

# CANADA-US RELATIONS: THE RISK OF COMPLACENCY, THE NEED FOR ENGAGEMENT

Derek H. Burney

The transfer of power from one prime minister to the next affords an overdue opportunity for Canada to re-engage its most important relationship — that with the United States — suggests Canada's former ambassador to Washington. A lack of engagement with the US leads only to irrelevance in Washington, writes Derek Burney. Beyond managing the bilateral relationship, a key goal of Canadian foreign policy has always been to encourage the US to pursue multilateral objectives — at the UN, in NATO and elsewhere — that serve Canada's purpose as well as their own. The number of issues that need to be constructively addressed range from missile defence and North American security to the environment and global warming, to say nothing of the world's biggest trading partnership. "We ignore a systematic and broadly based network of engagement with the Americans at our peril," he warns. Nothing, he adds, "could be more damaging" to Canada's relations with the US "than the absence of engagement and the silence of irrelevance."

L'arrivée au pouvoir d'un nouveau premier ministre offre au Canada l'occasion longtemps attendue de raffermir son engagement vis-à-vis de son principal allié, soutient Derek Burney, ancien ambassadeur du Canada à Washington. Tout manquement à cet engagement ne fait qu'éroder notre influence auprès des États-Unis. Au-delà de cette relation bilatérale, notre politique étrangère a toujours eu pour but d'inciter les Américains à poursuivre des objectifs multilatéraux — à l'ONU, au sein de l'OTAN ou ailleurs — qui servent nos intérêts autant que les leurs. Nombre de questions doivent aujourd'hui être réexaminées sous un angle constructif, de la sécurité à la défense antimissiles de l'Amérique du Nord en passant par l'environnement et le réchauffement planétaire, sans parler du tout premier partenariat commercial au monde. C'est à nos risques et périls que nous nous permettons d'ignorer une alliance de cette ampleur et de cette diversité, prévient l'auteur. Et rien ne nous serait plus dommageable qu'un désengagement qui amoindrirait encore notre influence.



**W**hen I served as Canada's ambassador to the United States, I learned very quickly that I had about 30 million advisors at my disposal on any given day. Almost every Canadian has a view on how to manage our relations with the US. Some have very strong views. Consensus is seldom apparent.

I tend to think that most Canadians want to have a good relationship with the US, although the definition of "good" can be open to debate. Most recognize the importance of the US to Canada in virtually all fields of endeavour. Some resent it, even if they understand it. This can be tricky terrain for diplomats, trickier still for our political leaders.

The recent disagreement over Iraq, the hassles over mad cow disease and wheat and the seemingly perpetual dispute over softwood lumber have stimulated a good deal of concern in Canada about how effectively we are managing this pervasive relationship. On top of all these, the major power blackout last August simply confirmed that a combination of complacency and neglect by both countries can cause real damage to each.

Neglect of Canada is a chronic condition in America. However, it is an attitude that does little damage to US interests. And benign neglect of Canada by Washington is not necessarily all that bad for us. The hard reality — and often the most difficult reality for us to stomach — is that the reverse is

not the case. If we neglect the effort of engagement and avoid raising Canada's profile and concerns forcefully and consistently with the US, we pay a disproportionate price. That is one reason why there is no easy prescription for managing this relationship.

Another factor is that the locus of power in Washington can be elusive, depending on the issue. We may think that the American president is all-powerful — and he certainly has an awesome amount of military power at his disposal — but the unique system of checks and balances in the US helps decentralize, if not blur, many vestiges of political power. And, what works to solve one problem will not work for all. We have to build different coalitions of support systematically, issue by issue. The White House may help but it cannot always get its way.

A Canadian prime minister, on the other hand, has political power, day in day out, even without much of the military variety. A prime minister can make decisions and he can make a difference on domestic or foreign policy if and when he chooses to exercise his power. That is why the attitude and tone of prime ministerial pronouncements do resonate in American power circles. They know he has the power to lead and that his attitude “rules.”

