

Canadian Politics and Public Policy

Policy



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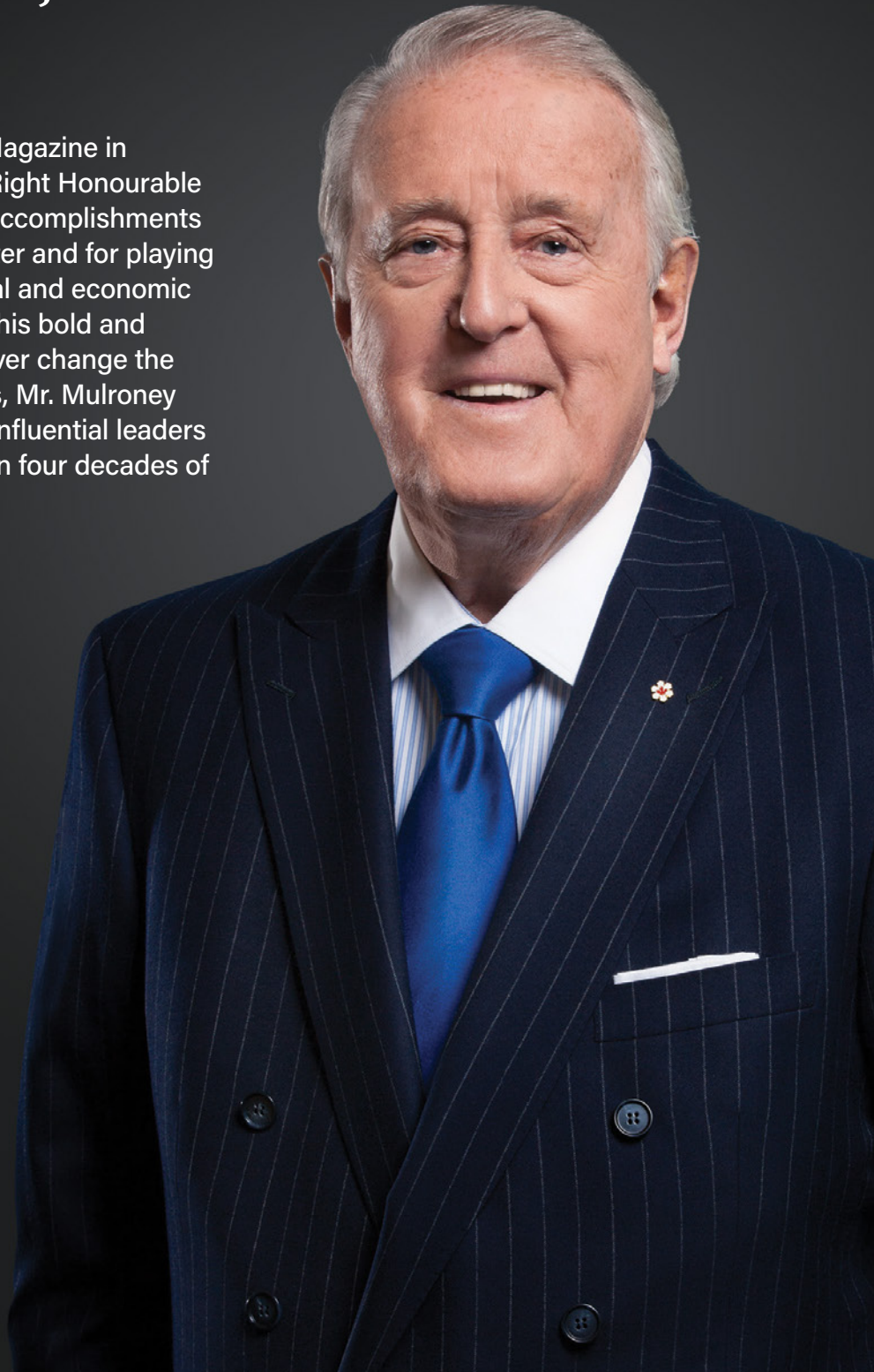
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Canadian Politics and Public Policy

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Policy

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In This Issue

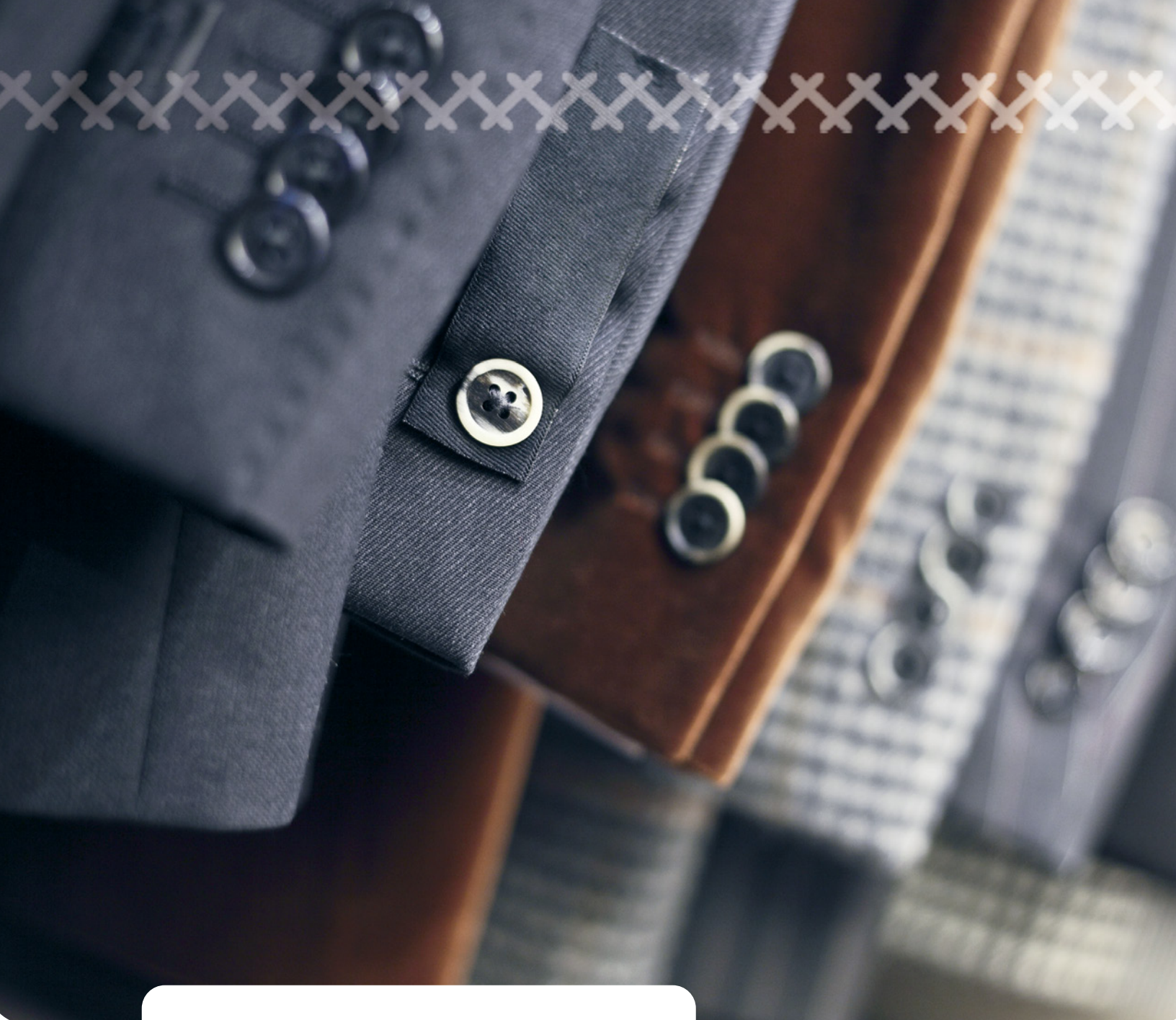
- 1 **From the Editor / L. Ian MacDonald**
The Relationship
- 2 **Policy Q&A**
A Conversation with Brian Mulroney
- 8 **Kevin Lynch and Paul Deegan**
Time for a Bilateral Reboot
- 11 **Michael Kergin**
Relieved but Cautious: Canada and the Biden Presidency
- 14 **Sarah Goldfeder**
The Bilateral Value of Our Foreign Policy Brain Trusts
- 17 **Colin Robertson**
The Hidden Wiring of the Canada-US Relationship
- 20 **Thomas d'Aquino**
A Post-Pandemic Primer for Our Bilateral Business
- 23 **Pamela Wallin**
America, Through the Looking Glass
- 25 **Lisa Van Dusen**
Canada's Bilateral Relationship Status Update: From 'Sibling' to 'Neighbour'
- 27 **Perrin Beatty and Mark Agnew**
Making Canada Relevant Inside the Beltway
- 30 **Maryscott Greenwood**
Time for a Bilateral Reality Check
- 33 **Jeremy Kinsman**
A New Third Option for Canada-US Relations
- 36 **Sean Finn**
CN: Expanding the Arteries of a Post-Pandemic Economy
- 39 **Bob Kirke and Elliot Lifson**
If it Fits, Wear it: The Apparel Sector and Free Trade
- 41 **Special Feature: The Canada-US Relationship**  
The Best PMs and Presidents on Canada-US Relations of the Last 100 Years
- 48 **J.D.M. Stewart**
Prime Ministers and Presidents: What Defines a 'Good Relationship'?
- 51 **Don Newman**
Covering the Bilateral Relationship: Prime Ministers, Presidents and the 'Stakes Gap'
- 53 **Robin V. Sears**
Managing the Relationship: The Bilateral Best and Worst

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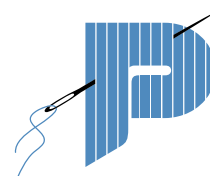
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From the Editor / L. Ian MacDonald

The Relationship

Welcome to our special issue on Canada-US Relations. It's been said that Americans are our best friends, whether we like it or not, and we are their best friends, whether they know it or not.

We thought this would be a good time to assess the relationship, in both a bilateral and multilateral context, as partners across the border and allies in an evolving world.

Sixty years ago, John F. Kennedy famously declared in his address to Canada's Parliament: "Geography has made us neighbours. History has made us friends. Economics has made us partners. And necessity has made us allies"—words now immortalized in stone at the entrance to the US Embassy on Sussex Drive in Ottawa.

That was then, but what about now? There's the Biden presidency to be considered, a decided improvement over his predecessor's term. There's the pandemic. There's climate change. And there's the challenge of China.

But while Joe Biden's Democrats are not isolationists, they share some of the protectionist propensities of the previous administration. Among so-called Progressive Democrats, there's no shortage of hardliners on sensitive bilateral trade issues, from pipelines for environmental reasons to the old standby of softwood lumber.

The key relationship within The Relationship has always been the standard of excellence in Canada-US relations; how the PM and president of the day get along, and how they succeed in advancing an agenda for bilateral and global issues.

And as the centrepiece in this issue, we present an inside cover package ranking the Best Prime Ministers and Presidents of the Last 100 Years

on Canada-US Relations, as selected by a Jury of 50 prominent Canadians and Americans. In a secret ballot they gave us their Top Five picks of the best PM-presidential tandems.

The number one ranking goes to Brian Mulroney and Ronald Reagan from 1984-89, as well as Mulroney and the first President George Bush from 1989-1993. William Lyon Mackenzie King and Franklin D. Roosevelt ranked a competitive second. They worked together for 10 years from 1935-45, that saw the economic recovery from the Great Depression and the Allied victory of the Second World War led by FDR and Winston Churchill, in which King played a key role, hosting the Quebec summits of 1943 and 1944.

Former Prime Minister Mulroney sat for an hour-long Q&A with *Policy* at his Montreal residence on August 6.

Mulroney shared his thoughts and stories on his relationship with Reagan and Bush, and joint achievements such as the Canada-US Free Trade Agreement, NAFTA, the Acid Rain Accord, and the shaping of the post-Cold War world. He also looked ahead to continental and global issues facing PMs and presidents today.

Our contributors are also concerned about the way ahead for the relationship, and a different post-pandemic paradigm. As Kevin Lynch and Paul Deegan write in their situational roundup: "We are at one of those moments when we need big, bold ideas to re-boot the Canada-US relationship." Former Canadian ambassador to Washington Michael Kergin is concerned about "Biden's early revival of a Buy American policy by executive order," which he notes "is viewed as a not-so-friendly gesture."

Contributing Writer Sarah Goldfeder, who advised two US ambassadors to Canada, writes that it's a propitious moment for the Democrats in office to rely on the institutional knowledge of career diplomats in Washington in the conduct of the relationship.

Colin Robertson, a veteran of Canadian diplomatic postings from New York to Los Angeles, describes the inventory of good advice available to governments from "the hidden wiring" of the relationship. Tom d'Aquino is of a similar mind on "strengthening business-to-business ties."

Senator Pamela Wallin, a former Canadian consul general in New York, brings her perspective on the relationship and our own Lisa Van Dusen writes of a bilateral relationship status update "from siblings to neighbours."

Canadian Chamber of Commerce executives Perrin Beatty and Mark Agnew have some thoughts on making Canada more relevant "inside the Beltway" of DC, while Canadian American Business Council CEO Maryscott Greenwood sees the relationship at a crossroads after the pandemic. Foreign policy guru Jeremy Kinsman offers his thoughts on re-engaging with the US.

CN executive Sean Finn presents a timely take on railways and innovation, while Bob Kirke and Elliot Lifson of the Canadian Apparel Federation point out that relationships matter on both sides of the border.

In our Best PMs and Presidents package, historian J.D.M. Stewart looks at the jury rankings framed by leadership, while Don Newman writes of covering PMs and presidents over four decades and Robin Sears looks at PMs who were lacking in bilateral leadership.

We hope you enjoy this special issue. It's a keeper. **P**

Policy Q&A: A Conversation with Brian Mulroney

At his Montreal residence on August 6, the former prime minister and winner of the Policy bilateral PM-President Rankings, sat with his friend and biographer, Policy Editor L. Ian MacDonald, for his first in-person interview since the onset of the COVID-19 pandemic. Here's their wide-ranging conversation on Canada-US relations and the importance of the personal engagement of the PM and the president.

Policy: Mr. Mulroney, thank you for doing this. You always used to say that the two most important files on a prime minister's desk were federal-provincial relations/national unity, and Canada-US relations, especially between the prime minister and the president.

Brian Mulroney: Yes, absolutely. National unity and Canada-US relations. And the important thing about this is that the responsibility cannot be delegated. And if the country's intact and safe, then the prime minister has to focus a large part of his interest and activities on Canada-US. And he has to do that personally.

Policy: You've also said, "The door to the Oval Office opens all the other doors," in Washington and around the world.

Brian Mulroney: The reason for that is that, if it is known around the world—and they know everything, your fellow heads of government or state—if it is widely known that you are on friendly terms with the president of the United States, and you have ready access to the Oval Office, this opens many doors elsewhere around the world. And the reverse is also true. If it is known that you have a very poor relationship with the sitting president, there's less inclination to help, and there's less inclination to

listen to you and to Canada's opinions at the United Nations and NATO and so on. So, it's a very important role that has to be fulfilled by the president and prime minister.

“ If it is widely known that you are on friendly terms with the president of the United States, and you have ready access to the Oval Office, this opens many doors elsewhere around the world. And the reverse is also true. ”

Policy: And your co-winners of our Policy ranking, Ronald Reagan and the first President Bush. Mr. Reagan received you as leader of the opposition in June of 1984 at the White House. Not unprecedented in the sense that President Kennedy received Mr. Pearson at the White House at his Nobel Laureates gala in 1962. Which caused some controversy back home among Mr. Diefenbaker's Conservatives, then at the start of an election campaign that reduced them to a minority government. It's still pretty unusual for a

sitting president to receive a Canadian opposition leader.

Brian Mulroney: Yes, it certainly doesn't happen every day, and in this case, and in most cases, it's a meet-and-greet. The president is a very busy man, he deals with leaders of government, and with heads of state. I went in and we sat down and started to talk and it lasted 40 minutes. And then he said, "I'm going to have a press conference with you. Come on Brian, let's go outside." So we went into the Rose Garden, and he said things like, "Well, it certainly wouldn't hurt to have another Irishman, with the two of us running North America." So that irritated the hell out of the Liberals.

Policy: And this was on the eve of the convention that chose John Turner as their leader in June of '84.

Brian Mulroney: Exactly, and there was an anti-American drive at the time on the Liberal side. So, I was on the other side of this, and I was received with open arms.

Policy: And then in Quebec City, at the Shamrock Summit in March 1985, you managed to get Mr. Reagan to appoint two envoys on acid rain, Bill Davis, the former Ontario premier from our side, and Drew Lewis, the former transportation secretary on their side, and this was an issue that Reagan hadn't been very strong on until then. That was a major breakthrough, wasn't it?

Brian Mulroney: Yes, and you may remember that when Reagan first arrived in Ottawa in 1981, there was a demonstration outside Parliament, 50,000 people.

Policy: "Stop acid rain!" was the mantra.

Brian Mulroney: Yes, and it was the



Brian Mulroney in his study at his Montreal residence. He's standing below a scene he knows well, Parliament in winter, by noted Ottawa landscape and portrait artist Shirley Van Dusen. *Policy* photo

most important environmental issue, not only in Canada and the United States, but for many other countries at the time, because the environment was just coming to the fore, and I knew it would be a tough slog to get opinions changed in the United States. Quebec City was a unique opportunity for me to begin trying to persuade President Reagan of the necessity of action on acid rain and the environment. And that was an important moment—with Bill Davis and the respect in which he was held in Canada, and Drew Lewis was a powerful guy in the Reagan administration, friendly with the president and so on. And they produced a report that became the basis of further negotiation to produce ultimately, under George Herbert Walker Bush, the Acid Rain Accord.

Policy: And then on the Sunday evening, on St. Patrick's Day, you and President Reagan and your wives, Mila and Nancy, famously walked on stage at Le Grand Théâtre de Québec and here is the photo of you holding hands with the contralto Maureen Forrester, who's leading

the group singing *When Irish Eyes Are Smiling*, and you were later criticized by some members of the intelligentsia for "demeaning the office" was one description.

And I think your response was "If a couple of Irishmen can't sing *When Irish Eyes Are Smiling*...

Brian Mulroney: ...on St. Patrick's Day, in Quebec City, where the Irish arrived in Canada, they're nuts. And they were predicting my demise because of this, but as I told my cabinet and caucus, "I think they have this a little wrong. I'm going to play this television clip right across the country in the next election, and I'm telling you right now, we're going to win the election with a majority."

Policy: In April 1987, on President Reagan's state visit to Canada, at the state dinner at Rideau Hall, he proposed a toast in which he said he said he looked forward to the day when people could toast such an occasion with fine California wines. And your response to that with your free trade negotiating team, was

that wine was in and beer was out.

Brian Mulroney: That's right. He had great interest in that, and in the entertainment industry. When you think of it, he was a product of both, so, yes, those became items during the negotiations.

Policy: And you got him to give you a cultural exemption for Canadian cultural industries, and this was a former president of the Screen Actors Guild.

Brian Mulroney: Exactly. And those points bring forward an extremely important dimension of leadership in this area in particular and that is the establishment of not only of a very proper and correct relationship with the president, but if you can, a very friendly one. He'll go the extra mile for you in the crunch. And I'm aware of a number of situations where he overruled his cabinet and his government to accommodate Canada's needs.

Policy: And then the next day, prior to his address to Parliament, you had a working lunch, the two of

you, and I think James Baker and Derek Burney, sitting alone at the table in the dining room window at 24 Sussex, and you got him to agree to acid rain and Canada's sovereignty claims on the Northwest Passage that weren't in the text that he had in his pocket.

Brian Mulroney: After we had our meeting, he asked if he could use the living room, and he went in there by himself with his advisers and his cabinet members, and I had been pounding on this pretty hard. And he's quoted by his national security advisor at the time, Frank Carlucci, in a recorded statement later at the University of Virginia, he came in and sat down and said, "We must do something right now, for Brian." And he sat down and he had a copy of his speech—we were not there—and Carlucci comes out after the meeting and he says to Derek Burney, "Derek, what is your position on acid rain, free trade and Arctic sovereignty?" And Derek said, "Why do you ask?" And he said, "Because they're our positions now." And that was a major breakthrough.

Policy: Leading up to that, the first President Bush, when he was still vice president, visited you for lunch at 24 Sussex in January 1987, and he came out and met the press with you, and said, "I got an earful on acid rain."

Brian Mulroney: What happened there was that the acid rain dialogue and the free trade talks were not going anywhere, and I made a statement in the House about how unhappy I was, and unhappy about the way this was being handled, and I made it very, very clear to the American side. As a result, President Reagan told then-Vice President Bush and James Baker to come up to Ottawa to see me for meetings and lunch. They were there the next day, and in anticipation of this, I instructed my staff to put together a video of question period in the House of Commons. We were in the "freedom room" upstairs at 24 Sussex, and I said, "Now George and Jim, I want you to sit down and watch the movies with me. On came the Rat Pack and the leading Liberals attacking America, attacking free

trade, mocking Reagan, and most of all denouncing me for being a toady, and a poodle for Ronald Reagan and the Americans, in the most vicious and personal terms. I won't mention their names, that was then and now is now, but Reagan and Bush, used to the bi-partisanship in Washington at the time, had never seen anything like this. Baker said, "Can I take this back with me?" And Bush called me the next day to say, "We went in to the Oval Office, and we put it in and showed it to Reagan and he was astonished by this misconduct." And I said to them, "This is what I'm subjected to every day and my counter to this is yes, but the Free Trade Agreement will ultimately be worth the abuse." They related that to Reagan, Reagan told Bush "That might be true, the Free Trade Agreement is going to be, I think, great as well. But nobody should be subjected to this kind of abuse, personal abuse."

Policy: And then in your speech to the US Congress, your joint address in April of 1988, on acid rain and you said how Canada had already taken measures to reduce acid rain in the seven provinces east of Saskatchewan by 50 percent, and you said to the US Congress: "We ask nothing more than this from you." How important was the Congress in getting that done eventually?

Brian Mulroney: Very important. And on trade, the holdup at the last minute was the Congress, because the argument of the Congressional leaders was that this might dilute the authority of the Congress in international trade. Here they're signing a bilateral with us that had not been negotiated by, or approved at the time, by the Congress and that's what happened the famous night in October of 1987 when Baker took them on, but he was friendly with them. So, he explained why this was not a dilution of Congressional authority in the area of international trade.

Policy: And just to fast-forward again a bit in the negotiations that led to the Clean Air Act, as the Americans called it in 1991, 30 years ago exactly. President Bush told his team "I want this done

for Brian."

Brian Mulroney: Yes, that's in his memoirs. Because there was resistance from people like John Sununu, who was his chief of staff. And the reason was that they feared that this environmental action would stall economic growth in the Midwest, and that's why I insisted to our people that we must come up with a clean hands policy. We would be able to say, "What are you talking about? We've already done this and we are going to meet our goal of reducing emissions by 50 percent." We had a deal with the seven provinces and so on. That worked out very well, but the whole thing could have been a nightmare because it was pretty close.

Policy: And then in multilateral terms, an important area where you differed both with Ronald Reagan and Margaret Thatcher, on ending apartheid and freeing Nelson Mandela. I'm thinking of the Commonwealth Heads of Government meeting in Nassau in 1985, your speech to the United Nations after that in September 1985, and the Commonwealth CHOGM in Vancouver in 1987 where you said to Thatcher, "Margaret, you are on the wrong side of history."

