GLOBALIZATION AND A UNIPOLAR WORLD: CANADA AND U.S. RELATIONS AT THE BEGINNING OF THE 21ST CENTURY

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I. INTRODUCTION: CANADA'S LOSS OF INNOCENCE

In preparing a short analytical study on Canada-United States relations within a specific and brief time frame, one cannot help but recall some of the stereotypical catch phrases often cited in such endeavors over the years, i.e., “the longest undefended border”, “a special relationship”, “a special friendship”. They have often led us to believe that the two nations have had an international relationship unlike any other, where national interests were abandoned and replaced by enduring friendship and continuous harmony. However, John Herd Thompson and Stephen J. Randall contend that such “platitudes belie the dissonance of the 19th century and exaggerate the harmony of the 20th. They are more useful for saccharine speeches at bi-national gatherings than for a professional understanding of the bi-national relationship.”

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Since 1945 the Cold War has served as the overall backdrop to the relationship between Canada and the United States. During this period there existed moments of stress—i.e., the Cuban situation (which still persists thanks to the Helms-Burton Act), and the Trudeau/Nixon era generally to name just two. However, the interaction between the two countries was nevertheless constructed upon a common understanding that there was an alliance between these two democratic nations. Based on the defense of democratic capitalism and the advancement of each other's national economic interests, the Canada-U.S. alliance also served to bolster resistance to the Soviet threat. Nevertheless, in pursuit of multilateralism and constructive engagement Canada at times adopted foreign policies different from those of the United States. Rather than weakening the bilateral relationship, these differences actually strengthened it. In many ways Canada's unique approach to the Cold War tensions eased and counter-balanced the more forceful and direct methods employed by the ally to the south. These complementary approaches actually solidified the foreign policy relationship between the two neighboring North American democracies and fostered spillover effects in other areas.

At times Canada's more inclusive approach did create certain stressful situations. Yet the United States knew that its ally to the

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North could be relied upon to defend North American values, even though at times Canadian policies diverged from American positions. Over the years, then, U.S. foreign policymakers came to regard Canada as the “taken-for-granted northern cousin.” However, what simultaneously developed in Canada as a result of this Cold War alliance is a society which assumed that the United States would always take into account Canadian sensibilities when determining its own domestic policy, economic interests, and foreign policy relationships. As U.S. Secretary of State Dean Acheson forewarned in one of his encounters with Lester Pearson, Canada’s Minister of External Affairs, “If it (i.e., a good Canada/US relationship) is to achieve success, Americans must not take Canadians for granted. But something more is needed. Canadians must not take Americans for granted either.”2 In many ways Canada believed more profoundly than the United States in the illusionary rhetoric of enduring friendship, special relationship, etc.

The author does not intend to prepare a White Paper on the new realities of the Canada/United States relationship at the opening of the 21st century, even though such an exercise might be worthwhile. Because of recent destabilizing events (to put it mildly) in the relationship, and despite the claim made by the current U.S. Ambassador to Canada, Paul Cellucci, during a June 19th, 2003, visit to Halifax that “everything” was back on track, this paper will endeavor to highlight structural changes in what has been called the New World Order that has put pressure on the Canada-U.S. relationship and has begun to transform its nature.

II. THE END OF HISTORY?

Since the fall of the Soviet Union and the horrendous attack on the World Trade Center on September 11th 2001, U.S. foreign policy, especially under the George W. Bush Administration, has taken a profound policy shift. For many observers this orientation was instituted in response to foreign policy initiatives taken by the previous (Clinton) Administration that were considered by the victorious Bush neo-conservatives to be too liberal and multilateral. The new Bush policy triumphantly stated that the United States had emerged victorious from the Cold War and that any further changes in world affairs could and should be done unilaterally, contrary to longstanding perceptions in Washington. This shift in policy calls for diminished support for international organizations such as the United

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Nations and UNESCO, in part because the United States had always felt that it was not in the same controlling position as in the U.S.-dominated NATO.

