

**A NEW GLOBAL
PARTNERSHIP:
CANADA-U.S.
RELATIONS IN THE
CLINTON ERA**

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On Friday, July 9, 1993, the final day of the Tokyo Seven Power Summit, United States President Bill Clinton and Canadian Prime Minister Kim Campbell met over lunch for their first bilateral encounter. Amidst warm recollections of their post-graduate university days in England, Clinton apologized to Campbell for not having consulted her, along with some other G-7 partners, before his June 26th cruise missile attack on Baghdad. Clinton readily agreed to Campbell's request for a high level White House point of contact for Canada, in part so that such oversights would not re-occur. And Campbell explained the importance of cultural nationalism to Canadians, warning that despite her strong free trade convictions, she might have to introduce such measures in the near future. So impressed was Clinton with Campbell that, in an apparently spontaneous gesture, he invited her to ride with him to the G-7's meeting with Russia's Boris Yeltsin that afternoon. As pro-

A list of acronyms used in this article is provided on page 39.

TOCOL and security officials scrambled to substitute a Canadian flag for an American one on the front of the presidential limousine, the watching media corps cheerfully concluded that the United States-Canadian relations were on a secure footing for the future.

A mere four months later, President Clinton met another Canadian prime minister for the first time. On the day before the opening of the first summit of the Asia Pacific Economic Co-operation (APEC) forum on November 18, President Clinton took forty minutes during the late evening for a bilateral meeting with Jean Chrétien, newly installed as Canada's prime minister following the electoral landslide of the Liberal Party on October 25th. Chrétien told Clinton that Canada would not sign the North American Free Trade Agreement (NAFTA) that the President had just succeeded in getting through Congress unless some changes were made regarding subsidies, dumping, water and energy. Clinton agreed on the need for clearer rules on subsidies and dumping but responded that changing the energy provisions would be difficult. As the meeting broke up shortly after midnight, the Americans praised Chrétien for his clarity. Chrétien, for his part, declared: "I believe that Canada has to be independent and to be seen as independent."

There was much in the Tokyo and Seattle encounters that signalled the shape that the United States-Canadian relationship will take in the Clinton years. The pairing of a 47-year-old American Rhodes scholar specialist in international relations first with a 46-year-old Canadian professor of Russian politics and then with a 59-year-old small-town lawyer showed that a newer generation of leaders with a different style of politics and "post-war" set of perceptions and priorities was coming into power in North America. The fact that both their first bilateral encounters took place in Pacific Rim locations within the plurilateral embrace of the G-7 and APEC suggested that their global power, preoccupations, and partnership in shaping a new order would dominate and define the course of

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United States-Canadian relations in the 1990's.¹ And Clinton's easy acceptance of Canada's divergent policy priorities and request for assured, Presidential-level access suggested that a more balanced, professional partnership would replace the personal intimacy and Canadian propensity for deference that had prevailed in previous years. In short, the United States' World War II-engendered treatment of Canada as a small, similar, special and ultimately subordinate country component of its global policy was being replaced by a relationship in which two major powers with distinctive interests and values formed a more equal partnership to create a global order to replace the 1940s edifice.

These characteristics of the emerging United States-Canadian relationship are likely to intensify as the 1990s unfold, whatever decision Chrétien comes to about the acceptability of the North American Free Trade Agreement (NAFTA). As the larger country, the United States' overall power and presidentially-defined policies still primarily shape the American-Canadian relationship. Long term changes in the global balance of power, polarity and patterns of interdependence mean that the United States and Canada will need each other more in coping with the demise of the Cold War in Europe, ending it in Asia, and creating the new institutions of international governance for a future in which the Pacific powers will play a much larger role. One year after his election as President there is a clarity and consistency to Clinton's approach to international and Canadian affairs, focused on the post-Cold War challenges of reviving the American and global economy in an era of intensifying international interdependence, and grounded in presidential initiatives to establish environmental and labor institutions within greater North America, a summit-level Asia-Pacific Economic Co-operation (APEC) community across the Pacific, and a more effective G-7 for the globe as a whole.

Within Canada, Jean Chrétien's emphasis on independence in Canada-U. S. relations will produce some delay and enhanced friction in forging the post-Cold War, Pacific-oriented, plurilateral partnership of the future.² Yet the shared need to keep Canada from becoming a North American Czechoslovakia at the hands of a growing Bloc Québécois or Parti Québécois, and Canada's need for America's economic growth, markets and public policy model in confronting Canada's looming deficit, debt and international payments problems, would soon force Canada to return to a cooperative

approach in confronting the larger global challenges facing both countries. And such a movement will be sustained as Canadians see a United States dominated no longer by Reagan's apparent military unilateralism and market-oriented meanness, nor Carter's well meaning ineffectiveness, but by a Kennedy-esque combination of self-confident global leadership backed by Canadian-like enthusiasm for comprehensive health care, environmental sensitivity and sustainable development, trade liberalization, peacekeeping, and a reformed United Nations.³

I. THE REAGAN-BUSH INHERITANCE

The United States-Canadian relationship in the 1990s thus promises to be substantially different from that which prevailed during the Reagan-Bush years and in the decades before.⁴ During the twentieth century, and especially since the late 1930s, the United States' relationship with Canada has been primarily defined by the larger need of both countries to join together militarily, politically, and economically, to combat the German-Japanese, and then Soviet threat from abroad. This shared need substantially offset vastly superior American power *vis-à-vis* Canada to produce a uniquely intimate, integrated bilateral relationship that generated joint benefits and reasonably equal outcomes for each country, within the framework set by the United States' larger systemic responsibilities.⁵ Although the emergence of American-Soviet detente in the 1960s and 1970s bred greater distance and conflict between Canada and the United States in policy, policy making, and diplomatic practice, the return of the new Cold War in the 1980s created an intense togetherness with World War II-like dimensions.

President Reagan inherited a United States suffering from a relative power decline bred by the defeat in Vietnam and the oil shocks of the 1970s, and facing an aggressive Soviet Union that showed in Afghanistan in 1980 that it was willing to use military force to expand its sphere of influence abroad.⁶ As he sought to restore America's relative power and rally America's traditional major-power allies, Canada secured a centrality in American foreign policy that was virtually unprecedented. As a governor of a distant sunbelt state with no detailed knowledge of or experience in international affairs, President Reagan saw in Canada a polity that reassuringly resembled his own California as he began to deal with America's agenda abroad. As a lifelong anti-communist he conceived of Canada as the firm

northern front against a menacing Soviet Union, and one that even under the Liberal government of Pierre Trudeau fulfilled its core responsibilities in providing the first-line interceptor aircraft and warning systems necessary to defend America's and the alliance's strategic nuclear deterrent. As a patient visionary he was also willing to wait for Canada to play its preconceived part in his central scheme for international economic affairs--the creation of a North American Accord that would create what he called a "new economic constitution for North America."⁷

When the September, 1984, election in Canada brought to power Brian Mulroney's Progressive-Conservatives, Reagan obtained a prime minister whose policy and personality was highly compatible with his own. At the core of Mulroney's foreign policy vision was an explicit doctrine of developing "super" relations with the United States, and giving it "the benefit of the doubt" in situations where Canada's interests or information were slight. Mulroney also felt that the accomplishment of his national agenda of restoring vibrant economic and employment growth was dependent upon removing barriers to Canada-U.S. flows in trade, energy and investment. He thus readily embraced Reagan's project of developing a Canada-U.S. Free Trade Agreement (CUFTA) as the first installment of a larger North American Accord.

At a personal level, the Irish heritage shared by the two leaders served as a symbol of a common tendency to approach foreign relations on the basis of personal instincts and political favor trading, rather than from well-developed policy frameworks grounded in specific, short-term national interests. Providing a substitute was the shared world view of two individuals who had grown up preoccupied with combatting the communist menace through political solidarity and military buildup, and generating prosperity through open American markets at home and the unfettered flow of its goods, services, investment, and multinational corporations abroad. It was thus not surprising that Ronald Reagan counted Brian Mulroney along with Britain's Margaret Thatcher and Japanese Prime Minister Nakasone as his favorite foreign leaders, while Brian Mulroney's unique personal ease with the President gave the United States a place in the Prime Minister's affections shared only by France, Britain and Israel.

In such circumstances the management of the multifaceted Canada-United States relationship was centered at the very top in an

unparalleled system of institutionalized, informal bilateral summitry, backed by direct dealings among the leaders' political staffs.⁸ Earlier management mechanisms that conceived of the two countries as "foreign" *vis-à-vis* each other--notably the quarterly foreign ministers meetings inaugurated by U.S. Secretary of State George Shultz in 1982--soon withered away. The capstone of the new system was the creation of the most well-developed and effective set of joint economic institutions ever created on the continent--the bilateral dispute settlement machinery of CUFTA.

When Vice-President Bush replaced his presidential mentor in the oval office, the same system continued in intensified form.⁹ In large part this was because it was clearly working, as the Soviet Empire and Union crumbled and as the prospect and then reality of continental free trade helped carry the U.S. and Canadian economies to vibrant prosperity in the latter 1980s, reduced the severity and length of the brief recession in 1990, and, especially in Canada, fuelled the recovery which soon followed.¹⁰ Despite the Texan appearance of the president and of his leading cabinet-level colleagues, Bush was a northern border president much like Franklin Roosevelt, with a knowledge of, and sympathy towards, Canada that was natural for those with summer homes in Kennebunkport, Maine. Moreover Bush's particular generational and professional experience--as a World War II aviator and as United States Representative to the United Nations and China (PRC)--predisposed him toward dealing with Canada with the intimacy reserved for America's 1941-45 allies, and with the Canadian-like northeastern liberal Republican internationalist instincts of the Cold War years.

These presidential predispositions, backed by Bush's penchant for direct, bilateral diplomacy and his political self-definition as a "foreign policy" president, led to the management of the American-Canadian relationship through a system of bilateral and plurilateral summitry unparalleled in its intensity and intimacy. One month after his inauguration Bush made his first foreign visit as President to Ottawa, met with Mulroney seven times during his first year in office, and eight times the following year. In addition to the fixed, formal, annual springtime "Shamrock Summits" created by Reagan and Mulroney in 1985, Bush routinely invited Mulroney and his family for an August sojourn at his Kennebunkport vacation home, attended baseball games with Mulroney, and invited him down at short notice for evening dinners at the White House (most

notably on August 6, 1991, as Bush was considering the United States' response to Iraq's invasion of Kuwait four days before).

