

doc  
CA1  
EA980  
82N51  
ENG

DOCS  
CA1 EA980 82N51 ENG  
Gotlieb, Allan  
Canada/U. S. relations : the rules  
of the game  
43241428



EMBARGO 1700 HOURS

1 April 1982.

NOTES FOR AN ADDRESS

BY

AMBASSADOR ALLAN E. GOTLIEB

CANADA/U.S. RELATIONS: THE RULES OF THE GAME

CHRISTIAN A. HERTER LECTURE SERIES

THINGS HAVE CHANGED

FIRST, THERE IS A WIDELY SHARED IMPRESSION THAT THINGS HAVE CHANGED.

THE JOHNS HOPKINS SCHOOL OF ADVANCED INTERNATIONAL STUDIES

WASHINGTON, D.C.

19/82

THERE HAVE BEEN CHANGES, IN EACH COUNTRY, AND IN THE RELATIONSHIP. THESE HAVE ADDED TO

43-241-428



## THE LECTURE

I PAY TRIBUTE TO CHRISTIAN HERTER, AS WELL AS TO THIS INSTITUTE, WHICH HAS A TRULY INTERNATIONAL REPUTATION OF EXCELLENCE.

I HESITATE, HOWEVER, AT THE NOTION THAT I AM NOW ABOUT TO GIVE A LECTURE. LECTURES SUGGEST A SORT OF FORCE-FEEDING OF RECEIVED WISDOM. I'M HAPPIER WITH THE NOTION THAT THIS CAN BE A RATHER MORE IMPRESSIONISTIC RENDERING OF THE TOPIC WHICH I'M PAID TO RUMINATE ABOUT---THE RELATIONSHIP BETWEEN TWO VERY LARGE NEIGHBOURS, AND HOW WE BOTH CAN MANAGE THE RELATIONSHIP IN TERMS OF OUR RESPECTIVE AND SHARED INTERESTS.

## THINGS HAVE CHANGED

FIRST, THERE IS A WIDELY SHARED IMPRESSION THAT THINGS HAVE CHANGED.

I KEEP GETTING ASKED HERE, "WHAT'S GOING ON UP THERE"? AND WHEN I'M UP THERE, I'M ASKED "WHAT'S HAPPENING DOWN THERE"?

THERE HAVE BEEN CHANGES, IN EACH COUNTRY, AND IN THE RELATIONSHIP. THESE HAVE ADDED TO

The Lecture

I PAY TRIBUTE TO CHRISTIAN HERTER, AS WELL AS TO THIS INSTITUTE, WHICH HAS A TRULY INTERNATIONAL REPUTATION OF EXCELLENCE.

I HESITATE, HOWEVER, AT THE NOTION THAT I AM NOW ABOUT TO GIVE A LECTURE. LECTURES SUGGEST A SORT OF FORCE-FEEDING OF RECEIVED WISDOM. I'M HAPPIER WITH THE NOTION THAT THIS CAN BE A RATHER MORE IMPRESSIONISTIC RENDERING OF THE TOPIC WHICH I'M PAID TO RUMINATE ABOUT--THE RELATIONSHIP BETWEEN TWO VERY LARGE NEIGHBOURS, AND HOW WE BOTH CAN MANAGE THE RELATIONSHIP IN TERMS OF OUR RESPECTIVE AND SHARED INTERESTS.

Things Have Changed

FIRST, THERE IS A WIDELY SHARED IMPRESSION THAT THINGS HAVE CHANGED.

I KEEP GETTING ASKED HERE, "WHAT'S GOING ON BE THERE?" AND WHEN I'M UP THERE, I'M ASKED "WHAT'S HAPPENING DOWN THERE?"

THERE HAVE BEEN CHANGES, IN EACH COUNTRY, AND IN THE RELATIONSHIP. THESE HAVE ADDED TO

DIFFERENCES WHICH ALREADY EXISTED BETWEEN THE COUNTRIES. ISSUES ON WHICH WE DIFFER MAY BE MORE NUMEROUS NOW, AND SOME OF THESE MAY BE PRETTY FUNDAMENTAL IN A NARROW SORT OF WAY, BUT THIS IS AFTER ALL MORE OR LESS PAR FOR THE COURSE OF A RELATIONSHIP WHICH IS THE MOST COMPLEX AND RICHEST OF ANY BILATERAL RELATIONSHIP IN WORLD AFFAIRS.

THE POINT IS THAT WE SHOULDN'T BE EMBARRASSED BY THIS; OR ANXIOUS, OR ALARMED. WE ARE, AFTER ALL, DIFFERENT COUNTRIES. WHAT WE SHOULD DO IS MAKE SURE THAT THE RULES OF THE GAME FOR MANAGING THE RELATIONSHIP HAVE KEPT UP WITH THE CHANGES WHICH HAVE TAKEN PLACE.

### BUT COMMON BONDS

THE STARTING POINT OF OUR ASSESSMENT SHOULD BE THE RECOGNITION OF WHAT WE HAVE IN COMMON. TWO PLURALISTIC, IMMIGRANT, SOCIETIES WITH A COMMON AND IMMUTABLE COMMITMENT TO DEMOCRATIC METHODS AND A SHARED NOTION OF HUMAN RIGHTS; ECONOMIES BASED ON THE DOMINANT CREATIVE ROLE OF THE PRIVATE SECTOR; A GENERALLY SHARED CULTURAL MILIEU AND IDIOM.

DIFFERENCES WHICH ALREADY EXISTED BETWEEN THE COUNTRIES. ISSUES ON WHICH WE DIFFER MAY BE MORE NUMEROUS NOW, AND SOME OF THESE MAY BE PRETTY FUNDAMENTAL IN A NARROW SORT OF WAY, BUT THIS IS AFTER ALL MORE OR LESS PAR FOR THE COURSE OF A RELATIONSHIP WHICH IS THE MOST COMPLEX AND RICHEST OF ANY BILATERAL RELATIONSHIP IN WORLD AFFAIRS.

THE POINT IS THAT WE SHOULDN'T BE EMBARRASSED BY THIS; OR ANXIOUS, OR ALARMED. WE ARE, AFTER ALL, DIFFERENT COUNTRIES. WHAT WE SHOULD DO IS MAKE SURE THAT THE RULES OF THE GAME FOR MANAGING THE RELATIONSHIP HAVE KEPT UP WITH THE CHANGES WHICH HAVE TAKEN PLACE.

But Common Bonds

THE STARTING POINT OF OUR ASSESSMENT SHOULD BE THE RECOGNITION OF WHAT WE HAVE IN COMMON. TWO PLURALISTIC, IMMIGRANT, SOCIETIES WITH A COMMON AND IMMUTABLE COMMITMENT TO DEMOCRATIC METHODS AND A SHARED NOTION OF HUMAN RIGHTS; ECONOMIES BASED ON THE DOMINANT CREATIVE ROLE OF THE PRIVATE SECTOR; A GENERALLY SHARED CULTURAL MILIEU AND IDEAL.

AND, TRADITIONALLY, ROUGHLY SIMILAR WORLD VIEWS: WE ARE ON THE SAME SIDE OF EVENTS ON THE LARGE QUESTIONS OF INTERNATIONAL PEACE AND SECURITY, BASICALLY BECAUSE OF OUR SHARED CONCERN FOR DEMOCRATIC AND OTHER POLITICAL VALUES.

AND WE SHARE THE CONSCIOUSNESS OF A FRIENDLY AND INTENSIVE RELATIONSHIP, BUILT UP OVER THE YEARS, WITH ITS GREAT COMPLEX OF ECONOMIC AND HUMAN INTERCHANGE, ITS DEPENDENCIES, AND ITS HEAVY RESPONSIBILITY FOR THE COOPERATIVE MANAGEMENT OF THE SHARED FRONTIER, A CONCEPT WHICH NOW GOES BEYOND THE LAND TO INCLUDE THE AIR AND THE WIND AND THE OCEAN'S RESOURCES, AND THEIR IMPACT ON OUR LIVES.

### THE DIFFERENCES---TRADITIONAL

SO WHERE ARE THE DIFFERENCES?

THERE ARE THE TRADITIONAL DIFFERENCES, AND THE NEWER, EMERGING ONES.

TRADITIONALLY, THE MOST OBVIOUS DIFFERENCES ARE THOSE OF RESPECTIVE SIZE, POWER, AND RESPONSIBILITY IN WORLD AFFAIRS.

AND, TRADITIONALLY, ROUGHLY SIMILAR WORLD  
VIEWS: WE ARE ON THE SAME SIDE OF EVENTS ON THE  
LARGE QUESTION OF INTERNATIONAL PEACE AND SECURITY,  
BASICALLY BECAUSE OF OUR SHARED CONCERN FOR  
DEMOCRATIC AND OTHER POLITICAL VALUES.

AND WE SHARE THE CONSCIOUSNESS OF A  
FRIENDLY AND INTENSIVE RELATIONSHIP, BUILT UP OVER  
THE YEARS, WITH ITS GREAT COMPLEX OF ECONOMIC AND  
HUMAN INTERCHANGE, ITS DEPENDENCIES, AND ITS HEAVY  
RESPONSIBILITY FOR THE COOPERATIVE MANAGEMENT OF THE  
SHARED FRONTIER, A CONCEPT WHICH NOW GOES BEYOND THE  
LAND TO INCLUDE THE AIR AND THE WIND AND THE OCEAN'S  
RESOURCES, AND THEIR IMPACT ON OUR LIVES.

The Differences--Traditional

SO WHERE ARE THE DIFFERENCES?

THERE ARE THE TRADITIONAL DIFFERENCES, AND  
THE NEWER, EMERGING ONES.

TRADITIONALLY, THE MOST OBVIOUS DIFFERENCES  
ARE THOSE OF RESPECTIVE SIZE, POWER, AND RESPONSIBILITY  
IN WORLD AFFAIRS.

THE US IS A SUPER-POWER WITH A GLOBAL FOREIGN POLICY BASED BOTH ON OVERALL GLOBAL RESPONSIBILITIES, AND ON SPECIFIC NATIONAL INTERESTS IN ALMOST EVERY CORNER OF THE GLOBE.

CANADA IS A REGIONAL POWER WITHOUT A REGION. SO SAID DEAN ACHESON. PROVIDENCE MADE THE ARRANGEMENTS WHEREBY THE US IS CANADA'S REGION. SO CANADA INEVITABLY REACHES OUTWARD WITH A GLOBAL FOREIGN POLICY. IT HAD NO OTHER CHOICE. THIS EXPLAINS - IN PART - OUR STRONG COMMITMENT TO MULTILATERALISM, ATLANTICISM, THE PACIFIC COMMUNITY AS WELL, AND BILATERAL TIES WHICH CORRESPOND TO OUR HISTORIC AND LINGUISTIC TIES, AND OUR NEED TO DEVELOP LINKS IN THIS HEMISPHERE. IT EXPLAINS OUR ACTIVE ROLE IN DESIGNING THE ARCHITECTURE OF THE UN, NATO, THE MODERN COMMONWEALTH, AND LA FRANCOPHONIE.

