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"Living with uncle: A post-modern approach to diplomacy"

by Michael Kergin, Ambassador of Canada to the United States
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Thank you very much for that kind introduction. It is a distinct honour to be invited to speak at the Canadian Club in Toronto.

In 1969 Pierre Trudeau, in a speech at Washington D.C.'s National Press Club, famously said that: "Sharing the continent with the United States is rather like sleeping with an elephant".

Thirty two years later, during coverage of this year's presidential inauguration, an American commentator expanded on this zoological reference by suggesting that: "some "genius chimps" at [the Department of] Foreign Affairs [in Ottawa] have managed to "out-clever" the U.S. gorilla to Canada's advantage".

Ominously, he concluded that "there are also some moronic chimps who are starting to cause problems ... By poking sticks at the gorilla".

Well, I'm not sure if I qualify as the genius or the moron, but, believe me, when it comes to dealing with today's Washington, this particular chimp is certainly jumping to keep ahead of the issues and I very rarely poke sticks.

Last autumn's rare confluence of national elections on both sides of the border inspired considerable analysis of Canada-U.S. relations. Today I shall add my own voice to this ongoing chorus. In doing so, I hope to provide some insight into the direction of the Canada-United States agenda.

I want to begin by laying to rest two common misperceptions.

The first misperception is that a republican president a priori poses problems for a liberal government in Ottawa. Wrong!

The Canada-U.S. partnership is far too important for either side to let partisan politics interfere with the proper conduct of the relationship.

The election of George W. Bush as president, and the re-election to a third consecutive majority of Jean Chrétien's liberals, gives us the 52nd presidential-prime ministerial partnership in the 135 years since confederation.

Republican presidents have been paired with liberal prime ministers 16 times, and with tory prime ministers 15 times. There have been 11 democrat-conservative partnerships, and 10 democrat-liberal counterparts -- so an even split between the 4-way combinations.

I firmly believe that an analysis of these pairings would reveal no discernable pattern of partisan behaviour based on occupancy at 24 Sussex or 1600 Pennsylvania avenue. The relationship is simply too strong to be shaken by partisan politics.

Rather, I believe that the personalities of leaders, more than their politics, set the tone for the U.S.-Canada relationship.

The second mistaken assertion is that the emergence of the democratically elected Vicente Fox of Mexico, combined with the inauguration of a Texas governor in the white house, somehow diminishes the Canada-U.S. relationship.

There is no question that U.S.-Mexican relations have dramatically improved under the exciting leadership of President Fox. But the issues faced by the United States on its southern border cannot be compared to the occasional irritant experienced by both parties on the Canada-U.S. border.

The relations between Canada and the United States on one hand -- and between the United States and Mexico on the other hand -- are asymmetrical in nature:

- The problems are different;
- The institutions are at different levels of development;
- And our respective international roles, responsibilities and memberships are different.

But the United States is capable of dealing with both border situations -- as different as they may be- without weakening its ties with either partner. In the vernacular, the U.S. is clearly able to walk and chew gum at the same time.

The media's emphasis on these two misperceptions I just mentioned underlines the fact that current events too often overshadow longer term trends.

Admittedly, an occasional bilateral dispute can cause distortions in

how the fundamental soundness of Canada-U.S. relations is perceived.

It is easy, therefore, to lose sight of the forest for the trees. As Canada's ambassador in Washington I am afforded the opportunity -- indeed I am obliged -- to keep an eye on the forest, as well as the softwood.

This is my first opportunity to address an audience in Canada since assuming my post in Washington. I'd like to use it to report on the state of the forest. Because therein lies an important story.

It is one that -- in my view -- is not told enough these days. To paraphrase Sir Arthur Conan Doyle, it is the case of the headline that doesn't bark.

Traditional diplomacy involves the conduct of relations between nations by accredited representatives. To Washington, however -- as noted by a distinguished predecessor of mine -- Allan Gotlieb -- a foreign power is often just another special interest, and not a very special one at that.

The practice of diplomacy by Canadians in Washington has changed over the years. This evolution is the product of a fundamental shift in the balance of power in a constitutionally divided government -- power is increasingly tilting towards congress.

And Canada has been at the forefront of all countries to recognize and, perhaps even, to exploit this shift.

