

Panel Discussion on  
**Canada-U.S. Tariffs**

Hosted by the Progressive Senate Group

Senate of Canada

Monday February 10, 2025



## **Participants:**

### **Co-chairs:**

1. Senator Andrew Cardozo (Ontario, Progressive Senate Group).
2. Senator Amina Gerba (Quebec, Progressive Senate Group).

### **Panellists:**

1. Candace Laing (President and CEO, Canadian Chamber of Commerce).
2. Larry Rousseau (Executive Vice-President, Canadian Labour Congress).
3. Lisa Baiton (President and CEO, Canadian Association of Petroleum Producers).
4. Daniel Cloutier (Quebec Director, Unifor).
5. Professor Ian Lee (Associate Professor of Management, Carleton University).

### **Commentators:**

1. Senator Hassan Yussuff (Member, Prime Minister's Council on Canada-U.S. Relations).
2. Senator Pierre Dalphond (Leader, Progressive Senate Group).

## **Principal Themes Addressed**

- This panel focused on the economic and strategic challenges and potential solutions for Canada in the face of President Trump's proposed tariffs and the changing dynamics of Canada-U.S. trade relations.
- Panellists agreed that this was a serious crisis and that Canadian sovereignty was at stake.
- The panellists discussed the potential impact of tariffs on various sectors, including manufacturing, oil and gas, and agriculture. Concern was raised about the degree of Canadian dependence on U.S. markets for our exports.
- The importance of maintaining access to the U.S. market whilst simultaneously diversifying trade was highlighted. Panellists generally agreed upon the need for improved infrastructure such as pipelines and ports if trade diversification were to become possible.
- Panellists disagreed on whether Canada should pursue retaliatory measures. Some argued that retaliation was a necessary response and that we should be targeting measures for maximum impact. Others argued that retaliatory tariffs would be more harmful to Canada than they would be helpful.
- The discussion highlighted a sense of urgency and a need for transformational change in Canada's economic policies. Panellists nevertheless expressed different priorities for reform. Some panellists argued for greater government intervention in the economy and a turn to self-reliance, reducing the need for external trade and rebuilding manufacturing. Others emphasised a need for regulatory reform, improved competitiveness, and saw a greater role for the private sector.

## **Panellist Perspectives**

### **Candace Laing (President and CEO, Canadian Chamber of Commerce)**

- Emphasised that this crisis is not just about managing tariffs but represents a fundamental shift in trade relationships.
- Called for transformational rather than incremental changes.
- Stressed urgency of action due to potential capital flight and business relocations.
- Advocated for an "all hands in" approach across business, labour, and government.
- Key priorities:
  - Improving internal trade within Canada.
  - Infrastructure investment to reach other markets such as roads, ports, and pipelines.
  - Regulatory reform to improve competitiveness.

### **Larry Rousseau (Executive Vice-President, Canadian Labour Congress)**

- Emphasised need to protect Canadian independence and social programs.
- Called for government-led economic planning.
- Suggested pension funds could play a role in domestic investment.
- Stressed importance of protecting workers during transition.
- Key priorities:
  - Reduce economic vulnerability and dependence on U.S.
  - Government led, long-term, economic planning.
  - Strengthening east-west infrastructure.
  - Expanding domestic economic activity through building affordable housing and enhancing the care economy.

### **Lisa Baiton (President and CEO, Canadian Association of Petroleum Producers)**

- Highlighted the significance of the energy sector (25% of Canadian exports).
- Identified over-reliance on U.S. market (95% of oil exports, 99% of gas exports) and infrastructure limitations preventing market diversification as major challenges.
- Noted \$280 billion in cancelled energy projects since 2015.
- Warned that Ontario and Quebec are dependent on U.S. energy imports.
- Key priorities:
  - Obtaining regulatory certainty and streamlined project approvals to attract investment.
  - Improvements in energy infrastructure, such as pipelines, to diversify export markets, ensure energy security, and defend national sovereignty.

### **Daniel Cloutier (Quebec Director, Unifor)**

- Focused on manufacturing sector vulnerabilities.
- Highlighted high degree of integration of North American supply chains and consequent vulnerability of our economy.
- Noted Canadian manufacturing sector is the smallest in the G7 and our complacency in depending on resource extraction for U.S. market.
- Emphasised need to protect Canadian jobs and manufacturing capacity.
- Key priorities:
  - Retaliatory measures targeted for maximum impact.
  - Income support for workers suffering loss of work.
  - Enhancing Employment Insurance and provisions for early retirement to mitigate impact of tariffs on labour.
  - Need a long-term industrial strategy to create good jobs, rebuild manufacturing, and enhance self-reliance.

### **Professor Ian Lee (Associate Professor of Management, Carleton University)**

- Emphasised that U.S. tariffs should be understood as reflecting a deeper agenda aimed at reshaping global trade dynamics.
- Argued that retaliatory measures were more likely to be harmful than helpful to us.
- Stressed importance of negotiations over confrontation, the need to restructure "sclerotic" Canadian economy, and the importance of maintaining U.S. market access.
- Called for addressing productivity issues and regulatory burdens.
- Recommended reading policy papers to understand U.S. perspective:
  - [Beckley, Michael, 'Rogue Superpower: Why This Could Be an Illiberal American Century', \*Foreign Affairs\*, 2020.](#)
  - [Lighthizer, Robert, 'Want Free Trade? May I Introduce You to the Tariff', \*New York Times\*, 2025.](#)
  - [Miran, Stephen, 'A User's Guide to Restructuring the Global Trading System', \*Hudson Bay Capital\*, 2024.](#)

## **Commentators Perspectives**

### **Senator Hassan Yussuff (Member, Prime Minister's Council on Canada-U.S. Relations)**

- Emphasised that Canada faces an existential challenge.
- Highlighted complexity of federation where regions have different relationships to national agenda.
- Discussed historical context of Canada-U.S. integration, particularly in auto sector.
- Importance of standing firm against economic blackmail.
- Defended protectionist measures in principle.
- Stressed importance of defending Canadian industries against tariffs.
- Key priorities:
  - Importance of rules-based trading system.
  - Need to protect Canadian sovereignty.
  - Breaking down internal trade barriers.
  - Improving infrastructure, particularly east-west electricity grid.

### **Senator Pierre Dalfond (Leader, Progressive Senate Group)**

- Drew parallels to 1980s discussions about U.S. trade diversification.
- Emphasised business perspective and productivity challenges.
- Noted that U.S. will remain closest and most reliable market.
- Argued for need to engage U.S. business leaders as allies.
- Stressed the value of Canadian resources (rare metals, energy, water) in negotiations.
- Recommended moving beyond nationalism to practical solutions.
- Highlighted mutual benefit of strong Canada-U.S. economic ties.
- Key priorities:
  - Business-focused negotiations rather than confrontation.
  - Building coalitions with U.S. business interests.
  - Practical approach to maintaining U.S. economic relationship.