021, https://www.visualcapitalist.com/worlds-youngest-and-oldest-countries/#:~:text=The%20youngest%20country%20in%20the,below%20the%20age%20of%2015.

<sup>&</sup>lt;sup>87</sup> Statistics Canada, "150 Years of Immigration in Canada," last accessed 17 April 2021, https://www150.statcan.gc.ca/n1/pub/11-630-x/11-630-x2016006-eng.htm#def4.

American countries being above 40, the Asia Pacific Region, excluding Japan, with a median ages closer to 30 offers a much more beneficial pool of immigrants.<sup>88</sup> It should come as no surprise that the median age of immigrants coming to Canada has simultaneously increased in recent decades, increasing from less than 25 in the 1980s to just above 30 in the 2010s.<sup>89</sup>

Through the lens of aging alone, a narrative to shift immigration efforts to the Asia Pacific Region would seem logical. When considering the prediction by The Conference Board of Canada that improper immigration could push the proportion of its population over 65 to reach 26.9 percent by 2040, 90 a full decade ahead of the United Nations predictions, it seems even more justified. As Europe's population continues to age in conjunction with Canada's population, future immigration prospects from this region will dwindle. While the Asia Pacific Region has become a better source region, it could be argued that it too will be subject to aging in the future, and with Africa as a significantly younger continent, our attention should shift there. However, Africans have a propensity to emigrate to Europe, 91 which is facing similar issues. This, combined to other significant societal challenges in Africa suggests that, while it would be wise for Canada to consider Africa in future reviews of immigration policy, it should nonetheless concentrate on the Asia Pacific Region for the near future. Any policy change to enable immigration from this region will inevitably benefit prospects from Africa.

<sup>&</sup>lt;sup>88</sup> Central Intelligence Agency, "Country Comparisons: Median Age," *The World Factbook*, last accessed 4 March 2021, https://www.cia.gov/the-world-factbook/field/median-age/country-comparison.

<sup>&</sup>lt;sup>89</sup> Jonathan Chagnon, Patrice Dion, Nora Galbraith, Elham Sirag and Yu Zhang, *Population Projections for Canada* (2018 to 2068), *Provinces and Territories* (2018 to 2043): Technical Report on Methodology and Assumptions (Minister of Industry, Statistics Canada, 2020), 65.

<sup>&</sup>lt;sup>90</sup> El-Assal and Fields, *Canada 2040* . . ., 13.

<sup>&</sup>lt;sup>91</sup> Wiebke Sievers, Michael Bommes, and Heinz Fassman, *Migration from the Middle East and North Africa to Europe: Past Developments, Current Status and Future Potentials* (Amsterdam University Press, 2014), 49-50.

Notwithstanding the stark reality of population aging in Canada and the North Atlantic Triangle, closely linked and of equal concern, is population growth.

#### **Population Growth**

Canada has recently increased its immigration goals to more than 400 000 immigrants per year in an effort to "address some of [its] most acute labour shortages and to grow [its] population" while "creating a strong foundation for economic growth."92 The current targets set for 2021 to 2023 are higher than initially anticipated to compensate for setbacks from the COVID-19 pandemic and to "ensure Canada gets the workers it needs."93 With concerns of population aging, such a target is sensible and will undoubtedly help maintain social welfare programs in the future. In fact, "[m]ore than 310,000 immigrants came to Canada in 2018-19", which combined to natural population growth led to a record-breaking population increase in excess of 500 000 people.<sup>94</sup> However, some astute critics still consider these targets too low. 95 These levels of immigration alone will not be sufficient to address the other considerable challenge to Canada's future national growth rate that is its insufficient natural growth rate. Natural growth depends on a positive birth to death ratios and is also linked to total fertility rates, essentially defined as the total live births per female. 96 According to the United Nations, as a populations ages, a nation's total fertility rates must remain above 2.1 or its

<sup>&</sup>lt;sup>92</sup> Government of Canada, "Government of Canada Announces Plan to Support Economic Recovery Through Immigration," *Immigration, Refugees and Citizenship Canada*, 30 October 2020, last accessed 17 April 2021, https://www.canada.ca/en/immigration-refugees-citizenship/news/2020/10/government-of-canada-announces-plan-to-support-economic-recovery-through-immigration.html.

<sup>93</sup> Ihid

<sup>&</sup>lt;sup>94</sup> Jasmine Gill, "Canada Needs a Lot More People, and Soon," *Policy Options Politiques IRPP*, 6 November 2019, last accessed 5 March 2021, https://policyoptions.irpp.org/magazines/november-2019/canada-needs-a-lot-more-people-and-soon/.

<sup>95</sup> Ihid

<sup>&</sup>lt;sup>96</sup> Statistics Canada, "Total Fertility Rate of Females," last accessed 17 April 2021, https://www23.statcan.gc.ca/imdb/p3Var.pl?Function=DEC&Id=45197.

populations will decrease over time. 97 Canada is far behind that rate with a 2019 total fertility rate of 1.5, having been below the replacement value since the early 1970s, 98 which consequently has led to its native population decreasing overtime. The only way to ensure net population growth is either through an increase in the total fertility rate, or through an increase in immigration. Pragmatically, therefore Canada now aims to increase immigration to 401 000 individuals by 2021 and to progressively increase it thereafter. 99 However, regardless of what immigration objective the Canadian government sets, immigration will continue to be an issue if the policies regulating it continue to favour highly educated and skilled applicants with language proficiencies. Considering that the fertility rates in Europe, the United States, traditional Asian immigration sources, and other developed nations are similarly stagnant or declining, <sup>100</sup> it becomes evident that Canada's ability to source its immigration from these regions will become more complex and contested as decreased figures in immigration from these nations are predictable. These nations will undoubtedly also seek immigration as a possible population growth solution. This alone suggests that it is time for Canada to look beyond traditional immigration source nations outside of the North Atlantic Triangle where total fertility rates are greater and could support long-term immigration goals.

When considering nations in the Asia Pacific Region, discounting the outliers such as Japan, China, and South Korea, most of the nations have total fertility rates above

<sup>97</sup> United Nations, "Total Fertility Rate," last accessed 27 April 2021, https://www.un.org/esa/sustdev/natlinfo/indicators/methodology\_sheets/demographics/total\_fertility\_rate.p df, 100-101.

<sup>&</sup>lt;sup>98</sup> Gabriel Friedman, "All the Reasons Why Canada Needs Immigration — And More of It," *Telegraph-Journal*, Saint John, NB, 5 October 2019, last accessed 17 April 2021, https://financialpost.com/news/economy/all-the-reasons-why-canada-needs-immigration-and-more-of-it.
<sup>99</sup> GoC, Government of Canada Announces...

<sup>&</sup>lt;sup>100</sup> The World Bank, "Fertility Rate, Total (Births Per Woman)," last accessed 17 April 17, 2021, https://data.worldbank.org/indicator/SP.DYN.TFRT.IN.

the 2.1 replacement fertility rate, some even exceeding it by a considerable margin. <sup>101</sup> In fact, the only regions that have higher rates globally are Africa and the Middle East. It could be argued that the language benefit of immigrants originating from Africa should focus Canada's immigration efforts to favour this continent rather than the Asia Pacific. While Africa should not be discounted, it remains a complex region contested by European efforts and historical tendencies for both African and Middle Eastern immigrants to flock to European countries like France and Germany rather than North America. <sup>102</sup> Even so, as Canada's attention and immigration policy shift to favour the Asia Pacific, it is likely that any changes will also benefit promising applicants from Africa and the Middle East. It would then simply become a matter of adjusting advertising emigration to Canada as a prospect for Africans and Middle Easterners in the future.

The above demographic concerns that Canada is facing and will continue to face are based on empirical data. The predicted trends from such data have generally been accurate and are further supported by the compelling implication of these long-term demographic challenges. One thing is certain however, if Canada is to limit the impact of these challenges, it must do so through a less constrictive selection process, which can lead to a sustainable immigration policy that looks beyond traditional source nations.

<sup>&</sup>lt;sup>101</sup> World Health Organisation, "Total Fertility Rate (Live Births per Woman)," *Maternal, Newborn, Child and Adolescent Health and Ageing Data Portal*, last accessed 17 April 2021, https://www.who.int/data/maternal-newborn-child-adolescent-ageing/indicator-explorer-new/mca/total-fertility-rate-(live-births-per-woman).

<sup>&</sup>lt;sup>102</sup> Sievers et al., *Migration from the Middle East* . . ., 49-50.

#### **CONCLUSION**

The history of immigration in Canada has been closely tied to economic prosperity. Following the end of the First World War, near sighted anti-immigrant nativism did little to shield Canada from the great depression. This lack of strategic vision for immigration has returned on occasion, partly driven by popular beliefs about immigrants and nativist fear. However, they are simply misconceptions. While the number of foreign-born Canadians has steadily increased over the years, the proportion of this segment of Canada's population has remained relatively unchanged, consistently remaining between 15 and 20 percent. 103 Fortunately, Canada has recognized the overall "contribution of immigrants . . . across all sectors of the economy." The post-Second World War and post-Cold War eras were marked by much more open-minded and adaptable visions for immigration in Canada, highlighting the close relationship of immigration and economic prosperity for Canada. Further development of Canada's immigration policies through the introduction of official multiculturalism in 1971 and the PNP from 1998 to 2009, which permitted provinces to target immigration for critical shortages in regional labour demands, has diversified and enabled immigration to Canada from non-traditional nations, albeit with a restrictive consideration process, all in an effort to maximise economic prosperity nationally and provincially. Canada has in fact demonstrated itself as agile in the realm of immigration and, advertised as the greatest

<sup>&</sup>lt;sup>103</sup> Statistics Canada, 150 Years of Immigration . . .

<sup>&</sup>lt;sup>104</sup> GoC, Government of Canada Announces . . .

country in the world for immigration, <sup>105</sup> projects an image of a welcoming nation for potential immigrants. Yet, it continues to fail to achieve a strategic immigration plan.

Canada's immigration policy continues to fall short of addressing real demographic issues such as population aging and population growth. This is likely to result in significant strains on its social welfare system while ultimately posing a significant challenge to its prosperity by failing to fill critical labour deficiencies due to its rigorous selection criteria. Canada's internal growth is not sufficient to sustain its population and with some provinces already faced with more yearly deaths than births, this is not likely to change for various cultural reasons. Consequently, Mulroney's recent call for Canada to increase Canada's population to 100 million through immigration <sup>106</sup> highlights the fact that it is now time for Canada to return to a Sifton way of thinking and adjust its immigration policy to welcome what Sifton referred to as *peasant foreigners*. The question is not whether Canada should continue to focus on immigration, it has historically depended on it for prosperity and will continue to require it in the future. It is now a question of what immigrants should be sought and where to source them. With Europe and the United States facing similar demographic issues, these source nations should not remain systemically favoured by Canadian immigration policies. Rather, it becomes apparent that Canada should begin to focus its attention on the Asia Pacific Region and beyond for younger and less educated prospects that could immigrate to Canada with their families. Not only will this solve short-term labour market concerns,

<sup>&</sup>lt;sup>105</sup>CCIRC, Canada Rated Best . . .

<sup>&</sup>lt;sup>106</sup> Shelby Thevenot, "Former Prime Minister Wants Canada's Population to Grow to 100 Million: Brian Mulroney Champions an Initiative to Build a Prosperous Future for Canada Through Immigration," CIC News, 7 April 2021, last accessed 2 May 2021, https://www.cicnews.com/2021/04/former-prime-minister-wants-canadas-population-to-grow-to-100-million-0417708.html#gs.znvat1.

but it will also have a longer lasting effect as many of their children will likely attend higher education and further contribute to Canadian society and its prosperity.<sup>107</sup>

Notwithstanding, any effort to shift Canadian immigration policies to the Asia Pacific and beyond will be for not if Canada does not consider where it conducts it business. As a trade nation that depends heavily on exports for its prosperity and social welfare, Canada must ensure it secures its place in the most dominant world markets. In this aspect, the Asia Pacific Region remains relevant, and through the following chapter, it will be demonstrated that Canada's prosperity through trade will benefit from a strategic outlook across the Pacific.

<sup>&</sup>lt;sup>107</sup> Childs, Finnie, and Mueller, Why do so Many Children . . ., 24.

#### **CHAPTER III**

## PROSPERITY THROUGH TRADE

## INTRODUCTION

The previous chapter addressed the necessity of immigration throughout Canadian history and, through its direct impact on Canada's economy, its continued relevance for Canada's future prosperity. Much like immigration, Canada's prosperity has equally been built on the economic benefit of trade. In fact, from the early French and British settlements in the seventeenth centuries, before Canada would become a nation, "the fishing industry, the fur-trade, and the lumbering industry" were stapples of Canadian exports and economic profit for the monarchs of France and England. As Canada progressively became independent, natural resources remained key trade commodities. Through the centuries, theses settlements grew in numbers, spreading from coast to coast, drastically changing demographics across the various regions. Eventually, Canada became a dominion and established distinct provinces and territories, forming modern day Canada. One of the defining features that supported Canadian population growth was its trade built on a staple economy.

Trade has unquestionably been favourable for Canada since its pre-confederation years but, it has gained considerable traction since the early 1960s. From the early 1960s to the late 1980s, Canada saw a progressive increase in exports from just below 20

<sup>&</sup>lt;sup>108</sup> W. Stewart Wallace, "Economic History of Canada," in *The Encyclopedia of Canada*, Vol. 3, Toronto, University Associates of Canada, 1948, last accessed 1 April 2021,

http://faculty.marianopolis.edu/c.belanger/quebechistory/encyclopedia/Econhistcan.htm.

<sup>&</sup>lt;sup>109</sup> Taylor Noakes, "Mercantilism," in *The Canadian Encyclopedia*, Historica Canada, article published 7 February 2006, last Edited 1 April 2021,

https://www.thecanadianencyclopedia.ca/en/article/mercantilism

<sup>&</sup>lt;sup>110</sup> Government of Canada, "Provinces and Territories," *Intergovernmental Affairs*, last accessed 22 March 2021, https://www.canada.ca/en/intergovernmental-affairs/services/provinces-territories.html.

percent of gross domestic product (GDP) to just over 25 percent that, when combined to imports, translates to trade accounting for more than 50 percent of GDP over the same period. 111 Following the Canada-United States Free Trade Agreement in 1989, trade became even more predominant for Canada's economy with exports peaking at 44.46 percent of GDP in 2000, with a combined trade proportion of GDP above 83 percent. 112 Today, that proportion is slightly lower, with exports accounting for just under 32 percent and total trade at 65 percent of GDP. 113 These numbers, combined with Canada's history of trading, offer support to the statement that Canada is a nation of traders. Consequently, the benefits of Canadian trade have been and continue to be considerable factors for Canada's prosperity and a key element for federally funded social welfare programs. Yet, the trade stagnation that has occurred over the last ten years raises a concern for the future of Canadian trade.

Recent developments have seen "protectionism . . . become [a] key [feature] of almost all Western democracies" and economic impacts are already being felt. Canada is left with an increasingly complex economic problem. Traditional trade partners in the North Atlantic Triangle may become less reliable and, as highlighted flowing the 2016 United States electoral campaign, even Canada's largest trading partner may create challenges for Canada's economy. This led Canada's International Trade Minister to exclaim Canada's willingness to remain open to international trade. Such a statement

\_

<sup>111 &</sup>quot;Canada Exports 1961-2021," *Macrotrends*, last accessed 18 April 2021, https://www.macrotrends.net/countries/CAN/canada/exports, and "Canada Trade to GDP Ratio 1961-2021," *Macrotrends*, last accessed 18 April 2021,

https://www.macrotrends.net/countries/CAN/canada/trade-gdp-ratio.

<sup>&</sup>lt;sup>112</sup> *Ibid*.

<sup>&</sup>lt;sup>113</sup> *Ibid*.

<sup>&</sup>lt;sup>114</sup> Marcel Fratzscher, "Populism, Protectionism and Paralysis," *Inter Economics* 55, no. 1 (2020), 1.

<sup>&</sup>lt;sup>115</sup> Ingrid Peritz, "Canada Open to Global Economy Amid Rising Threat of Protectionism: Freeland," *The Globe and Mail*, 5 January 2017.

makes sense in the simplest of terms, as Canada's prosperity depends on trade. However, as the Western world struggles through protectionist discourse, it becomes timely for Canada to look outside of its traditional partners and look to the Far East for some potential solutions. With all the potential of China's Belt and Road Initiative<sup>116</sup> and the rising Asia Pacific economies, it would be in Canada interest to position itself to benefit from the rise of this region. The following chapter will address the place of trade in Canada's economy, highlighting its vital role for its prosperity, key trade relationships and developments that have propelled Canada's economy while also arguing for the importance of diversifying its trade partners by looking west, across the Pacific.

## THE STAPLE THEORY AND CANADIAN TRADE

From early fur traders to today's steadily increasing service trading,<sup>117</sup> Canada has had to adapt its trading to meet international demands and sustain its continued prosperity. Yet, a constant remains for Canada as it continues to hold more resources than its people can realistically consume. This has historically benefited Canada and can be best understood through Innis' *Staple Thesis*, later also theorized by Mackintosh, which addressed "the general impact on the economy and society of staple production," ultimately highlighting the link between remote production areas and exports to external markets. While Innis and Macintosh differed in their view of how Canadian staples

<sup>116 &</sup>quot;China's Belt and Road Initiative is one of the most ambitious infrastructure and trade expansion programmes ever undertaken." Janet Henry, "The Belt & Road's Global Impact: China's Ambitious 'New Silk Road' is Benefiting Countries Worldwide," *HSBC Insights*, 10 September 2019, last accessed 26 March 2021, https://www.gbm.hsbc.com/insights/global-research/belt-and-road-global-impact.