Brian Mulroney: Yes, Margaret and Reagan were opponents of apartheid, there's no doubt about that but they disagreed with the proposals that we had put forward to the Commonwealth, which essentially was sanctions, which would affect them economically and shame them, the South Africans, into a greater degree of flexibility. Margaret's argument and that of President Reagan was simply that sanctions hurt the poorest people in society. This would be devastating for the Blacks in South Africa and my argument against that was, there were going to be consequences obviously, but if there is no action, if there is a refusal to put on sanctions, the apartheid regime will continue in South Africa—legal slavery. That was the argument that carried the day and it led to some difficulties with both President Reagan and Mrs. Thatcher. But ultimately, I think we wore them down. When Mandela came out of jail, he

told me in our first conversation that, if we wished, he would make his first speech to a free parliament in a free country in Canada. His first speech as a free man and as he said in his speech in the House of Commons, I think that was an indication of what he thought of the players and the policies that were advanced.

Policy: And on the multilateral stage in 1989 and 1990, we see under President Bush and you as Canadian prime minister the end of the Cold War, the fall of the Berlin Wall, the Gulf War, the fall of the Soviet Union and the emergence of a new world order including the reunification of Germany, for which Chancellor Helmut Kohl later paid tribute to you in the Bundestag. Your sense of all of that?

Brian Mulroney: Well, it was a tumultuous era. There were two superpowers at the time, and we weren't one of them, so if you're going to have influence you've got to use it through a leader of our side, namely, yes, the United States. That required the access to influence the entire debate. I remember being at Kennebunkport when President Bush said, "Let's divide it up and let's make some calls right now." This was in respect to the First Gulf War. We sat in the same room, him on one side and me on the other, and made calls to it must have been 30 or 40 leaders around the world, heads of state and government, talking them through this.

Policy: And you told him that he had to get a resolution from the UN Security Council authorizing this action.

Brian Mulroney: What happened was, in the summer of 1990 after the invasion by Saddam Hussein, President Bush called me and asked me to come to a private dinner in Washington so we flew down, and we had dinner in the residence in the White House and Bush handed me the raw data from CIA on what had happened the day before in Kuwait and we talked about the possibility, and that's what it was at the time, of a massive response by the Allies and I said: "George, let me give you our position. Canada will be there 100 percent with

you, with all the Allies, provided that you bring a resolution to the Security Council and it passes, otherwise we're not in." I was co-chair of the United Nations Summit on Children, in that time frame, and there were 70 heads of state there and we took advantage of my co-chairmanship to meet with most of them, relevant ones, and Bush and I, and others were pressing for that resolution because Baker had called me up and said: "Do you think this is a litmus test of our relationship?" I said: "We support you very strongly, Jim, but we've got to have that resolution of the United Nations, it is central to our foreign policy and our existence on the international stage." So, Baker and Bush took it upon themselves and a resolution was presented and accepted and that's why we did what we did.

Policy: And then much later on in your eulogies for President Reagan in 2004 at his state funeral and again for President Bush in 2018, you were the first and only foreign leader ever to be asked to speak at the state funeral of an American president, one American president, let alone two. How did you take that as an honour?

Brian Mulroney: Well, the first one according to Nancy, the President had left instructions that he would like me to say a few words, so when she called me and told me that, of course, I accepted immediately. With regard to President Bush, he called me and said: "Brian, I'm going to have a state funeral of course and I'm being pressed by the government to firm things up and I am asked who I wish to eulogize me and I want you to do it, along with George and so on." I said: "George, I don't even want to talk about this. You're in good shape." And he said: "Brian, I don't want to be put in a position where other people are making these decisions for me. I'd be honoured if you accepted." I said of course, and that's how that happened. I took it as a great tribute to Canada that for the first time in history a Canadian prime minister was invited twice to speak at a state funeral in the National Cathedral in Washington.

Policy: And that kind of brings us to the question of Canada-US relations, and all your successors and predecessors. Where are we in the post-Trump era, both in terms of the bilateral and multilateral role that we play alongside the Americans? A lot of our *Policy* contributors—former Ambassadors and Clerks of the Privy Council—their sense is that this is a time to take a step back and reassess the role between Canada and the United States, that it no longer can be taken for granted that we are best friends and closest neighbours and that now we have our own strategic interests to look after.

Brian Mulroney: I agree with that but I wouldn't take it too far. What are we going to do if we no longer have the privileged access to the Oval Office that we had? To get big things done, you have to have the acceptance and the leadership of the President of the United States. If you sat in the Oval Office or in a cabinet meeting, joint meetings of cabinet and saw the alacrity with which President Reagan's cabinet ministers acted when he said: "I want to do this for Canada." That was it. Had he been tepid in his statement of affection or respect for Canada, they'd have gotten that, too. And they knew, and I've written about it. Look at the last night of the trade negotiations in 1987 when Jim Baker called me and told me that everything was done but he couldn't get the independent dispute settlement mechanism. I said: "Jim, you know full well this is a deal-breaker for me. Canada's not going to go into a relationship of free trade with a country 10 times our size unless we have an independent manner of resolving our disputes and we're not going to go before the American courts, we are going to get killed. You are telling me we can't do it, fine, I'm going to call President Reagan at Camp David right now and I'm going to ask him the following question. 'How is it, Ron, that you can do a nuclear arms reduction deal with your worst enemy, the Soviet Union, but you can't do a free trade agreement with your best friend, the Canadians?'" And Baker said: "Prime Minister, can you give me 20 minutes?"



Prime Minister Mulroney and President George H.W. Bush throw out the first pitches at the Blue Jays Opening Day game against the Texas Rangers in 1990. Bush's son George W. Bush was then an owner of the Rangers. *Erin Combs, Toronto Star Photograph Archive, Courtesy of Toronto Public Library*

Within minutes, he was in the Canadian negotiating room in the Treasury Department and he had a piece of paper handwritten and he threw it on the table and he said: "There's your goddamn independent dispute settlement mechanism, now can we get this up to Congress before the fast track authority expires at midnight?"

Policy: What is your sense of President Joe Biden, both as a bilateral interlocutor and on the world stage?

Brian Mulroney: I like the President. I've known him for 35 years and he was head of the Senate Foreign Relations Committee.

Policy: You dealt with him on the Free Trade Agreement, I think.

Brian Mulroney: Dealt with him on that and many other things. It's also the Irish thing. We've always gotten along very well. I think, however, I fear that much, this is not the same Joe Biden I knew 30 years ago. I think that his thought process and policy process was at the beginning taken over in large measure by the left wing of the Democratic party. The Americans are now, with Prime Minister Trudeau, who has a good relationship with Biden, they are talking a good game but the Biden administration's actions have been fairly hostile with Canada so far in a number of important areas, including energy and pipelines.

Policy: What about that—the vetoing of the Keystone XL Pipeline by Biden and the threats against Enbridge Line 5 by the Governor of Michigan?

Brian Mulroney: Very hostile, and obviously the administration is playing to the progressive wing—people who want to defund the police and who want to do this and do that. We're off to a good start in terms of the relationship between the President and the Prime Minister, but there's been no substance to it so far and that we have to change.

Policy: I wondered what your thoughts were of President Biden on the world stage and the issue of China.

Brian Mulroney: That's the biggest foreign policy challenge for everybody. I think one of the solutions to it might be the policy that we adopted and followed under President Reagan. When he walked into a meeting in Iceland or in Washington with Gorbachev, Gorbachev knew without asking any questions that Reagan had a blank cheque from everybody and that was made very clear from what Reagan said. And Gorbachev wasn't entirely happy about it, obviously. And the Cold War ended without a shot being fired. I would think that the foreign policy experts would want to examine this in the light of China. If you send somebody from Can-

ada to China, you don't get the time of day. It's true of everybody else, but if Joe Biden went to China, and they knew he was speaking on behalf of all Western democracies, he could say: "Here's what we are going to expect from you, here's what we are going to do in return and this is going to be followed, otherwise there are going to be serious repercussions for you and your people and by the way, before I leave, those two Canadians that you illegally arrested and threw in jail for almost three years now, release them before we do any more talking." We have a privileged and close geographic relationship and history of friendship with the United States that give us a major opportunity to press our case in a number of areas that affect Canada in a very serious way.

Policy: And just on that, after the end of the Cold War and on the eve of the fall of the Soviet Union, you disagreed with President Bush, and Canada moved forward in recognizing the independence of Ukraine in December of 1991, days before the fall of the Soviet Union itself.

Brian Mulroney: Canada became the first industrialized country to recognize Ukraine. Both Bush, for reasons I understood, and Gorbachev for his, were really imploring Canada as an industrialized G7 member not to recognize the independence of Ukraine. I told both of them, "I'm sorry, we have a large Ukrainian population in Canada and they've been frustrated in their search for freedom for a long, long time and Canada's not going to delay this."

Policy: Looking at the other PMs and presidents over the last hundred years and our ranking of them. We have Mackenzie King and Franklin Roosevelt as the second duo, largely because of the role Mackenzie King played in the Second World War making Canada the strong partner, of both the UK and the US and his role in hosting the Quebec City summits of 1943 and 1944. And then there were Jean Chrétien and Bill Clinton who were regarded as very successful in the 1990s, a prosperous time. Louis St-Laurent. Your thoughts on them.

Brian Mulroney: We have to be guided by history and history has to be guided by the question: “What did they do when they were Prime Minister? What big ticket items did they resolve? And what did they leave Canada with?” Obviously, I understand the important role that Mackenzie King played not only in that area but the troops that he sent and the valour and bravery of Canadians—major contributions to the Second World War that were certainly appreciated and as a result of which he had access to the two leaders of the Allied effort, Churchill and Roosevelt. One of my favourites is Louis St-Laurent.

Policy: Who was one of your law professors at Laval.

Brian Mulroney: Yes. He was also highly underappreciated. His decisions and his achievements were of substantial consequence to Canada, and of course to the world.

Policy: The creation of NATO and NORAD. The St. Lawrence Seaway, where St-Laurent told Harry Truman that we would build it ourselves, and then Congress finally approved it in 1952, and construction began under Eisenhower in 1954.

Brian Mulroney: A great deal can be accomplished when you are on good terms with your interlocutor in the United States and he was.

Policy: Then we have Mr. Pearson, who got the Auto Pact with Lyndon Johnson and LBJ couldn't have been the easiest guy to deal with.

Brian Mulroney: No, he certainly was not.

Policy: Just wanted to end with a couple of your personal thoughts, people want to know how you are feeling after your health scare last Christmas with your abdominal aneurysm, which you said yourself, had it not been for Mila taking you to the hospital, you wouldn't be here.

Brian Mulroney: Yes, she got me there in record time. The surgeons told me that if we don't have you on the operating table in an hour in

Good Samaritan Hospital in Palm Beach, there is no guarantee where you will be tomorrow morning. I feel much better. I'm doing much better. I get some good exercise. I exercise in the pool every day. I've got a trainer three times a week and I've lost a significant amount of weight, so I might be having a comeback.

“**You've got to look ahead and anything you try to do is going to be unpopular. Well, get used to it, because without that unpopularity, which comes from meeting the challenge, you don't go anywhere.**”

Policy: And how do you feel, as a former prime minister about Canada's future?

Brian Mulroney: I'm very optimistic about Canada's future. I've laid out some thoughts, we've got to increase our population dramatically, I think we've got to absolutely ban all the interference from trade barriers. We've got to resolve, before anything else, the challenge of the Aboriginal peoples of Canada. And the answer to that is found in the Royal Commission on Aboriginal Peoples we named in 1990, the Erasmus-Dussault report. It's all there, laid out. There's no reason for the government of Canada to stall any longer and we've got to deal with the systemic racism in some areas of Canadian life, including this appalling anti-Semitism that we find in our society. It is a disgrace what we see in the anti-Semitic circles.

Policy: As well as Islamophobia.

Brian Mulroney: Yes, of course. We need some dramatic, strong leadership. We need visionary leadership. I used to say that Canada must be governed not for easy headlines in 10 days but for a better Canada, a stronger Canada, in 10 years. So, you've got to look

ahead and anything you try to do is going to be unpopular. Well, get used to it, because without that unpopularity, which comes from meeting the challenge, you don't go anywhere.

Policy: What was it that Paul Desmarais used to say to you about legacy?

Brian Mulroney: When I came out after a controversial nine years in office, Paul took me to lunch and he was quite an authority, very knowledgeable on British, French, American and Canadian history, he was a genuine historian, and he said to me: “You know Brian, I think that in history you're going to be doing very well after all this, but right now you're in the cauldron and you're going to be attacked all the time. My advice is to you is this: Let the garden grow and see what it looks like in 30 or 40 or 50 years. Let the garden grow.” That's one of the reasons I've stayed out of partisan politics, unless I was dragged into it. But you know, attacking of the opponents, hell I'm very friendly with people who attacked me 35 years ago. Life goes on. If you are locked in attitudes that you held 50 years ago, you haven't evolved very much.

Policy: In the 1988 free trade election, probably the most consequential campaign of our lifetime, I remember your last speech in Baie-Comeau, where you said a signature line: “My father dreamed of a better life for his family. I dream of a better life for my country.”

Brian Mulroney: That's right. The 1988 election was seminal in the history of Canada and it was a challenging election, but we did win a majority and if you look at what has happened since, we got the Canada-US Free Trade Agreement, NAFTA, the Acid Rain Accord, all of these big-ticket items happened subsequent to the 1988 election, so it was a very important election.

Policy: So, letting the garden grow.

Brian Mulroney: Precisely. I reflected on our lunch many times because Paul was so right: “Just let the garden grow.” **P**

Time for a Bilateral Reboot

As was underscored by Ottawa's diplomatic strategy of decentralizing our dialogue during the Trump years, the Canada-US bilateral relationship is much bigger than two people. And, in a world navigating globalized policy challenges and new approaches to competition, cross-border coordination has never been more crucial. Former Clerk of the Privy Council and BMO Vice Chair Kevin Lynch and former White House economic aide Paul Deegan offer a prescription for rebooting the relationship to meet the new moment.

Kevin Lynch and Paul Deegan

Through the inevitable trials and tribulations of living next door to an economic colossus and military superpower, a consistent comfort blanket for Canadians has been the speech of President John F. Kennedy before Parliament in 1961 during which he famously declared: "Geography has made us neighbours. History has made us friends. Economics has made us partners. And necessity has made us allies. Those whom nature hath so joined together, let no man put asunder."

Almost 30 years later, Prime Minister Mulroney and President Reagan turned that lasting expression of goodwill into a legally binding agreement on free trade. That agreement, which today underpins roughly \$1.9 billion worth of daily trade in goods and services between our countries, was transformational for the North American economy, not just Canada. Indeed, who could have imagined in 1989 that trade across the Ambassador Bridge between Windsor and Detroit alone would be larger today than the entire US-Japan trading relationship?

While Mulroney's very personal leader-to-leader style worked uniquely well with Reagan and the first George Bush, what has made the Canada-US relationship special throughout our history is the incredible depth of cross-border ties of people. It has been forged by Canadians and Americans vacationing, studying, researching, competing in sports, and working across the border. It has been reinforced by business leaders whose companies have set up facilities on both sides of the border. It has been deepened by the bonds of soldiers serving together to protect our shared values. It has been expanded by institutional relationships between public servants managing daily our shared air, water, land, transport and security connections. And it has been cemented by ongoing meetings, both formal and informal, of MPs and members of Congress, of governors and premiers, of border town mayors and of business associations.

But no relationship is impervious to change, and the arrival of President Donald Trump, with his disregard for our shared ties and values, was a shock to Canadians. While President Biden is a welcome return to more normalcy in our bilateral relations,

Trumpism is still a malevolent feature of the American political landscape. With dysfunctional politics south of the border, and American polarization leading to a shrinking centre, we will need as many points of cross-border connection and mutual understanding as possible going forward.

“What has made the Canada-US relationship special throughout our history is the incredible depth of cross-border ties of people. It has been forged by Canadians and Americans vacationing, studying, researching, competing in sports, and working across the border.”

And, with significant uncertainty about the makeup of Congress after the 2022 mid-term elections, and the distinct possibility that President Biden will not seek a second term in 2024, today's generation of Canadian political leaders needs to ask not only where should we go from here policy-wise in the North American relationship, but how do we get there politically?

These political uncertainties are exacerbated by the COVID-19 pandemic and its lingering toll on economies and societies, as well as geopolitical fissures as China and the United States lead a new competition between democracy and totalitarianism. These trends and developments all highlight the need for a Canadian strategic focus on where and how to reboot the Canada-US relationship.



At the G7 Summit in Carbis Bay, UK on June 11, British Prime Minister Boris Johnson hosts a family photo with (L to R), Prime Minister Justin Trudeau, US President Joe Biden, France's President Emmanuel Macron, German Chancellor Angela Merkel, Italy's Prime Minister Mario Draghi, Japan's Prime Minister Yoshihide Suga, European Council President Charles Michel and European Commission President Ursula von der Leyen. *Simon Dawson, No. 10 Downing Street photo*

Clearly, we should take advantage of a more predictable and experienced US administration, and build on the Biden-Trudeau statement of earlier this year that: "It is in the shared interest of the United States and Canada to revitalize and expand our historic alliance and steadfast friendship to overcome the daunting challenges of today and realize the full potential of the relationship into the future." But the "what" and the "how" of rebooting the relationship are key.

So, where should this take us? After the federal election widely expected at this writing, the Canadian government needs to identify prospective areas for such a reboot carefully, build cross-border coalitions for success, and risk-manage the ability of the US administration to obtain legislative approval. Consider five specific areas where there is opportunity to enhance North American cooperation and make a difference for both countries.

Climate Change

While Canada welcomed the US re-joining the Paris Climate Change Agreement, the devil of cross-border cooperation is often in the details, and the specifics of the Ameri-

can approach will not emerge until after the Glasgow COP26 Summit in November. However, it is highly unlikely that the US will adopt a carbon tax, and more likely that it will rely instead on a mixture of regulations and targeted green energy investments, with the possibility of a carbon border adjustment mechanism to level the trade playing field with other countries, particularly China. For Canada, this suggests considerable complexity in achieving climate change policy equivalence and alignment, the possibility of unintended regulatory side-swipe, and the risk of further measures by the progressive wing of the Democrats to impede the export of Canadian energy from the oil sands.

At the same time, given the integrated nature of the North American economy, as well as the signal to other countries, the United States has a strong self-interest in demonstrating that effective trans-border climate plans are do-able, and that North America can be a global leader.

Moreover, we have a common interest in investing in next-generation North American energy grids and clean energy technologies. We have an opportu-

nity to expand environmental co-operation beyond the path-breaking Great Lakes Water Quality Agreement, which will mark its 50th anniversary next year. We have a shared interest in the Arctic, which is the canary in the coal mine for climate change impacts. And we have a common interest in designing efficient energy transition strategies for the future.

In short, we have an opportunity to table innovative new areas for Canada-US environmental cooperation, and such pro-activity may also be our best risk management strategy as well.

Global Health Security

COVID-19 has been the dominant global health, political and economic issue since early 2020. Both its costs and its lessons will reverberate for a generation.

Canada and the US can play a leadership role in reforming the World Health Organization—strengthening its governance and ensuring scientific independence. Canada could also propose setting up a North American task force on how we can better prepare for the next pandemic, including a global virus intelligence

network, given that viruses are not respectful of borders.

Trade Policy

Joe Biden is a Bill Clinton-era free trader, but he is not immune to the strong protectionist sentiments in his own party and the current version of the Republican party. And the early signs are not encouraging: softwood lumber demands to increase tariffs despite US shortages, Buy America proposals—including on infrastructure projects, border frictions, and unfortunately the list goes on. Free trade is not a pick and choose arrangement.

As a country, we need the scale of the North American market and a rules-based system to provide certainty for exporters and investors. As a continent, we need to improve our competitiveness and increase our economic, energy, supply chain, and cyber security in a world of escalating geopolitical tensions. The Canada, the US and Mexico, but particularly the US, need to embrace the intent of the USMCA and make it work seamlessly and well. In mindset, it is a pivot from Trump's *America First* mantra to a *'Build and Buy North American'* perspective.

Canada has strength in many areas—financial services, energy, agriproducts, telecom equipment, minerals and metals, pharmaceuticals, automotive manufacturing, transportation, logistics, and software—and these add to North America's capabilities, not threaten them. Going forward, we can credibly advocate for North American sectoral strategies to enhance competitiveness in a challenging global economy. The focus should be on building global technology and talent advantages and creating the winning conditions for sustained entrepreneurial success.

Defence

Amid rising geopolitical tensions, and increasingly nationalistic and aggressive foreign policy actions by China and Russia, a go-it-alone America undermines global peace and security. President Biden is restoring America's commitment to NATO and collective security, a multilateral pos-

ture strongly aligned with Canada's thinking and interests.

Here, Canada can help the Biden Administration sell this Trump policy reversal within the United States by demonstrating our commitment to both NATO and continental defence through actions and budgets. Canada and the US should consider re-investing in our 1980s-era NORAD North Warning System to ensure we can detect and deter next-generation missile and drone attacks. We certainly should consider increasing our military presence and capacity to express our sovereignty in the Arctic, which is a focal point not only for Russia but also now China. Canada's commitments to protecting the right of free passage in the sea lanes of Southeast Asia would be important to our NATO allies as they are vital to protecting global supply chains.

In all, Canada has to invest more in our collective security, not overly rely on others, and this benefits everyone.

Digital Globalization, Internet Protocols and Competition

Digitization has driven the most recent wave of globalization, enabling integrated global financial markets, internet-based global communications and global supply chains. The backbone of digital globalization is not just technological wizardry, it is also common internet and data protocols that allow systems to "talk" to each other seamlessly and that ensure network data integrity. But there is now growing friction among the US, China and the EU as to what the next generation of such protocols should look like, with China establishing a national digital firewall for strategic and security purposes.

Threats to common protocols that go unchecked can have disastrous consequences. Canada and the US need a common approach to internet protocols, including cybersecurity and privacy. We need to work with Western allies and potential allies around the world to avoid digital "splinternets".

At the same time as we tackle digital protocols, we need to look at the impact of the structure of Big Tech on data privacy and data ownership, on competition, on content rights and licensing, and on social media's impact on trust in our most cherished democratic institutions and on *truth* itself. Here, Canada and the United States have much in common, and besides working together Canada can encourage the US to find common ground with our European allies to make sure playing fields are open, level, safe, and competitive, without stifling innovation.

Looking ahead, American leadership in the world is back, and that is a good thing. But it shouldn't be allowed to lead to American dominance. Globalization may be in retreat but multilateral cooperation is needed now more than ever. Canada's middle power status in this uncertain world can help the US, whose prestige and credibility were compromised for four years—with allies and developing countries alike.

As in the 1980s, we are at one of those moments where we need big, bold ideas to reboot the Canada-US relationship. Unlike then, we cannot rely on leader-to-leader relations alone; the world has changed. We need to double down on the deep network of connections between our two countries, particularly in political fora such as the Canada-United States Inter-Parliamentary Group, The Great Lakes and St. Lawrence Governors and Premiers, the New England Governors and Eastern Canadian Premiers. These are not social events or junkets; they are important investments in our most important relationship. And political relationships are key to moving our policy agenda forward. **P**

Kevin Lynch is a former Clerk of the Privy Council and former vice chair of BMO Financial Group.

