

# **FROM PRIDE TO INFLUENCE**

ALSO BY MICHAEL HART

*Decision at Midnight: Inside the Canada-US Free-Trade Negotiations*  
(with Bill Dymond and Colin Robertson)

*A Trading Nation:*  
*Canadian Trade Policy from Colonialism to Globalization*

# FROM PRIDE TO INFLUENCE

*Towards a New Canadian Foreign Policy*

Michael Hart



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## Preface

This is a book about the politics and practice of foreign policy in Canada. It seeks to describe the contemporary challenges facing the design and delivery of Canadian foreign policy, particularly in relations with the United States. Francis Fukuyama famously described the end of the Cold War as the “end” of history, as the end of ideological struggle and the broad acceptance of liberalism, democracy, and capitalism. Perhaps, but for Canadians, a more important result was the end of foreign policy as it had been practised for nearly half a century. In the nearly two decades since the collapse of the Berlin Wall, Canadian foreign policy has drifted. Ministers, officials, journalists, and academics have all thought of ways and means to provide Canadian foreign policy with new purpose and direction, some with greater success than others. If nothing else, however, drift has led to a lively discussion of Canadian foreign policy among large numbers of engaged Canadians and the publication of a series of provocative criticisms, assessments, and recommendations.

This book does not represent a programmatic study of Canadian foreign policy priorities. Rather, it delineates some of the serious conceptual shortcomings evident in the design and delivery of Canadian foreign policy since the end of the Cold War by pointing to the changed global, regional, and domestic circumstances that should inform contemporary Canadian foreign policy, the interests that such policy should serve, and the instruments at Canada’s disposal to pursue them. Anything of a more prescriptive nature is doomed to fail. As the text makes clear, Canadian foreign policy is largely reactive in nature, responding to events and forces beyond the control of a government with limited capacity to make a difference. Nevertheless, there are enduring lessons from the past and clear fundamentals that should inform the making of Canadian foreign policy to a much greater extent than has been the case in recent years.

As readers will quickly discover, the book is severely critical of the foreign policy of the governments of Jean Chrétien and Paul Martin; some may conclude that, with the change of government in February 2006 and the new tone evident in the foreign policy preferences of Stephen Harper and his Cabinet, much of the analysis serves at best a historical purpose. Unfortunately, such is not the case. The failed foreign policy instincts of the Chrétien-Martin years, though reflecting the political preferences of these two prime ministers and their colleagues, were grounded in much broader societal and professional preferences and remain the default position of much of the foreign policy community, from foreign-service officers and ministerial assistants to pundits and academic analysts.

In this connection, I can do no better than to quote from David Henderson's lament on the uncritical acceptance of much that is nonsense in modern political discourse but that seems politically correct and part of the *Zeitgeist*. He writes,

Classical liberals are few and far between, while most of today's social democrats and democratic conservatives, while not to be counted among the anti-market activists, are well disposed towards, or ready to acquiesce in, much of the thinking that enters into new millennium collectivism. Not many of them would wish to question the status of such plausible and generally accepted notions as sustainable development, positive human rights, corporate social responsibility, socially responsible investment, anti-discrimination, equal opportunity, diversity, social justice, social exclusion, global social governance, the precautionary principle, or participatory democracy. As currently interpreted, however, all these guiding principles find expression in anti-liberal measures and programs. A continuing threat to economic freedom thus arises, not just from anti-capitalist groups and movements on the periphery, but also, and principally, from representative opinion of various kinds in conjunction with a wide range of interest group pressures old and new.<sup>1</sup>

The same can be said of the study and practice of foreign policy in Canada today: uncritical acceptance of ideas and concepts that wither under closer inspection. Thus, though many of the examples of foreign policy decisions and preferences criticized in the text may come from the Chrétien-Martin period, they are part of a pattern and mindset that remain very much in evidence today.

At least since 1982, when the foreign ministry was reorganized to include trade programs, the foreign policy side of the department has found it increasingly difficult to convince the bean-counters and program managers at the Department of Finance, the Treasury Board, and the Privy Council Office of its need for resources.<sup>2</sup> Every deputy minister has, on appointment, faced the unenviable task of trying to make foreign policy more “relevant” and worthy of a more secure base budget. This systemic failure lies not in a lack of professionalism or dedication, but in an inability to match resource requirements to abiding interests. Money could be found for symbolic gestures and trendy causes but not for the base budget required to carry on the boring business of building and maintaining relations and the other routine aspects of foreign policy. To cite but one example, the department in 2007 employed twenty-nine people in a bureau dedicated to the Global Partnership Program (GPP), first announced at the 2001 Kananaskis Economic Summit, but has trouble meeting program needs in other areas of its responsibility. The GPP is virtually unknown beyond those engaged in it. Canada has pledged to spend a billion dollars over ten years to meet its goals and hopes that other G-8 countries will contribute a further \$19 billion. Laudable as its objectives may be, its contribution to Canadian foreign policy interests is, to say the least, shrouded in mystery. It has attracted little media commentary or academic inquiry but spends more than the whole of the department’s trade promotion budget or consular assistance budget.

