‘Now for the Hard Part’: A User’s Guide to Renewing the Canadian-American Partnership

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Against the backdrop of Canada-US relations since the Free Trade Agreement, this paper argues that with the gains of the Canada-US Free Trade Agreement and the NAFTA realized, creating new jobs and sustained growth will require boldness and initiative. It will oblige in-tandem progress on a common security perimeter, a rationalized regulatory regime that reduces red tape and a compatible approach to the stewardship and development of resources. The paper lays out a plan for action on 'getting it done' and offers ten lessons based on practical experience of working in Washington and throughout the US. A Background Document (to be published shortly) gives historical context and includes a bibliographic survey of the various and varied ideas on our complicated and complex relationship.

‘Now for the Hard Part’: Renewing the Canadian-American Partnership

‘A Partnership for Smart Growth and Jobs’

On February 4, 2011, Prime Minister Harper and President Obama will meet to officially launch negotiations aimed to take our continental partnership to the next level. The leaders will lay out the principles to make the 49th parallel ‘a boundary, not a barrier’ and deepen the perimeter, stretching from the Rio Grande to the North Pole and from the Atlantic to the Pacific, that already applies to our shared air defence.

There will be agreement to further institutionalize joint operations on intelligence, law enforcement and migration, and the sharing and pooling of information, as we’ve done for half a century through NORAD. The ultimate goal should be to make the flow of traffic – people, goods and services – between the single biggest bilateral trading relationship in the world as easy as that enjoyed within the European Union. With an eye to elections, negotiations will commence with the intent of getting it done within the calendar year.

Getting it done will be difficult. There has been a sea-change in border management. The once welcoming screen door has been replaced with storm windows and increasing layers of weather-stripping. After 9-11, authority passed from Treasury officials, for whom more traffic meant more revenues, to Homeland Security for whom compliance is everything. We need to re-introduce the principle of ‘risk-management’.

The Canadian debate will be noisy. The kabuki-like foreplay, with endorsements by our business, former Canadian and American ambassadors, and former PM Mulroney, plays to populist arguments about a secret corporatist agenda. Concerns over privacy standards and sovereignty need to be assuaged and the case made for how the initiative serves the national interest. Mr. Harper needs to confide in Mr. Ignatieff and the Premiers. Last year’s agreement on procurement reciprocity demonstrated the value of our Premiers reaching out to their governor counterparts. Canadian business and labour have to step up to the plate and remind their head offices, customers and affiliates that continental supply chain dynamics work to their advantage.

Taking the Canada-US partnership to the next level makes sense. Sticking with the status quo means continuing incremental decline.

What the Deal Might Look Like

Drawing from the various recommendations made in recent years by industry, government and other interested parties; a 'generational agreement could be based on four elements:

A. 'Early harvest' including, higher customs allowances; a campaign to enroll Canadians and Americans in the 'fastpass' program; 'open skies'; and 'open roads'.

B. Border Measures premised on 'risk-management' and increasing preclearance of people and goods. Accessible gateways based on pushing security beyond our frontiers to the port of departure.

C. Trade policy that removes the red tape with a goal of compatible and complementary regulations that facilitate the flow of people, goods and services.

D. Joint, bi-national institutions, modeled on the success of the international Joint Commission (IJC), Permanent Joint Board on Defence (PJBD) and NORAD to sustain, nurture and carry forward progress.

The Means: A small bilateral Task Force including provincial representatives, with an advisory committee including business and labour, with a mandate to report progress on a monthly basis through Special Envoys reporting to the President and the Prime Minister. A goal being to report an 'early harvest' by July 2011 with a draft agreement by November 2011.

A. Early Harvest (July 2011)

- Raising tenfold the inbound allowance threshold, i.e. less than 24 hours from $50 to $500, less than 3 days from $250 to $2500 and for more than 3 days from $750 to $7500.
- Customs agents to focus on facilitation rather than revenue collection.
- Completion of all procedural steps relating to the implementation of the latest version (2008) of the United States-Canada Income Tax Treaty, which includes the elimination of the withholding tax on cross-border interest payments.
- Revenue officials to focus on facilitating and generating more cross-border business relationships.
- Report on the outcome of joint investments in research and development in both traditional and non-traditional energy resources and outline the practical effect on energy use. Share best practices through a 'Clean Energy' dialogue.
- Implementation of complementary processes to deal with pandemics.

B. Border Measures (November 2011)

1. For people:

- Pooling and sharing of passenger information for travel to and from the United States and a complementary approach to entry and exit requirements.
- Elimination of duplicate screening through a comprehensive joint customs clearance system using Advance Commercial Information (ACI), eManifest, the US Automated Commercial Environment (ACE) and the Container Security Initiative (CSI).

2. For goods:

- Food and agricultural inspections, currently carried out at the border, relocated to manufacturing facilities.
- Electronic data processing with a single portal for users.
- Agreement on an economically viable container security device incorporating "smart box" or "smart seal" technology.
- 24 hour service for all requirements (i.e. Animal and Plant Health Inspection Service (APHIS), Food Safety and Inspection Service (FSIS), Food and Drug Administration (FDA) and the Canadian Food Inspection Agency (CFIA)) at points of entry that offer FAST-approved transit.
- Post-movement auditing for compliance with routine customs and regulatory requirements.

3. For carriers:

- Mutual recognition of the Partners in Protection (PIP) and Customs-Trade Partnership Against Terrorism (C-TPAT) programs.
- Greenlane concept for trucks/maritime containers and in Canada by allowing access to the Customs Self Assessment (CSA) / Free and Secure Trade (FAST) program for all goods from all countries in all transportation modes).
- Discounts for users who invest in the public/private sector security programs.
- Tiering FAST status through a system based on trust and a verified record of compliance.
- Factory-gate clearances starting with FAST approved shippers of food and other products, e.g. auto parts.

4. For business and other frequent travelers:

   - Creation and introduction of 'CAMPASS' incorporating the current NEXUS programs into a single program (e.g. US Global Online Enrollment System GOES); use the Secure Electronic Network for Travelers Rapid Inspection (SENTRI) program for the Mexico-US border; and the Fast Low Risk Universal Crossing (FLUX) program with a target of two million users by July 2012.
   - Creation and introduction of 'DRIVEPASS', which standardizes state and provincial governments' requirements for an enhanced drivers license with Radio Frequency Identification (RFID).

5. Cross accreditation of customs (Canadian Border Services Agency (CBSA) and Customs and Border Protection (CBP)) and immigration personnel. This builds on the long and successful interoperability and joint operations of our Forces at home and abroad, the longstanding collaboration between our intelligence and law enforcement agencies and the success of joint programs like Project North Star, Cross-Border Crime Forum, 'Ship-Rider', CSI and the integrated border enforcement, maritime and intelligence teams, i.e. Integrated Border Enforcement Teams (IBET)/Integrated Market Enforcement Teams (IMET)/Integrated Border Intelligence Team (IBIT).

6. A land preclearance pilot project drawing from the Sweetgrass experience and the decade-long pre-clearance experience of cross-border air travel.

C. Trade Policy Measures

1. A Roadmap to Regulatory Convergence: start with fortified foods and safety requirements in our shared auto and truck trade with the goal of announcing a joint approach in time for the 'early harvest'.

2. Simplification of NAFTA certification requirements and rules of origin.

3. Cabotage, point to point, on trucking between Canadian and American truckers so as to avoid costly, and environmentally wasteful, travel by empty trucks.