Paul Deegan is a public affairs executive and was Deputy Executive Director of the National Economic Council in the Clinton White House.



Canada and US—friends again: President Joe Biden and Prime Minister Justin Trudeau at the G7 Summit in the UK in June. *Adam Scotti photo*

Relieved but Cautious: Canada and the Biden Presidency

As with all of Canada's bilateral relationships, our dealings with the United States are invariably influenced by the domestic political reality facing any American administration. That context includes the Congressional viability of any president's legislative agenda. Former Canadian Ambassador to the United States Michael Kergin looks at the current elements of that reality, and what it all means moving forward.

Michael Kergin

Well into the first year of Joe Biden's presidency, the policies of his administration have become more defined. Much less discernible are the chances of their reaching a successful, lasting conclusion. The challenges come not only from the Republican opposition, but from within the president's own party. The Greek myth of Scylla and Charybdis is relevant: too accommodating to the oppositionist cliffs and Biden loses the progressive wing of the party; steering too near the whirlpool of the party's progressive activists, he will lose the support of the centrist Democrats.

How this contest between presidential will and congressional resistance

is resolved will have implications for Canada. There will, of course, be the perennial issues affecting our trade, energy and environmental relations. The Biden presidency is no different. Irritants will come and go in greater and lesser degrees. This is business as usual with Uncle Sam.

But new threats have arisen that will affect the tenor of our cross-border friendship. These are the attacks against democratic norms rising from within the Republic itself. Serious undermining of America's democracy will fundamentally change Canadians' attitudes towards their neighbour with far-reaching consequences.

Many of candidate Biden's campaign proposals have been converted into early (and possibly temporary) action in the form of executive orders. And with mixed results for Canada.

While Canadians are generally sympathetic to decisions designed to curb climate change, it was a shock for some that this would come at the cost (on the president's first day!) of canceling Keystone XL. Also causing angst in Ottawa, Queens Park and Quebec City is silence from the White House while the Governor of Michigan, in the name of environmental sustainability, has ordered the shutdown of Enbridge's Line 5 under the Mackinac Straits.

Most Canadians, certainly at the provincial level, would agree with the general proposition that their tax dollars, dedicated to infrastructure investment, should not be spent for procurement and jobs outside of home. Nevertheless, Biden's early revival of a Buy American policy by executive order, accompanied by a strict review mechanism of federal procurement tenders, is viewed as a not so friendly gesture. (Such is the paradox of Canada-US relations).

Responding to the Democrats' labour base, the newly appointed United States Trade Representative (USTR) has subjected the Canada-US-Mexico Trade Agreement (CUSMA) to stringent scrutiny with a view to strengthening protections for US

“ New threats have arisen that will affect the tenor of our cross-border friendship. These are the attacks against democratic norms rising from within the Republic itself. ”

unions. Revisiting the percentage of local content in auto manufacturing, a central component of the agreement, could trigger a real crisis of confidence with the US's two CUSMA partners.

Bowing to pressure from dairy interests in Wisconsin, USTR has initiated litigation against Canada's supply management system. This, despite built-in protections in the Canada-US-Mexico Agreement (CUSMA) for Ontario and Quebec dairy farmers—protections which were purchased by our trade negotiators at the price of concessions.

The US Commerce Department has again sued to increase tariffs against softwood lumber (a constant irritant bedeviling our trading relationship since the 18th century). Understandably, this is being vigorously contested by Ottawa, especially at a time when there was a high demand for lumber.

But with the not-so-good news come some welcome changes. Perhaps the most positive development for many Canadians is the return to civility contrasted with the irascibility and unpredictability of the Trump era. The virtual Biden-Trudeau Summit of last April (Biden's first meeting with a foreign leader) laid out a sophisticated “roadmap” for cooperation over the coming year. Terms such as “partnership”, “align”, “work together” and “coordinate” populate the document.

The leaders have committed to expanding their Canada-US Arctic Dialogue at a time of global warming and more assertive maritime activities by both China and Russia. A longstanding Canadian lobbying effort to re-

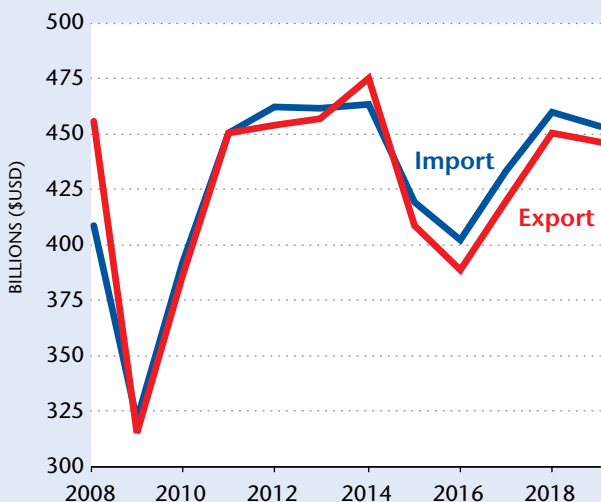
voke oil leases in the Arctic National Wildlife Refuge (ANWR) has succeeded with the signing of a presidential executive order.

In the multilateral space, the Biden presidency has refreshingly aligned itself with traditional Canadian interests: rejoining the Paris Agreement on climate change, re-engaging with the World Trade Organization, pledging renewed support for NATO, and restarting talks with Iran over the nuclear deal—all policies that are walk-backs from Trump's vision of America First (and alone).

Canada has strongly backed a US initiative within the G7 and G20 to introduce minimum corporate tax measures, thereby removing incentives that have allowed international business to “shop” for tax havens. Biden's proposal before Congress to raise corporate taxes is also welcome. The reduction of the gap between the countries' respective tax regimes will benefit Canada as a destination for foreign direct investment.

The White House has not gone much beyond vocal expressions of concern over the imprisonment of the two Michaels. Back-channel efforts are under way by the US Department of Justice to promote a Deferred Prosecution Agreement (DPA) (so far resisted by the Chinese). This could lead to the lifting of the US extradition order against Meng Wanzhou. More evident, and in line with Canadian objectives, have been Biden's coalition-building efforts to work with like-minded democracies to push back against Chinese mercantilist trade policies and severe human rights violations.

Overall Exports and Imports for Canada: 2008–2019



Source: World Bank

CANADA WORLD TRADE, 2019, (\$USD) Source: World Bank

- Total value of exports: \$US 446.1 billion.
- Total value of imports: \$US 453.4 billion.

CANADA'S TRADE WITH US, GOODS & SERVICES 2019, (\$USD)

Source: US Trade Representative

- Canada's exports to US: \$US 358 billion.
- Canada's imports from US: \$US 360.3 billion.
- In 2019, according to USTR, the US accounted for 75% of Canadian exports, while Canada represented 18% of US exports.
- Also according to USTR in 2019, Canada's exports to the US increased 187% since 1993 (pre-NAFTA) while US exports to Canada climbed 191%.
- Canada's GDP grew from US \$567.2 billion in 1989, the first year of the Canada-US Free Trade Agreement, to US \$1.74 trillion in 2019. Source: Statistica.com
- According to Global Affairs Canada, 1.9 million Canadian jobs depend on trade with the US, while 9 million American jobs depend on trade with Canada.

And both leaders are promoting similar post-COVID reconstruction agendas encapsulated by the slogan “Building Back Better”, including Biden’s legislative program of leveraging COVID recovery to invest in infrastructure and social programs. The Liberal budget of last April, like its US counterpart, covers both hard and human infrastructure objectives, requiring levels of expenditures not seen since the Second World War.

It can be argued that Prime Minister Trudeau and President Biden hold similar foreign policy, fiscal and social outlooks.

Former president Trump’s big lie of a “rigged election” has hijacked the Republican party. According to polls, some 74 percent of Republicans believe the election was stolen. In the name of “voting integrity”, 17 Republican-dominated state legislatures (*inter alia*: Texas, Arizona, Florida, Georgia, Wisconsin) have approved 28 bills, and counting, to restrict hours and physical access to polling booths, to complicate mail-in balloting procedures and to politicize electoral infrastructure by replacing impartial election officials with elected representatives from partisan legislatures.

Democrats at the federal level are fighting back. There is little likelihood that draft bills (HR.1 and S.1) to implement nationwide electoral reforms,

such as ending gerrymandering and overhauling campaign financing regulations, will be successful in an evenly divided Congress. Passage requires the removal of the filibuster, whereby just 40 votes can block legislation. (Biden and centrist members of his party have so far resisted backing efforts to do away with the filibuster).

Neither the Senate Republican minority leader, Mitch McConnell, nor his House counterpart, Kevin McCarthy, has publicly distanced himself from the “big lie” of the stolen election. Each has vowed to oppose all majority party-initiated bills largely to ensure that Democrats post no successes before the mid-term 2022 elections.

Trump’s refusal to concede Biden’s victory has fueled extremism of which the January 6 assault on the Capitol has been the most dramatic manifestation. The perpetration of the “big lie”, leading to its broad political endorsement, undermines the fundamental principle of democratic governance: acceptance of electoral results legitimized by the courts.

These are unsettled times in the Great Republic and raise concerns for those Canadians whose values generally remain more centered. JFK’s iconic tag line in praise of the Canada-US relationship (“those whom God has so joined, let

no man put asunder”) celebrated in the 1960s, now appears distant and somewhat quaint.

While respite from the previous administration has been liberating, the protectionist instincts of the Biden White House pose immediate challenges to our economic interests. These will require a clear-eyed, pro-active defence from our government leaders and trade negotiators.

Over the longer term, the legislative vulnerability of the Biden agenda and populist threats to democratic institutions are realities which cannot be ignored. The possible election, in 2022, of a Trumpist Congress, and in 2024, of a Trump-friendly presidency, is a clear and future danger.

After the Charlevoix G7 summit in 2018, German Chancellor Angela Merkel was reported to remark that the days when Europe could “completely depend on others are, to a certain extent, over”. Not only has the time come for Canada to hedge its bets by investing more heavily in extra-regional futures, but, more importantly, it is the moment to reinforce our own sovereignty by investing in ourselves. **P**

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Secretary of State Antony Blinken delivers remarks with President Joe Biden and Vice President Kamala Harris at the State Department, February 2021. Wikipedia photo

The Bilateral Value of Our Foreign Policy Brain Trusts

In Ottawa and in Washington, at Fort Pearson and Foggy Bottom, there are career diplomats and policy experts who make it their business to know each other's countries in ways that can make tourists, exporters and even residents seem uninformed. Political leaders rely on them for accurate information and competent implementation. Sarah Goldfeder, who served as a US diplomat in Ottawa, provides a window on the state of the State Department.

Sarah Goldfeder

Canada and the United States share a system where the elected executive identifies political allies to function in the top levels of the executive branch departments. The idea is that policy trickles down from the top—in having allies who share the elected leader's values and vision, the machinery of government is directed from the top deck, much like a large ship.

The reality is that as much (or more) policy trickles up from the layers of

bureaucrats that dedicate their careers to public service. The continuity the senior officials and their teams provide is critical to the governance of both countries.

Foreign policy, trade policy, security and defence policy, all require commitments to long-term strategies that can sustain and go beyond changes in political agendas. A well-tuned and empowered bureaucracy can both implement political agendas and, importantly, serve as institutional memory and provide momentum. A healthy bureaucracy is committed to the Constitution, country, and fellow citizens, and provides an understanding of the “now” in view of the past and the capacity to draw a map to the future.

“ The dance between politics and the public service works best when cabinet-level officials understand that in taking on the mandate of a department, they are taking on the care and feeding of the individuals who serve it. ”

The more complicated the area of government policy, the more necessary experts in the machinery of government become, and nowhere is that truer than in foreign policy. Foreign ministries, whether the US Department of State or Global Affairs Canada, are collectives of expertise. Much of that collected expertise is learned on the job, with on-the-ground training being a critical factor in the understanding of how other governments, their civil societies, and foreign policy objections mesh together. These departments develop

“ The more complicated the area of government policy, the more necessary experts in the machinery of government become, and nowhere is that truer than in foreign policy. ”

language talent, geographic expertise, issue mastery in multilateral organizations, trade, intelligence gathering, security and migration, among other specialties. The talented officers serving in these positions have the capacity to distill complex internal governance issues happening in countries around the world into condensed, high-level briefing notes that provide the first glimpse of complicated issues to many of the political staff supporting cabinet level officials. They are able to identify threats to national interests early, as well as advice and counsel on steps forward.

In the wake of the US election of 2016, there was a feeling in Canada and the rest of the world that a Trump presidency would so upset the norms of governance that the ways in which countries work together would have to be entirely re-thought. The reality was that in many ways, the American bureaucracy remained on course. They foiled some attempts to walk back long-established policies and even the rejection of science as a basis for others, but there remains work to be done in reorienting the country on a more democratic and equitable path.

The world witnessed first-hand the tension between the political leadership of the US Department of State and its career foreign service officers and specialists during the Trump administration. The tension between the seventh floor (the floor of the State Department’s eight-story Harry S. Truman Building that houses the politically appointed leadership, including the office of the secretary of state) and the layers of bureaucracy that support it was obvious in the

wholesale rejection of the career officers by Rex Tillerson (Secretary of State 2017-2018) and then in the exploitation of them by Mike Pompeo (Secretary of State 2018-2021). The reality is that the global processes of diplomacy continued, perhaps not as usual, but just enough.

Canada has had its own experience in navigating similar tension—most recently and publicly perhaps in the Department of National Defence, but also within the foreign policy establishment. There is a prestige in being the minister of Foreign Affairs, underlined by functioning as the primary representative of the prime minister in meetings with allies and others. Without the guidance, preparation, and expertise of the battalion of Canadian diplomats and public servants located at the Pearson Building and across the world, the political leadership would be overwhelmed by attempting to understand the nuances of regions, systems, and leaders. At times, political actions in the guise of diplomacy are seen as a necessity of domestic politics, and the well-trained and clear-eyed bureaucrats of both Canada and the United States understand how that works. The tensions arrive when the political staff does not recognize that the department can be helpful in navigating how the diplomatic meets the political, and in many cases, in developing plans for damage control.

The dance between politics and the public service works best when cabinet-level officials understand that in taking on the mandate of a department, they are taking on the care and feeding of the individuals

who serve it. No one did this better than Colin Powell (Secretary of State 2001-2005). From the moment he arrived, Powell looked at the people of the department and asked, “What can I do for you?” Actually, what he said was, “You can’t be a good chief foreign policy advisor to the president unless you are also deeply involved in and concerned about the welfare of the people who are executing the foreign policy of the president.” And he did that, through introducing a leadership component to professional development and by continually implementing mechanisms best described as belonging to human resources. Whatever his legacy as a diplomat, there is no doubt that those who served under Powell valued his focus on the people of the department.

“Decades of mismanagement have combined with the open hostility of the Trump years to leave the bureaucracy broken and in desperate need of repair.”

The US Foreign Service stands at a crossroads. During the past administration, many have written of the potential ramifications of losing the talent and knowledge encompassed in the Department of State. On July 2nd, three Masters candidates at the Harvard Kennedy School released the report, *The Crisis in the State Department*. The report outlines the potential dangers of above-average attrition rates in the Foreign Service. The research concludes that more than 1/3 of current personnel are actively looking to leave the department. Decades of mismanagement have combined with the open hostility of the Trump

years to leave the bureaucracy broken and in desperate need of repair.

The dangers of losing the expertise of one-third of the department could be crippling. As if the loss of the cumulative knowledge and experience aren’t significantly devastating on their own, there is the snowball effect on morale. Five years ago, I joined a Facebook group for transitioning Foreign Service officers. At the time, I had recently left the department and thought I could be a helpful sounding board for people looking for career fulfillment post-State. What started as a handful of colleagues swapping administrative hints and job postings quickly grew to more than 2,000 members at all stages of departure; for comparison, there are 8,000 active foreign service officers.

Losing your bureaucratic talent is a major failing for any government. The emphasis that Secretary Antony Blinken has placed on retention and even re-activation of former Foreign Service officers is reflective of his understanding of the importance of the underlying issues. We can hope that is sufficient—the accumulated understanding of the world, all its leaders, factions, problems, and sensitivities, is invaluable. The stability of the underlying public service in the United States provided us with a government that could relatively easily and quickly pivot to the historical priorities of each department in the months since the Biden inauguration.

Tensions will continue to exist between the political leadership and the officials in every department. To dismiss those as fears over job security or general malaise is short-sighted. Political leaders share certain personality traits, as do public servants—and while nothing is universal, in general, public servants go into government out of a belief in the system and in the importance of their area of expertise. Whether that be environmental policy, the construction of sustainable

budgets, energy development, industrial policy, immigration, or the very safety of the country itself, the professionals that gird the government are responsible for the careful implementation of political agendas. The sub-text is that those professionals also understand what works, what could work, and how to ensure that policies are implemented in ways that protect the national interest of their fellow citizens.

To ensure that policy can be implemented, that governance can continue while addressing issues of importance to the Biden team, must be a feat not of grandeur, but of incrementalism. The government of the United States of America is often compared to an aircraft carrier—difficult to turn on a dime.

Changing course in a machine this complex and cumbersome requires time and adjustments that are often invisible to the eye. Those are exactly the kind of adjustments that the public service does best. **P**

Contributing Writer Sarah Goldfeder is a former career State Department officer who served as an advisor to two US ambassadors to Canada. She is currently manager of government relations at GM Canada.

The Hidden Wiring of the Canada-US Relationship

As was made abundantly clear over the four years of the Trump presidency, Canada's most important bilateral relationship is much bigger than the whims or even the tweets of a single individual, even when that individual is president of the United States. Veteran diplomat Colin Robertson describes the vast, cross-border infrastructure of interactions that undergirds our public bilateral diplomacy.

Colin Robertson

“We need a thousand points of contact” then-Ambassador Frank McKenna used to remind us when I worked at the Canadian embassy in Washington. For us, this meant the daily transactions among our civil servants, security and intelligence, law enforcement and the military. While we liked to think we understood the big picture, the details of our deeply integrated and complex relationship were left to the experts. In that sense, our splendid chancery on Pennsylvania Avenue is the tip of an iceberg—the visible symbol of a bilateral relationship whose weight and activity are mostly beneath the surface.

McKenna, because he had served a decade as New Brunswick's premier, understood that while the “tone at the top” as Brian Mulroney described relations between prime ministers and presidents, and the classically “official” dealings between ministers, elected officials and public servants are essential, what makes the Canada-US relationship unique is the daily contacts on myriad and mostly unrecorded levels between Canadians and Americans. These relationships—premiers and governors, legislators, business, labour, and civil society—

constitute the hidden wiring of our remarkably successful relationship.

North America includes three countries: Canada, the United States, and Mexico. But all three are federations sharing powers between different levels of government. For Canada and the United States, the relationship is “intermestic”—with the “domestic” mattering at least as much in our daily transactions as the international. So, another way to look at North America is through the relationships, both bilateral and regional, among the 50 American and 32 Mexican states and the 13 Canadian provinces and territories.

With more than 80 percent of our three countries' people being urban-dwellers, according to the World Bank, city-to-city relationships are now commonplace. Coupled with business, labour and civil society, these cross-border connections also constitute the hidden wiring of the continental relationship. This bilateral infrastructure is especially profound between Canada and the United States.

The hidden wiring operates both in tandem with and independently of the national governments. While the national governments and their ambassadors set the framework for the all-important trade and investment relationships, it is the provinces, states

and cities, working with business, that put the deals together. Sometimes they can even get things done that the national governments cannot.

When Donald Trump proved to be a volatile and unpredictable interlocutor even before his inauguration in 2017, the government of Justin Trudeau adopted a strategy of decentralized diplomacy that relied heavily on the hidden wiring to ensure that both the key NAFTA renegotiation and the larger bilateral relationship were protected. With the election of Joe Biden came a new Roadmap that restores conventional bilateral diplomacy at the highest levels within a far more predictable dynamic.

Another good example is the 2010 Canada-US Government Procurement agreement. With the passage of the Obama administration's nearly trillion-dollar stimulus package in 2009, most of the infrastructure spending was delegated to states. The national governments' agreements did not include sub-state procurement access so Prime Minister Stephen Harper turned to the premiers. Jean Charest of Quebec and then Brad Wall of Saskatchewan, as successive chairs of the Council of the Federation, took up the challenge. In meetings with their governor counterparts, including at their annual Washington governors' conference, the provinces, territories and 37 states agreed to a reciprocity procurement arrangement giving their vendors the right to bid on contracts and exempting them from Buy American requirements.

This approach could well work again with the trillion-dollar Biden infrastructure and jobs programs to “Build Back Better”. We need to find some



Hands across the border. States and provinces, business and labour. A profound infrastructure. *iStock photo*

way to get around President Biden's "Buy American" executive order.

Even with the new NAFTA, there is still work to be done in making North America more competitive. Fortunately, the new agreement contains a chapter providing for a Competitiveness Committee. There are over 20 permanent working groups looking to keep the agreement evergreen and stimulating further improvements. It's a reflection of our deep economic integration. Supply chain dynamics, for example, are, increasingly, less about border tariffs and more about standards and zoning approvals that are set and administered at the state and city level.

As Trade Minister Mary Ng told US Trade Representative Katherine Tai and Mexican Economy Secretary Tatiana Clouthier at the first Free Trade Commission meeting under the revised NAFTA in mid-May, our "trade relationship is built on long-established, deeply integrated supply chains—networks of workers and businesses that aren't just selling to each other, but innovating and building together." While governments can frame this remarkable synergy, what binds it together are business and labour.

Prior to the pandemic, a good percentage of the 400,000 people crossing the Canada-US border every day

were engaged in commerce; sustaining and growing the daily flow of components that in the case of our most traded commodity—autos and trucks—criss-cross the border an average of seven times before final assembly on one side or the other. The companies, whether assembly or parts providers, each have cross-border operations. Our industry associations—the Business Council of Canada and the US Business Round Table, or the Canadian and US Chambers of Commerce all have regular conversations and when their national governments are at odds or, as is more likely, unable to make up their minds, collaborate and advocate for a common goal because for business, bilateral relations are about stability and predictability.

Vital on the US side is the role of labour, a key component in the Democratic party coalition. The successful re-negotiation of NAFTA, especially in the congressional end game with strengthened labour and environmental provisions—a Canadian objective—depended on the union movement. So did the agreement to exempt Canada from Buy American in the 2010 procurement agreement and the ultimate relief from President Trump's steel and aluminum tariffs. The labour-to-labor relationships between our unions employing our auto and steel workers were instrumental in sealing these deals. The building

trades are especially close—indeed, the Canadians in the United Steelworkers are part of the largest private sector union in both Canada and North America. So too are Canadian firefighters, seafarers and other building trades unions. For many years a Canadian, Leo Gerard, was president of the United Steelworkers. Gary Doer, the former Manitoba premier who served as a union president before going into politics, worked assiduously to cultivate these cross-border ties during his time both as premier and as ambassador to the United States. Doer continues to be vocal in reminding us to use our labour-to-labor relationships.

The six New England governors and five Eastern Canadian premiers have met annually since 1973, with a focus on cross-border trade but to also work on shared objectives including energy, climate and the environment. Western premiers and governors also join one another at their respective annual conferences and in 2000 formalized the arrangement to resolve frictions and build collaboration. The Great Lakes governors and premiers have also met since the early 1980s with a focus on the environmental stewardship of the Great Lakes and the St. Lawrence River.