Like any area of government, foreign policy is a matter of choices among competing goals and objectives. The challenge for any foreign ministry is to ensure that in making these choices, the government maintains a sufficient base to meet its long-term needs and obligations. Making choices involves not only funding new priorities and emerging interests, but also reducing funding for past programs and priorities. As many ministers have discovered, closing down a program or mission past its prime can prove very difficult. Failure to do so, however, leads to the kind of attitudes their deputies have had to address from “downtown” officials. The long-term solution to this common foreign policy conundrum is to return to basics: what are a country’s abiding foreign policy interests, and what are the tools and assets required to meet them? This book seeks to provide a more informed basis for such an inquiry and looks to Canada’s long-term interests in a world that differs markedly from the one that prevailed a generation ago. The government may have changed in February 2006, but the attitudes

and preferences that underpin the routine of foreign policy making did not, nor did the penchant for fashionable causes and the evidence of rootlessness in their pursuit.

Academic discussion of foreign policy in Canada is more informed by theoretical considerations than by practical experience. This is not surprising. Most academics were attracted to teaching, research, and scholarship because of the appeal of theory, the capacity to analyze, explain, and predict. Most practitioners, on the other hand, if they ever knew theory, have learned to rely on experience and precedent. Plagiarism, a grave sin in academia, is often the sincerest form of flattery in government. Academics thrive on novelty, practitioners on routine. Academics seek explanations of why; practitioners want to know how, when, where, and by whom. The divide between the two is not easily bridged, often leaving students who aspire to professional careers shortchanged. Too much theory, and they lose sight of what may actually happen on the job. Too little theory, and they may fall victim to their own spin once they are on the job.<sup>3</sup>

In this book, I make no pretense of academic detachment. Over more than three decades of engagement in the practice of Canadian foreign policy, I have developed definite views on what works and what does not, what is in Canada's interests, and what is not. One of the most egregious weaknesses in any official is a failure to recognize spin, particularly his or her own. In government, officials advise, ministers decide, and officials implement, in that order. Given this, officials have learned to explain and put the best light on ministerial decisions. Woe betide them, however, should they begin to believe their own spin and use it as the basis of subsequent advice. Ministers will not thank them, nor will Canadians.

In writing this book, I have tried to combine insights gleaned from my experience as a practitioner, a teacher, and an analyst. I have kept any allusions to theoretical explanations to a minimum but have woven the results of academic insights into the narrative. I have used examples from my own experience but have tried to avoid the trap of generalizing from the particular. In my teaching, I have learned that there is often a disconnect between students' theoretical understanding of the nature of government and their ability to translate this into a practical appreciation of the process by which governments reach decisions, the reasons they reach such decisions, and the manner in which they implement them. Students may understand that Canada is governed on the basis of a Westminster-type parliamentary

system, for example, but have little appreciation of the role of officials and the relationship between officials and their political masters. In writing this book, therefore, I have tried to distill the essence of the issues that crop up frequently in class discussion about trade and foreign policy by drawing on my experience as an official and describing how policy makers – ministers and their political and official advisors – go about their daily business in making foreign policy, their motivations, constraints, expectations, and frustrations.

This book started out as a presentation to a conference organized by the McGill Institute for the Study of Canada, “Canada and the World,” 16-18 February 2005. It builds on a series of studies on Canadian foreign policy written together with my colleague Bill Dymond, including *Canada and the Global Challenge*, “The Potemkin Village of Canadian Foreign Policy,” “Trade Policy at the Crossroads,” and “Canada and the New American Empire.”<sup>4</sup>

Much of the initial research and writing for this study was carried out while I was on sabbatical in Washington for the 2004-05 academic year, first as a visiting scholar at the School of International Service’s North American Center at American University and then as the Fulbright-Woodrow Wilson research chair in Canada-US relations at the Woodrow Wilson International Center for Scholars. I am grateful to Bob Pastor, at American University, and Lee Hamilton and David Biette, at the Wilson Center, for their kind invitations and unflagging support.

An earlier version of this study was discussed at a workshop organized by the Canada Institute of the Woodrow Wilson International Center for Scholars, in Washington on 18 May 2005. I am grateful to David Biette for organizing the workshop and to Dwight Mason, Charles Doran, Gary Hufbauer, and other participants for their constructive comments and advice.

Many of the ideas explored here reflect extensive discussions with both academic and foreign-service colleagues too numerous to name. A number of people, however, have been particularly important: Sam Boutziowitz, Derek Burney, Tom d’Aquino, Jean Daudelin, Wendy Dobson, Allan Gotlieb, Fen Hampson, Maureen Molot, John Noble, Colin Robertson, John Schram, Phil Stone, and Brian Tomlin have all provided me with counsel and advice and opportunities to discuss the themes explored in this book. I am also grateful to the anonymous reviewers selected by UBC Press, who reviewed the manuscript and provided important comments and suggestions. I owe

a particular debt to my long-time friend and colleague Bill Dymond, with whom I have worked closely on both professional and academic projects for more than thirty years. He has kept me on a path that is both realistic and rewarding.

Finally, my wife, Mary Virginia, has been my writing coach, my mentor, my friend, and the love of my life since we met as graduate students at the University of Virginia. She stuck with me as I traded in the prospect of university life for a foreign-service career. She tolerated my many long absences, and looked after the children, while I engaged in the heady task of negotiating trade agreements in exotic places. Her love and support made it possible for me to pursue, simultaneously, two parallel careers – in government and in academia. She has been my severest and most constructive critic. Everything I have published has passed her very exacting standard. Many times, it was her editing that made it clear and logical and, often, simple and elegant to boot. I thank her for making me a stronger writer, a more thorough researcher, and a better person.

