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Consulate of Canada, New York

A PERSPECTIVE FOR CANADIANS "Current State, Future Directions: Canada - U.S. Relations"

Canada's Consul General to New York
Pamela Wallin

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I'd like to begin with some early impressions of Canada-U.S. relations through the eyes of the still novice diplomat.

It seems only with distance can you come to appreciate your own country – your own identity, your values and even your own flaws.

The first dilemma that one encounters is Canadian "niceness" - you know, Canadians are Americans with healthcare but without guns!

In Michael Moore's Oscar-winning film Bowling for Columbine - a not so subtle critique of what he calls his country's "gun culture" - he holds Canada as the counterpoint. He suggests that in this Northern nirvana, there is no poverty, no unemployment, no waitlists for healthcare and most inaccurately, that no one locks their doors!

While that may be true in Wadena, Saskatchewan, it is not true in our urban centers. I wanted to leap to my feet in my local New York movie theatre and say: nice doesn't mean stupid - of course we lock our doors!

Now this view originated, not with Mr. Moore, but with Stephen Leacock, the economist turned humourist.

In Sunshine Sketches, published 80 years ago, he wrote of his near perfect, idyllic little Canadian town - Mariposa - where everyone and everything was nice, and kind and gentle - an ideal community. Two years later, he wrote Arcadian Adventures about an American town that is a far from perfect - individualism was the holy grail, people were obsessed with the mechanical and the material. Leacock's satire became the stereotype.

But our American neighbours are no more the stereotype than we are!

Still, you probably know this old joke:

"On the sixth day, God created a land called Canada - a land of outstanding natural beauty with tall, majestic mountains and clean, sparkling lakes. "I shall call the inhabitants of this land Canadians and they shall be known as the most friendly people on earth," said God.

"But don't you think you are being too generous to these Canadians?" asked his angelic assistant.

"Not really," God replied. "Just wait and see the neighbours I am going to give them."

Yes, it's a joke and as with most humour, there is more than a kernel of truth at its core. Their friendship takes work, but all relationships worth having do!

That said, I don't think I'm an atypical Canadian when I state - unapologetically - that I like Americans. I like their spirit and creativity, their forthrightness and their confidence.

And I have always loved New York City - it's energy level is seductive, especially for a workaholic.

As essayist E.B. White wrote:

"New York is the concentrate of art and commerce, sport and religion and entertainment and finance...no matter where you sit in New York," he said, "you feel the vibrations of great times and tall deeds."

I have a special affinity for New York:

In September of 2001, I was battling cancer. I watched the Twin Towers fall and the death toll mount, as I awaited surgery. This tragedy gave me a powerful jolt - and a much needed perspective on how important second chances can be and about whether there is more we can do with our given talents and skills and opportunities.

That is why when the Prime Minister called I could not say yes quickly enough - a chance to serve my country and do so in one of the most amazing cities in the world, the beating heart of business and culture and humanity.

And I believed - and still do - that there is a window of opportunity in the post 9/11 world to begin to redefine the most important relationship we have as a country: our relationship with the United States of America.

As in any relationship, circumstances change, and we change, making it important that we continually check our assumptions to ensure they still are accurate and current.

Stereoptypes, predictable behaviours, familiar attitudes may serve in a stable world, but we don't have that luxury any more.

With the emergence of a global economy; the new issues of security and terrorism; a downward spiral in the world's financial markets and the scandals that continue to undermine our trust in business - all have left Americans facing dramatic change. Their faith in a free market economy has been challenged by stark evidence that the system is flawed and in need of monitoring and regulation. As for their core belief that capitalism is the tool that guarantees freedom and democracy, it is clear this is not easily or instantly transportable to troubled regions.

In the 19 months since 9/11, the change has been profound. Understanding how powerfully that event has shaped the American psyche - how it created the lens through which they see the world, see everything for that matter, and how the experience - the fear, anxiety and anger - is, whether we like it or not, the context for this relationship.
For example, the pollsters tell us that *"the events of September 11 have affected American public opinion more dramatically than any event since World War II."*

And at no time, since 9/11 has less than a majority of Americans expressed fear about future possible terrorist attacks.

The Pew Research Centre data shows the extent to which terrorism - and the response to it - is now a very personal issue: The figures are quite startling:

- 46 % of New Yorkers said they knew someone who was injured or killed in the attacks
- Among New Yorkers living or working in midtown or lower Manhattan, that number jumps to 59 %
- Even the long standing gender gap on defense is disappearing, with women, by a two to one margin, favoring President Bush's focus on the war against terrorism versus domestic policies.