Since World War II Canada’s foreign policy has been built on the interaction and constructive networking within these aforementioned international organizations, among others. Seen by Canadians as crucial and vital in order to maintain their status as a diplomatic broker, any reduction in support for these international organizations by the lone superpower could inflict devastating consequences not only for these international organizations but also for Canada’s role within them. Such a profound and fundamental shift in U. S. foreign policy will also weaken what Canadians have come to believe is their special place as the closest ally and best friend of the United States.

In his now famous essay, Francis Fukuyama3 asserted that liberal ideology (democratic capitalism) had won the Cold War and, therefore, unlike the last century, the next one would not be marked by tempestuous ideological wars. Evidently Fukuyama was at least half right: liberal economic values coupled with conservative social values have taken over the world spearheaded by the American economic locomotive. But this has not produced the collapse of ideological confrontations that Fukuyama predicted.

Economic liberalism and social conservatism are ideologies currently transforming the world and through the panacea of globalization are creating a so-called New World Order. The world has fundamentally changed since the 1990s, not in an evolutionary sense but in a fundamental way based on the hegemony of conservative thought as practiced by the United States and some of its more acquiescent allies. The crumbling of the Berlin Wall, the collapse of the Soviet Union and a subsequent demise of the popularity of Marxism as an ideology of change even among left-wing parties has ushered in a world of fragmented societies, the re-emergence and rise of nationalism, a widening gap between the rich and the poor, the recognition of the enormous debt load carried by developing nations, and critical environmental issues challenging human existence. Widespread use of land mines in 20th century proxy wars has left the world with a painful legacy.

For some this is a Hobbesian world of chaos requiring the stabilizing efforts of a Leviathan. For others the situation offers a Kantian opportunity for developed nations such as Canada and the
United States to settle the problems facing humanity engendered by the Cold War in a multilateral fashion. In his recently published Of Paradise and Power, Robert Kagan states: "On the all-important question of power—the efficacy of power, the morality of power, the desirability of power—American and European perspectives are diverging. Europe is moving beyond power into a self-contained world of laws and rules of transnational negotiation and cooperation. It is entering a post-historical paradise of peace and relative prosperity, the realization of Immanuel Kant's perpetual peace." In many ways his characterization of Europe could easily be applied to Canada, with its multilateral and peacemaking approach to world issues. Kagan continues: "Meanwhile, the United States remains mired in history (has he read Fukuyama?), exercising power in an anarchic Hobbesian world where international laws and rules are unreliable, and where true security and the defense and promotion of a liberal order still depend on the possession and use of military might.... Europe and America have parted ways." Are we to conclude that Canada may also have parted ways with America?

Kagan and others like William Kristol (of the Project for a New American Century) have articulated a unilateralist foreign policy posture for the United States which no longer emphasizes the creation of broad-based coalitions such as the one assembled by the current president's father, George H. Bush, before the first U.S. Iraqi invasion. Instead they disregard multilateral international institutions, advocate the weakening of historical partnerships even with allies like Canada, the isolation of U.S.-designated enemies such as Yasir Arafat, and the importance of military force rather than constructive engagement and dialogue.

Because Canada's foreign policy has historically been based on subtle reaction to U.S. foreign policy, what should it do now? Its primary political and economically is now the lone superpower with no foreseeable counterweight. What should Canada's reaction be in this new situation? Should it pursue "business as usual" and let the policies of the past dictate the future? Should Canada accept being taken for granted? Should Canada take the United States for granted? What should Canada anticipate in its relationship with the United States in this profoundly different world?

III. CANADA AND A NEW WORLD ORDER?

Without minimizing the importance of the bilateral relation-
ship after the horrendous acts of Sept 11, 2001, many of the cross-
border conflicts that have arisen owe their origins to the process of
applying a neo-liberal approach to globalization. Led by the foreign
commercial policy of the United States, Canada--through the FTA,
NAFTA and the proposed FTAA in 2005 in Buenos Aires--is posi-
tioning itself firmly within this globalization process. As a G8
member, Canada has accepted the new commercial order fostered by
organizations such as the World Trade Organization (WTO), the
International Monetary Fund (IMF) and the World Bank which have
in many ways replaced the United Nations.