CANADA IS A LARGE POWER; TO CALL US A "MIDDLE POWER" IS INACCURATE. BUT MOST OF OUR INTERESTS IN PROMOTING THE JUDICIOUS RESOLUTION OF GLOBAL ISSUES - PEACE, SECURITY, A MORE JUST WORLD ORDER, A STABLE AND OPEN TRADING ENVIRONMENT - ARE SHARED WITH OUR ALLIES AND OTHER COUNTRIES. TRUE, WE HAVE SPECIFIC TRADE AND INVESTMENT INTERESTS AND

THE US IS A SUPER-POWER WITH A GLOBAL FOREIGN POLICY BASED BOTH ON OVERALL GLOBAL RESPONSIBILITIES, AND ON SPECIFIC NATIONAL INTERESTS IN ALMOST EVERY CORNER OF THE GLOBE.

CANADA IS A REGIONAL POWER WITHOUT A REGION. SO SAID DEAN ACHESON. PROVIDENCE MADE THE ARRANGEMENTS WHEREBY THE US IS CANADA'S REGION. SO CANADA INEVITABLY REACHES OUTWARD WITH A GLOBAL FOREIGN POLICY. IT HAD NO OTHER CHOICE. THIS EXPLAINS - IN PART - OUR STRONG COMMITMENT TO MULTILATERALISM, ATLANTICISM, THE PACIFIC COMMUNITY AS WELL, AND BILATERAL TIES WHICH CORRESPOND TO OUR HISTORIC AND LINGUISTIC TIES, AND OUR NEED TO DEVELOP LINKS IN THIS HEMISPHERE. IT EXPLAINS OUR ACTIVE ROLE IN DESIGNING THE ARCHITECTURE OF THE UN, NATO, THE MODERN COMMONWEALTH, AND LA FRANCOPHONIE.

CANADA IS A LARGE POWER; TO CALL US A "MIDDLE POWER" IS INACCURATE. BUT MOST OF OUR INTERESTS IN PROMOTING THE JUDICIOUS RESOLUTION OF GLOBAL ISSUES - PEACE, SECURITY, A MORE JUST WORLD ORDER, A STABLE AND OPEN TRADING ENVIRONMENT - ARE SHARED WITH OUR ALLIES AND OTHER COUNTRIES. TRUE, WE HAVE SPECIFIC TRADE AND INVESTMENT INTERESTS AND

IMPORTANT BILATERAL RELATIONSHIPS IN EVERY PART OF THE GLOBE, WHICH WE ARE TRYING TO ADVANCE AS A MATTER OF NATIONAL INTEREST. BUT BASICALLY, IN GEOPOLITICAL TERMS, CANADA'S INTERNATIONAL INTERESTS ARE SHARED. CANADIAN APPROACHES HAVE FEWER ROOTS IN SPECIFIC NATIONAL OBJECTIVES IN TERMS OF DEFENCE, IDEOLOGY, OR, AND THIS IS THE TELLING DISTINCTION, RESPONSIBILITY.

PERHAPS THAT IS THE BEST WAY TO DEFINE A SUPER-POWER AND ITS ROLE---GLOBAL RESPONSIBILITY. SOMETHING BEYOND WEAPONS SYSTEMS AND ARMED MIGHT, BUT BEARING UPON THE SINGULAR RESPONSIBILITIES OF LEADERSHIP.

FOR EXAMPLE, INTERNATIONAL TURBULENCE DOES NOT ALWAYS AFFECT SPECIFICALLY CANADIAN INTERESTS TO THE EXTENT THAT IT DOES THOSE OF THE US. GLOBALLY, THE US IS CONSCIOUS OF NEEDING TO DEFEND ITS MASSIVE INTERNATIONAL PRESENCE. POLITICALLY, THE US IS ENGAGED IN A DEEPLY PREOCCUPYING STRATEGIC FACE-OFF WITH THE USSR. CANADA, OF COURSE, AND THE OTHER ALLIES, SHARES WITH THE US MANY OF ITS PERSPECTIVES OF THE USSR, BUT NOT IDENTICALLY, AND NOT DIRECTLY

IMPORTANT BILATERAL RELATIONSHIPS IN EVERY PART OF  
 THE GLOBE, WHICH WE ARE TRYING TO ADVANCE AS A  
 MATTER OF NATIONAL INTEREST, BUT ESPECIALLY, IN  
 GEOPOLITICAL TERMS, CANADA'S INTERNATIONAL INTERESTS  
 ARE SHARED. CANADIAN APPROACHES HAVE FEWER ROOTS IN  
 SPECIFIC NATIONAL OBJECTIVES IN TERMS OF DEFENCE,  
 IDEOLOGY, OR, AND THIS IS THE TELLING DISTINCTION,  
RESPONSIBILITY.

PERHAPS THAT IS THE BEST WAY TO DEFINE A  
SUPER-POWER AND ITS ROLE--GLOBAL RESPONSIBILITY.  
 SOMETHING BEYOND WEAPONS SYSTEMS AND ARMED MIGHT,  
 BUT BEARING UPON THE SINGULAR RESPONSIBILITIES OF  
 LEADERSHIP.

FOR EXAMPLE, INTERNATIONAL TURBULENCE DOES  
 NOT ALWAYS AFFECT SPECIFICALLY CANADIAN INTERESTS TO  
 THE EXTENT THAT IT DOES THOSE OF THE US. GLOBALLY,  
 THE US IS CONSCIOUS OF NEEDING TO DEFEND ITS MASSIVE  
 INTERNATIONAL PRESENCE. POLITICALLY, THE US IS  
 ENGAGED IN A DEEPLY PREOCCUPYING STRATEGIC FACE-OFF  
 WITH THE USSR, CANADA, OF COURSE, AND THE OTHER  
 ALLIES, SHARES WITH THE US MANY OF ITS PERSPECTIVES  
 OF THE USSR, BUT NOT IDENTICALLY, AND NOT DIRECTLY

THAT ASPECT OF THE PERSPECTIVE WHICH COVERS THE BASIC RIVALRY BETWEEN THE TWO SUPER-POWERS. IT IS BECAUSE OF THE RISKS INHERENT IN THE GREAT RESPONSIBILITIES OF THE US THAT WORLD DEVELOPMENTS CAN BE SEEN AS GLOBAL GAINS OR LOSSES IN ZERO-SUM TERMS IN WASHINGTON THAT ARE SOMETIMES MORE READILY SEEN AS LOCAL EVENTS BY ALLIES.

THE RESPONSIBILITIES OF THE SUPER-POWER ARE SOLITARY, AND, AS SUCH, DESERVE THE SYMPATHY AND UNDERSTANDING OF OTHERS. BUT FOR THE PURPOSES OF THIS DISCUSSION, THE POINT IS THAT THEY ARE DIFFERENT. SIMPLY PUT, THE FOREIGN POLICY CHALLENGES IN THE UNITED STATES ARE GLOBAL, MULTIPLE, AND AWESOME IN IMPLICATION.

CANADA, TOO, AS I HAVE POINTED OUT, IS AN ACTOR ON THE WORLD STAGE, AS A FUNCTION OF OUR NATIONAL INTERESTS.

BUT OUR BIGGEST FOREIGN POLICY CHALLENGE IS OUR BILATERAL RELATIONSHIP WITH THE UNITED STATES. TO TELL THE TRUTH, ITS IMPLICATIONS ARE PRETTY AWESOME FOR DEVELOPMENTS IN CANADA. SO MUCH SO, THAT THERE

THAT ASPECT OF THE PERSPECTIVE WHICH COVERS THE  
BASIC RIVALRY BETWEEN THE TWO SUPER-POWERS. IT IS  
BECAUSE OF THE RISKS INHERENT IN THE GREAT  
RESPONSIBILITIES OF THE US THAT WORLD DEVELOPMENTS  
CAN BE SEEN AS GLOBAL GAINS OR LOSSES IN ZERO-SUM  
TERMS IN WASHINGTON THAT ARE SOMETIMES MORE READILY  
SEEN AS LOCAL EVENTS BY ALLIES.

THE RESPONSIBILITIES OF THE SUPER-POWER  
ARE SOLITARY, AND, AS SUCH, DESERVE THE SYMPATHY  
AND UNDERSTANDING OF OTHERS. BUT FOR THE PURPOSES  
OF THIS DISCUSSION, THE POINT IS THAT THEY ARE  
DIFFERENT. SIMPLY PUT, THE FOREIGN POLICY CHALLENGES  
IN THE UNITED STATES ARE GLOBAL, MULTIPLE, AND AWESOME  
IN IMPLICATION.

CANADA, TOO, AS I HAVE POINTED OUT, IS AN  
ACTOR ON THE WORLD STAGE, AS A FUNCTION OF OUR NATIONAL  
INTERESTS.

BUT OUR BIGGEST FOREIGN POLICY CHALLENGE IS  
OUR BILATERAL RELATIONSHIP WITH THE UNITED STATES.  
TO TELL THE TRUTH, ITS IMPLICATIONS ARE PRETTY AWESOME  
FOR DEVELOPMENTS IN CANADA. SO MUCH SO, THAT THERE

HAS BEEN A DELIBERATE EFFORT TO REDUCE THE CANADIAN VULNERABILITY, ECONOMICALLY AND OTHERWISE, TO EVENTS AND INTENTIONS HERE. SOME OF THE ISSUES WHERE THERE ARE SHORT-TERM DIFFERENCES BETWEEN THE TWO GOVERNMENTS ARE RELATED TO THAT EFFORT, EVEN THOUGH PARADOXICALLY, ITS OVERALL LONGER-TERM INTENT IS TO REDUCE FRICTION BY REDUCING OVERALL DEPENDENCY.

STILL, THE BASIC TRADITIONAL DIFFERENCE

IS WHETHER IT IS A TRADITIONAL ASSUMPTION THAT THERE IS AN ASSYMETRY TO THE RELATIONSHIP, THAT CANADA IS BY MOST INDICATIONS INTENSELY MORE DEPENDENT ON THE US THAN THE US IS ON CANADA. ONE OF ITS PRINCIPAL ELEMENTS IS THE NOTION THAT, WHILE EACH IS EACH OTHER'S MOST IMPORTANT TRADING PARTNER, TRADE IS A MUCH MORE IMPORTANT PART OF OUR GNP THAN IT IS OF YOURS, 31 PERCENT AGAINST 5 PERCENT, AND OF THAT TRADE 67 PER CENT OF CANADA'S IS WITH THE US, WHILE ONLY 18 PER CENT OF YOURS IS WITH CANADA. BUT I'M NOT SURE THAT TRADITIONAL ASSUMPTION IS ALL THAT VALID. THERE IS GREATER IMPLICIT SYMMETRY OF MUTUAL DEPENDENCE THAN IS APPARENT, IF YOU INDEED FACTOR INTO THE EQUATION THE VERY GLOBAL RESPONSIBILITIES AND ACTIVITIES OF THE US WHICH WE HAVE ACCEPTED AS A DISTINGUISHING FEATURE. THE 18 PER CENT OF US EXPORTS

HAS BEEN A DELIBERATE EFFORT TO REDUCE THE CANADIAN  
VULNERABILITY, ECONOMICALLY AND OTHERWISE, TO EVENTS  
AND INTENTIONS HERE. SOME OF THE ISSUES WHERE THERE  
ARE SHORT-TERM DIFFERENCES BETWEEN THE TWO GOVERNMENTS  
ARE RELATED TO THAT EFFORT, EVEN THOUGH PARADOXICALLY,  
ITS OVERALL LONGER-TERM INTENT IS TO REDUCE FRICTION  
BY REDUCING OVERALL DEPENDENCY.