<sup>117</sup> Statistics Canada, "Canadian international Trade in Services," last accessed 26 March 2021, https://www150.statcan.gc.ca/n1/daily-quotidien/210305/dq210305c-eng.htm.

<sup>&</sup>lt;sup>118</sup> Mel Watkins, Hugh Thomas Grant, and David A. Wolfe, *Staples and Beyond: Selected Writings of Mel Watkins* (Montreal: McGill-Queen's University Press, 2014), 32.

<sup>&</sup>lt;sup>119</sup> Harold A. Innis, *Essays in Canadian Economic History*, edited by Mary Q. Innis (Toronto: University of Toronto Press, 2017), 202.

may evolve and be exploited over time, the baseline assumption was that "Canada had been born with a staple economy" that it could exploit and benefit from by exporting to "more advanced economies [with] a pervasive impact on the economy as well as on the social and political systems." Canadian staple products were defined as its natural resources such a fish, fur, timber, minerals, agriculture, and later oil and hydroelectricity. Each of which would have varying effects on Canada and would be dependent on the returns produced versus the costs related to production. In the early years of nationhood, Canada had established most of its settlements along "the sea-coast, and along the banks of navigable rivers," seldom developing far beyond reasonable reach of these regions. This ultimately helped Canada's staple economy by ensuring goods could be ferried to external markets much faster and more importantly, much more economically.

This tendency remains accurate even in the 21<sup>st</sup> century. Today, the Saint-Lawrence River Valley and the Great Lakes region account for the vast majority of Canada's population. Of the 10 most populous cities in Canada, according to the 2011 census, only three find themselves situated away from the coasts, the Saint-Lawrence, and the Great Lakes region. When considering both the historical and current economies of outlier cities, it seems apparent that their growth is intricately linked to Canadian staples such as agriculture and minerals, for example fossil fuels. In 2017, oil

<sup>&</sup>lt;sup>120</sup> Mel Watkins, "Staple Thesis," *The Canadian Encyclopedia*, Historica Canada, 7 February 2006, last accessed 26 March 2021, https://www.thecanadianencyclopedia.ca/en/article/staple-thesis.

Adam Smith and Laurence Dickey, *The Wealth of Nations: An Inquiry into the Nature and Causes* (Cambridge, MA: Hackett Publishing Company, Incorporated, 1993), 14.
 122 *Ibid.*

<sup>&</sup>lt;sup>123</sup> The largest non-coastal, Saint-Lawrence, and Great Lake cities include Calgary (third), Edmonton (fifth), and Winnipeg (seventh) with the next one being Saskatoon (twenty-first). Statistics Canada, "Population and dwelling counts, for Canada and census subdivisions (municipalities), 2011 and 2006 censuses," last accessed 28 March 2021, https://www12.statcan.gc.ca/census-recensement/2011/dp-pd/hlt-fst/pd-pl/Table-Tableau.cfm?LANG=Eng&T=301&SR=1&S=4&O=D&RPP=25.

and gas accounted for 41 percent of total exports from Western Canada, while Agriculture came in second at 12 percent and mining third with 8 percent.<sup>124</sup> Therefore, as noted by Altman, the staple theory "remains an important contemporary model and framework for economic analysis."<sup>125</sup>

With an understanding that staples were the bedrock of the Canadian economy, considerable efforts in Canadian history were made to transportation infrastructure to enable the expedited transports of goods and materials across the country. In fact, the railway system, which was "a condition written into the Constitution Act, 1887," saw multiple phases of development that spanned from confederation to the First World War. This enable westward immigration and led to much cheaper transcontinental trade of agriculture products and minerals, while also connecting the nation. Later efforts to develop the highways, and more recently pipeline, have also ensured that Canadian staples remained prosperous for Canada by keeping export costs relatively low. Today, these systems essentially enable the expedited transport of resources across the expanse of the nation, permitting the trading of goods eastward and westward. Such efforts are but a few of the elements influenced by the staple theory that have made contributions to Canada's economy since its inception. The theory has undergone some revisions and adjustments as the Canadian economy evolved while also meeting

<sup>124</sup> Government of Canada, "Economic Overview: Western Economy," *Western Economic Diversification Canada*, last accessed 18 April 2021, https://www.wd-deo.gc.ca/eng/243.asp.

<sup>&</sup>lt;sup>125</sup> Morris Altman, "Staple Theory and Export-Led Growth: Constructing Differential Growth," *Australian Economic History Review*, Vol. 43, No. 3, November 2003, 230.

<sup>&</sup>lt;sup>126</sup> James H. Marsh, "Railway History in Canada," in *The Canadian Encyclopedia*, Historica Canada, published 25 March 2009, last edited 18 June 2020, https://www.thecanadianencyclopedia.ca/en/article/railway-history.

<sup>&</sup>lt;sup>127</sup> R. B. Fleming, *The Railway King of Canada: Sir William Mackenzie*, 1849-1923 (Vancouver, CA: UBC Press, 1991), 13, 89.

considerable criticism starting in the 1950s, 128 but a fundamental of the theory which assumes that a region "absen[t] of staple exports . . . would be significantly poorer" appears to highlight its continued relevance and, can perhaps be observed through the modern issues facing the Maritimes as their economies have diverged from staples to one that has grown too dependent on public sector jobs rather than more prosperous private sector jobs. 130

The staple theory has undeniably shaped Canada's economy and its society writ large. The disposition of Canada's major ports, cities, and infrastructure appear to support the concept behind this theory. Further attention to the growing economic sectors and, consequently, the associated growing population centers also add weight to the theory. Yet, granting that Canada has a staple economy and, while it is useful to have infrastructure in place and people properly located to exploit Canada's vast resources, it is equally critical for Canada to secure markets to which these resources can ultimately be exported for profit.

#### CANADA'S TRADE RELATIONS

With a staple economy, Canada has depended on its ability to export its staple resources and products to receptive markets which in turn has paid for products that increased domestic material welfare and services. Pre-confederation, these staple resources were exported to England and previously France as one of their colonies. This trend did continue for some time into confederation with current trade agreements still

<sup>&</sup>lt;sup>128</sup> Altman, Staple Theory and Export-Led Growth . . ., 230.

<sup>&</sup>lt;sup>129</sup> *Ibid*, 231.

<sup>&</sup>lt;sup>130</sup> Don Mills, in "Maritime Economy in Deep Trouble, Expert Warns," *CBC News*, 5 February 2013, last accessed 27 March 27, 2021, https://www.cbc.ca/news/canada/new-brunswick/maritime-economy-in-deep-trouble-expert-warns-1.1400977.

catering to these lasting relationships. For example, the United Kingdom, has been a lasting trade partner, more recently as part of Canada's trade agreement with the European Union (CETA) and now through a bilateral trade agreement meant to address trade with the United Kingdom following its departure from the European Union. Nonetheless, well into confederation, Canada continued to exist "at the periphery of the British Empire," influenced by the persistent British connection felt by many Canadians. 131 These close ties with the British Empire led most of its trade goods to Britain and limited the true benefits of having a staple economy. The proximity of the United States and the large market it offered was not overlooked by Canada, which as early as of Sir John A. Macdonald's first Canadian government, began to work towards establishing a "two-way trade [relationship] along a north-south axis" rather than relying solely on trade with Britain. This did not result in the desired outcome as "United States law makers did not find freer trade with Canada particularly attractive," limiting trade development with the south and constraining Canada to a less prosperous east-west axis, even while efforts along this route may have connected the nation. <sup>133</sup> In the early twentieth century, as Canada struggled to contend with American and European protectionism, it was recognized that "only by exporting staples to the home country . . . could the new migrants realise a standard of material well-being obtainable in Europe." <sup>134</sup> Consequently, Canada's international trade markets remained firmly anchored with the United Kingdom and underdeveloped in the United States. Notwithstanding, these two

<sup>131</sup> Michael Hart, "Lessons from Canada's History as a Trading Nation," *International Journal* 58, no. 1 (Winter 2002/2003), 29.

<sup>&</sup>lt;sup>132</sup> *Ibid*, 29.

<sup>&</sup>lt;sup>133</sup> *Ibid*.

<sup>&</sup>lt;sup>134</sup> Altman, Staple Theory and Export-Led Growth . . ., 232.

nations would "frequently exchanged positions as the first and second most important destinations for Canadian exports" in the years leading up to the Second World War. <sup>135</sup> Following the War, Canada's trade relationships changed considerably, and the United States has dominated Canadian trade since.

Canada came out of the Second World War feeling much more confident and benefited from closer diplomatic ties with the United States. This close relationship with the United States was beneficial to Canada's national interest as most of Europe found itself rebuilding from the War. Canada and the United States, relatively unscathed by the war, found their economies thriving, and through mutually beneficial initiative such as the Ogdensburg Accord and the European Recovery Plan, addressed more specifically in the next chapter, grew more intricately involved to each other's benefit. Yet, challenges remained before the modern trade agreements could be reached. The 1878 National Policy legacy of high tariffs "to shield Canadian manufacturers from American competition" endured until the Second World War. <sup>136</sup> This did lead to considerable income from tariffs but ultimately hindered the growth of the Canadian economy by limiting American competition for its manufacturers. 137 Canada, looking to expand beyond its ties with Britain in the face of a favourable post-Second World War order, began reducing tariff rates, securing its national interest through stable trade relations with its like minded partners, concurrently forging a prosperous economy. The United States, due to its geographic proximity, like-mindedness, and thriving market, figured

<sup>&</sup>lt;sup>135</sup> Bruce W. Wilkinson, "International Trade," in *The Canadian Encyclopedia*., Historica Canada, 7 February 2006, last accessed 18 April 2021,

https://www.thecanadianencyclopedia.ca/en/article/international-trade#.

<sup>&</sup>lt;sup>136</sup> Robert Craig Brown, "National Policy," in *The Canadian Encyclopedia*. Historica Canada. Article 7 February 2006; last accessed 29 March 29, 2021,

https://www.thecanadianencyclopedia.ca/en/article/national-policy.

<sup>&</sup>lt;sup>137</sup> Wilkinson, *International Trade* . . .

prominently on Canada's list of trade partners, ultimately becoming Canada's largest trading partner. Consequently, to ensure greater growth and prosperity from its trade relationship, Canada and the United States began to explore the concept of liberalizing their trade relationship.

#### **Trade Liberalization**

Trade liberalization between Canada and the United States can be traced back to the 1965 Canada-United States Automotive Products Agreement. With a divided automobile industry due to tariff restrictions, only a fraction of the vehicle models produced in the United States ever made it into the Canadian market and, most of the limited models produced in Canada were effectively reproductions of American models. <sup>138</sup> Following the agreement, tariffs were removed, and "parts and vehicles could travel freely across the border" under guarantees of maintaining pre-agreement productions levels in Canada, which ultimately stimulated Canada's automobile industry and improved its economy. 139 However, the agreement could not be considered entirely free trade as Canada, more so than the United States, still imposed considerable conditions on automobile manufacturers to benefit from duty-free importing. 140 Its benefits did positively impact both economies, albeit it did benefit Canada's more, and while true free trade is believed to have negated the Canada-United States Automotive Products Agreement, which was deemed illegal by the World Trade Organization in 2001, <sup>141</sup> it remains the earliest sign of free trade between Canada and the United States. It

<sup>&</sup>lt;sup>138</sup> Jack L. Hervey, "Canadian – U.S. Auto Pact: 13 Years After," *Economic Perspectives*, Vol. 2, August 1978, 18-19.

<sup>&</sup>lt;sup>139</sup> "The Canada-U.S. Auto Pact Created the Modern Canadian Auto Industry," *Canadian Labour Congress*, 16 January 2018, last consulted 1 April 2021, https://canadianlabour.ca/the-canada-u-s-auto-pact-created-the-modern-canadian-auto-industry/.

<sup>&</sup>lt;sup>140</sup> Hervey, "Canadian – U.S. Auto Pact . . ., 20.

<sup>&</sup>lt;sup>141</sup> The Canada-U.S. Auto Pact...

would not be until the 1980s that Canada and the United States would truly enter into a comprehensive free trade agreement.

In 1989, Canada made a significant step to solidify certainty and stability for its economy by concluding the Canada-United States Free Trade Agreement (CUSFTA), "plac[ing] Canada and the United States at the forefront of trade liberalization." 142 At the time, it was "the biggest trade agreement ever concluded between two countries" with the expectation that it would have a "lasting value to the Canadian and US economies" and set "a new standard for trade agreements under the General Agreement of Tariffs and Trade." The agreement was achieved by Mulroney's conservative government, significantly enabled by the close relationship the Prime Minister and President Regan shared at the time. 144 This relationship was visibly displayed during the 1985 Shamrock Summit in Quebec City, which laid the foundation for the CUSFTA. 145 Just a few years later, Mulroney's continued close relationship with the United States' President, then President H. W. Bush, facilitated Canada joining trade conversations as the United States and Mexico were looking to concluded a similar trade agreement. This led the three nations to agree to the North American Free Trade Agreement (NAFTA). This agreement went into effect in 1994 and broadened the 1989 CUSFTA. 146 Much like the considerable

<sup>&</sup>lt;sup>142</sup> Government of Canada, "Canada-U.S. Free Trade Agreement," *Global Affairs Canada*, last accessed 18 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/united states-etats unis/fta-ale/background-contexte.aspx?lang=eng.

<sup>&</sup>lt;sup>143</sup> Canada, The Canada-United States Free Trade Agreement: Trade, Securing Canada's Future (Ottawa, 1989), 1.

<sup>&</sup>lt;sup>144</sup> Brian Mulroney (Speech, Seven-Nation Economic Summit, Toronto, Canada, 21 June 1988), last accessed 18 April 2021, https://www.empireclubofcanada.com/historichighlights/President-Ronald-Reagan-and-Prime-Minister-Brian-Mulroney.

<sup>&</sup>lt;sup>145</sup> "Five Key Milestones in Brian Mulroney's Formative Relationship with U.S.," *The Canadian Press*, 5 December 2018, last accessed 18 April 2021, https://nationalpost.com/pmn/news-pmn/canadanews-pmn/five-key-milestones-in-brian-mulroneys-formative-relationship-with-u-s.

<sup>&</sup>lt;sup>146</sup> Robert A. Blecker, "NAFTA." In *Handbook of International Trade Agreements: Country, Regional and Global Approaches*, edited by Looney, Robert E. 1st ed., (Routledge, 2019), 147.

breath of the CUSFTA, the NAFTA lifted trade barriers across all three nations and, specifically for Canada, was intended to build on trade liberalization achieved through the CUSFTA.<sup>147</sup>

Trade Liberalization has been criticized by many for its likely impacts on the national economy. As an example, the NAFTA was criticized for the likely loss of manufacturing jobs to Mexico. 148 President Trump was such a critic and, based on the premise that NAFTA was not fair to the United States, <sup>149</sup> brought Canada and Mexico back to the negotiations table for a new NAFTA. The new Canada-United States-Mexico Agreement (CUSMA) was signed in November 2018 and entered into force in July 2020. 150 Notwithstanding continued criticisms of free trade, simple highlights of trade between Canada, the United States, and Mexico add credibility to the idea that "strengthening the rules and procedures governing trade and investment . . . has proved to be a solid foundation for building Canada's prosperity." <sup>151</sup> Indeed, for all three nations of the NAFTA, and now the CUSMA, there has been considerable generation of economic growth and increases to standards of living as "trade between Canada and the United States tripled and total merchandise trade between Canada and Mexico grew almost 10fold [sic]" since its introduction. 152 This trade relationship, however, has deepened Canada's dependence on the North American market for trade. More specifically, it has

<sup>147</sup> Blecker, *NAFTA* . . ., 148.

<sup>&</sup>lt;sup>148</sup> *Ibid*.

<sup>&</sup>lt;sup>149</sup> *Ibid*, 147.

<sup>&</sup>lt;sup>150</sup> Government of Canada, "Canada-United States-Mexico Agreement (CUSMA)," *Global Affairs Canada*, last accessed 7 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/index.aspx?lang=eng.

<sup>&</sup>lt;sup>151</sup> Government of Canada, "The Canada-United States-Mexico Agreement: Economic Impact Assessment, Global Affairs Canada, 26 February 2020, last accessed 7 April 2021, https://www.international.gc.ca/trade-commerce/assets/pdfs/agreements-accords/cusma-aceum/CUSMA-impact-repercussion-en.pdf, 2.

<sup>&</sup>lt;sup>152</sup> *Ibid*.

entwined the Canadian economy to that of the United States, and ultimately linked Canadian prosperity to the health of the United Sates' economy.

The intricate link between the Canadian economy and the United States market has had considerable impacts on Canada's economic prosperity on many occasions. The common adage "that when the United States sneezes, Canada catches a cold" has proven accurate on multiple occasions in recent history. 153 For example, the recession that followed the 2008 financial crisis was felt worldwide and its impact was more severe on advanced economies such as Canada when "[e]conomic activity in the G-7 countries dropped by more than [five] per cent." 154 While the recession was short-lived compared to others, its impacts were significant specifically for Canada's exports which saw a 16 percent drop compared to an eight percent drop in the 1980s and 1990s recessions, with investments suffering a 22 percent downturn over just three quarters compared to it taking two years in the 1980s and three in the 1990s. 155 Nonetheless, Canada did recover quickly from the recession due in part to government spending, even as "the effects of the crisis . . . were comparable to the those in the United States." This has been the exception rather than the rule and Canada's dependency on the United States for its prosperity, has brought many to compel the government to diversify trade and mitigate future potential negative economic impacts from the United States. 157

<sup>&</sup>lt;sup>153</sup> Jean Boivin (Speech, "The "Great" Recession in Canada: Perception vs. Reality," Montreal CFA Society, Montreal Canada, 28 March 2011, last accessed 18 April 2021, https://www.bankofcanada.ca/wp-content/uploads/2011/03/sp280311.pdf, 3.