The new world order is now the new commercial order based on
expansion of the free market system called for by neo-liberal ideol-
ogy. Governments and countries such as Canada that persist in
maintaining statist policies in the economic and social spheres are
forewarned. The softwood lumber dispute, resulting in the U.S.
imposition of a 27 percent surcharge on imports of Canadian lumber,
and the threat to levy taxes on Canadian wheat and steel imports are
outcomes of the process of neo-liberal globalization spearheaded by
the United States. All these U.S. measures refer to "unfair" Canadian
trade practices. But this is just a code word for the role of such
Canadian statist policies as low timber stumpage fees, or grain and
steel subsidies.

In his 2002 State of the Union address, President George W.
Bush presented a simplified version of what has come to be called the
Bush Doctrine. In this new policy, democracy is directly linked to the
imposition and workings of a free market system. In order for
democracy to exist and flourish, countries must now adhere to a
totally free market system and thereby join a neo-liberal version of
the globalization process. According to the Bush doctrine, this alone
guarantees the triumph of democracy. Under these conditions
Canada, with its statist policies in health, education, commerce and
the economy, will either have to change drastically or fail the Bush
litmus test of a democracy.

The pressure put on Canada by its "closest ally" to reverse fifty
years of state intervention and Crown corporations resonates in
Canadian public discourse. Debate centers on the issue of public or
private intervention as a course for Canada to take in solidifying its
future. Those supporting the maintenance of a strong public sector
fear an Americanization of Canada which some claim began to
accelerate during the Brian Mulroney era. On the other hand,
soothsayers for total privatization such as Thomas D’Aquino and the Alliance Party, among others, would opt for a Canada-U.S. customs union, a single currency, and the total abolition of all statist policies in the two nations.

Many in Canada would object to categorizing this debate as a direct consequence of international pressures applied by the U.S. and would prefer instead to maintain a “head-in-the-sand attitude.” Such people contend that this fundamental public/private debate is strictly an outgrowth of the wrangling between political left and right. But in this post-Cold War New World Order subsequent to the disappearance of the Soviet Union (which at times had appeared to serve as a counterweight to U.S. hegemony), growing international political and economic pressures are being exerted on nations like Canada to force an accommodate their own national domestic policies to these international and global demands.  

Stephen Clarkson9 has recently postulated that the onslaught of globalization fueled by a neo-liberal ideology will have devastating effects on the existence of the present Canadian state. Pressures that will come to bear, especially from the Bush Administration, will force Canadians who currently still see the United States as an ally into a public debate that will lead to hard choices. Clarkson’s position is neither alarmist nor an exaggeration. For instance, can any Canadian clearly determine whether or not recent federal and provincial budget cuts resulted directly from appeals by the Canadian people for down-sized governments? Or were these cuts imposed by Canadian politicians in response to the pressures of globalization and neo-liberal thinking inside and outside of Canada? Clarkson emphasizes this latter point:

Canadians are aware that their federal and provincial governments and municipal administrations have made numerous efforts to rein in their activities..., privatization of federal and provincial crown corporations, which shrinks the public sector and diminishes governments’ capacity to shape economic development..., deregulating economic sectors such as transportation and diminishing the rigour of existing regulatory regimes as food inspection ..., cutting government expenditures by reducing the coverage of programs such as unemployment insurance, education and health care.”10
If Clarkson is right, Canada's future as a mixed statist economy and social system will eventually be compromised by the much more extreme free market ideology of the George W. Bush Administration. If not in the immediate future, this will surely come to pass in the medium term and possibly even under a Democratic party administration as it shifts more to the right in order to try to regain the presidency, despite the current Howard Dean candidacy for the presidential nomination. And no matter how optimistic the rhetoric coming from Perre Pettigrew, Canada's international trade policy will have to come to grips with new U.S. neo-conservative policy directives that drive the World Bank, the International Monetary Fund and the globalized neo-liberal free market system.  