IT IS A TRADITIONAL ASSUMPTION THAT THERE  
IS AN ASYMMETRY TO THE RELATIONSHIP, THAT CANADA IS  
BY MOST INDICATIONS INTENSELY MORE DEPENDENT ON THE  
US THAN THE US IS ON CANADA. ONE OF ITS PRINCIPAL  
ELEMENTS IS THE NOTION THAT, WHILE EACH IS EACH  
OTHER'S MOST IMPORTANT TRADING PARTNER, TRADE IS A  
MUCH MORE IMPORTANT PART OF OUR GNP THAN IT IS OF  
YOURS, 51 PERCENT AGAINST 5 PERCENT, AND OF THAT  
TRADE 67 PERCENT OF CANADA'S IS WITH THE US, WHILE  
ONLY 18 PERCENT OF YOURS IS WITH CANADA. BUT I'M  
NOT SURE THAT TRADITIONAL ASSUMPTION IS ALL THAT  
VALID. THERE IS GREATER IMPLICIT SYMMETRY OR MUTUAL  
DEPENDENCE THAN IS APPARENT, IF YOU INDEED FACTOR  
INTO THE EQUATION THE VERY GLOBAL RESPONSIBILITIES  
AND ACTIVITIES OF THE US WHICH WE HAVE ACCEPTED AS A  
DISTINGUISHING FEATURE. THE 18 PER CENT OF US EXPORTS

WHICH GO TO CANADA STILL REPRESENT A HUGE US INTEREST. AND, POLITICALLY, THE GLOBAL ROLE OF THE US SURELY ASSUMES US INTEREST IN PRODUCTIVE, STABLE RELATIONS WITH A STABLE, RESOURCE-RICH ALLY IN AN INCREASINGLY RESOURCE-SCARCE AND TURBULENT WORLD.

STILL, THE BASIC TRADITIONAL DIFFERENCE IS NONETHELESS THERE: A GLOBALLY PREOCCUPIED US, VASTLY MORE POWERFUL, WHOSE NATIONAL INTEREST IN THE CANADIAN RELATIONSHIP IS SIGNIFICANTLY LESS THAN THE IMPORTANCE OF THAT RELATIONSHIP IN CANADIAN EYES.

### THE "NEW" DIFFERENCES EMERGING

AGAINST THE BACKGROUND OF TRADITIONAL SORTS OF DIFFERENCES BETWEEN THE TWO COUNTRIES, EVENTS OF THE LAST DECADE OR SO, IN EACH COUNTRY, AND IN THE WORLD, HAVE BROUGHT NEW DIFFERENCES TO THE FORE.

MOST OF THESE RELATE TO DIFFERENT DYNAMICS IN THE TWO COUNTRIES THEMSELVES. AGAIN, THIS IS NOT UNNATURAL NOR UNHEALTHY: THEY ARE, I REPEAT, DIFFERENT COUNTRIES. I DON'T KNOW TO WHAT EXTENT THEY REPRESENT

WHICH GO TO CANADA STILL REPRESENT A HUGE US  
INTEREST. AND, POLITICALLY, THE GLOBAL ROLE OF  
THE US SURELY ASSUMES US INTEREST IN PRODUCTIVE,  
STABLE RELATIONS WITH A STABLE, RESOURCE-RICH  
ALLY IN AN INCREASINGLY RESOURCE-SCARCE AND  
TURBULENT WORLD.

STILL, THE BASIC TRADITIONAL DIFFERENCE  
IS NONETHELESS THERE: A GLOBALLY PREOCCUPIED US,  
VASTLY MORE POWERFUL, WHOSE NATIONAL INTEREST IN  
THE CANADIAN RELATIONSHIP IS SIGNIFICANTLY LESS  
THAN THE IMPORTANCE OF THAT RELATIONSHIP IN CANADIAN  
EYES.

The "New" Differences Emerging

AGAINST THE BACKGROUND OF TRADITIONAL SORTS  
OF DIFFERENCES BETWEEN THE TWO COUNTRIES, EVENTS OF  
THE LAST DECADE OR SO, IN EACH COUNTRY, AND IN THE  
WORLD, HAVE BROUGHT NEW DIFFERENCES TO THE FORE.

MOST OF THESE RELATE TO DIFFERENT DYNAMICS  
IN THE TWO COUNTRIES THEMSELVES. AGAIN, THIS IS NOT  
UNNATURAL NOR UNHEALTHY - THEY ARE, I REPEAT, DIFFERENT  
COUNTRIES. I DON'T KNOW TO WHAT EXTENT THEY REPRESENT

PHILOSOPHICAL DIFFERENCES. AS I SAID AT THE OUTSET, WE SHARE SO MUCH THAT IF THEY ARE DIFFERENCES IN A PHILOSOPHICAL SENSE, IT IS AS VARIANTS OF A BASICALLY COMMON APPROACH TO SOCIETY, MODIFIED IN ACCORDANCE WITH THE VERY DIFFERENT CHARACTERISTICS OF EACH COUNTRY IN TERMS OF GEOGRAPHY, DEMOGRAPHY, ECONOMIC INFRASTRUCTURE, CAPITAL FORMATION, AND ABOVE ALL SCALE.

### CANADIAN UNITY - NATION BUILDING

THE FIRST OF THESE DYNAMICS, AT LEAST IN MY MIND, IS A SORT OF NATIONAL BUILDING-BEE GOING ON UP IN CANADA. I KNOW THAT FROM HERE IT SEEMS FRACTIOUS AND DISJOINTED. INDEED, OUR HIGHLY DECENTRALIZED FEDERAL SYSTEM IS THE INSTITUTIONALIZATION OF REGIONAL AND OTHER DIFFERENCES AND THESE SOMETIMES SEEM TO DOMINATE THE LANDSCAPE. BUT AGAINST A BACKGROUND OF DIFFERENCES IN OUTLOOK, THERE IS A TREMENDOUS EXERCISE IN NATION-BUILDING GOING ON, DETERMINING WHERE THE CONSENSUS IS SITUATED ON NATIONAL IMPERATIVES, AND BUILDING UPON IT.

THE POLITICAL, OR INSTITUTIONAL, FACE TO THIS IS REPRESENTED BY THE PROCLAMATION BY PARLIAMENT

PHILOSOPHICAL DIFFERENCES. AS I SAID AT THE OUTSET,  
 WE SHARE SO MUCH THAT IF THEY ARE DIFFERENCES IN A  
 PHILOSOPHICAL SENSE, IT IS AS VARIANTS OF A  
 BASICALLY COMMON APPROACH TO SOCIETY, MODIFIED IN  
 ACCORDANCE WITH THE VERY DIFFERENT CHARACTERISTICS  
 OF EACH COUNTRY IN TERMS OF GEOGRAPHY, DEMOGRAPHY,  
 ECONOMIC INFRASTRUCTURE, CAPITAL FORMATION, AND ABOVE  
 ALL SCALE.

Canadian Unity - Nation Building

THE FIRST OF THESE DYNAMICS, AT LEAST IN MY  
 MIND, IS A SORT OF NATIONAL BUILDING-BEE GOING ON UP  
 IN CANADA. I KNOW THAT FROM HERE IT SEEMS FRACTIOUS  
 AND DISJOINTED. INDEED, OUR HIGHLY DECENTRALIZED  
 FEDERAL SYSTEM IS THE INSTITUTIONALIZATION OF REGIONAL  
 AND OTHER DIFFERENCES AND THESE SOMETIMES SEEM TO  
 DOMINATE THE LANDSCAPE. BUT AGAINST A BACKGROUND OF  
 DIFFERENCES IN OUTLOOK, THERE IS A TREMENDOUS EXERCISE  
 IN NATION-BUILDING GOING ON, DETERMINING WHERE THE  
 CONSENSUS IS SITUATED ON NATIONAL IMPERATIVES, AND  
 BUILDING UPON IT.

THE POLITICAL, OR INSTITUTIONAL, FACE TO  
 THIS IS REPRESENTED BY THE PROCLAMATION BY PARLIAMENT

OF THE NEW CANADIAN CONSTITUTION IN A FEW WEEKS TIME, AFTER DECADES OF NEGOTIATION. THE REFERENDUM HELD IN QUEBEC TWO YEARS AGO WAS DECISIVE AND OBLIGED THE FEDERAL GOVERNMENT TO MOVE, AT LAST, ON THE CONSTITUTIONAL OPTIONS, A DECISIVENESS SINCE CONFIRMED BY THE NEGOTIATION OF A BROAD CONSENSUS. IT IS NOT SHARED, IN THE END, BY THE SEPARATIST PARTI QUEBECOIS, NOW IN POWER IN QUEBEC. WHILE I REGRET THIS, IT IS ALSO CLEAR THAT THE GOVERNMENT OF QUEBEC WAS NOT ELECTED ON THE BASIS OF ITS CONSTITUTIONAL OPTIONS WHICH CLEARLY DO NOT CORRESPOND TO THE SENTIMENTS OF THE MAJORITY OF THE PEOPLE OF QUEBEC.

IT MAY BE SURPRISING TO YOU THAT I SPEAK OF NATION-BUILDING IN CANADA. WE ARE NOT A YOUNG NATION BY TODAY'S WORLD STANDARDS, DESPITE THE NEW WORLD RHETORIC WE ALSO OCCASIONALLY USE. WE CELEBRATED OUR CENTENARY IN 1967. YET, I REMIND YOU, AS WE HAVE TO REMIND OURSELVES, THAT AS AN IMMIGRANT COUNTRY, WITH A BARELY DEVELOPED NATIONAL RESOURCE BASE TO OUR ECONOMY, AND A RAPIDLY ADAPTING CAPABILITY IN TECHNOLOGY AND PROCESSING, WE ARE TO SOME EXTENT ONLY NOW BEGINNING TO REACH OUR TRUE POTENTIAL.

OF THE NEW CANADIAN CONSTITUTION IN A FEW WEEKS TIME,  
 AFTER DECADES OF NEGOTIATION. THE REFERENDUM HELD  
 IN QUEBEC TWO YEARS AGO WAS DECISIVE AND OBLIGED THE  
 FEDERAL GOVERNMENT TO MOVE, AT LAST, ON THE  
 CONSTITUTIONAL OPTIONS, A DECISIVENESS SINCE CONFIRMED  
 BY THE NEGOTIATION OF A BROAD CONSENSUS. IT IS NOT  
 SHARED, IN THE END, BY THE SEPARATIST PARTI QUEBECOIS,  
 NOW IN POWER IN QUEBEC. WHILE I REGRET THIS, IT IS  
 ALSO CLEAR THAT THE GOVERNMENT OF QUEBEC WAS NOT  
 ELECTED ON THE BASIS OF ITS CONSTITUTIONAL OPTIONS  
 WHICH CLEARLY DO NOT CORRESPOND TO THE SENTIMENTS OF  
 THE MAJORITY OF THE PEOPLE OF QUEBEC.

