

**Friends at a Distance:  
Reframing Canada's Strategic Priorities after the Bush  
Revolution in Foreign Policy**

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The Bush revolution has dramatically changed the practice and principles of US foreign policy. Its commitment to regime change when needed, unilateralism when necessary and a disregard for international law when appropriate have opened a new page in global politics<sup>1</sup>. No country, no ally, no neighbour can be indifferent to the reframing of US priorities.<sup>2</sup>

Canada has been slow to react to the changed reality brought about by American unilateralism. A complex, difficult, and demanding agenda is now facing Canadians, who at the level of raw sentiment, still want to cling to the much-tarnished ideal of Americans as our best friends and closest allies, words that Chrétien used after the 9/11 disaster to express Canadian solidarity.<sup>3</sup> But friendship, like any other strategic ideal, is subject to change and evolution. Canada's perennial question is what kind of friendship with the world's greatest power is possible and in our strategic interest. Canada's elite policy-makers have never fully absorbed this basic question, and continue to bang off every new American president as though no change is needed nor is a revolution in US foreign policy ever possible<sup>4</sup>. They are profoundly mistaken. And there is an answer.

Thoreau once wrote that 'friends at a distance' make for the 'longitudes' of life<sup>5</sup>. We ought to take his insight to heart. 'Friends at a distance' is a good starting place from which to rethink the great border, security and Canada-US relations. Disengagement, skepticism, prudential self-interest, building new strategic alliances and support for international law and the UN offer a constructive alternative in uncertain times<sup>6</sup>. In this light, this paper will examine the growing divergence between Canada and the United States, as well as Ottawa's options in dealing with the Bush revolution, the myth of the borderless world, the post-NAFTA reality, and the growing constituency of people who are opposed to the Bush doctrine. The conclusion will provide a practical examination of key elements of Canadian foreign policy which must be given equal weight.

### **Washington's New Consensus**

The Bush revolution is both style and content – Homeland Security has created a new frame for US governments to follow<sup>7</sup>. Condoleeza Rice has called the new American approach to multilateralism "transformational diplomacy", by which it is meant that the United States must make the world conform to the needs and strategic interests of the new twin capstones of US foreign policy, the Homeland Security and Patriot Acts.<sup>8</sup> The latest strategic thinking is that international agreements like the Landmines Treaty, the Kyoto Accord, and arms control agreements are further than ever down the US shopping list. American priorities are being framed by the militarization of space and the reorganization of US Armed Forces, putting them on an attack and quick response footing capable of going anywhere in the world in the shortest possible time. Homeland Security is now part of the fabric of American society and government and will outlast the Bush presidency. It is a permanent institutional change that Congress will not alter for a long time to come. Border effects on markets and in the management of the Canada-US border, already large, will soon become larger. Congress has used the Homeland Security Act to take control of its side of the fence and by intent ours as well.<sup>9</sup> The impact on Canada will be even greater because various agendas are in play that have reframed the 'once undefended border' as a high level security frontier.

Many Canadians do not understand the extent to which US law and institutional arrangements have changed. Nor are Canadians particularly gifted readers of US presidential intent and the multi-centered diffuse nature of US politics. We are still operating in our old assumptions and belief in the power of good neighborliness. Our business elites continue to believe in Bruce Hutchinson's classic words that the border is "a perpetual diplomatic dialogue... a fact of nature... which no man thinks of changing"<sup>10</sup>. But Bush and US Homeland Security have changed the social construction of the border beyond recognition.

On issues in which Canada has an interest as a NAFTA partner, like global free trade and WTO trade rules, conservative power in America is engaged in deep regime change at home while at the same time aggressively pursuing regime change wherever Washington deems its interests or security in danger<sup>11</sup>. It is absolutely bracing to read the Congressional Record and to see first-hand the policies, ideas, and beliefs of American legislators. However, Canadians don't read these reports, nor can CNN be relied on to provide fair and balanced coverage of American views.

For example, few Canadians have ever heard of Colorado Congressman Tom Tancredo, who likened granting illegal Mexican migrants amnesty to "dismantle[ing] the border" and tantamount to a "death wish", and who also claimed that "the most significant threat we face to this country does not come from a homegrown terrorist; it comes from an immigrant, people who are here either legally or illegally, who are not U.S. citizens, and are here to destroy this Nation."<sup>12</sup> Nor have many heard of Texas Congressman Ron Paul, who has repeatedly sponsored bills to pull the US out of the UN altogether, due to UN "assaults on American sovereignty"<sup>13</sup>. Even if these extreme views are in the minority, the record leaves little room to doubt just how aggressively the majority of Congress supports the Bush revolution as the strategic framework at home and abroad. The majority of Republicans want Bush to be even tougher on immigration, border issues, regime change and a host of other issues connected with global governance.

This dramatic shift in posture, values and goals has many implications for Canada. It means more trade disputes, beyond the dozens which have already been brought both to the WTO and to the NAFTA dispute-resolution tribunals, and it means more pressure on Canada to join the 'coalition of the obedient' in defense and security matters<sup>14</sup>. It means Canadians have to address a status quo that is unraveling faster than anyone could have imagined when North America was integrated as a market agreement under free trade rules.

