

“Canada-U.S. Relations: Are we Getting it Right?”

Remarks by D. H. Burney[®]

Visiting Professor and Senior Distinguished Fellow,

Carleton University

and

Author of “Getting it Done: A Memoir”

The Ranchmen’s Club

Calgary

November 17, 2005

Excerpts from “Getting it Done: A Memoir”...

Access is the lifeblood of diplomacy in Washington and relevance is the oxygen. (I suspect that we are a little short on both counts these days). The tone at the top definitely affects both the level and the timeliness of access for Ambassadors or other government representatives in Washington and policy positions often determine the degree of relevance. When the tone is cool or neutral, access is by the book, nothing more, nothing less. Phone calls between leaders can take two months to set up!

Washington is a city of “retail politics” where networking is the name of the game with the Administration, with Congress, the media, the lobbyists and all others involved in the ‘Power Game’. Ambassadors play with the cards they are dealt and on the strength or weakness of the tone between their government and Washington and the policies of their governments. There are more than 150 Ambassadors vying for attention in Washington on any given day, each claiming that, in some way, their relationship is special.

You have to work at it, not with a megaphone but nimbly and persistently, trying to muster coalitions of support, issue by issue, from both sides and both Houses of Congress as well as from the Administration – many of whom know the difference between posture and purpose. That is how the Washington power game is played.

Prime Minister Mulroney worked very hard on his Washington network and on Canada-U.S. relations. In my view – and I am biased – his persistence and conviction brought real dividends at the time, albeit without much domestic popularity. I know that it inspired a stronger effort by the Administration to try to settle or at least contain, rather than complicate, disputes. We were also consulted and very much involved on global issues.

So, what is the relevance of all this to Canada-U.S. relations today?

Well, these are not the “best of times” for our relationship – and that is probably an understatement. The dialogue seems erratic; disputes are festering in a very public fashion and attitudes on both sides of the border seem to reflect more frustration or wariness than mutual respect.

The Americans were “puzzled” (diplomat speak for ‘mad as hell’) at our decision on missile defence. We, in turn, were “puzzled” (‘mad as hell’) by their repudiation of a NAFTA ruling on softwood lumber.

The Americans were genuinely puzzled too – as I suspect were many Albertans – to hear talk of diverting energy exports to China, (a diversion is of course all it was).

We have differences, too, on Iraq, on Kyoto and on the International Criminal Court, just to name a few.

We all know that politics, notably pre-electoral politics, are at the root of much of the rhetoric these days in Canada – but there are reasons for the current mood vis a vis the U.S. which go beyond political demands of the moment.

The fact is Americans genuinely wonder about our reliability, hence our relevance on matters of vital concern to them. Security is by far their top priority. They know it is not ours.

Meanwhile Canadians genuinely wonder why the United States will not honour obligations to our predominant Trade agreement.

The net result is that today NORAD risks becoming a shell with a sharply diminished role. NAFTA is under heavy strain and neither development is in Canada's basic interest. This is much less the case for the United States and that is part of the problem. Our bilateral relationship is as one-sided as the power imbalance between us. That makes the challenge as well as the risks more acute for Canada at all times. But security and prosperity should be the over-riding priorities for our government and relations with the United States are critical to both.

The current environment reminds me, in many ways, of an earlier time that Albertans remember all too well. In the early 1980's, there were significant bilateral disputes over the NEP (the Americans were almost as outraged as Albertans), Acid Rain and of course softwood lumber. On the global scene, Mr. Trudeau's peace initiative was viewed as skeptically by the Reagan Administration as were his dalliances with Fidel Castro. Canadians wondered at that time what the U.S. Administration would do with its expanding military power.

It is never easy to manage this relationship especially because so much of what Canada aspires to do – domestically or internationally – is hinged in some way to our proximity and extensive linkages to the U.S. on this shared continent – 'whether we like it or not'!

It is never easy, even in good times, to deal with the United States. After all the Americans are # 1 and they know it. They play hard ball and not just during the World Series. Their system of government is very different and never easy to penetrate, even for Americans. It can be difficult to get their attention even in 'good times' – as we learned in the Free Trade negotiations.

Some Canadians believe that creating differences with the United States underlines our "independence". In fact, it does the opposite. "Independence" is, in fact, a peculiar objective in an increasingly interdependent world. After all, North Korea is "independent".