IT MAY BE SURPRISING TO YOU THAT I SPEAK OF  
 NATION-BUILDING IN CANADA. WE ARE NOT A YOUNG NATION  
 BY TODAY'S WORLD STANDARDS, DESPITE THE NEW WORLD  
 RHETORIC WE ALSO OCCASIONALLY USE. WE CELEBRATED OUR  
 CENTENARY IN 1967. YET, I REMIND YOU, AS WE HAVE TO  
 REMIND OURSELVES, THAT AS AN IMMIGRANT COUNTRY, WITH  
 A BARELY DEVELOPED NATIONAL RESOURCE BASE TO OUR  
 ECONOMY, AND A RAPIDLY ADAPTING CAPABILITY IN TECHNOLOGY  
 AND PROCESSING, WE ARE TO SOME EXTENT ONLY NOW BEGINNING  
 TO REACH OUR TRUE POTENTIAL.

AS THE COUNTER-FACE TO ITS CONSTITUTIONAL EMPHASIS, THE CANADIAN GOVERNMENT IS TRYING TO FORGE A SUCCESSFUL, COMPETITIVE NATIONAL ECONOMY AND SOCIETY WHICH WILL ENABLE CANADIANS TO DEFY SOME OF THE HARSHER FACTS ASSOCIATED WITH OUR RIGOROUS GEOGRAPHY AND THE INFLUENCES OF A GRAVITATIONAL NORTH/SOUTH ECONOMIC PULL WHICH HAS COSTS AS WELL AS BENEFITS. THE LINGUISTIC, ETHNIC, AND REGIONAL DIVERSITY OF CANADA IS A SOURCE OF RICHNESS BUT NEEDS THE BALANCE OF STRONG NATIONAL, POLITICAL, AND ECONOMIC INSTITUTIONS IN KEY AREAS.

THIS REQUIRES ECONOMIC DEVELOPMENT POLICIES WHICH SOME HAVE LABELLED NATIONALIST, BUT WHICH CANADIANS CONSIDER ESSENTIAL INSTRUMENTS FOR BRINGING A MINIMUM AMOUNT OF NATIONAL CONTROL TO ECONOMIC FORCES NOW LARGELY CONTROLLED OUTSIDE THE COUNTRY.

I HAVE SPOKEN MANY TIMES OF THE NATIONAL ENERGY POLICY IN CANADA AND OF THE GOVERNMENT'S PROCEDURES FOR SCREENING FUTURE FOREIGN INVESTMENT. INCREASINGLY, AMERICANS UNDERSTAND THAT BOTH AREAS OF EMPHASIS RELATE TO A CANADIAN PROBLEM. OUR OIL AND GAS SECTOR IS STILL ALMOST 70 PER CENT OWNED OUTSIDE

As the counter-face to its constitutional emphasis, the Canadian government is trying to forge a successful, competitive national economy and society which will enable Canadians to defy some of the harsher facts associated with our rigorous geography and the influences of a gravitational North-South economic pull which has costs as well as benefits. The linguistic, ethnic, and regional diversity of Canada is a source of richness but needs the balance of strong national, political, and economic institutions in key areas.

This requires economic development policies which some have labelled nationalist, but which Canadians consider essential instruments for bringing a minimum amount of national control to economic forces now largely controlled outside the country.

I have spoken many times of the national energy policy in Canada and of the government's procedures for screening future foreign investment. Increasingly, Americans understand that both areas of emphasis relate to a Canadian problem. Our oil and gas sector is still almost 70 per cent owned outside

THE COUNTRY; 37 PER CENT OF OUR MINING INDUSTRY;  
47 PER CENT OF OUR MANUFACTURING SECTOR. NO OTHER  
COUNTRY HAS WELCOMED FOREIGN INVESTMENT IN THIS WAY.  
WE ARE NOW TRYING TO BE SURE THAT IN THE FUTURE  
DEVELOPMENT OF THESE KEY PRODUCTIVE SECTORS, BASIC  
DECISIONS ARE TAKEN IN THE INTERESTS OF CANADIANS.  
WE ARE SPEAKING OF POTENTIAL INVESTMENT OF HUNDREDS  
OF BILLIONS OF DOLLARS IN MEGA-PROJECTS WHOSE  
EFFECT ON OUR SOCIETY IS GOING TO BE ENORMOUS. WE  
ARE DOING THIS WITH DUE REGARD TO OUR INTERNATIONAL  
OBLIGATIONS AND WITH EVERY POSSIBLE REGARD TO THE  
WELFARE OR INTERESTS OF OUR FOREIGN PARTNERS. BUT  
WE ARE DOING IT BECAUSE THE CANADIAN PEOPLE INSIST  
ON IT---AND THERE SHOULD BE NO MISTAKE; WHILE  
CANADIANS ARE FRACTIOUS ON SOME THINGS, THEY ARE  
TOGETHER ON THE NEED TO ENSURE ADEQUATE CANADIAN  
OWNERSHIP AND CONTROL OVER THE KEY AVENUES OF OUR  
NATIONAL DEVELOPMENT.

LET ME ADD THAT WE HAVE NOT BEEN DOGMATIC  
ABOUT THESE POLICIES, NOT INFLEXIBLE. WE HAVE MADE  
IMPORTANT CHANGES WHICH CORRESPOND TO US INTERESTS.  
BUT NOBODY IS HELPED BY OVER-REACTIONS TO CANADIAN  
POLICIES WHICH WILL NOT ONLY ENDURE, BUT WHICH WILL

THE COUNTRY; 37 PER CENT OF OUR MINING INDUSTRY;  
 47 PER CENT OF OUR MANUFACTURING SECTOR. NO OTHER  
 COUNTRY HAS WELCOMED FOREIGN INVESTMENT IN THIS WAY.  
 WE ARE NOW TRYING TO BE SURE THAT IN THE FUTURE  
 DEVELOPMENT OF THESE KEY PRODUCTIVE SECTORS, BASIC  
 DECISIONS ARE TAKEN IN THE INTERESTS OF CANADIANS.  
 WE ARE SPEAKING OF POTENTIAL INVESTMENT OF HUNDREDS  
 OF BILLIONS OF DOLLARS IN MEGA-PROJECTS WHOSE  
 EFFECT ON OUR SOCIETY IS GOING TO BE ENORMOUS. WE  
 ARE DOING THIS WITH DUE REGARD TO OUR INTERNATIONAL  
 OBLIGATIONS AND WITH EVERY POSSIBLE REGARD TO THE  
 WELFARE OR INTERESTS OF OUR FOREIGN PARTNERS. BUT  
 WE ARE DOING IT BECAUSE THE CANADIAN PEOPLE INSIST  
 ON IT--AND THERE SHOULD BE NO MISTAKE; WHILE  
 CANADIANS ARE FRACTIONAL ON SOME THINGS, THEY ARE  
 TOGETHER ON THE NEED TO ENSURE ADEQUATE CANADIAN  
 OWNERSHIP AND CONTROL OVER THE KEY AVENUES OF OUR  
 NATIONAL DEVELOPMENT.

LET ME ADD THAT WE HAVE NOT BEEN DOGMATIC  
 ABOUT THESE POLICIES, NOT INFLEXIBLE. WE HAVE MADE  
 IMPORTANT CHANGES WHICH CORRESPOND TO US INTERESTS.  
 BUT NOBODY IS HELPED BY OVER-REACTIONS TO CANADIAN  
 POLICIES WHICH WILL NOT ONLY ENDURE, BUT WHICH WILL

IN THE LONGER RUN STRENGTHEN CANADA WHICH IS SURELY  
IN THE US INTEREST.

NOR DO WE HAVE A DOCTRINAIRE ATTITUDE  
TOWARD FOREIGN CAPITAL PER SE. MANY IF NOT MOST  
COUNTRIES DO. CANADA AND CANADIANS HAVE ALWAYS  
WELCOMED FOREIGN PARTNERSHIP, AND FOREIGN INVESTMENT.  
WE SHALL CONTINUE TO DO SO. WE NEED THEM BOTH.

I CAN DEFEND CANADIAN ECONOMIC POLICY WITH  
CONFIDENCE. THE OBVIOUSLY IMPORTANT POINT FOR THE  
PURPOSES OF THIS TALK IS THAT THE WILLINGNESS OF THE  
CANADIAN GOVERNMENT TO PURSUE THESE POLICIES HAS CAUSED  
A DIFFERENT ORDER OF BILATERAL POLICY DIFFERENCE WITH  
THE UNITED STATES. ALONG WITH ACID RAIN, AND OTHER  
HIGHLY IMPORTANT ENVIRONMENTAL AND BOUNDARY-TYPE  
ISSUES, THESE INVESTMENT-RELATED DISPUTES REPRESENT  
A NEW SORT OF POLICY DIFFERENCE BETWEEN THE TWO  
COUNTRIES REFLECTING IN PART DIFFERENT ECONOMIC  
DEVELOPMENT PRIORITIES OR TECHNIQUES.

THE CHANGING US ROLE IN THE WORLD

MIND YOU, IF A MORE DETERMINED CANADIAN EFFORT  
AT NATION-BUILDING IS AN INGREDIENT IN DIFFERENCES WITH  
THE US, THERE IS A COUNTERPART PERSPECTIVE FROM THE US  
WHICH IS A FUNCTION OF THE WAY IT NOW PERCEIVES ITS  
GLOBAL ROLE.

IN THE LONGER RUN STRENGTHEN CANADA WHICH IS SURELY  
IN THE US INTEREST.

NOR DO WE HAVE A DOCTRINAIRE ATTITUDE  
TOWARD FOREIGN CAPITAL PER SE. MANY IF NOT MOST  
COUNTRIES DO. CANADA AND CANADIANS HAVE ALWAYS  
WELCOMED FOREIGN PARTNERSHIP, AND FOREIGN INVESTMENT.  
WE SHALL CONTINUE TO DO SO. WE NEED THEM BOTH.

I CAN DEFEND CANADIAN ECONOMIC POLICY WITH  
CONFIDENCE. THE OBVIOUSLY IMPORTANT POINT FOR THE  
PURPOSES OF THIS TALK IS THAT THE WILLINGNESS OF THE  
CANADIAN GOVERNMENT TO PURSUE THESE POLICIES HAS CAUSED  
A DIFFERENT ORDER OF BILATERAL POLICY DIFFERENCE WITH  
THE UNITED STATES. ALONG WITH ACID RAIN, AND OTHER  
HIGHLY IMPORTANT ENVIRONMENTAL AND BOUNDARY-TYPE  
ISSUES, THESE INVESTMENT-RELATED DISPUTES REPRESENT  
A NEW SORT OF POLICY DIFFERENCE BETWEEN THE TWO  
COUNTRIES REFLECTING IN PART DIFFERENT ECONOMIC  
DEVELOPMENT PRIORITIES OR TECHNIQUES.

The Changing US Role in the World

MIND YOU, IF A MORE DETERMINED CANADIAN EFFORT  
AT NATION-BUILDING IS AN INGREDIENT IN DIFFERENCES WITH  
THE US, THERE IS A COUNTERPART PERSPECTIVE FROM THE US  
WHICH IS A FUNCTION OF THE WAY IT NOW PERCEIVES ITS  
GLOBAL ROLE.