After waiting, hedging and hoping that the UN Security Council would come to his aid and take him off the hook by rejecting the U.S. ultimatum to Iraq, Jean Chrétien took the decision to withdraw Canadian support for the American invasion. Applauded by a large majority in the House of Commons, a sizeable majority in English Canada, and an overwhelming number of people in Quebec, Prime Minister Chrétien adhered to the Canadian tradition of working within international organizations. As had been done in the UN-supported Gulf War of 1990 and in NATO's subsequent intervention in the Balkans, Canada remained true to its multilateralist policies. But the U.S. invasion of Iraq was a unilateral decision taken by the lone superpower and supported by Britain to expand Anglo-American economic interests in a region once controlled by British colonialists. As reported in the New York Times, George Bush said: "We will bring civilization to the area." No ancient Roman could have put it better. A war that was supposed to attack terrorism and eliminate the foremost danger to U.S. security has turned out to be an armed struggle for regime change and control of the Mideast region.  

Because of Canada's refusal to participate in that war, the Bush Administration, according to U.S. Ambassador Paul Cellucci, felt slighted and betrayed. How could a good friend refuse another friend in time of need? Richard Perle claimed that Jean Chrétien had become a lame-duck prime minister and the U.S. would certainly work better with his successor, probably implying Paul Martin, a very good friend of the IMF.  

Was Washington's reaction to Canada's refusal an over-reaction? Not if you think that the U.S. has always taken Canada for granted. But the surprise counter-reaction in Ottawa evidently
resulted from another fact: that Canadians also by and large have taken the U.S. for granted. In many ways, Canada should have been prepared for the outpouring of hostile sentiment. Even Colin Powell, viewed by many as the sole Bush Administration dove, alluded to the fact that allies who did not support the United States would pay a price. Some Canadian business people said that they had begun to feel the heat.

The attitude of the George W. Bush Administration was true to the game plan it had traced for itself since coming to power: no Kyoto Accord, no World Court, etc. Le Monde Diplomatique\(^\text{13}\) enumerated over 40 international accords that the Bush Administration had remained unwilling to sign since coming to power. This should have been an indication to Canadian multilateralists that the new U.S. government was no longer a team player but wanted to become a "Lone Ranger" who pulled all the strings.

This unsupportive stance came home to rest in the public debate held in Canada. The National Post and even the Globe and Mail predicted an economic doomsday scenario for Canadian trade relations with the U.S. The debate went from the ridiculous (i.e., the Don Cherry declaration on Hockey Night in Canada) to the sublime when J.L. Granatstein, despite his earlier well-known Canadian nationalist utterances, chastised the Liberal government for not sending Canadian troops in Iraq to spread democracy.

In many ways the Canadian government had taken a position that ruffled feathers in Washington and might continue to do so. But to predict a U.S.-Canada trade war because of this decision was a little over the top. Trade in many ways is dictated by non-political factors and always implemented by so many different players that the economic self-interests of business people will always override national and international political spats.

But here again this political cold shoulder goes beyond the Iraqi conflict. It was in many ways started by George W. Bush himself when, shortly after assuming office, he invited Vicente Fox, the Mexican leader, to pay a formal visit to the White House instead of following tradition by inviting the Canadian prime minister to be the first. On that occasion Bush also declared that Mexico was the strongest and longest U.S. ally. This could be chalked up to the new American president not knowing his geography; however it might also be interpreted as a deliberate slight towards Canada.