The Council of State Governments, founded in 1933 and based in Lexington, Kentucky with its regional components—CSG East, CSG Midwest, CSG South and CSG West—regularly includes Canadian legislators in its deliberations and have occasionally met in Canada. They focus on problem-solving on the basics of water, the environment and climate, agriculture, energy and border issues. The Midwest region has had since 1991 a sustained Midwest-Canada relations committee, with provincial legislators from Ontario, Manitoba, Saskatchewan and Alberta.

While the state and provincial leaders are the catalyst for the meetings, in each of these regional legislator-focused forums there is participation from business, labour and civil society. Their work is complemented by other associations, notably the Pacific North West Economic Region (PNWER) and

NASCO—North American Strategy for Competitiveness—and the Canadian American Business Council (CABC).

PNWER, with its current focus including ‘a Road Map to Pandemic Resilience’ and a ‘Solutions Accelerator’ to re-open tourism, is aptly described as setting the ‘gold standard’ in its practical promotion of cross-border collaboration. NASCO’s focus is North American, working on unlocking supply-chain chokepoints in regulation as well those afflicting our roads, rail and ports. Established in 1987 during the negotiation of the Canada-US Free Trade Agreement, the Canadian American Business Council (CABC) is first among equals in cross-border private sector affairs.

Through their active engagement on emerging issues, with legislators and the executive branches of the various levels of government, PNWER, NASCO and CABC facilitate and reinforce North American growth.

When he was US ambassador, David Jacobson would observe that “Canadians think they know all about the United States while Americans think they know all they need to know about Canadians.” He would pause and then add “we are both wrong.” Jacobson is right, and while the Centre for the Study of the United States (CSUS) at the Munk School provides insight and scholarship on the relationship, we need more space for such analysis. Washington has the Wilson Center’s Canada Institute, funded by Congress. Its Canada and Mexico institutes are world class. So, too, is the Halifax International Security Forum (HISF), which gathers the policy leadership—elected, activists, scholars and flag officers—of the democracies for invaluable annual discussions.

Complementing the hidden wiring is the work of our 12 regional consulate-generals. Trade and commerce are their main focus and their efforts are supplemented by honorary consuls, of which the model for emulation would be Glenn Williamson in Arizona. Williamson is also Founder of the Canada

Arizona Business Council, which over its now- nearly 20 years in operation has enabled a tremendous growth in Canada-Arizona trade and investment through its support for direct flights (from two a week to over 100 prior to the pandemic) and the presence today of over 500 Canadian businesses making Canada the biggest foreign employer in the state.

Just as all politics is local, so is all trade and given Canadian interests and the omnipresent “Buy American” sentiment, our consulates and honorary consuls play a vital role in identifying and then pushing back on protectionism both legislative or regulatory. From my time in Washington leading our advocacy efforts on Capitol Hill, I concluded that by the time a protectionist measure reached Washington we were into mitigation—firefighting—with limited success. Protectionism is best dealt with at the local level and this is where our consuls and honorary consuls play the vital role in demonstrating to local legislators that for most states, their main export market is Canada and that Canadian investment (most have no idea) generates nine million American jobs.

Serving in the US requires a different diplomatic skill set. The traditional diplomatic approach of self-effacement and closed-door parleys that characterize the rest of the world don’t work well in the cacophonous, multi-dimensional and confused arena that characterizes American politics.

In the US, we need to play the game like Americans. As Frank McKenna would tell us, “You don’t bring a Boy Scout knife to a gunfight.” American politics is in your face, public and personal, and we need to use lobbyists and lawyers as well as diplomats.

Our diplomats need to be advocates, skilled in public diplomacy. We have adjusted with more “political” appointees from politics, business associations, media and entertainment as our consuls general. With a few notable exceptions, it has worked very well for Canada and we should probably appoint more junior diplomats drawing from these backgrounds.

We should also look to “second” more provincial officials. Quebec, Ontario and Alberta have representation in Washington and Quebec has long maintained offices in US cities—seven in addition to Washington. While the focus is trade and investment, they also promote cultural and academic relationships that complement the work of our consular teams.

When I was consul general in Los Angeles, I worked closely with my Quebec counterpart, Marc Boucher, in support of our joint campaign to secure the votes from the membership of the Academy of Motion Picture Arts and Sciences that resulted in Canada’s first (and thus far only) Oscar for Best Foreign Language film: Denys Arcand’s *Les Invasions Barbares* in 2004. Together we mobilized the Canadian entertainment community, including performances by Cirque de Soleil at our events, which included poutine washed down with La Fin du Monde craft beer.

As our border begins to reopen after 18 months of closure to all but essential traffic, the hidden wiring must be reinvigorated. It is the underreported but essential foundation for our unique Canada-US relationship. But because that relationship will always be asymmetrical, with the US mattering more to Canada, leadership in governments, business, labour and civil society need to take the lead. Protectionism is as American as apple pie but, as Leo Gerard understood, Canadians and Americans should be working together when it comes to extending labour and environmental protection.

In the wake of the pandemic, armed with our joint Roadmap and renegotiated NAFTA, we can take the Canada-US partnership to a new level. In these initiatives, relationships will matter more than ever and this is where the “hidden wiring” makes all the difference. **P**

Contributing Writer Colin Robertson is a longtime senior Canadian diplomat who served as Consul General in Los Angeles and as first head of the Advocacy Secretariat at the Canadian embassy in Washington. He is vice president and fellow at the Canadian Global Affairs Institute in Ottawa.

A Post-Pandemic Primer for Our Bilateral Business

America's domestic coherence problems and global pre-occupations have not dissipated in the wake of Donald Trump's defeat. Through decades of navigating bilateral relations through the prism of trade, energy and security priorities, Thomas d'Aquino has seen a range of presidential postures toward Canada, and, he writes, Joe Biden's bodes well. With a couple of cautions.

Thomas d'Aquino

As Canada prepares for a post-pandemic world, our country needs to re-set our relationship with the United States. It's also high time that we apply some badly needed realpolitik to the relationship.

We may indeed be “closest friends and allies”—terms that many of us have happily uttered many times over in our lifetimes—but we also must accept that national interest in the end must be the key driver. The national interest in the American context is rooted in the celebrated saying of the late House Speaker Tip O'Neill that “all politics is local”. It is also driven by fiercely advocated partisan interests. “Closest friends and allies” may sound good and give some of us comfort but in day-to-day terms, it's not the real world. Our differences on trade, energy, climate change and foreign policy issues, felt strongly on both sides of the border, prove my point.

Think back to the time when the Canada-United States Free Trade Agreement was negotiated. Thanks in part to the remarkable relationship enjoyed by Prime Minister Mulroney and President Reagan, it was a time when we thought much more about

what we might accomplish together than what divided us.

This was not just the case at the political level. In my position then as head of the BCNI, today's Business Council of Canada, I was privileged to play a private sector leadership role in helping advocate for close Canadian-American economic cooperation, and we could count on powerful business allies in the American business community. In the early 1990s, the North American Free Trade Agreement (NAFTA) incorporating Mexico moved the continental relationship to a trilateral dimension. We were full of big ideas then, arguing that North America would become the most competitive regional economic powerhouse in the world. After the shock of 9/11, the three countries went even further by signing the ambitious Security and Prosperity Partnership (SPP). At the time, we even dared talk about a North American “community”.

But we are far from that ideal today. What happened?

In the wake of the global financial crisis of 2008, the Obama administration cancelled the SPP. The crisis

shook Canadian confidence in American finance. All the while, protectionist forces in the US, which had never receded, began to reassert themselves. And then came Donald Trump with his America First policies and his ferocious denunciations of the NAFTA as “the worst trade agreement in history”. Heading the most disruptive presidency in modern American history, Trump knocked the traditional Canada-US relationship off its axis. His threats to walk away from NAFTA, coupled with his bullying and insults, considerably soured Canadian public opinion toward our southern neighbour. His capricious trade actions on aluminum and steel, his repudiation of the Paris Agreement on climate change and his unsettling statements about the relevancy of NATO as “obsolete” only made matters worse.

“Joe Biden's arrival in office is greatly encouraging. His deep political experience and sound character are strong pluses. His re-affirmation of traditional American foreign policy and defence positions is reassuring.”

Joe Biden's arrival in office is greatly encouraging. His deep political experience and sound character are strong pluses. His re-affirmation of traditional American foreign policy and defence positions is reassuring. The fact that he chose to meet with Prime Minister Justin Trudeau before any other



Tom d'Aquino, salmon fishing in Labrador with former President George H.W. Bush in 2003.
Photo courtesy of Thomas d'Aquino

foreign leader is significant. His talk about the pre-eminent friendship binding our two countries is certainly welcomed by Canadians. So was his decision to re-engage America in the Paris Agreement.

But, the Democratic party has a powerful economic nationalist and protectionist element within it. Evidence of its sway can be seen in President Biden's Buy American executive order. Cancellation of the Keystone XL pipeline on his first day in office offers further evidence. Since the president's move against Keystone, various actions have been taken at the state level aimed at shutting down Canadian pipelines that help meet critical American energy needs. Regardless of where one stands on the issue of fossil fuels, what has hurt the most in the conduct of American energy politics has been their failure to recognize and reward Canada for being a reliable supplier of energy in all forms to the American market.

The Canada-US relationship could be rocked by more uncertainty in the years ahead. The US is deeply divid-

ed and the partisan schism bedeviling its politics is profoundly worrying. This is bound to create problems for the Biden agenda. Trump's grip on the Republican party remains and he is obviously campaigning to retake the presidency. The Republican party that we knew so well—conservative to moderate and sensibly engaged with the world—is no more. So, Canada and the world are faced with a significant number of Americans in both parties who have embraced nativism and economic nationalism. For America's largest trading partner, this is not good news.

And in the broader North American context, the situation is doubly worrying. While for years I have been among Canadians advocating for constructive Mexican engagement in North American affairs, and have been privileged to work closely with four Mexican presidents, I am deeply concerned about the outlook for Mexico. It continues to be wracked by violence and drug warfare. In the recent mid-term elections, some 100 candidates were assassinated. Mexican Pres-

ident López Obrador, has embraced a statist and interventionist agenda. He has rolled back significant reforms, especially in the energy sector. Despite some minor setbacks in the midterms, he remains popular and a viable opposition alternative has yet to coalesce. He is not going to be looking north of the border for engagement.

“ Strengthening business-to-business ties in advancing mutually beneficial job and investment policies is crucial. And trade unions on both sides of the border have an incentive to join in common cause as both countries push for innovation-based job creation. ”

How should Canada respond?

First and foremost, beyond pursuing bold domestic policy goals, re-setting our relationship with the US must be our highest strategic economic and security priority. The hard reality is that whether led by Democrats or Republicans, dealings with the Americans are going to be fraught with uncertainty and challenges. Relying on sentimentality and wishful thinking will not deliver the results we want. To begin with, we must double up on the resources we devote to pursuing our interests in Washington and at the state level. Building on the Biden-Trudeau relationship is vital. More than any prime minister, Mulroney wrote the book on how this should be done. Strengthening business-to-business ties in advancing mutually beneficial job and investment policies is crucial. And trade unions on both sides of the border have an incentive to join in common

cause as both countries push for innovation-based job creation.

What are some of the concrete steps Canada should be taking? The number one priority, of course, is to emerge safely from the COVID crisis and open up the Canada-US border. Maximum cross-border coordination is key and given the stakes we cannot afford to bungle the job. Let me turn now to the new NAFTA—the Canada-United States-Mexico Agreement (CUSMA) which came into effect on July 1 last year. Its 16-year renewable status should evolve in favour of permanency, subject to amendment, of course. The new chapters of the agreement on digital trade, good regulatory practices, small and medium-sized enterprises and anti-corruption represent important steps forward. But trade agreements provide a framework for action and in my view too little so far has been done to take full advantage of the opportunities offered by CUSMA. Relying on “autopilot”, as we did with NAFTA, is no way to do business. We must face the reality that Mexico under the current administration is not as willing a player as are Canadians and Americans. This should not hold up progress. We should act where it is in our mutual interests to do so. To borrow an expression from SPP days, “three can talk and two can do”.

Beyond the CUSMA, how to proceed with the Americans?

My list is long but let me give you a few examples. We need to push hard on getting Canada within the Buy America provisions. Given our joint supply chains and joint procurement potential, this makes eminent sense. On cybersecurity, we need to harden the defences of our common infrastructure. On critical minerals, we need a bilateral strategy that will incentivize production and secure long-term supply and purchases. The potential of Canada-US cooperation on energy and the environment is endless. Clean energy technology cooperation offers multiple chan-

nels of opportunity. The electrification of the transportation industry is a case in point, where mutually dependent supply chains are at work. On defence and security, the North American Aerospace Defence Command (NORAD) needs modernizing and both countries need to take much more seriously both Russian and Chinese threats emerging in the Arctic. The cyber threat to continental industries and infrastructure is real and demands a joint response. Some of what I have mentioned is referenced in the “Roadmap for a Renewed US-Canada Partnership” agreed on by the prime minister and the president in February. My concern is that this wish list will simply fall by the wayside, particularly as the US seeks to come to terms with its other more urgent priorities. It’s up to Canada to keep these issues on the front burner.

How to deal with China is high on the agendas of both our countries. Arriving at a *modus vivendi* with China is the central challenge of our times. It’s an American challenge, it’s a Canadian challenge, it’s a global challenge. Since my days as a young speechwriter on Prime Minister Pierre Trudeau’s staff in the early 1970s, I have advocated for full and peaceful Chinese engagement in the world community. My assumption was that China would over time embrace Western-based concepts of the international liberal order and universally accepted principles of the rule of law. This has not happened. Under the leadership of Xi Jinping in particular, marked by “wolf warrior diplomacy”, we are witnessing a much more assertive China leaving no doubt as to its aspirations for global pre-eminence.

What does this entail for the Canada-US relationship? The subject requires deep introspection. China cannot be simply ignored. Canada, the US and democracies across the globe must work with China. Canadian differences with China on human rights and on the continuing baseless imprisonment of “the two Michaels”, Michael Kovric and Michael Spavor,

must be negotiated. Canadian business and cultural links with China deserve to be preserved. But when it comes to vital strategic interests and the preservation of the liberal world order, Canada must ally itself firmly with the US and other democracies. We cannot have it both ways. Our American friends are watching carefully how we are playing our cards with China. Bottom line on this issue: if we play ball in an intelligent way with the Americans on China, it will serve our national interest.

Some final thoughts.

I have been a huge admirer of the Great Republic all my life. By the time I was in my teens, I had visited most of the 50 states of the Union. I played a private sector role in advancing the Canada-US Free Trade Agreement and the NAFTA. I have met every president since Richard Nixon (Trump excepted) and I’ve even had the pleasure of fly-fishing for salmon in Labrador with one of America’s great presidents, George H.W. Bush in the summer of 2003. Our two-way relationship is complex and whether it’s fully understood or not, we want to believe we are “closest allies and friends”. But we have to work harder at making this a reality. We can no longer afford to take each other for granted.

Given the global preoccupations of our neighbouring superpower, devoting serious and sustained attention to Canada is difficult. But on this score, I would offer some wise advice to our American friends. It comes from a dear friend and mentor to me, former Secretary of State George P. Shultz, one of America’s greatest statesmen. He said “good neighbours tend their gardens - they weed them and keep them in good order and don’t let them cause harm to that of their neighbour.”

Good advice indeed and equally applicable to Canada. **P**

Thomas d’Aquino was the founding CEO of the Business Council of Canada, and is Canadian Chair of the North American Forum. He is also Chair of Thomas d’Aquino Capital, based in Ottawa.

America, Through the Looking Glass

For four years in the aftermath of 9/11, former broadcaster Pamela Wallin served as Canada's representative in New York City. As a longtime journalist, former diplomat and Senator, Wallin has been a keen observer of the bilateral relationship.

Pamela Wallin

"Americans are benevolently ignorant about Canada, while Canadians are malevolently well informed about the US."

John Bartlet Brebner

Writer E.B. White powerfully captured the essence of New York as "... the concentrate of art and commerce and sport and religion and entertainment and finance, bringing to a single compact arena the gladiator, the evangelist, the promoter, the actor, the trader and the merchant... you feel the vibrations of great times and tall deeds."

It was an extraordinary opportunity to live in that amazing city as Canada's consul general, in the wake of 9/11. I love the American spirit and it was at its best as Americans healed each other and embraced those of us who were willing to come as the towers still smoldered.

It was also a time that allowed me to see my own country through American eyes and it's an extraordinary vantage point.

When I first arrived in New York, I sought advice from every corner, the best of which came from academic Walter Russell Mead. He had written on the topic and repeated again to me: To win influence in the

US, why not just try understanding the place?

Historically, Canada comes to the table with a sense of superiority and we seek to change America by proclaiming our superior values and claiming the moral high ground. It doesn't work.

When Americans and Canadians disagree, Americans aren't ashamed of their position. Horrifying as this may be to contemplate, said Mead, they think their values are at least as good as Canada's. So, when Canadians talk about our unique values of patience and multilateralism and multiculturalism, Americans roll their eyes.

The fact is, Americans just don't care how un-Canadian they are.

So, to actually influence the US, Canadians are going to have to understand the US—and not just the "blue" states that voted Democrat.

Canadians are uniquely situated to develop an objective but intimate understanding of the US declared Mead, and Canada might find its authority and influence considerably enhanced if—and this was with his tongue firmly planted in his cheek—we became renowned, world-famous Americanologists. (Saying we think, as a nationality, that we're Americanologists but we're not is an invi-

tation to the reader to stop reading, since this is Americanology).

For decades, our guiding principle—and evidence of our own protectionism and fears—was summed up with the sentiment that good fences make good neighbours.

Americans see the border as the line joining our countries—Canadians see it as the last line separating us from them.

“Historically, Canada comes to the table with a sense of superiority and we seek to change America by proclaiming our superior values and claiming the moral high ground. It doesn't work.”

With Brian Mulroney's daring deal on free trade, Canadians—after much debate and hand wringing—came to believe that a "fenceless economy" was not a threat to our sovereignty. Our job is to re-assure America that this fenceless economy is not a threat to their security. It is to work both ways.

In 2003, US Ambassador to Canada Paul Cellucci summed up Washington's position in the wake of 9/11 with a succinct "security trumps trade". It did. It was true, but many Canadian politicians didn't want to hear it because two billion dollars worth of goods and services cross the border every day. That's a million dollars (US) every minute, 365 days a year.



Prime Minister Paul Martin addressing the prestigious Economic Club of New York, while Canadian Consul General Pamela Wallin looks on. *Canadian Consulate General photo*

The importance, the breadth, the depth of the relationship is so extensive and we are so interconnected, that it can be a little risky when the economic space is so much larger than the political space. Most want it that way—separate but connected countries; independent and different, but shared values and goals, for the most part.

We struggled with the border again through COVID, at great cost to business and families. Again, the economic space suffered while the politicians danced.

Whatever the view, the fact remains that coping with, travelling to and doing business with the United States is not only an immutable fact, it is an essential ingredient of being Canadian.

And we *are* friends and relatives—we play on each other's hockey teams, attend each other's universities, work for thousands of cross-border companies. We invest in each other's entrepreneurship, marry each other, vacation in each other's backyards. Our comedians, musical artists, authors

and reporters have audiences in the US they couldn't imagine here.

Of course, we are different—and independent—countries with different political systems (just try explaining the Iowa caucuses to a Canadian or minority government to an American); we have different origin stories, even different religious and secular traditions.

We know from our own lives, that all relationships—be it husbands and wives, siblings or friends—need maintenance and that the most important tool is an ability to listen, and actually *hear* what's being said by the other.

We need to get beyond the stereotypes and the myths that persist: Americans—big, brash bullies; Canadians—polite, bacon-eating wilderness dwellers.

One of our great contemporary writers—Margaret Atwood so intuitively captured our state of mind. The border (and I am paraphrasing here) is like a long one-way mirror and Canadians have their faces pressed up against the mirror (often feeling en-

vious and resentful), and they watch the frenzy of America with everyone careening about, endlessly fascinated with each other, unconcerned about the world around them and oblivious that there is a mirror at all, never mind others on the other side.

But as we have learned through 9/11 and COVID and Donald Trump, Americans can also experience vulnerability. They, like us, need friends and someone to have their back. Presidents and prime ministers don't have to love each other but they must be willing and able to do business... to listen to the other and see through the other's eyes.

A longtime Canadian civil servant once captured the challenge: "Americans are our best friends, whether we like it or not; and we are their best friends, whether they know it or not." **P**

Senator Pamela Wallin was Canada's Consul General to New York from 2002-06. Previously, she was a television news host and Ottawa correspondent for the CTV network and later co-anchor of CBC's national newscast. She is a proud native of Wadena, Saskatchewan.

Canada's Bilateral Relationship Status Update: From 'Sibling' to 'Neighbour'

The past two decades have seen an evolution in Canada's most important relationship. The clichés about our neurotic obsession with America as the swaggering older sibling have receded amid Canada's confidence about its place in a globalized world. And, as longtime Washington columnist Lisa Van Dusen writes, after the reality-show nightmare of his predecessor, Joe Biden has been a sanctuary of sanity.

Lisa Van Dusen

When I first started covering Canada-US relations as a Parliamentary Press Gallery Reporter at 19, the bilateral relationship was most definitely still in the “sibling” stage.

America was the geopolitical superpower, political major league and cultural behemoth we were either trying to emulate or provoke with negative attention-getting behaviour, like the 13-year-old kid brother of a star quarterback. We were younger and smaller, hypersensitive to every glance and mumble, and keeping a running inventory of all the things that made us different. Canadians were notoriously self-righteous about our social safety net, our free health care, our politeness and our notorious self-righteousness.

By the dawn of the millennium, I was working on an American news desk two blocks from the White House when the internet changed everything, putting the world at our fingertips, instantly globalizing impacts with an immediacy that transformed the news cycle from an actual cycle of

event/response/coverage inputs to a borderless, organic ecosystem; a feedback loop of interconnected, perpetually alchemizing actions and reactions. The change was nowhere more obvious than in the first viral, presidential scandal of the fourth industrial revolution.

That process of globalizing information and knowledge, communication and culture, telescoped the evolution of the Canada-US relationship by making so many of its components suddenly borderless, shared and simultaneous. One generation after Mel Hurtig and the Council of Canadians railed against the Canada-United States Free Trade Agreement—the Mother of NAFTA—as a threat to cultural sovereignty, *Schitts Creek* swept the Emmys, *The Weeknd* solo-headlined the Super Bowl halftime show and Margaret Atwood, who fought alongside Hurtig, is a global brand with a fan base that not only transcends borders but defies demographics.

Canadians no longer fret as much about cultural sovereignty because human beings

everywhere no longer consume culture the way they used to. The elements of our culture that make Canada distinctive—Indigenous literature, art, music and dance; virtuoso Quebec filmmakers; the novels of Esi Edugyan, Éric Dupont and Souvankham Thammavongsa; the playlists of Coeur de Pirate, Drake, Justin Bieber, Jilly Black and Joni Mitchell—are everywhere, for anyone to consume, anytime.

“That elusive Canadian identity that we've been at such pains to define—perhaps in the same way we don't like to define comedy or love for fear of demystifying it—has not only done quite well as a virtual export in a globalized market, it has thrived.”