Over the course of the summers of 2006, 2007, and 2008, I used drafts of the book as the basic text in a course exploring the gap between rhetoric and reality in Canadian foreign policy. At the pace of a chapter a week, I joined more than sixty Norman Paterson School graduate students in a lively discussion of the themes raised in each chapter. The resultant give and take, and their contributions by way of critical bibliographical essays, proved enormously helpful in sharpening my arguments and fleshing out details. I am grateful to them and hope that they will recognize here and there their individual and collective contributions.

# FROM PRIDE TO INFLUENCE



## CHAPTER 1

# Doing Foreign Policy

Foreign policy is made more in the doing than in the philosophizing.<sup>1</sup>

– GORDON SMITH, DEPUTY MINISTER OF FOREIGN AFFAIRS,  
1994-97

Over the past decade or more, Canadians have been obsessing about the decline in Canada's role in the world. Some believe Canada needs more foreign policy, whereas others think Canadians need to deploy their limited resources more selectively.<sup>2</sup> Some are deeply worried that Canada is losing its capacity to chart its own course and believe Canadians can maintain a separate identity only by putting distance between themselves and their American neighbours.<sup>3</sup> A former foreign minister is continuing his campaign to seek ways to "transcend particular interests for a common good," while a new star on the horizon has written a self-absorbed book about taking advantage of her generation's comfort in being "at home in the world," ready to promote Canada's role as a model citizen.<sup>4</sup> A brash new crusader asks what Canada is for and similarly concludes that it is to be a "global citizen."<sup>5</sup> None of these nostrums, however, comes to grips with the real issues: What interests should be served by Canada's foreign policy? What should be Canada's priorities, and how would they be best pursued?

Wrong questions often lead to wrong answers. The questions being asked in current discussions frequently fall into that category and perhaps help to explain why Canadian foreign policy is at sea. The debate is all about how Canadians *feel* about themselves and how they want others to *perceive* them.<sup>6</sup> In Senator Hugh Segal's words, "It is one thing to, on occasion, stare at one's own navel ... but to actually crawl into our navel, and use it as a vantage point from which to see the world and our country is both unbecoming and childish."<sup>7</sup> The most important questions about any country's foreign

policy are grossly underrepresented: What are Canada's *interests* beyond its borders, and how should the government go about projecting and protecting those interests? What are the interests of other countries in Canada, and to what extent can such interests be used to advance the well-being and security of Canadians? What kind of country are we, and how do our identity and makeup affect the available choices? How much room for manoeuvre does the government enjoy in pursuing its foreign policy preferences? Foreign policy is not first about place, role, and image in the world, but about advancing interests. Image, role, and place may contribute to realizing those interests but should not be the primary focus of any country's diplomatic energies. No country can long afford to indulge its secondary impulses and allow them to crowd out its most important objectives.<sup>8</sup>

In its foreign policy, a government owes its citizens the same three basic goals that it pursues in its domestic policy: security, prosperity, and such services and programs as those citizens value and can afford. As Canadian Nobel laureate Lester Pearson once noted, "Foreign policy, after all, is merely 'domestic policy with its hat on.' The donning of some head-gear, and going outside, doesn't itself alter our nature, our strength, and our quality very much."<sup>9</sup> Setting society's goals within the confines of its own frontiers is largely under the control of the government of the day, subject to the vagaries of democratic politics. Delivering them in its foreign policy is more complicated because this is critically dependent on factors and circumstances that are beyond any government's control. More often than not, implementing foreign policy goals requires the cooperation and goodwill of other states. Governments pursue joint projects with other governments because they believe they can solve problems or advance goals that cannot be solved through domestic or unilateral measures alone. Done well, foreign policy can make a critical contribution to the security and prosperity of a country's citizens, just as a well-ordered domestic policy framework is essential to strengthening a government's hand in meeting its foreign policy objectives.<sup>10</sup>

All this is pretty straightforward. The devil is in the detail of those circumstances, in those factors that are beyond a government's control, and in the need to work cooperatively with others. Those details, factors, and needs usually create the ad hoc nature of much of Canada's day-to-day foreign policy activity. Even for policy makers in the United States, serendipity, evolving circumstances, and changing perceptions can play an enormous role in shaping the conduct of foreign policy.<sup>11</sup> Given its place

in the world, Canada is more likely to be a policy taker than a policy maker, to be reactive rather than creative in the pursuit of Canadian interests. Its role as a policy taker helps to explain why Canadian foreign policy needs to devote much capital to shaping the framework of rules, institutions, and relationships within which to react. Rules and institutions are critical to reducing the disparity in power between the makers and the takers of international affairs.

Successful foreign policy is anchored in a country's history, geography, and demography. Canadians can no more ignore the obvious fact that they occupy the second-largest piece of real estate in the world, located next door to the world's most dynamic economy and strongest military power, than they can ignore their mixed British and French political and cultural heritage and the diverse ethnic origins of the current population. Similarly, Canada's political leaders must work within the confines of two fundamental facts of life: Canada is a democracy and has a market-based economy; much as they might wish at times to have more room to manoeuvre, Canadian politicians cannot ignore the fact that they must face the electorate at least every five years. Nor can they act as if the country's economic structure were the product of government fiat, rather than of the billions of discrete daily decisions by Canadians about what to eat, wear, read, drive, hear, see, and more. Equally, the geography of North America dictates Canada-US bilateral cooperation; assuring Canadian security, for example, through cooperation with other countries or unilateral measures is not a viable option. Finally, Canada's extensive network of club memberships, the result of more than seven decades of conscious effort to promote international cooperation, constrains to a considerable extent the scope for independent Canadian action. Through their participation in international organizations, Canada and the United States have for decades pursued the same objectives for essentially the same reasons: shared values and interests.