As Figure one shows, Canada is far from resolute in their dealings with Washington. If one were to construct a scale of compliance with Washington's definition of American strategic interests, it is revealing to discover that contrary to appearances, the Martin government has not been successful in defining a set of strategic interests for Canada. In the big picture, there are not only trade irritants, but also deeper issues that have not been forthrightly addressed, including human rights violations in Africa and the Middle East, environment degradation in North America, and worldwide poverty eradication. Aside from the iconic decisions not to send Canadian forces to Iraq and to opt-out of North American missile defence for the time being, much of the Martin government's policy has been one of trying to massage the public's anxieties, rather than provide new leadership. It is well known that it was Pearson who provided the high benchmark of 0.7%

of rich countries' GDP to be dedicated to foreign aid. Forty years later, Canada still hasn't met the target despite having the strongest macro-economic numbers of the G7.

Washington has had a hard time accepting that Canada can say no to sending troops to Iraq and to North American missile defence, and yes to Kyoto and global arms treaties. It has instead been taking Canada's obedience for granted. But experience can be a great teacher. These signal events have not been isolated instances, but rather form the trend-line for a long-term shift which has yet to reach its conclusion. Still, Canada has yet to fully digest the American shift in mindset. For example, Allan Gottlieb and Derek Burney, two of Canada's most respected and most senior diplomats have publicly rebuked Jennifer Walsh's purposeful idea that strategic foreign policy should be tied to human security and Canada's belief in multiculturalism<sup>15</sup>. How could they come to this conclusion having read Romeo Dallaire's *Shake Hands with the Devil*? The more pertinent question is: Where does human security fit on their agenda for global governance? Is it simply a comma in a very long realist sentence on state-to-state diplomacy?

Canada has to assess its own security needs in light of the Bush revolution in foreign affairs. Canadian policy-makers need to immediately identify both the core issues for cooperation and the benchmark areas where Canada will chart its own course of action. While hard-line continentalists exhort Ottawa to follow the leader at all costs, they have failed to recognize that the world has changed. Putting faith in phrases like "a North American community of law" does not address the way the American Congress exercises its power and uses the rule of law only when it suits their interest<sup>16</sup>. Ottawa has come up empty-handed when it comes to protecting NAFTA's legal integrity. Gordon Ritchie is essentially correct when he argues that stripping NAFTA of its legal clout is very problematic. These kinds of tactics set precedents and can be "applied to everything from energy to agriculture."<sup>17</sup> NAFTA is poisoning the waters making it very difficult for any Canadian government to reach agreement on many other issues on terms acceptable to Canada and to Canadians.

Anti-NAFTAists also run the risk of irrelevance. North American integration is a fact, and NAFTA is not going to be nixed; the strategic issue is to reduce its asymmetries and to look for partnerships elsewhere<sup>18</sup>. This takes a lot of hard thinking. Neither worn platitudes nor rigid template-thinking can define Canadian foreign policy in this complex global age.

### **Managing North American Divergence**

The new policy framework staring Ottawa in the face is learning how to be a smart manager of the growing divergence on the North American security agenda. The long-run trend suggests that Canada-US relations are set to become more conflictual than conciliatory, and in the short-term, relations are going to be more acrimonious, as they have already begun to become. Initially, the Bush administration looked for yes-elites to support their homeland security agenda. Ottawa was the perfect candidate because rarely in four decades had Liberal diplomacy disagreed with Washington on any fundamental issue. The Canadian mindset was to take the edge off of Washington's tougher uncompromising stands as it tried to do during the Cold War, Vietnam, or the countless behind-the-scenes diplomatic face-saving compromises<sup>19</sup>.

As a middle power, Canada is instinctively drawn to the middle-ground. As a regional power, Canada is in a quandary because it is a regional player without a region. It has never made the

hemisphere an integral part of its foreign policy. Brazil, Argentina, and Chile have never been priorities where Canadian

**Figure 1. The Slippery Slope of Canadian Foreign Policy: Spin and Reality**

<b>Incident</b>	<b>Circumstances</b>	<b>Response</b>	<b>Outcome</b>
Devil's Lake Diversion	In violation of Article IV of the Boundary Waters Treaty, North Dakota plans to divert waters from Devil's Lake into Manitoba.	The Bush administration refuses to overturn North Dakota's decision despite Canadian protestations that the diversion could jeopardize the health of Canada's ecosystem.	The US is unlikely to support the Canadian government's call for a joint investigation and hearing.
Softwood Lumber	The US has levied high tariffs on Canadian lumber exports due to what they say are artificially low stumpage fees.	Canada has taken the US to both the NAFTA and the WTO dispute resolution tribunals, and won.	Despite NAFTA and WTO decisions in Canada's favour, the US illegal tariffs are still in force.
Beef/ Mad-Cow	The discovery in 2001 of an Alberta cow infected with Mad-Cow disease prompted a US ban on Canadian beef imports.	The US ban has cost Canadian producers an estimated \$3 billion, leading to calls for greater government intervention.	The federal government has decided to provide one-time aid to Canada's producers, rather than invest in an inspection system that examines every cow that is slaughtered.
Cross-border pharmaceuticals	Canadian internet-based mail-order pharmacies have been illegally shipping Canadian drugs to the US.	Some US lawmakers want to legalize drugs imported over the internet from Canada.	Health Minister Ujjal Dosanjh is calling for a ban in the pretext that there will be a shortage in Canada, but in reality protects US drug company interests.
New security plan	The US has urged Canada to join it in forming a common North American security policy.	The Martin government has signaled a willingness to further integrate our security policies.	Canada will participate in the newly formed Security and Prosperity Partnership of North America.
Missile defense	The Bush administration wanted Canada to be an active participant in a joint missile defense system.	Canadian civil society strongly opposed participation in such a system.	Paul Martin surprised many by refusing to join the US plan, though Canada has provided the US with intelligence support.
End of the flash-and-dash commerce first border	Under Homeland Security, visitors from Canada will be required to show a passport, undergo a retina scan, and be fingerprinted.	The government misled Canadians by saying that Canada would get an exemption.	By 2008, Canadians will need full documentation to enter the US, or they will be turned back. The longest undefended border is now securitized and heavily policed.
Kyoto	The US is the only G8 country not to have ratified Kyoto.	Canada has signed onto Kyoto.	Canada is trying to use the G8 to convince the Bush administration to reduce emissions, but Bush is still saying 'No' to Kyoto.
Aid to Africa	Activists and civil society have been asking both Canada and the US to pledge 0.7% of their GDP in aid to Africa.	Both Canada and the US refuse to make such commitments, pledging instead to simply double their current aid.	Aid to Africa remains a low-priority for both countries.