Supporting this summit-centered system was the appointment as Canadian Ambassador to the United States of Derek Burney, who had served as a professional diplomat specializing in United States and Pacific affairs and later as Mulroney's chief-of-staff in the Prime Minister's Office at the height of the CUFTA negotiations. Burney continued as ambassador to provide valued advice on a vast range of subjects both to Mulroney at home, and to trusting senior-level Americans in Washington.

Given the unusual acceptance and access Bush accorded Canada, this management system succeeded in delivering results that met America's needs and Canada's core demands very well. In the economic sphere, while the central initiative--a tripartite North American Free Trade Agreement--came from the United States as a Reagan inheritance that drew its inspiration from American foreign policy in the interwar years, Bush acceded to Canada's request to be included in the negotiations, and to a deal that was considerably more than the prospective hub-and-spoke system of Washington-centric convergent bilateralism. In the military sphere, during the defining case of the Gulf War, Canada succeeded in encouraging the United States to construct a broad coalition, to include critical countries such as France, to work through the United Nations, and to limit its demands on Canada for military support.¹¹ In the political sphere Bush went along with Mulroney's latter-day enthusiasm for involving Gorbachev and then Yeltsin in the G-7 Summit and extending financial assistance to Russia in a coordinated way. In the environmental sphere, a president new to the subject followed the Canadians in having the environment highlighted at the Paris summit, in encoding America's acid-rain control commitment in a bilateral agreement, in accepting the conclusion of the International Panel on Climate Change at the Houston summit, and in travelling to Rio to sign the climate change convention in June, 1992.¹² Only by late 1992, with the European Cold War and Gulf War won, and the post-Cold War challenges of the former Yugoslavia and employment-generating economic growth looming, had the time come to replace an intimate personal relationship based on common World War II and Cold War images with a professional relationship based on geopolitical calculations about the decade ahead. It was this task that first Clinton, then Campbell, and ultimately Chrétien took up.

II. THE NEW WORLD OF THE 1990S: POWER, POLARITY AND PROCESS

In doing so, both leaders faced a rapidly changing world, defined by an accelerating diffusion and equalization of international power, the rapid rise of Japan as a challenger to the United States, and the increased need of the United States for the co-operation of major-power associates, starting with Canada, to secure its preferred position and policies in the world. As Table A shows, the United States' long slow decline as a uniquely pre-eminent system-dominant power has continued into the 1990s, driven by the phoenix-like rise of the defeated and devastated World War II powers of Japan, Germany, Italy, and to a lesser extent China and France. The recent end of the European Cold War has reinforced the long-term weight of the now unified Germany, and sent the Soviet Union and remnant Russia to a position below that of Canada.¹³ In the post-Cold War era it is the Pacific powers of Japan and China, rather than the European ones of Germany and Italy, that promise the most rapid and sustained growth. This will shift the center of world

TABLE A
Relative Capability of Major Powers
in the International System, 1950-1993
Ratio of U.S. GDP in Current US\$ Exchange Rates
(US = 100)

	50	55	60	65	70	75	80	85	88	89	90	91	92
Japan	3.9	5.5	7.7	12.2	17.6	32.4	40.1	33.5	60.3	56.0	54.5	58.9	61.7
Germany	7.4	10.0	13.0	16.5	17.0	28.1	31.7	15.8	24.8	23.0	27.6	27.7	29.8
France	9.0	8.0	10.6	14.3	13.5	22.4	25.2	12.9	20.0	18.7	22.1	21.1	22.2
Italy	4.6	5.3	6.1	8.6	9.4	11.4	15.2	9.1	17.4	16.9	20.2	20.3	20.6
UK	15.4	16.6	17.4	14.7	12.4	15.1	20.2	11.5	17.3	16.3	18.2	17.9	17.7
Canada	5.4	6.4	6.5	7.9	8.4	10.6	9.8	8.8	10.1	10.6	10.6	10.4	9.6
USSR	5.6	7.1	8.7	34.2	33.8	32.0	26.9	18.9	22.9	20.5	NA		
China	NA	9.6	NA	6.8	8.5	8.9	9.5	6.0	6.6	6.8	5.6	6.5	7.3
US %all	NA	59.4	NA	46.4	45.3	39.3	35.9	46.2	35.8	37.2	NA		
US %G-7	68.6	65.9	62.0	57.4	56.1	45.5	41.3	52.2	40.0	41.4	39.4	39.0	38.2

Notes: Germany is FRG only; China is PRC only; USSR raised its set official exchange rate from 1 rouble = US\$.25 in 1960 to US\$ 1.1 in 1961.

USSR and PRC figures are material product calculations.

Source: United Nations Statistical Office, *Statistical Yearbook, 1990-91*; and for previous years the International Monetary Fund.

economic and military power from Europe and the Atlantic to Asia and the Pacific, and provide (in the form of Japan) a single dominant power-based challenger to the system-leading United States.

Within this emerging system, Canada should continue its long, slow, twentieth-century relative capability rise against the United States.¹⁴ But of far more importance is the way changing capabilities in the full major-power system will enhance Canada's global importance to the United States. In the global and G-7 system Canada's rank and relevance has recently been increased, as the USSR/Russia has plunged below it, as capability is distributed more diffusely and equally above it, as the degree of U.S. pre-eminence declines, and as the Japanese challenge requires the United States to rely more on allies.

Shifts in power and preoccupation on a regional level reinforce these trends. In the World War II and Cold War era, where the United States focused on the dominant European-Atlantic system, Canada usually ranked seventh, far behind the United States, the Soviet Union, Britain, France, Germany, and even Italy. In the 1990s, however, as global power and American attention shift towards the new NAFTA-led western hemisphere, Canada is no longer the PJBD-NORAD-DPSA embedded, bilaterally-ensconced, military subordinate of a pre-eminent United States, but the second-ranked power in an expanded club of rising middle-powers (beginning with Mexico and Chile and including the other emerging democratic, market-oriented countries of Latin America). And across the Pacific, where the United States faces a prospectively equal Japan and even China, Canada ranks securely as a consequential number three (according to the World Bank's 1990 GNP figures) or (after the PRC) number four, in a class above the many vibrant middle-powers below.

Although such projections are ultimately contingent upon individual countries' growth and exchange rates, and their ability to devote national resources to productive rather than wasteful or failed purposes, the short- and medium-term signs seem likely to bring this future system rapidly toward realization. The most recent IMF forecast suggests that among the G-7 Canada will rank second (to the United States) in real growth in 1993, and lead in 1994 with a respectable 3.8 percent rate. Together the two countries will thus serve as a growth pole for a continental Europe and Japan afflicted by recession.

In the longer term, the IMF forecasts that from 1995-1998 the United States will come last among the G-7 with 2.4 percent, as Japan delivers 4.5 percent and Germany 3.2 percent. This will make Canada more dependent upon growth across the Pacific and increase Canada's contribution to stimulating growth in the United States. Canada's relative strength should also rise particularly strongly if, as many forecast, the mid-1990s bring a return to relative scarcity of and rising prices for the oil, gas and other commodities that Canada still has in abundance.

These prospects for the 1990s are contingent upon the United States and Canada coping successfully with three major risks: Canada's deficit-debt and international payments problem, a continued reduction of Cold War-like threats abroad, and Canada's national unity challenge. Despite Canada's good economic growth, for the fiscal year ending March 31, 1994, the combined budget deficits of Canada's federal and provincial governments appear likely to remain at or above the C\$60 billion level of the previous year. Canada's ever-increasing government debt is likely to rise from 91.6 percent of GDP in FY 1993 to at least 95 percent of GDP in FY 1994. And with C\$300 billion of Canada's total public and private external debt owed to foreigners, Canada's net foreign debt of 43.8 percent of GDP (in 1992) is by far the highest in the G-7 (with second-placed Italy having only 14.9 percent, and third-placed United States only 6.4 percent). The burden of servicing this external debt is a substantial reason why Canada moved from a current account surplus a decade ago, when net interest payments totalled only C\$10.9 billion a year, to a deficit of over C\$20 billion a year at present, with net interest payments of C\$26.2 billion a year.

In contrast to the United States, where post-Cold War reductions in defense spending will be a significant contributor to deficit control, Canada, with only C\$11.8 billion in annual defense spending and 78,000 armed forces personnel, has far less of a peace dividend to reap. It is thus particularly vulnerable to any resumption of Cold War threats in Europe (occasioned by the new influence of the military in Russian politics), continuation of Cold War threats in Asia, or an outburst of major instability and order-keeping assignments (along the lines of the Gulf War) abroad. It is also hard pressed to meet the direct costs of the transition into the post-Cold War era, notably the provision of financial assistance to Russia (which claimed an additional C\$1 billion from Ottawa in direct assistance and debt

relief in the spring of 1993) and the Middle East. Also burdensome are the costs of peacekeeping abroad, as evidenced by the fact that Canada contributed 10 percent of the UN peacekeepers in 1992 but had downgraded (partly by withdrawing from Cyprus where it had been patrolling since 1964) to only 4 percent by the autumn of 1993.

More broadly, any resumption of classic security threats would once again place a premium on military instruments of foreign policy with a rapidity that would resemble the shift from the "demobilization" atmosphere of 1946 to the harsh Cold War/Korean War rearmament climate of 1951. And in such a system, the United States' continuing pre-eminence in the military domain would prove decisive. As Table B indicates, the United States, from its 1975 withdrawal from Vietnam to the present, provided a majority of G-7 military expenditure by itself and at least half of the military spending in the major power system as a whole. In this sphere the rise of Japan, the relevance of Canada, and the shift toward the Pacific remain recog-

TABLE B
MILITARY EXPENDITURES OF THE WORLD'S MAJOR
POWERS AS PERCENTAGE OF USA

	1965	1970	1975	1980	1985	1989	1990	1991
JAPAN	2.0	1.8	5.0	6.4	5.1	10.0	10.1	11.6
GERMANY	9.1	9.6	17.6	18.7	7.8	9.9	11.2	10.3
FRANCE	10.0	7.0	14.8	18.0	7.9	10.0	11.5	11.6
ITALY	3.1	3.4	5.0	6.5	4.0	5.7	6.7	11.1
BRITAIN	11.6	7.8	12.6	18.1	9.1	11.1	12.5	14.7
CANADA	3.1	2.7	3.9	3.1	3.0	3.2	3.3	3.9
USSR/RUSSIA	38.5	47.7	65.0	69.5	42.2	52.0	-	-
CHINA	7.3	9.6	-	-	2.0	1.9	1.8	4.1
US % ALL	54.1	52.8	-	-	55.2	49.1	-	-
US % G-7	72.0	75.7	63.0	57.5	73.1	66.7	64.4	61.3

Source: International Institute for Strategic Studies, *The Military Balance, 1991-1992* (London: Brassey's, 1991) and previous editions. Figures on military spending per GNP\GDP were taken from this source and multiplied by the GNP\GDP figures underlying Table A to produce comparative military expenditures in current U.S. dollars at current exchange rates, from which the above percentages were calculated.

nizable, but at levels too low to be relevant in the short or medium term, unless decisive shocks in places such as China or North Korea hasten the historical process.