Although no government can pursue a foreign policy dictated solely by the shifting kaleidoscope of Canadian public opinion, it is equally impossible for a democratically elected government to ignore the moods and preferences of the electorate. The challenge is to steer a course that is principled and broadly responsive to national interests but that is also not at odds with the preferences and ideals of most Canadians. At any one time, of course, Canadians may hold a bewildering array of individual preferences, from deep personal convictions on war, human rights, global warming, or Third World development to more prosaic economic interests or

concerns aroused by ethnic origins. Dairy farmers have no hesitation in holding the government responsible for keeping “unfair” foreign competition to a minimum. Lebanese or Croatian Canadians similarly are quick to see a Canadian duty in rescuing or protecting their cousins back “home.” As Walter Russell Mead points out, “the ever-shifting views of public opinion set and reset the boundaries of the possible ... As a result, ... foreign policy reflects the vector of the impulses and interests, convictions and half-conscious biases of large numbers of people.”<sup>12</sup> But, as Margaret MacMillan cautions, “democratic governments have to listen to public opinion, but they should also try to educate and lead it ... We don’t need a new foreign policy for Canada so much as a reinvigorated one.”<sup>13</sup>

The critical factor is the elusive capacity to lead. A country such as Canada, with a well-developed administrative structure and a professional civil service, can count on officials to address and resolve the myriad of day-to-day issues that crowd any government’s agenda. What these officials cannot offer is what Henry Kissinger calls “the art of bridging the gap between experience and vision.”<sup>14</sup> In a democratic country, such leadership can come only from a government that enjoys the confidence of the people, that is prepared to stake its reputation on issues that matter to it and the country, and that can make choices and set priorities. It requires a willingness to take risks and a capacity to judge the limits of what can be done at any particular time. It thrives on determination and constancy, and builds trust among both citizens and foreign partners. A government that leads knows when to consult and reflect, and when to act and decide. As Derek Burney, former Canadian ambassador to the United States, observes, “the most elusive commodity for effective implementation of foreign (or domestic) policy is genuine political leadership ... Our national interest in ensuring a prosperous and safe Canada within a stable, more humane world cannot be served by rhetoric and noble intentions alone ... Fundamentally, for Canada, it is a choice between engagement and irrelevance; between tackling hard issues vital to our well-being or dancing on the periphery, between leading and advancing our long-term interests or following the short-term whims of popular opinion.”<sup>15</sup>

Foreign policy does not lend itself well to grand statements and guiding frameworks, even though governments are given to making such statements and designing such frameworks. Geoffrey Pearson, reflecting on his assignment as the head of External Affairs’ policy planning secretariat in the 1970s, concluded that “as a general rule, governments do not plan foreign

policy. Planning suggests clear objectives, identifiable means of reaching them, and some control of the environment in which one is operating. These conditions are not often present in world politics.”<sup>16</sup> Most experienced practitioners – whether their experience derives from the defence, security, economic, humanitarian, or political dimensions of foreign policy – would agree with former undersecretary of state for external affairs Allan Gotlieb that the best way forward is to “just do it.”<sup>17</sup> Doing it effectively, however, requires a government prepared to make choices, set priorities, and exercise leadership. Dalhousie foreign policy specialist Denis Stairs points out that “a political leadership that genuinely wishes to establish some priorities so as to render more effective the Canadian effort abroad will require some criteria with which to work,” bringing us back full circle to the challenge facing Canadian foreign policy making.<sup>18</sup>

Making such choices has become a much more political matter than perhaps was the case in earlier times, when a broad national, and international, consensus informed the basic contours of policy and relations. With the demise of the Cold War consensus, democratic governments have become much more prone to use their foreign policy to advance short-term domestic political interests, inevitably subjecting hard foreign policy decisions to nationalist and populist pressures. In most of the Western democracies, foreign policy used to be considered too important for partisan political considerations. Today, it has become part and parcel of partisan politics, and the world is the poorer for it.<sup>19</sup>

The day-to-day practice of diplomacy depends critically on the political and factual circumstances of the moment, with policy responses crafted in the light of experience, perhaps mindful of enduring values, but heavily weighted towards the politics of the day. More often than not, policy reviews and frameworks provide a convenient snapshot of current thinking and priorities rather than a guide for, or to, future thinking and decisions. Nevertheless, such snapshots can perform a useful service in informing public debate and, on occasion, policy decisions. Something in the Canadian character, however, makes it difficult for Canadians to come to a common view of who they are and where they fit, and thus what their foreign interests and priorities should be. The angst in current, and earlier, national conversations about Canada’s place in the world is not unrelated to demography, geography, and identity: 33 million people of various ethnic backgrounds spread thinly along nearly nine thousand kilometres of common frontier with the United States, critically dependent on the US military

for security and heavily reliant on US trade and investment. The issue of who Canadians are deeply permeates their concerns about how they want to be perceived and what they want to do in the world beyond their shores. Lack of consensus on these issues deeply colours current public discussion and government decisions on Canadian foreign policy.