Managing this relationship can be frustrating and is always difficult. Whether in the administration, the Congress or individual states, Americans can be tough to deal with. They play hardball. They have their own priorities, their own concerns and very much their own view of the world, especially these days. We may speak the same language but they are number one in the world and they know it. We are not and we know that, too.

But my basic point is that we ignore a systematic, coordinated and broadly based network of engagement with the Americans at our peril. Injecting intemperate remarks from the sidelines only makes matters worse.

Nothing, in my view, could be more damaging to Canadian interests in the US than the absence of engagement and the silence of irrelevance. We need access and leverage in order to have influence in Washington and we have to work at it consistently so that it can deliver dividends when needed.

Nothing could be more damaging to Canadian interests in the US than the absence of engagement and the silence of irrelevance. We need access and leverage in order to have influence in Washington and we have to work at it consistently so that it can deliver dividends when needed.

By the way, I am not suggesting that the problems today are solely because of what Canada has done or not done. Nor, am I suggesting that we need to “go along” at all times in order to “get along.” Those perceptions are as false as they are flimsy. Our relationship is too complex and too sophisticated, frankly, to lend itself to simple, cure-all solutions or “end of the world” paroxysms.

I believe, too, that our distinct sense of being Canadian can be defined by more than a catalogue of how we differ from Americans or by rhetorical claims of “independence” in foreign policy. By assigning a healthier priority to the relationship, we would not be signalling an endorsement or compliance with all things American. Rather, we would be establishing a basis from which we can assert and defend Canadian interests where they are paramount.

I have no illusions about the degree of political will in Canada for such an initiative. Nor do I sense any urgent desire in Washington to give new priority to relations with Canada. Like it or not, however, the lead will have to come from Canada.

Canadian political leaders, for the most part, can be reluctant to take on major initiatives with the US primarily because there is more to lose than to gain in terms of domestic public approval.

I am also well aware that, when anyone suggests any new way to harness our proximity to our mutual advantage, suspicions emerge, particu-

larly, but not exclusively, in Canada, about potential sacrifices of sovereignty.

We faced these sensitivities on the FTA, less so on NAFTA.

The answers are straightforward. There is definite merit in agreements which allow for greater certainty and enable a free flow of goods, services and

people across our common border. Open and assured access to the US market is vital to Canadian competitiveness and to the increases in national income we need in order to finance our standard of living and our quality of life.

As the much smaller partner, Canada obviously has a greater need for the clarity and certainty of rules of law rather than the rule of might or the mighty. I see agreements which help neutralize the distinct power imbalance between us as assertions of sovereignty in the sense that they can safeguard genuine Canadian interests. Distance or complacency simply makes us more vulnerable and, I would contend, less sovereign. It definitely does not help resolve disputes.

Do not accept the notion that we are unable to negotiate even-handed agreements with the Americans. We may not play hardball, but we can play hockey — Gordie Howe-style, elbows up in the corners, when necessary. More to the point, as Mike Pearson wrote in his memoirs:

*The picture of weak and timid Canadian negotiators being pushed around and browbeaten by American representatives into settlements that were “sell outs” is a false and distorted one. It is often painted, however, by Canadians who think that a sure way to get applause and support at home is to exploit our anxieties and exaggerate our suspicions over US power and policies.*



Kate Grumbacher, Canadian Embassy

A window on Washington: The United States Capitol viewed through the ambassador's sixth floor dining room at the Canadian Embassy on Pennsylvania Avenue. Derek Burney, former ambassador to the US, suggests Canada faces a choice between engagement and irrelevance with the US; either on the Washington radar screen or off it.

George Schultz, a very successful secretary of state under President Reagan, used to say that good management of the Canada-US relationship was like good gardening. It required regular weeding and consistent attention or the crop would suffer. And it needed more than one hand on the hoe.

There will never be a dispute-free nirvana in this relationship. But, if we are prepared to shift from complacency to engagement, changing both the tone and the priority of our relationship, there is definitely scope for new avenues of cooperation that would

help protect and advance Canadian interests where they count most.