Canada's looming national unity challenge provides an additional fiscal vulnerability through the enhanced need for Ottawa to provide visible net subsidies to the Quebec economy. It also represents a major drain on the attention of national decision makers and the confidence of those in the private sector and in governments abroad. The October 25 election sent to the Canadian House of Commons as the second largest party and Official Opposition the Bloc Québécois, a party with a direct, fresh mandate to protect Quebec's interests in preparation for the separation of Quebec from Canada. The announcement in September, 1993, of the resignation of the reliably federalist premier of Quebec, Robert Bourassa, prior to the provincial election due in 1994, further increases uncertainty about, and the prospects of, an immobilizing threat of Quebec separation of the sort that Canada last faced with the first election victory of the Parti Québécois in November, 1976.

The prospect of a prosperous G-7 partner being replaced by an impoverished, dismembered, former Czechoslovakia on its northern border threatens the United States not only because it promises to eliminate America's leading Pacific partner, but also because of the damage it might do to the uniquely dense, multilayered interdependence between the United States and Canada.¹⁵ While this exceptional interdependence has long been noted and celebrated by commentators on the United States-Canadian relationship, in the 1990s it is evolving in three important ways. Firstly, its military foundation is being replaced by economic, environmental and social ties. Secondly, it is becoming more balanced as the United States moves steadily toward the much greater levels of international openness that have long been central features of Canada's national life. And thirdly, it is becoming less of an exclusive, continental Anglo-Franco relationship and becoming enmeshed more in a plurilateral, multiethnic system involving Mexico and major powers of the north Pacific.

In the military sphere, the Soviet/Russian bomber and missile threat over the north pole and off the coasts is being replaced by the new security threats centered on the unwanted penetration of narcotics, illegal migrants, environmental contaminants, and resource-depleting foreign fishers. While these new threats will

inspire less unified and less expensive military responses from the United States and Canada than did the demands of the "long polar watch," they will continue to require coordinated if not integrated air, space and maritime surveillance, detection, tracking, interdiction and interception systems. These are the very ties that have anchored the U.S.-Canadian strategic partnership for the past half century. But because the new threats come from far more countries, primarily from the south and east, they will demand far greater co-operation from the other friendly countries located in those directions.

Economically, the features of this broadening interdependence are well reflected in Canada's international trade figures. As a share of GDP exports have risen from 20 percent in 1980 to 32 percent in 1992. From 1983 to 1993 Canadian exports of goods to the United States have risen 112 percent to the point where they now represent 80 percent of Canada's total goods exports. Yet exports to second-placed Japan have risen 67 percent, and to sixth-placed Korea 188 percent. Conversely, Canada has increased its imports from the first-placed United States by 125 percent over the decade (representing 73 percent of the total), from second-placed Japan by 88 percent, fifth-placed Mexico by 194 percent, and sixth-placed China by 181 percent. For both exports and imports, only third-placed Britain and fourth-placed Germany, with relatively modest growth rates over the past decade, are reminders that Canada once lived in a Eurocentric world.

For the United States, even with growth in Mexico and market opening in Japan, Canada will continue to constitute its number one trade partner and provide the most favorable home in the world for American multinational corporations. Although the United States' current account deficit has ballooned in 1993 to its highest level in four and a half years, fueled in part by a widening merchandise trade deficit with Canada that reached US\$1.02 billion a month in May, 1993, the United States' continuing surplus on services trade strongly reduces any tendencies for it to target Canada as it had in August, 1971. At the same time, America's growing dependence on international trade is reflected in the fact that an estimated one quarter of the GDP of the greater Los Angeles area is accounted for by trade. Whereas in the 1965 Canada-United States Automotive Agreement the core manufacturing industry of the continent could be dealt with in essentially bilateral terms (notwithstanding the introduction of the U.S.-Mexican *maquiladora* program at the same time), the 1992 North

American Free Agreement has recognized that this still fundamental sector integrally involves (if in different ways) both Mexico and Japan as well.

In the environmental sphere the former bilateral border focus on transboundary air and water problems have been replaced under the impact of industrialization, scientific knowledge and enhanced public environmental consciousness, by a greater awareness of the environmental interdependence of the United States and Canada throughout the geographic expanses of the two countries, of its economic dimensions, and the need for more sustainable development. Similarly, heightened concern for migratory birds and butterflies, marine mammals, agricultural and airborne long-range pesticides and toxins, nuclear materials, and environmental impacts on economic competitiveness have brought Mexico and even Japan into the system. And elsewhere the advent of large communities of Canadians in the southern United States, integrated sports leagues, and proliferating media outlets have extended this new interdependence more deeply into the social domain.

III. FOREIGN POLICY COMPATIBILITY

Greater interdependence within the broader regional home will also be accompanied by increased policy compatibility in the world at large. While the end of the Cold War and its accompanying ideologies threatened to bring a common focus on improved national economic competitiveness that could have increased economic conflict among the advanced industrial economies, it is now clear that the foreign policy visions of both the United States and Canada have become centered on a far more global, order-building, and co-operative set of concerns. Although the United States has not yet adopted the instinctive multilateralism that Canada has long relied upon, both countries have fixed their foreign policy focus on a surprisingly similar set of priorities.

In the United States, the competitive emphasis of candidate Clinton's Georgetown "New Covenant" trilogy of policy addresses have given way to the September, 1993, sequence of speeches that highlight shared values, multilateral engagement, and common global challenges.¹⁶ Clinton's replacement of the Communist, Soviet-centered threat with the enlargement of the family of democratic market economies as the glue between America and its associ-

ates, gives Canada, with its Anglo-American form of capitalism and regularly rotating two-party system, a more central place among the major industrial democracies than it had, with its modest military forces, among America's many allies of old. Moreover, neighboring, trade-dependent Canada is the primary beneficiary of the Clinton Administration's first principle of combatting economic stagnation and its political consequences within the core market democracies, by an American willingness to fulfill its responsibilities in the coordinated management of the world economy.

The Administration's second principle--helping markets and democracy survive and expand in the former Communist world--presents a focus on good governance and the continued collective G-7 (rather than unilateral American) management of the relationship with Russia. This is an approach that Canada has pursued for several years and will find appealing, even if it now threatens to burden Canada with further financial commitments it can ill afford. The third principle--isolating threatening states outside the market democratic circle--stresses the arms control and non-proliferation objectives that have been at the heart of Canadian foreign policy for decades. And the fourth principle--conducting humanitarian interventions more selectively and through multilateral organizations--has a strong appeal to a Canada which has acquired, as 1993 has progressed, strong reservations about its role in the former Yugoslavia and Somalia.

In his personal address to the United Nations General Assembly on September 27, 1993, President Clinton highlighted the need for greater conditionality in UN peacekeeping, reform and burden-sharing (with a reduced U.S. share) in UN operations and financing, the enlargement of the family of free market democracies, and their protection from the threats of weapons proliferation, regional ethnic conflicts, and environmental degradation. The reduced U.S. enthusiasm for UN peacekeeping and financing for the UN institutions contradict the historic impulses of a Canada that has long placed peacekeeping and the United Nations at the center of its foreign policy. But the President's priorities and even his emphases were strikingly similar to those Prime Minister Campbell offered to the General Assembly the next day.¹⁷ They also reflected the central themes she had struck in her major foreign policy address on May 6, 1993, when she was campaigning for the leadership of the Progressive-Conservative Party.¹⁸

A somewhat compatible foreign policy vision was offered in Jean Chrétien's Liberal Party platform, outlined in a 112-page booklet presented in late September, 1993, that drew on a portfolio of documents released several months before.¹⁹ To be sure, the Liberals explicitly pledged to cooperate with the United States in UN reform, human rights and democracy, defense conversion, multilateral problem solving, and global environmental protection. But a potentially discordant note was sounded by the emphasis on the traditional strengthening of the United Nations and peacekeeping, a reduction of defense expenditures, and a preference for continued large expenditures on foreign aid.

Of more importance in the short term, however, was the fact that the Liberal foreign policy, set forth under the title of "An Independent Foreign Policy", thematically focused in the first instance not on the global agenda but on Canada's relationship with the United States. It called for a "more active, independent, internationalist role" to replace the "camp follower approach" and the "special personal relationships between world leaders" that they argued had "solely" determined Canadian foreign policy to date.²⁰

Anchoring this quest for "independence" in the economic domain was a commitment to "renegotiate both the FTA and NAFTA" to secure improvements in subsidies, anti-dumping, dispute resolution and energy. In the event that Canada's NAFTA partners proved reluctant, the document noted: "Abrogating trade agreements should be only a last resort if satisfactory changes cannot be negotiated."²¹ Consistent with this was its reactive, unenthusiastic approach to further trade liberalization in the hemisphere, and its preference for taking advantage of the opportunities in the former Soviet Union and Eastern Europe. While recognizing that "Expanding trade and investment with the Pacific Rim is crucial to our economic future," it was silent on Canada's conception of, and participation in APEC, the centerpiece economic institution of the area. Conceiving of seventh-ranked Canada as merely a "middle trading power", it pledged to "support GATT as the cornerstone of Canada's trade policy...and focus our efforts on ending the current GATT deadlock and building the new World Trade Organization..."²²

Taken together, the Liberal foreign policy vision was anchored in the old Pearsonian tenets of a middle-power Canada focusing on the United Nations, peacekeeping and GATT, preoccupied with maintaining independence *vis-à-vis* a far more powerful United

States, and thus limiting its ties with the United States by renegotiating not just NAFTA but the five-year-old United States-Canada Free Trade Agreement as well.

Since October 25, this emphasis on “independence” from the United States and a reliance on the institutions of the half-century old United Nations has dominated the pronouncements and practice of the Chrétien Government. The Prime Minister has reiterated that he does not want to go “fishing” or “golfing” with the U.S. President as a way of signalling his desire for a businesslike relationship grounded in interests rather than one based on friendship between the two countries.²³ The precept of giving the U.S. “the benefit of the doubt” has been replaced by one of “independence,” based on a desire to display Canada’s distance from, difference with, and perhaps opposition to, the United States. In sharp contrast to Prime Ministers Mulroney and Pearson, who arranged a dedicated bilateral visit with their U.S. counterpart immediately after securing their first electoral mandate, Prime Minister Chrétien has approached President Clinton the way Prime Minister Trudeau dealt with Presidents Johnson and Nixon, by avoiding any early, separate encounter.²⁴ And Chrétien’s foreign minister, André Ouellet, began his sequence of bilateral visits outside Canada with the United Nations Secretary-General in New York.