That elusive Canadian identity that we've been at such pains to define—perhaps in the same way we don't like to define comedy or love for fear of demystifying it—has not only done quite well as a virtual export in a globalized market, it has thrived. Within the sublime, staccato delinquency of *Letterkenny* and the small-town pluralism of *Schitts Creek*, there are 1,000 “That's so Canadian” moments. In other words, we know it when we see it.

Our politics—long a source of comparative pride for being less extreme and more manageable than the endless campaign mode and Babel of special interests next door—have been besieged by the same narrative warfare tactics and social media lunacy as everyone else's. We may be smug about Canadian democracy because we simply cannot imagine anything else existing in its place.

But our contiguous status and inseparable fate guarantee a vested interest in how America fares, especially in this moment of geopolitical challenge. After the reality-show nightmare of his predecessor, Joe Biden has been a sanctuary of sanity—friendly but not obnoxious, knowledgeable but not arrogant, patriotic *and* worldly. He's the American neighbour you'll have a sundowner with at your Siesta Key condo in February or your Ogunquit rental in August and never once argue about politics.

After nearly a year that began with the incumbent's mismanagement of a deadly pandemic acting as an existential threat against his own people and ended with his goon squad attacking the US Capitol, the new president next door is now leading the global recovery from COVID-19 and presiding over a normal, competent government. It was a testament to Canada's political maturity that it emerged from the Trump presidency relatively unscathed. Now, whoever wins the September 20th election, it can continue implementing its own pandemic recovery, dealing with the systemic and security threat of China, defending democracy and preparing for a post-pandemic reality knowing that the president of the United States isn't one more wicked problem on its plate.

Biden won't be calling us names on Twitter or playing the useful idiot while undermining the rules-based international order. His views on trade are more about economic recovery, American workers and domestic politics than about reflexive protectionism, and he won't be announc-



North America seen from space, with US and Canadian cities lit up in winter. Canada and the US, once siblings, are now grown up as neighbours, writes Lisa Van Dusen. *Adobestock photo*

ing unprovoked retaliatory tariffs in emoji. Biden doesn't see the world as a treasure map of un-consummated deals—Let's blackmail Ukraine! Let's sell out the two-state solution! Let's buy Greenland! He has nearly five decades worth of institutional knowledge as to how things are supposed to work, so can tell when they're not working and, more importantly, why. All excellent qualities in both a president and a neighbour.

The bilateral conflict over Iraq that defined the Canada-US relationship during those first post-internet, post-9/11 Bush years declared our post-adolescent independence. The swathe of Canadians who preferred Barack Obama to Stephen Harper created a bilateral bipolarity during the years that followed, and the previously unthinkable daily assault of the Trump presidency on the American public brought out a fine Canadian absence of *Schaden-*

freude. The correction to our assumptions about America's superiority made us less defensive about our own. It was like seeing the star quarterback stumble in the front door at 3 am, completely off his face. Not a time for gloating.

Two decades into this new century, it seems we've outgrown our sibling phase, and we can just be neighbours. As Shakespeare and the Gallagher brothers could tell you, "neighbours" can be a much healthier relationship status—less emotionally fraught, less competitive and more constructive; a navigation and negotiation of interests between keepers of adjacent properties.

And, of course, friends. **P**

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The heart of the US Capital—the Washington Monument and the Lincoln Memorial from across the river in Virginia. From the White House at one end of Pennsylvania Avenue to the Capitol at the other, it all happens here, with the Canadian Embassy located between the executive and legislative homes of American government. *iStock photo*

Making Canada Relevant Inside the Beltway

In Washington, the international voices that carry the most weight tend to be those belonging to countries whose power stems from either global heft or domestic constituency resonance. Canada's influence in DC is based largely on geography, trade and stability. But, as has been displayed in the past, we can be useful. And, in being useful, Canada can be relevant.

**Perrin Beatty
and Mark Agnew**

If—as Ronald Reagan once said—politician is the second-oldest profession in the world, then lobbyist has to be the third-oldest. The Center for Responsive Politics counts about 12,000 registered lobbyists inside the Washington, DC Beltway. Layer on top of that all the think tanks, civil society organizations, media, and diplomatic missions vying for the attention of decision-makers. It adds up to a mul-

titude of voices seeking to advance their issues during a fixed number of hours and days for Congress and the executive branch of the United States government.

Canadian interests are among those voices at the table but, given the plethora of others, it is critical to know how to make Canada relevant in Washington. This is an important question to answer because the nature of our relationship with the US is very unequal when looking at a range of variables, including trade dependencies, military capabilities, and population.

This means Canada cannot waltz into Washington's corridors of power with a supplicant's petition and succeed on the basis of appealing to abstract notions of a Canadian version of the "special relationship." While there are certainly Canada-philosophers who instinctively have an affinity for us based on proximity, family relationships and other factors, political constraints and electoral politics tend to outweigh other considerations. Politicians listen to voters, and Canadians do not vote in US elections.

In recent years, the Canadian perspective on the bilateral relationship has tended to be binary. We either consider Washington to be inattentive and indifferent to our interests (as with Keystone XL, the Enbridge Line 3 pipeline, and the fate of the two Michaels) or hostile (as in attacking NAFTA, hiking tariffs on Canadian softwood lumber or doubling down on Buy American policies). We complain when US politicians ignore Canada and worry when we suddenly attract their attention.

When they consider international issues, American presidents are preoccupied with wars, terrorism, migration on the southern border, pandemics, cybercrime and myriad other threats to US economic, diplomatic and military interests. In contrast, they consider the list of irritants that domi-

“...these supply chains are at serious risk of disruption—from natural disasters or force majeure events, for example—and are rife with political intervention and distortionary trade practices, including the use of forced labor. Contrary to a common belief, this risk is more than a military vulnerability; it impacts the entire US economy and our values.”

nate Canadian discussions of the bilateral relationship to be more of a distraction than an agenda. Unless US leaders have a particular fascination with Canada, other nations and other issues take priority.

Canada's influence with our southern neighbour peaked during the Mulroney-Reagan years, when the two leaders were prepared to spend political capital to help each other. That relationship resulted in achievements such as the Acid Rain Treaty, NAFTA and Canada's inclusion at international tables where global issues were being decided.

The personal chemistry between Mulroney and Reagan (and, later, the first George Bush) was an important part of the equation. Equally important, however, was the fact that Canada went to the US with a set of solutions to international issues instead of presenting a list of problems. That problem-solving approach was also effective in later years under the Jean Chrétien government when a Canadian proposal on how to manage our common border after 9/11 became the Smart Border Declaration.

The question for Canada is how to adapt that strategy in 2021, given the current political landscape in Washington. The Biden administration has markedly changed the tone towards allies and now explicitly expresses a desire to work with Canada and others. On June 8, when the White House released its first tranche of 100-day supply chain reviews, the word allies

appeared thirteen times in the news release. However, this expression of goodwill should not be mistaken for the US defaulting to prioritizing the interests of its allies. We are not the American electorate and the Biden administration faces a litany of domestic and international challenges that determine its agenda.

This is not to suggest that Canada is irrelevant. Geographic, economic and security realities inherently give Canada a unique starting point. However, we need to find ways to break out from the pack and secure a greater market share of American decision-makers' attention. One way that can be done is by supporting American ambitions related to critical minerals. In the June 2021 supply chain review, the US Department of Defense (DoD) underscored its concern with the current critical mineral supply chain:

“...these supply chains are at serious risk of disruption—from natural disasters or force majeure events, for example—and are rife with political intervention and distortionary trade practices, including the use of forced labor. Contrary to a common belief, this risk is more than a military vulnerability; it impacts the entire US economy and our values.”

Unlike China, Canada is a reliable partner and can help allay the DoD's concerns related to the supply chain risks identified for critical minerals. In fact, Canada gets an explicit call-out in the report and the

DoD highlights in their assessment that Canada has resource potential in twenty-three products. Although Canada and the US have started engagement through the Joint Action Plan on Critical Minerals Collaboration, we need to make greater strides domestically in order to bring something to the table.

For example, one of the themes that emerged recently from the Commons Standing Committee on Natural Resources is the lack of intermediate processing in Canada of critical minerals. Although having greater processing domestically would generate economic value in Canada, it would not be the only benefit. Building this capacity would show decision-makers in Washington that we are serious about supply chain resiliency, which includes both reducing dependence on unreliable markets and ensuring sufficient strategic reserves.

“ In the lead-up to COP26 in Glasgow, the race toward net zero by 2050 is the key benchmark being set for government policy and business practice on climate change action. ”

Climate change policy is another aspect of the relationship where Canada should leverage an alignment with American interests. In the lead-up to COP26 in Glasgow, the race toward net zero by 2050 is the key benchmark being set for government policy and business practice on climate change action. However, it is important to ensure that North America’s pathway to net zero recognizes the existing energy assets and resource-intensive nature of our economies. The two

countries will succeed when policy is built around a smart transition rather than a binary choice between fossil fuels and renewables.

Given that Canada and the US have shared interests, we should be working closely in the efforts toward net zero by 2050. Critical minerals for the purposes of battery technology are one area, but so is the deployment of other technologies, such as small modular reactors and hydrogen. In bringing smart domestic policies to the table, Canada and the US can work together to better share technology and attract investment in cross-border supply chains that will create new business opportunities. This will be particularly useful going into COP26.

A third issue that presents an opportunity for working with American interests is ending the use of forced labour in supply chains. The US drove this issue forward at this year’s G7 Summit and the Canada-United States-Mexico Agreement (CUSMA) includes obligations for the three signatory countries to end the importation of goods made with forced labour. Much of this effort is explicitly directed towards Xinjiang, and the agriculture, solar, and garment sectors. It is also a key element of US Trade Representative Katherine Tai’s “worker-centered” trade policy.

Canada still has work to do in articulating our enforcement regime, particularly in how the CUSMA’s forced labour provisions are applied. However, given the bipartisan views in Washington on China, working collaboratively with the US on forced labour issues would align Canada with a key American priority. It would be naïve to believe that aligning with US interests on critical minerals, climate change, forced labour, or other issues becomes a straight trade-off that fixes problems such as Buy American or softwood lumber. There is not a grand bargain in the making. However, bringing solutions to the table in areas of key American

interest helps to make Canada relevant inside the Beltway.

That relevance will help us overcome the image portrayed in Condoleezza Rice’s famous “condominium issues” reference to Canada’s focus on bilateral housekeeping. We want, instead, to be considered a trusted partner, which will also build our credibility to address the issues that matter to Canadian stakeholders.

“ There is not a grand bargain in the making. However, bringing solutions to the table in areas of key American interest helps to make Canada relevant inside the Beltway. ”

In diplomacy, relationships matter. And in Washington, where stakeholders are plentiful, relationships are greatly aided by relevance. As we look ahead to what the Biden White House in a February note called *The Roadmap for a Renewed US-Canada Partnership*, Canada must keep a firm eye on how our efforts align with American interests. **P**

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Time for a Bilateral Reality Check

The CEO of the Canadian American Business Council writes that the bilateral relationship is literally at a crossroads in the aftermath of the Trump years and the global pandemic. “We need to revisit this partnership, and stop taking refuge in old, reliable platitudes” notes Maryscott Greenwood. “We have experienced a breakdown of the cooperative border management that has defined the relationship for decades.” Best friends and closest allies? We need a new frame of reference, she adds, suggesting that’s one urban legend in need of updating. She concludes: “We need to decide what is in our common interests and relentlessly pursue it.”

Maryscott Greenwood

So much of life is about managing expectations. Canada and the US have had a few seminal moments in recent years, and I would submit that it’s time our two countries recalibrate our expectations of one another. This way, we can minimize misunderstandings and disappointments, and maximize the crucial business of co-managing the most successful integrated economy in history.

To put it mildly, things have changed.

The lifetime event from which we are emerging seems to have re-ordered everything, including the relationship between Canada and the United States. Nobody planned it, but it happened. And common sense requires that our two countries reassess the way we deal with each other.

Since the beginning of the pandemic in early 2020, governments have been beset by voters motivated by fear, anger, indignation and despair. Consent to govern was threatened. Science saved lives, but also complicated our economy with shifting obstacles and restrictions as it coped

with and studied a virus capable of constant mutation.

“Canadians, with their higher degree of social solidarity, were more inclined to accept lockdowns, mask mandates and other impositions. Americans’ emphasis on individual rights and personal freedoms led them down another path.”

Ultimately, because of our respective cultures, the United States and Canada dealt with the virus differently. Canadians, with their higher degree of social solidarity, were more inclined to accept lockdowns, mask mandates and other impositions. Americans’ emphasis on individual rights and personal freedoms led them down another path. And ultimately, that parting of ways set up what I would argue is a new paradigm for how Canada and the US deal with each other. We

face a new reality in this old relationship, and there is likely no going back.

That is not to say Canada and the United States are no longer partners. Of course, we are. But a partnership can be anything from the keen ardour of an all-in, fully engaged collaboration to something more rote. Unfortunately, we are drifting toward rote. The old, reliable platitudes are no longer useful.

Let’s start with the greatest received truth of all—that Canada and the United States are best friends and closest allies. Canadians and Americans are the most relaxed of tourists in each other’s countries. They blend in effortlessly. We have a common language, and common cultural references. Yes, there have always been certain sharp differences—gun ownership and levels of religiosity, to name two—but our commonalities have always been overwhelming.

Canadian soldiers fought alongside American troops in both world wars, and nearly every conflict since, with the notable exception of Vietnam. We have a common aerospace defence organization, NORAD. We haven’t attacked one another in more than two centuries, since the War of 1812. We share secrets and technologies and supply chains. Our expectation of each other is that of best friends.

Look closer, though. Wide swaths of people on both sides of the border increasingly see the trade treaties that integrated our economies as a weakening of economic sovereignty, even an export of jobs. The success of economic integration in North America has become a political issue, animating the protectionist right and, yes, the protectionist left in Canada and the United States.

From 2017 until earlier this year, the US had an isolationist president who



The B.C.-Washington State border crossing south of Vancouver, in normal times, one of the busiest land crossings between Canada and the US, but bereft of non-essential traffic for the 18 months of closure due to the pandemic. *iStock photo*

denounced what he called globalism and threatened to tear up NAFTA, calling it “the worst trade deal ever made.” Then he imposed tariffs on Canadian steel and aluminum, actually citing those products as a threat to American national security. The tariffs were disruptive, and while they were ultimately dropped in the aftermath of the new North American agreement, to the immense relief of cross-border industries, Canadians reacted with disbelief. Canada, a threat to US security?

In point of fact, the 45th President merely confirmed what a lot of Canadians already believed about the US, and they began looking elsewhere in the world for partnerships. They talked more urgently about finding other allies. The Canadian government sought other trade agreements with Europe and Asia.

Add to that the pandemic, which resulted in a separation of the American and Canadian populaces that has never before occurred. Suddenly, to use a Canadian phrase, we were two solitudes—essential business did continue, but the gates of the land border swung shut. Most Americans, meaning pop-

ulations not near the northern border or dependent on tourism, didn’t really notice at first. But Canadians did, and many of them approved of the new disengagement, at least in the beginning, given US infection and death rates several times higher than Canada’s COVID cases.

As vaccinations resulted in dramatically lower numbers in the spring of 2021, members of Congress began calling for a reopening of the border to discretionary travel. And by summer, Canadians became more supportive of re-opening the border to non-essential travel. But when Canada finally did agree to admit vaccinated Americans, the White House refused to reciprocate, citing concerns about new variants to the virus. In fact, at the time of this writing, the US government is talking about the Canadian border in the same terms as the Mexican border, despite dramatically different rates of vaccinations in the Canadian and Mexican population.

But back to Donald Trump for a moment. The truth is that Trumpism gave Canadians cover to speak aloud what many of them used to say only in private: that they don’t really like their neighbours to the south.

Canadians may still view economic cooperation as a necessity, but will they will reward leaders who seek ways to keep America at arm’s length? Close allies and best friends? Perhaps that was once the case, and may someday be again. Meantime, we should be clear eyed about how we view each other.

Another great received truth about the Canada-US relationship is that it ebbs and flows in direct proportion to the personal relationship between the president and the prime minister. Remember Brian Mulroney and Ronald Reagan? They were close, and the relationship prospered under their stewardship.

But let’s look dispassionately at the relationship since those days. Trump didn’t love Justin Trudeau. He insulted him publicly, tweeting from Air Force One that Trudeau was “weak & dishonest” in hosting the G7 summit at Charlevoix in 2018, which he had left on the pretext he had to fly to Singapore, and then instructed US officials not to sign the usual communique.

To be sure, Trudeau was in good company—Trump insulted other world leaders, even traditional allies. And yet, the US signed and ratified the updated version of NAFTA. Stephen Harper and Barack Obama were not particularly close, and yet their administrations greatly furthered regulatory cooperation. In February 2011, they signed *Beyond the Border*, a landmark joint security perimeter agreement, and they created the Regulatory Cooperation Council, two priorities of the CABC, as it happens.

Obama did have that short bromance with Trudeau in 2016. But it didn’t secure the Keystone XL pipeline extension for Canada. In fact, President Biden, another Trudeau admirer, nixed it on his first day in office.

Personal relationships between leaders are relevant, but to crib Henry Kissinger, who cribbed Charles de Gaulle, who cribbed Lord Palmerston: nations don’t have friends, they have interests.

And while I'm at it, let me debunk another axiomatic truth: our famously open, famously unguarded, famously long shared border. A 5,500-mile-long, cooperatively managed open door.

There's nothing like it anywhere. That was somewhat true, once. But in the here and now, I'd characterize it as more of a stubborn legend. As I mentioned earlier, the land border was closed by mutual agreement in March 2020, but the Canadian and American approaches to one another immediately went asymmetrical.

The fact is, Canadians were free from day one of the pandemic to fly into US destinations. They were exempted from White House directives denying entry to much of the world's population. They still are. Canadians were able to keep vacationing and visiting families and property in the US. Some of them were fully vaccinated in the United States early in 2021, when Canada was still waiting for vaccines.

American air travelers, meanwhile, were barred from entering Canada. When Ottawa finally decided to relax its strict quarantine rules for non-business travel, it continued to exclude even fully vaccinated Americans from visiting Canada. It took until mid-August of this year before Canada was willing to relax restrictions on non-essential air travel from the US.

What does that tell you? It tells me that Canadian voters like it that way. And let me note something else: The bilateral relationship has historically benefited from the idea of reciprocity. Unequal treatment sets the table for a host of policy "dislocations" that end up having real impact on real people in both countries.

As of now, strikingly different policies exist on either side of the border. The US has not defined a system for validating proof of vaccines. Canada has. How far that cleavage will go, and its consequences, is of great interest to those of us who champion the smooth functioning of the border. This much is clear: we are experiencing the breakdown of the cooperative

border management that has defined the relationship for decades.

Anyone who doubts that need only consult the record of White House press briefings. Asked in July why the United States was leaving its land border to Canada closed after Canada announced it was reopening its side, President Biden's press secretary, Jen Psaki said: "We take this incredibly seriously but ... I wouldn't look at it through a reciprocity intention."

Another old standard worth questioning: Canadians treasure the bilateral relationship, while the US takes Canada for granted. The Canadian American Business Council (CABC) was fairly involved behind the scenes during the NAFTA renegotiation. We had a line of sight into why Congressional Democrats voted overwhelmingly in favour of what was after all a Trump economic package, approved by Congress in December 2019, even as they prepared to impeach him for the first time in January 2020.

It wasn't simply because of Canada's famous charm offensive, which absolutely happened, led by then-Foreign Affairs Minister Chrystia Freeland. It was also because American business was horrified at the idea of tearing up NAFTA and retreating behind a tariff wall. No, Americans do not take the special relationship for granted. I would submit that Canadians have started to, though.

But it's not helpful to identify problems without suggesting solutions. So let us propose a few. Instead of complaining about the inevitable "Buy America" clauses in American spending packages—and we don't mean to minimize concerns about that—Canada could help its case by throwing in with the United States on something big and meaningful. For example, the Innovation and Competition Act, formerly known as Endless Frontiers. It's a huge, bipartisan effort to compete with Chinese statism. It sinks more than \$100 billion into artificial intelligence, semiconductors, quantum computing, biotechnology and advanced communications. China has denounced it as an example

of Cold War prejudice, which says something in itself.

It is encouraging to see Canada already working closely with the United States to counter China's effective monopoly on rare earths and other critical minerals. But a lot more needs to be done, and quickly. Electric vehicles will displace the internal combustion fleet, and those vehicles will need batteries, and those batteries will require critical minerals.

Or Canada could more formally lock arms with Washington on climate change policy, as the target for reducing carbon emissions is increased from the Paris Agreement of 2015 ahead of the next UN Conference of the Parties (COP 26) hosted by the British in Glasgow, Scotland this November.

On softwood lumber, a perennial bilateral sore point, we need to move beyond the spats and craft a permanent political agreement that benefits consumers as well as producers.

Counterintelligence should be expanded to counter new threats like those Russian hackers who clogged up the East Coast's fuel supply this spring. Bring the full combined force of our militaries and cybersecurity experts to bear.

Let's not keep up old pretenses. Let's be mercilessly practical. We have nurtured and promoted tropes about ourselves that sound old and hackneyed to anyone who studies the relationship. We need a new, less sentimental analogy. We are not different branches of the same family tree or bickering siblings. We might not even be terribly special to one another.

If you think about it, President Kennedy's assertions to the Canadian Parliament 60 years ago remain an objective truth. Economics has made us partners. And necessity has made us allies. We really don't need a group hug. We need to decide what is in our common interest and pursue it. **P**

Maryscott Greenwood is CEO of the Canadian American Business Council, and a partner with Crestview Strategy US in Washington DC. She previously served as a US diplomat posted in Ottawa.

A New Third Option for Canada-US Relations

Depending on which leaders were in power in Ottawa and Washington, which bilateral issues lay dormant or erupted as irritants, and what global events and pressures happened to be buffeting the dynamic, Canada-US relations have seen multiple incarnations. Veteran diplomat Jeremy Kinsman looks at what we've lived through together, and how we should approach today's America.

Jeremy Kinsman

Canadians have long spent parts of their lives in the United States without actually living there. Montrealers' ocean beaches are in Maine; we ski in Vermont, swim in Lake Champlain, and shop in Plattsburgh, easy alternatives to the Laurentians, Eastern Townships, and the local mall.

And, so it went across the country. Ferries carried Vancouver Island hikers and bikers 17 miles across the Juan de Fuca Strait to now inaccessible trails in Washington State's Olympic Range. Since March 2020, we hike and bike at home. And, once snow birds can again flock to US gated communities and RV parks, even the least observant will register the widening divergence between the two countries.

One half of the US population has become unrecognizable to Canadians and mired in hostility to the other half of Americans. The implications are immense and disorienting to Canadians.

Anne Applebaum put it starkly to CNN's Fareed Zakaria: "If one half of the country can't hear the other, then Americans can no longer have shared institutions...we can't make decisions."

The nation is riven by partisanship and trust gaps. A Gallup poll from early July showed that: 76 percent of Republicans trust the police, while only 31 percent of Democrats do; 20 percent of Republicans trust the public school system, 43 percent of Democrats do; 51 percent of Republicans trust organized religion, 26 percent of Democrats do. They broadly share a distrust of Congress, the media and the criminal justice system, and a relatively higher level of trust in small business and the military.