Insiders in Washington believed Vicente Fox to be a true free
trader. After all, he had been president of the Coca Cola branch in Mexico and headed a new regime of neo-liberals educated in the most prestigious business schools in the U.S. They believed he would serve as a model and spokesperson for the rest of Latin America in demonstrating the neo-liberal way to prosperity. But later Mexico also refused to support the U.S. in the Iraqi war, and Vicente Fox categorically chastised the U.S. Congress and the George W. Bush Administration for engaging in blackmail politics by demanding the de-nationalization of Pemex, Mexico's nationalized oil company, in return for the naturalization of the four million illegal Mexican residents in the U.S.14 Insiders in the Bush Administration view Canada and the Liberal government of Jean Chrétien as too nationalist, too anti-American (i.e., the recent remarks made by some of Chrétien's cabinet members and the PM's communications director), and therefore untrustworthy.

IV. CANADA AND A UNIPOLAR WORLD

Because of Canada's position on the Iraqi war, the rift in Canada-U.S. relations has led many more Canadians (the most since the Vietnam War era) to become increasingly aware of the American presence in Canada, resulting in an increase in anti-American sentiment in particular in the province of Quebec.15 Unfortunately, many Canadians still equate their opposition to the Bush Doctrine with animosity toward American people because the distinction between the two is still hazy in their minds.

Since the decision on the Iraq War Prime Minister Chrétien has remained quiet on the Missile Defense Initiative (MDI), another policy stemming from the Bush Doctrine. Of course those in the business community have endorsed Canada's participation, hoping for spillover sub-contracts for Canadian business. Canada's defense minister, John McCallum, has come out in favor of it. Paul Martin initially supported it but soon buried himself in a flurry of nuances, quickly sensing the possibility of an electoral backlash in his campaign to become Chrétien's successor as leader of the Liberal Party and prime minister. John Manley, once considered a hopeful to succeed Chretien, seems more enthusiastic about MDI than Martin, but he is unwilling to jeopardize his good working relationship with Tom Ridge, the man entrusted by Bush with U.S. Homeland Security.

How will the U.S.-Canada relationship develop? Will it worsen or improve? Will the U.S. play a waiting game and hope for a more
pliant successor to Chretien in Paul Martin? On both sides the criticisms have seemed to die down. Even Ambassador Cellucci, initially one of the most outspoken critics of Canada’s position, has recently stated that the relationship will continue on good terms. Because of the fundamental importance of cross-border trade, business people on both sides of the 49th parallel have always said there would be no immediate danger of a trade war.

Nevertheless, I think that the Bush Administration will not forget Canada’s opposition to its Iraq policy and is now in a holding pattern as far as improving relations with Canada. As suggested earlier, Richard Perle indicates that the Bush administration is waiting for a successor to Chretien who may be more ideologically aligned to the Bush unilateralist doctrine.16 Similarly, in Canada there seems to be a growing undercurrent within the Liberal Party and in the population at large hoping for the defeat of Bush at the polls in 2004 and the return to power of a Democratic Party leader who would solidify Canada’s position vis-à-vis the U.S. by adopting a more multilateral approach. At the moment this may wishful thinking.

Meanwhile, the government of Canada should not pretend that the relationship is still “business as usual.” There has been a fundamental shift in how the U.S. views the world and its allies, including Canada. Canada’s foreign policy must develop a more outward approach and initiate the creation of a multilateral network, particularly with Europe, (i.e., through the establishment of a free trade zone with Europe). Among developing nations Canada has a positive image; in many cases, it serves as model for participatory democracy. Canada, which took the initiative in convincing the world (including the U.S.) to support South Africa in its struggle against apartheid and for democracy, should now propose the creation of an Atlantic rim on issues of investment, development, health, social justice, etc., and a major role should be assigned to Africa.

At the same time South America still seems to be on the road towards a Free Trade Agreement for the Americas by 2005. In survey after survey in countries like Brazil under President Lula as well as in Argentina, Canada is portrayed as a model of liberal democracy and social justice. Here Canada must play a role in solidifying support for the strengthening of participatory democracy in these countries. It must serve as a democratic alternative not only for developing nations but also for those countries in Latin America that
are economically rich but still lack stable democratic political institutions.