Sometimes explaining the current state of American thinking and the feelings of American political and business leaders provokes some odd responses here in Canada - denial, anger, some even just suggest the Americans should "get over it."

Well, in the first place: As we used to say in the journalism business - don't shoot the messenger.

Secondly, it's really unhelpful. We cannot tell people that their "feeling and fears" are not legitimate or not real because we don't want to hear it or because we might disagree with the actions of governments or individuals in response to it.

Only through understanding their state of mind do we have a chance of recapturing our relationship.

So let's look at the broader picture, and at a few of the values we share, and at the attributes that highlight our differences.

Even on the most obvious of differences in approach – our view of the role of government - is merging. 9/11 rekindled an American perspective on the value of government.

Canadians have long relied on government as a vehicle for nation building and as a legitimate force for supporting infrastructure and people across a large country, sparsely populated. The railway, the radio, even air transport were subsidized. Government helped knit a nation and economy together. Americans, instead, relied on ready markets, a robust private sector and a spirit of individualism.

Not, don't get me wrong. It's not that Americans necessarily like government any more, rather they see the need for it.

The myth of the mosaic vs. the melting pot - the view that we're the multicultural nation and they're the one that demands homogeneity - well, Hispanics now outnumber African Americans; advertising on NY subways or on ATM screens is often in 4 languages and there are at least 5 foreign language stations on my cable system. The U.S. is an importer of people, with more than one in ten residents foreign born.
Another point of contrast, religion. In Canada, few politicians or public figures would end any speech with "God Bless Canada." Nor would they say what Rudy Giuliani said in Toronto just a few months ago: that it was his faith allowed him to stand and lead during 9/ll.

This is not new, or the result of a more powerful Moral Majority or of President Bush's personal views. Recall that Dr. Martin Luther King's Civil Rights movement was founded on a religious base. Indeed the Pilgrims came in search of religious freedom.

We even see our differences in the reaction to SARS. That I am standing here today makes me persona non grata in many offices and buildings in New York. Why? Because a private health system, an insurance industry strained by 9/ll and the more litigious nature of U.S. society means companies cannot afford the legal liability that would come by exposing their employees to those who come from areas singled out by the WHO as danger zones.

We know of these differences because Canadian views of Americans are first hand.

Almost **nine in ten** Canadians have visited the United States, nearly **double** the number of any other country, including Mexico and their new best friend, Great Britain.

Yet, despite our proximity, we still - too often - have a communications disconnect. Let me explain.

Especially for a former broadcast journalist, New York is the media capital of the world - a perfect spot to embark on improving the American understanding of Canada.

But I also know that news is about three things: conflict, change, and stories that are counter-intuitive.

SARS, our position on the war, softwood lumber, Kyoto or tactless political comments that take root so easily in today's cable culture - these are the stories that grab the headlines. And still, depressingly, not a week goes by that I do not deal with the "fact," as reported by CNN on Sept 11, that the terrorists came from Canada.

But the disconnect is not just over legitimate points of difference. That's expected. But we often use the same words, yet mean different things.

We talk of "free trade and smart borders to ensure the free flow of goods and people."

Yet to American ears, the talk of trade at a time like this can seem a little callous, with their kids fighting and dying. We are perceived by some to be crassly interested in dollars and cents. Hardly our self image!

When Americans hear "free flow of goods and people," they think "possible threats to security through porous northern borders."

So they want tighter scrutiny of those traveling to and from and we then counter with fears about infringing on "personal rights."

Well, for many Americans, particularly New Yorkers, security is very personal.

For all who live in NYC, our reality is soldiers in the subway, armed guards at the entrances to office buildings and art galleries, orange alerts.

The night the war with Iraq began, I sat watching CNN in my apartment. I heard aloud crack of thunder and saw a flash of lightning through my window. Minutes later, local news anchors broke into the national coverage to assure New Yorkers that it was just bad weather, not the next terrorist attack that everyone believes is inevitable.

Now, we tend to believe that we are far more informed about our American neighbours than they are of us. Factually, that may be true as 90% of us live within a couple hundred miles of their border with access to their media, while 90% of them live beyond those couple hundred miles in the other direction.

They don't consume our media and they travel less frequently, so they have the lack the context for understanding a different political system or culture. But that's not just their problem. It's ours.

So my challenge is not only to correct the record but to tell the new Canadian story: a country with stellar economic performance; a country that is the most highly educated in the world, offering a workforce unparalled in the G-8. Or to discuss the Canada-U.S. story from a perspective of change and angles that would not normally be associated with us - breaking the traditional thinking and perceptions of our country, or as I call it "myths of Mounties, manners and Maple Syrup."