<sup>&</sup>lt;sup>154</sup> *Ibid*, 1.

<sup>&</sup>lt;sup>155</sup> *Ibid*, 4.

<sup>&</sup>lt;sup>156</sup> *Ibid*.

<sup>&</sup>lt;sup>157</sup> Patrick Georges and Marcel Mérette. *Canada's Strategic Trade Policy Options: Deeper Continental Integration or Diversification?* (Montreal: Institute for Research on Public Policy, 2010), 1, 9, 17-18.

## **Diversification of Trade Partners**

Heavy dependency on singular markets intuitively generates some concerns. As recent American financial crises have demonstrated, the Canadian economy is vulnerable when the United States economy struggles. However, as demonstrated from Canada's rapid recovery following the 2008 financial crisis, it is possible for policy to mitigate such risk. When assessing the impact of United States uncertainty to GDP growth of nine closely linked small economy nations, it was determined that stock market volatility was less of a factor than policy uncertainty shocks. Nonetheless, the overreliance on trade with the United States has led some critics to highlight the risk of such a dependence when the economic future and political collaboration between Canada and the United States has waxed and waned over the years. While one would struggle to argue the opposite, it remains unlikely that Canada could ever sever links with the United States in this regard; however, Canada's dependency on the North American market as well as its vulnerability to stock market shocks can be mitigated by adequate policy.

A Canadian policy of trade diversification, even if maintaining the United States as a principal trading partner, can help mitigate the negative impacts of its intricate North American trading partnership. Trade diversity is not an innovative concept for Canada. In fact, Canada is currently a member of 14 trade agreements with 49 nations that vary from bilateral agreements such as the Canada-Jordan and Canada-South Korea Free Trade Agreements, to more comprehensive and multinational ones like the Canada-European Union Comprehensive and Trade Agreement (CETA) and the Canada-European Free

<sup>&</sup>lt;sup>158</sup> Pär Stockhammar and Pär Österholm, "The Impact of US Uncertainty Shocks on Small Open Economies." *Open Economies Review* 28, no. 2 (2017), 360.

<sup>&</sup>lt;sup>159</sup> Andrew Swiston and Tamim Bayoumi. *Spillovers Across NAFTA* (Washington: International Monetary Fund, 2008), 3-4.

Trade Association Free Trade Agreement (CEFTA). Nonetheless, few of these trade agreements currently yield significant returns.

Canada's continued efforts to secure trade partners in Europe has generated multiple agreements. The CEFTA, in force since 2009, the CETA, which came into force later in July 2017, and the Canada-United Kingdom Trade Continuity Agreement (CUTCA) of April 2021, which came into force following the United Kingdom's departure from the European Union, have given Canada preferential access to most European markets, which with their combined member states, were the third largest economy in the world in 2017. Individually however, there are some considerable differences. The CEFTA for example, is merely an agreement for the trade of goods with a clause that offers the possibility of revisiting potential inclusions of other trade sectors in the future. Certa was meant to be a more comprehensive agreement for all areas of trade that would offer progressive "elimination of EU tariffs [to] provide increasingly better competitive market access terms for [Canadian business] products over time. The certain particles are trade as "one of Canada's most ambitious trade initiatives" that,

<sup>&</sup>lt;sup>160</sup> Government of Canada, "Trade and Investment Agreements," *Global Affairs Canada*, last accessed 9 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agracc/index.aspx?lang=eng.

<sup>&</sup>lt;sup>161</sup> "The 2017 Results of The International Comparison Program: China, US and EU Are the Largest Economies in The World," *Eurostat*, 19 May 2020, last accessed 10 April 2021, https://ec.europa.eu/eurostat/documents/portlet\_file\_entry/2995521/2-19052020-BP-EN.pdf/bb14f7f9-fc26-8aa1-60d4-7c2b509dda8e.

<sup>&</sup>lt;sup>162</sup> Government of Canada, "Canada-European Free Trade Association (EFTA) Free Trade Agreement," *Global Affairs Canada*, last accessed 10 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/european-association-europeenne/fta-ale/background-contexte.aspx?lang=eng&\_ga=2.73457370.955272828.1617977286-86371854.1603809384.

<sup>&</sup>lt;sup>163</sup> Government of Canada, "Canada and European Union Comprehensive Economic and Trade Agreement: Agreement Overview," *Global Affaires Canada*, last accessed 10 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/overview-apercu.aspx?lang=eng.

<sup>&</sup>lt;sup>164</sup> *Ibid*.

nearly four years into the agreement, is yielding poor results as "Canadian exporters and importers [are not] making extensive use of the preferential tariffs offered by the agreement." The CUTCA, meant to offer the same benefits of the CETA to the United Kingdom after leaving the European Union, is seeing similar trends. It is true that there has been growth in terms of trade with Europe since the inception of these various agreements; however, the upwards trends differ among member nations with many seeing negative trends, including Canada's largest European partners. Consequently, the European market may have reached its culmination point on return of effort for Canada as trade partners.

A second region has seen considerable effort to further develop diversified trade partnerships. Canada's attempts to forge trade relationships with the Asia Pacific saw a concerted effort with the Trans-Pacific Partnership (TPP) being conclude in October 2015 and signed in February 2016. This partnership, in contrasts to Canada's more traditional trade partners in the North Atlantic Triangle, took the shape of a *Pacific Pentagon* 170. It was intended to unite 12 member nations from the Americas, Oceania,

<sup>&</sup>lt;sup>165</sup> Government of Canada, "Canada's State of Trade 2020: The Early Impacts of COVID-19 on Trade," *Office of the Chief Economist: Global Affairs Canada* (Her Majesty the Queen in Right of Canada, Ottawa: 2020), 15.

<sup>&</sup>lt;sup>166</sup> Government of Canada, "Canada-UK Trade Continuity Agreement (Canada-UK TCA): Economic Impact Assessment," *Global Affairs Canada*, last accessed 10 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cuktca-acccru/economic\_impact\_assessment-evaluation\_impact\_economique.aspx?lang=eng.

<sup>&</sup>lt;sup>167</sup> Global Affaires Canada, *Canada's State of Trade 2020* (Ottawa: Her Majesty the Queen in Right of Canada, as represented by Global Affairs Canada, 2020), 8.

<sup>&</sup>lt;sup>168</sup> GoC, Canada's State of Trade 2020: COVID . . ., 15.

<sup>&</sup>lt;sup>169</sup> Government of Canada, "Background on Previous Asia-Pacific Trade Negotiations," *Global Affairs Canada*, last accessed 10 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/tpp-ptp/background\_negotiations-contexte\_negociations.aspx?lang=eng& ga=2.11075324.955272828.1617977286-86371854.1603809384.

<sup>&</sup>lt;sup>170</sup> Much like Haglund's North Atlantic Triangle depicts a region of interest in the Atlantic, the Pacific Pentagon is used here to geographically depict the region of interest in the Pacific. It sees Canada as the first point, through to the United States as the second point, Oceania (including Australia and New Zealand) acts as the third point, South East Asia as the fourth, and China and Japan to close out the Pentagon. It is purely meant to focus the greater region of interest and potential influence.

and the Asia Pacific Region in a preferential trade agreement. <sup>171</sup> Not surprisingly, this agreement still included the United States and naturally saw the United States remain Canada's main trade partner within the agreement. The TPP never officially went into effect; however, in January 2017, the United States withdrew from the agreement, forcing other parties to look at an option absent the United States. In 2018, Canada and five other nations ratified the revised Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and "implement their first round of tariff cuts." In January 2019, Vietnam became the seventh member nation to ratify the CPTPP while Brunei, Chile, Malaysia and Peru have signed the agreement but have not yet ratified it.<sup>173</sup> Even as uncertainty grows globally with the COVID-19 pandemic and increasing protectionism, the Asia Pacific is expected to remain "the world's fastest-growing major region, contributing more than two-thirds to global growth." The CPTPP therefore offers Canada a considerable market with which it can trade and increase prosperity. Nevertheless, Canada continues to struggle to develop profitable trade partnerships with Asia Pacific nations with all but China and Japan accounting for less than one percent of Canadian Exports. 175

<sup>&</sup>lt;sup>171</sup> GoC, Background on previous APT...

<sup>&</sup>lt;sup>172</sup> Government of Canada, "About the CPTPP: View the Timeline," *Global affairs Canada*, last accessed 10 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/view\_timeline-consultez\_chronologie.aspx?lang=eng.

<sup>&</sup>lt;sup>173</sup> Government of Canada, "CPTPP Explained," *Global Affairs Canada*, last accessed 10 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/cptpp\_explained-ptpgp\_apercu.aspx?lang=eng.

<sup>&</sup>lt;sup>174</sup> International Monetary Fund, "Regional Economic Outlook - Asia Pacific: Caught in a Prolonged Uncertainty-Challenges and Opportunities for Asia," *World Economic and Financial Surveys* (Washington, DC: International Monetary Fund, 2019).

<sup>&</sup>lt;sup>175</sup> Daniel Workman, "Canada's Top Trading Partners 2020," *World's Top Exports*, last accessed 10 April 2021, https://www.worldstopexports.com/canadas-top-import-partners/.

Combined, Canada's trade agreements offer a significant diversification across multiple trade markets that include a vast majority of the world's population, its leading economies, and its growing economies. Yet, even with the variety of trade agreements to which Canada is a member, as of 2020, the United States remains indisputably Canada's largest trade partner, receiving 73.5 percent of Canadian exports, with China coming in distant second, and the United Kingdom third, receiving 4.8 and 3.8 percent of Canadian exports respectively. <sup>176</sup> From there, the proportion of Canadian exports by country declines rapidly with most accounting for less than a percent of Canadian exports. 177 Although both the United States and the United Kingdom generate a trade surplus for Canada, the same is not true for China, with which Canada has a 38.8 billion dollar deficit, nor is it true for other Asia Pacific nations like Vietnam and South Korea, where Canada has a growing trade deficit "indicat[ing] Canada's competitive disadvantages with the [se] countries. <sup>178</sup> Consequently, even as Canada continues to develop agreements in efforts to diversify its trade, it continues to fail to capitalize on these agreements and remains intricately tied to the United States economy as its primary trade partner. While in many aspects this relationship has been to Canada's benefit, Canada's efforts to develop and maintain trade relationships in Europe, which are yielding diminishing returns, as well as its limited agreements in the Asia Pacific, which are not as beneficial as they could be, continue to leave Canada vulnerable to shocks from the American market. If Canada is truly going to benefit from diversification, it will need to develop long-lasting trade strategies and increase targeted promotion efforts to benefit from its

<sup>176</sup> Workman, Canada's Trop Trading Partners . . .

<sup>&</sup>lt;sup>177</sup> Ibid

<sup>&</sup>lt;sup>178</sup> *Ibid*.

vast trade agreements and potentially offer some reprieve in the face of future American uncertainty.

## A NEW DIRECTION FOR CANADA'S TRADE

Canada's traditional partners in the North Atlantic Triangle have led to diminishing returns on trade over the last decade. In 2018 for example, export profits to the United Kingdom declined by nearly 10 percent while those to the European Union showed modest increases just above five percent. <sup>179</sup> Moreover, as of 2018, the gains in this region had also relied on a 2.9 percent increase in export prices. 180 Therefore, when we consider the increase in price to the modest increase in exports, gains in the European Union market are even more modest while the decrease felt in the United Kingdom market is even more pronounced. Notwithstanding, as of 2019, the North Atlantic Triangle still accounts for more than 83 percent of Canadian exports and 75 percent of imports. 181 When the United States' share of trade is removed, Europe only accounts for nine percent of exports and 12 percent of imports, totaling 11 percent of Canadian trade. 182 These numbers have been stagnant or slowly decreasing for many European states in recent years which would require concerted effort and attention to correct. Canada should continue to maintain these agreements and, while it is unlikely that Canada's trade agreements will stop yielding benefits, if Canada is to truly ensure continued prosperity through trade, with particular attention to its staple products, more lucrative markets must be explored and developed. Consequently, in contrast to the

<sup>&</sup>lt;sup>179</sup> Global Affaires Canada, *Canada's State of Trade 2019* (Ottawa: Her Majesty the Queen in Right of Canada, as represented by Global Affairs Canada, 2019), 63.

<sup>&</sup>lt;sup>180</sup> Ibid. 61

<sup>&</sup>lt;sup>181</sup> GAC, Canada's State of Trade 2020. . ., 16-20.

<sup>&</sup>lt;sup>182</sup> *Ibid*.

European markets, the Asia Pacific Region's markets offer a good alternative and are already contributing more to Canadian trade.

As of 2019, China, Japan, South Korea, India, and Hong Kong alone were contributing as much to Canada's trade as Europe, accounting for nine percent of exports and 12 percent of imports, which combined accounted for 11 percent of Canadian trade. 183 Moreover, Canada's recent efforts to develop a trans-Pacific partnership has created some opportunities in what is described above as the Pacific Pentagon. The frictions created by the United States' withdrawal from the agreement did slow the agreement's process; nonetheless, the agreement is set to meet expectation, absent the United States. This appears to indicate an intent for Canada to shift from its traditional Atlantic orientation to a more global one, but it has not yet materialised with significant benefits. Even so, as Canada continues to heavily rely on its North Atlantic Triangle trade agreements, recent years have been marked by steady increases in trade profits with the Asia Pacific. More specifically, Canada has seen record growths in 2018 with China, South Korea, and Japan, increasing exports to these nations by 16, 9.7 and 9.1 percent, respectively. 184 This is a good indication of potential, and a good direction for Canada to take. However, it must also be noted that other Asia Pacific nations did not yield such positive results. India, a nation with whom Canada has been struggling to establish trade agreements for years, saw a net decrease in Canadian exports value. 185 These four countries combined accounted for just nine percent of Canadian exports, China being the most significant partner, accounting for more than half of Canada's exports across the

<sup>&</sup>lt;sup>183</sup> GAC, Canada's State of Trade 2020. . ., 16.

<sup>&</sup>lt;sup>184</sup> GAC, Canada's state of trade 2019..., 63.

<sup>&</sup>lt;sup>185</sup> *Ibid*, 64.

Pacific. <sup>186</sup> Recent diplomatic friction between Canada and China may lead to some negative impacts to its trade; however, that remains to be seen, especially when considering the potential impacts of the global pandemic on international trade, which had already been recording a decline due to policy uncertainty. <sup>187</sup> Canada evidently has multiple partnerships in the Asia Pacific Region which will undoubtedly benefit Canada and its prosperity in the years to come. Nonetheless, much like Canada's trade agreements have solidified trade relationships with nearly all European nations, the Asia Pacific Region also merits greater attention.

The Asia Pacific Region has been the strongest growing economic region for the last decade. In fact, since the 2008 global financial crisis, this region has accounted for the vast majority of global growth and all indications seem to point to this tendency continuing into the foreseeable future. Within this region, a significant group of nations has increasingly established its relevance for trading and growth. The 10 nation Association of South East Asian Nations (ASEAN), which excludes China, has become an important player on the economic world stage. Case in point, the European Union is already well established with ASEAN which stands as its fourth largest trading partner while the European Union is ASEAN's second largest trading partner. Indonesia, Malaysia, and Thailand, founding members of the ASEAN, rose "from low- to upper middle-income status" following their increased openness to foreign investment

<sup>186</sup> *Ibia* 

<sup>&</sup>lt;sup>187</sup> Cristian Băhnăreanu, "The Economic Impact of Covid-19 Pandemic at the Beginning of 2020," *Strategic Impact* no. 75 (2020), 105.

<sup>&</sup>lt;sup>188</sup> IMF, Regional Economic Outlook . . ., 1 and 16.

<sup>&</sup>lt;sup>189</sup> "ASEAN 50 + EU 60 = 40 years of cooperation," *PAGEO Geopolitical Institute*, last accessed 14 April 2021, http://www.geopolitika.hu/en/2018/04/03/asean-50-eu-60-40-years-of-cooperation/.

and trade between the 1980s and 2000s.<sup>190</sup> Their yearly growth, much like the rest of the Asia Pacific Region, has seen upwards of five percent growth.<sup>191</sup> Notwithstanding the possibilities of cheaper imports from the ASEAN's member nations, the needs of this growing economic region for Canadian staple products could be of considerable benefit to Canadian trade and Canada's continued prosperity. Nonetheless, while the ASEAN has been recording record growth since 2008, Canada has just begun discussions with ASEAN to explore a possible free trade agreement as of 2019.<sup>192</sup> These discussions have yet to materialise but merit considerable attention as this region could yield sizeable returns and could help Canada mitigate potential economic impacts from its intricate relationship with the United States.

#### **CONCLUSION**

As illustrated above, Canada has always depended on trade for its economic prosperity. Its social welfare initiatives through the years have in large part been supported by the significant contribution of trade to its GDP. While the proportion of trade income in the GDP has fluctuated over the years, it continues to hold a significant role for Canada's economic wealth. Through this chapter, it appears evident that Canada has adapted rather well to changing international demands for its resources; however, it has done so in the relative comfort of the economically powerful North Atlantic Triangle, its traditional allies, and an overreliance on the United States for its trade partnerships.