diplomats have invested in a long-term relationship that is not narrowly commercial<sup>20</sup>. At the same time, Canada faces the danger of declining global relevance as Europeans loosen their transatlantic ties and Washington relies mainly on one or two key allies as its principal mainstays – Israel, the United Kingdom, and more recently, Australia. Without a basic reorientation, Canada will find itself marginalized and partnerless in a very tough and hardnosed age of power politics.

The Bush revolution has ended the functionality of the Pearson-Axworthy as the policy frame for Canada to do business at the global level. This had been a powerful prism through which to balance realism and idealism. Now Canada needs to learn to navigate a much different world. The Rumsfeld-Bush game-plan is to keep Canada and Mexico on a short leash. In a way that surprised experienced foreign-policy watchers, Ottawa ended up charting a moderately autonomous course from Washington on Iraq and Missile Defence. Historians will one day shed light on how Chrétien and Martin, neither of which has an instinct for first principles, chose complimentary security policies for Canada, rather than common ones. More recently, in a minority government setting, this forward-momentum has not been difficult to maintain, since the government could face collapse if continentalists were the only force at the cabinet table. Still, the pressures for greater continental integration and less of a maple-leaf stance are never off the radar screen.

### **Option One: Banging off the Bush Revolution**

One option is to support the Bush revolution in foreign policy by incrementalism, ad hocery, stealth, default, or deliberate choice. The newest initiative, headed by John Manley and his Mexican and American counterparts, aims at even closer trilateral ties which would lock Canada even more closely into Bush's policy revolution<sup>21</sup>. These trade proposals have edged continentalism back towards the centre of the public policy agenda. Their idea is vague, but Canadian policy-makers have targeted the auto and steel continentally-organized industries upon which to build the new relationship.<sup>22</sup> However, with Chinese automakers in the next five years likely to take a healthy share of the North American auto market, and with one in three cars made in North America assembled in Ontario, the last thing that Ottawa should be negotiating is to move the industry's centre of gravity from Canada to the US. Clearly there is no strategic vision here, but just another ad hoc initiative taken by the Liberals largely in secret without any public consultation.

The fear in business and elite circles is that Canada will miss the continental trade boat by being too outspoken and by not being at the table on US terms. The new realities brought about by the Bush revolution haven't stopped Canada's business elites from acting as if nothing has changed<sup>23</sup>. Fortunately, public opinion is against any need for further integration. Canadians increasingly realize that Canada has all the access to the US market it will ever get, and even if Canada had 100% access, it doesn't have an industrial strategy to make significant headway in the American market in high-value high-tech industries. Compared to South Korea, Canada is a third-tier industrial power, without a full range of industries that are competitive outside of Canada's humongous auto sector. Stiglitz, Sachs, and Rodrik have all come to question the foundations of the Bush doctrine on free trade and economic integration. The best research underscores free trade's timing, sequencing, and opening of markets creates asymmetric payoffs in different countries and industries<sup>24</sup>. This is particularly so in Canada, where a recent Statistics

Canada study found that 65% of exports are now resource-based, confirming the Innisian model of staple-led growth<sup>25</sup>. Rocks, logs, and energy exports have created an international division of labour, for Canada, that is impossible to transcend with the existing policy mindset. With evidence like this, Canadian policy-makers will be tempted to take a serious look at our second option.

### **Option Two: Being a North American Skeptic**

This position is most consonant with the values and attitudes of modern Canada. Canadians support multilateralism, human rights, stronger international institutions of global governance, and global redistribution of resources. Even on domestic North American issues, Canadians are more tolerant, more diverse, and more redistributive in their beliefs than Americans, as Michael Adams has shown in his studies of Canadian social values<sup>26</sup>. Canadians have already begun a process of reorientation, as evidenced by the Pew Global Attitudes Project, which found that 57% of Canadians favor a more independent Canadian approach from US policy, up from 43% just two years ago. At the same time, 75% of Canadians say Bush's re-election makes them less favorable towards the US.<sup>27</sup> Canadians attitudes and values have edged quite visibly towards those of social Europe. Ottawa needs to follow the Canadian public's lead.

For Europeans, economic integration is above-all a practical venture that attempts to find a middle-way between social Europe and market Europe. After ten years of North American integration, a lot of skepticism is in order about broadening and deepening NAFTA. Integration has to be treated as a fact of economic life, not as an ideology. The realist position is that values and strategic interests are the foundations of every country's foreign policy. The US acts in its economic strategic interest, and we need to do the same. The EU is a good model for Canada with regards to tough cross-border negotiations. The EU takes its hits on trade disputes, but still stands its ground on cultural diversity, the environment, development and US protectionism.<sup>28</sup> It is significant that the EU has brought more trade disputes against the US than any other country. Unlike Canada, its judicial activism is tied to its geo-political goals. If Canada is going to be a North American skeptic, Ottawa must equally get on-side with Canadian social values that promote diversity, tolerance, international co-operation and poverty eradication.