First and foremost, assuming that security remains Washington's priority concern for some time to come — as I am certain it will — there is a chance that a fresh proposal from Canada indicating our readiness to participate more tangibly in North American security and command structures might attract interest, if not attention, in Washington. This could involve new levels of cooperation and commitment and new institutions, enabling stronger defence, intelligence and police cooperation. It might include, as well, har-

monized, or at least common, procedures to handle immigration and refugee policies, balancing our individual needs with our mutual desire for greater physical security.

There is no question but that Canada should do more on defence in order to participate more effectively in preserving its own national security. That is, after all, the ultimate assertion of sovereignty. When combined with an enhanced intelligence effort, it would send a strong signal that Canada recognizes the global terrorist threat as real and continuing. It is also a matter of morality and ethics. If we

are unwilling to provide our soldiers with proper equipment, we should not place them in harm's way. Instead, we should increase defence spending in

ible, especially when our opinion differs, we need to have established a track record of performance and an atmosphere of mutual trust and confi-

critical that we play them with more finesse in future.

Closer cooperation on physical security should be matched by an equally ambitious agenda on the economic front, beginning with an urgent, high-level focus on improving and safeguarding our shared electricity transmission facilities.

I wonder how many Canadians, or Americans

for that matter, knew before mid-August just how mutually dependent we are on the transmission of electricity. In a sense, this blackout was symbolic of the extent to which we both take matters for granted, at least until there is a breakdown. Then the finger pointing begins.

As the *Wall Street Journal* observed at the time "markets are a great way to organize economic activity but they need adult supervision."

The saddest fact of all is that, more months after the event, there was still no clear consensus on why or what happened.

I suggest that we take this episode as a wake-up call for "adult supervision," one that underscores the need to clarify not just what went wrong and why, but what is required to ensure that our transmission grid is bolstered and monitored to meet the challenges of our new century. It was an accident, we think, but just imagine if it had been planned.

We tend to take the US security blanket so much for granted that we neglect commitments to our own defence capability and sidestep hard choices on continental security. If we choose to leave our security to the Americans, remember not to complain if they choose to plan and act in a manner that serves their interests exclusively.

the next budget and, just as importantly, spend those increased resources in a way that enables our armed forces to be a more effective instrument of Canadian security and Canadian foreign policy.

**P**rocrastination on issues like missile defence does not help. It is always easier to abstain or postpone on tough issues than to take a stand, even more expedient politically in the short term. But does avoidance strengthen our sovereignty? We faced that kind of choice on the issue of cruise missile tests years ago. If missiles are some day targeted at North America, should we not seek to participate constructively in measures intended to divert them from Canadian as well as American cities?

Significantly, Japan, despite constitutional constraints on its military capability, is planning to launch a billion dollar missile defence system of its own. Perhaps, if North Korea was our neighbour, we too might be so inclined.

We tend to take the US security blanket so much for granted that we neglect commitments to our own defence capability and sidestep hard choices on continental security. If we choose to leave our security to the Americans, remember not to complain if they choose to plan and act in a manner that serves their interests exclusively.

I am not suggesting that we move in lock step with the US on security or other issues of the day. But, to be cred-

dence. To be taken seriously when we counsel patience (or inaction), we need a capacity to act. Otherwise, our motives could be dismissed as merely avoiding the cost and controversy of involvement. We also need to convey our differences in a manner that respects honest differences. We can disagree, as the saying goes, without being disagreeable.

We tried to find some middle ground at the UN on Iraq before the war. That did not work. We should be trying now to contribute constructively to the aftermath of war, avoiding the moralizing tone which once prompted Dean Acheson to describe Canada as "the stern voice of the daughter of God." Above all, we should resist the easy tendency of letting the US stew alone now as the situation worsens in Iraq.