But seriously if, for whatever reason, we cannot seem to manage relations with our neighbour and dominant trade partner with whom can we? This point applies with equal force to the United States by the way. When the U.S. allows relations with its neighbour and largest export market to deteriorate, with whom can it really do business?

Drift, complacency and a penchant for differences do not equate with good diplomacy but, regrettably, good diplomacy is not always good politics.

It is a constant struggle for any Canadian leader to try to reconcile, on the one hand, the need for persistent engagement with Washington to articulate, promote and defend our substantial security, commercial and environmental interests, while also responding to legitimate aspirations in Canada that we act or be seen acting as a distinct entity in our own right in North America. (What I call The Canadian Conundrum). It can be a difficult balancing act, especially when these two objectives seem to be in conflict or are perceived to be contradictory.

The fact is that we can and should do both. And, as my book contends, if we get the first part right, if we establish a constructive relationship with the U.S. – asserting and defending key elements of our most vital relationship in a mature, focused manner – we will also be better able to advance other global objectives.

Differences based on distinct national interests can be articulated forcefully with the United States. But differences that have no particular relevance to Canadian interests can be damaging both to the tone and the fabric of relations. More to the point, it is often the manner in which differences are communicated that can be more irritating than the substance. That was certainly the case on Iraq and no doubt on Missile Defence as well.

The choice for the kind of relationship we want to have with the U.S. rests primarily with Canada. We have to take the lead, we have to put more effort into it and we have to distinguish between what may be popular at the moment and what is fundamentally in our own best interest.

The Australians do not have our geographic advantage but, these days, are working harder, if not smarter, at managing their relationship with the United States. Australia is a key player in the Doha Round of Trade negotiations. Canada is not. They are also ahead of us in dealing coherently with China. Frankly, they don't have the luxury of proximity and, therefore, take nothing for granted.

We seem to have become peripheral by choice and despite our proximity. Even though our interests are more substantial than those of Australia, they are simply not getting the attention they deserve.

In order to manage our affairs effectively we do not need to endorse any individual leader or all of the views of any Administration. After all, there are sharp differences of view inside America itself. There will always be areas of divergence and convergence within and between our two countries. That is a fact of life in any democracy. But while personalities come and go, interests are longstanding.

Nor do we 'have to go along in order to get along'. That is simplistic. I will say that frank, but private expressions of differences are preferable to public grandstanding. As George Shultz once observed to Joe Clark: "If you are going to kick us in the shins, Joe, do it in private. We get the message all the same."

But, what we do need to recognize is that there are basic values and natural forces – geographic, market and otherwise – drawing us closer together in North America. Steadily

increasing intra-firm trade which today constitutes more than 60% of total two-way trade, along with shared electricity grids, energy pipelines and transportation links that straddle our border.

Canada does have a choice in how we manage these trends. We can try, as we have on occasion in the past, to find counterweights, to slow or lean against the trend. We can emphasize differences on policy issues to create a kind of distance or “independence” that belies our geography and our interests. Or we can try to shape the natural forces of integration in a manner that enables us to make the most of these linkages.

I recognize that the current political climate is not propitious for any kind of serious engagement – especially with a minority government heading into an election. Nor, I suspect, is there much of an appetite in Washington for closer attention to relations with Canada. The President has many more immediate concerns – foreign and domestic – than those of his northern neighbour. Nonetheless, I see merit in examining avenues for improvement, some ways to “get it right” - if for no other reason than to tamp down some of the reckless posturing now in vogue.

Here again, I am conscious of history. When we conducted consultations across Canada on trade policy in the early 1980s there was a persistent refrain. ‘We don’t really care what you do’ was the message ‘but, first and foremost, you have to get things right with the United States’.

If that is indeed what we want, we need to recognize above all that effective management requires leadership, conviction and coherence. Because, as Yogi Berra would say, ‘If you do not know where you want to go you will probably end up somewhere else’. We could definitely use more creative thinking and more consistent political leadership from both capitals – a real sense of purpose, a more mature tone from the top and actions reflecting trust, not wariness or short term popularity.

The Prime Minister and the President should signal clearly that they intend to revitalize relations and do just that. Systematic, not spasmodic, engagement at the top. Regular, annual sessions, not photo-op or focus group driven. I know from experience that professional diplomats can manage the status quo, more or less, but it takes political leadership to advance the agenda.