The importance of visible assertions of “independence” to the Chrétien government has been evident in its actions in regard to NAFTA. Immediately following the October 25th election that brought him a majority, Prime Minister Chrétien continued to signal his dissatisfaction with NAFTA and to suggest he would not promulgate the pact until and unless changes were made. Following the passage of the agreement in the U.S. House of Representatives on November 17, Chrétien continued to reiterate these demands, while adding to his concerns about subsidies and dumping definitions a new emphasis on the way water and energy were dealt with in the pact. Although it was possible to argue that the Prime Minister was merely trying to make good use of a temporarily enhanced bargaining position, his stress on energy in particular suggested that his dissatisfaction applied not just to NAFTA but also to CUFTA, and that he remained influenced at some level by the world view of the early 1980s when he served as Minister of Energy, Mines and Resources with responsibility for the National Energy Program.

IV. PROFESSIONAL DECISION-MAKING PROCESSES

The move from a continentally-centric to a broader regional and global framework for the American-Canadian relationship in the Clinton years was well-reflected in the decision-making process that evolved within the U.S. administration for Canadian-related affairs. In contrast to the Bush system, in which the locus of decision was lodged in a knowledgeable, sympathetic, directly accessible president, the management of Canadian matters under Clinton was delegated to lower-level officials preoccupied with plurilateral, more hemispheric and Pacific-oriented affairs. In large part this system reflected the background and concerns of the president himself. Clinton entered the White House with the least knowledge of or concept about Canada of any president since Harry Truman. Neither his boyhood in the deep south nor his undergraduate education in international affairs at Georgetown University in Washington, D.C. brought any exposure to Canada. There were no Canadians among his immediate Rhodes Scholar or other associates in England. And although he headed a state which sent 29 percent of its foreign exports to Canada, a share far exceeding that to any other country and even the 20 percent average for the United States as a whole, his trade and investment trips as governor of Arkansas focused on the Far East. His pre-presidential trips to Canada were confined to brief sojourns skiing in Western Canada and attending a conference on urban affairs in Montreal.²⁵ And attention to Canada remained absent from the Georgetown trilogy of speeches that launched his presidential bid.

Nor as president-elect did he move quickly to encounter Canada. Despite the obligatory post-election congratulatory note and a few telephone calls from Prime Minister Mulroney, Canada's ambassadorial contacts with the transition team at Little Rock remained confined to a relatively low level. Nor at the beginning of January did the president take the opportunity to meet with Prime Minister Mulroney, who was conveniently vacationing in Florida at the moment when Clinton found time to see Mexican President Salinas for discussions about the NAFTA.

Clinton did receive Prime Minister Mulroney for a working lunch in Washington on February 5, 1993, where the two discussed NAFTA, bilateral trade disputes and the international scene, and Clinton pledged to maintain friendly relations with Canada and to discuss trade disputes before they became serious. The visit allowed

Canada to maintain its record of sending the first foreign leader to meet the new U.S. president. This summit encounter also paved the way for initial ministerial level contact, as Treasury Secretary Bentsen met his Canadian counterpart on February 5, Commerce Secretary Ron Brown and Trade Representative Mickey Kantor with theirs on February 8, and Secretary of State Warren Christopher with his on February 11. However, Clinton's own concern with Canada was largely focused on its role as the host and junior partner for the President's meeting with Boris Yeltsin in Vancouver on April 4, and the G-7 package of assistance to Russia mobilized by G-7 finance and foreign ministers later that month. In this context, and in the G-7 Tokyo Summit in July and preparations for the APEC Seattle Summit in November, the key official responsible for Canada was Robert Fauver, the president's personal representative for the G-7 and APEC Summit.

At lower levels of the administration, knowledge of and interest in matters Canadian was somewhat greater. Vice-President Al Gore had spent time in Toronto and worked regularly with influential Canadians in forwarding his genuine concern with enhancing the global environment and promoting sustainable development. Warren Christopher had established Canadian contacts from his time in the State Department during the Carter administration, and Lloyd Bentsen from his work on the Senate Finance Committee during the height of the Canada-U.S. Free Trade negotiations. To both Brown and Kantor, however, the United States' largest trading partner was a virtual unknown. Taken together, and in contrast to the administration of Jimmy Carter, where Vice-President Mondale from Minnesota served as a regular, reliable substitute for a deep southern Democratic ex-governor with little knowledge of Canada, there was no influential figure in the White House to provide Canada with guaranteed access on the large number of bilateral and multilateral files.

By September of 1993 the situation had changed somewhat. Fulfilling his promise at the Tokyo Summit, Clinton named Sandy Berger, deputy to National Security Advisor Anthony Lake, and Bowan Cutter of the National Economic Council as the designated points of contact for Canada on both bilateral and multilateral affairs. Berger had considerable contact with Canadian officials in the early days following Clinton's election and was felt to be familiar with Canada's concerns. In addition, Clinton named as U.S. Ambassador

to Canada James Blanchard, a former Democratic governor of Michigan, a long-standing "friend of Bill's", and the Michigan chair of the Clinton campaign. With these credentials, and because Clinton took the unusual step of swearing in Blanchard at the White House, the appointment was thought to give Canada a direct and knowledgeable channel to the president. Blanchard assured Canadians that both Bill and Hillary Clinton had a strong interest in Canada and wanted to see relations improved.²⁶

Yet one year after the President's election, there were few signs that this was the case. At the Tokyo Summit Clinton spoke repeatedly of the United States-Japanese connection as being his country's most important bilateral relationship, and he offered no concept, let alone a similarly large one, to describe America's relationship with Canada during the Clinton era. To some degree the President's reserve could have derived from an understandable desire to wait and see who Canada's prime minister would be for the duration of his presidency and the size of the electoral mandate that individual would secure. Offsetting these considerations was a presidential interest in seeing the re-election of the Progressive-Conservatives who had wholeheartedly endorsed his NAFTA and accompanying accords, and whose recent strength in Quebec could defuse any new national unity crisis in Canada. Yet as the autumn unfolded there were only the faintest of signs that Clinton and his administration were preparing to understand and cope with, as President Carter had been forced to, a Canada whose looming national unity and economic challenges had an important, immediate impact on the national interests of the United States.

Reciprocally, at the prime ministerial and ministerial level in Canada, there also appeared to be no clear conception of how to manage the Canadian-American relationship in the coming years. Among the Conservatives who succeeded Mulroney there was a generationally-derived consistency of approach. Prime Minister Campbell, Secretary of State for External Affairs Perrin Beatty, and Trade Minister Tom Hockin had a strong commitment to bilateral and plurilateral trade liberalization with the United States and other countries as the key to Canada's economic prosperity, an equally deep desire to protect Canada's culture from inflows from the south, and no reflexive "Pearsonian" ideological attachment to post-World War II peacekeeping and the UN. Having grown up, studied, taught and practiced law on Canada's Pacific coast, particularly in down-

town Vancouver, Campbell had a particularly intense awareness of the economic opportunities across the Pacific Basin and a ready acceptance of the multicultural diversity at the core of the Asia-Pacific community. The difficulties she had encountered in securing a tenured academic position in her native province at a time when many American academics had just arrived to staff Canada's universities lay at the heart of her cultural nationalist convictions. Beatty's previous experience as communications minister had reinforced his sympathy for the needs of Canada's cultural community. And Hockin, who had composed his Harvard doctoral thesis on planning Canadian foreign policy and written about the need for a "voluntarist" tradition, was fully willing to assert vigorously, and if necessary publicly, Canada's distinctive interests and values *vis-à-vis* the United States.

Among the Liberals, there was also a certain consistency of approach. It began, on the surface, with an expression of Jean Chrétien's pragmatism and experienced political intuition, as he assigned his senior economic portfolios to talented mainstream Liberals with substantial private sector and international experience (notably Roy MacLaren in trade and Paul Martin, Jr. in Finance), and brought Mitchell Sharp, his long-time mentor, into the prime minister's office as a personal adviser.²⁷ But less internationally experienced, more ideologically committed interventionist nationalists were placed in senior portfolios, beginning with the deputy prime ministership and the renamed ministry of "foreign" affairs. And although Chrétien placed early emphasis on delegating decision-making authority to his individual ministers, on the many issues that were necessarily the preserve of the prime minister, his own deeply entrenched beliefs began to make their presence felt.

Those beliefs were formed by Chrétien's three decades of experience in the Liberal caucus and cabinet and by his personal and family experience early in life.²⁸ Together they created a well entrenched belief system that guided his public thinking and political action. At the core was a focus on the national unity question--how best to preserve the francophone community in North America. From this flowed a concept, personalized in the experience of his father, of the United States as the great assimilator of French Canadians through migration and linguistic absorption, and by extension of English Canadians through cultural penetration as well. The need to prevent assimilation led to an emphasis on independence from the

United States and on increasing the distance and differences between the two countries. From this perspective left-wing liberalism was particularly valuable, because such policies made Canada in the minds of its citizens not merely more distant and different but more desirable as a society than that of the United States. For this image the rest of the world became irrelevant beyond displays of independence from Britain and differences with France, leaving Chrétien's foreign policy free to be calculated for its partisan and electoral effect.

The salience of these beliefs was evident in Chrétien's parliamentary career. He first entered the House of Commons in 1963, after publicly campaigning against Lester Pearson's policy of bringing American nuclear weapons into Canada. From July, 1968 to August, 1974 he was Minister of Indian and Northern Affairs during the preparation of the Arctic Waters Pollution Prevention Act of 1970, when he supported the unilateral extension of Canadian jurisdiction over its adjacent maritime area.²⁹ From September, 1982 to July, 1984 he served as Minister of Energy, Mines and Resources where he was responsible for the operation of the National Energy Program. And from July to September, 1984 he was Deputy Prime Minister and Secretary of State for External Affairs, where he advised Prime Minister Turner to undertake extensive foreign travel and revive Pierre Trudeau's peace initiative to enhance Liberal Party prospects in the forthcoming general election.

