

Memo to Martin — engage Canada-US relations as one of PM's "overriding responsibilities"

In a major address to the Canadian Institute of International Affairs in Calgary on March 23, former deputy prime minister and finance minister John Manley had some forthright advice for Paul Martin on re-engaging Canada-US relations at the highest level and as a top priority. "I know that George W. Bush is not an easy sell in Canada — it doesn't matter," Manley said. "He is the elected leader of our neighbour, the country that is our biggest customer by far, and millions of Canadian jobs are affected by his decisions." Other advice to Martin: join with the US in continental missile defence, since they will build it whether Canada joins or not, and name an ambassador to the US who has the ear and the confidence of the prime minister, and who sits at the table of the new Canada-US cabinet committee. Ironically, Manley declined Martin's offer to name him ambassador to Washington, and is not running in this election.

À l'occasion d'un important discours prononcé à l'Institut canadien des affaires internationales, le 23 mars dernier à Calgary, l'ancien vice-premier ministre et ministre des Finances John Manley a vivement conseillé à Paul Martin de rétablir en priorité les relations canado-américaines au plus haut niveau. « Peu importe que George W. Bush soit impopulaire au Canada. Il est le chef élu de notre voisin du Sud, un pays qui est de loin notre principal client et dont les décisions influent sur des millions d'emplois canadiens. » Autres conseils à Paul Martin : collaborer au programme américain de défense antimissile, puisqu'il sera mené à bien avec ou sans la participation du Canada, et nommer aux États-Unis un ambassadeur qui a l'oreille du premier ministre et qui siègera au nouveau comité interministériel Canada-É.-U. Non sans ironie, rappelons que John Manley a décliné la proposition de Paul Martin d'être ambassadeur à Washington, et qu'il ne briguera aucun siège à la prochaine élection.

Iwould like to structure my remarks as advice to the prime minister, but let me first offer some context from my own experiences.

I became foreign minister October 17, 2000, after seven years as industry minister, and followed a very activist foreign minister, Lloyd Axworthy, who truly moved world institutions and established a dominant presence for himself as an advocate for multilateralism and disarmament, especially bringing to conclusion the Ottawa treaty on landmines. His "human

security" agenda, and advocacy of "soft power" were appealing to many Canadians.

What was an industry minister to make of this? Well, I am sure it was discouraging to many of my officials when, after paying due respect to Lloyd Axworthy and his accomplishments (which I truly admired and could not seek to duplicate), I pronounced that, whatever else, Canada's predominant foreign policy concern should be its relationship with the US. And secondly, that Foreign Affairs

should not forget that it is an economic portfolio and that Canada must pursue its economic interests in tandem with its other foreign policy goals.

Despite Lloyd's frequent criticisms of US policy, the importance of the Canada-US relationship was, of course, no revelation. However I defy you to find any minister either of Foreign Affairs or Trade, or even any deputy minister who invests time and effort in the Canada-US relationship to a degree that is at all commensurate with its importance to the economy.



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A call for "mature sovereignty" in the conduct of Canada's relations with the United States. "It is not just about money, trade and profit," says former deputy PM John Manley, "it is also about principle."

We Canadians think we know the United States. We are inundated by their media. We give little thought to our trade relationship, except when a specific problem arises. We feel vaguely morally superior to our neighbours who have higher crime rates, and many more global enemies than we do.

But my thesis is this: The importance to Canadian jobs and prosperity of the United States *must* make it a top preoccupation of the prime minister, one of the two matters of crucial national importance for which he (or she) must take the greatest responsibility (the other being national unity). This cannot be delegated, even to the foreign minister. It is simply too important.

That is not to say that the entire US-Canada relationship is defined by relations between the president

and the prime minister. Sometimes this has been a particularly warm relationship as it was between St-Laurent and Eisenhower, Trudeau and Carter, Mulroney and Reagan, and Bush Sr., Chrétien and Clinton. Sometimes it has been less cordial — think of Diefenbaker and Kennedy, Pearson and Johnson, Trudeau and Nixon, and any others that may come to mind. Rather, Canada-US relations are far broader and deeper than relations between heads of government.

The recent fixation on the perceived relations between Prime Minister Chrétien and President Bush (which I suspect gives rise to the title of this session) fails to recognize the importance of the vast web of personal, business and family ties that are the fabric of the daily interaction between us.

That being said, I can offer personal testimony to the fact that good interpersonal relations at a senior level can make a positive difference.

Thus let me offer my advice to Paul Martin. No more dilly-dallying. I know that George W. Bush is not an easy sell in Canada, it doesn't matter. He is the elected leader of our neighbour, the country that is our biggest customer by far, and millions of Canadian jobs are affected by his decisions. Furthermore, little in international affairs moves without US concurrence, so if you ever hope for an international legacy, you will need US co-operation.