Now, we have done this partly because of my clever predecessors in Washington -- and those genius chimps in Ottawa.

We have also done this because we have with the United States what I call an "intermestic" relationship. International because the United States is, after all, a foreign country for Canadians. Domestic because issues are frequently driven by local or domestic pressures...and friendships.

And within the United States, so much of the relationship is driven by congressional action -- or, equally, inaction.

An old saying has it that an ambassador is an honest person sent abroad to lie for the good of his or her country. Well, I can assure you that lying is not part of my job description.

But I can confess to you that after nine months as Canada's ambassador in Washington, I have indeed been sent abroad if not to lie, certainly to lobby for the good of my country.

And that lobbying absorbs many hours of time, buttonholing, cajoling and even importuning of congressmen and senators on Capitol Hill several hundred metres from my office.

This close involvement in the affairs of our neighbour is the outcome of many decades of evolution.

"Living with uncle" has spawned what some have called a post-modern approach to diplomacy -- one that is becoming more common in an internet age and at a time when nations must increasingly compete with the integrating forces of the world economy -- and when traditional borders as geographic markers are becoming less obvious.

With the USA, we have reached this point ahead of others. And this bodes well for our ability to confront pending challenges and to seize future opportunities in a global context.

Let me explain.

In many ways, Canada's situation in the world is unique. But Canada is not the only country in the world -- as Trudeau would have it -- sleeping with an elephant. There are many examples of relatively smaller countries in cohabitation with a larger neighbour.

Consider New Zealand, with a population roughly one fifth that of Australia. Or how about Uruguay, for which Brazil represents the dominant export market? And there are many similar cases around the world.

In one way or another, these smaller countries face many challenges similar to those faced by Canada in proximity to its larger neighbour.

Canada, however, is the only country under the sheets with a super power. Indeed, the French foreign minister, Hubert Vedrine described the United States in the post cold war context, "une hyper-puissance" -- a "hyper power".

But then, Canada is the only country that has topped the UNDP's human development index for the past 7 years. That's not bad after 135 years in bed with a hyperactive elephant.

We must be doing something right.

Peyton Lyon wrote in 1960 that "to be influential with modest means, one needs to be modest in demeanourÉ let us tread softly and carry a bulging briefcase of bright ideas". Not very sexy, perhaps, but very effective when dealing with the United States.

And it has served us well throughout the modern era of Canada-U.S. relations, because Canada-U.S. diplomatic dealings tend to take place on a slightly different plane from those of most of the world's other bilateral relationships.

Living in such close proximity to the United States has, over the years, inspired a unique network of bilateral mechanisms: for

facilitating communication, promoting cooperation, averting disputes, and resolving disagreements.

These touch on all aspects of the bilateral agenda: trade, defence, the environment, and energy. In each of these areas, past challenges have bred innovative solutions -- which in turn help overcome future hurdles.

Let me say a word about some of these areas.

Consider trade: starting with the Canada-U.S. Free Trade Agreement -- Canada and the United States now enjoy the broadest and deepest trading relationship in the world. And its two-way volume stands at about 1.7 billion Canadian per day.

We are each others most important export market. Nearly a quarter of U.S. exports end up in Canada -- more than Mexico and Japan combined, and more than all of the member states of the European Union combined. On the Canadian side, merchandise exports to the United States represent upwards of 85% of our total export market.

Together we have reduced the number of barriers to trade between our countries and have broken new ground in developing trade rules relating to such areas as trade in services, intellectual property protection and dispute settlement.

Our agreements have been benchmarks against which other trade pacts have been measured -- serving as working models not just for other nations' agreements but also for regional and multilateral trade negotiations.

After a period of admittedly difficult transition, trade liberalization between our two countries has been an enormous success. Our trade has expanded to the benefit of Americans and Canadians alike. Together we must ensure that these benefits continue to flow.

The key message for our neighbour is that the interests of both Canada and the United States Ð on this continent and globally -- are best served by free trade in a rules-based system.

Similarly, Canadian and American defence interests have been best served by cooperation. No other country maintains such a level of military interoperability with the United States.