The wave of "post-truth" propaganda that accompanied Donald Trump's accession to the presidency and nearly succeeded in keeping him there by fueling his base and ultimately a mob of radicals has been amplified by the pandemic, contributing to its spread. The presidency of a "normal" politician with half a century of experience at the most senior levels of US governance, including the vice presidency, is facing a hostile resistance targeting not just policy differences but electoral democracy and even the definition of reality.

Canadian confidence in our institutions is much higher, and our antipathies much lower. America's recent trajectory represents a significant change and, for Canada, a major challenge.

It's a far cry from 2013, when Diane Francis wrote *Merger of the Century; Why Canada and America Should Be One Country*. Quoting Franklin D. Roosevelt that Americans and Canadians aren't "foreigners" to each other, she termed them "siblings" in one family. That was then. Robert Bothwell's 2015 history of the mingling of Canadians and Americans, *Your Country, My Country*, also inferred we are essentially one people, offering Michael Adams' conclusion any gaps are only regional: "in some parts of North America, there is no gap at all." Bothwell observes "there is no idea, good or bad, that pops up in the United States that will not find disciples in Canada"—such as Canadians who agree with "the American example of gun ownership or resistance to most kinds of government authority." Sure, "some" Canadians, but not many.

Our post-vaccination public mood about the US is unlikely to revert to these one-happy-family assumptions. Dr. Noni MacDonald of Dalhousie University, who researches vaccine hesitancy, estimates 5 percent of Canadians are "hardliners who won't get the vaccine." But fear of importing COVID is translating to wariness about infection from the political and conspiracy-theory virus polarizing US society. In some ways they conflate: Polls (*Washington Post/ABC*) show 47 percent of Republicans aren't likely to get vaccinated compared to only 6 percent of Democrats. The unvaccinated won't get in.

Even if the good sense of America's fact-based bare-majority stymies Donald Trump's return, Canadians should anticipate the gradual default likelihood to a hybrid America, what behavioural economist Daniel Kahneman calls a "regression toward the mean."



Hey, Bro! In 2016, Justin Trudeau's first full year in office and Barack Obama's last, the two hit it off famously. Happy Hour at an Ottawa pub. *Adam Scotti photo*

While most Canadians would exclaim “Vive la difference,” they also want to interact with Americans as friends and crucial economic and security partners.

Canadians root for Joe Biden to unite the broken country and re-link it to the great US historical narrative told by Doris Kearns-Goodwin, Jill Lepore, Ken Burns and others. That narrative hit a hairpin curve with Donald Trump's presidency. But the post-war era, when we shared facts and officials and business people were pretty interchangeable, was already very distant.

As far back as the Vietnam War, things were changing more than we knew. External Affairs' upper castes backed the US war in anti-communist solidarity. But what Prime Minister Lester B. Pearson saw was US imperialist hubris, heading for a fall. When Pierre Trudeau succeeded Pearson, few in the US expected a charismatic Canadian leader. Unlike those of us who grew up with American sports, TV shows, and politics, the worldly Trudeau showed scant interest. For his only full foreign policy debate in Parliament, in 1981, he titled his legacy speech, “Who Is My Neighbour?” He didn't mean our literal southern neighbour, but our needy planetary neighbours of the global South.

The review of Canada's foreign policy he ordered in 1970 lacked a chapter

on our most important relationship because officials were ill at ease building risk strategies to plot the management of issues they were used to working out among American friends.

There was nothing friendly about Richard Nixon's shocking 1971 10 percent tax surcharge on all imports, with no exception for Canada (and no consultation). But the trauma it posed in Ottawa gifted the gist of the missing US policy chapter, the famous “Third Option” (drafted as a one-page memo by External Affairs economic officer David Lee). It aimed primarily to “develop and strengthen the Canadian economy and other aspects of... national life and in the process reduce the present Canadian vulnerability.” Trump's arbitrary, Twitter-announced tariffs took the vulnerability to a new level, but the impulses of “America First” endure today.

Statist institutions emerged from the Third Option as remedies to give Canadians more control—the Foreign Investment Review Agency, Petro-Canada, and ultimately the National Energy Policy. They were derided and opposed in Washington (and Alberta), especially after Ronald Reagan won the White House in 1980, but provided Canadian diplomats a teachable experience in public diplomacy, pitching “nation-building” narratives to an oblivious US public.

Ambivalence over the relationship lingered. John Holmes was a brilliant Canadian diplomat who exited the Foreign Service because the oafish RCMP persecuted suspected gays, just as they had suspected communists and separatists, and First Nations Canadians. Holmes' *Life With Uncle* (1980) urged our “two disparate states,” to forge “an equitable relationship, intricate and complex,” while also acknowledging we needed the United States for the world order we considered essential for our own interests. But even then, he feared agonies fracturing increasingly nationalistic US society, quoting Conservative strategist Dalton Camp's words on the eve of Ronald Reagan's election in 1980: “How strange and unfamiliar it is to look on the Great Republic without awe, admiration or envy, but with unease, dismay, and even pity” that rather eerily anticipate our misgivings today.

But golden years intervened. Brian Mulroney and Ronald Reagan created the Canada-US Free Trade Agreement (FTA) in 1987-88, then Mulroney and the first George Bush followed up with the North American Free Trade Agreement (NAFTA), including Mexico, in 1992. Holmes had described the US “dream for the world” as one “in which we half believed.” When Mikhail Gorbachev declared the Cold War over, it seemed within reach. Bill Clinton presided over soaring if unequal US prosperity and excess, fuelled by globalization and the digital revolution. But unipolar American self-satisfaction missed the identity-based politics gathering traction.

The 1990s offered Canadian governments unusual creative international influence under Mulroney and External Affairs Minister Joe Clark, and then Jean Chrétien. Lloyd Axworthy led a like-minded coalition to valorize a new paradigm of human security that induced the International Criminal Court, the Ottawa Treaty banning land mines, and the adoption of the United Nations Responsibility to Protect, or “R2P” principle on humanitarian intervention. Finance Minister Paul Martin championed the G20, anticipating the need of inclusive gov-

ernance for a multipolar world. Such initiatives made US national sovereignty addicts bristle, but Canada-US relationships at the top were never better, validating that Canada can do really helpful internationalist things as a state that don't involve lining up behind the US, while keeping, even enhancing, our influence there.

Everything changed on 9/11. The thickened US border hijacked the Canada-US agenda. Internationally, the "war on terror" sucked up policy oxygen and budgets. Canada rightly opted out of the disastrous regime-change invasion of Iraq, while George W. Bush's people fumed. But we joined the "forever war" against Afghanistan's Taliban that only now, 20 years on, is ending ignominiously with US withdrawal. Canada's own military and civilian nation-building Afghanistan expedition under the Harper government became virtually the sum total of Canadian foreign policy.

The global financial crash in 2008-09 was an international inflection point. It hurt ordinary people everywhere while exempting the super-wealthy. The world lost confidence in the people in charge. To the Chinese leadership, the crisis laid bare the weakness of Western-style capitalism and US leadership. China reached for its own global influence and impact, archiving Deng Xiaoping's admonition to "hide our light" and "bide our time."

While Barack Obama's 2008 election and stabilization of markets and banking restored US public influence abroad, he faced "white nationalism and racial resentment" at home (pollster Stanley Greenberg).

Canadians adored Obama. So, when Justin Trudeau surfed into his unexpected landslide in 2015, Canada-US prospects seemed again rosy, the PM declaring Canada "back" as a globalist Obama ally for cooperative internationalism.

Trump's "America First" triumph a year later made it moot. A Cabinet retreat invited private equity Blackstone CEO and Trump ally Steven

Schwarzman to counsel on handling the new president. Schwarzman, whose \$610.5 million compensation in 2020 illuminates much of what is wrong with America, said "flatter him." The PMO added taking Ivanka to the theater, sucking up to Steve Bannon, and share-chairing "women and girls" celebrity charity boards.

“ Everything changed on 9/11. The thickened US border hijacked the Canada-US agenda. Internationally, the 'war on terror' sucked up policy oxygen and budgets. ”

Trump's destructiveness surpassed expectations. He came to Canada for the Trudeau-hosted G7 at Charlevoix in June 2018 and kicked US partners in the teeth. Our foreign policy, like Harper's over Afghanistan, became a single substantive item—saving NAFTA, except that this time Canadian operators under Chrystia Freeland succeeded.

Widespread global relief welcomed Biden's election. But the toxic disputed aftermath and enduring evidence of a dysfunctionally polarized country keep America's nervous partners inclined to hedge their forward bets. The defining development of our era is actually China's rise, now gone sour, particularly in the US. Blocking China's challenge to America's primacy is a rare policy thrust both US parties share. Biden seems to fear seeming in any way less than hawkish on China" would compromise political capital he needs for his crucial domestic priorities of recovery.

The intersection of US foreign policy and domestic politics always vexes US partners. As *The Economist* wrote in July, Washington expects allies to support US determination to "supplement its economic, technological, dip-

lomatic, military, and moral heft." In short, to enable the US to stay "Number One." US partners oppose Chinese truculence, coercive behaviour, and human rights violations. But they don't share Washington's analysis that China seeks world dominance, that itself makes the world a dangerous place.

Our increasingly assertive security agencies do warn that China is a threat, urging we line up behind our American allies, despite the costly fiasco of blindly doing so over Meng Wanzhou. They want to see defensive vigilance "baked into" Canadian policies across the board.

The Economist warns a drive to de-couple from China "won't work." China's economic success is a reality. China is the principal economic partner of twice as many countries as the US. The US would do better to "defend the sort of globalization that has always served it well."

Multilateralism is Canada's specialty expertise. We should valorize this national edge and interest in promoting global rules-based governance and cooperation among our bilateral partners around the world—including in Asia, where we must succeed, and with the third economic giant, the EU.

Shortly after winning the 2015 election, Prime Minister Trudeau met with officers of Global Affairs. Asked how he would show that "Canada's back," he said he would build the country's capacity as a modern economy and an exemplary democratic society, standing for fairness and inclusion.

That is a Third Option for today. We should support it by a permanent public diplomacy campaign in the US that depicts our enduring partnership with America as one of interdependent democracies, jointly engaged in different ways in securing a better world—in hope that America's "better angels" will prevail. **P**

Policy Magazine Contributing Writer Jeremy Kinsman is a former High Commissioner to London, and former Canadian Ambassador to Moscow, Italy and the EU.



Harnessing the power of platform technologies to build a safer network: CN's Autonomous Track Inspection Program car in Oshkosh, Wisconsin.
CN photo

CN: Expanding the Arteries of a Post-Pandemic Economy

Sean Finn

To the casual eye, trains are ageless, enduring things. As constant change upends and reinvents modern life, trains roll on implacably; massive, stolid locomotives hauling processions of cars that stretch out of vision.

Their presence is abiding. There's a reason for the romantic treatment trains are afforded in songs and literature. And it is true that their basic function is pretty much the same as it was 100 years ago. The laws of

physics make the relatively frictionless momentum of steel wheels running on steel track a transportation method of unmatched efficiency.

But the trains of here and now are as different from their predecessors a few decades ago as, say, the relatively simple motor under the hood of a '66 Chevy and the sealed, computerized power plant of a modern luxury SUV. The trains CN runs nowadays are more efficient, far safer, and wreathed in leading-edge technology.

The SUV, for example, would be expected to come equipped with an ar-

ray of sensors and emitters that constantly measure the proximity of other cars. In all likelihood, it would have a collision avoidance system that slams on the brakes to prevent a crash.

Well, so do modern CN trains. Our locomotives may not appear high-tech, but they have evolved into highly computerized juggernauts, guided by artificial intelligence and sensors, monitored from above, below and alongside. Those cars they haul include boxcars, tank cars filled with liquids, intermodal cars that

transfer seamlessly among trains, trucks and ships, hopper cars for grain, tri-level cars for automobiles, and centrebeam cars designed to efficiently ship bundled construction material. A modern train is often more than a mile long.

As CN trains roll, they pass through special portals stuffed with high-resolution cameras powered by AI algorithms that can find defects invisible to the human eye. CN tracks, meanwhile, are alive with detectors trained on the wheels and undersides of cars and locomotives—looking for dragging equipment, or a hot wheel, a cold wheel, an overheated bearing, a wheel with a flat spot, or just about any other imperfection. The detector network is wired to a central computer, and, quite simply, it prevents derailments. At the same time, our trains inspect our tracks. Downfacing sensors combined with AI technology take endless images of every track component. Ultrasound technology looks for internal track defects. Ground-penetrating radar assesses conditions beneath tracks. Our locomotives are also vastly more fuel-efficient than they were even a couple of decades ago (CN leads the industry in reducing fuel consumption), and they are controlled by optimizers that compute and execute optimal acceleration, speed and deceleration. And of course, train schedules grow ever more precise. CN's digital scheduled railroading enables ever-better coordination with customers and partners, creating value and increasing competitiveness in the industry.

I could go on, believe me. Our technical catalog is vast, and to a proud career railroader, fascinating. But it is our increasing precision and efficiency, and the competitive pressures those advances impose on our industry, that are, to put it mildly, transformative and urgently needed.

As we saw during the pandemic, railways are the very definition of an essential service. From the moment COVID-19 erupted, CN trains kept running. They never flagged. As a

“Merging with KCS will extend our reach to 18 states and deep into Mexico, to ports on both the Gulf and Pacific coasts. We will play a major role in ensuring a secured supply chain across North America.”

result, manufacturers kept receiving crucial materiel, store shelves remained stocked, demand for food and essentials was met, the gears of the economy ground on, and our way of life remained intact, if somewhat disrupted.

But the pandemic also exposed our vulnerabilities. And as we emerge from a year and a half unlike anything any of us has ever seen, it's time to consider some serious adjustments. By now, we all know about the supply chain chokepoints that have disrupted global commerce and led to widespread shortages of just about everything imported from manufacturers in Asia. If North American consumers weren't aware of their fragile dependence on overseas suppliers before COVID-19 struck, they certainly are now. President Joe Biden—himself a train lover—has struck a task force to study the problem, which the White House says “threatens America's economic and national security.”

Without question, governments in Canada, the United States and Mexico will conclude, among other things, that heavy dependence on distant global supply chains is unwise. That will mean a push to reverse the “offshoring” trend, and replace it with, for lack of a better term, “nearshoring.” Supply chains will inevitably need to be shortened and made more reliable.

Which brings me to our great matter (apologies to Henry VIII).

CN is in the process of merging with another Class One railway; Kansas City Southern. If our new combina-

tion is approved by American regulators, and we are confident it will be, CN will become the first and only truly North American railway. And as a true North American railway, one that can guarantee shippers and their customers smooth, safe, seamless carriage from Prince Rupert to Halifax to Chicago to New Orleans to Mexico City to Veracruz—and all the points in between—we will be perfectly situated to provide those shorter, more dependable supply lines our economies will need in the 21st century.

CN's tracks already span Canada from the Atlantic to the Pacific, and reach down through the American heartland to ports on the Gulf Coast. Merging with KCS will extend our reach to 18 states and deep into Mexico, to ports on both the Gulf and Pacific coasts. We will play a major role in ensuring a secured supply chain across North America. The further efficiencies of our merged network will enhance competition, and boost several sectors, including grain, lumber, automotive, plastics, petroleum and intermodal importers and exporters. We will be able to offer an auto manufacturer in Michigan the ability to quickly and reliably source parts from factories in Mexico rather than Asia.

The updated version of NAFTA, the new Canada-US-Mexico trade treaty, stipulates new domestic and regional content requirements. What could possibly enable that better than a railway spanning all three signatory nations? Grain farmers in Saskatchewan, Manitoba, Alberta, Illinois, Wisconsin and Kansas would have expanded, easier access to global markets. Ethanol producers in Iowa would have direct access to markets

in Mexico. Homebuilders in Ontario and Texas would have expanded supply networks for lumber. Poultry farmers in Quebec and Arkansas would have new options for sourcing feed ingredients. And no faraway bottlenecks, no disruptions, no sudden, business-wrecking shortages.

Our merger will also make CN, already one of the greenest forms of shipment, even more so. One train can take hundreds of trucks off our highways. We believe our truly North American iteration will persuade more shippers to shift their business from long-haul trucks to trains. We calculate that on a single route, from San Luis Potosi, Mexico, to Detroit, moving freight from trucks to trains would eliminate 260,000 tons of carbon dioxide a year. And of course, there are many routes other than that one.

“Our trains are neither your grandfather’s trains, nor your mother’s, for that matter. And our tracks are the veins and arteries of our ever more connected economies. We mean to connect the continent, to secure its supply chains.”

CN has not just committed to providing a more competitive industry, we guarantee we’ll provide new levels of pricing transparency and shipping options. We will increase route choices, supply chain resiliency and bargaining power for shippers. And

we will do it safely. Integrated North American shipping networks are our future. CN and Kansas City Southern are prepared to spend what it takes to step up.

Our trains are neither your grandfather’s trains, nor your mother’s, for that matter. And our tracks are the veins and arteries of our ever more connected economies. We mean to connect the continent, to secure its supply chains. And the next time we face a trial like the one we are only now coming through, our commerce will be more resilient, and more secure, as a result. **P**

Sean Finn is Executive Vice-President, Corporate Services and Chief Legal Officer at CN and former Chair of the Canadian Chamber of Commerce and of the Quebec federation of chambers of commerce. sean.finn@cn.ca

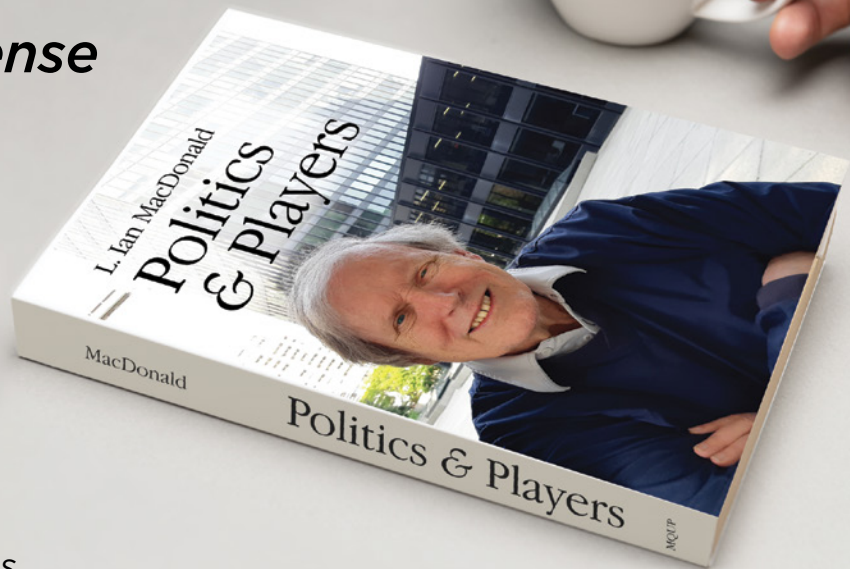
COMING THIS FALL

“A compelling sense of the humanity of politics”

GRAHAM FRASER, Senior Fellow, Graduate School of Public and International Affairs, University of Ottawa

“With his characteristic clear, graceful prose, Ian MacDonald takes us into backrooms and onto stages alongside major players.”

ANTHONY WILSON-SMITH, President and CEO, Historica Canada



L. Ian MacDonald’s *Politics & Parties* will be available this fall from McGill-Queen’s University Press. You can order now online at policymagazine.ca

If it Fits, Wear it: The Apparel Sector and Free Trade

One of the great Canadian success stories that emerged from NAFTA was the growth of the Montreal-based men's apparel business. As a trade story, it was not just about negotiations over percentages of tariffs—it was about the evolution of a sector and its relationship with the federal government.

Bob Kirke and Elliot Lifson

Somewhere in the midst of the 1987 Canada-US Free Trade Agreement (FTA) negotiations, a somewhat minor flexibility was established in the rules of origin for apparel. This provision allowed that, instead of having to make all clothing from fabrics produced in Canada or the US, a limited amount of clothing could be made from imported raw materials (i.e. fabric from Italy) and still enjoy the tariff benefits of the FTA. In the bigger scheme of things, this was not a seismic issue. The election of 1988 may have been fought on free trade—but it was not fought on issues around free trade for men's suits.

Once the FTA came into force however, Canadian companies began to export their products to the United States in huge volume, taking advantage of the ability to use superior third-country fabrics in their garments. Canadian companies dramatically increased their exports to the United States, upsetting the powerful US textile industry.

In July 1992, we were approaching the end of the NAFTA negotiations. The last issue resolved had to do with how many suits made in (primarily) Montreal might be able to access the US market duty-free—exports that were

made using the limited carve-out from the rules of origin. Discussions around these provisions consumed the final days of the NAFTA talks.

These so called “tariff preference levels” cast a shadow on the negotiations. Late-night calls between industry and cabinet ministers were made, and at the 11th hour a deal was struck which preserved these important provisions.

When we began to re-negotiate NAFTA (in what would become CUSMA) the shape of the North American clothing industry had changed. Having said that, not everything had changed. Indeed, there was a unique confluence of events that put our industry at risk (again) when the negotiations for CUSMA began. From the outset of the negotiations, the US government attempted to overturn the origin rules that allow quantities of apparel made in Canada from imported fabrics to qualify for free trade—precisely the same issues that had been debated 30 years earlier.

One of the few sectors in the United States which was supportive of the protectionist Trump trade agenda was the US textile industry—and they pushed hard to roll back all of the provisions originally built into the Canada-US FTA and NAFTA.

While the negotiating position of the US government was familiar, it was

not necessarily expected. At the same time, what actually happened is somewhat instructive.

Prior to the Canada-US FTA it is fair to say that the apparel industry had no government relations strategy or objectives. While engaged in many issues, most were local/provincial/sub-sectoral in nature. During the FTA negotiations, the industry came together and began to understand how important a coherent relationship with government and political leaders would be.

Just as our prime minister, by necessity, has a special relationship with the US president, industries also must cultivate and foster relationships with political leaders, senior government officials and those at all levels of the bureaucracy.

Industries that fail to cultivate these relationships leave their fate to politicians and officials that (justifiably) do not understand their industries. The lessons learned during the FTA and subsequent negotiations have become a key part of our industry's approach to government: we need to defend our interests and we need be serious about doing so—and it also demonstrated the benefits of consistent involvement, engagement, and support for Canadian officials, negotiators and political leaders to protect the interests of this industry.

One of the important things that happened in the course of the FTA negotiations was the creation of the Sectoral Advisory Group for International Trade (SAGIT), and this, more than anything else, helped to consolidate an industry position. In our case, the SAGIT for clothing and footwear really made trade policy a priority for



Peerless Clothing Chairman Alvin Segal on his factory floor in Montreal, with his grandson Douglas Raicek, New York based EVP of Peerless (International). Under the Canada-US Free Trade Agreement, Peerless became the world's largest maker and mens' and boys' suits, and pre-pandemic grew to 2,500 employees in Montreal. *Peerless photo*

this sector. While no longer a feature of trade policy-making, the SAGIT for clothing and footwear played a major positioning role for the clothing industry in the talks leading to the Canada-US Free Trade Agreement in 1987.

The apparel industry is more diverse than outsiders might appreciate and larger than most understand: When the FTA was negotiated there were over 30 sub-sectoral associations, guilds or other bodies in Montreal alone, each defending a small piece of turf. The FTA forced that to change. Highly local or marginal groups gradually disappeared from the landscape. At the same time, leaders of the industry stepped forward and took up the work of representing its interests.