### **Canada and the “Canadian Question”**

During the heated election campaign of 1891, historian Goldwin Smith wrote a minor classic in which he discussed what he called the “Canadian Question.” Summed up in his own words, “whoever wishes to know what Canada is, and to understand the Canadian question, should begin by turning from the political to the natural map ... Whether the four blocks of territory constituting the Dominion can for ever be kept by political agencies united among themselves and separate from their Continent, of which geographically, economically, and with the exception of Quebec ethnologically, they are parts, is the Canadian question.”<sup>20</sup> In the intellectual history of Canada, Smith’s bold, but politically incorrect, book has usually been characterized as questioning Canadians’ ability to forge an independent nation along east-west lines, rather than accepting the forces of geography and economics, and becoming part of the United States. It might equally be characterized, however, as questioning the capacity of Canadians to forge a constructive and mutually beneficial relationship with their dynamic and much larger southern neighbour – that is, to craft a foreign policy that accepts the reality of geography, economics, and demography.

When Smith wrote his book, Canada’s first quarter century as a self-governing Dominion had not been a success, particularly on the economic front. As the US economy had grown during the years after the Civil War, Canada’s economy had stagnated. The 1891 election revolved around the perpetual issue of “reciprocity” with the United States, as the government struggled to find trade policies that would boost Canada’s fragile economic fortunes. The electorate rejected reciprocity and returned Sir John A. Macdonald, who had campaigned on the slogan “The old man, the old flag, and the old policy.” Macdonald had captured contemporary sentiments in his famous pronouncement “A British subject I was born, a British subject I will die. With my utmost effort, with my latest breath, will I oppose the ‘veiled treason’ which attempts by sordid means and mercenary proffers to lure our people from their allegiance.”<sup>21</sup> Smith’s book, which was published

soon after the election, certainly represented, in Macdonald's view, veiled treason.

In the century and more that followed, however, the Canadian question has never been far from Canadian consciousness. Canada's long-term economic fortunes did not begin to look up until Canadians began to address the conflict between the north-south orientation of their geography and the east-west lines of their polity. Virtually every aspect of Canadian policy has had to deal with this built-in conflict, some aspects more successfully than others. In the words of John McDougall, "the history of Canada might have been written as a confrontation between an almost inexorable process of Canada-US economic integration on the one side and Canadian resistance to political integration on the other." He concludes, rather pessimistically, that "the long-run prospects for Canada as a distinct and internally cohesive community seem more tentative with every step toward deeper North American integration."<sup>22</sup>

Today, Canada and the United States are the two most integrated neighbours of modern times, a state of affairs that gives some Canadians perpetual heartburn and that most Americans hardly realize. The task of governing this deeply linked relationship is heavily influenced by asymmetry of size, power, wealth, attitudes, knowledge, responsibilities, priorities, and interests. Historian J.B. Brebner captured the dilemma well in the 1940s when he wrote that "Americans are benevolently ignorant about Canada, while Canadians are malevolently well informed about the United States."<sup>23</sup> More recently, Toronto historian Michael Bliss pointed to Canada's evolution "from the still very British nation that influenced my generation, through dalliances with northern, socialist and bicultural identities, to emerge as the multicultural hotel in the American suburbs that we are today."<sup>24</sup> The United States, on the other hand, is struggling to come to terms with its uncontested status as the world's only hyperpower, condemned to lead and act and to be criticized for it. In this process, US analyst Christopher Sands concluded, Canada has become little more than a minor ally: "wealthy, talented, generally friendly, but a small contributor to the international order which the United States finds itself responsible to maintain."<sup>25</sup>

Over the past two decades, Canadians have tried to come to grips with the challenge of governing ever-deepening bilateral integration and growing interdependence. Canadians want to be a part of North America but to remain independent of the United States, whereas Americans are happy to have Canada as friend and neighbour but are not keen to have their

neighbour share in the governance of their economic, security, or other choices. Nevertheless, the reality of geography, reinforced by language, values, consumer choice, personal relationships, and business preferences daily deepens the ties that bind the two societies together and adds to the pressures to manage the relationship to the mutual benefit of people on both sides of the border.

The two countries were established on the basis of very different founding credos, under different circumstances, and by different means, and these differences continue to animate how they have evolved, how they are governed, and how they relate to one another. Despite these differences, they also have much in common. Both, for example, are societies driven more by values and history than by geography and ethnicity.<sup>26</sup> Both are New World societies, open to migrants and new ideas, lands of hope for those seeking a better life for themselves and their children. Both are market-based democracies and among the most open economies in the world. Both societies display their British roots in their attitudes to law, property, and the role of government. Canadians and Americans alike assume that they are free to choose unless there is a specific law or regulation that states otherwise; they do not look to government to “permit” most activities and choices. Both are now “charter” societies, with individual rights and freedoms enshrined in their constitutions.