**U**nfortunately, our significant role in Afghanistan — along with that of our navy in the Persian Gulf —

Unfortunately, our significant role in Afghanistan — along with that of our navy in the Persian Gulf — seems to have been lost in the shuffle. We receive little credit in Washington for what we are doing, but criticism or "disappointment" for what we did not do. Given that we have very few military cards to play, I suggest that it is critical that we play them with more finesse in future.

seems to have been lost in the shuffle. We receive little credit in Washington for what we are doing, but criticism or "disappointment" for what we did not do. Given that we have very few military cards to play, I suggest that it is

The jungle of jurisdictional overlap — private versus public — state versus state, province versus province and country versus country — is daunting and can easily thwart the best of intentions. Everyone wants a

say; no one wants to pay. Why not start with a joint commitment from the highest levels of both governments to ensure that the North American grid is upgraded in a concerted fashion with appropriate reliability standards and much more effective surveillance in future. It would have as much resonance for our common security concerns as for our economic needs. Indeed, if we have learned anything over the past few years, surely it is that emergency preparedness and response is something both countries need to address urgently and more forcefully.

Over and above current concerns about electricity, energy itself is an economic area ripe for more bilateralism — and possibly trilateralism — particularly as the volatile situation in the Middle East heightens concerns in North America about “dependence on foreign oil.” It is also a sector in which Canada plays from a position of real strength. We should look together at more efficient exploitation of reserves in North America and make a mutual commitment to develop additional sources of energy, preferably without mandated routes, subsidies, tax credits or floor prices for extraction or transmission. If the US proceeds unilaterally on this front — as at least one version of

North American economies. Does anyone seriously believe we can, or should, move on this issue responsibly without US involvement? Or for that

I wonder how many Canadians, or Americans for that matter, knew before mid-August just how mutually dependent we are on the transmission of electricity. In a sense, this blackout was symbolic of the extent to which we both take matters for granted, at least until there is a breakdown. Then the finger pointing begins.

matter, that the world can make real progress in the absence of American, Russian and Chinese participation?

Years ago, there were major differences and a lot of finger pointing in both countries over acid rain. And yet, we managed to overcome those obstacles through perseverance, strong political direction and mutual commitment. Why not strive for a North American accord on greenhouse gas emissions using the Acid Rain Accord as a model?

A new approach on trade remedy or a more efficient means to resolve trade disputes also merits urgent attention. I know, all too well, that the US will guard jealously the unilateral advantage of its existing trade remedy regime. What we used to call its “weapons of mass disruption.” I know, too, that the US perceives no real need for relief from Canadian trade remedy rules but, to be frank, any attempt to

attitudes among officials on both sides of the border.

The precipitous drop in US manufacturing jobs will probably only make

matters worse on “trade remedy.” As elections loom, protectionism will have more and more appeal. I take little comfort from the fact that not one of the nine Democratic candidates for president openly favours trade liberalization. All support “fair trade” which means each really prefers protectionism, albeit in varying degrees. Not a healthy mood.

Some see the solution on trade remedy coming from common definitions of countervail and anti-dumping but, because Canada is much more dependent on trade than the US, the internal adjustment cost of any harmonized regime would be disproportionately heavier on us than on them. (US exports to Canada represent only 3 percent of their economy while Canadian exports to the US are 33 percent of our GDP.)

It may be that a sectoral approach, with industries working together, e.g. on steel, to develop common or better understandings of permissible subsidies, would lead to a more general framework. After all, our North American steel market is highly integrated and is threatened not by actions within North America, but by dumped steel coming in from outside our continent. In more and more products, Canadian and American firms are competing as one industry in a single, integrated market. Trade remedy laws should accommodate that reality, especially during the injury determination process.

We need, too, to tackle ways to facilitate joint customs inspection and reduce redundant paperwork while expediting fast-track entry procedures. We should not let legitimate concerns about security become an umbrella for procedures that retard the movement of people, goods and services across our border.

Congress’ energy bill implies — we may miss the opportunity to use our specific leverage to our advantage.

In the same context, we should also try to develop tangible and credible bilateral commitments to reduce greenhouse gas emissions, using market-based mechanisms to blend the spirit of Kyoto with the reality of our

broaden what we now have on trade without reducing the scope for protracted disputes should have little appeal to Canada.