4. Cabotage, point to point, on air travel for Canadian and American airlines to allow better pricing, more selection for consumers and more efficient (i.e. 'green') travel.

5. Integrated credentialing program aimed at improving supply chain dynamics.

6. Adoption of a single set of professional standards and recognition of North American credentialing.

7. Passage of Canadian legislation on intellectual property protection i.e. (Bill C-32 Proposed amendments to the Copyright Act).

D. Policy Instruments

1. Resurrect the Canada-US Partnership (CUSP) of border communities working together to recommend and implement practical solutions for efficient cross-border commerce. CUSP was created under the Clinton Administration, but became dormant in 2000. Its useful work served as the basis for much of the content of the 'Smart Border' Accord after 9-11. Empower local federal officials in ways that ensure greater lateral communication and resource-sharing. CBP and CBSA Port Directors to convene local officials and users of their port to meet and develop port-specific Smart Border Agenda Committees.

2. Create a US-Canada, or North American Joint Infrastructure Planning Commission, as a working group of the International Joint Commission. Engineering studies, preliminary environmental impact assessments and transportation and infrastructure (including energy infrastructure) plans generated by this commission will be made available to federal, state/provincial, and local governments to coordinate actions to sign, build and maintain shared (or interconnected) infrastructure vital to the economy and to regional competitiveness.

3. Create a joint, independent, commission to provide the two governments with advice on implementation and other issues related to pre-clearance, including complaints and further recommendations. Like the IJC, this commission should enjoy quasi-judicial status.

4. Create a Canada-US Jobs and Growth Council that includes participation from business, labour, legislators and civil society designed to come up with practical suggestions that will improve Canada-US competitiveness and create jobs and growth.

5. Appoint envoys to report monthly to the President and Prime Minister on progress.

Scoping the Deal : A Three Legged Stool

Experience suggests eighteen months is about the limit of political endurance for negotiations with another six months for necessary legislative and regulatory implementation. In Canada, the heavy lifting will come during the actual negotiations when the media will give headline coverage to each twist, real or imagined. The Prime Minister will need to devote daily attention to the file. In the United States, the real challenge will come when the deal is done, especially if it requires congressional approval.

History and smart politics recommend balancing a continental initiative with nation-building policy initiatives that will capture the imagination of Canadians. The ‘big idea’ with the US should be matched with ‘big ideas’ that visibly advance the integrity of the country, like a pipeline from the oil sands to the Pacific or a high-speed rail link from Quebec City to Windsor. With this in mind, a successful deal will resemble a three-legged stool built on security, jobs and growth, and resource management.

First, 'Neighbourhood Watch' through a security perimeter that embraces people and goods entering by land, sea or air.

We live in an Age of Terror. The US is the primary target in what is likely to be a long and shadowy war with terrorists. Before the Americans will be prepared to lift the drawbridge at the border, they will have to be satisfied that we take security as seriously as they do. Our security bona fides are good and improving. We pull our weight in NATO. We have demonstrated that we are a reliable ally, in what has become 'Obama's War', by staying on in Afghanistan in a training role after 2011. NORAD and the PJBD set the standard for joint defence and cooperative production and procurement. The pooling and sharing of information that underpins NORAD is a model for progress in law enforcement and intelligence.

Start by extending to our land and sea environments the interoperability that our Air Force already enjoys through NORAD. It will require our Forces in Canada Command to match their current cross-service 'jointness' with those of American Forces employed in Northern Command. All three services have exercised and trained with US Forces, a jointness that began with the famous 'Devils Brigade' of the Second World War. Most of our senior command have served tours of duty embedded within American Forces. We use US or jointly manufactured equipment that is not only compatible, but has the technological capacity to 'talk' to each other. It is also time to participate in Ballistic Missile Defence (BMD). At Lisbon (November, 2010) the rest of the Alliance agreed in principle to integrate the European and US BMD programs with the goal of providing comprehensive protection for NATO members' populations, territory and forces. It was perverse of the Martin Government to reject participation in a program that would cost us nothing and offers a potential shield should North Korean missiles ever cross the Pacific.

A security perimeter will also go some distance to resolving the remaining disputes and the shared challenges around stewardship, sovereignty and surveillance of the North West Passage and the activities of foreign ships and submarines in Arctic waters. We share with the US complementary objectives for the safe production of oil and gas in the North Slope and Beaufort Sea and preventing overharvesting of the fisheries.

Practical collaboration is the hallmark of Canada-US law enforcement since Sir William Stevenson and his 'Intrepid' band of spies and secretaries set up shop in New York City during the Second World War. Canadian and American inspectors serve in each others' ports and collaborate in the Container Security Initiative (CSI) – another useful example of intelligence sharing with practical effect. The 'Shiprider' program, for example,

involves vessels jointly crewed by Canadian and US law enforcement officers and is authorized to enforce the law on both sides of the international boundary line. Ahmed Ressam, the putative LAX bomber, was apprehended in 1999 because of a tip-off from the Canadian side when he crossed the border at Port Angeles. He was convicted in the spring of 2001 in Los Angeles. As then Consul General, I can attest to the close support and evidence that we provided to American authorities.

To facilitate the flow of legitimate travelers, whether on holidays or for reasons of work, there are already a series of programs, including FAST, Trusted Traveler, NEXUS and the smart drivers license, designed to 'fast-track' legitimate commerce and travel. Qualification boils down to providing biometrics (fingerprints and a retinal scan), passport-type information and a security check. It is voluntary and affordable. It requires more publicity to encourage greater participation.

And do we really need separate customs facilities at our gateways when we are looking for the same things? Some years ago, as part of the Clinton and Chrétien inspired Canada-US Partnership program, we experimented with a joint customs facility at the border crossing between Sweetgrass, Montana and Coutts, Alberta. Resurrect this idea and see how we can better work together. And while we are at it, let's raise customs allowances. Collecting customs duties is a diversion from what really counts – looking out for threats to our health and safely. Let's use technology to our advantage and create a single electronic window for customs information to serve the various border agencies in both jurisdictions. The reports (2007 and 2008) of the North American Competitiveness Council (NACC) provide a blueprint for action. They include, relocating the food and agricultural inspections currently carried out at the border to manufacturing facilities where government inspectors are already present; raising the threshold for low-value clearance of goods; and simplifying the NAFTA certification requirements and the NAFTA rules of origin.

Finding a compatible path around migration issues will be a challenge as we balance sovereignty, legitimate privacy rights and security demands. Fortunately, there is already a high degree of trust between officials and informal sharing of information. Since 'Smart Border' we have shared watch list information bilaterally and with other like-minded nations. We have similar criteria for keeping out the 'bad guys' when screening refugee claimants and potential immigrants. We share passenger manifest lists for flights crossing into each other's airspace. We each have 'No Fly' lists. During my time in Washington as Head of the Advocacy Secretariat, both Deputy Secretary of

State, John Negroponte, and 9-11 Commission Co-chair Lee Hamilton, told me that they were concerned about who we were letting into Canada, especially from the Maghreb, the Middle East and Pakistan. Refugee system reform will alleviate some of their worry. Security authorities throughout the West are also learning that the threat is not necessarily from the first generation to migrate, than from native-born children who 'go rogue' (eg. Toronto 18).

The effect on public attitudes of the Maher Arar and Khadr brothers' (Omar and Abdullah) experiences as well as the interpretive rulings (e.g. 1985 Supreme Court on Singh) on the Canadian Charter of Rights limit the scope for action, but they should not prevent the application of common sense. Similar barriers were raised around US customs officers working on Canadian soil in the discussions around the establishment of pre-clearance facilities. Preclearance has worked very well for Canadians since it began, in an ad hoc arrangement, in Toronto in 1952.