The depth of integration today challenges the two governments to work together on an ever-widening and difficult array of issues. The dense but haphazard network of rules and procedures that now conditions cross-border trade and investment is managed and implemented on the basis of a very loose and minimalist set of institutions and is subject to little joint political supervision. Seven decades of intense military and security cooperation have similarly established intricate patterns of interdependence subject to limited political oversight. Historically, both governments have been reluctant to establish new institutions and delegate national responsibilities to bilateral forums, but changing circumstances are pointing to a need to consider whether the status quo is sustainable. New forms of cooperation and political oversight may be required to ensure that Canadians and Americans alike reap the benefits of deepening integration and expanding interaction.

A lively debate has emerged in Canada – with a faint echo in the United States – on how best to address the governance of deepening integration. The debate also illustrates well the extent to which ambivalence towards

relations with the United States and its role in the world hobbles efforts to design and conduct a foreign policy consonant with Canadian interests and capacities. In the words of McGill economist Bill Watson, “developing a clearer understanding both of our modest influence in the world and of the inconsistencies in many of our most cherished beliefs about ourselves is about the most pro-Canadian thing we could do.”<sup>27</sup>

The debate has been somewhat complicated by consideration of a role for Mexico. With the negotiation and implementation of the North American Free Trade Agreement (NAFTA) in 1994, there developed expectations in Canada and elsewhere that the agreement marked the beginning of efforts to craft a North American community.<sup>28</sup> Experience since then has dampened these expectations. There is no automatic link between membership in a free trade agreement (FTA) and efforts to move beyond free trade to consider a broader range of economic, social, and security issues. Mexico is now just one of a number of free-trade partners shared by Canada and the United States. As a practical matter, NAFTA governs two robust bilateral trade and investment relationships; Canada-Mexico trade and investment remain at minuscule levels, adding up to less than 1 percent of total Canadian trade and investment. Even if Mexico were interested in joining negotiations to address post-NAFTA trade and security concerns, the political economy of the negotiating issues in the United States is not the same for Canada and Mexico. Both relationships have long histories and have economic and political importance for the United States, but they have followed divergent paths and responded to different imperatives. As Carleton’s Jean Daudelin concluded, “Canada’s bilateral relationship with the United States is vital and its management should not be cluttered by the massive complexity of Mexico-US affairs ... Canada’s relations with Mexico ... will remain marginal to the country’s core interests.”<sup>29</sup> Perhaps at some point in the future, as the two relationships move along parallel paths, they will reach a point at which a trilateral approach will prove mutually beneficial. For the foreseeable future, however, Canadians are likely to pursue their relationship with the United States primarily along bilateral lines.

### **The 2005 International Policy Review**

On 19 April 2005, the Liberal government led by Paul Martin released its long-awaited *International Policy Statement* (IPS).<sup>30</sup> This marked the fifth time in less than forty years that the federal government had felt compelled

to review its foreign policy and prepare a statement setting out priorities and preferences.<sup>31</sup> The long and controversial gestation of this particular review ensured that it would receive close and critical scrutiny. As the *Ottawa Citizen* pointed out, various earlier drafts lacked focus and strategic vision, and Mr. Martin seemed reluctant to supply his own vision, looking to outsiders for inspiration.<sup>32</sup>

Prepared for a Liberal government with a tenuous hold on the reins of power, the IPS could be dismissed as the fleeting product of a moment in time. Tempting as that may be, it would also be wrong. The IPS captured well the dominant sentiments among Canadian policy elites. It was geared to appeal to the policy preferences of editorial writers and university professors steeped in the assumptions of modern liberal internationalism. Although it was quietly buried by the subsequent Conservative government of Stephen Harper, the ideas and convictions upon which it is based live on as the default views of the current generation of policy practitioners. Its analysis and its assessment of priorities thus remain an important source of insight into contemporary thinking in Ottawa and across the country.

Rob McRae, a principal architect of the IPS, captured one of its most important, and least understood, themes: the extent to which virtually every issue confronting the government of Canada is affected by relations with the United States. McRae wrote, "Canada-US relations not only intersect with most domestic issues, they are an integral consideration to almost every international issue that concerns Canada."<sup>33</sup> Canadian foreign policy is thus made up of two parts: the management of Canada-US relations and the management of relations with the rest of the world. The two parts, however, are not of equal weight and importance. As Denis Stairs writes, "Whether Canadians like it or not, the relationship with the Americans is where the most vital of Canada's international interests really lie. Overseas there is greater room for choice, if only because most of what Canada does outside the North American continent is elective and voluntary."<sup>34</sup> Many Canadians find this reality hard to accept, creating the divide between those who believe Canada's primary energies should be devoted to ensuring a well-functioning and mutually beneficial relationship with the United States and those who want to focus on the rest of the world.

The IPS assessed the challenge of addressing deepening bilateral economic integration and security interdependence better than most earlier foreign policy reviews. It frankly admitted that revitalizing Canada's North American partnership should be the government's primary foreign policy

objective. It noted that “investing in a durable framework for cooperation with the United States is therefore central to advancing Canada’s regional and global interests.”<sup>35</sup> In reaching this conclusion, the Martin government sought to place Canada’s foreign policy on a more realistic and enduring foundation. The proof, of course, would need to come in the implementation and pursuit of the specific programs, relationships, and decisions that make up the bulk of Canada’s foreign policy. The fact that Mr. Martin made this pledge scant weeks after having rejected participation in the US National Missile Defense initiative raised doubts about the depth of his commitment to revitalizing relations with the United States. The fact that he followed up this pledge less than a year later with an electoral campaign marked by repeated incidents of anti-Americanism was more reminiscent of the histrionics of the Diefenbaker years than the tactics of a pragmatic centrist politician. It also pointed to the fact that the IPS was more a product of bureaucratic compromises than of any deep political convictions. Allan Gotlieb concluded that what we learned from Mr. Martin’s government “is the art of how not to manage Canada-US relations.”<sup>36</sup>

