

## **“Up Our Game, Canada” Module 5 Transcript: Summary and Analysis of Hendrik Brakel’s “From Trade Wars to Trade Wins”**

### Slide 1

Hello, and welcome. Today, we embark on a brief yet incisive exploration of Hendrik Brakel’s proposal: *From Trade Wars to Trade Wins*.

Brakel presents three strategic approaches designed to transform Canada into an indispensable trade partner for the United States—thereby reducing the risk of tariff impositions. These strategies aren’t merely defensive; they’re about carving a pathway to mutual, sustained prosperity.

This analysis is brought to you by Ian Lee, Ph.D., and Tony Bailetti, Ph.D., from the Sprott School of Business at Carleton University.

Let’s dive in and uncover how a shift in perspective can turn trade wars into genuine trade wins.

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### Slide 2

Let’s now delve into the purpose of our discussion. Today, we’re summarizing Hendrik Brakel’s *From Trade Wars to Trade Wins*—a proposal that seeks to redefine the U.S.-Canada trade conflict.

We’ll examine how Brakel’s strategies aim to transform adversarial trade dynamics into mutually beneficial wins by positioning Canada as an indispensable partner to the United States. In doing so, we’ll identify both the benefits—such as enhanced economic interdependence and reduced tariff risks—and the potential disadvantages or limitations inherent in his approach.

In short, our purpose is twofold: to clarify Brakel’s solution and to weigh its strategic advantages against its challenges, providing a balanced insight into the proposed trade framework.

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### Slide 3

Before we go deep into the analysis, let’s take a moment to get to know Hendrik Brakel. He is a distinguished strategist with a deep background in Canadian economic policy. Over the course of five years on Parliament Hill, Hendrik served as the Chief Economic Advisor to the Leader of the Official Opposition and later ascended to Director of Policy and Parliamentary Affairs—experiences that have sharpened his strategic insight.

He also lent his expertise as the Chief Economist at the Canadian Chamber of Commerce, further bridging the public and private sectors. Today, as the Director in the Federal Practice at Sussex Strategy Group, his leadership is reinforced by solid academic credentials: a Master of Public Policy and International Affairs, alongside an MBA from the University of Ottawa.

This blend of practical experience and scholarly grounding forms the cornerstone of his incisive approach to economic strategy.

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In his proposal *From Trade Wars to Trade Wins*, Hendrik Brakel outlines a solution to the U.S.-Canada tariff conflict built on three core strategies.

First, he advocates for strengthening North American economic and security integration—fostering closer ties that not only promote trade but also enhance mutual security.

Second, he calls for enhancing Canada’s economic competitiveness, positioning the nation as a critical, resilient partner in the region.

And third, Brakel proposes addressing global trade imbalances by confronting China’s trade practices head-on—a necessary step to recalibrate the global economic landscape.

Together, these strategies are designed to transform friction into opportunity, turning trade wars into genuine trade wins.

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Slide 5

Let’s now delve into the first pillar of Brakel’s proposal: Strengthening North American Economic and Security Integration.

Imagine transitioning our current trade agreement into a broader, more cohesive economic union with the United States. In this vision, both nations move beyond isolated trade deals toward a seamless partnership built on mutual trust and shared standards. This means establishing mutual regulatory recognition—where each country acknowledges and aligns its regulatory frameworks—thereby reducing unnecessary friction. Alongside this, harmonizing tax incentives and integrating procurement policies would create a more predictable and efficient marketplace.

But Brakel’s approach isn’t confined solely to economic ties. It extends into the realm of security. By deepening military and security cooperation, Canada can ensure that its economic security aligns closely with U.S. priorities. Such an integrated framework not only bolsters defense and stability but also reinforces the idea that economic strength and national security are mutually reinforcing.

In essence, this strategy seeks to transform North American relations from transactional agreements into a robust, interdependent union—one that paves the way for sustainable growth and shared prosperity.

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Slide 6

Moving on to the second pillar of Brakel’s proposal: Enhancing Canada’s Economic Competitiveness.