Furthermore, the only way for any country to level the playing field is to use either the threat or the fact of trade retaliation, a strategic weapon that Ottawa must explain to Canadians, but which may also result in US retaliation. At one time, the spectre of US retaliation was regarded as such a chilling prospect that no self-respecting trade expert would contemplate it. But the Bush revolution in foreign policy has ushered in a new reality. Brazil led a fight against US cotton subsidies, which forced the US to back down.<sup>29</sup> Canadians must likewise to look much more closely at the benefits, as well as the costs, of using trade retaliation as a strategic instrument.

### **The Political Culture of the Border**

Some scholars think that NAFTA was supposed to create a system of North American governance. There are very few institutions that Canada and the United States share in common. But there is indeed one very large and important institution, namely the border, which is created by geography, law and the state. The border predates NAFTA, has a long history, and is the primary mechanism for inter-governmental contact between Washington and Ottawa.

In our respective political cultures, the importance attached to the border could not be more striking. Canada and the US remain worlds apart. For the US, the border is iconic. It is as significant to Americans as the flag, the constitution and the presidency. It is the embodiment of American sovereignty. It is the line in the sand for citizenship purposes delineating between Americans and aliens. Each year, US border authorities aggressively remove over 200,000 migrants, 71,000 for criminal offenses and 120,000 for non-criminal reasons.<sup>30</sup> Congress wants even tougher measures with which to remove any immigrant who breaches the tough, new and intrusive regulations. By being steadfastly unwilling to grant undocumented Mexicans amnesty, Congress is signaling that it believes, today more than ever, that the security-first border is the frontline institution for citizenship and immigration matters.

For Canadians, the border has never acquired such magisterial importance. We think of the border as open, porous, and undefended. Our idea of the border is largely a civic one. We value it because it protects Canada's programs, identity and cultural diversity. Our business elites, on the other hand, think of it as a necessary inconvenience, which they would like to dismantle. No American corporation is as anti-border as the Canadian Council of Chief Executive. How misinformed they are.

Post 9/11, the fact is that the massive daily shipment of goods continues to move easily across the border for commercial purposes – 98% of all truck traffic into the US is not inspected. Waiting times of 3 to 4 hours are considered reasonable, and these will be reduced further once new facilities are built to ease congestion at the Detroit-Windsor crossing. But for people, political refugees and immigrants, crossing the border remains a huge issue fraught with uncertainty. There are more stringent rules and many more tough custom's officials exercising their discretionary authority. This situation will not be easily regularized before it gets better.

### **The Myth of the Borderless World**

In an era of globalization, national borders are not easily dismantled despite the fact that ideas go through them and money pours over them. Our border, as any border, is fixed by law and geography, and changed by circumstance, need and mentality. For day trips and cross-border shopping, the border doesn't appear to matter very much, but for everything else, the border has not shrunk to the size of a hobbit.

Every border has four aspects: a border is a security moat, a regulatory wall, a commercial gate and a line in the sand for citizenship. In an age of interdependency, food safety, public health standards and the movement of people across the globe, borders are more important than ever. However, borders are functional and have to be managed effectively. For example, mad cow disease has closed the Canada-US border to beef exports. In this area, our policies have been narrowly and unwisely trade-biased. We have adopted passive surveillance systems that put Canada at the mercy of the United States' \$70 billion beef industry. US authorities are going to do everything to protect their industry. Canada is not inspecting enough cattle. France instituted a 100 percent secure system primarily to protect French consumers. Their government made food safety a priority. Canada's beef industry has already lost an estimated \$7 billion due to the U.S. ban, yet Ottawa still hasn't adopted the French model to our needs?<sup>31</sup> How is it that the French government has money for this, while ours does not? Don't our producers and consumers deserve the very best?

But in point of fact, Canada has a food security model which has been shaped and molded by Canadian realism. We have in large part adopted the American model of science and public health safety rather than design a foolproof Canadian system, which protects our producers, our export markets and our health standards. It is bizarre in the extreme that the government is ready to spend hundreds of millions of dollars on subsidies, but not on a fool-proof inspection system. Ottawa believes mistakenly that it can strike a special deal to re-open the border, but after a year and a half, its efforts have hit a dead-end. American producer and health advocates are opposed, and have adopted a 'wait-and-see' attitude, rather than a trade compromise. They are in no rush to open the border, and this posture serves their interests very well. These are powerful constituencies that the Bush government is unlikely to ignore. So Ottawa has an opportunity to reorganize Canada's beef industry in a way that would make Canadian cattle-producers more self-reliant and in the long-haul look for markets beyond their traditional US one. This issue is far from resolved, and many more obstacles are likely to get in the way before adequate regulatory standards are in place on our side of the border. As it stands, Canadian producers will be subject to US courts and the politics of the US cattle industry, which will effectively decide American beef-policy, and in the absence of our own made-in-Canada policy, ours as well.

### **The Post-NAFTA Border and Opposition to the Bush Doctrine**

The undefended, people-friendly, open border which Canada and the US once shared has disappeared forever. We haven't fully assimilated the fact that the US assumes that in addition to being in charge of its side of the fence, it is by implication in charge of our side as well. Unlike the NAFTA negotiations, where compromises were made and a joint text emerged at the end of the lengthy process, US security changes are a unilateral work-in-progress. Fingerprinting, retina scanning, racial profiling, and security checks are now standard practice. The EU parliament is fighting the intrusive nature of this law as a violation of EU privacy rights. They may not win the day, but they will at least force the Americans into serious negotiations. Compromises may be possible. Canada has chosen not to, opting to adapt, not to innovate, and not to be part of any strategic alliance on this issue.