We're wired, high tech. It's Canada - not Japan - that is exporting the Blackberry. And it is Canada that is not only their largest trading partner but their largest energy supplier.

Most Americans are surprised to learn that we supply almost 100% of their electricity imports, 94% of their natural gas needs and more crude and refined oil products than the Middle East.

Trade is, of course, key. The U.S. is our largest customer – and we are theirs in 38 states! Over the 5,500 miles of "the longest, undefended border in the world," a truck crosses it every two and a half seconds as do some 200 million people every year.

And on any given day, up to 200,000 Canadians may be in New York City, working, shopping or visiting tourist sites.

Today and every day, $1.2 billion of goods and services cross the border. That means one million U.S. dollars of business every minute - 24 hours a day, seven days a week, fifty two weeks a year - crosses the Canada-U.S. border, supporting over 2 million jobs in this country.

By just about any accounting, NAFTA has been a great economic success on both sides of the border. But the U.S. will always jealously guard the unilateral advantage of its existing trade remedy law. And while we may have dispute settlement mechanisms, they are based on U.S. laws and are subject to U.S. political interests. And as we know, all politics is local, especially in election years, which is now almost every year stateside.

U.S. President Dwight Eisenhower once said, and many others have echoed the sentiment: "Change is the law of life and of relations between two nations and change brings in its wake problems, sometimes frictions."

Looking at that border - that undefended border - is a case on point.

The prominence in the United States of "security" of the homeland is an issue that is new to many of us, and well understood by few of us. It also has the potential to further impact the dynamics of the Canada - U.S. relationship, just as we have seen it impact America's relationship with Europe and with the United Nations.

Steven Brill, an American writer and self-defined First Amendment absolutist, has written a book calling for a recalibration between freedom and security in a society where first amendment rights, the freedom of speech, are regularly trumpeted. He has said: if you think security is an issue now, wait until the first suicide bombing in New York, which he considers inevitable. People will look back at these past few months in terms of the minor adjustments and view them with nostalgia.

Today, homeland security in the United States is about every access point to the United States. It is not just about our border. It is about intelligence cooperation with Europeans; it is the harbor in New York; it is the security of the New York City subway; it is guards at temples, mosques and churches and the public buildings in many cities; it is about airline entries from all around the world.

Until we comprehend the magnitude of homeland security to Americans and the importance it holds for our neighbours, we will have a communications disconnect that goes to the core.

Deputy Prime Minister John Manley, based on a strong and very productive personal relationship with Homeland Secretary Tom Ridge, is dealing with this through a 30-point Border plan - a mammoth and crucial undertaking. And progress is good, which is nothing short of a miracle given the sensitivities.

This security issue is about more than just an agreement. It is also about understanding, support, and action and trust.

And it is through the security lens that the Americans see Iraq.

From the U.S. perspective, the inability of the U.N. to act left the U.S. with no option but to protect itself from the future possibilities of another terrorist attack, aided and abetted by a rogue government in Iraq.

And agree or not, for Americans the reality is that this war began on September 11th. It's part of a continuum that runs through to the routing of the Taliban from Afghanistan, and moves forward to the war in Iraq - just another step along the path to remove terrorist threats around the globe. Americans see the war as a pre-emptive and defensive strike.

Much is made of the so-called new Bush "doctrine" of pre-emptive action and of the Administration's ideology in general. This is not new. Even Bill Clinton talked of "regime change."

So while some elements may be new or startling to some, we should not see the President's approach as a sudden departure in U.S. policy or practice.

Let me read a quote here:

"These are extraordinary times. And we face an extraordinary challenge. Our strength as well as our convictions have imposed upon this nation the role of leader in freedom's cause... we stand for freedom. No friend, no neutral and no adversary should think otherwise."

The hawkish words of George Bush on the eve of war? No, the words of JFK in May 25,1961. And a Google search of Presidents, both before and after, produces similar sentiments.

To further put Iraq in context, let's take a look at American views and attitudes about this:

Before 9/11, there was little public support for American military intervention. During the Clinton Presidency the American public was kicking and screaming about interventions whether in the Balkans or Kosovo. Clinton's approval ratings fell more during the air strikes in Kosovo than during the entire span of the Monica Lewinsky scandal.

After 9/11 support for military spending doubled. And in March this year, 60% of Americans favored military action against Iraq, although only 33% were willing to go it alone. As the war proceeded, an overwhelming majority supported the action with or without the allies.