At the heart of this strategy is a call to lower corporate taxes and reduce regulatory burdens. This isn’t merely about adjusting numbers on a balance sheet; it’s about creating an environment where investment—both domestic and foreign—is naturally attracted. By streamlining regulations and easing fiscal pressures, Canada can foster innovation and growth, positioning itself as a more vibrant hub in the global marketplace.

But the vision extends further. Brakel advocates for developing an industrial policy that goes beyond the traditional reliance on subsidies. Instead, he envisions a targeted approach that focuses on strategic industries—those critical sectors that will drive long-term national prosperity. This means identifying and nurturing industries with the potential to lead on the global stage, ensuring that support is both thoughtful and transformative.

Moreover, to truly match the dynamism of U.S. policies, there is a crucial need to invest in our supply chain infrastructure and energy competitiveness. In today's interconnected world, robust supply chains and a strong energy base are not just competitive advantages—they are imperatives for resilience and sustainable growth.

In essence, this strategy is about reimagining Canada's economic landscape. It seeks to create a more attractive, agile, and competitive economy that not only responds to current challenges but is also well-prepared for the demands of tomorrow's global market.

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#### Slide 7

Let's now explore the third pillar of Brakel's proposal: addressing global trade imbalances and confronting China's trade practices.

Brakel advocates for aligning Canada's tariff policies with U.S. measures against China. This isn't simply about mirroring a policy—it's a deliberate step toward creating a unified front. By synchronizing tariff strategies, Canada can help neutralize practices that have skewed global trade and placed undue burdens on fair competition.

But the strategy extends beyond tariffs. Brakel envisions forming alliances with like-minded nations—coalitions that work together to enforce fair trade rules and counter the tide of global protectionism. In this interconnected era, a collective approach not only strengthens each nation's negotiating position but also promotes a global order based on transparency and equitable practices.

Furthermore, there is an imperative to reduce dependency on Chinese supply chains. By supporting North American manufacturing, Canada can fortify its economic resilience, ensuring that its industries remain competitive and less vulnerable to external disruptions.

In essence, this strategy is about recalibrating the global balance of trade. It calls for a united, proactive response that leverages alignment, strategic alliances, and domestic strength to confront imbalances head-on—turning a challenge into an opportunity for sustainable, equitable growth.

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#### Slide 8

As we transition to the analysis section of Brakel's proposal—our second major section—we must examine both its strengths and inherent challenges.

Brakel's strategy is undeniably robust as a defensive measure against U.S. tariffs. At its core, it aims to secure Canada as an indispensable partner for the United States—a critical objective, especially during

the tariff uncertainties of the Trump era. By positioning Canada in this way, the proposal intends to shield our trade interests and bolster economic competitiveness.

Yet, while the approach is pragmatic and designed to stabilize trade relations, its success is contingent on flawless execution. There are significant risks that must be carefully managed; the proposal demands not only clear strategic vision but also meticulous operational alignment to avoid unintended consequences.

Moreover, a crucial dependency underlies the entire framework: it relies heavily on U.S. cooperation and an earnest willingness to deepen economic integration. This interdependency, while offering potential stability, also introduces vulnerability. Should the U.S. shift its strategic priorities, the entire defensive posture may require recalibration.

In summary, Brakel's approach offers a promising pathway to trade stability and competitiveness. However, its effectiveness hinges on precise execution and the strength of our bilateral commitment. It's a strategy that calls for both bold thinking and cautious pragmatism—hallmarks of a truly integrative solution.

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#### Slide 9

Let's explore the tangible benefits these strategies bring to Canada—starting with improved trade and investment flow.

By advocating for a closer economic partnership, Canada isn't just aiming to mitigate tariff volatility—it's setting the stage for long-term trade stability. Imagine a future where greater regulatory alignment and mutual tax incentives create a seamless environment that naturally attracts cross-border investments. This isn't theoretical; it's a proactive approach to transforming unpredictable trade dynamics into a stable, growth-oriented relationship.