The single, biggest threat to Canada’s well-being today, in my view, is a lapse or breach of security along our shared border. That, therefore, should be the top priority for our government. I cannot help but wonder whether a new bilateral Institution is needed to help ensure both higher security and smoother entry for legitimate movements of goods and people across this border.

As a matter of fact, given the breadth and complexity of our relations, the scope of institutional linkages is remarkably thin – the product of a very different age. Institutions, properly structured with better rules and disciplines, can not only help deflect political heat from issues of the moment – such as a security glitch at the border – but also temper the huge power imbalance that otherwise bedevils this relationship.

We should take our head out of the sand and reconsider our position on missile defence and endeavour, more generally, to become more than a spectator in the defence of our own continent. Pride in what we once were is no substitute for the resources and resolve that would enable us to contribute more tangibly now to our own defence. If we want to be more relevant in Washington we need to give security a higher and clearer priority. We cannot afford a free ride on our own defence. Where's the sovereignty in that?

We need to stop 'huffing and puffing' over softwood lumber. Frankly, our objective, as opposed to our objection, is somewhat obscure. The U.S. knows that and sits back watching us squirm. Are we going to litigate further? If so, do so, recognizing that it may run a year or more without resolution. Do we prefer to negotiate? If so, get at it and stop negotiating unilaterally in public, thereby undermining our case. Tough talk is no substitute for action ... and the pretense of diversions to China are, as I said, just that. Neither incidentally are having much impact in Washington. Make a choice, drive consensus and marshal our sense of outrage pragmatically and with a sense of proportion towards a permanent solution, one that mends the breach in NAFTA, addresses the issue of outstanding duties with some imagination and injects more certainty for the whole industry.

Speaking of NAFTA, why are we not using that agreement as a basis for Free Trade negotiations with others? Mexico and the U.S. have each been acting individually on this front more successfully than Canada – another example of how peripheral we have become. But why are we pursuing free trade initiatives with Central America, Korea, Japan and China separately? Given the integrated nature of our North American economies, would we not be much better negotiating together?

Instead, we risk becoming competitors against one another in these markets, diluting our collective strength in favour of more narrow objectives. Guess who the real winner of that 'go it alone' approach will be? Is this the price for differentiation? And why is the business community so quiet? Are you really satisfied with the course we are on and the level of success to date?

The Energy sector – a Canadian strength – obviously merits smarter cooperation; a more certain policy climate in North America for efficient extraction, refining and transmission, along with stronger monitoring and some upgrades of our shared electricity grid? This should not be a game of competing subsidies, inducing an already robust industry, but rather the object of sensible commitments aimed at delivering mutual benefit.

There is also considerable scope for regulatory reform - streamlining, harmonizing or mutually recognizing one another's standards. That would alleviate many unnecessary and costly 'make-work' procedures that undermine small and medium-sized exporters in particular. To be meaningful, these require serious commitment and engagement by political leaders. Top down, not Low Common Denominator up!

None of these initiatives would "compromise" our sovereignty and none require treaty negotiations. Rather, they are pragmatic steps that would help both countries meet the challenges of globalization and the pressures from competitors, several of whom have stronger convictions and expanding capabilities.

Sometimes the best defense is a good offense. But is there the will? Unfortunately, there is little to suggest that either government is prepared to make the necessary investment of political capital.

Nonetheless, stakeholders, particularly those of you in the business community, should shake off your customary timidity and speak out. Business support – and that of key Premiers like Peter Lougheed - was vital to success in earlier trade negotiations and could help restore a much-needed jolt of common sense in the management of our most vital relationship today. If you do not, you may be sure that others with a very different agenda will happily fill the vacuum.

Remember too, that, no matter what we choose to do bilaterally, it is always in Canada's interest to help keep the United States positively engaged in preserving and strengthening international institutions, notably those affecting trade and financial flows, and especially at a time when there are serious pressures on the U.S.' fiscal and trade situation. It is the best counter to protectionism and/or isolationism. But to be heard, to be relevant, you have to have something useful to say. Not to get a quick headline but to move matters forward.

Let me conclude by saying that I had the distinct advantage of serving Canada and Canada-U.S. relations at a time when Canada was relevant and engaged with the U.S. on both bilateral and global issues. It wasn't always easy but it was stimulating and Things Got Done! There is no nirvana in foreign or domestic policy but there are lessons from history on "Getting Things Right with the U.S.", some of which I hope come through in my memoir and in my comments to you tonight.