But as one American columnist recently noted about the war in Iraq:

"Simply put, the public's view can't be put simply." Another said, with the war underway, "There is no use polling for American opinion, in this war... their minds are not open to probing because the views are personal, from the soul and very complex."

My sense is that Americans entered this war with a national conundrum, worried about their security, recognizing the need to deal with the terrorist threat, yet still valuing the views, desires and support of their allies - hoping for a global consensus.

It is hard for us to imagine, given the well-entrenched stereotypes, that the all powerful Americans - the superpower - can feel vulnerable, alone or hurt and misunderstood. But they do.

It was in this sense that Americans are left wondering where we and others were, especially after working together to address other global threats through World War Two, the Cold War, Korea, Kosovo and most recently Afghanistan.

Canada chose not to participate in the war because of our longstanding belief in multilateralism and

the United Nations. We did not see the immediate threat that Washington perceived and Americans felt. Ours was a decision applauded by some, but "disappointed" many, as Ambassador Cellucci so starkly described it.

The debate surrounding why who said what or did or did not join forces with the Americans was predicted in a new book by Robert Kagan at the Carnegie Endowment. In Of Paradise and Power, Kagan talks of the "moment of truth" that Iraq has created in European-American relations. It is an insightful discourse and one of great interest to us, because of course we have a strong historical tie with one and a profound contemporary tie with the other. Europe, he says, sees the U.S. as unilateralist and belligerent, using their economic and military clout because they can. For its part, the U.S. sees Europe as spent and weak, unwillingly to defend western ideals because their ability and capability have been undermined, because they have counted on the U.S. to keep the peace and do the dirty work.

Kagan explores the "impasse," allowing each to see themselves through the eyes of the other. I can't begin to give you a proper précis, but I recommend this book for its impartial representation of how the U.S. and Europe (which wanted to be a rival superpower) will move forward to deal with the widening power and an idealogical gap.

There are other important debates emerging as well in the wake of war.

A recent article in the New York Times magazine quoted the well-respected head of the International Peace Academy - David Malone, a Canadian and a very thoughtful observer and proponent of the United Nations - as warning that while the U.N. will survive, the Security Council is "fatally wounded" in terms of when and how the U.S. will use it or respect its views.

And one further interesting comment about the war. Thomas Friedman of the New York Times has observed this is the first time the United States has used its "revolutionary versus preservationist power" in the Arab world. Traditionally, America has worked to preserve the status quo in the region, keeping in place kings and autocrats. The first Gulf War restored the monarchy in Kuwait and left Saddam Hussein alone.

Even if this war is about the ideals of democracy and freedom and not oil, delivery on such a promise is proving difficult. Yet, it is worth noting that in the wake of war, North Korea has come to the table, Syria is cooperating and even France has offered an olive branch.

So the Americans are facing new challenges on both the foreign and domestic fronts.

With what I have mentioned about job insecurity and homeland security, with terrorism, and the debate over civil liberties and the need for increased scrutiny, with turmoil in financial markets and corporate transgressions, you might think we would find Americans standing still, or running scared and retreating, shutting down or hiding out.

Not so. Americans are drawing on their personal resources to find comfort, to the extent possible, in the "new normal."

They are spending more time with friends and family. They believe they have the resources and smarts to forge ahead for a positive future, despite the uncertain times and the inevitable tensions caused by the international realignments.

This is precisely why I believe there is such an opportunity – at this time – because, on the basic values, we share common cause.

So what is the way forward?

Well, let's start with the ties that bind.

Currently, the Canada-U.S. relationship is governed by some 200 treaties and agreements that provide a solid legal basis for Canada–U.S cooperation on everything from defense to stewardship of the environment to our trade relationship and management of the border.
As we enter the 10-year point of NAFTA, the economic space we share as two nations has become bigger than the political space we share. And despite many of our fears when we embarked down the free trade path, we still have our healthcare, control of labor relations, jurisdiction over resources, and, ultimately, our sovereignty: the right to make national choices – self-interested ones by definition – within our own borders.

And, part of that self interest is to have continuing and secure access to the American market. To do that we will have to work together to ensure North America continues to be a land of freedom, not the future theatre for armed and terrorist conflict. In other words, the security issue is a key part of that trading relationship.

Initiatives to further economic success, and protect security and our way of life, is not an "us and them" question. This is not about good and bad guys. It is not about whose healthcare system is better or worse. Nor is it about whose society seems more equitable. It's about us. Two sovereign nations, sharing common space - partners who can talk honestly and openly about their relationships.