The Conservative government elected on 23 January 2006 carried remarkably little foreign policy baggage into its mandate. The metamorphosis of the Canadian conservative movement since its implosion during the 1993 election resulted in a new Conservative Party with a clean slate upon which to write. Prime Minister Stephen Harper, though accused of many things, including being too close to the Americans, insufficiently committed to multilateralism, and too eager to go to war, was in fact extremely reticent during the election campaign about making any specific commitments. Although he did pledge to strengthen the Canadian Armed Forces and to consider the resource base for Canada’s diplomatic effort, he provided his government with the luxury of crafting an approach to foreign policy attuned to current circumstances and evolving attitudes.

During his first year in office, Harper learned, as had all his predecessors, that foreign policy can thrust itself upon a prime minister and a government in ways that run roughshod over their preferences. Events, from the war in Afghanistan to the crisis in Lebanon, forced the government to take a stance and engage the world around it. Visits to Ottawa by presidents, prime ministers, and ministers, as well as return engagements by Harper and his ministers, all required communiqués and provided opportunities for press scrums. Votes at the UN and other multilateral venues entailed more Canadian policy decisions. Thus, even in the absence of broad statements and

announcements of priorities, the contours of a government's foreign policy soon become apparent.

What has emerged to date is a government that appears to be moved by priorities and sentiments that differ from those of its immediate predecessors, but a government nevertheless constrained by its minority status and limited by Canadian capacities and global opportunities. The tone may have changed, but the direction remains familiar. The advice and bureaucratic thinking upon which much of the ministry's policy making must, of necessity, rely remain the same and follow the basic outlines of the 2005 *International Policy Statement*. If the Harper government wants to change the direction and priorities of Canadian foreign policy, it will need to set out more markers and provide officials with further guidance than it has done to date. In their absence, the default position will remain what officials crafted into the IPS. Thus, though perhaps stamped by its time and provenance, the IPS remains critical to understanding the mindset in Ottawa on Canadian foreign policy priorities and preferences.<sup>37</sup>

## Challenges and Options

Three basic views of how best to approach the challenges Canada faces in its foreign policy animate the current national conversation and were reflected in the IPS. The first is that of the foreign policy pragmatist, not overly concerned with Canada's place in the world, cognizant of the central role of the United States, and prepared to make some changes both to restore Canadian diplomatic and military capacities and to pursue an interest-based agenda in relations with the United States and the rest of the world. A second perspective reflects the views of more romantically inclined Canadians, worried about Canada's declining role in the world, eager to embrace an activist, multilateralist, values-based agenda, and determined to make a difference in the world. Sitting in between is the quintessential Canadian trying to integrate these two competing perspectives into a seamless whole. The result is rarely satisfactory, including in the IPS; the stitching is all too evident and the inconsistencies too obvious.<sup>38</sup>

These three views, however, succinctly capture the options Canada faces.<sup>39</sup> The first approach embraces the reality of proximity to, and mutual interests with, the United States. It sees in relations with the United States the key to Canada's influence and role in the wider world and ensures that Canada's influence in Washington is paramount, not only in addressing matters of

bilateral interest, but also in advancing Canada's views on global matters. It is the option that instinctively appeals most to the Harper government but also one that seems politically the most risky. As a result, there is a continuing reliance on the default position of incrementalism.

Making this pragmatist approach work depends critically on a US response and a willingness in both countries to address matters between them on a basis that accepts both the asymmetry of the relationship and the extent of mutual interests. It would bring both economic and security benefits to Canada and is certainly more attractive to the United States than either of the other two options. It would require both countries to come fully to terms with the reality and implications of deepening integration and to accept the benefits of proximity. Needless to say, it is both the most challenging and, potentially, the most rewarding option facing Canadians.

The second approach places the emphasis on differentiating Canada from the United States, on looking for counterweights and alternatives, relying on the United Nations and other multilateral instruments as the basis of Canada's security, looking to Asia and Europe for new trade and investment opportunities, and polishing the emerging view of Canada as a neutral country prepared to broker peace and rebuild societies in the world's trouble spots.<sup>40</sup>

Attractive as this approach appears from a humanitarian perspective, it also brings problems. The extent of cross-border linkages makes it difficult to reverse the pattern of deepening integration without resorting to a high degree of government intervention in Canadians' trade and investment decisions. Outsourcing foreign policy decisions to the United Nations and other multilateral institutions may lead to decisions with which Canadians are less than comfortable. Irritating the United States for the sake of asserting a difference may have unintended consequences in areas of importance to Canadians. The approach places the projection of values above the pursuit of interests. In short, it seeks to transform Canada into an idealized, and neutral, European clone at a cost that Canadians may find unacceptable.

Finally, we have the default option, one of muddling through, of taking each issue as it comes and making the best of it. This is what officials in Ottawa now refer to as "incrementalism." It relies on the professionalism of officials and requires the odd hard ministerial decision, usually made with a finger in the air to test the political winds. It entails little strategy, coherence, or purpose; rather, it relies on events and short-term political instincts.