I have to believe that the failure to resolve or contain current trade disputes reflects, in part at least, the lack of engagement and constructive chemistry at the top level of our respective governments. That tone does permeate

Others suggest a parallel approach to resource management, implying that we may have a softwood lumber problem more than a trade remedy problem. Regardless of how we reach the objective, it is essential, in my view, that we find a better way to resolve trade disputes and remove the uncertainty, as well as the threats inherent in the current system. A clear and unequivocal commitment from the most senior levels of both governments would help change mindsets in the bureaucracies and stimulate efforts to resolve, rather than initiate, problems between us.

What the mad cow episode highlights is the need for a more concerted effort on mutual acceptance of inspection and certification procedures. Isolated cases should not be allowed to destroy an entire industry. This effort should not be limited to beef or agriculture. There is scope for more “good gardening” generally on standards and regulations — for greater transparency, predictability and efficiency.

We need, too, to tackle ways to facilitate joint customs inspection and reduce redundant paper work while expediting fast-track entry procedures. We should not let legitimate concerns about security become an umbrella for procedures that retard the movement of people, goods and services across our border. Anyone involved with exports also knows that our border infrastructure needs new investment and a higher priority.

Moves toward a common external tariff would also be beneficial. For one thing, they would reduce some of the complexity and needless hassle around “country of origin” determinations.

Taken together, these are mutually reinforcing objectives — increased physical security underpins our economic well being just as economic growth is vital to stronger security arrangements.

If we are able to forge new agreements on security and on our economic relationship, I believe we would also need new institutions to ensure their

implementation and to maintain political oversight. Regular meetings between the president and the prime minister would be a good start. A permanent joint council on homeland security and a new, high level, North American commission on economic security would stimulate enhanced cooperation, help resolve or contain disputes and would facilitate a more efficient response to emergencies. It is important to involve both politicians and officials in these enterprises. Regular reviews at the political level would act as a catalyst for results and action at the official level — the antidote to complacency. They would also help temper some inevitable concerns about “sovereignty.”

**C**learly, this would be an ambitious agenda, one fraught with pitfalls, sensitivities and obstacles. But, if we are

The only limits to our global influence should be the scope of our creative thinking and the degree to which we are prepared to support our convictions with consistent effort and tangible resources — putting our money where our mouth is.

serious about turning our geography to our advantage and improving our most vital relationship, these are the kinds of issues that, I believe, should be addressed by our leaders in the years ahead.

There is a broader purpose as well, namely Canada’s role in the world. Some believe we can do more in world affairs by distancing ourselves from the US and US positions. I do not. Distance and differentiation is definitely one approach, but it is not an end in itself. It is also somewhat illusory in terms of results. I believe that we can actually achieve more by taking advantage of our unique proximity to the US, generating influence and clout much greater than our individual capacity would otherwise provide. We can walk and chew gum on the world stage at the same time, provided we have a confident view of what interests and values we wish to advance.

The only limits to our global influence should be the scope of our creative thinking and the degree to which we are prepared to support our convictions with consistent effort and tangible resources — putting our money where our mouth is.

One longstanding objective of Canadian foreign policy has been to keep the US engaged constructively in the multilateral system. At a time when world trade negotiations are at an impasse, when the United Nations struggles for legitimacy and NATO searches for new relevance, this objective, I suggest, is more acute than ever.

What we need most, of course, is leadership, a clear sense of direction and sustained commitment from the top political level — a fresh attitude and a genuine priority. This may well be the most difficult ingredient to muster but it is what ultimately made the FTA and NAFTA happen. And there were days, believe me, when neither seemed possible.

In fact, the remarkable thing about the FTA and NAFTA is that success was achieved despite heavy obstacles and a lot of extreme emotion.

But a change of leadership is about to occur in Canada and that provides the opportunity. Paul Martin’s performance as our minister of finance demonstrated that he appreciates the need for, and the benefit from, a clear sense of direction and a sustained commitment. I am confident that he also understands the risk of continuing complacency and the compelling need for engagement with the United States. Let’s hope this challenge becomes an early and high priority as he assumes the responsibility and burden of leadership.

*Derek Burney, President and CEO of CAE Limited, was Canada’s ambassador to the United States from 1989 to 1993. He was previously a senior government official closely involved with the bilateral negotiations resulting in the Canada-US Free Trade Agreement.*