Sharing migration information is likely to be the major public sticking point in Canada — and a key requirement for the US. Matching public expectations with official requirements will not be easy as is made clear in a dispatch (cablegate.wikileaks.org) reporting on a July, 2009 conversation between then CSIS Director Jim Judd and US State Department Eliot Cohen. Judd "ascribed an "Alice in Wonderland" worldview to Canadians and their courts, whose judges have tied CSIS "in knots," making it ever more difficult to detect and prevent terror attacks in Canada and abroad. The situation, he commented, left government security agencies on the defensive and losing public support for their effort to protect Canada and its allies."

Even before 9-11, the application by the State Department of the International Traffic in Arms Regulations (ITAR) required anyone having access to US defence products or services to be registered by the State Department. The US is in a separate class when it comes to military sophistication and technology. Determined to keep their hard-earned advantage (the US has traditionally spent more on their military than the rest of the world combined by a factor of two or three), they do not want their secrets to fall into the 'wrong' hands. Since 1999, when the State Department broadened the scope of ITAR regulations, it has had a particular impact on the integrated defence trade because it effectively precludes foreign-born Canadian citizens from designated countries from working on these projects.

The rules were partially relaxed in 2007 in the case of DND employees (and recognition that Canadian security checks and export regulations matched those of the US), but ITAR continues to constrain

shared defence production. There is an increasing sense, shared by the British and Australians, that ITAR serves as much as a protectionist device as a legitimate security shield. The Obama Administration has agreed to take a new look at ITAR with a view to more practical applications. The coming discussions should press this review forward.

Second, mutually enhanced competitiveness through coordination of Infrastructure investments and regulatory compatibility.

The first step is to create a joint commission for border infrastructure. It would start with our three main gateways – Windsor Bridge/Tunnel, Sarnia and Fort Erie/Niagara Falls – through which passes over three-quarters of our trade. Infrastructure should be a jointly managed asset and this is underlined by the ongoing controversy over The Ambassador Bridge and proposed new Detroit River International crossing. As former Ambassador Derek Burney and others have pointed out, joint commissions work. The International Joint Commission has successfully managed the waterways between Canada and the United States for over a century. The St. Lawrence Seaway Authority manages the locks and regulates the flow of traffic. The Columbia River Authority oversees this vital western waterway.

Second, open our skies and roads. Open skies will encourage tourism and, in the case of trucking, cabotage will also yield 'green' dividends. Additionally, it will greatly improve the competitiveness of our integrated supply chains and go some distance to achieving President Obama's goal of doubling American exports.

Third, sweep aside unnecessary regulatory differences. "Take a blowtorch", as Carleton Canada-US Engagement co-chairs Derek Burney and Fen Hampson put it, "to outdated and downright silly regulatory differences that do little for productivity, health or safety in Canada. Progressive measures to kick-start economic recovery are a proven commodity that, if implemented speedily, will get attention in Washington and may well evoke a rational response" (National Post, February, 2009).

If Europe can harmonize its standards then surely Canada and the US can find a way through which approval in one country – i.e. 'tested once' – would constitute approval in the other. On pharmaceutical drugs, for example, the Council on Foreign Relations (2005) reckoned that regulatory cooperation would both raise sales and increase the rate of return in an industry where the costs of bringing a new drug to market are estimated at nearly a billion dollars. With some notable exceptions (e.g. official

languages) they too often reflect the 'narcissism of small differences'. Health and safety offer the most promising ground for positive progress, with the close relationships that developed during the SARS and H1N1 experience and in the development of North American protocols on pandemics. The alternative, as we witnessed during the mad cow experience, is to let narrow interests trump science and the greater good.

The Fraser Institute estimates that each year Canadian federal and provincial jurisdictions add more than 4500 new or amended regulations (Jones and Graf, 2001). Acknowledging public concerns about a unilateral alignment with the US, Katie Macmillan suggests a collegial approach involving the US, EU and the Tasman countries that would be tailored by sector.

Build on the partnership that resurrected the auto industry and follow through with the NACC recommendations (2008, p 7) to align vehicle safety standards and regulations, including the standardization of regulations on occupant protection, electronic stability control, driver distraction, bumper and emissions standards and regulation of fuel economy improvements.

Fourth, simplify, or eliminate, the rules-of-origin regulations that govern whether goods partially produced outside North America qualify for duty-free trade. With trade in services growing as a result of increasing integration in supply chains, cross-border restrictions that hamper business travelers frustrate the achievement of their maximum value. Use the process started with the recent procurement reciprocity agreement at the state and province level (February, 2010) to grant Canadian and US firms 'national treatment' in bidding on government contracts. The successful collaboration to save the auto industry underlined the value of cooperative action by federal, state and provincial governments as well as business and labour.

Fifth, collaborate in managing our human capital, including the adoption of common standards, i.e. 'accredited once', for professionals and the trades. Again, this requires provincial action. The demographic pressures of an aging population, observes Kevin Lynch, mean that the medium term pressure will not be a 'jobless recovery' but a 'workerless expansion' (2010, p. 76).

Third, joint stewardship of our 'commons' especially in the management of resources and climate change.

Step one is to make stewardship of our shared resources and environment a joint effort. For more than a century, Canadians and Americans have benefitted from a cooperative approach in

dealing with resource issues, especially water and energy. Indeed, we have led the way in creative stewardship, beginning with the International Joint Commission (1909), with specific attention to the St. Lawrence Seaway (1954), the Columbia River (1964), cleanup of the Great Lakes (1978) and the Acid Rain Agreement (1989).

Only twice, in the nearly 50 cases referred to the IJC, has its recommendations not been followed. In the longer term, especially given population shifts to the arid south-west of the US, the sharing of water is going to become the major resource issue. It would make sense to task the IJC, with its long and successful history in water management, to start planning around long-term water conservation and management.

Energy cooperation dates from the Second World War and, more recently, to the creation (2001) of a North American Energy Working Group. After the North-east power blackout (August, 2003), cooperative efforts were strengthened through the work of the US-Canada Power System Outage Task Force and the North American Electric Reliability Council. In terms of electricity management, we need to jointly address the challenges around transmission, especially cyber-security, the smart grid and grid reliability. The International Energy Association (IEA) reckons that Canada will require $238 Billion in electricity investment by 2030. There continues to be problems around transmission and addressing the 'not in my backyard' (NIMBY) syndrome.

Start by re-framing the debate from that of a pollution problem to an innovation opportunity and an issue of global security. We do not have the technology to give us clean energy on a large scale. There is a quiet but growing chorus within industry and the environmental movement calling for an energy revolution. There are also plenty of scientists eager to act. Alternatives – solar panels, biomass, windmills and tidal power – are part of the solution. So is conservation. Use the 'Clean Energy Dialogue' to advance energy innovation.

It would make a lot of sense for Canadian regulators – perhaps through the Canadian Association of Members of Public Utility Tribunals – to work closely with Federal Energy Regulatory Commission (FERC) in full and the National Association of Regulatory Utility Commissioners (NARUC). Learn from the lessons of the BP Gulf oil spill and the Enbridge pipeline break in Michigan and take a bi-national approach to challenges around the electrical grid system, oil and gas pipeline security as well as common environmental challenges around water and land use (e.g. Athabasca River, oil and coal tar ponds).