Now, consider enhanced economic security. By integrating economic and security policies, Canada can leverage its strategic industries—whether it's energy, minerals, or even emerging sectors like artificial intelligence—to maintain a robust negotiating position. This integration not only fortifies our defenses against supply chain disruptions but also minimizes future tariff threats.

In essence, these benefits work in tandem: they build a resilient, dynamic economy that secures Canada's position as an indispensable partner on the global stage.

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#### Slide 10

Examining additional benefits that emerge from Brakel's three-strategy proposal. We consider the potential for stronger diplomatic leverage with the United States. By actively aligning with U.S. economic security priorities, Canada reinforces its status as a key ally. This alignment not only reduces U.S. incentives for protectionist measures but also positions Canada to influence U.S. policy decisions. Through demonstrable economic and security cooperation, Canada could effectively shape U.S. policies in ways that favor our mutual interests—a powerful tool in the diplomatic arena.

Next, there's significant promise in job creation and business growth. The proposed industrial policy reforms—characterized by lower corporate taxes and enhanced R&D incentives—are designed to spur business expansion across the country. By encouraging domestic manufacturing and reducing our dependence on external supply chains, particularly those tied to China, we lay the groundwork for increased job opportunities and robust economic growth.

In essence, these benefits work hand-in-hand: stronger diplomatic leverage not only solidifies our trade partnership with the U.S., but it also creates an environment in which business can thrive, ultimately leading to sustainable job creation and a more resilient Canadian economy.

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#### Slide 11

Now, let's carefully consider some of the inherent weaknesses of this proposed solution.

First, there is the risk of losing economic sovereignty. While closer economic integration with the United States can offer significant benefits, it also has the potential to diminish Canada's policy autonomy. In aligning more tightly with American trade policies and security decisions, Canada may increasingly become dependent on U.S. priorities—potentially sacrificing the very independence that has long been a cornerstone of our national economic strategy.

Next, we face considerable challenges in implementation. Realizing full economic integration isn't merely a matter of mutual goodwill—it involves overcoming a host of regulatory hurdles and renegotiating key elements of the United States-Mexico-Canada Agreement. This process would require Canada to enact significant reforms in a relatively short time frame, a task that might prove daunting given existing political and bureaucratic constraints.

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#### Slide 12

Turning our attention to the additional challenges inherent in this proposal, let's consider the potential for domestic opposition. While the strategy envisions tax reductions and deregulation to boost competitiveness, some industries might resist these changes, viewing them as a race to the bottom that could compromise quality and stability. Moreover, labor groups and policymakers may push back against deeper U.S. integration, driven by concerns over national security and a desire to preserve Canada's economic independence. Such internal dissent could significantly slow or even derail the necessary reforms.

Now, let's examine the geopolitical risks. By aligning too closely with U.S. policies against China, Canada could inadvertently invite trade retaliation—particularly affecting industries that still rely on Chinese imports. Furthermore, an overtly U.S.-centric approach risks alienating Canada's other multilateral trade partners, such as the European Union and key Asian markets. This could undermine Canada's broader international relationships and limit its ability to shape global trade norms on its own terms.

In summary, while the proposed strategy offers compelling opportunities for trade stability and economic competitiveness, these weaknesses underscore the delicate balance required. Moving forward will demand a cautious, well-calibrated approach—one that mitigates domestic opposition and navigates the intricate geopolitical landscape, ensuring Canada’s long-term prosperity and independence.

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#### Closing

In closing, let’s take these insights to heart. Brakel’s proposal is a call for strategic alignment—a clear, forward-thinking approach that redefines U.S.-Canada trade relations. It’s about embracing pragmatic solutions that secure our economic future, building a resilient framework that turns challenges into opportunities. And above all, it reminds us that careful execution is not optional—it’s essential to mitigate risks and maximize every benefit.

Now is the time to act: align our strategies, implement with precision, and transform trade challenges into lasting wins for Canada. Let’s move forward boldly, together, turning vision into reality.