THE US HAS SEEN ITS INTERNATIONAL POSITION UNDER PRESSURE AND IN SOME CASES ERODED. SOME WELL KNOWN FOREIGN POLICY SHOCKS OF THE LAST SEVERAL YEARS ARE OFTEN CITED IN THIS RESPECT, AS WELL AS THE IMPRESSION OF EROSION IN COMPARATIVE STRATEGIC OR MILITARY POSITION VIS-A-VIS THE USSR. LESS OFTEN CITED BUT EVERY BIT AS IMPORTANT IS THE SENSE IN THE US THAT THE NATION'S COMPETITIVE POSITION HAS ERODED VIS-A-VIS ITS ECONOMIC ALLIES---NOTABLY THE WESTERN EUROPEANS AND JAPAN.

THERE IS, OVERALL, A SENSE OF VULNERABILITY IN THIS COUNTRY AND A DETERMINATION TO PURSUE US ECONOMIC INTERESTS AGGRESSIVELY. THE AMERICAN INVESTMENT POSITION ABROAD IS ONE OF THE KEYS OF US POWER, INFLUENCE, AND INTERNATIONAL ECONOMIC PERFORMANCE. ITS DEFENCE IS FUNDAMENTAL TO AMERICAN POLICY.

THESE FACTORS PLACE PERHAPS NEW SIGNIFICANCE ON DIFFERENCES WITH CANADA OVER CANADIAN ECONOMIC DEVELOPMENT POLICY, OR, FOR THAT MATTER, OVER AMERICAN ECONOMIC POLICIES. FROM HERE, BILATERAL DIFFERENCES WITH CANADA ARE IN A SENSE SEEN AS PRECEDENTS FOR ANALOGOUS AMERICAN ENGAGEMENTS ELSEWHERE, BRINGING ANOTHER FACTOR OF NEWNESS TO PLAY IN THE DIFFERENCES WHICH HAVE TRADITIONALLY EXISTED BETWEEN US.

The US has seen its international position under pressure and in some cases eroded. Some well known foreign policy shocks of the last several years are often cited in this respect, as well as the impression of erosion in comparative strategic or military position vis-a-vis the USSR. Less often cited but every bit as important is the sense in the US that the nation's competitive position has eroded vis-a-vis its economic allies--notably the Western Europeans and Japan.

There is, overall, a sense of vulnerability in this country and a determination to pursue US economic interests aggressively. The American investment position abroad is one of the keys of US power, influence, and international economic performance. Its defence is fundamental to American policy.

These factors place perhaps new significance on differences with Canada over Canadian economic development policy, or, for that matter, over American economic policies. From here, bilateral differences with Canada are in a sense seen as precedents for analogous American engagements elsewhere, bringing another factor of newness to play in the differences which have traditionally existed between us.

THE REGARD FOR PRECEDENTS WHICH COULD AFFECT AMERICA'S GLOBAL INTERESTS ALSO DRIVES SOME OF THE POSITIONS OF THE US ON OTHER SORTS OF BILATERAL ISSUES, SUCH AS THE RIGHT OF MARITIME PASSAGE THROUGH NARROW STRAITS IN CANADIAN TERRITORIAL WATERS FOR OIL TANKERS WHICH IS REALLY NOT IN EITHER COUNTRY'S PUBLIC INTEREST.

THE WISH OF THE US TO PROTECT AND ADVANCE ITS INTERESTS IN A VIGOROUS WAY IS TO SOME EXTENT SHARPENED BY THE EMPHASIS THIS ADMINISTRATION, IN PARTICULAR, PLACES ON THE FREE FLOW OF THE PRODUCTIVE RESOURCES OF THE PRIVATE SECTOR, AND ON THE WISH TO PROMOTE THE ROLE OF THE PRIVATE SECTOR IN ECONOMIC DEVELOPMENT WORLD-WIDE. WHILE WE TOO CELEBRATE THE PREEMINENCE OF THE PRIVATE SECTOR, THE PUBLIC SECTOR IN CANADA HAS ALWAYS PLAYED A MORE IMPORTANT ROLE IN OUR ECONOMIC AND SOCIAL DEVELOPMENT THAN HAS BEEN THE CASE HERE. DOMESTIC PRIVATE-SECTOR PERCEPTIONS HERE QUITE LEGITIMATELY LINK TO FOREIGN POLICY AND AFFECT PERCEPTIONS OF DEVELOPMENTS IN CANADA, REPRESENTING POSSIBLY ANOTHER NEW FACTOR WHICH HAS TO BE WORKED INTO OUR TECHNIQUES FOR MANAGING THE RELATIONSHIP.

THE REGARD FOR PRECEDENTS WHICH COULD  
 AFFECT AMERICA'S GLOBAL INTERESTS ALSO DRIVES SOME  
 OF THE POSITIONS OF THE US ON OTHER SORTS OF  
 BILATERAL ISSUES, SUCH AS THE RIGHT OF MARITIME  
 PASSAGE THROUGH NARROW STRAITS IN CANADIAN  
 TERRITORIAL WATERS FOR OIL TANKERS WHICH IS REALLY  
 NOT IN EITHER COUNTRY'S PUBLIC INTEREST.

THE WISH OF THE US TO PROTECT AND ADVANCE  
 ITS INTERESTS IN A VIGOROUS WAY IS TO SOME EXTENT  
 SHARPENED BY THE EMPHASIS THIS ADMINISTRATION IN  
 PARTICULAR PLACES ON THE FREE FLOW OF THE PRODUCTIVE  
 RESOURCES OF THE PRIVATE SECTOR, AND ON THE WISH TO  
 PROMOTE THE ROLE OF THE PRIVATE SECTOR IN ECONOMIC  
 DEVELOPMENT WORLD-WIDE. WHILE WE TOO CELEBRATE THE  
 PREMINENCE OF THE PRIVATE SECTOR, THE PUBLIC SECTOR  
 IN CANADA HAS ALWAYS PLAYED A MORE IMPORTANT ROLE IN  
 OUR ECONOMIC AND SOCIAL DEVELOPMENT THAN HAS BEEN THE  
 CASE HERE. DOMESTIC PRIVATE-SECTOR PERCEPTIONS HERE  
 QUITE LEGITIMATELY LINK TO FOREIGN POLICY AND AFFECT  
 PERCEPTIONS OF DEVELOPMENTS IN CANADA, REPRESENTING  
 POSSIBLY ANOTHER NEW FACTOR WHICH HAS TO BE WORKED  
 INTO OUR TECHNIQUES FOR MANAGING THE RELATIONSHIP.

CONGRESS

IN FACT, IN MANAGING THE RELATIONSHIP, WE HAVE TO BE VERY MUCH AWARE OF THE DIVERSITY OF PLAYERS.

IF THE PRIVATE SECTOR'S INTERESTS ARE VERY MUCH INVOLVED, SO WE MUST RECOGNIZE THE INCREASING ROLE OF CONGRESS IN SETTING FOREIGN POLICY AS HAVING CONSIDERABLE IMPACT ON HOW WE APPROACH CANADA-US BILATERAL ISSUES.

WHILE THE CANADIAN GOVERNMENT HAS TRADITIONALLY DONE ITS BUSINESS ALMOST EXCLUSIVELY WITH THE ADMINISTRATION, WE CAN'T AFFORD TO IGNORE CONGRESS. IT WAS THE SENATE, AFTER ALL, WHICH REFUSED TO RATIFY THE EAST COAST FISHERIES TREATY SO ELABORATELY NEGOTIATED BY CANADA WITH THE ADMINISTRATION A FEW YEARS AGO.

THE CONGRESS WILL, FOR ANOTHER EXAMPLE, BE AMENDING THE CLEAN AIR ACT IN WAYS WHICH WILL DIRECTLY IMPACT ON CANADIAN AIR QUALITY.

THE CONGRESS, MOREOVER, IS CONTEMPLATING MORE THAN 15 SPECIFIC PROPOSALS FOR RECIPROCITY IN

Congress

IN FACT, IN MANAGING THE RELATIONSHIP, WE  
HAVE TO BE VERY MUCH AWARE OF THE DIVERSITY OF  
PLAYERS.

IF THE PRIVATE SECTOR'S INTERESTS ARE VERY  
MUCH INVOLVED, SO WE MUST RECOGNIZE THE INCREASING  
ROLE OF CONGRESS IN SETTING FOREIGN POLICY AS HAVING  
CONSIDERABLE IMPACT ON HOW WE APPROACH CANADA-US  
BILATERAL ISSUES.

WHILE THE CANADIAN GOVERNMENT HAS  
TRADITIONALLY DONE ITS BUSINESS ALMOST EXCLUSIVELY  
WITH THE ADMINISTRATION, WE CAN'T AFFORD TO IGNORE  
CONGRESS. IT WAS THE SENATE, AFTER ALL, WHICH REFUSED  
TO RATIFY THE EAST COAST FISHERIES TREATY SO  
ELABORATELY NEGOTIATED BY CANADA WITH THE ADMINISTRA-  
TION A FEW YEARS AGO.

THE CONGRESS WILL, FOR ANOTHER EXAMPLE, BE  
AMENDING THE CLEAN AIR ACT IN WAYS WHICH WILL DIRECTLY  
IMPACT ON CANADIAN AIR QUALITY.

THE CONGRESS, MOREOVER, IS CONTEMPLATING  
MORE THAN 15 SPECIFIC PROPOSALS FOR RECIPROcity IN

TRADE WHICH, IF THEY BECAME LAW, COULD SERIOUSLY AFFECT THE WORLD'S MULTILATERAL TRADING SYSTEM.

IN SHORT, OUR MANAGEMENT APPROACHES TO THE ISSUES, HAVE TO CONSIDER THE ROLE OF CONGRESS, WHICH HAS ITSELF EVOLVED CONSIDERABLY IN ITS INCREASING INVOLVEMENT IN THE SCRUTINY OF ACTIVITIES WHICH BEAR UPON THE RELATIONSHIP BETWEEN THE COUNTRIES.

### PUBLIC OPINION IN THE US

LASTLY, IF OPINION IN CONGRESS IS IMPORTANT TO HOW WE RESOLVE CANADA-US ISSUES, SO IS THE PUBLIC OPINION TO WHICH CONGRESS, AND THE POLITICAL SYSTEM ITSELF, ULTIMATELY RESPOND.

THE PUBLIC OPINION CLIMATE IN THE US ABOUT CANADA HAS DRAMATICALLY CHANGED IN THE LAST 10 YEARS.

THE US IS DISCOVERING, PERHAPS, WHAT CANADIANS ALWAYS KNEW --- THAT CANADA IS DIFFERENT IN MANY RESPECTS. THIS DISCOVERY IS DUE TO A NUMBER OF SIGNIFICANT DEVELOPMENTS, INCLUDING, IN TERMS OF ITS IMPACT ON THE MEDIA HERE, THE COMING TO POWER IN 1976 OF THE PARTI QUEBECOIS WHICH IN TURN MADE THE FRENCH FACT OF CANADA THAT MUCH MORE APPARENT TO AMERICANS.

TRADE WHICH, IF THEY BECAME LAW, COULD SERIOUSLY AFFECT THE WORLD'S MULTILATERAL TRADING SYSTEM.