Whereas in the past, the apparel industry might have complained about its lack of profile in Ottawa, in the lead-up to the FTA, industry leaders challenged the federal government to take our concerns seriously. What the industry learned was that relationships matter. What they also learned was that government matters, and government needed our input.

A series of visionary industry leaders worked collaboratively within the SAGIT to secure important provisions in the Canada-US FTA and sub-

sequently in NAFTA. They also developed parallel adjustment measures, carve-outs and novel rules of origin that allowed the industry to survive and thrive. In simple terms, these provisions allowed a single suit company in Montreal, Peerless Clothing, to employ nearly 2,500 people in its factory at its peak, and become a world leading manufacturer of its products. Many other apparel manufacturing firms embraced free trade to become world-leading suppliers of their products.

These leaders showed up; they worked with the government on a collaborative basis to secure important benefits for Canada. They behaved as if the survival of their companies depended on it, because in many cases, it did.

We embraced every opportunity to meet directly with the officials negotiating these agreements, especially in the SAGIT. These same meetings laid the groundwork for many of the issues that drove our government relations for decades: the elimination of duties on imported raw materials and sectoral duty remission programs for specific products. And it was with the commitment of leaders in the industry together with the range of officials throughout many departments

that we developed those ideas and laid the groundwork for a successful negotiation. But the need to bring industry to the table started at the top. The contribution of Prime Minister Mulroney cannot be overstated.

Which brings us back to CUSMA.

At no point in the last 30 years have we had greater cooperation from a dedicated, knowledgeable and open negotiating team than we had during the CUSMA talks. Given the unique disadvantages that confronted the Canadian negotiators, it was up to the government to pull together every resource available. That Chrystia Freeland and the Canadian government were able to rely on former Prime Minister Mulroney as an advisor only reinforces this.

CUSMA was a dramatic departure from the norms of trade negotiations. For our industry, that meant working collaboratively with different negotiating teams and equivalent industry groups throughout the continent. In many sectors, ours included, Canadian negotiators were seen to be far more available and constructive than their American counterparts. US industry was at a disadvantage because under the Trump administration, their relationships with government had broken down. That was not the case in Canada.

In the end, our negotiators ensured that the final resolution was a win-win deal. In our sector, the United States cannot complain about different provisions within CUSMA, because the United States enjoys a huge (\$1.3 billion) trade surplus with Canada in textiles and apparel. The US industry has figured out how to use all the advantages of our trade agreements.

Fortunately, relationships matter in all jurisdictions, above and below the surface. Thank goodness that's the case. **P**

Bob Kirke is Executive Director of the Canadian Apparel Federation.

Elliot Lifson is President of the Canadian Apparel Federation and Vice-Chairman of Peerless Clothing.



The Canada-US Relationship

The Best PMs and Presidents on Canada-US Relations of the Last 100 Years



The Winners

Brian Mulroney and Ronald Reagan at the
G7 Summit in Toronto, June 1988



Policy archives photo

The Best PMs and Presidents on Canada-US Relations

“The door to the Oval Office opens all the other doors.”

—BRIAN MULRONEY

During his nine years as prime minister, the Oval Office door was always open to Brian Mulroney, with Ronald Reagan in the White House from 1981-89, and with George H.W. Bush from 1989-1993.

And as he’s often said, that door did indeed open all the other doors in Washington, and many more around the world. In both the bilateral and multilateral contexts, nothing is more important to advancing Canada’s interests, from prosperity to security, than the relationship between the prime minister and the president.

Mulroney recounts many of those stories in our conversation that leads this special issue of *Policy* on “The Relationship” between Canada and the United States. It’s clearly the main reason that Mulroney and Reagan, along with the first George Bush, are the top ranked PMs and presidents of the last 100 years on Canada-US relations.

They were selected by our jury of 50 prominent Canadians and Americans who were asked to rank their Top Five tandems of the last century, and made their picks in a secret ballot. More on that in the pages that follow, including the names of the jurors.

Mackenzie King and Franklin Roosevelt also had a special relationship from 1935 until FDR’s death in April 1945, only weeks before the Allied victory in Europe in the Second World War.

Then a country of only 11.5 million people, Canada and Newfoundland put 1.16 million men and women in uniform. Three quarters of a century later, the French, Dutch and Italians well remember Canada’s role, and the valour of its troops, in securing their freedom. Roosevelt and Winston Churchill were the main architects of the war against the Nazis, but King played an important role as an intermediary between them, beginning with the trans-Atlantic agreement of 1940 that saw the delivery of thousands of aircraft built in Canada that would win the skies of Europe.

But it was at the Quebec Summits of 1943 and 1944 that King claimed a leadership role for Canada, first in planning the events of D-Day, June 6, 1944, and then the discussions the next year that would prove so important in shaping the post-war world.

Jean Chrétien and Bill Clinton were ranked third, for leading Canada and the US past the recession to the economic recovery from 1993 to 2001. While they are not generally perceived as transformational leaders, they are well remembered for the prosperity of the 1990s. Chrétien also receives recognition for distancing Canada from the second George Bush and the Second Gulf War in 2003, culminating in the invasion of Iraq.

Louis St-Laurent ranks fourth for his quiet but effective statesmanship with Harry Truman and Dwight Eisenhower from 1948 to 1957, an era of post-war prosperity and building the security alliance of NATO and NORAD. “Uncle Louis” was a modest man, but on his watch, Canada built the Trans-Canada Highway while the Americans built the Interstate system. He also got the Americans’ attention when Canada announced it would be building the St. Lawrence Seaway on the Canadian side of the Great Lakes. From the White House to Congress, Washington noticed. Construction of the Seaway began in 1954 and it was opened by the young Queen Elizabeth and Eisenhower aboard the Royal Yacht Britannia at St. Lambert in 1959. By then, St-Laurent was retired, but he is remembered as the architect of the Seaway that opened new pathways of international trade.

Finally, Lester B. Pearson is ranked fifth for his adroit management of the relationship with Lyndon B. Johnson from 1963-68, and well-remembered at home, as Chrétien would be later over Iraq, for clearly stating Canada’s dissenting policy to the US conduct of the Vietnam War. But that same year of 1965, Pearson and Johnson also signed the Canada-US Auto Pact, which transformed the North American auto industry.

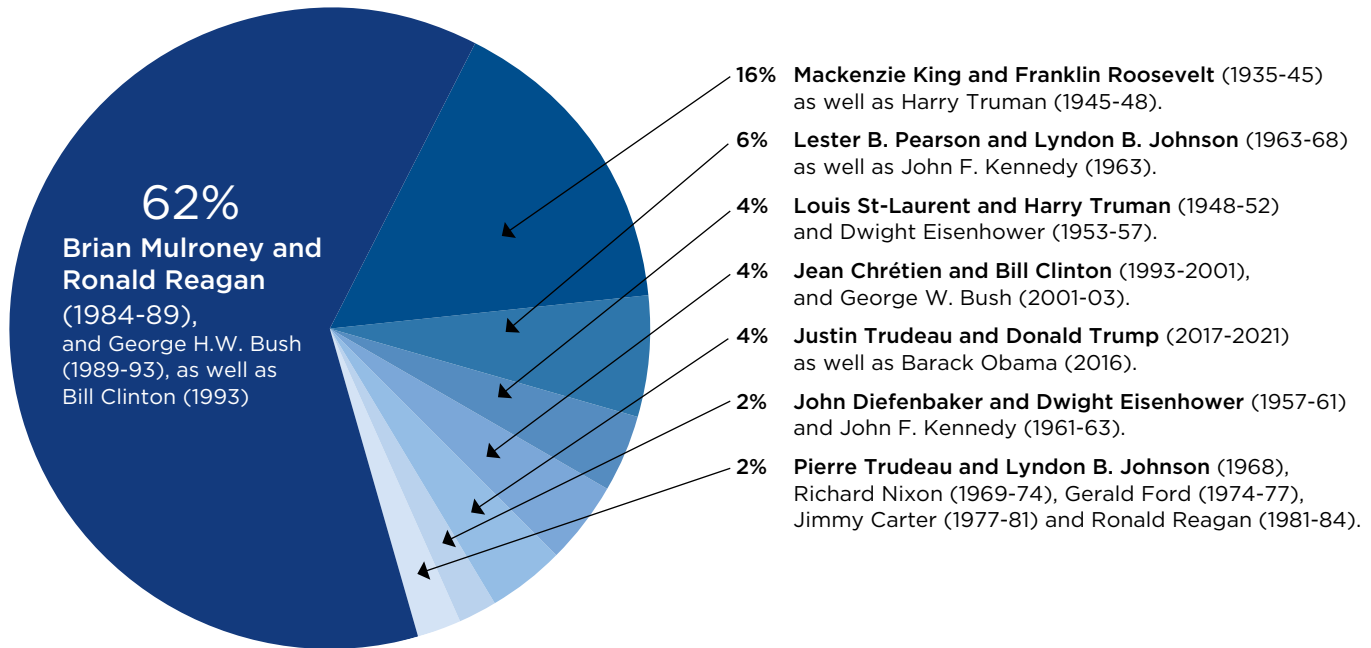
That’s the Top Five. On the next two pages, we’ve broken out first, second and third place in charts and graphs indicating the vote in both percentage and numbers. Chrétien was clearly in third place, as well being the leading second choice after Mulroney and King.

We thank the jury for their work. The exercise of choosing is meant to be interesting, informative and fun. Who’s on your list?

L. Ian MacDonald

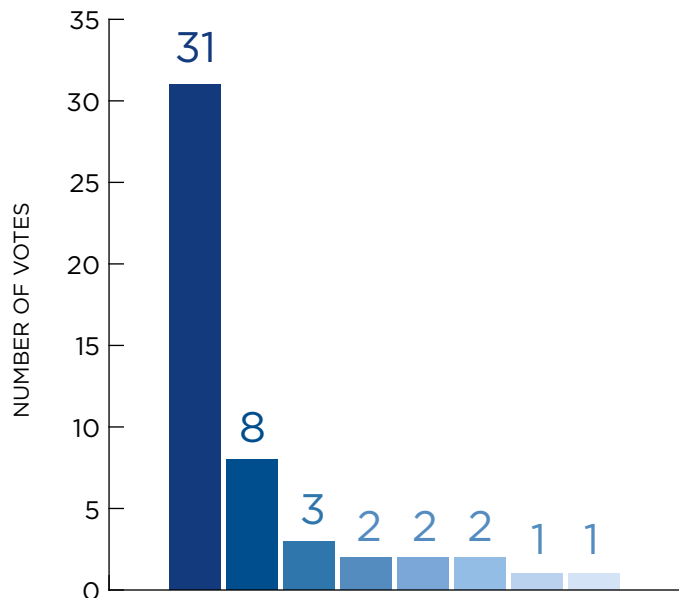
Voting Results

FIRST PLACE Prime Minister-President Relationship: Percentage of Votes



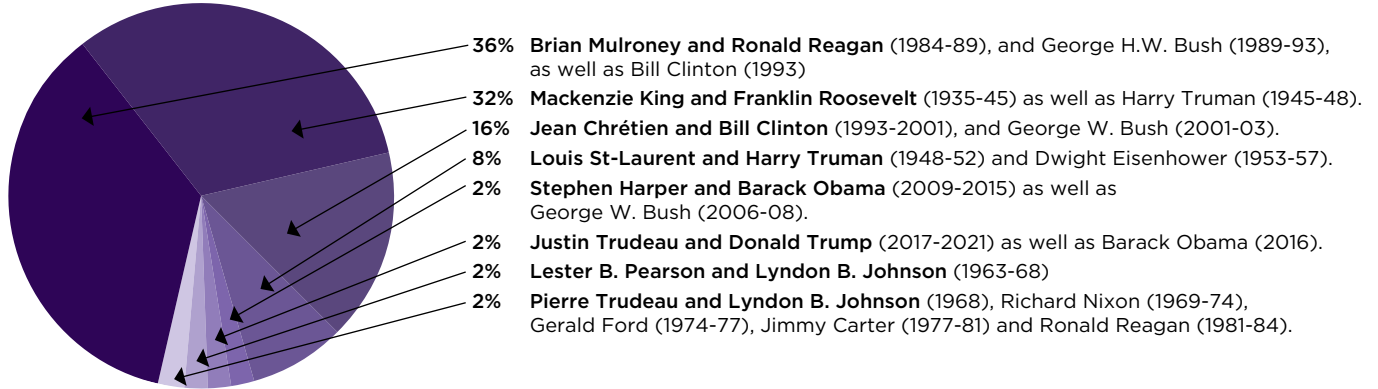
FIRST PLACE Prime Minister-President Relationship: Number of Votes

31 Votes	Brian Mulroney and Ronald Reagan (1984-89), and George H.W. Bush (1989-93), as well as Bill Clinton (1993)
8 Votes	Mackenzie King and Franklin Roosevelt (1935-45) as well as Harry Truman (1945-48).
3 Votes	Lester B. Pearson and Lyndon B. Johnson (1963-68) as well as John F. Kennedy (1963).
2 Votes	Louis St-Laurent and Harry Truman (1948-52) and Dwight Eisenhower (1953-57).
2 Votes	Jean Chrétien and Bill Clinton (1993-2001), and George W. Bush (2001-03).
2 Votes	Justin Trudeau and Donald Trump (2017-2021) as well as Barack Obama (2016).
1 Vote	John Diefenbaker and Dwight Eisenhower (1957-61) and John F. Kennedy (1961-63).
1 Vote	Pierre Trudeau and Lyndon B. Johnson (1968), Richard Nixon (1969-74), Gerald Ford (1974-77), Jimmy Carter (1977-81) and Ronald Reagan (1981-84).

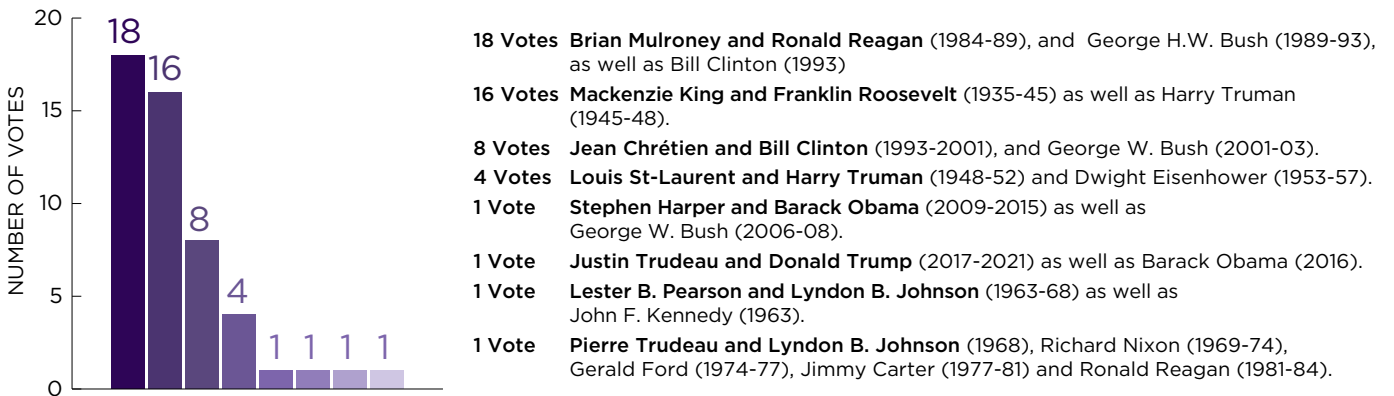


Source: The *Policy Magazine* Jury of 50 Canadians and Americans, ranking the Best PMs and Presidents on Canada-US Relations in a secret ballot.

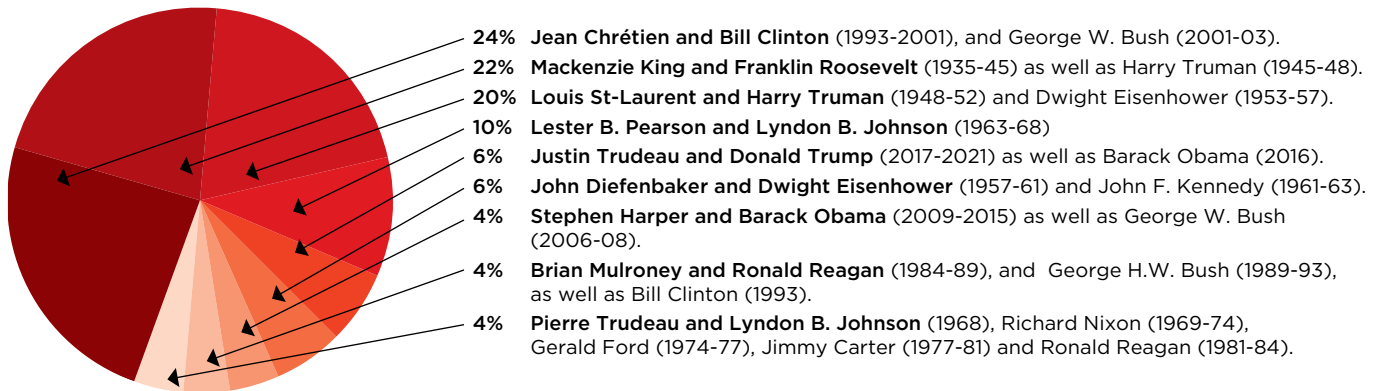
SECOND PLACE Prime Minister-President Relationship: Percentage of votes



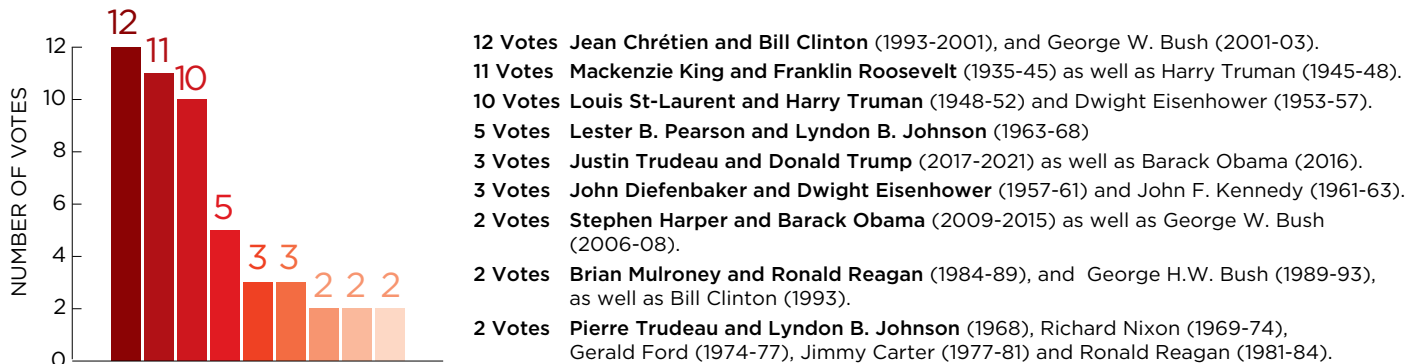
SECOND PLACE Prime Minister-President Relationship: Number of Votes



THIRD PLACE Prime Minister-President Relationship: Percentage of Votes



THIRD PLACE Prime Minister-President Relationship: Number of Votes



Our Jury

We invited 50 Canadians and Americans to join our Jury ranking the Best Prime Ministers and Presidents on Canada-US Relations of the Last 100 Years. The Jury is a select and representative group, including former ambassadors, senior public servants and foreign affairs officials, authors, academics and journalists, as well as business leaders, practitioners, aficionados and stakeholders—students of the bilateral relationship past and present, with an experienced eye on the future.

The jury ballot listed PMs and presidents as tandems, in chronological order, and jurors were asked to rank their Top Five picks.

It was a secret ballot, though all jurors agreed to have their identities and brief bios published alongside the results.

James Baxter, founding editor and publisher of *iPolitics*, has been a public affairs journalist for more than three decades, mostly focused on the intricate trade relationship between Canada and the US.

Perrin Beatty served as a Member of Parliament for 21 years, holding seven portfolios in the governments of prime ministers Clark, Mulroney and Campbell. He is currently President and CEO of the Canadian Chamber of Commerce.

Perry Bellegarde, National Chief of the Assembly of First Nations from 2014-21, began his leadership path as Chief of the Little Black Bear Nation in his native Saskatchewan.

Ed Broadbent, former leader of the New Democratic Party from 1975-89, is the Founding Chair of the Broadbent Institute, a progressive policy think tank in Ottawa.

Charles Bronfman, founder of the Montreal Expos baseball club in 1969, was a principal of Cemp Investments, the Bronfman family holding company. The founder of the McGill Institute for the Study of Canada, he lives in New York and Palm Beach, Florida.

Derek H. Burney, a career foreign service officer, was chief of staff to Prime Minister Mulroney from 1987-89 and Ambassador to the United States from 1989-93.

Catherine Cano is a senior media executive, former head of RDI, news director at Radio-Canada, and CEO of CPAC. She has covered eight Canadian elections and five US presidents.

Jean Charest, a former federal environment minister and activist on climate change, was Premier of Quebec from 2003-2012. He now has an international practice with the law firm of McCarthy Tétrault in Montreal.

Stéphanie Chouinard is an associate professor of political science at Royal Military College in Kingston, cross-appointed at Queen's University. She is a regular contributor to *Policy Magazine* as well as *L'Actualité*.

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Prime Ministers and Presidents: What Defines a ‘Good Relationship’?

As Policy readers know, there have been famously discordant bilateral relationships at the prime ministerial-presidential level. But what defines a successful dynamic between Canadian and American leaders? Historian J.D.M. Stewart looks at what has worked and what hasn't in our long, cross-border tango.

J.D.M. Stewart

The history of the relationships between the prime ministers of Canada and presidents of the United States has been a subject of deep political interest, analysis, and investigation since Sir John A. Macdonald went to Washington in 1871 and came home with a treaty of the same name. In bilateral politics, there are no two bigger stars than the president and prime minister. From the Canadian perspective, meetings between the two leaders take on a Hollywood feel, with white-hot media attention on every detail. Whether the bilateral spotlight is shining in Ottawa or Washington—or even Quebec City—the success or failure of the relationship between the leaders is of vital importance in this country.

While the relationship gets plenty of attention, it is also a very challenging one for the prime minister to negotiate. Not only is he dealing with the most powerful man on the planet, but the PM must also pay attention to an abiding attitude of anti-Americanism in this country. Prime Minister Lester Pearson cautioned in his memoir: “We should re-

sist any temptation to become smug and superior: ‘You are bigger but we are better.’ Our own experience, as we wrestle with our own problems, gives us no ground for any such conviction.” Balancing all of this takes great skill.

“Whether the bilateral spotlight is shining in Ottawa or Washington—or even Quebec City—the success or failure of the relationship between the leaders is of vital importance in this country.”

There are distinct commonalities, however, among the most successful prime ministers in their relationships with the president. The most important one is the personal rapport with the man in the Oval Office. Carleton University professor Fen Osler Hampson put it well in his 2018 book *Master of Persuasion*:

“There is no more exacting test for the leadership mettle of

any Canadian leader than the way relations with the United States are managed. Personal relationships count, especially in Washington.”