The result of this approach is predictable. It leads to drift, a drift that places Canada more and more in the US orbit, but without much control, influence, or credit. As Douglas Ross suggests in reviewing the recent record, “[Narcissism], not unfairly, can be said to characterize the making of Canadian foreign policy in recent years: much preoccupation with appearance, vanity and self-admiration before all else ... The British diplomat who observed that ‘we don’t review foreign policy, we do it,’ exposed the Canadian penchant for consultation and policy reviews as a substitute for serious policy making.”<sup>41</sup> It proved an easy fit around the shoulders of the Martin minority government that failed to lead but was at pains not to offend the electorate. During the 2005-06 electoral campaign, however, drift morphed into jingoism. Without positive, constructive goals, playing the populist cards of the moment and forgetting about the long-term consequences of undercutting the only relationship that matters became too tempting.

The Harper government, similarly restrained by its minority status, has put a better face on incrementalism. In tone alone, it has shown a desire to lean towards the pragmatic continentalist option rather than the romantic globalist one. Relations with the United States have been placed on a more constructive footing. Its approach to the challenge of the war in Afghanistan – the defining issue of Harper’s foreign policy – emphasizes its rejection of free riding: Canada will accept its responsibilities in Afghanistan, not only as an ally of the United States, but also because doing so stands in the best traditions of post-war Canadian foreign policy.

Nevertheless, if we except Afghanistan, incrementalism and caution remain the principal characteristics of Harper’s foreign policy instincts. One searches in vain on ministerial and departmental websites for clear statements and bold initiatives to advance Canadian interests. The Security and Prosperity Partnership, the centrepiece of Canada-US relations, remains more a public relations exercise than one determined to solve border and regulatory problems between the two countries. The never-ending Doha Round of multilateral trade negotiations remains central to Canadian concerns. Canada is back in the game of negotiating symbolic free trade agreements with minor partners. NORAD has been renewed, but the need to modernize its mandate or integrate Canadian and US approaches to homeland security remains on the back burner. Africa has receded in importance, but Latin America has re-emerged as a focus for Canadian attention.

Incrementalism is the default position of a government that has yet to make up its mind on the priorities that it wants to pursue. The result is

continued drift and lack of focus. The pages that follow explore how pursuit of the constant goals of Canadian foreign policy has adapted, and now needs to adapt again, to the ever-changing context in which Canadians find themselves. They examine how competing perspectives inform Canadian policy choices and decisions, and they challenge Canadians to anchor their foreign policy more confidently in the evolving context of ever-deepening Canada-US integration and new post-Cold War, post-9/11 threats to their security. They proceed in the firm conviction that only in restoring the United States to the centre of Canadian foreign policy can Canadian foreign policy regain its connection to national interests and allow Canada to find a place in the world that reflects these interests, one that projects a less self-conscious emphasis on pride and pays more attention to gaining and maintaining influence.<sup>42</sup>

Chapter 2 explores the intellectual foundations of the two main competing views of Canada's place in the world – that Canada's principal interest lies in ensuring a well-functioning and mutually beneficial relationship with the United States versus the desire to focus on the rest of the world and differentiate Canada from the United States. The chapter considers the impact of these two perspectives on the choices and challenges Canadians face in pursuing their global and US interests.

Chapter 3 describes the institutional context within which Canadian foreign policy is made and delivered, and considers the extent to which changing demographics constrain the room for manoeuvre of any Canadian government. Much as ministers may wish to change the policies inherited from their predecessors, they are limited by the politics of the moment, the decisions and policies of earlier governments, and the capacities and limitations of the Canadian state. Chapter 4 describes the heritage of the past sixty-plus years and its impact on current possibilities and challenges.

Chapters 5 and 6 set out the complex post-Cold War global geopolitical, security, and economic contexts within which Canadian policy makers must operate, a world dominated by the United States and beset by a range of new transnational and global challenges and the waning importance of traditional multilateralism and military alliances. They underline the extent to which Canadian policy is largely reactive to the decisions of more powerful players and how it is shaped by circumstances beyond Canada's control, from economic globalization to the emergence of Islamist terrorism.

Chapter 7 delineates the extent of the linkages that have developed between Canada and the United States and their impact on Canadian interests

and foreign policy choices. Chapter 8 explores how Canadians and Americans view each other and the impact of myths and attitudes on the relationship and the pursuit of Canada's US agenda.

Chapter 9 considers the US political and institutional context for the making of foreign and other policies that may directly affect Canadian interests and describes the current channels for managing bilateral relations. The pursuit of Canadian domestic and foreign policy interests in the US capital has changed radically over the years, and Canadian policy makers need increasingly to be active players in Washington if they want to influence US decisions in ways that reflect Canadian interests and values.

Chapter 10 looks at the "optional" side of Canadian foreign policy, considering the extent of Canadian interests beyond North America and the extent to which a well-ordered and mutually beneficial relationship with the United States can inform and enhance Canadian pursuit of these interests.

Chapter 11 reiterates the principal theme of the book – the central role of the United States to protecting and promoting Canadian security and prosperity – and the steps Canadians will need to take to maximize their influence in the US capital to ensure the benefits of deepening bilateral integration and to regain a role in world affairs commensurate with Canadian aspirations and capacities.