More recently, Canada has expanded to the Asia Pacific Region by creating partnerships

<sup>&</sup>lt;sup>190</sup> Aekapol Chongvilaivan, "Openness and Inclusive Growth in South-East Asia," in *Achieving Inclusive Growth in The Asia Pacific* (Aton: Australia, Australian National university Press, 2020), 87.
<sup>191</sup> ASEAN 50 + EU 60...

<sup>&</sup>lt;sup>192</sup> Government of Canada, "Exploratory Discussions for A Possible Canada-ASEAN Free Trade Agreement," *Global Affairs Canada*, last accessed 14 April 2021, https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/asean-anase/fta-ale/background-contexte.aspx?lang=eng.

with China and the CPTPP for example. Yet, these partnerships remain underdeveloped and only constitute a small portion of Canada's trade. With Europe shifting its attention to Asia and becoming "China's largest trading partner" and "the most important trading partner behind China [. . .] for many [other] Asian economies," it is not surprising that Canada's traditional ties in Europe are yielding shrinking returns.

It would be imprudent to judge Canada's trade status on the most recent reviews of international trade since the impact and likely speed of recovery from the ongoing COVID-19 pandemic on international trade remains to be seen. However, much like Europe, Canada stands to benefit from shifting its attention to the Asia Pacific Region, which despite concerns and impacts from the COVID-19 pandemic, is set for record growth in 2021. 194 Consequently, with the Asia Pacific Region establishing itself as a key region for future world trade and economic growth, it is incumbent on Canada to look to the nations and organisations therein to secure its future trade prosperity. However, such a shift in trade partnerships may present itself as a considerable challenge for Canada. Its most beneficial trade agreements have been built on historical allies and partners. Nations with whom Canada has history and strong diplomatic ties. However, Canada's influence in the Asia Pacific Region is not as well established. Developing diplomatic influence in the Asia Pacific Region will be a critical piece of Canada's future economic prosperity derived from this region. The following chapter will address Canada's influence abroad and its recent challenges which should be addressed if Canada is to become an established trade partner for Asia Pacific nations and secure its long-term prosperity.

<sup>&</sup>lt;sup>193</sup> Thomas Christiansen, "The Strength of Distant Ties: Europe's Relations with Asia in a Changing World," in *The Search for Europe: Contrasting Approaches*, (BBVA, La Fabrica, 2016), *403*.

<sup>&</sup>lt;sup>194</sup> "Asian Development Outlook Supplement: Paths Diverge in Recovery from Pandemic," *Asia Development Bank*, December 2020, 2.

# CHAPTER IV PROSPERITY THROUGH DIPLOMACY

## INTRODUCTION

Canadian diplomacy has generally consisted of a balancing act that hinged on good relationships with Great Britain and the United-States. This saw Canada direct most of its foreign relations efforts to deal with either of these two nations or, in support of their diplomatic efforts. Early in Canadian history, Canada walked hand in hand with Great Britain and, as history has shown, when Great Britain went to war, so did Canada. A considerable commitment. This was repeated from the Boer War to the Second World War. The latter resulted in Canada ending the war with the fourth largest armed force in the world<sup>195</sup> and a reputation for being "the best little army in the world." This substantial hard power ultimately set the stage for Canada's role on the global stage and ultimately offered tangible influence amongst allies, significantly outweighing its relative size as a nation. In fact, the Second World War was a pivotal point in history for Canada. Its contribution to the war effort led to significant improvements in Canada's economy, sense of nationhood, and solidified Canada-United States relations. 197 As a founding member of both the United Nations (UN) and the North Atlantic Treaty Organisation (NATO), Canada continued to exploit its recently gained influence to better secure its national interests. In the following decades, Canada continued its diplomatic efforts by capitalizing on its won reputation, applying its influence in what Chapnick defines as

<sup>&</sup>lt;sup>195</sup> Cohen, While Canada Slept . . ., 43.

<sup>&</sup>lt;sup>196</sup> J. L Granatstein, *The Best Little Army in the World: The Canadians in Northwest Europe, 1944-1945* (Toronto, On, 2015), 208.

<sup>&</sup>lt;sup>197</sup> C.P. Stacey, "Second World War (WWII)," in *The Canadian Encyclopedia*, Historica Canada, published 15 July 2013, last Edited 13 May 2015,

https://www.thecanadianencyclopedia.ca/en/article/second-world-war-wwii.

functional power or rather functional influence. <sup>198</sup> For much of its recent history, Canada's reputation has hinged on its Second World War legacy, and so too has its foreign relations and international influence. However, as Cohen argues, Canada's reputation has gradually lost its strength through lack of coherent and strategic vision, leading Canada's influence abroad to wane. <sup>199</sup>

Canada's lack of strategic vision in the face of a currently changing world landscape induced by the recent rise of great power competition should be cause for concern. As established in the previous chapters, Canada's national interest has been contingent on its foreign relations within a favourable North Atlantic Triangle and, with the traditional seat of power now shifting from Europe to the Asia Pacific Region where Canada's influence is even less compelling than in Europe, it becomes clear that Canada must increase its diplomatic efforts in the area. If Canada is to regain its international influence and apply it to its grand strategy, it must reorient its international efforts to building functional influence in the Asia Pacific Region while maintaining its influence with its traditional partners and allies. The current chapter will examine Canadian efforts that have reinforced its functional power since the Second World War. More specifically, it will explore how its employment of military forces abroad, its foreign assistance, and its key diplomatic efforts have favourably enabled its influence with its traditional partners in the North Atlantic Triangle<sup>200</sup> while they remain essentially absent from the Pacific Pentagon, leaving Canada as an inconsequential player in the Far East.

<sup>&</sup>lt;sup>198</sup> Adam Chapnick, "The Canadian Middle Power Myth," *International Journal (Toronto)* 55, no. 2 (2000), 190.

<sup>199</sup> Cohen, While Canada Slept . . ., 2-3.

<sup>&</sup>lt;sup>200</sup> Haglund, The North Atlantic Triangle Revisited . . ., xiii-xiv.

#### **CANADA'S HARD POWER**

It is difficult to imagine diplomatic relations without considering military involvement or rather, hard power. In fact, a commonly understood concept suggests that in order to support a nation's soft power, it is equally important for said nation to wield a credible threat in the form of hard power.<sup>201</sup> With Canada's close relationship to the United States and NATO, having demonstrated the ability to garner requisite forces on call,<sup>202</sup> and currently "ranked 21 of 140 considered countries"<sup>203</sup> when it comes to military strength, it could be argued that Canada wields such a threat. It has also demonstrated the willingness to acquire much needed equipment as required to palliate weakness for specific conflicts. An example of this can be seen by newly acquired tanks, howitzers, and protective equipment for the war in Afghanistan. However, when addressing a Canadian grand strategy and its likely considerations for national hard power capabilities, this question's complexity alone would require a level of attention outside the scope of this study. Therefore, for the purpose of this dissertation, what hard power Canada does possess or should acquire is not in question. Rather, it is more pertinent to this chapter to address how Canada has employed and continues to employ its hard power in support of diplomatic relations.

<sup>&</sup>lt;sup>201</sup> Cohen, While Canada Slept..., 155.

<sup>&</sup>lt;sup>202</sup> For the First World War, see G. W. L Nicholson and Mark Osborne Humphries, *Canadian Expeditionary Force, 1914-1919: Official History of the Canadian Army in the First World War.* Vol. 235 (Montréal, CA: McGill-Queen's University Press, 2015), 18-20, 25-26. For the Second World War, see Granatstein, *The Best Little Army* . . ., 14. For the Korean War, see John Melady, *Korea: Canada's Forgotten War*, 2nd ed. (Toronto: Dundurn Press, 2011), 66, 71-72, 267.

<sup>&</sup>lt;sup>203</sup> Globalfirepower.com, "2021 Canada Military Strength," last edited 3 March 2021, last accessed 28 April 2021, https://www.globalfirepower.com/country-military-strength-detail.asp?country\_id=canada.

## Canada and Its Military Alliances

Canada's attention to military alliances to secure not only its territory but also as a means of collaborating with allies and securing its influence amongst partners can see traces of forethought beginning with the 1940 Ogdensburg Agreement. This agreement established the Permanent Joint Board of Defense between Canada and the United States to ensure continental defense under the assumption of a likely defeat of the British Fleet by Germany. Presumably instigated by President Roosevelt,<sup>204</sup> the Ogdensburg Agreement undoubtedly benefited from the "close relationship between Prime Minister Mackenzie King and President Roosevelt."<sup>205</sup> As sensitive as this agreement was for the United States who had yet to join the war against Germany, it was even more so for Canada as it realized its first military agreement without Britain, shifting "from an Empire focus to a permanent North American one."<sup>206</sup> While the United States did appear to quickly lose interest in the agreement after joining the war,<sup>207</sup> the agreement survived and paved the way for what was to come.

After the Second World War, it became clear to Canada that, with a small population and a propensity to demobilize following wars,<sup>208</sup> securing its sovereignty over its incredibly expansive territory was unlikely to be achieved alone. Consequently,

<sup>&</sup>lt;sup>204</sup> Fred E. Pollock, "Roosevelt, the Ogdensburg Agreement, and the British Fleet: All done with Mirrors," *Diplomatic History* 5, no. 3 (1981), 203.

<sup>&</sup>lt;sup>205</sup> "Ogdensburg Agreement, 1940," *The Ohio State University*, last accessed 25 January 2021, https://ehistory.osu.edu/exhibitions/arctic-sovereignty/ogdensburg.

<sup>&</sup>lt;sup>206</sup> Pollock, *Roosevelt, the Ogdensburg Agreement* . . ., 204.

<sup>&</sup>lt;sup>207</sup> Canada, "Joint Statement by the Governments of Canada and of the United States of America Regarding Defence Co-operation Between the Two Countries," last accessed 28 April 2021, https://www.treaty-accord.gc.ca/text-texte.aspx?id=100977.

<sup>&</sup>lt;sup>208</sup> For the First World War, see Canadian War Museum, "Canada Between the Wars: 1919-1939," in *Canada and the First World War*, last accessed 28 April 2021, https://www.warmuseum.ca/cwm/exhibitions/chrono/1914between\_e.html. For the Second World War, see Canadian War Museum, "Going Home:1945-1946," in *Canada and the Second World War*, last accessed 28 April 2021, https://www.warmuseum.ca/cwm/exhibitions/chrono/1931home\_e.html.

being a member of multilateral military alliances was seen as beneficial for its strength in numbers. Canada capitalized on the influence it had gained from its role in the war and pursued its efforts to secure a position of influence. In 1945, Canada became a founding member of the United Nations and "[w]ith the United States and Britain, it was amongst the inner group of three which helped draft the Charter establishing the United Nations."<sup>209</sup> The North Atlantic Treaty Organisation (NATO) soon followed as a means to counter the threat of the Soviet Union, pursuing peace through the securing of "democracy, individual liberty and rule of law, and was committed to the principle of collective defence."<sup>210</sup> Then followed the North American Air Defense (NORAD) Agreement, later renamed to North American Aerospace Defense, a bilateral continental defence agreement with the United States that benefited from the momentum of the Ogdensburg Agreement.<sup>211</sup> All these efforts by Canada to establish itself as a credible partner for the defence of the western world ultimately ensured its own defence. It also demonstrated that following the war, Canada understood the long game and the necessity to continue working with others to ensure global security. However, while military alliances certainly offer a level of security, which has unquestionably benefited Canada, it was also crucial for member nations to be active and productive members of said alliances.

<sup>&</sup>lt;sup>209</sup> Cohen, While Canada Slept . . ., 131.

<sup>&</sup>lt;sup>210</sup> Stephen Fuhr, Canada and NATO: An allegiance Forged in Strength and Reliability: Report of the Standing Committee on National Defence (Ottawa, ON, CA: House of Commons, Canada, 2018), 9.

<sup>&</sup>lt;sup>211</sup> David S. McDonough, "Getting it just Right: Strategic Culture, Cybernetics, and Canada's Goldilocks Grand Strategy," *Comparative Strategy* 32, no. 3 (2013), 224.

## Canada's Military Missions Abroad

Canada has generally been a productive member of its military alliances through collaboration. Following the Second World War, under the United Nations, nations united in hopes of eliminating any potential for large-scale conflicts in the future by pledging "to save succeeding generations from the scourge of war...[and] ... to unite our strength to maintain international peace and security."<sup>212</sup> Of course, as history is our witness, this was challenged within a decade. The Korean War erupted in 1950 and the United Nations Security Council soon sanctioned the United States led intervention. Canada, along with 17 other nations, answered the call to arms. <sup>213</sup> This was the first time Canada saw actions against an armed enemy since the end of the Second World War and the creation of the United Nations; and it did not shy away. In the early stages, the authorized recruitment number was 5,000 troops and, as a sign of its commitment to the war effort, when almost immediately asked for 5,000 more to sustain operations, the St-Laurent government obliged.<sup>214</sup> By the end of the war, Canada had committed in excess of 26,000 troops overseas to fight, making it the third largest contributor behind the United States and Britain, 516 of whom never returned. <sup>215</sup> The significant contribution to this war was a mark of the level of importance Canada gave to employing its forces abroad as a means of maintaining international peace as well as its standing and influence. The following decades saw Canada continued to employ its forces abroad, albeit in a less combative role.

Peacekeeping, a hallmark of Canadian military intervention abroad, was seen for some time as the most significant contribution to global peace and security. As Cohen

<sup>&</sup>lt;sup>212</sup> United Nations, *Charter of the United Nations*, 24 October 1945.

notes, [p]eacekeeping became a mission, a mantra, a métier . . . making it the essence of [Canada's] internationalism" and when a request came, "Canada promptly answered . . . first among equals." From 1947 to 1986, Canada had participated in 19 missions, and by the end of the 1980s, it had more than 2,300 troops deployed on 16 missions, accounting for one in every ten peacekeepers worldwide. This contribution was a significant factor for Canada's diplomatic influence. Canadian troops were deployed in the Caribbean, Africa, Europe, and the Middle East. When the world needed peacekeepers, it called on Canada. Moreover, this Canadian mantra spilled over to its diplomats. Indeed, Lester B. Pearson was awarded the Nobel peace prize for his efforts in the Suez Crisis, heralded by Gunnar Jhan, Chairman of the Nobel Committee, as "the man who contributed more than anyone else to save the world at that time." Canada's reputation and influence, a result of its international military and diplomatic involvement over the years, maintained its prominence gained from the Second World War.

While the "popularity of peacekeeping reflected the commitment among Prime Ministers from Pearson on, Liberal or Conservative," it eventually faltered in 1989 under Marcel Masse, then Minister of National Defence, when he refused to send 15 observers to a verification mission in Angola.<sup>219</sup> Canada continued to refuse peacekeeping missions in the following years as it once again began demobilizing its military forces through the

<sup>&</sup>lt;sup>213</sup> Veterans Affaires Canada, "Canada remembers: The Korean War," Veterans Affaires Canada, last accessed 25 January 2021, https://www.veterans.gc.ca/pdf/cr/pi-sheets/Korea-ENG.pdf.

<sup>&</sup>lt;sup>214</sup> Melady, *Korea: Canada's Forgotten War...*, 72.

<sup>&</sup>lt;sup>215</sup> Veterans Affaires Canada, Canada Remembers...

<sup>&</sup>lt;sup>216</sup> Cohen, while Canada Slept . . ., 60.

<sup>217</sup> Ibid

<sup>&</sup>lt;sup>218</sup> Gunnar Jhan (Speech, 1957 Nobel Peace Prize Award Ceremony, Nobel Committee of the Norwegian Parliament, 10 December 1957, last accessed 25 January 2021, https://www.nobelprize.org/prizes/peace/1957/ceremony-speech/.

<sup>&</sup>lt;sup>219</sup> Cohen, While Canada Slept . . ., 62-63.

decade of darkness and it could no longer afford to send troops around the world on various military operations. Even when Canada sent fighter jets to Kosovo in 1999, they did so with old technology and lacking proper equipment, dependent on the United States for many critical assets. The limited role in the Gulf War and in Kosovo was a way for Canada to show the flag even as it became clear that there was a growing disparity between what Canada needed to do and what it could do militarily.<sup>220</sup> When the attacks on the World Trade Center and Pentagon occurred on 11 September 2001, Canada was ill equipped to offer assistance for the international response.<sup>221</sup> Yet, the idea that Canada needed to be there was clear.<sup>222</sup> Nevertheless, Canada was a far cry from what Pearson deemed that the "only tenable policy for a country of our vast size and small population . . . to be effective and credible, had to involve a substantial contribution of combatcapable forces."<sup>223</sup>

The 21<sup>st</sup> century has seen Canada increase its presence once again in the form of *combat-capable forces* deployed overseas, supporting United States led coalitions in Afghanistan and Iraq as well as supporting NATO in Ukraine and Latvia. However, peace support operations remain a shadow of what they once were with only 39 Canadians deployed on United Nations peace support operations as of 31 December 2020.<sup>224</sup> Canada's reputation and influence has again wanned from this setback both at home, where scores of Canadians still adhere to the Canadian peacekeeper mantra, and

<sup>220</sup> Cohen, While Canada Slept . . ., 55.

<sup>&</sup>lt;sup>221</sup> David Pratt, Leon Benoit and David Price, *Facing Our Responsibilities: The State of Readiness of the Canadian Forces*, Report on the Standing Committee of National Defence and Veterans Affairs (Ottawa: Canada, 2002), 36-39.