Few prime ministers have understood or cultivated ties with American leaders better than Brian Mulroney. His relations with both President Ronald Reagan and George H. W. Bush were intimate and enduring. It was no surprise that Mulroney was asked to give eulogies at both men's funerals. Mulroney knew that everything began with personal diplomacy.

“Having established a relationship of friendship, trust, and mutual respect with the president of the United States,” he wrote in his 2008 memoir, “Canada's leader is uniquely qualified, through ongoing private dialogue, to influence decisions that ensure that America does not use its power ‘like a giant.’” Reagan and Mulroney were particularly close. “These two Irishmen are going to get along like blazes,” noted Canadian ambassador, Allan Gotlieb, in 1984 after their first meeting. “There is a special rapport between them... They established a very special relationship.”

Mackenzie King, who placed second in the *Policy* ranking, was very close to President Franklin D. Roosevelt, the two Harvard men's tenures overlapping for ten years from 1935 to 1945. The duo had real affection for one another, with Roosevelt calling King “Mackenzie” (King too deferential to tell the president that his close friends referred to him as “Rex”), while the prime minister very much enjoyed his time alone with the president and spoke warmly of FDR both



The US-Canada Reciprocal Trade Treaty is signed at the White House in 1935. From L to R Secretary of State Cordell Hull, Prime Minister Mackenzie King and President Franklin Roosevelt. *Toronto Star Photograph Archive, Courtesy of Toronto Public Library*

in public as well as in his diaries. In 1941, during the dark days of the Second World War, FDR wrote in a letter to King that “It is a grand and glorious thing for Canada and the United States to have the team of Mackenzie and Roosevelt at the helm in days like these. Probably both nations could get along without us but I think we may be pardoned for our thoughts, especially in view of the fact that our association so far has brought some proven benefits to both nations.”

Just as relationships between PM and President can be warm and genuine, they can also be frosty and perfunctory. Prime Ministers Pierre Trudeau and John Diefenbaker fared poorly in the *Policy* ranking. Their prickly interactions with presidents played a significant role. There was a reciprocal disdain between President John F. Kennedy and Diefenbaker, whose time in office aligned from 1961 to 1963. “Not only are there substantial differences in policy involved,” noted Charles Ritchie in his diary, whom the Chief named as ambassador to the United States in 1962, “but the atmosphere is poi-

soned by the mutual aversion of the Prime Minister for the President and the President for the Prime Minister.” Kennedy viewed Dief, “as a mischief-making old man who cannot be trusted” while the latter viewed the former “as an arrogant man and a political enemy.”

Trudeau, meanwhile, in 1971, was referred to as an “asshole”, “pompous egghead” and “son of bitch” by President Richard Nixon, per leaked memos and White House tapes released later. Things were not much better in the early 1980s when Reagan took office. The prime minister was “a pariah at the White House,” according to Gotlieb’s diaries. “Trudeau’s blown his relationship with Reagan, and it’s dangerous times for us,” he recorded in 1982.

Cozying up to the president and achieving bilateral agreements is not the only measure of a strong relationship with the United States. Canadians also want a prime minister who will continue to exert the country’s sovereignty. It is not easy to be a neighbour to the world’s most powerful country, and

finding the right balance of friendship and resistance takes talent. Prime Minister Jean Chrétien (third in the ranking) used to say he would not fish with the president because he did not want to end up as the fish—a reference to Brian Mulroney’s close relationship with George H.W. Bush, which included fishing excursions off of the Bush family compound in Kennebunkport, Maine. Professor John Kirton of the University of Toronto labelled it the “Doctrine of No Fishing.”

While Chrétien would go on to golf with President Bill Clinton dozens of times during their overlap from 1993 to 2001, he also knew, as the most successful prime ministers do, how to say “No” to a president. Perhaps the best example of this was Chrétien’s 2003 refusal to participate in George W. Bush’s Iraq War. Speaking in the House of Commons on April 8 of that year, he said:

The decision we made three weeks ago was not an easy one at all. We would have preferred to have been able to agree with our friends but we, as an independent country, make our



President Reagan and Prime Minister Mulroney at the Venice G7 Summit in 1987.
White House Photo

own decisions based on our own principles, such as our longstanding belief in the value of a multilateral approach to global problems.

Chretien's decision was a courageous one, the type Canadians appreciate. A poll conducted in 2003 by the *Toronto Star* found that seven out of 10 Canadians supported the decision and years later the former prime minister recalls it as one of his defining moments.

While many may recall Mulroney's tenure as having only harmonious relations with the US, he did stand up to them as well. In 1988, after negotiations over Canada's sovereignty over the Northwest Passage fizzled, Mulroney told Reagan that Canadians owned it, "lock, stock and icebergs." He declined to join the President's Strategic Defense Initiative—commonly known as Star Wars—and pushed him hard on acid rain, famously giving Reagan's vice president, George H. W. Bush, "an earful" after a 1987 meeting on the topic at 24 Sussex Drive.

Standing up to the President can have its consequences, however. Prime Minister Lester Pearson delivered a 1965 speech at Temple University in Philadelphia critical of US policy on the Vietnam War. President Lyndon Johnson was not amused. Charles Ritchie, the Canadian ambassador, described LBJ's reaction as "sulphurous." When Pearson later arrived at

Camp David to meet the president the reception was icy.

“ Personal rapport is essential, exerting sovereignty is desirable, but it's the results that last. The most effective prime ministers can cite tangible achievements with the United States as part of their legacy. ”

Johnson, in a famously profanity-filled tirade, grabbed the Nobel Prize-winning PM by his lapels and growled "You don't come into my living room and piss on my rug!" "The relationship between the two men never recovered," Ritchie wrote in his diaries, published in 1983 as *Storm Signals*.

Personal rapport is essential, exerting sovereignty is desirable, but it's the results that last. The most effective prime ministers can cite tangible achievements with the United States as part of their legacy. Mulroney's 1988 Free Trade Agreement and the 1991 Acid Rain Treaty (officially the Air Quality Agreement) are two significant banners to show for his work with American presidents.

Mackenzie King can boast of the Permanent Joint Board on Defence that resulted from the Ogdensburg Agreement of 1940; he and Roosevelt also penned the Hyde Park Declaration of 1941 that cemented the economic ties between the two countries and was central to providing war materiel to the British and other allies at a crucial moment during the Second World War. Historian Tim Cook called it "King's monumental victory." Lester Pearson had the 1965 Auto Pact. Louis St Laurent, fourth in the *Policy* ranking, efficiently got things done. The leadership he showed in his relationship with both Harry Truman (cordial but not warm) and Dwight Eisenhower (golfing buddies) led to the signature bilateral achievement of the St. Lawrence Seaway, on which construction began in 1954. Bilateral agreements for the DEW Line and NORAD were also significant. The leaders behind these achievements were usually able to parlay their special status and powers of persuasion to get results for Canada.

The job of handling Canada-US relations is not an easy one, but it is the most important foreign affairs responsibility of the Prime Minister of Canada. "This is not a matter that a prime minister can delegate to a member of cabinet," wrote Mulroney. Successful Canadian leaders have used their personal rapport to get results. At the same time, they usually found the right balance of cooperation and resistance when dealing with our powerful neighbour to the south. Through all of the ups and downs, Canada and the United States will remain, in the words of Carleton professor Norman Hillmer's 1989 book about the two countries, "partners nevertheless." **P**

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Covering the Bilateral Relationship: Prime Ministers, Presidents and the ‘Stakes Gap’

In the perpetual Washington diplomatic scramble for coverage by American media, Canada has long laboured under the burden of being a relatively low-maintenance neighbour, and therefore of no extraordinary interest. One event that can transcend that reflexive shrug is a bilateral visit, but as longtime, capital-hopping reporter Don Newman writes, even those sometimes barely make the radar.

Don Newman

Whether you are a Canadian correspondent based in Washington or a Parliamentary Press Gallery reporter assigned to a meeting between a Canadian prime minister and an American president, you quickly realize that the story you are covering is a lot more important to you, your editors and your readers and viewers than it is to your American counterparts.

Thirty-three years in the Press Gallery covering summits in both Washington and Ottawa and seven years as a resident Canadian correspondent in Washington provided me with ample evidence of that. It has also provided ample evidence to Canadian PMs on visits to Washington for White House meetings with US presidents.

One of the most glaring examples was in April 1997. Weeks before calling an election, Prime Minister Jean Chrétien was invited to Washington by President Bill Clinton for a full state visit at the White House. Military honour guards were rolled out, ceremonial troops paraded and a state dinner—the last one held for 19 years until Barack Obama hosted Justin Trudeau—complete with guests such as Howie Man-

del and Diana Krall, was given in the Chrétien's honour. The visit was to be capped off with a joint press conference on the White House grounds. Out came the White House press corps for the chance to question the president. Out came the Canadian correspondents in Washington—the numbers heavily increased by reporters travelling with Chrétien from Ottawa—to question both leaders about the all-important bilateral relationship.

The Canadians did, but not the American reporters. All of their questions were for Clinton on either domestic or other foreign policy issues unrelated to Canada. Some Canadians privately took affront. But the next morning it seemed all was not lost. On the front page of the *New York Times* was a picture of Chrétien and Clinton together at the press conference. The news-er was the first public appearance by the president since breaking an ankle at a party in Florida, and he used small crutches to maneuver at the podium. The *Times* photo was to show Clinton and his crutches. Chrétien was not identified in the picture. Oh, Canada.

Pierre Trudeau had endured something similar 20 years earlier. It happened at a press conference with Presi-

dent Jimmy Carter in the iconic White House briefing room in September 1977 to announce that the Mackenzie Valley Pipeline though Canada would deliver Alaska Natural Gas to the lower 48 states. American reporters crowding the room had not one question for Trudeau or Carter about the pipeline. Instead, they wanted information from Carter on a report that the US had not ruled out the first use of nuclear weapons in the event of a showdown with the Soviet Union.

By far the glitziest and most substantial prime ministerial-presidential summit I covered was in March 1985. Recently elected Prime Minister Brian Mulroney had made much of the “Two Irishmen” in North America theme when, as opposition leader, he had scored an unusual White House visit to see Ronald Reagan a few months before the election in September 1984. Now, he wanted to reciprocate in grand style. Underlying the “Irishmen” theme, the summit was held on March 17, St. Patrick's Day, at the Citadel in Quebec City, the same venue and in the same room where Winston Churchill and Franklin Roosevelt held their two “Quebec” summits in 1943 and 1944 during the Second World War, with Mackenzie King as their host.

Perhaps because it was held in Canada and because Americans working at the US Embassy here knew me, in a conversation shortly before the meetings were to begin, one of them let slip that the big announcement of the meetings would be the creation of a joint commission to study acid rain.

Canada had been trying to get action on acid rain for years, but either the



The Mulroneys and the Reagans joined renowned Canadian contralto Maureen Forrester in singing “When Irish Eyes Are Smiling” as the finale of the gala at Le Grand Théâtre de Québec celebrating the Shamrock Summit in Quebec City on St. Patrick’s Day, March 17, 1985. Photo courtesy of the Ronald Reagan Library.

White House or Congress had moved to block any progress. To get President Reagan to accept at least a Canada-US study on the problem was a big step forward.

That made the American leak to me a significant scoop, which I happily revealed to the world at a press conference with Prime Minister Brian Mulroney a few hours later. Mulroney wasn’t too happy about being scooped on his own announcement, but that didn’t deter him for long. On the final evening at the last event, the Mulroneys hosted the Reagans at a stylish black-tie dinner complete with orchestra and entertainment. The entertainment ended with both couples joining the cast of entertainers on the stage to sing “When Irish Eyes are Smiling”—a first as far as summitry goes.

But that was not the *coup de grâce*. On the final stanza of the song everyone was in good voice. They all suddenly they stopped singing, except one person. It was left to a soloist to sing the final words: “...sure to steal your hearts away!” That soloist was the prime minister of Canada.

No one has equalled such dramatic chutzpa since. Nor have they tried. In the press room reporters were working on the final stories of the summit when work suddenly stopped.

“What the hell was that?” people began asking. As tape recorders and video machines were rewound and then played back, the voice of the prime minister was heard over and over again. Some people were shocked, some people thought it hilarious. Either way, Mulroney’s singing made every Canadian newscast and paper. Not so in the United States.

The only Canada—US leaders meeting that attracted extra attention in Washington was the last state dinner given for a Canadian prime minister in early March 2016, when Barack and Michelle Obama hosted Justin and Sophie Trudeau at the White House, 10 months before the end of Obama’s term and at the beginning of Trudeau’s. It was a glittering affair and it made the front page of *The Washington Post*. The story was headlined “Having the neighbors over for dinner,” and it featured the media-savvy Canadians as the new in-

ternational “it” couple. It had nothing to do with any substantive issues. Still, it did raise the profile of Canada, and if raising the nation’s profile is the real reason for Canada—US summits, then score that one a success.

But it doesn’t change the reality of how coverage is weighed. If your prime minister and first spouse are relatively young, good looking, and bring a touch of glamour to the job by being social media stars photographed in *Vogue*, the celebrity-obsessed American media will respond accordingly. If not, be prepared for the Jean Chrétien treatment.

And don’t be obsessed with it. After all, you may be no big deal in the United States, but in Canada you are still the biggest deal there is. And Canada is where your voters are. **P**

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Managing the Relationship: The Bilateral Best and Worst

At the tip of a very large iceberg of diplomats, bureaucrats, customs agents, border guards, ministers, secretaries and other Canadians and Americans whose livelihoods depend on our bilateral relationship sit two leaders: the prime minister of Canada and the president of the United States. Each of those leaders brings to the relationship their own predispositions, knowledge and temperament. As veteran political strategist Robin Sears writes, it hasn't always been a meeting of minds.

Robin V. Sears

Mackenzie King's appallingly sycophantic expression of high praise for Adolf Hitler following their meeting in 1937—"He is really one who truly loves his fellow men," among other horribly misplaced verbal garlands—cost him the trust of both the British monarchy and Franklin Delano Roosevelt. His expression of admiration for the Nazis so chilled Roosevelt's view of King that it took time to rebuild trust in him as a wartime ally. Despite public shows of support, the Roosevelt White House developed a back channel in the run-up to and the early months of the war in passing messages to King George VI and to Winston Churchill. It was Canada's Governor General, John Buchan, also known as Baron Tweedsmuir and bestselling author of the thriller *The Thirty-Nine Steps*, who was very close to King and functioned as an intermediary. King apparently never knew the depths of White House mistrust. Buchan died following a stroke soon after the war started but the mistrust lingered.

John Diefenbaker so badly bungled the management of what became the "Bomarc Missile Crisis" that it contributed to his defeat in 1963. Diefenbaker first accepted the deployment of the new American missiles in North Bay and LaMacaza Quebec, then tried to hide the fact that they were fitted with nuclear warheads, then rejected them. Understandably, first the Eisenhower then the Kennedy White House saw this as a little rich, as Canadians had permitted nuclear-armed American bombers to protect Canadian airspace for the previous decade.

Lester Pearson, who as Canada's senior diplomat won the Nobel Prize for his calming of the Suez crisis, antagonized the Johnson White House. As prime minister in 1965, in a highly undiplomatic speech at Philadelphia's Temple University, Pearson attacked US plans to bomb North Vietnam. That prompted Lyndon Johnson to explode days later at Camp David, berating Pearson with a classic bit of Johnsonian rage, "You don't come into my living room and piss on my rug!"

The defence offered by supporters of both Dief and Pearson was that the Canadian people were angry and demanded action in both cases. More recently, Stephen Harper sat across from Barack Obama for six years from 2009-15, seriously misjudging Obama's opposition to the Keystone XL pipeline, calling the file "a no-brainer."

Not good enough, Brian Mulroney—the master of White House management in the past century—would say. He likes to remind incoming Canadian prime ministers of a perennial truth, that the two most important files on the desk are first, Canadian unity and security, and second, the relationship with the White House. Managing relations with the premiers is your first obligation and managing relations with the White House is your second. He often adds that ensuring that the American president's door remains open, opens every other door in Washington.

Mulroney's mastery of this reality helped him win the 1991 Acid Rain Treaty from the administrations of Ronald Reagan and George H.W. Bush. Avoiding the skeptical American stance on acid rain, he quietly began applying greater and greater pressure behind the scenes. It would have been a great deal more politically successful for him with Canadian voters if he had, instead, whacked the Americans publicly, harshly and often.

Herein lies the core of the delicate balancing act that Canadian prime ministers must always aim to achieve. Canadians' sanctimony and finger wagging at American failures is one of our less salubrious national char-



President Barack Obama talks with Prime Minister Stephen Harper at the G20 Summit opening Plenary Session at the Toronto Convention Centre in June 2010. *Official White House Photo by Pete Souza*

acteristics. The Canadian snowbird soaking up the Hawaii or Florida sun in her winter retreat sees no irony in snarling, “Damn right!” as she reads another gratuitous attack on American vulgarity, racism or tragic devotion to guns; “Bloody Americans!”

“ Canadian prime ministers’ access to the White House permits us an almost unique opportunity to offer tough and potentially difficult messages in private. Take it public and that access will slowly close. ”

I confess to being one of the millions of Canadians who suffer from this same reflex. We love American culture, story-telling, and often

buy American products online from American websites when there are comparable Canadian options available. But at the same time, we cannot resist sneering at America’s overreach or—most notably under the last president—its often obtuse treatment of close allies, including us.

The problem with succumbing to this temptation is that we are not equals. We do not have the clout to demand anything from the world’s most powerful nation. We need to co-operate, negotiate and inveigle. Our chronic battles over salmon and softwood lumber are not likely to ever end, they can only be relentlessly and delicately managed. Canadian prime ministers’ access to the White House permits us an almost unique opportunity to offer tough and potentially difficult messages in private. Take it public and that access will slowly close. Chrystia Freeland, counselled regularly by Mulroney, used this wisdom to pull off a new NAFTA agreement against what looked like impossible early odds.

Most Canadian prime ministers have bobbed their White House management at one time or another, but no one holds the gold medal for bungling Canada-US relations at the highest level more deservedly than Pierre Elliott Trudeau. We may be grateful that this is one of his father’s weaknesses that Justin Trudeau has rejected. Although he struggled in his relations with Donald Trump—who wouldn’t?—the current prime minister has managed three consecutive presidents with far greater deftness than his father handled his.

Pierre Trudeau’s personal history helped to lock him into patronizing and dysfunctional relationships with at least three of five American presidents during his tenure. His relationship with Gerald Ford was limited, with Jimmy Carter mostly positive. Educated to revere European enlightenment values, a follower of left-wing critics of American foreign policy, his anti-American instincts were enhanced by his experiences as a world traveller before his polit-

ical career began in 1965. Trudeau saw the adverse impacts of America's support for a bizarre collection of anti-Communist dictators on their own people in Asia, for example.

Soon after his election, he took the bold decision to recognize what was then known as Red China. He had signalled this intention in the 1968 campaign, to considerable skepticism. Negotiations were tense and difficult, but in October 1970 Canada recognized the Beijing regime. Second only to the United Kingdom's earlier decision, it was huge affront to American foreign policy diktats at the time. It has never been clear whether the White House was taken unawares with no pre-briefing on Canada's imminent move, though in a way it opened the door for Nixon's landmark visit to China in 1972, seven years before the US recognized the PRC.

Care in managing the White House would have required a private phone call to the American president. Some American experts on the Nixon White House insist it did not happen. Whether a signal was sent or not, it is clear that Trudeau made little effort to soothe the famously thin-skinned American president. The relationship with Nixon never improved, with the Watergate tapes recording Nixon asking an aide to "get me that asshole Trudeau" on the line. When asked to comment, Trudeau replied: "I've been called worse things by better people."

His relationship with conservative Ronald Reagan was more contentious. After several earlier clashes, Trudeau's pre-retirement disarmament mission was the final collision. His global "peace initiative" was greeted with some bemusement by several leaders, given Trudeau's presumption that he should lecture them about how to speed *détente*. It put him sharply at odds with Reagan. That tension was clear during a confrontation at the 1984 G7 in London, only days before Trudeau's retirement.

A leaked State Department recording of that encounter made clear that



President Ronald Reagan with Prime Minister Pierre Trudeau at a news conference in the Rose Garden after a White House meeting in 1983. *Colin McConnell Toronto Star Photograph Archive, Courtesy of Toronto Public Library*

Trudeau was again in lecture mode, blaming Reagan for the failure to restart disarmament talks with the Soviets. Reagan reacted with exasperation, saying that the US had "offered everything" to attempt to draw the Moscow back to the table. Asked about the leak on his return to Ottawa, Trudeau said that the State Department were "liars" and, again, demanded that the Americans do more to advance disarmament.

Brian Mulroney, then opposition leader, had declared following Trudeau's announcement of his magical mystery tour that, "Our pride in Canada should not obscure the hard realities of superpower existence, nor should such pride give rise to illusions of influence beyond bounds that can only disappoint and confuse." It was a good forecast of the project's impact, as it quickly slid into insignificance following Trudeau's departure from office.

Trudeau was an estimable Canadian prime minister whose legacy includes many epochal achievements, from ending racist immigration policy, to wrestling separatism to the ground, to the Canadian Charter of Rights and Freedoms. How much more might he have achieved for Canada on trade and procurement, for example—the subject of his first battle with Nixon—if he had only resisted his impulse to patronize and offend Americans?

Would quiet pressure on Vietnam have yielded more progress toward peace, or later, on the bloody civil wars in Central America? Questions for future historians and biographers. **P**

Contributing Writer Robin V. Sears, a former national director of the NDP and later Ontario's representative to Asia based in Tokyo, is an independent communications consultant based in Ottawa.

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Audrey Moores, Associate Professor of Chemistry at McGill University

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From child care and job training, to home care for seniors and housing for the homeless, from healthcare to education, Canada’s charities have always been there for Canadians.

Never have charities been more needed, and their services more in demand, by Canadians.

By last spring, a year into the pandemic, demand for charities’ services had risen by nearly 50 percent, while charitable organizations saw their revenues drop by 44 percent, according to the Imagine Canada Sector monitor. At a time when their services have never been more needed, they’ve never been more challenged in terms of their financial ability to deliver.

The new Parliament can help, at virtually no cost to government.

Ottawa can simply eliminate the capital gains tax on donations of private company shares and real estate to charities. This would generate an estimated \$200 million per year, every year going forward. It would trigger donations to over 85,000 registered charities serving millions of Canadians.

We’ve been talking about this for years. It’s time to get it done. For Canada’s charities. For Canada. And for Canadians.

Yours sincerely,

Donald K. Johnson, O.C., LL.D.

Director, UHN Foundation
Chair, Vision Campaign, Toronto Western Hospital
Member, Advisory Board, Ivey Business School, Western University
Chairman Emeritus & Director, Business / Arts
Member, 2021 Major Individual Giving Cabinet, United Way Greater Toronto

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MINING FOR A NEW WORLD



Barrick believes that the best assets managed by the best people will deliver the best returns. Its 13-country portfolio already includes five of the world's 10 largest mines as well as some of its leading copper producers, all with long-term business plans based on declared resources. As for its people, their record speaks for itself: this year, Barrick's returns to shareholders will top its league.

Barrick is also closely aligned to the new demands and expectations of a rapidly changing world. Social responsibility, protection of the environment, partnership with its host communities, care for employees and concern for human rights – the core components of ESG – have long been an integral part of the way it does business. That is why Barrick is not only an industry leader in operational and financial performance but is setting the pace for mining's cultural adjustment to the modern world.

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