Despite a consistency in attitude on both sides of the border, there were few signs during Clinton's first year in office of any strategic Canadian approach to the United States. Notwithstanding Mulroney's meeting with Clinton in Washington and Vancouver, the Prime Minister's decision to share Bush's last few days in office at Camp David with the outgoing president reduced the opportunity he might have had for influencing the incoming Clinton team. The preoccupation of Conservative ministers with their party leadership race and general election campaigns (and the rise of the Bloc Québécois) provided little time to plan for Canada-United States relations, particularly as the Tories were anxious to avoid an election focus on the unpopular North American Free Trade Agreement. Nor did Mulroney's appointment of General Jean de Chastelain as Canadian Ambassador to Washington increase the prospects for quick Canadian Embassy-based coordination of relations with, or access to and influence with, the new Clinton team. De Chastelain, a career military officer, came to the post with no foreign service experience

and no knowledge of the economic issues or shared professional or generational experience that characterized the new Clinton team. Although Chrétien sent personal emissaries to sound out the Clinton administration on its flexibility for adjusting NAFTA to accommodate Canadian concerns, there was no effort to identify a foundation of common interests nor define what a "businesslike" approach meant.

In such a situation Canadian decision-making toward the United States remained confined to the routines of External Affairs in Ottawa--a regular comprehensive review of the issues in the Canadian-American relationship, and an effort to develop and send out a single set of major messages to the new Clinton administration. These messages centered on informing an unaware Clinton and those close to him of the importance of Canada to the United States, an importance encapsulated in the core fact that Ontario alone conducted more trade with the United States than all of Japan. Following External Affairs's success in this venture, and amidst Canada's sudden rise to prominence in the United States during the NAFTA debate, they turned to the task of identifying from Prime Minister Chrétien's statements a coherent successor message they could send to the White House and beyond.

V. PLURILATERAL AND INSTITUTIONAL MECHANISMS OF MANAGEMENT

The demise during 1993 of the intense, intimate, informal summitry of the Reagan-Bush era reflected more than just the passing dynamics of leadership and electoral transitions in Canada. Rather, it signalled the shifting post-Cold War and post-World War II patterns of power, polarity and interdependence in the United States-Canadian relationship and the world at large. These meant that throughout the Clinton presidency the United States-Canadian relationship would be managed by processes that were professional rather than personal, regional rather than continental, and institutional and organizational rather than ad hoc, adjustable and informal. These dynamics are not adequately captured by older concepts of a distracted United States, greater divergence between the United States and Canada, and Canadian diversification from the United States toward other power centers overseas. Rather, they point to a United States-Canada relationship that is embedded in a plurilateral web of growing interdependence, embracing key hemispheric and

Pacific powers, and nested in a new system of international institutions and organizations.

These new patterns are most clearly reflected in the sharply different patterns of summit, ministerial, and international institution-building diplomacy that have emerged in the U.S.-Canada relationship during Clinton's first year.³⁰ There are no signs that Clinton will pay a bilateral visit to Canada in the foreseeable future, recreate the fixed formal springtime shamrock summits and subordinate ministerial meetings of the Reagan-Bush years, nor rely on the bilateral commissions and committees of an earlier age. One month after his election, it is clear that Prime Minister Chrétien is quite firmly opposed to moving in this direction as well.

At the summit level, Mulroney's February trip to Washington has been the only completely bilateral encounter between American and Canadian leaders, and there have been no meetings at, or on the margins of, broadly multilateral or universal summits equivalent to the June, 1992, United Nations Conference on Environment and Development in Rio or the earlier United Nations Conference on Children in New York. Indeed, although President Clinton and Prime Minister Campbell each addressed the United Nations General Assembly within a day of each other in September, 1993, they did not coordinate their schedules to allow for a bilateral meeting.³¹ Rather, American-Canadian summit encounters have come overwhelmingly at or within trilateral or plurilateral meetings: the March Clinton-Yeltsin meeting in Vancouver which Mulroney attended; the July 7-9 summit in Tokyo in which both Clinton and Campbell participated and on the last day of which they privately met; the November 19-20 APEC Summit in Seattle; and the next NATO summit in January, 1994.

This preference for well-prepared, working plurilateralism, rather than highly personal, informal bilateralism, will almost certainly endure. Unlike Bush's strong preference for bilateralism, Clinton feels very much at home in seminar-sized encounters. Unlike Reagan and Bush who disliked "micro-managing" the agenda, President Clinton is able to absorb details and their complex interconnections and seems eager to do so at the expense of vacation or ceremonial time. Moreover, Clinton is generationally predisposed to confronting the need to reshape existing international institutions and build new ones to manage the post-Cold War and post-World War II order.

Consistent with this penchant for professional plurilateralism is a move toward international institution building to the point of ensconcing the "informal alliance" that long characterized the United States-Canadian relationship in formal international organizations. In the vanguard of this process are the trilateral dispute mechanisms of NAFTA and its parallel institutions for environmental co-operation and labor affairs. The NAFTA institutions are a trilateral extension of the bilateral equivalents of CUFTA and revolutionary in that they represent the first time in which equal status has been accorded to nations of the developed north and developing south in a major free trade agreement.

The new North American "Commission for Environmental Cooperation" which will operate and extend NAFTA's parallel accord on the environment represents several major changes.³² It has at its apex a CUFTA-like "Council" which is at a minimum an annual meeting of the cabinet-level or equivalent representatives of the three countries. But it also has a single trilateral supranational organization, in the form of a single executive director, a single bureaucratic staff (the secretariat) located in a single location (in Canada), and a fifteen-member "Joint Public Advisory Committee" composed of a single trinational body rather than three national sections meeting together. Affirming the single supranational character of the body is the provision for two-thirds majority voting among the three country participants on several important procedural issues. Similar moves from nationally-dominated institutions into a supranational organization arise in the parallel labor accord. For a United States which has long resisted international organizational constraints on its sovereign prerogatives, and for a United States-Canadian relationship that has long avoided formal international organization, the NAFTA institutions represent a significant break from the past and a small step toward the early features of the European Community.

A second major thrust toward plurilateral institution building is focused on the much broader forum of the fifteen-member Asian Pacific Economic Cooperation (APEC) community. Building on the ministerial meetings that began in 1989 and now take place every two years, and the small secretariat established in Singapore in 1992, the United States has taken the lead to develop APEC as a major international institution. It was President Clinton who called, without prior consultation with APEC leaders, for the pioneering APEC summit which took place in Seattle on November 19-20, 1993. The summit

will be followed by meetings of APEC ministers from portfolios beyond the foreign and finance minister core. Although the dominant conception at present in the United States and Canada is for APEC to develop as an OECD of the Pacific, there is an awareness that it could have a valuable trade liberalization function, especially should the Uruguay Round of the GATT fail.

The third major thrust toward plurilateral institution building comes from President Clinton's enthusiasm for employing the G-7 Summit and its associated institutions as effective instruments of global governance. To be sure, Clinton shares the desire of his predecessor to have the G-7 become less bureaucratic, elaborate and formal and more focused on a few central issues to be discussed in detail in informal private sessions by the heads alone. But much like the trilateralists of the Carter presidency, in which Warren Christopher served, he has moved aggressively to build the summit system, in particular to confront the post-Cold War tasks of democratization and marketization in Russia and the world economy.³³ Thus within the first half year of his presidency Clinton added to the normal annual array of G-7 meetings a mid-April Tokyo gathering of foreign and finance ministers to arrange a package of additional economic assistance to Russia, a meeting of the Quadrilateral trade ministers at the start of the Tokyo summit to successfully conclude a market access agreement to spur the completion of the Uruguay Round, and the creation of a G-7 office in Moscow to co-ordinate members' aid. He also allowed the G-7 for the first time to publicly invite Russia's Yeltsin a year in advance to meet with summit leaders next year, and he secured agreement to hold a ministerial-level G-7 meeting on employment in the United States. As the G-7 (even without Russian participation) is the only global international institution that reflects the emerging patterns of power, polarity and interdependence in the international system, and that reflects Canada's status as a major power, it is likely to acquire increasing centrality in shaping United States-Canadian relations in the years ahead.

VI. PROSPECTIVE POLICY CHALLENGES FOR THE 1990S

Economic Issues

From the perspective of both the United States and Canada, their economic relationship and national prosperity during the 1990s will be largely determined by the ability of the two governments to

expand their existing trade-liberalization regimes and institutions beyond their continental and North American base into the wider world, and beyond their trade and associated investment core into a broader range of economic and social realms. In particular, the Canada-U.S. economic relationship will revolve around the three-fold challenge of completing NAFTA and extending it into a continental free trade area, deepening the economic cooperation functions and trade liberalization potential of the Asian Pacific Economic Cooperation process, and successfully completing the Uruguay Round of the GATT as a prelude to the rapid launch of a new round embracing the new trade-related issues affecting environment, competition, social policy, investment and innovation.³⁴

This focus on an expansive trade liberalization agenda is in large part a consequence of not only the globalization of the world economy and the widening internationalization of the American-Canadian continental interdependence, but also of the success of the now half-decade old CUFTA. Although bilateral trade disputes, such as steel, beer and softwood lumber, will continue as problems that preoccupy particular constituencies in both countries, the now relatively well-established and well-functioning bilateral dispute settlement mechanisms of the Canada-United States Free Trade Agreement will continue to reduce the place of such issues as priorities on the political agenda and confine them to the specialized problem-solving that proponents of the "special relationship" have long preferred. Despite the administration's concern with its large and growing trade surplus, and Canada's substantial contribution to the U.S. merchandise trade deficit, the Clinton administration has accepted the fact that the uniquely large Canada-U.S. trade relationship is in broad balance, and that a change in the trade regime with Canada will not be asked to provide a contribution to America's global trade deficit problem, even if a substantial, continuing slide in the value of the Canadian dollar should further increase the competitive pressures and import penetration of Canadian goods in the U.S. market. Although the administration may at times be forced to consider protectionist measures aimed at Canada, such as a move against Canadian wheat imports in an effort to secure some of the Congressional votes necessary to pass NAFTA, the CUFTA mechanisms, combined with the now well-functioning White House contact point, will continue to inhibit such Congressionally-created impulses from becoming a regular, successful feature of American

political life. But the absence of a close personal relationship between the President and the Prime Minister will limit the impact of these lower-level mechanisms.