In this post-NAFTA age, the broadening and deepening of North American integration is largely a dead issue. There are some die hard supporters in the business community but no uptake by the public, the media, or by the NDP, the Bloc, or large parts of the Liberal Party. There is no new consensus here, nor is there likely to be one in Washington where Congress looks not for genuine partnership but only to maximizing its trade and security advantage. The benefits from the signing of NAFTA were frontloaded, and the macro effects on jobs and exports were much smaller than predicted. Originally, 450 000 new jobs were supposed to be created by NAFTA, though in reality, free trade may have cost Canada as many as 276 000<sup>32</sup>. The productivity gap between Canada and the US has widened, not shrunk. Access to the American market was supposed to lead to bigger and more competitive Canadian firms capable of competing in the American market. Instead, a record number of our biggest firms have been taken over by US companies. With tariffs close to zero, access is no longer the issue. The new threat comes from China, India, and Vietnam. Mexico, Canada and the US are losing jobs to the global south, and NAFTA is not the right strategy to address the wakeup call being sent to North American manufacturers to diversify, re-structure and re-invest in new labour-saving technologies.

One should not underestimate how opposed Canadians have been to the Bush revolution. In 2004, public opinion polling showed that over 60 percent of Canadians did not support the Bush agenda in Iraq, at the UN or on human rights<sup>33</sup>. There is now a large constituency which supports a fundamental reorientation in foreign policy; a constituency that did not exist when Trudeau toyed with the idea of a third option for Canada. Had it existed then, Trudeau may very well have engaged in a fundamental course correction. There is nothing 'romantic' about re-thinking a country's strategic goals. Trudeau wanted to strike quite a different balance between pragmatic realism on the global stage and the constraints of Cold War politics. He wanted to push the boundaries of foreign policy to more adequately reflect Canadian society.

Canadians support complimentary policies towards the Bush revolution in foreign policy, not common ones. If there is one lesson that the last period has taught, it is that parallel policies, not compliant ones, offer Canada the best safeguard against a revitalized US imperial interest. Canadians see much merit in a made-in-Canada set of policies and they do not see the utility of transnational institutions. They do not want to be locked into the US chain of command in a cross-border institution that limits Canada's autonomy to act locally and globally in support of international law and the UN system of collective security. The majority of Canadians prefer human security to homeland security on the global stage.

The current fear is that governments have gone too far in fighting terrorism, and have ignored the rule of law and human rights. Such an approach fails to strike a balance between security and core Canadian values, and for that reason it is unlikely that Canadians will moderate their views or begin to support Bush's revolution in foreign policy in the foreseeable future. It would appear that the Department of Foreign Affairs review has not made this transition.

### **North American Skepticism: What Would it Look Like**

The United States will exercise disproportionate influence in establishing the rules of the international arena on security, global governance, North American integration, and over Canadian public opinion. As a result, Canada is going to have to make an extraordinary effort in these four strategic areas.

#### **A. On Security**

Canada has stepped up to the plate, spending over \$10 billion as its contribution to improving North American security. But the reality is that there is no end in sight to US requests for Canada to do more. In fact, the 9/11 Commission found that many important American security gaps and system failures have been internal to the US, and that they haven't proceeded effectively to implement many practical on the ground changes<sup>34</sup>. In fact, American authorities are reluctant to have a 100% security-border, with the round-the-clock inspection of people and shipments which that entails, because this would undoubtedly paralyze the US economy as well as violating the privacy rights of its own citizens.

A recent study of high-level contact between Ottawa and Washington bureaucrats found that Canada has almost unlimited access to the US Office of Homeland Security at both policy and ministerial levels<sup>35</sup>. There is a danger that Ottawa policy-makers are becoming caught up in a web of circumstances that effectively restrain their options and priorities. Canada needs a strategy of frank consultation with the Bush government as well as reserving its right to follow

an independent course of action whenever its strategic interests dictate. Paul Martin constantly repeats that Canada is an independent nation, but frequently is unable to add substance to the form.

For instance, in the areas of cross-border pharmaceuticals, the new security plan, the end of the flash-and-dash security-first border, and aid to tsunami victims, it is jolting to discover how many of Canada's initiatives are designed to create the appearance of progress. Indeed, six months after the deadly tsunami disaster in South East Asia, the Canadian government has only provided 20% of its committed aid.<sup>36</sup> While it makes sense to talk of the need for complimentary policies, too many of Canada's actual policies seem to be carefully crafted copies of the US security doctrine.

Canada has not gone so far as the Homeland and Patriot, which many US experts warn violate the 1<sup>st</sup>, 4<sup>th</sup>, 5, and 6<sup>th</sup> amendments. US law authorities now have unprecedented sweeping powers to search, detain, and imprison without warrants. US police have used the new security legislation to hold individuals without counsel and without charges. At the border, Muslim Canadians and South Asian Canadians continue to be stopped, harassed, and questioned in contravention of their Charter rights. The Maher Arar hearings have highlighted the complicit role of Canada's security forces in Arar's deportation, imprisonment, and torture.

Canada still does not have a sufficiently independent security policy from Washington. A security regime is not an exercise in supra-nationality; it must respect and enhance Canadian sovereignty. Canada has no interest in a common North American visa, identity card, political refugee policy or interdiction policy with the US. This mentality, which sees North American integration overshadowing every other major concern, is not viable or acceptable to the Canadian public.