<sup>&</sup>lt;sup>222</sup> Christopher Kirkey and Nicholas Ostroy, "Why is Canada in Afghanistan? Explaining Canada's Military Commitment," *The American Review of Canadian Studies* 40, no. 2 (2010), 202-203.

<sup>&</sup>lt;sup>223</sup> Cohen, While Canada Slept . . ., 69.

<sup>&</sup>lt;sup>224</sup> United Nations, "United Nations Peacekeeping: Troops and Police Contributors by Country," last accessed 22 February 2021, https://peacekeeping.un.org/en/troop-and-police-contributors.

abroad as the loss in seeking a United Nations Security Council seat appears to indicate. Solving the issue of Canada's international influence cannot lay solely on remaining involved militarily with our traditional allies nor can it solely rely on a reinvolvement of Canadians in traditional spheres of influence. It must also look to support such effort with other forms of foreign involvement.

#### CANADA'S FOREIGN ASSISTANCE

Canada's foreign policy has also often relied on the conduct of foreign assistance. As one of the wealthiest nations on earth, Canada has a definite advantage in this realm. The Second World War saw a coming of age for Canada. Canada took its place as a credible partner for the war of course, but it also came out of the war as a thriving economy along with, and closely tied to, its southern neighbour. Nonetheless, the war had created a concern for both Canada and the United States, who had much to sell, but few capable buyers. Europe, Canada's traditional partner along with the United States as part of the North Atlantic Triangle, was in ruins. European economies were devastated and had little purchasing power. What is more, the Soviets and communism in the east were of concern for European democratic stability in those difficult times. For Canada, relatively untouched by the war at home, this was also of concern. Following the war, Canada began its generous and potentially economically crippling financial assistance to Britain and Europe. Consequently, when the United States proposed the European Recovery Pan (better known as the Marshall Plan) to help Europe climb out of its abyss, Canada took notice for it also offered opportunities for long-term economic stability and security at home.<sup>225</sup> Canada understood the necessity of collaborating and exploiting this

<sup>&</sup>lt;sup>225</sup> J. L Granatstein and R. D. Cuff, "Canada and the Marshall Plan, June — December 1947." *Historical Papers - Canadian Historical Association* 12, no. 1 (1977): 199.

American initiative even as it was still the early days of Canada's concerted efforts in the realm of foreign assistance.

The Marshall Plan, Granatstein and Cuff surmise, was seen as an opportunity to further establish Canada's standing among its allies as a resource provider. Pearson, then Canada's undersecretary for external affairs, advised the Prime Minister that the Marshall Plan was "not only of fundamental international value, but would, incidentally, help very greatly to solve the dollar problem as it would put European countries in possession of American dollars . . . which could be used to purchase in Canada."226 Pearson's vision was not one of simply helping Canada's traditional allies recover for their betterment: it was one of quid pro quo. Europe was receiving Canadian financial assistance, but it came with the promise of purchasing Canadian goods as Europe had little ability to sustain itself. The Marshall Plan could help Canada in that effect, but it was far from a certainty as it was hitting considerable resistance in the United States' Congress which was dominated by Republican isolationists. Ultimately, Canada's perseverance in working with the United States to adopt the Marshall Plan proved successful and ensured the inclusion of provision to guarantee Canadian products would be purchased as well.<sup>227</sup> Person's vision came to fruition through this program. This was a critical element for the future of Canadian foreign assistance, a steppingstone of sorts. It was far from being short-sighted as Canadian politicians saw the grand picture and, by ensuring Canadian staples would be purchased as a result, secured Canada's economic prosperity through what can be viewed as tied aid.

<sup>&</sup>lt;sup>226</sup> Granatstein and Cuff, Canada and the Marshall Plan..., 199.

<sup>&</sup>lt;sup>227</sup> *Ibid*, 209.

## The Maturing Concept of Canadian Foreign Assistance

The Marshall Plan eventually benefited Canada, but it was not without its challenges. It should be seen as the starting block that led Canada down a road that would see "foreign assistance [become] one of Canada's faces to the World."<sup>228</sup> The following years saw a Canada enticed to commit to foreign assistance in support of Article 55 of the United Nations Charter, <sup>229</sup> but it had yet to conceptualize how it would do so. Canada, along with other western nations, was in a foreign assistance maturation. Assistance to Western Europe was key for post-Second World War success of course, but it was far from being an enduring requirement. The North Atlantic Triangle was well established and soon would be rebuilt. This would lead to far less assurances of a return on foreign assistance as European nations would regain their own buying power and their ability to produce and supply resources closer to home. Canada would inevitably end up losing its bargaining chips. It was high time for Canada to look beyond its traditional ties to meet the expectation of the United Nations if it were to maintain its credibility as an important member of the international community. Canada did just that in 1950 by launching its first foreign assistance program.

This was a significant step for Canada, yet the launch of Canada's foreign assistance program was initially marred by a lack of long-term concerted vision. As Spicer notes, it could essentially be viewed as a "lively anti-Communist instinct and an exhilarating vision of a free, multi-racial Commonwealth."<sup>230</sup> While Spicer's view on Canada's foreign assistance has been largely criticized, his simple and astute observation

<sup>&</sup>lt;sup>228</sup> Cohen, While Canada Slept..., 78.

<sup>&</sup>lt;sup>229</sup> United Nations, *Charter of the United Nations*, Art 55.

<sup>&</sup>lt;sup>230</sup> Keith Spicer, A Samaritan State?: External Aid in Canada's Foreign Policy (Toronto: University of Toronto Press, 1966), 3.

remains relevant. The anti-communist concern was now spreading from the Soviet threat in Eastern Europe to a growing concern over the prospect of Mao Tse-tung's influence from communist China. As Spicer notes, there was a concern from Canada and other Commonwealth nations that his influence could be positively received from other impoverished nations in Asia, impacting the Commonwealth in its wake.<sup>231</sup> Canada, seeing the potential impacts of this challenge, began its foreign assistance efforts in the Far East.

Concerns did rise as Canada quickly realised that foreign assistance was no easy task. Challenges arising from political interest, national economic interests, and public concern are but a few of those which complicated the process. Developing a program of such magnitude and significance is bound to run into some roadblocks and difficulties and, as history is a witness, these challenges have yet to fully be addressed. Eugene Black for example, contends that "motives behind [Canada's] economic aid programs have tended to metamorphose with the changing course of international politics," often lending itself to post-fact justification rather than prior consideration and deliberately established foreign assistance plans.<sup>232</sup> Nonetheless, considerable effort was given to establishing appropriate policies and transparency over time, which could withstand the Canadian public's question, and be flexible enough to adjust to varying political and economic agendas. In fact, when considering Canadian efforts over the years, three main assistance themes become dominant: humanitarian, political, and economic. Early in Canada's foreign assistance history, it was highlighted by the government of Canada that its foreign

<sup>&</sup>lt;sup>231</sup> Spicer, A Samaritan State . . . . 3.

<sup>&</sup>lt;sup>232</sup> Eugen R Black, *The Diplomacy of Economic Development* (Cambridge, MA: Harvard University Press, 2013).

assistance was in line with the United Nations Charter's concepts of responsibility toward the less fortunate, safeguarding peace and world prosperity.<sup>233</sup> The advantage of such a policy toward foreign assistance is that Canadian society as whole would be unlikely to object to such core themes for foreign aid. As St-Laurent's principles for strategy suggest, if the public and various political parties agree with a government's baseline assumptions, plans that stem from them are more likely to withstand the trials of time.<sup>234</sup> Pragmatically however, these themes, while reinforcing commendable values, ultimately act as a face for the benefits foreign assistance offers Canada. The level and nature of foreign aid commitments from Canada also reinforce international influence through measurable figures. Accordingly, and perhaps of more particular relevance for Canada, is its inability or unwillingness to meet the 1969 Commission on International Development's goal for foreign assistance.

The 1969 Commission on International Development surmised that wealthier nations should strive to meet the goal of providing 0.7 percent of their Gross National Product (GNP) as foreign assistance: a goal meant to be met by 1975. <sup>235</sup> Canada's own Lester B. Pearson was the man behind this commission which perhaps quite fittingly came to be known as "The Pearson Report." Through various assessments of economic needs for poorer countries, it was deemed that if the UN's richest countries could fund development assistance at a rate of 0.7 percent of their GNP, a more modest and reasonable amount compared to the previously recommended 1 percent, it would be

<sup>&</sup>lt;sup>233</sup> Spicer, A Samaritan State . . ., 4.

<sup>&</sup>lt;sup>234</sup> St-Laurent, *The Foundations of Canadian Policy* . . .

<sup>&</sup>lt;sup>235</sup> Lester B. Pearson, "A New Strategy for Global Development," *The UNESCO Courier*, (February 1970), 12.

<sup>&</sup>lt;sup>236</sup> *Ibid*, 4.

sufficient to address world poverty issues through development assistance, ultimately increasing world stability.<sup>237</sup> Today, the use of GDP is more widely used than GNP, but it does not change the simple fact that Canada has never met the 0.7 percent goal, nor has it come close. As a nation that portrays itself an example to the international community for foreign assistance, it is far from the reality and most Canadians would likely be shocked at how little Canada provides to the world's poorest nations. As of 2019, Canada's foreign assistance commitment stands at 0.28 percent of GDP with just shy of 33 percent of it's assistance officially allocated to world's least developed nations, mostly in Africa. 238 Nearly 50 years after the 1975 objective year, Canada remains a meager contributor to foreign assistance when compared to other European donors such as Germany and the UK who hit the 0.7 percent target in 2016 and 2013 respectively.<sup>239</sup> While foreign assistance is trending in a positive direction, Canada's contribution remains stable yet lower than many other like minded nations. Furthermore, the foreign assistance domain is becoming increasingly competitive, especially in Asia, as demonstrated by China's intensive contributions to its partners of the Belt and Road Initiative. A competition felt quite significantly by Japan, a regional economic and influential partner, which could highlight the likely difficulty Canada could face in the region if it were to boost its contributions there.<sup>240</sup>

Whether Canada should meet Pearson's target of 0.7 percent of its GNP in foreign assistance remains unclear. According to Gouett and Steele, the metrics used to set the

<sup>&</sup>lt;sup>237</sup> Pearson, A New Strategy . . .

<sup>&</sup>lt;sup>238</sup> Canada, "Canada's Foreign Aid," *Canadian International Development Platform*, last accessed 22 February 2021, https://cidpnsi.ca/canadas-foreign-aid-2012-2/.

<sup>&</sup>lt;sup>239</sup> Chaorong Wang, "5 Countries That Provide the Largest Foreign Aid," *The Borgen Project*, 22 March 2018, last accessed 22 February 2021, https://borgenproject.org/five-countries-that-give-the-largest-foreign-aid/.

<sup>&</sup>lt;sup>240</sup> *Ibid*.

1969 benchmark are outdated. While they contend that Canada could increase foreign assistance, they highlight that "aid to support developing countries is a multi-faceted undertaking" and an updated, more grounded approach should assess the correct amount to commit to foreign assistance while incorporating new dimensions such as "aid effectiveness, proper instruments, sequencing of financial flows and other specifics that are largely ignored" by advocates of the Pearson Report.<sup>241</sup> This concept is easily supported by a quick perusal of Canada's current foreign assistance commitments that seem to lack concerted vision and tangible outcomes. Nonetheless, the overwhelming majority "of Canadians . . . agree that Canada should do its fair share along with other countries to help developing countries and . . . that people in Canada have a moral obligation to help people living in developing countries."<sup>242</sup> When considering St-Laurent's principles of strategy, specifically that of public support, this should remain a key component of foreign strategy. Finding the appropriate level of commitment remains a delicate subject for this persistent core Canadian value that continues to foster strong support from Canadians.

The pragmatic reality behind foreign assistance remains an issue for Canada.

There remains little indication that such assistance is in fact properly targeted and it continues to be spread thin across many regions of the world, bringing into question weather it actually benefits any of the recipients. Some Canadian assistance continues to be given to countries who arguably find themselves outside of the definition of

<sup>&</sup>lt;sup>241</sup> Matthew Gouett and Bridget Steele, "Reconsidering the Generosity of Our Overseas Development Assistance," *Policy Options Politiques*, 17 December 2019, last accessed 22 February 2021, https://policyoptions.irpp.org/magazines/december-2019/reconsidering-the-generosity-of-our-overseas-development-assistance/.

<sup>&</sup>lt;sup>242</sup> Nanos, "Impressions of Canadians On Canada's Role in Global Development and Aid to Women and Children's Health Issues," *Canadian Partnership for Women and Children's Health*, June 2019.

developing country, highlighting concerns of whether such assistance is justified. With much of the attention shifting to the Asia Pacific Region, countries in this area could likely benefit from Canadian foreign assistance and, through targeted and sufficiently funded assistance, Canada could gain some much-needed influence in the area. However, with recent efforts to untie foreign assistance, there comes a concern with whether Canadian foreign assistance will have any tangible benefit for Canadians aside from potentially increasing global security and stability. Notwithstanding, recent efforts to untie foreign assistance has been a step in the right direction, and many other nations have already done so as well.<sup>243</sup> This will undoubtedly have some impact on Canada's prosperity, and it will require Canadian diplomats to become more persuasive to ensure the development of continued foreign relations to ensure Canadian prosperity rather than contractual Canadian purchasing through foreign assistance. Something Canada also needs to address.

## THE NEED FOR STRONG DIPLOMACY

Canada's international influence amongst established and new partners can benefit from military involvement abroad as well as a more targeted foreign assistance policy. Accordingly, as these domains become more competitive, it is imperative that Canada also wield a strong diplomatic corps to reinforce international relations. Diplomats are key enablers to foreign policy, often working in the shadows to push agendas forward and securing supporting partner nations in the process. Yet, much like foreign assistance and military involvement abroad, Canada's diplomatic corps and its

<sup>&</sup>lt;sup>243</sup> "Tied aid mandates developing nations to buy products only from donor countries as a condition for development assistance." "Untie Aid," *Engineers Without Borders Canada*, last accessed 28 April 2021, https://www.ewb.ca/en/what-we-do/advocating-for-change/campaigns/untie-aid/.

representatives have also waxed and waned throughout its history and, as Cohen stipulates, it is nowhere near its glory days, nor is it near where it should be.<sup>244</sup> If Canada is to regain its influence and gain a foothold in the Asia Pacific Region, this requires attention and must be corrected.

Early in Canada's history, representatives abroad were negligible. They tended to be involved on the periphery of dealings between the British and Americans, like many other aspects of Canadian interaction. Yet, much like other areas of interest, the Second World War seems to have been the corner stone for more fruitful diplomatic relations. Canada, having gained a voice through its involvement in the war consequently began to voice its opinion, and it was generally well received. Yet, in 1996, when faced with the realities of a growing humanitarian crisis and rising tensions in Central Africa's Great Lakes region, Prime Minister Jean Chrétien confidently exclaimed that Canada is "a nation that speaks on the international scene with great moral authority," 245 a statement that held much less substance amongst the international community as it would have just a few decades earlier. This was a symptom of course, and its malady was Canada's decreasing concern for a strong and able diplomatic corps.

## The Beginning of Canadian Diplomats

Canadian diplomats were instrumental in many aspects of the post-Second World War era. Key diplomats such as Pearson, Wrong, and Robertson sat at the tables of key international organisations, having a hand in the crafting of key articles of the UN, NATO, the International Monetary Fund, and a host of other organisations. Canadian diplomats were highly versed in international affairs, acting as key players for the

<sup>&</sup>lt;sup>244</sup> Cohen, While Canada Slept . . ., 152, 155-156.

<sup>&</sup>lt;sup>245</sup> Ibid, 154.

recovery of Europe, taken seriously by much stronger nations like the United States, and even contributing to conflict resolution which would not have been possible had it not been for the reputation of its representatives. The Suez Crisis was but one example of such an intervention. Canada's influence amongst its closest allies and within greater Europe was significant. However, the world was much smaller than it is today. Furthermore, Europe and Canada's traditional partners are no longer at the center of world dealings. While Europe remains a substantial player in the world, the power it once wielded over the world is shifting to the Far East as China and other Asia Pacific nations grow in strength and influence. <sup>246</sup> This will become increasingly problematic for Canada who struggles to establish a comprehensive plan to cultivate relationships in this region.

According to the 2020 Lowy Institute Asia Power Index, Canada does not figure amongst the top 26 nations on the soft power index. <sup>247</sup> What perhaps should be even more significant is that the United States' influence is slowly decreasing, having lost three points in 2020 compared to 2019. <sup>248</sup> The key element of concern for this section, amongst the eight themes measuring power, is diplomatic influence defined as "[t]he extent and standing of a state's foreign relations; measured in terms of diplomatic networks, involvement in multilateral institutions and clubs, and overall foreign policy and strategic ambition" in the region. <sup>249</sup> It should not come as a surprise that Canada does not figure on the list as its strategic attention in the region is minimal. Current relations with China aside, the fact that Canada wields less influence in the region than Papua New

<sup>246</sup> Daniela Schwarzer, "Europe, the End of the West and Global Power Shifts," *Global Policy* 8, no. S4 (2017), 18-19.

<sup>&</sup>lt;sup>247</sup> Hervé Lemahieu and Alyssa Leng, *Lowy Institute Asia Power Index: Key Findings 2020* (Australia, NSW: Lowy Institute, 2020), 5.

<sup>&</sup>lt;sup>248</sup> *Ibid*.

<sup>&</sup>lt;sup>249</sup> *Ibid*, 4.