You don't need to visit the ranch or even Camp David. Have a business-like working meeting. Raise our issues and tell him how concerned you are that softwood lumber, beef and other trade matters, left unresolved, are poi-

soning the well of good will that normally exists between our countries.

You won't resolve these issues, of course, any more than prime ministers before you could solve the softwood lumber case. But perhaps some movement could be achieved as a gesture of good faith that will get more of our mills back to work.

The importance to Canadian jobs and prosperity of the United States must make it a top preoccupation of the prime minister — one of the two matters of crucial national importance for which he (or she) must take the greatest responsibility (the other being national unity). This cannot be delegated, even to the foreign minister. It is simply too important.

Then, be prepared for George W. Bush's preoccupation — the security of the US. You might say something like this: "We, Canadians, have our obligations as a good friendly neighbour, and one of them is that, at our own instance, our country is made as immune from attack or possible invasion as we can reasonably be expected to make it, and that should the occasion ever arise, enemy forces should not be able to pursue their way either by land, sea or air to the United States across Canadian territory."

This is a clear statement of what the US wants from us, and it is the quid-pro-quo for an open border that we want for our goods and services. It also happens to be the precise commitment that Prime Minister King offered to FDR in 1938. I submit that it bears repeating frequently today, in light of 9/11.

We Canadians continue to look at the border through an economic lens, while increasingly, when they think of it at all, Americans and especially the government, look at it through a security lens. We must continue to actively support measures that seek to identify and prevent threats to the United States and to

ourselves. And we must play our part in continental defence.

I know that the priority items for Canadians are health care and education, but if we want to have influence in the world, and particularly with our southern neighbour, then we must be prepared to

expend money on the three Ds — defence, diplomacy and development assistance.

Spending on defence and security do not rate very highly in opinion polls (and development aid even less so). The results of such spending are not very visible to most Canadians. But we love to talk about sovereignty, about how we punch above our weight in the world. Well, it's time to pay. As I've said before, we can't sit at the G8 table and when the waiter arrives with

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the bill, excuse ourselves to go to the washroom. We've been doing just that, and trading in our Pearsonian reputation rather than fulfilling the Pearsonian vision.

Furthermore, the priority for our defence spending must be continental defence. We must secure our coastlines and our airspace. And to be truly sovereign, this is not an option, it is a necessity.

And by the way, the US is committed to ballistic missile defence. We should also commit to it. Why?

Because it is an aspect of continental security that *will be* deployed and therefore we should be part of it.

I see this as an exercise of mature sovereignty. Canada must recognize that the US is deadly serious about homeland security: it has mobilized enormous resources and political will behind it, and is determined to prevent further attacks on US territory.

For many reasons, we should cooperate in this effort. But a principal one is that we share the continent. We therefore must share the responsibilities as a sovereign partner. We must lift our share of the burden or face being minimalized, or occasionally patronized, by our neighbour.

A crucial consideration is that NORAD is a vital element of the Canadian defence architecture. We have an important and clearly defined role in continental security as a result of the NORAD command structure. To decline to have BMD in NORAD is to determine that NORAD will become irrelevant, and our voice in continen-

tal security will be a meek one indeed.

And don't wait until after an election to do this. It's the right decision. You've already said you're in favour. Do it and defend it. Very few Canadians will buy Jack Layton's "star wars" hallucination. They will however wonder about it if you begin now to hedge on something you previously said you would support.

In any event, the longer you wait, the more you risk marginalizing NORAD, and the less good will you get for agreeing to something which is no

longer the subject of any serious reservation by NATO allies, or even the Russians and Chinese.

Then, set some Canadian objectives for the future of this relationship.

Rise above the back-and-forth squabbling about narrow trade

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issues and talk to the president, mano-a-mano, about a stronger economic relationship — a jobs and economic growth partnership — beyond Smart Borders.

It's time to embark on a new and more ambitious project in economic partnership. I would like to see us pursue all, or at least some, of the following objectives:

- a common external tariff, thereby vastly simplifying the movement of goods between Canada and the US;
- increased harmonization of regulatory policies regarding health and safety standards; and
- removal of barriers to trade in legal, financial and communication services.

And, if we could be really ambitious, we should pursue uniform policies with respect to federal and provincial or state subsidies, while also seeking an end to the application of trade remedies in North America.

While we're at it, we need to smash interprovincial trade barriers in Canada! It's been 10 years since I negotiated the Internal Trade Agreement. We were nice guys. But there hasn't been enough progress. Now it's time to get tough. Including the contentious field of securities regulation. The Constitution does give the federal government para-

mounty over interprovincial and international trade. It's time we faced our responsibility.