So far there has been no Canadian public audit of US Homeland Security and its impact at the border and behind it on refugees, immigrants, security and commerce. Ottawa needs a comprehensive and authoritative fine-grained audit, like the one Roy Romanow conducted for Canada's health care system. We also need a full-scale debate on the political, legal and strategic impacts of US Homeland Security. Ottawa needs to get its own house in order if it expects to be effective in making its voice heard.

## **B. On Global Governance and Human Rights,**

Canada used to be a leader in the area of global governance, but for too long has been relying on its past glories. Three decades ago, former Prime Minister Lester Pearson proposed that rich countries reserve 0.7% of their GDP to foreign aid. Despite its relatively strong economic indicators, Canada devotes a measly 0.26% of its GDP to aid, far below the 0.4% average for rich countries.<sup>37</sup> Canadian officials have set their expectations low, and have shied away from spending the political capital necessary to try and build a consensus around the 0.7% mark.

Despite what Paul Martin says, his government remains an out-rider in these areas. Ottawa continues to use a scatter-gun approach, emulating in many ways an American approach that has the resources but not the willpower to make a dent in global poverty, the single-most scourge of our time. But as a middle-power, finger-pointing at what the US or others don't do just makes

Canada look hypocritical and smug.

What we can do is to set a high standard by engaging in new citizenship practices and acting on the international duty to protect those facing genocide and ethnic cleansing. Axworthy's contribution to human security and reform to the United Nations has been path-breaking and innovative. Leading up to the US war on Iraq, Canada collaborated closely with Mexico and other members of the UN Security Council, following a policy of caution and restraint, hoping to build a compromise like Pearson had done in 1956 during the Suez Crisis. Once it became clear that no UN mandate for intervention would be forthcoming, Canadians mobilized in large numbers to oppose US actions. The moral and strategic imperative is not to divorce soft power, with its emphasis on diplomacy, persuasion and compromise, from the grubby hard power of market access, economic integration and collective security. Canada's capacity to act at the global level has to make soft power as important as hard power. Washington and Ottawa are very far apart on this most basic of questions.

### **C. North American Integration**

After a decade of North American integration, the macro-benefits of further integration are small, and whatever access has been achieved under NAFTA has already been factored in. The most authoritative studies performed by Industry Canada argue that the low Canadian dollar, rather than free trade, has been responsible for Canada's export boom to the US.<sup>38</sup> Far more significant is that our access to US non-resource markets is not likely to grow until Canada has a clutch of home-grown multi-national corporations who can power themselves into the US market. But for a decade, Ottawa has been hostile to the practicality and effectiveness of having an industrial strategy, and have instead preferred to let NAFTA carry the burden. The major challenge that both pro- and anti- NAFTA sides agree on is the need to shrink NAFTA's asymmetries<sup>39</sup>.

Skepticism sends the message that we don't want to constitutionalize anything in any new NAFTA-plus deal that American business elites may try to sell to the Bush administration. Canada does poorly in trying to negotiate big deals because there is no certainty that US trade politics will work to Canada's advantage. The North American skeptic viewpoint accepts that most of the present trade irritants will continue because the US Congress is not prepared to change its trade laws that Doestler described in his classic study of US trade politics as "arbitrary, ad hoc, and contingent"<sup>40</sup>. A skeptical policy process recognizes that divergences exist, and instead of trying to minimize them or ignore them, tries instead to manage and exploit them in Canada's strategic interest.

### **D. Building Strategic Alliances**

To be an effective middle-power requires Canada to build strategic alliances with the Global South and the European Union across a broad range of policy domains. When it comes to political refugees, the environment, and the provisioning of global public goods like clean water and affordable drugs, collaborating with other countries who share Canadian values and objectives is the only realistic way of advancing Canada's strategic interests.

Canada has over-invested in NAFTA, and as a result neglected its relations with the Global South. It is not an unfair comment to say that Canada failed to develop a strong relationship with

Mexico, which could have been one of the primary benefits of NAFTA. After a decade of NAFTA, Canadian officialdom (as well as Mexican policy-makers) has very little idea of what relations between an emerging industrial nation and an established one looks like. Only 0.5% of Canada's exports are destined for Mexico. Civil society links are numerous and diverse, and there is much that needs to be done to make them more robust. Over 10 000 Mexican students now pursue higher education in Canada, but much more could be done. For example, immigration from Mexico to Canada is smallish, and could be encouraged. Canada could do much by the way of developmental and other kinds of exchanges with its southern-most NAFTA partner. Unless there is a large Mexican-Canadian resident community, it is unlikely that Mexican-Canadian relations will broaden or deepen in the foreseeable future. Mexico is symbolic of the need for strategic alliances with countries from the Global South. With 85% of our exports destined for the American market, and with the highest level of integration of any G7 member, Canada's relationship with Washington consumes all of the policy oxygen and energy of the Ottawa establishment.<sup>41</sup>

### **The Soft Power of Canadian Public Opinion**

So the question is: how do we acquire the will-power and conceptual tools to become effective conflict managers when Canadian and US policies are likely to go their separate ways? Today, what Joseph Nye has called 'the soft power of public opinion' is more critical than ever to Canadian foreign policy goals and practices. If Ottawa expects to chart its own course in the age of the smart citizen and critical, informed counter-publics, public opinion with all its surprises has to be kept on side, consulted and mobilized<sup>42</sup>. Ottawa cannot change the path of the Bush revolution in foreign policy but on missile defence, peace-keeping, protection of Canadian citizens, agricultural subsidies at the WTO, and global governance Canada needs to build leverage and acquire voice.