Canadian foreign policy must not remain simply a reflexive policy *vis-a-vis* the United States but must become an extension of those of its own national policies and values that serve as an example for an alternative approach to world problems. No, this is not an appeal for a return to the Trudeau-era Third Option! The world has changed too dramatically. However, to meet the demands that will be placed upon Canada by a more complex world as one that is dominated by an aggressive U.S. foreign policy eager to apply its unilateral vision of economic and political democracy, Canada will have to solidify its traditional multilateral approach within existing international organizations and forge a *rapprochement* with an emerging Russia and an economically dynamic China, both countries which at one time had created special relationships with Canada. It must also begin to sponsor international meetings in Canada on health care, international aid, aid to indigenous cultures, *etc.*, in developing nations.

A pro-active stance combined with continued immersion in global politics, economics and culture will not hinder any “special” relationship with the United States. Rather, it will strengthen Canada’s position in North America, the Americas and the world. A unipolar world will not solve the ills of the 21st century. The chaos that reigns nowadays in Iraq and Afghanistan, coupled with disturbances elsewhere in the Middle East, have not and will not be well serve by unilateralism. Canada must advocate a multipolar world, continue to occupy the enviable position of being on friendly terms with most nations, and rely largely upon its proven diplomatic skills.

**V. CONCLUSION**

Foreign policy is no longer the sole domain of nation-states. As nations have become more complex, political institutions have had to contend with an evolving and engaging civil society that not only is present in domestic policy but also is playing a wider role in foreign policy. The anti-globalization forces that have instituted the World Social Forum, composed of NGO representatives from around the world, have developed programs with vested interests in world affairs. Trade unions, women’s groups, native peoples, environmental groups, peace groups, *etc.*, must now be taken into account when planning foreign policy. Because of its social justice approach in
domestic policy, Canada should expand its foreign policy initiatives
to establish a leading role in fostering a multipolar world. Canada as
a government should be present at forums such as Porte Allegre and
take the initiative in implementing a social justice platform in its
foreign policy. When he was Canada's minister for foreign affairs,
Lloyd Axworthy floated the idea of a renewed foreign policy based
on social justice. Given our chaotic world today, Canada should
return to and re-enforce such a policy.
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6 William Kristol, a foremost conservative in Washington circles, together with Robert Kagan, Richard Perle, created in 1997 a new conservative (some would say ultra-conservative) “Think Tank” called *The Project for the New American Century*, to influence U.S. policy on domestic and foreign issues. With Bush in power they have had direct access to the U.S. foreign policy making process. Rumsfeld, Wolfowitz, Perle, *etc.* are all members of this “Think Tank”. In September, 2000, they (Thomas Donnelly, Donald Kagan) produced a report entitled *Rebuilding America’s Defenses: Strategy, Forces and Resources for a New Century*, which has become the blueprint for the Bush Doctrine and the new U.S. foreign policy. The authors make the case that America, now the sole winner and inheritor after the Cold War, has an obligation to protect its interests by pursuing a unilateralist position.


8 We can witness the pressure brought to bear on nations by the accords of MAI (Multilateral Accords on Investment), which in essence dictate to countries how they should adapt their cultural policies to the free market system.

Canada should pay serious attention as to why Argentina, once considered as rich if not richer than Canada, has overnight gone from a strong 2nd world nation to a third-world nation. After successive years of weak democracies alternating with authoritarian and military regimes, Argentina under Carlos Menem, a disciple of the neo-liberal free market system and the IMF, privatized Argentina (even the highways are privatized), thereby becoming the enfant chéri of the U.S. model for the world. To stop inflation, because of no state control over the economy, he imposed dollarization. For a short period of time (actually 3 years), this brought prosperity, but one that was to be illusory as further developments would reveal.


The 250,000 who marched in Montreal in -30 celsius temperatures against the U.S.-led war in Iraq showed the intensity of anti-Bush Doctrine sentiments.