Guinea should raise some eyebrows. This is evidenced by the small number of diplomatic missions in the area, which when excluding China and Japan, number at a mere 17 across 12 nations compared to 14 missions in the United States alone and 50 in Europe.<sup>250</sup> Canada must address this lack of attention in the region if it is to be taken seriously and become a relevant and influential partner.

# **Establishing a Foothold in the Asia Pacific**

Much as it did in the west in the post-Second World War world, Canada can turn its attention to the Asia Pacific Region. Of course, this will take some political will and considerable effort, but it should not be overlooked that Canada does in fact have much to offer that could be very beneficial to many nations in the region as they establish themselves as developed countries. Canadian missions in the area could act as springboards to further pursue national objectives across the region. Additionally, Canada could use historical alliances in the region and current member organisations as platforms to grow their influence in the area. One such organisation is the British Commonwealth of Nations.

The British Commonwealth of Nations, now more commonly referred to as the Commonwealth of Nations or Commonwealth, stands as a prime example of organisations Canada could exploit. Canada, an original member since its inception at the 1926 Imperial Conference, gradually gained more power through its independence from the United Kingdom and has held considerable status amongst its partner states. In April 1949, the London Declarations modernized the Commonwealth, accepting the newly independent state of India amongst its ranks, forgoing the requirement for it to "owe an

<sup>&</sup>lt;sup>250</sup> Government of Canada, "Embassies and Consulates by Destination," last accessed 5 February 2021, https://travel.gc.ca/assistance/embassies-consulates.

allegiance to the crown" for membership.<sup>251</sup> India's special circumstance set a precedent for future member states. Following the 1949 London Declaration, allegiance to the crown "could not . . . be posited as a fundamental rule of the commonwealth association" and, while the ruling monarch did retain recognition as the *Head of the Commonwealth* since, new member nations no longer need to recognized them as *Head of State* in order to join the association.<sup>252</sup> In fact, an interesting and yet untested reality remains that while the head of the Commonwealth has always been the British monarch, this is not mandatory nor is it granted automatically. In fact, the "Commonwealth member countries choose who becomes Head of the Commonwealth." It is entirely possible that the future of the Commonwealth sees a leader of a different member state as Head of the Commonwealth, perhaps even Canada.

An additional element stemming from this April 1949 milestone deserve further attention. Of the eight signatory members present for the London Declaration, seven were the member states' Prime Ministers while Canada sent its Secretary of State for External Affairs. The Secretary of State for External Affaires was none other than the great Canadian diplomat, Lester B. Pearson. One can only speculate as to the real reason for Pearson being present rather than Prime Minister St-Laurent. However, the unquestionable fact remains, Pearson was seen as an equal participant that day, and as he had demonstrated time and again, as he would do so again in the future, Pearson wielded considerable influence as a diplomat and on the international stage. Other key Canadian

<sup>251</sup> The Commonwealth, "Commonwealth Declarations," (London: UK, 2019), ix and 3.

<sup>&</sup>lt;sup>252</sup> S. A. De Smith, "The Royal Style and Titles," *The International and Comparative Law Quarterly* 2, no. 2 (1953): 265.

<sup>&</sup>lt;sup>253</sup> The Commonwealth, "Our History," last accessed 6 February 2021, https://thecommonwealth.org/about-us/history.

<sup>&</sup>lt;sup>254</sup> The Commonwealth, *Commonwealth Declarations* . . . , 3.

diplomats also figured prominently in the association. For example, "the first Secretary-General [of the Commonwealth], Arnold Smith (1965 – 75), was a Canadian."<sup>255</sup> It is also clear that Canadian diplomats have been instrumental in modernizing the Commonwealth and "orienting the Commonwealth toward the promotion of good governance within its own membership," something evidenced by Prime Minister Mulroney's and Foreign Minister Clark's "instrumental role in helping to institute a non-racial democracy in South Africa" in the 1980s."<sup>256</sup> Canada's contributions and involvement in the Commonwealth are marked by continued and similarly important initiatives throughout its history, perhaps only becoming slightly less engaged in the 1990s.<sup>257</sup> Even so, Canada has been remains a leader in the association.

Yet, some critics question the relevance and future of the Commonwealth of Nations with Canada and other members states amongst them.<sup>258</sup> James McBride argues that the Commonwealth faces mounting challenges "for a lack of transparency and weak institutional structure, and in the wake of Brexit its future is increasingly in doubt."<sup>259</sup> Notwithstanding, he argues that the Commonwealth still holds a prominent place in the United Kingdom's post-Brexit plan. This uncertainty, however, does offer Canada an opportunity to establish itself as a more prominent leader for an organisation absent the influential partnership of United States. Whether Canada can unseat the United Kingdom as the *de facto* leader of the association remains to be seen. Nevertheless, being a key

255 Evan H. Potter, "Canada in the Commonwealth," *Round Table (London)* 96, no. 391 (2007): 447.

 <sup>256</sup> Ibid, 447-448.
 257 W. D. McIntyre, "Canada and the Commonwealth," in *Canada Among Nations* 2002: A Fading Power, (Don Mills, Ontario: Oxford University Press, 2002), 281-298.

<sup>&</sup>lt;sup>258</sup> Gordon Campbell, "Commonwealth in Crisis: Canada's Call for the Commonwealth to Respect its Core Values and Principles," *Round Table (London)* 103, no. 5 (2014), 517.

<sup>&</sup>lt;sup>259</sup> James McBride, "The Commonwealth of Nations: Brexit and the Future of 'Global Britain'," Council on Foreign Relations, last updated 5 March 2020, last accessed 28 April 2021, https://www.cfr.org/backgrounder/global-britain-and-commonwealth-nations.

leader could enable it to play a leading role once again in modernizing the organisation, correcting its shortfalls, and reinvigorating the association for what it was meant to be, ultimately invalidating current criticism, and strengthening the organisation. With many ex-British colonies from the Asia Pacific Region as members, along with nations with no former ties to the Empire, a leading role in the Commonwealth should figure prominently in Canada's foreign policy in the region. Leading nations already high on the Lowry Institute Asia Power Index such as India (fourth), Australia (sixth), Singapore (eighth), New Zealand (thirteenth), and Pakistan (fifteenth) amongst others clearly play influential roles in the region. Relations with these nations could benefit Canada as it strives to become a reliable partner in the Asia Pacific. Furthermore, other nations in the area, undoubtedly less influential but with some promise, could benefit from Canadian expertise and diplomatic involvement, strengthening Canadian influence in the process.

Manifestly, Canada's diplomatic attention in the Asia Pacific Region is lacking. When Canada came out of the Second World War and began asserting itself amongst its western allies, establishing an ever-growing number of missions across the United States and Europe, it did so with intent. A strategic vision was at play supported by competent and motivated diplomats. This has not only waned in Europe for various reasons, but it has yet to materialise through a strategic vision in the Asia Pacific Region. Even as Canada's diplomatic corps begins to reaffirm itself, it does so with a lack of guiding strategy. Consequently, as Cohen astutely notes, "[i]f a nation has no foreign policy, its able practitioners won't matter . . . but . . . if a country does pursue engaged

internationalism, then its diplomats do matter, particularly when they're from a relatively small country."<sup>260</sup>

## **CONCLUSION**

The years following the Second World War can be seen as the glory days of Canadian diplomacy. It appears to have had all the elements of strategic thinking. Its military was considerable, and although Canada quickly demobilized, its military ties with its traditional partners grew and remained strong. Canada saw opportunity in foreign assistance to its traditional allies as they yet again recovered from the ravages of war. Canadian diplomats mattered and held notable positions in various international organisations. Yet, as the years progressed, this vision and strategic engagement waned. Canada's military strength continued to decrease, sometimes at the risk of becoming irrelevant to its allies, its foreign assistance lost its influential power as it became increasingly spread thin and consistently below the international target, and Canadian diplomats lost their relevance on the world stage. As the efforts following the Second World War appear to suggest, a properly applied grand strategy can lead to a prosperous and influential Canada. Conversely, a wavering Canadian strategic vision and lack of resolve can cede a net loss in international influence. As the center of world influence shifts from Atlanticism to Pacificism, <sup>261</sup> it is time for Canada to reaffirm a strategic vision to establish diplomatic influence in the region through the concerted employment of military power, foreign assistance, and diplomats.

As Canada ponders its way forward, it should consider restoring its traditional military involvements with particular attention to the Asia Pacific Region. This could be

<sup>&</sup>lt;sup>260</sup> Cohen, While Canada Slept . . ., 152.

<sup>&</sup>lt;sup>261</sup> Schwarzer, Europe, the End of the West..., 18-19.

done through United Nations peace support operations, but it could also be achieved through various humanitarian assistance missions in the area and various international military exercises for example. It should reassess its current commitments to foreign assistance by modernizing its approach through more targeted efforts which not only lead to more tangible results but increase Canadian influence amongst regional actors. Lastly, in the face of increased global competition in the military and foreign assistance domains, it is imperative for Canada to reinvigorate its diplomatic corps to where it once stood if it is to gain a foothold in the Asia Pacific and re-establish itself as an influential player on the international stage. Diplomacy must remain central to any effort to establish a Canadian grand strategy in the Asia Pacific Region as it will undoubtedly act as the mortar that cements all other efforts.

### **CHAPTER V**

#### **CONCLUSION**

The idea that Canada should have a coherent grand strategy may seem counterintuitive to some. The simple concept of grand strategy may invoke the idea of great power competition with powerful states "persu[ing] prestige against other great powers seeking the same, . . . undermining the other's power, position or prestige."<sup>262</sup> This has occurred repeatedly throughout history and a modern-day example is set between the current world hegemon, the United States, and a rising China. Yet, weaker nations face vulnerabilities, albeit different ones than those faced by great powers, which require grand strategies for national survival. Consequently, Canada should not neglect the need for a coherent and lasting grand strategy. Since Canada "cannot practice primacy [nor] pursue isolationism," it must therefore exist within "the rules defined by someone else."263 Through historical allegiance, proximity, and great sacrifice, Canada has done just that by existing within the North Atlantic Triangle.<sup>264</sup> It has greatly benefited from it and the ensuing liberal rules-based order championed by the United States. Yet, the North Atlantic Triangle no longer wields the uncontested power it once did. It is increasingly challenged by other powerful nations such as China, which has gained considerable power over the last decades. Furthermore, the Asia Pacific region is also quickly gaining economic power and growing in importance, 265 which is shifting the center of global economic power away from the North Atlantic Triangle to the Asia Pacific Region. The

<sup>&</sup>lt;sup>262</sup>Hanna Samir Kassab, *Grand Strategies of Weak States and Great Powers* (Cham: Springer International Publishing AG, 2018),

<sup>&</sup>lt;sup>263</sup> Ibid, 27

<sup>&</sup>lt;sup>264</sup> Haglund, *The North Atlantic Triangle* . . .

<sup>&</sup>lt;sup>265</sup> Douglas Goold, "South Asia: Growing Risks, Growing Importance, and Canada's Evolving Role," in *Canada's National Security Strategy in the Post-9/11 World: Strategy, Interests and Threats* (Toronto: University if Toronto Press, 2019), 175.

previous chapters have highlighted key realms from which Canada has benefited and prospered, which it must address and direct to what is defined in Chapter III as a Pacific Pentagon if it is to ensure its future prosperity in a challenged world order.

## IMMIGRATION AND CANADIAN DEMOGRAPHICS

The role of immigration and the adjustive nature of Canada's immigration policies have been critical in building Canada's prosperity. While the Sifton years saw a more long-term strategic approach to immigration by actively seeking to attract peasant foreigners outside of Britain, <sup>266</sup> most of Canada's immigration policy remained reactive and adapted as a requirement or opportunity presented itself. Canada's attention eventually included the remainder of Europe and the United States as favoured source nations which accounted for a large portion of its immigrant population beyond the implementation of Trudeau's official multiculturalism policy. Following this policy however, these nations began to account for less and less of Canada's immigrants. Steady immigration worked in Canada's favour, growing its population gradually, with occasional spikes, adding to favourable natural growth. However, modern concerns are challenging this tendency. Canada is faced with a declining fertility rate and an aging population that will require substantial immigration to correct. With the North Atlantic Triangle currently facing similar issues, it is no longer the beneficial source region it was while the Asia Pacific offers more fertile ground in this aspect. Nonetheless, current policies hamper effective immigration by requiring immigrants to be educated, have technical skills, and be financially secure, all without assurances nor obligations of employment in their field. These factors support the idea that it is time to return to a

<sup>&</sup>lt;sup>266</sup> Whitaker, Canadian Immigration Policy..., 7.

Sifton type policy to attract peasant foreigners from the Asia Pacific Region. With a relatively younger population and a higher fertility rate, it would address immediate concerns for labour as well as long-term goals given that their children are more likely to attend university. 267 This will not only ensure Canada can continue to support it social welfare programs, but also ensure to support a prosperous trade economy.

## **CANADIAN TRADE**

Canada's has unquestionably been influenced by trade. In the early 1900s, it became clear that Canada's prosperity was defined by a staple economy, requiring the efficient trade of its staple products. This initially saw most of its infrastructure built to expedite and make its trade profitable with the United Kingdom and later the United States. Canada increased the benefits of its staple trade by concluding free trade agreements that eliminated tariffs with key trade partners. In this realm, Canada once again focused its attention on the United States as a primary trade partner and later, the rest of the North Atlantic Triangle. This of course led Canada to figure prominently amongst the wealthiest nations in the world. While today Canada ranks tenth overall in terms of strongest economies, its GDP per capita, while good by most measures, places it eighteenth.<sup>268</sup> Canada has attempted to diversify trade through its 14 free trade agreements. Yet, these agreements do not yield considerable returns outside of the United States, which remains Canada's most significant trade partner through an intricate relationship. This has historically led to significant negative impacts in the face of American uncertainty or instability. Notwithstanding, Canada's attempt to diversify trade

https://www.worldometers.info/gdp/gdp-by-country/.

<sup>&</sup>lt;sup>267</sup> Childs et al, Why Do So Many Children of Immigrants . . ., 24.

<sup>&</sup>lt;sup>268</sup> "GDP By Country," Worldometer, last accessed 25 April 2021,

has recently led it to explore what resembles more of a Pacific Pentagon. This move is increasingly relevant as the Asia Pacific Region has become one of the most significant economic regions of the world. Yet, Canada's profits from the Asia Pacific continue to struggle, even as its European agreements begin to yield lower returns. Through a holistic review, it becomes apparent that Canada must not only transition to maintaining its agreements in the North Atlantic Triangle, but if it is to ensure its continued prosperity, it must deploy a concerted effort to further develop and exploit the economic benefits of trade with strong Asia Pacific economies as Canada's current agreements there are not as prosperous as they could be. To do so, Canada must become a reliable partner through diplomatic influence.

## **CANADIAN DIPLOMACY**

Canada's diplomatic influence which was arguably at its pinnacle following the Second World War, emerging from the war relatively untouched and with tangible prestige, has suffered since the late twentieth century. This becomes clearer by looking at how Canada has reinforced its influence abroad though the employment of its military and its membership in key military alliances. Following the Second World War, Canada was a considerable military power, which through repeated demobilisation and policy changes, saw the Canadian Armed Forces significantly shrink in size and often stretched to the breaking point. This has been marked by Canada's attempts to balance peacekeeping operations, which decreased in importance after Canada's first refusal to participate in 1989,<sup>269</sup> and modern combat-oriented missions as part of United States led coalitions such as Afghanistan and Iraq. Canada's reputation has ebbed and flowed since

<sup>&</sup>lt;sup>269</sup> Cohen, While Canada Slept . . ., 60-62.

the 1990s, occasionally gaining in reputation from its participation in modern conflicts, but it remained short lived.

Further looking at Canada's historical foreign assistance that it initially advocated, as well as its current status, which now lacks strategic direction as it continues to fall short of international targets, reveals another issue. While foreign assistance has evolved over time, it has recently done so at the whim of political agendas and popular views through a decentralized and reactionary approach. The targeted foreign assistance which can be seen through Canada's assistance to Europe after the Second World War, is now disjointed and scattered, which is particularly true in Asia, <sup>270</sup> limiting the true benefits of foreign assistance for both the recipients and Canada. This has in part been a result of the decreased relevance and strength of Canada's diplomats. Pearson, Wrong, and Robertson are seen by many as the epitome of Canadian diplomats, but their efforts remained targeted toward the North Atlantic Triangle. This direction has persisted at the expense of limiting its influence in the Asia Pacific Region. Nonetheless, Canada could reinforce its influence in the region through its historical ties with like minded nations and its association and growing influence as a part of the Commonwealth of Nations. While Canada may have once been a nation "that [spoke] on the international scene with great moral authority,"271 its diplomatic prestige has suffered as of late. If Canada is to regain the functional power it once wielded, it must do so by reaffirming its diplomatic commitments. Furthermore, with the Asia Pacific Region becoming a key region of

<sup>&</sup>lt;sup>270</sup> Gregory Chin, "Shifting Purpose: Asia's Rise and Canada's Foreign Aid," *International Journal* 64, no. 4 (Autumn, 2009), 990-991.

<sup>&</sup>lt;sup>271</sup> Cohen, While Canada Slept . . ., 154.

international affairs, it is crucial for Canada to develop influence in this region, which it currently does not exert.