Kissinger was prescient when he wrote that 'foreign policy is domestic policy'<sup>43</sup>, and if this is true for the US, it doubly applies to Canada, a country in which social diversity and multiculturalism define our national identity and are the strategic interests that must be nurtured and protected<sup>44</sup>.

If Ottawa expects to be a more effective actor globally, it needs to connect with the Canadian public in ways that it has not chosen to do. Increasingly, foreign policy will have to reflect the social values of Canadian society, rather than, as in the past, the special interests of business elites. In a prescient article in the *Globe and Mail*, Gordon Pitts recently argued that the Canadian Council of Chief Executives has declined in influence in Ottawa partly due to its support for outdated and economically deterministic set of policies<sup>45</sup>. At present, Ottawa is caught somewhere between denial and taking responsibility, and it is still banging off of every change coming out of Washington. Managing conflict will require a lot of focus and smarts from Canada's policy elites. The Martin government must now accept that Canadian foreign policy has to constantly change, adapt and innovate in this very charged global policy environment.

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<sup>1</sup> For an insightful examination of the Bush revolution in foreign policy, see: Ivo H. Daalder and James M. Lindsay. America Unbound: The Bush Revolution in Foreign Policy. Brookings Institute Press, 2003. For a less optimistic take, see: Clyde Prestowitz. Rogue Nation: American Unilateralism and the Failure of Good Intentions. New York: Basic Books, 2003.

<sup>2</sup> Robert Kagan. Of Paradise and Power: America and Europe in the New World Order. New York: Knopf, 2003.

<sup>3</sup> According to the Pew Global Attitudes Project, 59% of Canadians still hold “favorable opinions” of the US, a number significantly higher than any other G7 country, despite being lower than the 71% who held favorable opinions in 1999/2000. <http://pewglobal.org/reports/display.php?ReportID=247>

<sup>4</sup> Lawrence Martin. The Presidents and the Prime Ministers: Washington and Ottawa Face to Face: The myth of bilateral bliss, 1867-1982. Toronto: Doubleday Canada, 1982.

<sup>5</sup> Henry David Thoreau. “Nothing makes the earth seem so spacious as to have friends at a distance; they make the latitudes and longitudes”. In a letter from Thoreau to Lidian Emerson, May 22, 1843.

<sup>6</sup> see The Canadian Institute of International Affairs’ first annual John W. Holmes issue on Canadian foreign policy. International Journal. Vol LIX, no 4, autumn 2004.

<sup>7</sup> Benjamin Barber. Jihad Vs McWorld. New York: Ballantine, 1996.

<sup>8</sup> for a full-text version of the Homeland Security Act and the Patriot Act, respectively see <http://www.whitehouse.gov/deptofhomeland/bill/index.html> and <http://www.fincen.gov/hr3162.pdf>

<sup>9</sup> see Daniel Drache. Borders Matter. Halifax: Fernwood, 2004.

<sup>10</sup> Quoted in Between Friends. National Film Board, 1976. However, Canada’s arguably greatest folk singer Stan Rogers came much closer to the truth in his classic song “Northwest Passage”. Canada has always been socially constructed, a fact that Rogers captures in his haunting lyric “tracing one warm line through a land so wild and savage... I think upon Mackenzie, David Thompson and the rest who cracked the mountain ramparts and did show a path for me”<sup>10</sup>.

<sup>11</sup> See Samuel Huntington’s comments on Mexican amnesty in the article “The Hispanic Challenge” from Foreign Policy. March/April 2004. and John Micklethwait. The Right Nation: Conservative Power in America. New York: Penguin Press, 2004.

<sup>12</sup> Congressional Record: November 6, 2001 (House), Page H7841-H7846. From the Congressional Record Online via GPO Access <http://wais.access.gpo.gov>

<sup>13</sup> Introduced most recently on 3/8/2005. H.R.1146 <http://thomas.loc.gov>

<sup>14</sup> see “Dispute Settlement”. International Trade Canada. “Trade Negotiations and Agreements: Dispute Settlement”. [www.dfait-maeci.gc.ca/tna-nac/dispute-en.asp](http://www.dfait-maeci.gc.ca/tna-nac/dispute-en.asp) and NAFTA Secretariat. “Dispute Settlement: Decisions and Reports”. [www.nafta-sec-alena.org/DefaultSite/index\\_e.aspx?DetailID=76](http://www.nafta-sec-alena.org/DefaultSite/index_e.aspx?DetailID=76)

<sup>15</sup> see Derek H. Burney. “Foreign Policy: More Coherence, Less Pretense”. The Simon Reisman Lecture in International Trade Policy. Ottawa: 14<sup>th</sup> March, 2005. Allan Gotlieb. Romanticism and Realism in Canada’s Foreign Policy. 13<sup>th</sup> Annual C.D. Howe Benefactors Lecture. November 2004. available at: <http://www.irpp.org/po/archive/feb05/gotlieb.pdf>

Jennifer Welsh. At Home in the World: Canada’s Global Vision for the 21<sup>st</sup> Century. Toronto: HarperCollins, 2004.

<sup>16</sup> Allan Gotlieb. “A North American Community of Law”. Speech to the Borderlines Conference at the Woodrow Wilson International Center for Scholars. February 27<sup>th</sup> 2005. [http://www.borderlines.ca/washington/speech\\_alangotlieb.phtml](http://www.borderlines.ca/washington/speech_alangotlieb.phtml)

<sup>17</sup> Gordon Ritchie. “Who’s afraid of NAFTA’s bite? Not the U.S., whose dogged attacks on softwood lumber undermine trade agreements”. Globe and Mail. February 15<sup>th</sup> 2005. Page A21.