The Clean Energy Dialogue (2009) has established ongoing collaboration between the two federal authorities, but the Dialogue should be widened to look at how we manage our energy resources to

mutual advantage. There is also considerable activity at the state-province level through regional initiatives like the Western Climate Initiative (2007) and the Hydrogen Highway (2007) on the west coast. As seen with the California emissions standards that have been adopted at the national level (2010), state and provincial standards can find bi-national application. The 'green economy' offers prospects in climate-friendly trade for Canadian companies in, for example, plastic membranes to contain emissions and pollutants (Goldfarb, 2010 p21).

With the Obama Administration's efforts to pass comprehensive climate change legislation in limbo, action has turned to the regulators and the Environmental Protection Agency (EPA) has begun to regulate Greenhouse Gas (GHG) emissions under the authority of the Clean Air Act, armed with a mandate from the US Supreme Court.

The Harper Government policy is to 'harmonize' on climate change with the US. The better approach is to be 'compatibly Canadian' as we are doing, for example, in our regime for coal-fired generation. The National Round Table on Environment and the Economy's Canada-US Climate Policy Study (2010), recent work by the C.D. Howe Institute (2010) and the Canadian Council of Chief Executives (2010) recommend that Canada should get ahead of the game with a 'made in Canada' policy.

The reliance on oil, gas and mining extraction in Canada results in a much higher degree of GHG emissions than do industrial emissions in the US. Canadian emissions are also growing faster than those in the US because of projected oil sands development. Hydro provides nearly 60 percent of Canadian electricity while, for America, 50 percent of their power is generated by coal-fired plants. It means the US will achieve, eventually, very large emissions reductions by replacing coal with sources that are less carbon-intensive. This underlines the argument for the development of a compatibly Canadian approach.

‘Getting it Done’:
Lessons on Doing Business in Washington and America

Shortly after my arrival in Washington I began the first of more than 300 calls on Capitol Hill pushing and promoting, explaining and defending what we loosely define as ‘Canadian interests’ to whoever would listen. The initial call was instructive. I was sitting in a waiting room awaiting the summons of a chief of staff for a Congressman on the Ways and Means committee. The waiting rooms are cramped, but they have the advantage of having at least one, and often two television sets, one broadcasting the proceedings of the Senate or House on C-SPAN (the US equivalent of CPAC) and the other usually tuned to cable news. In most cases, even in Democratic offices, the main news source was FOX. Upstart, right-leaning and opinionated, it continues to dominate cable news networks and thus it primes the American political agenda. It is essential viewing.

I never did see the chief of staff. Instead, a young staffer emerged to tell me his boss was ‘preoccupied’ and that I could make my pitch to him. And so I pressed the case of the day: to reopen the border to Canadian exports of live cattle. He listened politely to my ‘beef,’ asking a couple of questions: first, ‘How did it affect their district?’; second, ‘What did I want them to do?’. To the first I spoke about the importance of Canada-US relations – a ‘bland of generalities’ that failed to impress. The second was easy – ‘open the border’.

He smiled and thanked me for taking the time to call. While leaving I met the 'preoccupation'. They were a clean-cut trio dressed in the standard lobbyist uniform of dark blue suit and red tie. They had come to lobby for the inclusion of an 'earmark', a special financial provision in an 'appropriations' or money bill that defines clout and power on Capitol Hill.

'What do you want?' I asked. In their case, they wanted funding to widen the entrance to the company's plant to improve access for six-wheeler trucks. Their product – a beauty lotion for America's cats. They succeeded and it would become one of the 13,997 earmarks catalogued in the Citizens Against Government Waste 2005 *Congressional Pig Book*. The total cost of these 'projects' – 27.3 billion dollars. "American democracy", remarked journalist Michael Kinsley, "is a conspiracy of special interests against the general interest but every special interest thinks that it is the general interest" (2005, pB7).

The call was a lesson about money and politics. It also underlined former House Speaker Tip O'Neill's observations about 'all politics being local' and its corollary, the need to do the homework before you meet with a legislator to make sure your 'ask' has local relevance. Otherwise, you are wasting their time and your own.

Nor can one underestimate the American capacity to advance and defend their interests, no matter how apparently inconsequential and seemingly contrary to their strategic interests. As Allan Gotlieb observes time and again in the *Washington Diaries*, the dispersal of power in the US, and the legions of special interests armed with a cheque book, makes negotiations frustrating and difficult. Time, more money and increasing polarization have only accentuated these challenges. In 2010, the Federal Election Commission estimates candidates running for election to the House and Senate spent $1.7 billion dollars, notwithstanding the declarations of both President Obama and the Tea Party. The Congressional Pig Book for 2010 records 9,129 projects costing $16.5 billion dollars.

How does Canada, without votes or the grease of money, make headway in this system?

Keep the following ten lessons in mind.

1. Understand the American System

The Founding Fathers created a system of brokerage politics with a separation of powers and checks and balances designed to frustrate radical change. It makes for an often irrational policy-making environment that can be confusing for those used to the Canadian variation on Westminster-style government. Visiting Ottawa in 1948, US Defense Secretary James Forrestal thought the Canadian system an admirable example of 'responsible government', in contrast to the American 'free-for-all'. It is a 'free-for-all' and one that we have to understand. Too often we transpose our mind-set to the American system.

In relative terms, members of Congress have much more power and influence than Members of Parliament and the Founders created strict constitutional curbs to prevent 'king-like' tendencies in their presidency. Congress, by the Founders' design, is the first branch of American government. "Just remember this," Bryce Harlow, the canny advisor to Presidents Eisenhower and Nixon, would tell those new to Washington, "whatever you may think of the intelligence of those in Congress, the Congress has immense power. If you provoke it sufficiently, it can rear back and strike you. It can destroy an Administration. Never underestimate the Congress" (Schlesinger, 1989, p.15).

Congressional dominance is the normal condition for American democracy, except during periods of war or international tension when an external challenge induces congressional deference to the executive. Unlike the Canadian system with its strict party discipline, Congress is like a game of 'tic tac toe' – votes are traded based on personal connections and local interests.

America's most popular sport is football. It may lack the elegance of hockey or baseball, but a lot of the football playbook has application when

> *"Our constitutional founders believed that liberty could be preserved only when the motions of government were slow, the power divided, and time provided for the wisdom of the people to operate against precipitous and ill-considered action. The delegates believed that they were sacrificing efficiency for liberty. They believed, in the words of James Madison, who in his middle thirties was the most vigorous figure in Philadelphia that they were "so contriving the interior structure of the government as that its several constituent parts may, by their mutual relations…be the means of keeping each other in their proper places."*
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> - Senator John F. Kennedy speech to the University of Montreal December 4, 1953

working on Capitol Hill. Much of the congressional legislative process is similar to 'three yards and a cloud of dust'. The system is designed for 'block and tackle'.

An average of 11,000 bills are introduced each congressional session. Less than 500 of them reach the President's desk for signature or veto. During the second session of the 111th Congress (2010), for example, 4604 measures were introduced and 219 were enacted into law.