In conclusion, Canada's prosperity has unquestionably been influenced by these three realms. Through the analysis of these key elements of Canadian foreign and national policy, it appears evident that, if Canada is to remain amongst the wealthiest nations in the world, it must look to secure its future accordingly. Consequently, the Asia Pacific Region has become the region that Canada must explore to further develop relationships. It must do so in a more formally organised fashion that is cognisant and respectful of Canadian societal values to endure successive governments. St-Laurent's principles of strategy are perhaps the most comprehensive determinants of what values define Canada and its citizens.<sup>272</sup> Devising a grand strategy that inculcates these principals is more likely to withstand changing government priorities as they offer guiding principles rather than political agenda items. While Canada should maintain its ties with it historical partners in the North Atlantic Triangle, it must do so to retain its influence amongst them. Canada must now focus its efforts to develop a grand strategy that targets the Asia Pacific Region as it is required for Canada's future prosperity. Moreover, as the United States is likely to remain a world superpower, it will unquestionably remain a key economic and military partner. Therefore, Canada will have to carefully consider any efforts in the Asia Pacific Region against its relationship with the United States. Consequently, as Canada expands in this region, there is potential that it may find itself required to operate in a Pacific bookkeeper's puzzle.

<sup>&</sup>lt;sup>272</sup> Robert Bothwell, "The Big Chill: Canada and the Cold War" (Toronto: Irwin, 1998), 21.

Ultimately, as current events cannot be ignored, any Canadian grand strategy that does focus on the Asia Pacific Region will do so in a challenging and contested environment. The rise of China is not a mere reality to be worked around. China's aggressive foreign policy is rampant in many parts of the world and merits attention and consideration. Canada will have to contend with this fact, much like the United States' current administration develops a new *Pivot to Asia* Strategy. Avoiding detrimental relations with China while securing a place in the Asia Pacific Region will require a great deal of diplomatic effort that will add to the challenges of any Canadian grand strategy. Nonetheless, it must be done if Canada is to be influential on the global stage and secure its prosperity into the future.

<sup>273</sup> Yi Edward Yang and Wei Liang, "Introduction to China's Economic Statecraft: Rising Influences, Mixed Results," *Journal of Chinese Political Science* 24, no. 3 (09, 2019): 382-383.

<sup>&</sup>lt;sup>274</sup> C. Raja Mohan, A New Pivot to Asia: The Fuzzy Goodwill Between Biden and America's Asian Allies Will Soon be Tested by China's Growing Power," *Foreign Policy*, 15 January 2021, last accessed 2 May 2021, https://foreignpolicy.com/2021/01/15/biden-china-asia-allies-strategy-pivot/. This Strategy was a return to previous policy following the election of President Biden during the course of the production of this research project.

## **BIBLIOGRAPHY**

- Altman, Morris. "Staple Theory and Export-Led Growth: Constructing Differential Growth." *Australian Economic History Review* 43, no. 3 (2003): 230-255.
- ASEAN. "About ASEAN." Last accessed 30 April 2021. https://asean.org/asean/about-asean/.
- "ASEAN 50 + EU 60 = 40 years of cooperation." *PAGEO Geopolitical Institute*. Last accessed 14 April 2021. http://www.geopolitika.hu/en/2018/04/03/asean-50-eu-60-40-years-of-cooperation/.
- "Asian Development Outlook Supplement: Paths Diverge in Recovery from Pandemic." Asia Development Bank. December, 2020.
- Băhnăreanu, Cristian. "The Economic Impact of Covid-19 Pandemic at the Beginning of 2020." *Strategic Impact* no. 75 (2020): 102-112.
- Black, Eugene R. *The Diplomacy of Economic Development*. Cambridge, MA and London, England: Harvard University Press, 2013.
- Blecker, Robert A. "NAFTA." In *Handbook of International Trade Agreements: Country, Regional and Global Approaches*. Edited by Looney, Robert E. 1st ed., 146-165. Routledge, 2019.
- Brebner, John Bartlet. North Atlantic Triangle: The Interplay of Canada, the United States, and Great Britain. New Haven: Yale University Press, 1945.
- Bohnert, Nora, Jonathan Chagnon and Patrice Dion. *Population Projections for Canada,* (2013 to 2064), *Provinces and Territories* (2013-2038). Ministry of Industry, Statistics Canada (2015).
- Boivin, Jean. Speech, "The "Great" Recession in Canada: Perception vs. Reality," Montreal CFA Society. Montreal, Canada. 28 March 2011. Last accessed 18 April 2021. https://www.bankofcanada.ca/wp-content/uploads/2011/03/sp280311.pdf.
- Bothwell, Robert. "The Big Chill: Canada and the Cold War." Toronto: Irwin, 1998.
- Brown, Robert Craig, "National Policy." In *The Canadian Encyclopedia*. Historica Canada. 7 February 2006. Last accessed 29 March 2021. https://www.thecanadianencyclopedia.ca/en/article/national-policy.
- Campbell, Gordon. "Commonwealth in Crisis: Canada's Call for the Commonwealth to Respect its Core Values and Principles." *Round Table (London)* 103, no. 5 (2014): 517-519.
- Canada. "Canada's Foreign Aid." *Canadian International Development Platform.* Last accessed 22 February 2021. https://cidpnsi.ca/canadas-foreign-aid-2012-2/.

- Canada. "Immigration Act, 1869." *Canadian Museum of Immigration at Pier 21*. Last accessed 29 December 2020. https://pier21.ca/research/immigration-history/immigration-act-1869.
- Canada. "Joint Statement by the Governments of Canada and of the United States of America Regarding Defence Co-operation Between the Two Countries." Last accessed 28 April 2021. https://www.treaty-accord.gc.ca/text-texte.aspx?id=100977.
- Canada. The Canada-United States Free Trade Agreement: Trade, Securing Canada's Future. Ottawa, 1989.
- Canadian Citizenship & Immigration Resource Center. Canada Rated Best Country in the World for Welcoming Immigrants. Last updated 24 September 2020. https://www.immigration.ca/canada-rated-best-country-in-world-for-welcoming-immigrants.
- "Canada Exports 1961-2021." *Macrotrends*. Last accessed 18 April 2021. https://www.macrotrends.net/countries/CAN/canada/exports.
- "Canada Trade to GDP Ratio 1961-2021." *Macrotrends*. Last accessed 18 April 2021. https://www.macrotrends.net/countries/CAN/canada/trade-gdp-ratio.
- Canada Visa. "Canadian Language Benchmark (CLB) Description." Last updated 28 August 2020. https://www.canadavisa.com/canadian-language-benchmark-clb-descriptions.html#gs.zpq9jb.
- Canadian War Museum. "Canada Between the Wars: 1919-1939." In *Canada and the First World War*. Last accessed 28 April 2021. https://www.warmuseum.ca/cwm/exhibitions/chrono/1914between\_e.html.
- Canadian War Museum. "Going Home:1945-1946." In *Canada and the Second World War*. Last accessed 28 April 2021. https://www.warmuseum.ca/cwm/exhibitions/chrono/1931home e.html.
- Central Intelligence Agency. "Country Comparisons: Median Age." *The World Factbook*. Last accessed 4 March 2021. https://www.cia.gov/the-world-factbook/field/median-age/country-comparison.
- Chagnon, Jonathan, P. Dion, N. Galbraith, E. Sirag, and Y. Zhang. *Population Projections for Canada* (2018 to 2068), *Provinces and Territories* (2018 to 2043): *Technical Report on Methodology and Assumptions*. Minister of Industry, Statistics Canada (2020).
- Chapnick, Adam. "The Canadian Middle Power Myth." *International Journal* (*Toronto*) 55, no. 2 (2000): 188-206.

- Childs, Stephen, Ross Finnie, and Richard E. Mueller. "Why do so Many Children of Immigrants Attend University?: Evidence for Canada." *Journal of International Migration and Integration* 18, no. 1 (2017): 1-28.
- Chin, Gregory. "Shifting Purpose: Asia's Rise and Canada's Foreign Aid." *International Journal* 64, no. 4 (Autumn, 2009): 989-1009.
- Chongvilaivan, Aekapol. "Openness and Inclusive Growth in South-East Asia." In *Achieving Inclusive Growth in The Asia Pacific*, 87-102. Aton: Australia, Australian National university Press, 2020.
- Christiansen, Thomas. "The Strength of Distant Ties: Europe's Relations with Asia in a Changing World." In *The Search for Europe: Contrasting Approaches*, 402-439. BBVA, La Fabrica, 2016.
- Cohen, Andrew. "Seize the Day." *International Journal (Toronto)* 58, no. 1 (2002): 139-153.
- Cohen, Andrew. *While Canada Slept: How we Lost our Place in the World.* Toronto: McClelland & Stewart, 2003.
- Deepak, B. R. "China's Global Rebalancing: Will it Reshape the International Political and Economic Order?" Singapore: Springer Singapore, 2018.
- Dewing, Michael. *Canadian Multiculturalism*. Ottawa: Parliamentary Information and Research Service, 2012.
- De Smith, S. A. "The Royal Style and Titles." *The International and Comparative Law Quarterly* 2, no. 2 (1953): 263-274.
- Dirks, Gerald E. "Immigration Policy in Canada." In *The Canadian Encyclopedia*. Historica Canada. Article published 7 February 2006. Last Edited 23 October 2020. https://www.thecanadianencyclopedia.ca/en/article/immigration-policy.
- Doran, Charles F. "Economics, Philosophy of History, and the "Single Dynamic" of Power Cycle Theory: Expectations, Competition, and Statecraft." *International Political Science Review* 24, no. 1 (2003): 13-49.
- Doran, Charles F., and David Pratt. "The Need for a Canadian Grand Strategy." In *Canada's National Security Strategy in the Post-9/11 World: Strategy, Interests, and Threats*, 25-44. Toronto: University of Toronto Press, 2019.
- El-Assal, Kareem, and Daniel Fields. "Canada 2040: No Immigration Versus More Immigration." *The Conference Board of Canada*, May 2018.
- Eurostat. "Gross Domestic Product." In *EU-ASEAN Cooperation: Key Economy and Finance Statistics*. Last accessed 2 January 2021. https://ec.europa.eu/eurostat/statistics-explained/index.php/EU-ASEAN\_cooperation\_-\_key\_economy\_and\_finance\_statistics#Gross\_domestic\_product.

- Ferrer, Ana M., Garnett Picot, and William Craig Riddell. "New Directions in Immigration Policy: Canada's Evolving Approach to the Selection of Economic Immigrants." *The International Migration Review* 48, no. 3 (2014): 846-867.
- "Five Key Milestones in Brian Mulroney's Formative Relationship with U.S." *The Canadian Press*, 5 December 2018. Last accessed 18 April 2021. https://nationalpost.com/pmn/news-pmn/canada-news-pmn/five-key-milestones-in-brian-mulroneys-formative-relationship-with-u-s.
- Fleming, R. B. *The Railway King of Canada: Sir William Mackenzie*, 1849-1923. Vancouver, CA: UBC Press, 1991.
- Fratzscher, Marcel. "Populism, Protectionism and Paralysis." *Inter Economics* 55, no. 1 (2020), 1-2.
- Friedman, Gabriel. "All the Reasons Why Canada Needs Immigration." *Telegraph-Journal*. Saint John, N.B., 5 October 2019. Last accessed 17 April 2021. https://financialpost.com/news/economy/all-the-reasons-why-canada-needs-immigration-and-more-of-it.
- Fuhr, Stephen. Canada and NATO: An allegiance Forged in Strength and Reliability (Report of the Standing Committee on National Defence). Ottawa, ON, CA: House of Commons, Canada, 2018.
- Gagnon, Erica, J. Raska, L. Vand Dyk, M. MacDonald, S. Obradovic, and S. Shwinghamer. "Canadian Multiculturalism policy, 1971." *Canadian Museum of Immigration at Pier 21*. Last accessed 5 March 2021. https://pier21.ca/research/immigration-history/canadian-multiculturalism-policy-1971.
- Gaspard, Helaina. Canada's Official Languages: Policy Versus Work Practice in the Federal Public Service. Ottawa, CA: University of Ottawa Press, 2019.
- "GDP By Country." *Worldometer*. Last accessed 25 April 2021. https://www.worldometers.info/gdp/gdp-by-country/.
- Gill, Jasmine. "Canada Needs a Lot More People, and Soon." *Policy Options Politiques IRPP*, 6 November 2019. Last accessed 5 March 2021. https://policyoptions.irpp.org/magazines/november-2019/canada-needs-a-lot-more-people-and-soon/.
- Globalfirepower.com. "2021 Canada Military Strength." Last edited 3 March 2021. Last accessed 28 April 2021. https://www.globalfirepower.com/country-military-strength-detail.asp?country\_id=canada.
- Global Affaires Canada. *Canada's State of Trade 2019*. Ottawa: Her Majesty the Queen in Right of Canada, as represented by Global Affairs Canada, 2019.

- Global Affaires Canada. *Canada's State of Trade 2020*. Ottawa: Her Majesty the Queen in Right of Canada, as represented by Global Affairs Canada, 2020.
- Goold, Douglas. "South Asia: Growing Risks, Growing Importance, and Canada's Evolving Role." In *Canada's National Security Strategy in the Post-9/11 World: Strategy, Interests and Threats*, 174-190. Toronto: University of Toronto Press, 2019.
- Gouett, Matthew, and Bridget Steele. "Reconsidering the Generosity of Our Overseas Development Assistance." *Policy Options Politiques*. 17 December 2019. Last accessed 22 February 2021. https://policyoptions.irpp.org/magazines/december-2019/reconsidering-the-generosity-of-our-overseas-development-assistance/.
- Government of Canada. "About the CPTPP: View the Timeline." *Global affairs Canada*. Last accessed 10 April 2021. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/view\_timeline-consultez\_chronologie.aspx?lang=eng.
- Government of Canada. "Background on Previous Asia-Pacific Trade Negotiations." *Global Affairs Canada*. Last accessed 10 April 2021. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/tpp-ptp/background\_negotiations-contexte\_negociations.aspx?lang=eng&\_ga=2.11075324.955272828.1617977286 -86371854.1603809384.
- Government of Canada. "British Columbia (1871)." *Library and Archives Canada*. Last accessed 27 April 2021. https://www.bac-lac.gc.ca/eng/discover/politics-government/canadian-confederation/Pages/british-columbia-1871.aspx.
- Government of Canada. "Canada and European Union Comprehensive Economic and Trade Agreement: Agreement Overview." *Global Affaires Canada*. Last accessed 10 April 2021. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/overview-apercu.aspx?lang=eng.
- Government of Canada. "Canada's State of Trade 2020: The Early Impacts of COVID-19 on Trade." *Office of the Chief Economist: Global Affairs Canada*. Her Majesty the Queen in Right of Canada, Ottawa: 2020.
- Government of Canada. "Canada-European Free Trade Association (EFTA) Free Trade Agreement." *Global Affairs Canada*. Last accessed 10 April 2021. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/european-association-europeenne/fta-ale/background-contexte.aspx?lang=eng&\_ga=2.73457370.955272828.1617977286-86371854.1603809384.

- Government of Canada. "Canada-UK Trade Continuity Agreement (Canada-UK TCA): Economic Impact Assessment." *Global Affairs Canada*. Last accessed 10 April 2021. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cuktca-acccru/economic\_impact\_assessment-evaluation\_impact\_economique.aspx?lang=eng.
- Government of Canada. "Canada-U.S. Free Trade Agreement." *Global Affairs Canada*. Last accessed 18 April 2021. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/united\_states-etats\_unis/fta-ale/background-contexte.aspx?lang=eng.
- Government of Canada. "Canada-United States-Mexico Agreement (CUSMA)." *Global Affairs Canada*. Last accessed 7 April 2021.

  https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/index.aspx?lang=eng.
- Government of Canada. "CPTPP Explained." *Global Affairs Canada*. Last accessed 10 April 2021. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/cptpp\_explained-ptpgp\_apercu.aspx?lang=eng.
- Government of Canada. "Embassies and Consulates by Destination." Last accessed 5 February 2021. https://travel.gc.ca/assistance/embassies-consulates.
- Government of Canada. "Exploratory Discussions for A Possible Canada-ASEAN Free Trade Agreement." *Global Affairs Canada*. Last accessed 14 April 2021. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/asean-anase/fta-ale/background-contexte.aspx?lang=eng.
- Government of Canada. "The Canada-United States-Mexico Agreement: Economic Impact Assessment. *Global Affairs Canada*. 26 February 2020. Last accessed 7 April 2021. https://www.international.gc.ca/trade-commerce/assets/pdfs/agreements-accords/cusma-aceum/CUSMA-impact-repercussion-en.pdf.
- Government of Canada. "Comprehensive Ranking System (CRS) Criteria Express Entry." *Immigration, Refugees and Citizenship Canada*. Last accessed on 17 April 2021. https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/express-entry/eligibility/criteria-comprehensive-ranking-system/grid.html.
- Government of Canada. "Economic Overview: Western Economy." Western Economic Diversification Canada. Last accessed 18 April 2021. https://www.wd-deo.gc.ca/eng/243.asp.