Nor is it likely that the traditional investment issues, notably Canada's desire to control and reap maximum national benefit from inflows of American foreign direct investment and American-owned multinational corporations resident in Canada, will re-emerge as a salient concern. The Clinton administration has substantially backed off from its earlier belief that much more stringent monitoring and taxation of American-located multinationals and their transfer pricing practices could substantially contribute to the reduction of the United States' fiscal deficit. Apart from the specific sector of energy, the investment provisions of CUFTA and NAFTA have remained off the Liberal's Party's list of items to be renegotiated. Moreover, the issue of direct foreign investment is virtually absent from the Liberals' campaign platform and discourse and its early pronouncements as a government. The sharp drop in support for the New Democratic Party, which remains committed to strict controls, and the very poor initial showing of the National Party, for whom the foreign direct investment issue was the very *raison d'être*, further suggests that the Mulroney legacy of eliminating the National Energy Program, transforming the Foreign Investment Review Agency into Investment Canada, and declaring Canada to be "open for business" will largely endure.

There are likely to be three exceptions to this general openness toward foreign direct investment. The first, signalled by the automotive industry and the North American content provisions of CUFTA and NAFTA, is a greater sensitivity, in a broadening array of sectors, about maintaining equitable processes and outcomes in determining national locations for new investments and ensuring they mobilize increasing amounts of genuinely North American and national content. The second, foreshadowed by the deficit-ridden airline industry, is a common American and particularly Canadian sensitivity to increased foreign ownership, control and participation in symbolic, technologically-advanced industries, especially when these are thought to underpin the transportation and communications grid that sustain nationhood and fuel national competitiveness. The third, indicated by Campbell's warning at Tokyo, comes from Canadian measures of "cultural nationalism" designed to protect Canadian producers and consumers from the easier inflow of low-cost

American information and entertainment products. It is likely that the United States can endure without significant reaction to Canada's traditional cultural nationalist measures such as the recent moves against Canadian advertising in essentially imported editions of *Sports Illustrated*, and prospective moves to place more of the Canadian book publishing industry under Canadian ownership. Nor is it likely that any Canadian government will attempt to move against emerging forms of transborder information and entertainment flows, such as magazines and news items, perhaps with advertising attached, and delivered by electronic means through bulletin boards, fax and modem.

More serious issues could well arise in the field of broadcasting. While it remains unlikely that the United States would move against the growing number of Canadian-owned newspaper and cable television outlets in the United States, the advent of direct broadcasting satellites (often termed "deathstars" in Canada) capable of beaming hundreds of channels of overwhelmingly U.S.-created and owned programming into Canadian homes threatens to overwhelm the technological capacity of Canadian regulators to control them, and the willingness of Canadian consumers to endure such controls. It thus threatens to reduce the more expensive Canadian content placed on the airwaves by Canadian regulation, especially as the publicly owned broadcasting network, the CBC, faces prospective budget cuts. As information and entertainment products are one of the very few economic sectors in which the United States retains an unchallenged global lead, and as continental precedents assist the far more blatant moves at broadcasting protectionism in Europe, an increasingly hard-pressed United States is likely to exhibit far less tolerance of Canadian restrictions on the new broadcasting systems than it has hitherto on the terrestrially-based transborder flows of old.

One further economic issue likely to acquire prominence in the 1990s is the prospect of rising technological protectionism and new proposals for continental government-assisted research and development consortia along the lines pioneered by the European Community in the 1990s. In the post-World War II/Cold War era, the strong presence of American multinational corporations in Canada assured Canadians of rapid, virtually cost-free access to American research, development, and management techniques. At the same time the Soviet threat and the Defense Production and Development

Sharing Program allowed Canadian firms access to U.S. government funds and U.S. government-funded technology to mount competitive commercial bids.

During the new Cold War of the 1980s, continental and plurilateral space programs served as an important surrogate, with Canada choosing to avoid government-to-government participation in military programs such as the Strategic Defense Initiative in favor of civilian collaboration in the U.S.-led space station (with Japanese and European participation), the binational commercially-led M-Sat Program (with Japanese participation) and the Canadian-led Radarsat program. However, the steadily escalating costs of the space station and its recurrent vulnerability to U.S. administration redesigns and Congressional cost-cutting pressures point to the need for a more stable and more commercially-oriented high-technology substitute. With most countries targeting the same high technology industries as the key to future national competitiveness, and with the Cold War national security rationale for international cooperation gone, a shared sense of the challenge from the European Community and threat from the common enemies of environmental degradation and weapons proliferation will be required to inspire moves toward North American research and development programs in critical pre-competitive technologies, and a freer trans-border flow of information and research.

The speed and success with which the United States and Canada address these new issues will depend in the first instance upon Canadian promulgation of NAFTA and the speed with which the three governments begin to build upon NAFTA and its accompanying agreements on environmental cooperation and labor.³⁵ Should Canada not promulgate NAFTA, there is little likelihood that Canada, despite some brave suggestions at present, would succeed in securing a bilateral free trade agreement with Mexico on its own. Moreover, given the promise of the Liberal Party to abrogate both CUFTA along with NAFTA if its concerns are not satisfied, and the demand of the Reform Party for new provisions to guarantee Canadian control of its water resources, there is a real possibility that the failure of NAFTA would unravel the stability of the CUFTA regime. Although the economic damage done to Canada would soon induce the Canadian government to take a more accommodating approach, the costs to the still somewhat fragile confidence in the Canadian economy would be considerable.

It remains likely that Canada will proclaim NAFTA, especially if the Uruguay Round of the GATT were to fail. The demise of the old nationalist fragment of the Liberal Party, and the virtual death of national support for the New Democratic Party would lead a new Liberal government to find ways to approve the existing agreement by the end of 1993 after a commitment from the United States and Mexican governments to initiate a process of discussion aimed at the desired improvements. The United States government is likely to be willing to accept such a procedural commitment in order to complement the implementation of an agreement it has secured through Congress at such cost.

A successful end to the NAFTA debate would enable and inspire the Clinton administration to move toward the vision of many prominent figures in the Democratic Party--creating a hemispheric free trade area.³⁶ Such a move is more likely to come through the incremental admission of the current applicants for NAFTA membership rather than through any comprehensive negotiations and schemes. Individual countries such as Chile are small, distant and relatively unthreatening to the United States. The prospect of further pluralizing NAFTA should also, despite its U.S. origins, appeal to Canada as a means of diluting the overwhelming presence of the United States, and prospectively as a way of forging real economic ties between it and its Commonwealth and francophone associates in the Caribbean and Central America. Politically, a Progressive-Conservative government would readily recognize such hemispheric extensions as a follow-on to its successful CUFTA and NAFTA policies, while a Liberal government would be constrained by its party commitment to "play an active and independent role in defining" rather than repudiating any Western hemisphere free trade bloc that evolves.³⁷

Beyond the hemisphere lies the Clinton's administration's sudden enthusiasm for developing APEC as a major, summit-level institution for managing economic relation across the Pacific, including, with the admission of Mexico, its Latin American rim. This impulse is likely to endure, even should it reap the immediate reward of inspiring the European Community to make the accommodations necessary to successfully complete the Uruguay Round. And should the Round fail, it will acquire even more momentum as the centerpiece of the Administration's trade policy. Over the medium term, any Canadian government (save one dependent upon NDP or Bloc

Québécois support for its parliamentary survival) will become an enthusiastic supporter of developing APEC, as it constrains the bilateral U.S.-Japanese trade and related economic frictions that threaten to "sideswipe" Canada, and to place Canada's relations with most of its top ranked and fastest growing trade partners in the secure, multilateral, middle-power influenced, rules-based institutional framework that Canada has long preferred. But for reasons of geography, generation and the demography of local electors, a Canadian government led by a prime minister and foreign minister from francophone Quebec, and with most of its seats and deputy prime minister from Ontario, is less likely than its western-based predecessor to move with haste and assume a leadership role.

The future of both NAFTA and APEC are dependent upon whether the Uruguay Round, now three years overdue, can be successfully completed by the end of 1993 before President Clinton's negotiating authority from Congress expires. The lessons the administration learns from its somewhat tentative trust in multilateral trade liberalization will have a decisive effect over the ensuing years. As the Administration has already approached the limits of its ability to adjust to the ever-escalating demands of French farmers and the internal politics of the European Community, and as the Japanese have already offered a visible if symbolic "concession" by allowing rice imports, it is likely that Canada will be forced into making some domestically painful changes to its supply management programs that protect Canadian dairy and poultry producers, primarily in Quebec. Although Canada will continue to claim that such changes, especially the "tariffication" of the existing protection, will imperil its fragile national unity, already threatened by a bolstered Bloc Québécois parliamentary caucus, it is unclear whether President Clinton will be as willing as President Bush to accept prime ministerial national unity-based admonitions to exempt Canada from any demands. Prime Minister Chrétien's refusal to develop a close personal relationship will mean that the President will be even less aware of, and sympathetic to, the complexities and calculations of Canada's case.

Even should the Uruguay Round successfully deliver a substantial result and secure Congressional approval, it is unlikely that a new Round will follow in practice much before the six years it took after the Tokyo Round to launch the Uruguay Round, and the further seven years it took to complete it. Neither the United States nor

European Community show signs of having the requisite multilateral enthusiasm. Even in a traditionally GATT-focused Canada, neither Campbell nor Chrétien have repeated Prime Minister Mulroney's June 2, 1992, personal pledge to move rapidly to secure a new environmentally sensitive round of trade negotiations. In practice, then, it is the ventures in the hemisphere and across the Pacific that will define United States' trade and economic policy, and thus American-Canadian trade and economic relations, in the Clinton years.

Environment

In the environmental field, the issue of acid rain that dominated United States-Canadian environmental relations during the 1980s has now been successfully routinized, and is unlikely to re-emerge on the political agenda. This is particularly so given the Clinton administration's national commitments in this domain, and the discovery by U.S. industry that it can adapt to the required new clean coal processes largely without the economic costs it had initially feared. Along the United States' northern border, environmental attention is likely to be focused, as it was in the 1970s, on the Great Lakes watershed, as the two countries, led by the United States, move to combat the new generation of toxins in the lakes and to manage the ecosystem in a way that preserves not just water quality but broader values such as bio-diversity as well.

To a considerable degree the Great Lakes and other local transboundary air and water quality issues will continue to preserve the traditional character of the bilateral special relationship, centered on the work of the International Joint Commission. Indeed, Canada's success in the negotiations on NAFTA's parallel environmental accord in winning for itself an exemption from trade sanctions to enforce environmental compliance, and financial responsibilities for environmental cleanup along the United States-Mexican border demonstrates that the United States still substantially views its environmental relations with Canada as a separate and special domain. But as the decade unfolds political attention in both the United States and Canada will turn increasingly to making the central institutions of the new North American Commission on Environmental Cooperation (NACEC) work in the desired way.³⁸ During 1994 activity will focus on defining the essential institutional issues concerning the size of the resources the institution can draw

upon, its particular headquarters location, and the openness of its procedures to public participation and media attention. A second critical institutional issue will be the composition of its bureaucracy and advisory body as non-governmental environmental activists, scientists, the standards community, industrialists, and other stakeholders seek to have their constituencies and concern amply represented within the institution. The resolution of such issues will determine whether NACEC acquires the scientific credibility and citizen scrutiny that will both constrain the environmental activities of member governments and diminish the need to rely upon older "command and control" enforcement mechanisms. It will also determine whether, like the original European Community institutions, the NACEC will become a center of lobbying activity and public legitimacy and loyalty that will provide it with real political authority in its own right.