IN SHORT, OUR MANAGEMENT APPROACHES TO THE ISSUES, HAVE TO CONSIDER THE ROLE OF CONGRESS, WHICH HAS ITSELF EVOLVED CONSIDERABLY IN ITS INCREASING INVOLVEMENT IN THE SCRUTINY OF ACTIVITIES WHICH BEAR UPON THE RELATIONSHIP BETWEEN THE COUNTRIES.

PUBLIC OPINION IN THE US

LASTLY, IF OPINION IN CONGRESS IS IMPORTANT TO HOW WE RESOLVE CANADA-US ISSUES, SO IS THE PUBLIC OPINION TO WHICH CONGRESS, AND THE POLITICAL SYSTEM ITSELF, ULTIMATELY RESPOND.

THE PUBLIC OPINION CLIMATE IN THE US ABOUT CANADA HAS DRAMATICALLY CHANGED IN THE LAST 10 YEARS.

- THE US IS DISCOVERING, PERHAPS, WHAT CANADIANS ALWAYS KNEW --- THAT CANADA IS DIFFERENT IN MANY RESPECTS. THIS DISCOVERY IS DUE TO A NUMBER OF SIGNIFICANT DEVELOPMENTS, INCLUDING, IN TERMS OF ITS IMPACT ON THE MEDIA HERE, THE COMING TO POWER IN 1976 OF THE PARTI QUEBECOIS WHICH IN TURN MADE THE FRENCH FACT OF CANADA THAT MUCH MORE APPARENT TO

AMERICANS.

SINCE THAT TIME A LOT OF NEWS FROM CANADA HAS WORKED ITS WAY FORWARD FROM THE SECOND SECTION OF THE NEWSPAPERS TO THE FORWARD PAGES OF THE FIRST SECTION, IF NOT THE FRONT PAGE ITSELF, AND THIS HAS HAD ITS OWN IMPACT ON RELATIONS AND HOW WE MANAGE THEM. THERE HAS BEEN AN EXPLOSION IN THE NUMBER OF US CORRESPONDENTS RESIDENT IN CANADA, FEEDING THE GROWING INTEREST AND STIMULATING IT IN TURN.

### SUMMARY OF THE DIFFERENCES

THESE, THEN, ARE THE DIFFERENCES IN THE SITUATION, OUTLOOK, AND EXPERIENCE AFFECTING CANADA-US RELATIONS. ON THE BASIS OF THE OVERALL DIFFERENCE IN SIZE AND ROLE OF THE TWO COUNTRIES, AND THE NOTION OF DIFFERENT RESPECTIVE DEPENDENCY, EVENTS OF THE LAST DECADE OR SO HAVE CONTRIBUTED TO NATIONAL EXPERIENCES OR EXPECTATIONS WHICH REQUIRE US TO PAY MORE ATTENTION TO THE OVERALL STATE OF THE RELATIONSHIP, AS WELL AS TO SUCCESSFUL MANAGEMENT OF THE SORTS OF ISSUES WHICH WE HAVE TO DEAL WITH TOGETHER. BUT I WOULD INSIST THAT IT DOES NOT MEAN THAT WE ARE ANY THE LESS FRIENDLY AS NEIGHBOURS --- IT MEANS MORE THAT WE ARE GETTING TO KNOW EACH OTHER BETTER AND IN THE PROCESS, RECOGNIZING THAT THE DIFFERENCES I HAVE DESCRIBED ARE NORMAL AND HAVE TO BE ACCOMMODATED IN OUR TECHNIQUES. THIS WILL REQUIRE NEW RULES FOR MANAGING THE RELATIONSHIP.

SINCE THAT TIME A LOT OF NEWS FROM CANADA HAS WORKED ITS WAY FORWARD FROM THE SECOND SECTION OF THE NEWSPAPERS TO THE FORWARD PAGES OF THE FIRST SECTION, IF NOT THE FRONT PAGE ITSELF, AND THIS HAS HAD ITS OWN IMPACT ON RELATIONS AND HOW WE MANAGE THEM. THERE HAS BEEN AN EXPLOSION IN THE NUMBER OF US CORRESPONDENTS RESIDENT IN CANADA, FEEDING THE GROWING INTEREST AND STIMULATING IT IN TURN.

SUMMARY OF THE DIFFERENCES

THESE, THEN, ARE THE DIFFERENCES IN THE SITUATION, OUTLOOK, AND EXPERIENCE AFFECTING CANADA-US RELATIONS. ON THE BASIS OF THE OVERALL DIFFERENCE IN SIZE AND ROLE OF THE TWO COUNTRIES, AND THE NOTION OF DIFFERENT RESPECTIVE DEPENDENCY, EVENTS OF THE LAST DECADE OR SO HAVE CONTRIBUTED TO NATIONAL EXPERIENCES OR EXPECTATIONS WHICH REQUIRE US TO PAY MORE ATTENTION TO THE OVERALL STATE OF THE RELATIONSHIP, AS WELL AS TO SUCCESSFUL MANAGEMENT OF THE SORTS OF ISSUES WHICH WE HAVE TO DEAL WITH TOGETHER. BUT I WOULD INSIST THAT IT DOES NOT MEAN THAT WE ARE ANY THE LESS FRIENDLY AS NEIGHBOURS --- IT MEANS MORE THAT WE ARE GETTING TO KNOW EACH OTHER BETTER AND IN THE PROCESS, RECOGNIZING THAT THE DIFFERENCES I HAVE DESCRIBED ARE NORMAL AND HAVE TO BE ACCOMMODATED IN OUR TECHNIQUES. THIS WILL REQUIRE NEW RULES FOR MANAGING THE RELATIONSHIP.

THE OLD RULES: THE TEN COMMANDMENTS

THE TACIT RULES FOR MANAGING THE RELATIONSHIP DURING THE TIME OF REMARKABLE COOPERATION FROM THE LAST WORLD WAR TO SEVERAL YEARS AGO ASSUMED A BASIC IDENTITY OF PURPOSE IN VIRTUALLY ALL RESPECTS. THEY WERE DIRECTED TOWARD INFORMALITY AND PRAGMATISM, AWAY FROM PUBLICITY. BASICALLY, THERE WERE 10 OF THESE I CAN THINK OF: I'D CALL THEM THE "TEN COMMANDMENTS".

RULE 1: NO INSTITUTIONALIZATION OF GOVERNMENTAL MECHANISMS FOR MANAGING THE RELATIONSHIP. JOINT CABINET COMMITTEES WERE TRIED, BUT DIDN'T WORK. THE RULE WAS TO KEEP THINGS SIMPLE, DEAL WITH EACH ISSUE ON ITS MERITS, AND KEEP DISCUSSION AS INFORMAL AS POSSIBLE.

RULE 2: NO INTERMEDIATION. ISSUES COMING BETWEEN THE CANADIAN AND THE US GOVERNMENTS SHOULD ALWAYS BE DEALT WITH BY THE PRINCIPALS, ON THE MERITS OF THE ISSUES, DIRECTLY AND IN AN OUT-FRONT WAY. THE INTERNATIONAL JOINT COMMISSION WAS USEFUL, NOT IN A MEDIATORY SORT OF WAY, BUT IN AN ADVISORY CAPACITY ON ENVIRONMENTAL ISSUES WHERE THE POSITIONS OF THE TWO GOVERNMENTS WERE BASICALLY SHARING COMMON GROUND.

The Old Rules: The Ten Commandments

The tacit rules for managing the relationship during the time of remarkable cooperation from the last world war to several years ago assumed a basic identity of purpose in virtually all respects. They were directed toward informality and pragmatism, away from publicity. Basically, there were 10 of these I can think of: I'd call them the "Ten Commandments".

Rule 1: No institutionalization of governmental mechanisms for managing the relationship. Joint Cabinet committees were tried, but didn't work. The rule was to keep things simple, deal with each issue on its merits, and keep discussion as informal as possible.

Rule 2: No intermediation. Issues coming between the Canadian and the US governments should always be dealt with by the principals, on the merits of the issues, directly and in an out-front way. The international joint commission was useful, not in a mediatory sort of way, but in an advisory capacity on environmental issues where the positions of the two governments were basically sharing common ground.

RULE 3: No LINKAGE. A CARDINAL RULE. THERE WAS A TACIT UNDERSTANDING THAT YOU DON'T NEED TO LINK ISSUES WITH YOUR FRIENDS SINCE LINKAGE IS IMPLICITLY AN EXERCISE IN SEEKING ADVANTAGE, AND IF ISSUES ARE BEING TREATED SOLELY ON THEIR MERITS, LINKAGE WOULD BE UNNECESSARY. MOREOVER, CANADIANS SENSED THAT IF LINKAGE EVER BECAME THE RULE OF CONDUCT, THE BIGGER POWER COULD ALWAYS OUT-LINK THE SMALLER, PARTICULARLY GIVEN THE ASSUMED ASSYMETRY IN RESPECTIVE DEPENDENCE. LINKAGE WOULD ALSO HAVE REQUIRED DIFFERENT, MORE COHERENT TECHNIQUES IN THE AMERICAN GOVERNMENT FOR DEALING WITH CANADA. THE ISSUES WOULD HAVE TO BE CENTRALLY MANAGED WHICH PROBABLY WASN'T AN AVAILABLE OPTION.

AS A CAVEAT, HOWEVER, IT SHOULD BE NOTED THAT THE RETICENCE TO LINK ISSUES WAS NEVER WHOLLY ACCEPTED IN CONGRESS. FOR EXAMPLE, CONGRESS LINKED BORDER BROADCASTING AND CONVENTION TAX ISSUES.

RULE 4 WAS NOT TO EXPECT ISSUES TO LEND THEMSELVES TO THE "QUICK FIX". CANADA-US ISSUES WERE LONG-TERM AND LOW-KEY, SLOW TO BE RESOLVED. THIS DIDN'T IMPLY BUREAUCRATIC IMMOBILITY BUT SIMPLY A RECOGNITION THAT,

Rule 3. No linkage. A cardinal rule. There was a tacit understanding that you don't need to link issues with your friends since linkage is implicitly an exercise in seeking advantage, and if issues are being treated solely on their merits, linkage would be unnecessary. Moreover, Canadians sensed that if linkage ever became the rule of conduct, the bigger power could always out-link the smaller, particularly given the assumed asymmetry in respective dependence. Linkage would also have required different, more coherent techniques in the American government for dealing with Canada. The issues would have to be centrally managed which probably wasn't an available option.

As a caveat, however, it should be noted that the reticence to link issues was never wholly accepted in Congress. For example, Congress linked border broadcasting and convention tax issues. Rule 4 was not to expect issues to lend themselves to the "quick fix". Canada-US issues were long-term and low-key, slow to be resolved. This didn't imply bureaucratic immobility but simply a recognition that

PARTICULARLY IN THE ABSENCE OF LINKAGE, DRAMATIC OR DECISIVE RESOLUTION OF CONFLICT WAS NOT GOING TO BE AVAILABLE. MANY ISSUES TOOK YEARS TO RESOLVE.