- Government of Canada. "Educational Credential Assessment (ECA) for Express Entry." Immigration, Refugees and Citizenship Canada. Last accessed 17 April 2021. https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/express-entry/documents/education-assessed.html.
- Government of Canada. "Get Your Credentials Assessed in Canada." Immigration, Refugees and Citizenship Canada. Last accessed 17 April 2021. https://www.canada.ca/en/immigration-refugees-citizenship/services/new-immigrants/prepare-life-canada/prepare-work/credential-assessment.html.
- Government of Canada. "Government of Canada Announces Plan to Support Economic Recovery Through Immigration." *Immigration, Refugees and Citizenship Canada.* 30 October 2020. Last accessed 17 April 2021. https://www.canada.ca/en/immigration-refugees-citizenship/news/2020/10/government-of-canada-announces-plan-to-support-economic-recovery-through-immigration.html.
- Government of Canada. "Prime Minister Lester B. Pearson Establishes the Royal Commission on Bilingualism and Biculturalism." *Office of the Commissioner of Official Languages*. Last accessed 2 May 2021. https://www.clo-ocol.gc.ca/en/timeline-event/prime-minister-lester-b-pearson-establishes-the-royal-commission-on-bilingualism-and.
- Government of Canada. "Provinces and Territories." *Intergovernmental Affairs*. Last accessed 18 April 2021. https://www.canada.ca/en/intergovernmental-affairs/services/provinces-territories.html.
- Government of Canada. "The Canada-U.S. Defence Relationship." Last accessed 17 December 2020. https://www.canada.ca/en/news/archive/2014/04/canada-defence-relationship.html.
- Government of Canada. "Trade and Investment Agreements." *Global Affairs Canada*. Last accessed 9 April 2021. https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/index.aspx?lang=eng.
- Government of Canada. "Understanding the Canadian Language Benchmark." *Citizenships and Immigration Canada*. Last accessed on 17 April 2021. https://youtu.be/dswbbWj-PtE.
- Granatstein, J. L. *The Best Little Army in the World: The Canadians in Northwest Europe*, 1944-1945. 1st ed. Toronto, Ont: Patrick Crean Editions, an imprint of HarperCollins Publishers Ltd, 2015.
- Granatstein, J. L., and R. D. "Canada and the Marshall Plan, June December 1947." *Historical Papers Canadian Historical Association* 12, no. 1 (1977): 196-213.

- Grenier, Éric. "Canadians Seniors Now Outnumber Children for 1<sup>st</sup> Time, 2016 Census Shows." *CBC News*. 3 May 2017. Last updated 7 May 2017. https://www.cbc.ca/news/politics/2016-census-age-gender-1.4095360.
- Guo, Shibao, and Lloyd Wong. Revisiting Multiculturalism in Canada: Theories, Policies and Debates. Rotterdam: Birkhäuser Boston, 2015.
- Haglund, David G., and Canadian Institute of International Affairs. *The North Atlantic Triangle Revisited: Canadian Grand Strategy at Century's End.* Toronto: Irwin, 2000.
- Hampson, Fen Osler. "Negotiating with Uncle Sam: Plus Ça Change, Plus C'est La Même Chose." *International Journal (Toronto)* 65, no. 2 (2010): 303-319.
- Hart, Michael. "Lessons from Canada's History as a Trading Nation," *International Journal* 58, no. 1 (Winter 2002/2003): 25-42.
- Hawksworth, John, and Danny Chan. *The World in 2050: Will the Shift in Global Economic Power Continue?* Price Waterhouse Coopers, UK: 2015.
- Hawksworth, John, Hannah Audino, Rob Clarry and Duncan McKellar. *The Long View:* How Will the Global Economic Order Change By 2050? Pricewaterhousecoopers LLP, February 2017.
- Henry, Janet. "The Belt & Road's Global Impact: China's Ambitious 'New Silk Road' is Benefiting Countries Worldwide." *HSBC Insights*. 10 September 2019. Last accessed 26 March 2021. https://www.gbm.hsbc.com/insights/global-research/belt-and-road-global-impact.
- Hervey, Jack L. "Canadian U.S. Auto Pact: 13 Years After." *Economic Perspectives*. Vol. 2, August 1978: 18-23.
- Innis, Harold A. *Essays in Canadian Economic History*, edited by Mary Q. Innis. Toronto: University of Toronto Press, 2017.
- International Monetary Fund. "Regional Economic Outlook Asia Pacific: Caught in a Prolonged Uncertainty-Challenges and Opportunities for Asia." World Economic and Financial Surveys. Washington, DC: International Monetary Fund, 2019.
- Jhan, Gunnar. Speech, 1957 Nobel Peace Prize Award Ceremony, Nobel Committee of the Norwegian Parliament, 10 December 1957. Last accessed 25 January 2021. https://www.nobelprize.org/prizes/peace/1957/ceremony-speech/.
- Kassab, Hanna Samir. *Grand Strategies of Weak States and Great Powers*. Cham: Springer International Publishing AG, 2018.
- Kirkey, Christopher, and Nicholas Ostroy. "Why is Canada in Afghanistan? Explaining Canada's Military Commitment." *The American Review of Canadian Studies* 40, no. 2 (2010): 200-213.

- Koop, Avery. "Mapping the World's Youngest and oldest Countries." *Visual Capitalist Markets*. 12 February 2021. Last accessed 5 March 2021. https://www.visualcapitalist.com/worlds-youngest-and-oldest-countries/#:~:text=The%20youngest%20country%20in%20the,below%20the%20 age%20of%2015.
- Laing, G., and Celine Cooper. "Royal Commission on Bilingualism and Biculturalism." In *The Canadian Encyclopedia*. Historica Canada. Published 12 August 2013. Last edited 24 July 2019. https://www.thecanadianencyclopedia.ca/en/article/royal-commission-on-bilingualism-and-biculturalism.
- Lemahieu, Hervé, and Alyssa Leng. *Lowy Institute Asia Power Index: Key Findings* 2020. Australia, NSW: Lowy Institute, 2020.
- "Maritime Economy in Deep Trouble, Expert Warns." *CBC News*. 5 February 2013. Last accessed 27 March 2021. https://www.cbc.ca/news/canada/new-brunswick/maritime-economy-in-deep-trouble-expert-warns-1.1400977.
- Marsh, James H. "Railway History in Canada." In *The Canadian Encyclopedia*. Historica Canada. Published 25 March 2009. Last edited 18 June 2020. https://www.thecanadianencyclopedia.ca/en/article/railway-history.
- Martel, Laurent. "Recent Changes in Demographic Trends in Canada." *Insights on Canadian Society* (2015): 1-10.
- McBride, James. "The Commonwealth of Nations: Brexit and the Future of 'Global Britain'." Council on Foreign Relations. Last updated 5 March 2020. Last accessed 28 April 2021. https://www.cfr.org/backgrounder/global-britain-and-commonwealth-nations.
- McDonough, David S. "Getting it just Right: Strategic Culture, Cybernetics, and Canada's Goldilocks Grand Strategy." *Comparative Strategy* 32, no. 3 (2013): 224-244.
- McIntyre, W. D. "Canada and the Commonwealth." In *Canada Among Nations 2002: A Fading Power*, 281-298. Don Mills, Ontario: Oxford University Press, 2002.
- Melady, John. Korea: Canada's Forgotten War. 2nd ed. Toronto: Dundurn Press, 2011.
- Mohan, C. Raja. "A New Pivot to Asia: The Fuzzy Goodwill Between Biden and America's Asian Allies Will Soon be Tested by China's Growing Power." *Foreign Policy*. 15 January 2021. Last accessed 2 May 2021. https://foreignpolicy.com/2021/01/15/biden-china-asia-allies-strategy-pivot/.
- Mulroney, Brian. Speech, Seven-Nation Economic Summit. Toronto, Canada. 21 June 1988. Last accessed 18 April 2021. https://www.empireclubofcanada.com/historichighlights/President-Ronald-Reagan-and-Prime-Minister-Brian-Mulroney.

- Nanos. "Impressions of Canadians On Canada's Role in Global Development and Aid to Women and Children's Health Issues." *Canadian Partnership for Women and Children's Health*. June 2019.
- Nelson, Chad E. "Why the Great Powers Permitted the Creation of an American Hegemon." *Political Science Quarterly* 132, no. 4 (2017): 685-718.
- Nicholson, G. W. L., and Mark Osborne Humphries. *Canadian Expeditionary Force,* 1914-1919: Official History of the Canadian Army in the First World War. Vol. 235. Montréal, CA: McGill-Queen's University Press, 2015.
- Kelley, Ninette and Michael J. Trebilcock. *The Making of the Mosaic: A History of Canadian Immigration Policy*. 2nd ed. Toronto: University of Toronto Press, 2010.
- Noakes, Taylor. "Mercantilism." In *The Canadian Encyclopedia*. Historica Canada. Article published 7 February 2006. Last Edited 1 April 2021. https://www.thecanadianencyclopedia.ca/en/article/mercantilism
- "Ogdensburg Agreement, 1940." *The Ohio State University*. Last accessed 25 January 2021, https://ehistory.osu.edu/exhibitions/arctic-sovereignty/ogdensburg.
- Pearson, Lester B. "A New Strategy for Global Development." *The UNESCO Courier* (February 1970): 4-14.
- Peritz, Ingrid. "Canada Open to Global Economy Amid Rising Threat of Protectionism: Freeland." *The Globe and Mail*, 5 January 2017.
- Pollock, Fred E. "Roosevelt, the Ogdensburg Agreement, and the British Fleet: All done with Mirrors." *Diplomatic History* 5, no. 3 (1981): 203-219.
- Potter, Evan H. "Canada in the Commonwealth." *Round Table (London)* 96, no. 391 (2007): 447-463.
- Pratt, David, Leon Benoit, and David Price. Facing Our Responsibilities: The State of Readiness of the Canadian Forces (Report on the Standing Committee of National Defence and Veterans Affairs). Ottawa: Canada, 2002.
- Qiao, Liang, and Xiangsui Wang. *Unrestricted Warfare: China's Master Plan to Destroy America*. Panama City, Panama: Pan American Publishing, 2002.
- Safarian, A. E. *The Canadian Economy in the Great Depression*. 3rd ed. Vol. 217. Montréal: McGill-Queen's University Press, 2009.
- Schwarzer, Daniela. "Europe, the End of the West and Global Power Shifts." *Global Policy* 8, no. S4 (2017): 18-26.
- Seidle, F. Leslie. "Canada's Provincial Nominee Immigration Programs: Securing Greater Policy Alignment." *Institute for Research on Public Policy*, 2013.

- Shaohua, Lei. "Industrial Policy and the Great Power Competition." *China Economist* (*Beijing, China*) 15, no. 5 (2020): 57-65.
- Sievers, Wiebke, Michael Bommes, and Heinz Fassman. Migration from the Middle East and North Africa to Europe: Past Developments, Current Status and Future Potentials. Amsterdam University Press, 2014.
- Sloan, Elinor. "US-China Military and Security Developments: Implications for Canada." *International Journal (Toronto)* 66, no. 2 (2011): 265-283.
- Smith, Adam, and Laurence Dickey. *The Wealth of Nations: An Inquiry into the Nature and Causes*. Cambridge, MA: Hackett Publishing Company, Incorporated, 1993.
- Spicer, Keith. A Samaritan State?: External Aid in Canada's Foreign Policy. Toronto: University of Toronto Press, 1966.
- St-Laurent, Louis S. "The Foundations of Canadian Policy in World Affairs," 1947 Gray Lecture, Toronto Canada, 13 January 1947.
- Stacey, C.P., "Second World War (WWII)". In *The Canadian Encyclopedia*. Historica Canada. Published 15 July 2013. Last edited 13 May 2015. https://www.thecanadianencyclopedia.ca/en/article/second-world-war-wwii.
- Statistics Canada. "150 Years of Immigration in Canada." Last accessed 17 April 2021. https://www150.statcan.gc.ca/n1/pub/11-630-x/11-630-x2016006-eng.htm#def4.
- Statistics Canada. "Canadian International Trade in Services." Last accessed 26 March 2021. https://www150.statcan.gc.ca/n1/daily-quotidien/210305/dq210305c-eng.htm.
- Statistics Canada. "Population and Dwelling Counts, for Canada and Census Subdivisions (Municipalities), 2011 and 2006 Censuses." Last accessed 28 March 2021. https://www12.statcan.gc.ca/census-recensement/2011/dp-pd/hlt-fst/pd-pl/Table-Tableau.cfm?LANG=Eng&T=301&SR=1&S=4&O=D&RPP=25.
- Statistics Canada. "Total Fertility Rate of Females." Last accessed 17 April 2021. https://www23.statcan.gc.ca/imdb/p3Var.pl?Function=DEC&Id=45197.
- Stockhammar, Pär, and Pär Österholm. "The Impact of US Uncertainty Shocks on Small Open Economies." *Open Economies Review* 28, no. 2 (2017): 347-368.
- Swiston, Andrew, and Tamim Bayoumi. *Spillovers Across NAFTA*. Washington: International Monetary Fund, 2008.
- "The 2017 Results of The International Comparison Program: China, US and EU Are the Largest Economies in the World." *Eurostat.* 19 May 2020. Last accessed 10 April 2021. https://ec.europa.eu/eurostat/documents/portlet\_file\_entry/2995521/2-19052020-BP-EN.pdf/bb14f7f9-fc26-8aa1-60d4-7c2b509dda8e.

- "The British North America Act, 1867." In *The Constitution of Canada: The British North America Act, 1867 and the Constitution Act, 1982*, 7-46. East India Publishing Company. Ottawa, Ontario, 2020.
- "The Canada-U.S. Auto Pact Created the Modern Canadian Auto Industry." *Canadian Labour Congress*. 16 January 2018. Last accessed 1 April 2021. https://canadianlabour.ca/the-canada-u-s-auto-pact-created-the-modern-canadian-auto-industry/.
- The Commonwealth. "Commonwealth Declarations." London: UK, 2019.
- The Commonwealth. "Our History." Last accessed 6 February 2021. https://thecommonwealth.org/about-us/history.
- The World Bank. "Fertility Rate, Total (Births Per Woman)." Last accessed 17 April 2021. https://data.worldbank.org/indicator/SP.DYN.TFRT.IN.
- Thevenot, Shelby. "Former Prime Minister Wants Canada's Population to Grow to 100 Million: Brian Mulroney Champions an Initiative to Build a Prosperous Future for Canada Through Immigration." *CIC News.* 7 April 2021. Last accessed 2 May 2021. https://www.cicnews.com/2021/04/former-prime-minister-wants-canadas-population-to-grow-to-100-million-0417708.html#gs.znvat1.
- Troper, Harold. "Immigration in Canada." In *The Canadian Encyclopedia*. Historica Canada. Article published 22 April 2013. Last Edited 19 September 2017. https://www.thecanadianencyclopedia.ca/en/article/immigration.
- United Nations. "Total Fertility Rate." Last accessed 27 April 2021. https://www.un.org/esa/sustdev/natlinfo/indicators/methodology\_sheets/demograp hics/total fertility rate.pdf, 100-101.
- United Nations. Report of the World Assembly on Population Aging. New York, 1982.
- United Nations. "United Nations Peacekeeping: Troops and Police Contributors by Country." Last accessed 22 February 2021. https://peacekeeping.un.org/en/troopand-police-contributors.
- United Nations Department of Economic and Social Affairs, *World Population Ageing* 2019. United Nations, 2029.
- United Nations Department of Economic and Social Affairs. World Population Ageing 2020: Highlights. United Nations, 2020.
- "Untie Aid." *Engineers Without Borders Canada*. Last accessed 28 April 2021. https://www.ewb.ca/en/what-we-do/advocating-for-change/campaigns/untie-aid/.
- Veterans Affaires Canada. "Canada remembers: The Korean War." *Veterans Affaires Canada*. Last accessed 25 January 2021. https://www.veterans.gc.ca/pdf/cr/pi-sheets/Korea-ENG.pdf.

- Wallace, W. Stewart. "Economic History of Canada." In *The Encyclopedia of Canada*, Vol. 3, Toronto, University Associates of Canada, 1948. Last accessed 1 April 2021. http://faculty.marianopolis.edu/c.belanger/quebechistory/encyclopedia/ Econhistcan.htm.
- Wang, Chaorong. "5 Countries That Provide the Largest Foreign Aid." *The Borgen Project.* 22 March 2018. Last accessed 22 February 2021. https://borgenproject.org/five-countries-that-give-the-largest-foreign-aid/.
- Watkins, Mel. "Staple Thesis." *The Canadian Encyclopedia*. Historica Canada. 7 February 2006. Last accessed 26 March 2021. https://www.thecanadianencyclopedia.ca/en/article/staple-thesis.
- Watkins, Mel, Hugh Thomas Grant, and David A. Wolfe. *Staples and Beyond: Selected Writings of Mel Watkins*. Montreal: McGill-Queen's University Press, 2014.
- Whitaker, Reg. *Canadian Immigration Policy since Confederation*. Ottawa, ON, CA: Canadian Historical Association, 1991.
- Wilkinson, Bruce W. "International Trade." In *The Canadian Encyclopedia*. Historica Canada. 7 February 2006. Last accessed 18 April 2021. https://www.thecanadianencyclopedia.ca/en/article/international-trade#.
- Wilson, Jeanne L. "The Russian Pursuit of Regional Hegemony." *Rising Powers Quarterly* 2, no. 1 (2017): 7-25.
- Wilson, Stuart. "Factor Accumulation in Canada Before the Great Depression: Investment and Immigration Dynamics," *Empirical Economics* 31, no. 1 (2006): 261–275.
- Workman, Daniel. "Canada's Top Trading Partners 2020." World's Top Exports. Last accessed 10 April 2021. https://www.worldstopexports.com/canadas-top-import-partners/.
- World Health Organisation. "Total Fertility Rate (Live Births per Woman)." *Maternal, Newborn, Child and Adolescent Health and Ageing Data Portal.* Last accessed 17 April 2021. https://www.who.int/data/maternal-newborn-child-adolescent-ageing/indicator-explorer-new/mca/total-fertility-rate-(live-births-per-woman).
- Yang, Yi Edward, and Wei Liang. "Introduction to China's Economic Statecraft: Rising Influences, Mixed Results." *Journal of Chinese Political Science* 24, no. 3 (09, 2019): 381-385.