The presidency matters and it is our best entrée into the US system. But its power lies less in its constitutional authority than in its ability to persuade. After decades of close observation, then editor of the *National Interest*, Australian Owen Harries writes:

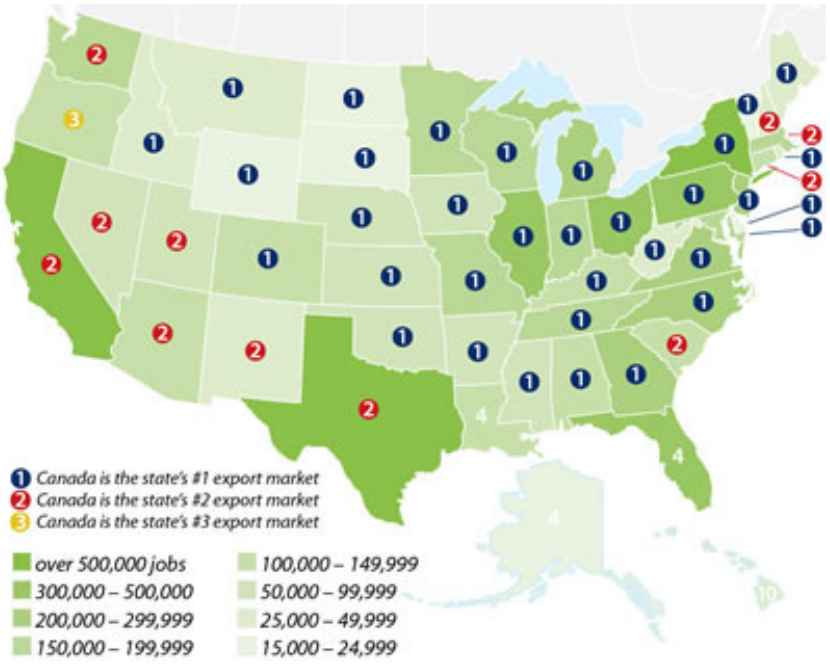
> "In more or less normal times an "iron triangle", consisting of an entrenched Congress, a federal bureaucracy and a powerful system of lobbies, sets severe limits on what a president can do, however soaring his rhetoric and however genuine his ability. A serious crisis such as 9/11 may, temporarily and substantially, free a president from this constraint by creating a mood of national unity and a demand for immediate and decisive action. But by its very nature such a crisis is likely to require improvisation rather than a premeditated plan. In either case - business as usual or crisis - the fate of a president, like that of any political leader, will depend at least as much on the circumstances they face as on their will and ability. As the British Prime Minister Harold Macmillan responded when asked what was most likely to upset the best laid plans of a government: 'events, dear boy, events'" (Harries, 2008, p.55).

2. Know Your 'Ask' and Frame It as an American Issue

Too often when seeking relief from an American action, we have not thought through what we really want, or can offer up in return. Americans usually know exactly what they want and they have little patience to either interpret or wait while we figure out our 'ask'. Canadians also have a tendency to negotiate first with ourselves and, in the process, ask for what we think we will get rather than what we really want. When the Americans accede to our 'ask', they are surprised by our lack of appreciation. They are befuddled when they learn that what we asked is not really what we wanted. As a former chief of staff to a border Congressman once observed to me, "you look the same, you talk the same, but sometimes you are more opaque than the Chinese."

Too often we frame disputes as Canada vs. USA. This works on the hockey rink,

but in Congress it is a recipe for defeat and frustration. I'd start most discussions by talking American college football and how their local team was doing. This would get their attention. It also helped that we know what a tailgate party is. Then I'd lay out my map of the US with a number one on thirty-eight states. When I explained that for those states Canada was their main export market and then talked about the jobs in their state that depended on trade with Canada and then drilled down into their district and told them about those companies and then described Canadian investments in local firms, I then had their undivided attention.



We always do better when we can make our issue a debate between Americans. On almost any issue you can find an American ally with whom you can make common cause. Henry Waxman may be an adversary on the oils sands, but he was an effective ally on acid rain. During the 'mad cow' embargo we realized that American stockyards and slaughter houses in Montana and Idaho were closing because they lacked supply from Alberta's 'feed lot alley'. We worked with their lobbyists to bring pressure on their Congressional Representatives as a counter-weight to ranchers.

3. 'All Politics is Local'

While the President is usually our ally and a portal to action, we cannot depend on the Administration to represent our interests in Congress. Most issues that become problems for us in Congress, particularly those that affect resources like lumber or products like steel, start at the state and local level. Once in Washington they have momentum behind them and we wind up playing defence.

With elections every second year for the House of Representatives, politics is 'all retail'. Recognizing the 'retail' nature of congressional relations, Allan Gotlieb fathered a strategy that took us to Capitol Hill and expanded our advocacy operation through our network of consulates, now

extending into the American heartland.

Speaker Tip O'Neill's dictum, 'all politics is local', should be chiseled into every briefing for all Canadians advancing our interests in the United States. Learn the lessons of American politics. It's a fifty state campaign. While Washington is the centre of American political life, the campaign field is all of America. Our goal should be to situate a representative presence in every American state to listen, watch and speak out for Canada.

4. Think Big and Play by American Rules

"Make no little plans; they have no magic to stir men's blood," advised Daniel Burnham, the great Chicago architect and builder, "Make big plans, aim high in hope and work." Americans like big ideas. It is much easier to get their attention when you 'think big'.

More Americans think like Canadians than there are Canadians. Because of the asymmetry in population, on almost any issue, and especially in the case of the environment, we have more friends and allies than we realize or appreciate.

Another way to look at the relationship is as a collection of 63 states and provinces operating under two federal frameworks. This web of networks, especially the personal relationships of governors and premiers, constitute the 'hidden wiring' of the relationship. Then there are the personal relationships that cross sectors and professions. Governments, business, labour, civil society and the media – they are like the interlocking Olympic rings. Cultivating these circles of influence and better coordinating these relationships is an ongoing requirement.

There is a Canadian tendency to get worked up about nits, what Secretary of State Condi Rice would call them 'condominium issues'. We are often our own worst enemy because we refuse to play by American rules. Too often we think small, sit back and assume traditional diplomacy will suffice. After a meeting with Dick Darman, then Special Assistant in the White House and later Deputy Secretary of the Treasury, Allan Gotlieb penned in his *Washington Diaries (p.85)*:

> "August 7, 1982: I keep thinking of what Darman said to me the other day as I was leaving his office. 'You know, for us in the White House, there is good news and bad news. The bad news is that Reagan really can't say no to the Canadians. The good news is that you guys are too stupid to realize it.' The sad reality is he's right."

5. It Starts with Trust and Relationships

Access depends on relationships. The Washington Game is all about 'networking'. Derek Burney (1989-93) writes in his memoir, *Getting it Done*, that the first priority of the Ambassador and his team is to know the players (2005, p136). Relationships need to be developed at every level. We need to know the troupe of players that can affect Canadian interests. It is a permanent campaign because the troupe is constantly shifting, aligning and realigning.

Alexis de Tocqueville observed nearly two centuries ago that America is a remarkably egalitarian society. It does not stand on ceremony. On Capitol Hill and at the State House, what you bring to the table in content and persuasion is more valuable than the title on your card. Opportunity depends on access. This means shoe leather and button-holing in the halls of Congress and state legislatures. The protocol for these meetings is simple: Know your 'ask'. 'Be brief, be forthright, be gone'. Follow-up with calls in their district and, then, recommence.

Successful relationships, personal and professional, start with trust and shared confidence. Livingston Merchant and Arnold Heeney, both experienced former Ambassadors, underlined the importance of 'quiet diplomacy' with adequate and timely consultations before making decisions. In their twenty lessons for practitioners, John Higginbotham and Jeff Heynen write that "mutual trust is at the core of functioning relations" (2004, p.19). This means getting to know your counterparts, understanding their powers and constraints and early on sharing information and confidences with them to build trust. Candour comes with confidence.