THIS WENT TOGETHER WITH RULE 5. NO PUBLIC DIPLOMACY. THIS WAS ONE OF THE CARDINAL TENETS OF THE MERCHANT-HEENEY REPORT---DON'T GO PUBLIC ON YOUR SIDE OF THE CONFLICT. KEEP THE LID ON. TALK TO EACH OTHER BUT NOT TO THE PRESS.

RULE 6: NO CENTRAL BUREAUCRATIC CONTROL OVER THE RELATIONSHIP. IT WASN'T REALLY NECESSARY: LINKAGE WAS AVOIDED, THE ISSUES WERE RESOLVED OVER TIME ON THEIR SELF-CONTAINED MERITS, AND DEALT WITH FROM THEIR FUNCTIONAL AND SPECIFIC STANDPOINTS, DIRECTLY AND WITHOUT POLITICAL INTERMEDIATION, OFTEN FROM BUREAUCRATIC LOCATIONS FAR FROM THE CENTER OF POLITICAL DECISION-MAKING.

RULE 7 ALSO FOLLOWED: THERE WAS NO "US POLICY" IN CANADIAN FOREIGN POLICY, AND NO "CANADIAN POLICY" IN THE STATE DEPARTMENT. WE EACH MANAGED SEPARATELY THE FUNCTIONAL POLICIES WHICH IN THE AGGLOMERATE ADDED UP TO THE POLICY TOWARD THE OTHER COUNTRY. BUT THE AGGLOMERATE WAS NEVER REALLY MOUNTED FOR SHAPE BY

PARTICULARLY IN THE ABSENCE OF LINKAGE, DRAMATIC OR  
DECISIVE RESOLUTION OF CONFLICT WAS NOT GOING TO BE  
AVAILABLE. MANY ISSUES TOOK YEARS TO RESOLVE.

THIS WENT TOGETHER WITH RULE 2. NO PUBLIC  
DIPLOMACY. THIS WAS ONE OF THE CARDINAL TENETS OF  
THE MERCHANT-HEENEY REPORT--DON'T GO PUBLIC ON YOUR  
SIDE OF THE CONFLICT. KEEP THE LID ON. TALK TO EACH  
OTHER BUT NOT TO THE PRESS.

RULE 6. NO CENTRAL BUREAUCRATIC CONTROL OVER THE  
RELATIONSHIP. IT WASN'T REALLY NECESSARY; LINKAGE  
WAS AVOIDED, THE ISSUES WERE RESOLVED OVER TIME ON  
THEIR SELF-CONTAINED MERITS, AND DEALT WITH FROM THEIR  
FUNCTIONAL AND SPECIFIC STANDPOINTS, DIRECTLY AND  
WITHOUT POLITICAL INTERMEDIATION, OFTEN FROM BUREAU-  
CRATIC LOCATIONS FAR FROM THE CENTER OF POLITICAL  
DECISION-MAKING.

RULE 7 ALSO FOLLOWED: THERE WAS NO "US POLICY" IN  
CANADIAN FOREIGN POLICY, AND NO "CANADIAN POLICY" IN  
THE STATE DEPARTMENT. WE EACH MANAGED SEPARATELY THE  
FUNCTIONAL POLICIES WHICH IN THE AGGREGATE ADDED UP  
TO THE POLICY TOWARD THE OTHER COUNTRY. BUT THE  
AGGREGATE WAS NEVER REALLY MOUNTED FOR SHARP BY

POLICY-MAKERS THEY WERE WORKING UNDER THE GENERAL ASSUMPTION THAT IT WASN'T NECESSARY TO WEIGH RESPECTIVE OVERALL PURPOSES OR ADVANTAGES, SINCE TRADE-OFFS WEREN'T PART OF THE TECHNIQUES.

RULE 8 WAS TO LIMIT RECOURSE TO DISCUSSION OR NEGOTIATION AT THE POLITICAL LEVEL, IN FAVOUR OF KEEPING DISCUSSION OF THE ISSUES ON THE OFFICIAL OR EXPERT LEVEL, SINCE A POLITICAL PERSPECTIVE WASN'T IN ITSELF NEEDED TO SHAPE OR DETERMINE RESPECTIVE APPROACHES.

RULE 9: DON'T ROCK THE MULTILATERAL BOAT ON BILATERAL ISSUES, AND DON'T GO AGAINST EACH OTHER MULTILATERALLY ON FOREIGN-POLICY ISSUES. A VARIANT OF NOT "GOING PUBLIC", THIS TACIT UNDERSTANDING ACCEPTED DIVERGENCIES OF POSITION ON FOREIGN POLICY ISSUES BUT WITHIN SELF-IMPOSED LIMITS AND WITHIN A MUTUALLY SUPPORTING FRAMEWORK WHICH DID NOT ALLOW DIRECT CRITICISM OF EACH OTHER.

LASTLY, RULE 10: NO RELIANCE ON SUMMITRY. NO US PRESIDENT VISITED CANADA BETWEEN 1972 AND 1981. SUMMITS BETWEEN THE PRESIDENT AND PRIME MINISTER OF THE DAY TOOK PLACE OFTEN IN ORDER TO SET THE BEACON JOINTLY; RARELY TO RESOLVE SUBSTANTIVE ISSUES.

POLICY-MAKERS THEY WERE WORKING UNDER THE GENERAL ASSUMPTION THAT IT WASN'T NECESSARY TO WEIGH RESPECTIVE OVERALL PURPOSES OR ADVANTAGES, SINCE TRADE-OFFS WEREN'T PART OF THE TECHNIQUES.

RULE 8 WAS TO LIMIT RECOURSE TO DISCUSSION OR NEGOTIATION AT THE POLITICAL LEVEL, IN FAVOUR OF KEEPING DISCUSSION OF THE ISSUES ON THE OFFICIAL OR EXPERT LEVEL, SINCE A POLITICAL PERSPECTIVE WASN'T IN ITSELF NEEDED TO SHAPE OR DETERMINE RESPECTIVE APPROACHES.

RULE 9: DON'T ROCK THE MULTILATERAL BOAT ON BILATERAL ISSUES, AND DON'T GO AGAINST EACH OTHER MULTILATERALLY ON FOREIGN-POLICY ISSUES. A VARIANT OF NOT "GOING PUBLIC", THIS TACIT UNDERSTANDING ACCEPTED DIVERGENCIES OF POSITION ON FOREIGN POLICY ISSUES BUT WITHIN SELF-IMPOSED LIMITS AND WITHIN A MUTUALLY SUPPORTING FRAMEWORK WHICH DID NOT ALLOW DIRECT CRITICISM OF EACH OTHER.

LASTLY, RULE 10: NO RELIANCE ON SUMMITRY. NO US PRESIDENT VISITED CANADA BETWEEN 1972 AND 1981. SUMMITS BETWEEN THE PRESIDENT AND PRIME MINISTER OF THE DAY TOOK PLACE OFTEN IN ORDER TO SET THE BEACON JOINTLY, RARELY TO RESOLVE SUBSTANTIVE ISSUES.

WELL, THOSE WERE THE OLD RULES. SOME STILL APPLY, BUT MANY ARE CHANGING, SOME QUITE MARKEDLY. HERE ARE THE NEW VERSIONS OF THE OLD COMMANDMENTS, AND HERE'S WHY THEY'VE BEEN CHANGING.

RULE 1: NO INSTITUTIONALIZATION OF THE GENERALLY INFORMAL MECHANISMS FOR MANAGING THE RELATIONSHIP.

NO CHANGE, REALLY; THE RULE STILL APPLIES. COOLNESS TO THE IDEA OF PROMOTING SPECIAL AND SEMI-OFFICIAL CANADA/US COMMITTEES OF PRIVATE CITIZENS AND OF SPECIFIC INTEREST GROUPS, IS STILL CURRENT IN GOVERNMENT, AT LEAST IN CANADA, ON THE GROUNDS THAT SUCH COMMITTEES WOULD WORK IN THE DIRECTION OF TRYING TO BURY LEGITIMATE DIFFERENCES. THE ONE COMMON INSTITUTION PROPOSED IN RECENT YEARS WAS A FISHERIES COUNCIL, INCLUDED IN THE TREATY ON EAST COAST BOUNDARIES, WHICH WAS REJECTED BY THE SENATE. NEED I EMPHASIZE HOW FAR READING THIS INSTITUTIONAL INNOVATION WOULD HAVE BEEN --- THERE WOULD HAVE BEEN JOINT MANAGEMENT OF A COMMON RESOURCE. ANOTHER EXAMPLE. THE IDEA OF A JOINT SCIENTIFIC PEER REVIEW OF THE SCIENTIFIC EVIDENCE ON THE ACID RAIN PHENOMENON HAS BEEN REJECTED BY THE US SIDE.

RULE 2. NO INTERMEDIATION.

PROBABLY MODESTLY CHANGING. ARBITRATION HAS BEEN USED ON THE GEORGES BANK DISPUTE. THE REFERRAL OF

WELL, THOSE WERE THE OLD RULES. SOME STILL APPLY, BUT MANY ARE CHANGING, SOME QUITE MARKEDLY. HERE ARE THE NEW VERSIONS OF THE OLD COMMANDMENTS, AND HERE'S WHY THEY'VE BEEN CHANGING.

Rule 1: No institutionalization of the generally informal mechanisms for managing the relationship.

No change, really; the rule still applies. Coolness to the idea of promoting special and semi-official Canada-US committees of private citizens and of specific interest groups, is still current in government, at least in Canada, on the grounds that such committees would work in the direction of trying to bury legitimate differences. The one common institution proposed in recent years was a Fisheries Council, included in the Treaty on East Coast boundaries which was rejected by the Senate. Read I emphasize how far reading this institutional innovation would have been --- there would have been joint management of a common resource. Another example. The idea of a joint scientific peer review of the scientific evidence on the acid rain phenomenon has been rejected by the US side.

Rule 2: No intermediation.

Probably modestly changing. Arbitration has been used on the Georges Bank dispute. The referral of

THIS ISSUE OVER EAST COAST BOUNDARIES TO THE INTERNATIONAL COURT OF JUSTICE IN THE HAGUE IS A FORM OF INTERMEDIATION. SO IS REFERRAL TO THE GATT OF DIFFERENCES OVER SOME ASPECTS OF THE ADMINISTRATION OF OUR FOREIGN INVESTMENT POLICY. PERHAPS WE CAN CONCLUDE THAT THERE IS A GROWING READINESS TO SEE DISPUTES TAKEN TO INTERNATIONAL FORA FOR RESOLUTION; BUT A RELUCTANCE TO USE INTERMEDIATION OTHERWISE, IN VIEW OF THE GROWING SENSE OF POLITICAL INTERESTS BEING ENGAGED ON RESPECTIVE SIDES OF THE ISSUES.

RULE 3: NO LINKAGE.

WELL, CONGRESS LINKS OR IS TRYING TO LINK ALL THE TIME. I THINK THAT WHILE THERE IS NO DISPOSITION ON THE PART OF THE RESPECTIVE GOVERNMENTS TO BEGIN TO DEVELOP TRADE-OFFS BETWEEN ADVANTAGES GAINED ON ONE SET OF ISSUES AGAINST DISADVANTAGES ON ANOTHER, SUCH AS BORDER BROADCASTING, OR A CONVENTION TAX, THERE IS A GROWING SENSE OF EACH SIDE MAINTAINING AN INVENTORY OF RESPECTIVE POSITIONS OF RELEVANCE TO THE OVERALL RELATIONSHIP.