Call it **constructive engagement**. It's confronting and conversing with the other but not trying to establish a moral superiority in that conversation.

With the success of world's largest trading relationship, we have demonstrated to ourselves that Canada and Canadians have the ability to compete and excel, rather than live in fear for our future.

And there is no shortage of suggestions as to how we move ahead.

Some say we need a grand new bargain with our American neighbour. Others suggest a slower, more incremental approach. To engage the Americans in this debate is an ambitious venture. There are sensitivities and obstacles. But to paraphrase a former Canadian Ambassador, "we cannot just coast because we think bold action is beyond our reach or not worth the political capital we would have to spend." The state of our political relationship will in large measure determine which course is followed.

Henry Kissinger once said that Canada and the United States "are doomed by geography and history to friendship." (Colin Powell made the same point just a few days ago that despite our differences we remain "inextricably intertwined.")

But rather than history and geography "dooming" us to friendship, it seems to me they serve as the base for this relationship.

These may not be the easiest of times. But as Ambassador Cellucci has said, we've hit a bump. It's not a cliff.

Despite the current climate, we have the confidence to support the U.S. when we believe they are right – and the courage to oppose them when we think they are wrong. And it is a relationship that makes that dialogue possible.

We share responsibility for leadership that achieves prosperity, secures North America, and maintains respect for our individual nation states.

And we may, on both sides, have to work a little harder.

But as the Prime Minister says, this relationship is found, "above all, in our people who work together, marry one another, go to one another's schools and universities, play in the same sports

leagues – and even live in one country and work in another!"

Given that I do just that...

One of my strategies for keeping Canada on the map in New York and the United States is to more often showcase some of our "best and brightest" in what is arguably the toughest market in the world. Our authors, our thinkers, our scientists, our entrepreneurs, even our golfers easily garner attention.

But our moving forward with our American friends and neighbours is going to take more than a parade of Canada's best and brightest. And we can't simply expect the U.S. to notice.

I see, as a key part of my job, being an ambassador to Wall Street, because economics is at the core of this relationship. But culture, trade, academic partnerships, new border agreements, revamped immigration rules are all strategic tools to garner the right kind of attention in one of the most competitive markets in the world.

I am also here to enlist you. You are all our ambassadors with your ideas, successes, innovations and varied points of view.

Stephen Blank, a well known American academic and Canada-phile said, "I would love to live in a North America that was more Canadian."

We have the ideas, the people and the proximity. Let's help him and we can do that by being a more aggressive, more understanding and more informed player in the U.S. marketplace of ideas.

It's not easy telling our story in a place where the cacophony is deafening and the competition stiff - where everyone has a story to tell and the Americans tend to find their own story most interesting.

Rather than blame Americans for what we perceive as their lack of knowledge and ambivalence, it's about working hard to better understand why we are misunderstood, and to undertake whatever we must do to ensure we tell our story - and that it is heard.

In a letter to an American friend, Pierre Berton, a Canadian nationalist author, once wrote, "its not your love we want, it's your understanding. And that, I guess, we can never have until we understand ourselves."

Well, in the last 10 years we have come a long way in understanding ourselves. But, we often stop a little short of communicating our accomplishments, and sometimes we still seem a little defensive.

We need to re-invent our story to match the modern reality.

Maybe it's time to set aside the Sunshine Sketches and the "mounties and maple syrup" approach to selling ourselves.

And what better place than New York, media-centric, business-savvy and marketing-wise, to begin the job of explaining the new image of Canada. After all it's the home of Madison Avenue, the incubator of advertising, consumer marketing and the creation of brand values.

While the task has not been as easy as all that sounds, I think we are on our way.

No relationship, whether personal or between countries, is simply determined by single issues of the day, nor is it immune to issues of the day.

Let me also say this: the importance, breadth and depth of the overall Canada–United States

relationship is so extensive and important to both countries that it is critical that we keep "issues of the day" in the broader perspective. In that respect, we come to the table not with hot heads or morally superior attitudes. Rather, we come to the table with shared history, the perspective that offers a willingness to preserve what is no doubt a special relationship.

Special, but complicated.

You bet, but I am a realist.

It was however, a great American journalist, Sydney Harris, whose words are the most powerful call to action for me in my job as Consul General:

"An idealist believes the short run doesn't count. A cynic believes the long run doesn't matter. A realist believes that what is done or left undone in the short run determines the long run."

Please join me in doing what needs to be done.

Thank you.

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