The Free Trade Agreement would not have happened without deep trust and shared confidence between Ronald Reagan and Brian Mulroney and American officials would often remark, ruefully, that the President was inclined to give 'his friend Brian' more than they would have liked. Bill Clinton's speech on federalism at Mont Tremblant in October, 1999 reflected not only his strategic perspective about Canada, but his personal regard for Jean Chrétien and his appreciation of how much it meant to his Canadian friend. 'Smart Border' would not have succeeded without the personal direction of Foreign Minister John Manley and Homeland Security Secretary Tom Ridge driving it forward, nor would the 'smart driver's license' have gotten off the ground without the personal commitment of Premier Gordon Campbell and Governor Christine Gregoire.

Relationships are critical not just between

elected officials but between senior appointments and, for the Canadian-American relationship, a most critical relationship is that between the Canadian and American Ambassadors. Politics and sports share a lot of similarities. If Presidents and Prime Ministers are the owners of their respective 'teams', Foreign Ministers the 'general managers', then the Ambassadors are the coaches, the representatives in the field who call the plays to their network of quarterbacks at the Consulates. Having an American Ambassador who, when necessary, can pick up the telephone and get through to the President is invaluable. Much of the transactional 'noise' can be headed off, or settled, by the ambassadors working their relationships and using their teams, both in the capital and their consulates in the regions. In their respective memoirs, Derek Burney, Jim Blanchard and Paul Cellucci write of their regular contact with their counterparts in Washington or Ottawa. Their fellow ambassadors have all spoken about the importance of problem-avoidance, as well as the problem-resolution dimension of their jobs. The quiet perseverance and comity between Gary Doer and David Jacobson, for example, energized the resolution of the Canada-US reciprocity agreement on state and province procurement (February, 2010).

When the ambassadors are effective and have the trust of their leaders, they should be the point persons for the relationship. There are occasions, however, when the appointment of special envoys and Task Forces can resolve particularly difficult issues or major initiatives. Special envoys underline the importance of an issue and usually ensure that the leaders' attention on the matter will be more or less fully engaged with the weight of their office behind the effort. It is a critical factor in making governmental agencies and departments share information with each other and coordinate their activities. This worked, for example, in the case of the West Coast fisheries resolution. For the negotiation of the Free Trade Agreement, the creation of the Canadian Trade Negotiations Office, headed by special envoy Simon Reisman, made sense given the scope and complexity of the deal. Task forces and envoys need a clear mandate, a clear objective and a defined deadline.

6. Bringing Value to the Table

America's global burden of primacy – nuclear proliferation and Iran, North Korea, the Middle East, Afghanistan, Iraq – makes for a big field. There is genuine interest in new intelligence or a different perspective from their allies. George Shultz was interested in the Canadian perspective on developments in the Soviet Union; Gotlieb writes in his *Diaries*

how he arranged for former Ambassador

Robert Ford to come to Washington. There is continuing interest in what is going on in Cuba, where we have representation and the Americans do not. A francophone colleague in Teheran would write his dispatches in English because they were valued at Foggy Bottom and in the Pentagon, even if he was never sure if they were read beyond the desk officer in Ottawa.

Towards the end of his term, Raymond Chrétien (1994-2000) observed that America's "national sense of self and singularity and global mission is a tremendous asset, but it can become self absorbing." (1997, p3) If we are smart, we harness that self-absorption. Using intelligence from our own global diplomatic network, we can always find an angle of convergence that captures American attention. By reinforcing our credibility as serious players on issues that matter to America we advance our own interests.

In *Life with Uncle*, former Canadian diplomat and scholar, John Holmes, defined 'alliancemanship' as the art of being a better ally:

> "The sober restatement of our own views can forestall sharp rebuke later. It is of very great importance to Canada to maintain amicable relations with whatever administrations the Americans elect. That does not mean supine agreement, but it suggests caution in picking a quarrel. The danger is that we forfeit not only our vested interests but also the disposition in Washington to listen to our arguments on world affairs" (p. 91).

On occasions (e.g. Star Wars, Iraq intervention) when our interests diverge from those of the Americans, the challenge for Canadian leadership is to do so respectfully and avoid what Holmes described as 'flippant disagreement' (1981, p. 90). We have, Holmes observed, "our own sour reputation for nauseous holiness and hypocrisy to cope with, our rhetoric outpacing our contribution" (1981, p. 137). Even when we think they are making a mistake "we have to continue being not a submissive but a stubborn, opinionated, tiresome, and, of course, always wise friend" because, Holmes observed, the Americans "need best friends to tell them when their breath is bad" (1981, p. 137-8).

7. Institutions Work

The great architect of European unity, Jean Monnet, once observed, "Nothing is possible without men, but nothing is lasting without institutions." Institutions, with their formal rules and conventions, act to level the playing field and this is

especially true when the relationship is asymmetrical. Arrangements that remind

Americans of Canadian interests and provide a framework for discussion and dispute settlement are vital to Canadian interests; however, their 'success' is seen to impinge on congressional authorities and so rather than aim to create new institutions, which Congress is likely to reject, we should use existing institutions to maximum effect.

The Jay Treaty of 1794 that followed the Anglo-American Paris peace settlement (1783), introduced the concept of joint arbitration commissions of 'equals' to achieve settlement by evidence-based knowledge, rather than politics. The Hyde Park Agreement (1941) set up a series of functional agencies for coordinating the Canada-US war effort. Most were later quietly disbanded, as Truman would remark, with a minimum of disturbance. A new set of US institutions – the Department of Homeland Security and NORTHCOM – were created after 9-11 to which we developed parallel institutions – Public Safety and Canada Command.

Summitry began with Mackenzie King and Franklin Roosevelt and that experience set the model. Summits are most effective when they are regular and results-oriented – winning a war or achieving a major objective, like the agreements on free trade and acid rain. The annual summits, initiated by Brian Mulroney and Ronald Reagan and sustained through George H. W. Bush and into the Clinton years, served Canadian interests. They required the National Security Council to develop a strategic appreciation of Canada and to ensure follow-through. The quarterly meetings between Foreign Ministers, begun by George Shultz and Allan MacEachen, served a similar purpose. Unfortunately, both subsequently declined into pull-asides at multilateral meetings where the Secretary or President was armed only with a briefing note and lacking the strategic focus of earlier preparation. There is more than enough on the bilateral agenda for us to resurrect regular meetings between the President and Prime Minister and the key cabinet officials.

8. Canada Inc.

The scope and depth of the Canada-US relationship obliges a different approach to traditional statecraft. The integrated nature of Canadian-American business means that, like an iceberg, most of its activities take place with minimal government involvement. During the FTA and NAFTA negotiations, and subsequent roll-out of the agreements, the participation and feedback of the International Trade Advisory Committee (ITAC) and their sectoral counterparts

(SAGITS) were invaluable. One of the disappointments of the NACC is that, despite the commitment in time and industry, their recommendations appeared to go into a black hole.

Business will engage in policy development as long as it is results-oriented. The corporate world has little patience for 'consultations' as political posturing or window-dressing. Business wants regulatory constancy because planning and investment are measured in decades rather than election cycles. We need to develop a permanent public-private advisory council that governments, federal and provincial, can turn to for advice and rely on for support and advocacy. There is much we can learn from the EU in this regard. The Trans-Atlantic Policy Network, for example, plays a vital role in bringing business, governments and civil society into regular discussions around vital issues with a goal of developing 'road-maps' for action.