Canadian CF-18 pilots were among the top contributors to operation allied force in Kosovo in 1999. Her majesty's Canadian ships -- Charlottetown and Winnipeg -- at present are serving with U.S. carrier battle groups. The Canadian Army's light armoured vehicle, the LAV-III, has been selected by the U.S. Army as part of its transformation to a 21st century land force -- with obvious industrial benefits to Canada -- particularly Ontario.

And, in the absence of the U.S. Commander in Chief of the North American Aerospace Defence Command (NORAD) in Colorado Springs, the Deputy C-in-C -- always a Canadian -- has the awesome responsibility of advising the President whether North America is under nuclear attack.

You don't get much more inter-operable than that!

This inter-operability poses challenges, too -- such as how Canada should approach a U.S. missile defence initiative. Our common north American airspace gives Canada some influence in the debate -- but along with it comes an obligation not blindly to pre-judge outcomes or to refuse to consider changing circumstances.

Our environmental cooperation provides another dynamic example of how yesterday's experiences can help answer tomorrow's questions.

Pollution from one country crosses freely into the other. Canadians and Americans breathe the same air, drink the same water and share the same species of wildlife along the border. Both countries are victims of the other's environmental shortcomings -- and both are beneficiaries when either takes action to do the right thing.

The visionary 1909 boundary waters treaty established the International Joint Commission (IJC) to regulate water levels and flows, monitor water and air pollution, and help prevent and resolve disputes. Almost a century later, that approach is still ahead of its time.

Our cooperation on the environment has often been cited as a model of good neighbourliness for the world. In fact, Winston Churchill made this point particularly well when he said in 1939:

> "That long frontier from the Atlantic to the Pacific oceans, guarded only by neighbourly respect and honourable obligations, is an example to every country and a pattern for the future of the world."

Now, there have been some indications early in the bush administration that environmental issues could be a potential source of stress between our countries. But Canada's case is bolstered by a diverse array of agreements and a unique institutional framework established between the two countries.

These will strengthen our defence to ensure fair results in the event of environmental disputes. Specifically, they will help us preserve the arctic caribou, keep our air clean, and manage our boundary waters.

Of course, environmental protection is a two-way street.

Internationally, we will continue to encourage the United States to

engage in, and take action on crucial challenges, such as climate change.

Regarding the energy sector, Canada and the United States have worked hard in developing an integrated North American market, based on the unique NAFTA energy framework.

This has led to more efficient and more reliable energy networks linking the two countries. It has also stimulated the development of a top-of-line energy industry in Canada -- employing hundreds of thousands of Canadians and creating exciting investment opportunities.

A market-driven approach to the energy sector benefits both Canada and the United States. For Canada, capital intensive development such as the Alberta oil sands, Newfoundland's Hibernia, and Nova Scotia's Sable Island would not be economically viable if the market consisted only of 30 million Canadians. It is because the market is ten times that size, thanks to our neighbours, that these products become interesting.

For the U.S., key energy needs can be met and, most importantly, they can be met from secure and reliable sources.

The improved functioning of the North American energy market must be accompanied by equal attention to conservation requirements. It is necessary to ensure that extraction proceeds in harmony with environmental values and sustainable development priorities. For this reason, traditionally, Canada has expressed deep reservations over drilling for oil in the arctic natural wildlife refuge.

Some may contend that energy cooperation results in the exploitation of our heritage -- along the lines of the old saw that we Canadians are only purveyors or hewers of wood and drawers of water.

I, of course, object to this characterization. In the modern era of Canada-U.S. relations we have been purveyors of advanced information technologies and the drawers of innovative and international agreements. And this approach has served our interests as well.

Let me conclude by saying that the North American agenda for the 21st century is taking shape at a special moment: three newly-elected governments occupy north America. The opportunities are as exciting as the challenges are complex.

My remarks today have tried to show life with uncle, while not always easy, has required us to invent many new tools to manage our relations successfully. It is possible that some of these could be applied usefully to engaging Mexico, our third North American partner.

Our own history with the U.S. however has also taught us many valuable lessons in the art of friendly cohabitation with a pachyderm.

The most important lesson for me is this: while we should never underestimate the elephant, we should never, ever under value ourselves.

In the meantime, Canadians are well equipped to face the future with their neighbours with confidence, with respect and with friendship.

Thank you again for your hospitality today.