I have not said anything about the mechanics of the approach to Canada-US relations. So, a few suggestions of a more tactical nature:

- Appoint an ambassador that is going to be seen in Washington,

DC as having your ear and the ability to be heard to be speaking on *your* behalf. Give him or her real clout, including the ability to tell your ministers to smarten up when they decide to tee off on the US without being able to see the big picture.

The ambassador is the highest-ranking person in your government who wakes up in the morning *every day* thinking about the relationship with the US. He or she should sit at the table (not merely in the room) when your cabinet committee on US relations meets.

The embassy should coordinate a focused communications strategy to be executed across the United States. Make the ambassador accountable,

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having first provided the resources, for promoting Canada's messages to decision-makers, the media and the broad population in the US, especially in the increasingly influential south. Enable him or her to co-ordinate the com-

munications activities of the consulates across the US. He or she should be media-savvy, a good speaker and politically astute.

- Ensure that *all* of your ministers engage their US counterparts. The fact that Tom Ridge and I became friends certainly helped us to achieve some progress, but even if our relationship were only business, we would have been able to build on trust and accountability. The Canada-US relationship is so intertwined that it truly is an "inter-mestic" relationship with characteristics that are both international and domestic.

That being said, it is the foreign minister and the US secretary of state who must tend to the relationship horizontally at the cabinet level. Make the foreign minister accountable for this and ensure that other ministers remember and respect his paramount role, whatever the issue may be. You and the president could help if you would ask the minister and the secretary to meet bilaterally, four times a year, as did Allan MacEachan and George Schulz.

- Work closely with provinces to assist them on issues of importance, but remind them that if it is difficult for Canada to be on a decision-maker's agenda in

DC, it is impossible for a province to do so. Point out to the provinces that we welcome them sending, if they wish, representatives to DC, but they should be housed in the embassy, where they will be part of "Team Canada."

Further advice:

- Do not hesitate to disagree with the US on matters of important policy or principle. However, always be courteous in doing so. We can disagree without being disagreeable. Canadians

lumber.

And most important, mature sovereignty is not just about money, trade and profit. It is also about principle. If we cannot disagree with the United States government from time to time, then we should seek to

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expect the PM to stand up to Uncle Sam when appropriate. They applauded Lester Pearson when he disagreed with LBJ over Vietnam, and a generation later, they welcomed Jean Chrétien's decision to stay out of Iraq.

But when we disagree with US foreign policy, we should also keep in mind the commonality of our objectives. For example, most Canadians believe that Saddam Hussein was a genocidal maniac who deserved to be removed, and earnestly hope for a stable, democratic Iraq.

This reminds me of one crazy allegation we heard in the past year — that we should not disagree with the US because it will hurt our economic relations. Absolute hogwash. First the US is too concerned about its own economic interest to trade off powerful domestic lobbies just because we agree with them on an unrelated political matter. Second there is no demonstrated cause and effect relationship. The excellent relations that existed between Presidents Reagan and Bush Sr. and PM Mulroney, or between President Clinton and Prime Minister Chrétien did not resolve softwood

accede to the Union, so that at least we can have some say in who governs us.

As Jean Chrétien said to George W. Bush at their first meeting, and the president agreed, we cannot be of assistance to the US if the world perceives us to be their 51st state. We do have a different world view from that of the US, and it is natural that on some matters that would be the case. It is in the pursuit of common objectives, recognizing that room for divergence exists, that we exercise our own mature sovereignty.

Mature sovereignty is not just about money, trade and profit. It is also about principle. If we cannot disagree with the United States government from time to time, then we should seek to accede to the Union, so that at least we can have some say in who governs us.

I have several times used the expression "mature sovereignty." It sometimes seems to me that we can be immature in our attitude to the US — like a rebellious teenager who seeks to deny his commonality with members of his family in order to assert an independence that is based in insecurity. I believe that we can be proud of our distinct history and traditions,

our different world view, our "northern-ness," if you like, while respecting the rich history and powerful institutions of our neighbour. We can vigorously demonstrate our independence while recognizing our interdependence; and we can thank Providence that if we were to be neighbour to a rich and dominant superpower, it is the United States and not any other past or present possibility.

I conclude with this thought: Paul Martin should seize the initiative to build on our historic relations with a good friend and neighbour, and do so with vision and self-assurance. Meet them half way on issues of true concern to them. Do not shrink from being the strongest possible advocate for our national interests. The US is and will always be our paramount international relationship — our political, economic and security realities dictate that it will be so. Proximity and the sheer volume of our dealings imply that there will always be problems but, equally, that managing them is essential to our common progress and prosperity.

It will not always be easy; in fact it will require great skill and patience to manage domestic expectations while achieving realistic suc-

cess. But it is one of the two overriding responsibilities of the prime minister of Canada. It is your job. Good luck.

John Manley, former deputy prime minister, minister of finance, foreign affairs and industry in the Chrétien government, spoke to the Canadian Institute for International Affairs.