<sup>18</sup> For a highly critical analysis of NAFTA, see Stephen Clarkson. Uncle Sam and us: Globalization, neoconservatism, and the Canadian state. Toronto: University of Toronto Press, 2002.

<sup>19</sup> see Paul Heinbecker’s article “Multilateral cooperation and peace and security” in The Canadian Institute of International Affairs’ first annual John W. Holmes issue on Canadian foreign policy. and Andrew F. Cooper. Canadian Foreign Policy: Old Habits and New Directions. Scarborough: Prentice Hall, 1997.

<sup>20</sup> For example, see Canadian Foundation for the Americas Chair John W. Graham’s speech “Canada, Latin America and the Caribbean: What sort of amigo are we?” Speech delivered to the Canadian Institute for International Affairs. December 9<sup>th</sup>, 2004. [http://www.focal.ca/pdf/speechCIIA\\_JWG.pdf](http://www.focal.ca/pdf/speechCIIA_JWG.pdf)

<sup>21</sup> See “Building a North American Community”. A Report of the Independent Task Force on North America.

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Chaired by John P. Manley. May 2005. [http://www.cfr.org/pdf/NorthAmerica\\_TF\\_final.pdf](http://www.cfr.org/pdf/NorthAmerica_TF_final.pdf)

<sup>22</sup> Steven Chase and Greg Keenan. "New trade deal seeks close ties on auto and steel". *G&M* June 27<sup>th</sup>, 2005. page B1

<sup>23</sup> see the Canadian Council of Chief Executives. [New Frontiers: Building a 21<sup>st</sup> century Canada-United States partnership in North America](#). A discussion paper of the CCCE, April 2004. Available online: [http://www.ceocouncil.ca/en/view/?document\\_id=365&area\\_id=7](http://www.ceocouncil.ca/en/view/?document_id=365&area_id=7)

Even more recently CD Howe analysts have set their aim on international aid and poverty eradication. Danielle Goldfarb and Stephen Tapp. "There are many ways to increase the effectiveness of the aid we give". *Toronto Star*. July 06<sup>th</sup>, 2005. Page A13

<sup>24</sup> Joseph Stiglitz. [Globalization and its Discontents](#). New York: W.W. Norton, 2003. Dani Rodrik. [Has Globalization Gone Too Far?](#) Washington, DC: Institute for International Economics, 1997. Jeffrey D. Sachs. "Investing in Development: A Practical Plan to Achieve the Millennium Development Goals". United Nations Millennium Report. <http://www.unmillenniumproject.org/reports/fullreport.htm>

<sup>25</sup> Industry Canada. To follow

<sup>26</sup> Michael Adams. [Fire and Ice: The United States, Canada, and the myth of converging values](#). Toronto: Penguin Canada, 2003.

<sup>27</sup> see the Pew Global Attitudes Project. <http://pewglobal.org/reports/display.php?ReportID=247>

<sup>28</sup> to follow

<sup>29</sup> Bloomberg News. [Globe and Mail](#). July 6<sup>th</sup> 2005.

<sup>30</sup> Statistics from Drache, op cit, 2004.

<sup>31</sup> Katherine Harding. "'Big development' over beef". [Globe and Mail](#). June 27<sup>th</sup> 2005. Page A4

<sup>32</sup> Bruce Campbell. [False Promise: Canada in the Free Trade Era](#). in Economics Policy Institute briefing paper "NAFTA at Seven: Its impact on workers in all three nations". <http://www.ratical.org/co-globalize/NAFTA@7/nafta-at-7.pdf>

<sup>33</sup> Jeff Sallot. "Canadians oppose U.S. stand, poll says". [Globe and Mail](#). Toronto: February 8<sup>th</sup> 2003.

<sup>34</sup> 9/11 Commission findings.

<sup>35</sup> "Building Cross-Border Links: A Compendium of Canada-US Government Collaboration". Canadian School of Public Service Action-Research Roundtable on Managing Canada-US Relations. Chaired by Louis Ranger. Edited by Dieudonné Mouafo, Nadio Ponce Morales, and Jeff Heynen.

<sup>36</sup> Kathy Brock and Kim Nossal. "Shattered dreams of tsunami aid". [Globe and Mail](#). Toronto: July 5<sup>th</sup> 2005. Page A13.

<sup>37</sup> Doug Saunders and Campbell Clark. "G8 leaders back off 0.7% foreign-aid target". [Globe and Mail](#). July 5<sup>th</sup> 2005. Page A9

<sup>38</sup> Industry Canada. Reference forthcoming.

<sup>39</sup> Reference forthcoming.

<sup>40</sup> Doestler. [Trade Politics](#).

<sup>41</sup> Government of Canada. [A Role of Pride and Influence in the World: Canada's International Policy Statement](#). Ottawa: Department of Foreign Affairs and International Trade. 2005.

<sup>42</sup> see forthcoming book by Daniel Drache. [The Manufacturing of Dissent and its Counterpublics](#). London: Polity Press, forthcoming 2006.

<sup>43</sup> see Henry Kissinger. [A World Restored](#). Gloucester: Mass P. Smith, 1973.

<sup>44</sup> Jennifer Welsh. op cit.

<sup>45</sup> Gordon Pitts. "Tom's Club: Only chief executives need apply". [Globe and Mail](#), Toronto: July 5<sup>th</sup> 2005. Page B10 for example, he writes "[D]espite this ability to command press coverage, there are questions about whether Ottawa pays much attention these days...[The] glory days are over... As a policy advocate ... Mr. d'Aquino has fallen into predictable habits, sounding the same drumbeat on every issue and rarely reaching out beyond his top-executive constituency."