Given the deepening integration of supply chains, and the still important role of the unions, especially in manufacturing, labour needs to be brought into planning and discussions early. A third of Canadian unions are affiliates of their American brethren, yet this relationship is too often underutilized, especially when dealing with the perennial problem of 'Buy America'. Unions are a vital component of the Democratic coalition: they contribute volunteers and money, which gives them an active voice at the leadership tables in Congress and the White House. The Canadian Steelworkers, for example, played a lead role in securing exemption from US action aimed at European steel-workers in the early 90s and Ambassador Doer called on union support during the successful negotiations leading to the recent procurement reciprocity agreement.

9. A Permanent Campaign

The 'free-for-all' nature of the American system makes for confusion and complication. In a dispatch sent home in 1951, then Ambassador Hume Wrong (1946-53) observed that "we rightly distrust the processes whereby American foreign policy is influenced from day to day and are never sure of its steadiness and consistency" (1976, p.545). Commerce and communication have only deepened the integration of our interests, while time and a 24/7 media cycle with multiple entry points have only further confused and complicated the American system. In Allan Gotlieb's Washington (1981-89) much of what he wanted to do could be accomplished with conversation down at a Georgetown salon and he personally knew all of the top lobbyists. Today, the Washington lobbying business

employs over 33,000. Technology has added to this confusion with the creation of a spaghetti bowl of blogs, internet, cable, and multi-media that are increasingly delivered by YouTube, Twitter and Facebook. Power is further diffused and new actors are defined by a much narrower set of interests. As a result, making the Canadian case in the United States has to be a permanent campaign.

As long as there is an interest group with a gripe and the ear of its Congressional Representatives, we need to be engaged. Consider, for example, that in 1789, Massachusetts timber merchants, in what is now Maine, persuaded the Washington administration in the first year of its first term to impose a 5% tariff on imports of New Brunswick timber. Since then the US has imposed restrictions on Canadian lumber imports more than thirty times.

This means that we need to be very well prepared. It also means doing diplomacy differently. As Ambassador Frank McKenna (2005-6) put it: "Don't bring a knife to a gunfight." There is premium on 'rapid response'. To succeed requires an understanding of both the system and its 'hardball' rules. It means using all of our assets – Embassy, business, lobbyists and lawyers, and legislators at the federal, provincial and municipal level – and making it a Team Canada effort. Nor is it ever over, "And if and when this case is resolved – don't stop. You must permanently protect your interests" concluded McKenna (2005).

If we're to protect our future, we need a new attitude about the environment. We must protect the air we breathe. I will send to you shortly legislation for a new, more effective Clean Air Act. It will include a plan to reduce by date certain the emissions which cause acid rain, because the time for study alone has passed, and the time for action is now. We must make use of clean coal. My budget contains full funding, on schedule, for the clean coal technology agreement that we've made with Canada. We've made that agreement with Canada, and we intend to honor that agreement.

- George H. W. Bush, *State of the Union Address*, January 31, 1989

10. Tending the Garden

Relationships, George Shultz told me, are like gardens. They need constant care and weeding. The more complex, the more attention is needed and what worked in one season, may not work in the next. So it is with the Canada-US partnership. We need to renew trust and confidence, especially on mutual security for our homelands and the stewardship of our shared resources.

It does not mean that we will agree on everything. We are different countries, born out of the same Revolution. Despite taking different directions, American political sociologist Seymour Martin Lipset concluded "we two resemble each other more than either resembles any other nation" (1990, p. 212). We are a model for the rest of the world on how to manage differences. We have created institutions that work, for example, NORAD and the IJC. We approach problems based on bi-national governance, a partnership of equals serving our respective nations, but working in an integrated manner.

'Alliancemanship', John Holmes observed, presents Canadian policymakers with ongoing challenges. The Americans, Holmes remarked in *Life With Uncle*, have a "galling habit of regarding us as a regional aspect of a national problem" (p.45). It means we just have to work harder in what must be a 'permanent campaign' involving not just the Federal Government, but provincial governments, business, labour and civil society, as part of a Team Canada effort. US Ambassador David Jacobson has remarked that, "You Canadians think you know all about us. We Americans think we know all we need to know about you. We're both wrong."

But Canada can't afford to get it wrong. As a strategic imperative, we need, more than any other nation, to understand America and its idiosyncrasies.

Then and Now

As we begin negotiations to take economic integration between Canada and the United States to the next level it is worth reflecting on what has changed between now and the last time we embarked along this path. Perhaps the biggest difference is the acceptance by Canadians that freer trade works to our advantage.

In 1984-5, opinion was sharply divided. Brian Mulroney had been elected leader by taking the traditional Conservative approach in opposing free trade before deciding to take the free trade 'leap of faith'. About a quarter of Canadians were favorable to the idea and the same number opposed. The majority recognized that the status quo – increasing American protectionism coupled with structural economic deficiencies including deficits and unemployment – wasn't serving our interests. There were doubts about the Americans' willingness to truly 'level the playing field', about our ability to compete internationally and about our capacity to preserve our 'independence'. The 1988 election nearly turned on a successful debating performance by John Turner on the sovereignty issue and the opposition of Ontario Premier Peterson.

After a bitter couple of years of adjustment we proved that we can compete internationally. A decade of trade-driven prosperity persuaded the provincial Premiers. The Liberals came around after a change of leader and some cosmetic changes in the NAFTA. As a result of program reviews, deregulation and an attitudinal change to deficits, we are the poster child for 'prudent' and responsible government. The domestic 'give and take' that will be required this time is not likely to be nearly as politically contentious. Importantly, we can count on the Premiers, whose intervention with their Governor counterparts made the difference in securing the reciprocity agreement on procurement last year.

We enjoyed perimeter defence from the Ogdensburg Declaration in 1940 until 9-11 when the curtain came down on the 49th parallel. Extending the NORAD model of sharing and pooling of information and intelligence to the already close working relationship between law enforcement, migration and intelligence communities makes sense. Collaborative 'neighbourhood watch' is necessary to persuade the Americans to lift the curtain for legitimate goods and travelers. In return, we must have assured access for people and goods. The interruption of just-in-time delivery is already affecting investment decisions. Coupled with our petro-dollar, the Canadian advantages begin to diminish.

We will preserve our separate migration regimes, including different visa practises, although the Americans will insist on biometrics. This is the recommendation of the 9-11 Commission – and we have already recognized its utility in the 'Smart Border Accord'. Those who refuse to give up this information will have to accept delays and interrogation. The Charter of Rights does not apply to those crossing into the United States.

Regulatory compatibility makes a lot of sense. The Mexicans and Europeans are already ahead of us in their negotiations with the Americans. We need to catch up because nowhere is the 'narcissism of difference' more profound and unnecessary. Differences in food regulations, for example, means that 'fortified Cheerios' must be produced with slightly different compositions in each of our two countries. As Ambassador Jacobson observes, "Not once have I felt less healthy". But the difference in the standards leads to separate production runs, less efficient trade and higher costs for producers and consumers. It's time to take a blow torch to these differences.

Stewardship of our economic interests also argues for a truly cooperative approach to managing the arteries of our economic success. Let us adopt policies of open skies and open roads and take the example of the St. Lawrence Seaway Authority to stewardship of our gateways, rail and road links, ports and pipelines and the grids that power our homes and industry.

For over a century we have taken a continental approach to our 'commons' – the International Joint Commission is an international model for sensible trans-boundary water management. We have built on this model and collaboratively cleaned up the Great Lakes and rid our skies of acid rain. Climate reform and management of the Arctic is the logical next step in environmental stewardship.