As part of this process lies the important question of whether the NACEC remains confined to the narrow list of functions the agreement mandates that it "shall" perform, rather than move to take up the much larger and more significant functions that the agreement permissively states it "may" conduct. Of central significance is the balance the body strikes between its more pure functions of environmental protection and enhancement, and its more economically-oriented missions of assisting in the resolution of trade disputes and moving the North American economy towards more sustainable forms of development. Its ability to move into the latter will determine its potential to manage the growing North American concern without the government-subsidized provision of water and other ever-scarcer ecological resources, and the prospects of long-range, large-scale continental water diversions.

Security

Although the end of the superpower-defined European Cold War has opened the world for more regional conflict and instability, and while the possibility of Russian recidivism remains, the collapse of the Soviet Union has eliminated for both the United States and Canada the major security threat from a potential hegemon coming over the north pole and across the Atlantic.³⁹ It has thus carried both countries back to an era where they no longer need the NORAD of 1958, and the NATO of 1949. It has further called into question for both countries the whole structure of Atlantic regional cooperation

created from 1947-1949 and embodied in the North Atlantic Pact, and of the continental defense collaboration that began with the establishment of the Permanent Joint Board on Defense in 1940. For the United States it also reduces the foundation of its reluctant twentieth-century commitment to the United Nations as a relevant institution in the security field.

Although the new security threats will continue to make the United States and Canada security collaborators on the continent and bring other proximate powers into their cooperative core, it will offer no substitute justification for the continuation of the continental and Atlantic institutional security edifice that has grown up since 1940, especially if membership and the need for modernization carry with them costly claims. Increasingly, both countries will slowly look toward newer institutional vehicles, better adapted to meet the multi-oceanic and Pacific-centered threats of the new era. Despite the current presence of UN-ensconced American troops in Somalia, and UN-garbed, NATO-backed Canadian troops on the ground in the former Yugoslavia, the future will see both countries invest fewer troops in such traditional European and Middle East theaters, fewer resources in the security functions of NATO and the United Nations, and more in such pre-eminently political and vastly less expensive institutions such as the Conference on Security and Cooperation in Europe (CSCE) and an emerging Pacific security dialogue. The result will be new disputes over burden sharing, as the United States in particular but also Canada try to shift the new security costs onto the rising powers more readily able to take up these less militarily menacing tasks. It may also lead to some conflict-generating confusion over international security roles as the United States moves to enter Canada's traditional domain and self-definition as the world's premier peacekeeper, but does so in ways that longstanding Canadian experts believe to be wrong.

The greatest disintegration will take place on the continent where NORAD and the North Warning System will become an increasingly empty shell. The absence of a clear over-the-pole threat from the Soviet Union/Russia means that both countries are likely to abandon their linked projects for a space-based sequel to the North Warning System, despite the continuing need for security and civilian-related surveillance, detection and tracing over the vast North American expanse. The two countries should enjoy somewhat more success in developing in tandem new space-based military

communications systems, as the recent lessons of the Gulf war have provided fresh incentive. But as such projects, in their participation and focus, will have a much broader focus than the continental systems of old, they will do little to propel the special solidarity of 1940 onward, or provide enough of an agenda to keep the PJBD adequately occupied.

Also likely to wither away, along with Mulroney and Bush, are memories of American-Canadian military solidarity in regional conflicts such as the Gulf War. With Clinton and Campbell in control, 1993 has brought proliferating and well-publicized divergences centered on Canadian concern with American lack of consultation before its strike on Baghdad, with America's preference for forceful interventions in Bosnia that could imperil Canadian "peacekeepers" on the ground, and with America's penchant for military unilateralism in Somalia. Given that Jean Chrétien, as Leader of the Opposition, called for the withdrawal of Canadian forces from the Gulf as the United Nations sanctioned January 15, 1991, deadline expired and the coalition military offensive to liberate Kuwait was about to begin, these differences may intensify in the short term. But over the longer term such divergences are more likely to diminish as Canada's lack of funds and enthusiasm for "peacekeeping" in civil war situations reduces its overseas involvements, and as the United States, following Canada's example in NATO's Western Europe and in Somalia, brings its troops home.

The security relationship between the two countries will thus shift even more to the diplomatic arena, focused on issues such as controlling weapons proliferation and reform of the United Nations. Growing concern with weapons proliferation, nuclear testing, and arms buildups, centered on North Korea and China but moving through Asia to Iran and Pakistan, will shift the attention of both the United States and Canada toward the Pacific and provide a new basis for bilateral solidarity in the security sphere. Here proliferation and instability could even lead to the actual political use of nuclear "weapons" in the very limited "demonstration detonation" sense of the 1974 Indian nuclear explosion. As reflected in its founding membership in the seven-power summit incubated Missile Technology Control Regime, Canada has sufficient capability in nuclear-related high technology to remain a ranking global player in control efforts, and since 1945 it has had an increasingly passionate antipathy toward the proliferation of nuclear weapons. Yet for

reasons of geographic proximity, technological prowess and anti-nuclear commitment, these new Asia-Pacific oriented sinews of solidarity are likely to increasingly embrace not just the United States and Canada but also Japan.

VII CONCLUSION

As the great historian of the United States and Canada, John Bartlet Brebner, recognized long ago, the relationship between the two countries was never really the exclusive, separate, special continental partnership it appeared to be to those living along the 49th parallel.⁴⁰ It always involved major regional, even transoceanic powers such as Britain, and was always decisively shaped by the ebb and flow of power and polarity in the global system as a whole. During the twentieth century, as growing power and threat came primarily from Germany and then the Soviet Union, and thus over the Atlantic and the Arctic pole, the North American continental partnership served increasingly as a floor for a community that embraced first Britain and then France and western Europe, and that found institutional expression in the institutions of the PJBD-NORAD-DPSA, NATO-OECD (where France joined the Anglo-American three in the founding four) and the United Nations-Bretton Woods organizations. Providing reinforcement, first on the continent, then across the Atlantic, and finally beyond were the functional needs to regulate the environment and public works infrastructure of an industrializing North America (beginning with the Boundary Waters Treaty and IJC), to establish trans-Atlantic communications and conservation systems, and to create a world of Mitranyian functionalism, from ICAO onward, throughout the world.

In the world of the emerging twenty-first century, however, with both the German and Soviet-Russian threats and powerful British-French bulwarks now gone, changes in the global system, notably the growing power of China and the consequent need for a number two Japan, are increasingly embedding the United States-Canadian relationship within a Pacific nest. At the same time accelerating scientific and technological advance and environmental sensitivity are extending the common North American home to include Mexico and increasingly, the resources and ecosystems of the Pacific Rim as well. That this emerging community embraces a broader array of languages, religions and legal systems than the old continental, and North Atlantic clubs should not prove an insur-

mountable obstacle to a United States and Canada rapidly emerging as the most successful, internationally open, multicultural countries in the world.

That the United States-Canadian partnership promises to be a more genuinely equal and plurilaterally-embedded one than has prevailed thus far is evident from an examination of the emerging system of international institutions that is slowly replacing the UN, NATO, NORAD configuration of old. At the apex stand the ever-expanding institutions of the G-7. Across the Atlantic have arisen the new institutions, embracing the Russians and central-eastern Europeans, of the European Bank for Reconstruction and Development (EBRD) and CSCE. Across the Pacific has developed APEC and the emerging Pacific security dialogue. And on a north-south axis within the western hemisphere are the prospective new institutions of NAFTA in the economic, environmental and trade fields, and the new members seeking to get in.

In this new system, the United States and Canada are, for the first time, equal members and ranking powers in the inner core of all the institutional clubs. And for Canada, which has long depended for international influence on process as well as power and on connections as well as capability, membership in the inner sanctum with multiple members enhances its ability to deal on a more genuinely equal footing with the United States. It is thus even possible to envisage the day in the distant future when, after a brief bilateral encounter during a sustained plurilateral summit on the Pacific coast, the U.S. President will ride to receive the Russians in the Canadian Prime Minister's car.

GLOSSARY

APEC = Asia-Pacific Economic Co-operation
CBC = Canadian Broadcasting Corporation
CSCE = Conference on Security and Cooperation in Europe
CUFTA = Canada-U.S. Free Trade Agreement
DPSA = Defense Production Sharing Agreement
EBRD = European Bank for Reconstruction and Development
FRG = Federal Republic of Germany
FTA = Free Trade Agreement
FY = Fiscal Year
GATT = General Agreement on Tariffs and Trade
GDP = Gross Domestic Product
G-7 = Group of Seven Industrial Nations
ICAO = International Civil Aviation Organization
IJC = International Joint Commission
IMF = International Monetary Fund
NACEC = North American Commission on Environmental
Cooperation
NAFTA = North American Free Trade Agreement
NATO = North Atlantic Treaty Organization
NDP = New Democratic Party
NORAD = North American Air Defense (?? aerospace??)
OECD = Organization for Economic Cooperation and Develop-
ment
PJBD = Permanent Joint Board on Defense
PRC = People's Republic of China

NOTES

¹ Plurilateralism, as distinct from broad multilateralism and bilateralism, refers to using the "smaller or restricted forums in which Canada enjoys membership" to undertake "multiple but highly selective initiatives, the weaving of coalitions in an increasingly complex web of institutions." See the Right Honourable Joe Clark, "Canada's New Internationalism," in John Holmes and John Kirton, eds., *Canada and the New Internationalism* (Toronto: Canadian Institute of International Affairs, 1988), 4.

² Indeed, the combination of a young, intellectually-oriented appealing and activist U.S. president, and an old country lawyer concerned with Canada's "independence" as prime minister of Canada recalls the dynamic of the Kennedy-Diefenbaker years.

³ For the foundation see Seymour Martin Lipset, *Continental Divide: The Values and Institutions of the United States and Canada* (Toronto: Canadian-American Committee, 1989).