If Canadians have faith in the next leap forward, can the same be said of the Americans? Ronald Reagan's vision was of a 'common market from the Yukon to the Yucatan'. His persuasiveness and determination brought along both his Administration and a divided Congress. It helped immensely that he liked both Canada and Brian Mulroney. The tone at the top made the difference.

Mr. Harper can play a mean tune, but will Mr. Obama sing along? The President knows that his re-election will hinge on his capacity to create jobs. Notwithstanding his embrace of India and overtures to China, Americans' largest market, whether they know it or not, is Canada. Supply change dynamics mean that if he is to 'double American exports', then Canada must figure in the equation. The President told us that he 'loved' us when he made his first trip to Ottawa. Now we will find out how much.

Author's Note

With history as a guide, this paper is intended as a 'User's Guide' to Canada-US relations as we commence, I hope, what will be a successful set of negotiations leading to a more economically integrated North America. Closer integration will safeguard the prosperity for three sovereign and independent nations that are neighbours, friends and partners.

In some ways, 'Now for the Hard Part' is a companion to *The United States to 2020 and the Requirement for Canadian Initiative*, a paper that I wrote in 2009 for the British Columbia Business Council, under the direction of the late Virginia Greene and Jock Finlayson. That paper looked at the US and made recommendations based on trends and developments there. This paper looks at the Canada-US relationship and makes recommendations for Canadian action.

The paper draws from a variety of sources, including conversations over the past 30 years, continuing study of the Canada-US relations and travel to every American state. The experience includes assignments during the Carter and Reagan years at our mission to the United Nations and then at the Consulate General in New York (1977-81), my participation in the negotiating teams during the Free Trade Agreement (1985-9), and NAFTA negotiations (1992-4); an assignment bridging the Clinton and George W. Bush administrations as Consul General in Los Angeles (2000-4), my experience in Washington as Head of the Advocacy Secretariat with Ambassadors Kergin, McKenna and Wilson (2004-6), directing the Canada-US Engagement Project at Carleton University (2008-10) and now working with a Washington-based law firm and various Canadian thinktanks.

These experiences have given me a profound pride in Canada. We live in a great country and, know it or not, we are actually very good at what we do and how we do it. Our challenge is not lack of skill or determination, but rather self-confidence. But we can 'own the podium' when we apply ourselves. We have a lot to contribute. Geography has given us resources, land, a challenging climate and an interesting neighbour.

The United States is more than a country. It is a civilization. It dominates world affairs like a colossus. I am not of the 'declinist' school. Rather I have witnessed and I am convinced of US resiliency. I also share the conviction, to paraphrase Winston Churchill, that Americans will almost always do the right thing, even if they exhaust all the alternatives in that process.

For comparative Canada-US perspectives, I drew on the scholarship of David Bercuson, Michael Bliss, Jack Granatstein, Norman Hillmer, Des Morton, Bob Bothwell and Denis Stairs. I drew heavily on the collected works of Michael Hart, my former colleague and friend, especially *From Pride to Influence: Toward a new Canadian Foreign Policy (*2009). Many of his pieces were written in collaboration with our friend, the late Bill Dymond. Directing the Canada-US Engagement Project at Carleton University under the chairmanship of Fen Hampson, Director of the Norman Paterson School of International Affairs, and Derek Burney was a practicum with some of our best scholars in their respective fields: Frank Graves, Si Taylor, Bruce Jentleson, Shirley-Ann George, Patrick Grady, Glen Hodgson, Katie MacMillan, Jack Mintz, Ken McKenzie, Gary Hufbauer, Claire Brunel, Peter Burn, Andre Plourde, David Bercuson, Donald McRae, Louis Belanger, Matt Morrison, John Graham and Robin Sears. We benefited from an advisory committee that included George Haynal and Tom D'Aquino, both of whom have contributed significantly to Canada-US relations.

I have benefited from the mentorship of Allan Gotlieb - *I'll be with you in a minute, Mr. Ambassador: Education of a Canadian diplomat in Washington (1991)* and *Washington Diaries 1981-9 (2007)*), Derek Burney -*Getting it Done: A Memoir (2005*), Frank McKenna, with whom I served in Washington, and Allan J. MacEachen, with whom I served on Parliament Hill. For trade policy and more, I owe a debt to my colleagues, Michael Hart and the late Bill Dymond with whom I collaborated in *Decision at Midnight: Inside the Canada-US Free Trade Negotiations* (1995). I learned much from serving with Canada's chief negotiators on the FTA – Simon Reisman and Gordon Ritchie – *Wrestling with the Elephant: The Inside Story of the Canada-US Trade Wars* (1997) and to the NAFTA – John Weekes and Bob Clark. I also learned from former Canadian Ambassadors to the United States: Marcel Cadieux, Jake Warren, Peter Towe, Raymond Chrétien, Michael Kergin, Michael Wilson and, especially, Charles Ritchie – *Undiplomatic Diaries 1937-71* (2008). After reading Ritchie's *Siren Years* I decided to join the Foreign Service. A similar appreciation to former American ambassadors Jim Blanchard - *Behind the Embassy Door: Canada, Clinton and Quebec* (1998), Gordon Giffin, Paul Cellucci – *Unquiet Diplomacy* (2005) and David Wilkins. I acknowledge a debt to the late John Holmes - *Life with Uncle: The Canadian American Relationship* (1981). At the outset of my career, Holmes encouraged me to become a US 'hand'.

My respect for those who hold elected office has only increased and I have drawn on experiences involving our former Prime Ministers and Federal Ministers, including John Manley, Perrin Beatty, John Crosbie, Pierre Pettigrew, David Emerson, Gerald Regan, Barbara Macdougall, Lloyd Axworthy, David Pratt, Sergio Marchi and our Premiers, notably Gordon Campbell, Ralph Klein, Brad Wall, Gary Doer, Gary Filmon, Pierre-Marc

Johnson, David Peterson, Bob Rae, Jean Charest, Shawn Graham, Bernard Lord, John Hamm, Darrell Dexter and former Alberta Ministers, Murray Smith and Gary Mar for leading Alberta's representation in Washington. I do not think we provide enough civic recognition to those who serve in public office.

Journalism is the first draft of history and I acknowledge and admire the reportage and commentary of the various Canadian correspondents in Washington, beginning with James M. Minifie, Knowlton Nash and Val Sears and including contemporaries Sheldon Alberts, Henry Champ, Michael Colton, David Halton, Tim Harper, John Ibbitson, Neil Macdonald, Lawrence Martin, Barrie McKenna, Joyce Napier, Luiza Savage Alison Smith, Richard Gwyn and especially my friends, Tom Clark, Andrew Cohen, David Frum, Peter Mansbridge George Russell and Jeffrey Simpson.

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But mostly I acknowledge my wife, Maureen Boyd, my partner, 'boss' and editor.

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A career foreign service officer from 1977-2010, he served as first Head of the Advocacy Secretary and Minister at the Canadian Embassy in Washington and Consul General in Los Angeles, with previous assignments as Consul and Counsellor in Hong Kong and in New York at the UN and Consulate General. In his final assignment he directed a project at Carleton University's Centre for Trade Policy and Law with the support of the Federal and Provincial Governments and the private sector on Canada-US Engagement. A member of the team that negotiated the Canada-US FTA and NAFTA he is co-author of *Decision at Midnight: The Inside Story of the Canada-US FTA.* He has taught at Carleton University and the Canadian School of Public Service. He served as president of the Historica Foundation. He was editor of *bout de papier: Canada's Journal of Foreign Service and Diplomacy* and president of the Professional Association of Foreign Service Officers.

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