⁴ For accounts of the historic U.S. approach to Canada and the resulting U. S.-Canadian relationship see: John Kirton and Robert Bothwell, "A Very Necessary Country: American Attitudes Towards Canada, 1976-80," *Queen's Quarterly* (Summer 1986): 299-317; John Kirton and Robert Bothwell, "A Proud and Powerful Country: American Attitudes Toward Canada, 1963-1976," *Queen's Quarterly* 92 (Spring 1985): 108-126; and Robert Bothwell and John Kirton, "A Sweet Little Country: American Attitudes Toward Canada, 1925-1962," *Queen's Quarterly* 90 (Winter 1983): 1078-1102.

⁵ Joseph Nye, "Transnational Relations and Interstate Conflicts: An Empirical Analysis," 367-402, in Annette Baker Fox et al., eds., *Canada and the United States: Transnational and Transgovernmental Relations* (New York: Columbia University Press, 1976).

⁶ On U.S.-Canadian relations during the Reagan years see Stephen Clarkson, *Canada and the Reagan Challenge: Crisis and Adjustment, 1981-85* (Toronto: James Lorimer, 1985); Lawrence Martin, *Pledge of Allegiance: The Americanization of Canada in the Mulroney Years* (Toronto: McClelland and Stewart, 1993); and David Leyton-Brown, *Weather-*

ing the Storm: Canadian-U.S. Relations, 1980-1983 (Toronto: Canadian-American Committee, 1985).

⁷ Although Reagan's concept can be traced back to 1976, its most prominent expression came in his national television broadcast of November 13, 1976, when he announced his run for the presidency on a platform of income tax cuts, the elimination of energy regulations, and free trade with Mexico and Canada. He declared: "We live on a continent whose three countries possess the assets to make it the strongest, most prosperous and self-sufficient area on Earth...it is time we stopped thinking of our nearest neighbors as foreigners. My proposed "North American Accord" would work toward the goal of using the assets of this continent, its resources, technology and foodstuffs, in the most efficient ways possible for the common good of all its people." As cited in the *Wall Street Journal*, November 18, 1993, a22.

⁸ Joseph Jockel, "The Canada-U.S. Relationship after the Third Round: The Emergence of Semi-Institutionalized Management," *International Journal* 40 (Autumn 1985): 689-715; see also Allan Gotlieb, *I'll Be With You in a Minute Mr. Ambassador: The Education of a Canadian Diplomat in Washington* (Toronto: University of Toronto Press, 1991).

⁹ For an impressive analysis of American-Canadian relations during the Bush years see: Joseph Jockel, "Canada-U.S. Relations in the Bush Era," *Canadian-American Public Policy* 1 (April 1990): 1-28.

¹⁰ Most recently, for the first nine months of 1993, Canadian merchandise exports to the U.S. rose 20.9 percent over the last year (compared to 16 percent for merchandise exports to the world as a whole), while Canada's trade surplus with the U.S. rose 42.3 percent (compared to 65 percent for the world as a whole).

¹¹ John Kirton, "Liberating Kuwait: Canada and the Persian Gulf War, 1990-91," in Don Munton and John Kirton, eds., *Canadian Foreign Policy: Selected Cases* (Toronto: Prentice-Hall, 1991), 382-393; and John Kirton, "National Mythology and Media Coverage: Mobilizing Consent for Canada's War in the Gulf," *Political Communication* 10 (December 1993): 425-441.

¹² Don Munton and Geoffrey Castle, "Reducing Acid Rain, 1980's," 367-381 in Munton and Kirton, eds., *Canadian Foreign Policy: Selected*

Cases (Toronto: Prentice-Hall, 1992); and John Carroll, "Transboundary Air Quality Relations," *Canadian-American Public Policy* 2 (July 1990): 1-23.

¹³ The IMF has recently confirmed that Russia's economic position is below that of Canada in assigning Russia its quota share in the institution. As of mid-1993, at current exchange rates, Canada's annual *military* spending also exceeded that of Russia. These relative positions are confirmed by the emergence of Canada as a major provider of foreign aid to Russia.

¹⁴ On the full 20th century trend see Charles Doran, *Economic Interdependence, Autonomy, and Canadian/American Relations* (Montreal: Institute for Research on Public Policy, 1983). For a full analysis of the United States' place in the future international system see Charles Doran, "Quo Vadis? The United States' Cycle of Power and its Role in a Transforming World," in David Dewitt et al., eds., *Building A New Global Order: Emerging Trends in International Security* (New York: Oxford University Press, 1993), 12-39. The recent relative decline in Canada's ratio, evident in Table A, reflects transitory exchange rate fluctuations, notably the drop in the value of the Canadian dollar from 89 cents U.S. in the autumn of 1991 to 75 cents by autumn 1993.

¹⁵ See Alfred Olivier Hero, Jr., *Contemporary Quebec and the United States* (Lanham, Md.: University Press of America, 1988). Under the most optimistic scenario, there would at a minimum be major transaction costs in negotiating the trilateralization or quadrilateralization of existing bilateral and trilateral agreements between the United States and Canada, and operating the resulting institutions, including those of the recently hard-won NAFTA. Absorbing the distinct preferences of an independent Quebec would raise additional issues unless a sovereign but associated Quebec were to be represented, in IMF-like constituency fashion, through Canada rather than separately in North American institutions.

¹⁶ Jim Moore, *Clinton: Young Man in a Hurry* (Fort Worth, Texas: The Summit Group, 1992), 239-290.

¹⁷ Canada, "Address by Prime Minister Kim Campbell to the United Nations General Assembly," September 29, 1993.

¹⁸ Kim Campbell, "Speech and Scrum," Vancouver, May 6, 1993. Her

vision began with a belief that in the post-Cold War era Canada was a major rather than middlepower in the world. The expanding global role that this position afforded was to be centered not on merely practicing the peacekeeping of old but on taking up several larger challenges: restructuring the United Nations; defining new rules for humanitarian intervention; preventing nuclear proliferation; strengthening international law; developing an international migration regime; assisting the poorest countries; developing regional integration and supranational institutions; trade liberalization; and protecting Canada's culture. The Prime Minister's commitment to an expanded international role for Canada was reflected in her reluctance to impose major real dollar cutbacks from current levels in Canada's defense, foreign aid and international affairs budgets immediately prior to, and even during, the federal election campaign.

¹⁹ *Creating Opportunity: The Liberal Plan for Canada* (Ottawa: Liberal Party of Canada, 1993). Chrétien offered no foreign policy vision of his own during the campaign and said upon election that the "Red Book" was the document that would guide policy formation in government.

²⁰ *Ibid.*, 105, 106.

²¹ *Ibid.*, 24.

²² *Ibid.*, 23.

²³ While the "fishing" metaphor is directed at Prime Minister Mulroney, the "golfing" reference embraces Chrétien's Liberal predecessor, Louis St. Laurent, who golfed with President Eisenhower at Augusta, Georgia, on December 11, 1956, and who testified to the value of this format for international diplomacy to the House of Commons on January 9, 1956.

²⁴ Trudeau won his first majority mandate on June 25, 1968, but did not meet the U.S. president for the first time until March 24, 1969 (in a bilateral meeting in Washington). Even then the nine-month delay was partly accounted for by the fact that Lyndon Johnson was a Vietnam-distracted, lame duck president for the first seven months of Pierre Trudeau's prime ministership. After being elected on April 8, 1963, and being sworn in on April 22, Prime Minister Lester Pearson flew to Hyannis, Massachusetts, the summer home of President Kennedy on May 10th.

²⁵ U.S. Ambassador to Canada, James Blanchard, claimed that the President had visited Canada six or seven times, in eastern, western and central Canada. James Blanchard, *Prime Time News*, CBC TV, September 3, 1993.

²⁶ Blanchard got off to a potentially controversial start by declaring on television that the opposition Liberal Party's pledge to renegotiate NAFTA was "very similar to Bill Clinton's position" and "my sense is they could work it out." James Blanchard, *Prime Time News*, CBC TV, September 3, 1993.

²⁷ It is worth noting that Mitchell Sharp, while a mainstream Liberal in senior portfolio in the ministry of the 1960s, had become, as Secretary of State for External Affairs in the 1970s, a firm advocate of the third option policy of diversification of Canada's relations away from the U.S.

²⁸ They are well articulated in his book, *Straight From The Heart* (Toronto: Keay Porter Books, 1985).

²⁹ During the English-language TV election debate of October 5, 1993, Chretien did draw upon the Arctic Waters precedent to reaffirm his determination to unilaterally expand Canadian jurisdiction over the "nose" and "tail" of the Grand Banks, to curtail foreign fishing.

³⁰ For the historic patterns of summit diplomacy in United States-Canadian relations see Roger Frank Swanson, *Canadian-American Summit Diplomacy, 1923-1973* (Toronto: McClelland and Stewart, 1975).

³¹ Importantly, the President did meet with Japanese Prime Minister Hosokawa during his New York visit, in part to discuss the APEC Summit two months hence.

³² Canada, *North American Agreement on Environmental Co-operation Between the Government of Canada, the Government of the United Mexican States, and the Government of the United States of America*, Final Draft September 13, 1993.

³³ See also Senator Lloyd Bentsen, in *President Clinton's New Beginning* (Donald Fine: New York, 1992), 141.

³⁴ Michael Hart, "The End of Trade Policy?," in Fen Hampson and Christopher Maule, eds., *Global Jeopardy: Canada Among Nations, 1993-94* (Ottawa: Carleton University Press, 1993), 85-105.

³⁵ Sidney Weintraub, "The NAFTA Issue in Canada on the Eve of Elections," *CSIS Policy Papers on the America's* 4 (August 24, 1993), 1-10.

³⁶ Lee Smith, *America's Agenda, Rebuilding Economic Strength: The Critical issues of 1992 and Beyond and What to Do About Them* (Armonk, New York: M. E. Sharpe, 1992), ch. 8.

³⁷ *Creating Opportunity*, 25.

³⁸ For an ambitious conception of its role see Sarah Richardson, ed., *The North American Free Trade Agreement and the North American Commission on the Environment* (Ottawa: National Roundtable on the Environment and the Economy, 1992); and Sarah Richardson, ed., *Shaping Consensus: The North American Commission on the Environment and NAFTA* (Ottawa: National Roundtable on the Environment and the Economy, 1993).

³⁹ Joseph Jockel and Joel Sokolsky, "Dandurand revisited: rethinking Canada's defence policy in an unstable world," *International Journal* 48 (Spring 1993): 380-401.

⁴⁰ John Bartlet Brebner, *North Atlantic Triangle: The Interplay of Canada, the United States and Great Britain* (New Haven: Yale University Press, 1945).

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