THIS ISSUE OVER EAST COAST BOUNDARIES TO THE  
 INTERNATIONAL COURT OF JUSTICE IN THE HAGUE IS A  
 FORM OF INTERMEDIATION. SO IS REFERRAL TO THE  
 BATT OF DIFFERENCES OVER SOME ASPECTS OF THE  
 ADMINISTRATION OF OUR FOREIGN INVESTMENT POLICY.  
 PERHAPS WE CAN CONCLUDE THAT THERE IS A GROWING  
 READINESS TO SEE DISPUTES TAKEN TO INTERNATIONAL  
 FORA FOR RESOLUTION; BUT A RELUCTANCE TO USE INTER-  
 MEDIATION OTHERWISE, IN VIEW OF THE GROWING SENSE  
 OF POLITICAL INTERESTS BEING ENGAGED ON RESPECTIVE  
 SIDES OF THE ISSUES.

Rule 3: No linkage.

WELL, CONGRESS LINKS OR IS TRYING TO LINK  
 ALL THE TIME. I THINK THAT WHILE THERE IS NO  
 DISPOSITION ON THE PART OF THE RESPECTIVE GOVERNMENTS  
 TO BEGIN TO DEVELOP TRADE-OFFS BETWEEN ADVANTAGES  
 GAINED ON ONE SET OF ISSUES AGAINST DISADVANTAGES ON  
 ANOTHER, SUCH AS BORDER BROADCASTING, OR A CONVENTION  
 TAX, THERE IS A GROWING SENSE OF EACH SIDE MAINTAINING  
 AN INVENTORY OF RESPECTIVE POSITIONS OF RELEVANCE TO  
 THE OVERALL RELATIONSHIP.

AGAIN, THIS IS VERY EVIDENT IN THE ADDITUDES OF INDIVIDUAL MEMBERS OF CONGRESS. IF CONGRESS CONTINUES TO EXPAND ITS ROLE IN ACTIVITIES WHICH ENTER INTO RELATIONS BETWEEN OUR COUNTRIES, THE NATURAL RETICENCE TO LINK AMONG THE SPECIFIC ISSUES WILL HAVE TO BE MODERATED.

RULE 4: THERE ARE NO QUICK FIXES.

THE RULE ISN'T CHANGED, BUT THE PUBLIC PERCEPTION HAS. AS THE ISSUES AT PLAY ARE OF INCREASING PUBLIC IMPACT, THERE IS A NEED TO SEE SWIFT ACTION TO DEAL WITH THEM. CERTAINLY ACID RAIN IS OF THIS CATEGORY. POSSIBLY SOME OF CANADA'S ECONOMIC ACTIVITIES AS WELL. THIS IS NOT TO SAY THAT THE ISSUES CAN BE RESOLVED ANY FASTER BUT IT IS TO ACKNOWLEDGE THAT BOTH GOVERNMENTS HAVE TO BE SEEN ADDRESSING THEM AS MATTERS OF GREATER URGENCY.

RULE 5: NO PUBLIC DIPLOMACY, HAS ALSO CHANGED IN CONSEQUENCE.

THE PUBLIC, AT LEAST IN CANADA, DEMANDS INFORMATION AND EXPLANATIONS ON THEIR GOVERNMENT'S

AGAIN, THIS IS VERY EVIDENT IN THE  
ATTITUDES OF INDIVIDUAL MEMBERS OF CONGRESS. IF  
CONGRESS CONTINUES TO EXPAND ITS ROLE IN  
ACTIVITIES WHICH ENTER INTO RELATIONS BETWEEN OUR  
COUNTRIES, THE NATURAL TENDENCY TO LINK AMONG  
THE SPECIFIC ISSUES WILL HAVE TO BE MODERATED.

Rule #1: THERE ARE NO QUICK FIXES.

THE RULE ISN'T CHANGED, BUT THE PUBLIC  
PERCEPTION HAS. AS THE ISSUES AT PLAY ARE OF  
INCREASING PUBLIC IMPACT, THERE IS A NEED TO SEE  
SWIFT ACTION TO DEAL WITH THEM. CERTAINLY ACID RAIN  
IS OF THIS CATEGORY. POSSIBLY SOME OF CANADA'S  
ECONOMIC ACTIVITIES AS WELL. THIS IS NOT TO SAY THAT THE ISSUES  
CAN BE RESOLVED ANY FASTER BUT IT IS TO ACKNOWLEDGE  
THAT BOTH GOVERNMENTS HAVE TO BE SEEN ADDRESSING THEM  
AS MATTERS OF GREATER URGENCY.

Rule #2: NO PUBLIC DIPLOMACY, HAS ALSO CHANGED IN  
CONSEQUENCE.

THE PUBLIC, AT LEAST IN CANADA, DEMANDS  
INFORMATION AND EXPLANATIONS ON THEIR GOVERNMENT'S

EFFORTS TO PURSUE OR DEFEND NATIONAL INTERESTS, GOVERNMENTS MUST BE VERY CLEARLY SEEN BY THE PUBLIC TO BE ENGAGED IN BILATERAL DISCUSSION AND NEGOTIATION.

MANAGEMENT.

SIMULTANEOUSLY, THE CANADIAN SIDE HAS ALSO RECOGNIZED THE VERY REAL NEED TO ADDRESS THE STATE OF PUBLIC OPINION IN THE UNITED STATES VIS-A-VIS DEVELOPMENTS IN CANADA AND SOME OF THE CONFLICT AREAS. ON THE ONE HAND, THERE IS NOT MUCH UNDERSTANDING HERE OF CANADIAN MOTIVATIONS. ON THE OTHER, SOME CANADIAN INTERESTS, SUCH AS ON ACID RAIN AND THE ENVIRONMENT, ARE ALREADY THE SUBJECT OF PUBLIC DEBATE IN THIS COUNTRY.

COMPREHENSIVE STRATEGY TO DEVELOP AND STRENGTHEN THE CANADIAN ECONOMY.

THERE IS JOINT APPRECIATION THAT THE TWO GOVERNMENTS SHOULD AVOID ESCALATING DISPUTES BY TAKING CONTROVERSY TO THE PRESS. BUT WE MUST AND DO ADDRESS THESE BROADER ISSUES OF PUBLIC INFORMATION MORE ACTIVELY. WE HAVE, FOR EXAMPLE, JUST MADE ALL OUR CONSULATES IN THIS COUNTRY CONSULATES-GENERAL, TO GIVE THEM ALL A HIGHER PUBLIC STATUS AND ACCESS. DIPLOMACY IS NOW VERY PUBLIC--- THIS SPEECH IS POSSIBLY AN EXAMPLE.

GOVERNMENTAL MACHINERY HAS DEVELOPED FOR THE PURPOSES

RULE 6: NO CENTRAL GOVERNMENTAL CONTROL OVER THE RELATIONSHIP. ALSO CHANGED; THOUGH PROBABLY DIFFERENTLY ON EACH SIDE. THE DEVELOPMENTS IN BOTH COUNTRIES HAVE

EFFORTS TO PURSUE OR DEFEND NATIONAL INTERESTS, GOVERN-  
MENTS MUST BE VERY CLEARLY SEEN BY THE PUBLIC TO BE  
ENGAGED IN BILATERAL DISCUSSION AND NEGOTIATION.

SIMULTANEOUSLY, THE CANADIAN SIDE HAS ALSO  
RECOGNIZED THE VERY REAL NEED TO ADDRESS THE STATE OF  
PUBLIC OPINION IN THE UNITED STATES VIS-A-VIS  
DEVELOPMENTS IN CANADA AND SOME OF THE CONFLICT AREAS.  
ON THE ONE HAND, THERE IS NOT MUCH UNDERSTANDING HERE  
OF CANADIAN MOTIVATIONS. ON THE OTHER, SOME CANADIAN  
INTERESTS, SUCH AS ON ACID RAIN AND THE ENVIRONMENT,  
ARE ALREADY THE SUBJECT OF PUBLIC DEBATE IN THIS COUNTRY.

THERE IS JOINT APPRECIATION THAT THE TWO  
GOVERNMENTS SHOULD AVOID ESCALATING DISPUTES BY TAKING  
CONTROVERSY TO THE PRESS. BUT WE MUST AND DO ADDRESS THESE BROAD  
ISSUES OF PUBLIC INFORMATION MORE ACTIVELY. WE HAVE,  
FOR EXAMPLE, JUST MADE ALL OUR CONSULATES IN THIS  
COUNTRY CONSULATES-GENERAL, TO GIVE THEM ALL A HIGHER  
PUBLIC STATUS AND ACCESS. DIPLOMACY IS NOW VERY PUBLIC--  
THIS SPEECH IS POSSIBLY AN EXAMPLE.

Rule 6: NO CENTRAL GOVERNMENTAL CONTROL OVER THE  
RELATIONSHIP. ALSO CHANGED, THOUGH PROBABLY DIFFERENTLY  
ON EACH SIDE. THE DEVELOPMENTS IN BOTH COUNTRIES HAVE

REQUIRED PUBLICLY VISIBLE POLICY CONTROL CENTERS. THE GROWING COMPLEXITY OF THE RELATIONSHIP HAS CERTAINLY REQUIRED GREATER COHERENCE IN ITS MANAGEMENT.

IN CANADA, THE KEY EVENT WAS REALLY THE SO-CALLED "NIXON SHOCK" OF 1971 WHICH SAW THE SUDDEN IMPOSITION OF A DOMESTIC IMPORT SURCHARGE IN THIS COUNTRY AND WHICH KICKED OFF THE DEVELOPMENT IN CANADA OF A POLICY STUDY OF CANADA-US RELATIONS. ULTIMATELY, THAT STUDY CALLED FOR THE "THIRD OPTION" IN THOSE RELATIONS, THAT OF BUILDING "A LONG-TERM COMPREHENSIVE STRATEGY TO DEVELOP AND STRENGTHEN THE CANADIAN ECONOMY AND OTHER ASPECTS OF OUR NATIONAL LIFE AND IN THE PROCESS TO REDUCE THE PRESENT CANADIAN VULNERABILITY". FIRA AND THE NEP ARE IMPORTANT ELEMENTS OF THE BASIC DOMESTIC ECONOMIC STRATEGY CALLED FOR ALONG WITH OUR CONTINUING EFFORTS TO ENRICH OUR RELATIONS WITH OTHER COUNTRIES. TO THE EXTENT THAT THESE POLICIES HAVE RAISED AMERICAN OBJECTIONS, A COHERENT CANADIAN APPROACH HAS BEEN ESSENTIAL AND THE GOVERNMENTAL MACHINERY HAS DEVELOPED FOR THE PURPOSES OF COORDINATION AND CENTRAL MANAGEMENT.

REQUIRED PUBLICLY VISIBLE POLICY CONTROL CENTERS.  
THE GROWING COMPLEXITY OF THE RELATIONSHIP HAS  
CERTAINLY REQUIRED GREATER COHERENCE IN ITS  
MANAGEMENT.

IN CANADA, THE KEY EVENT WAS REALLY THE  
SO-CALLED "NIXON SHOCK" OF 1971 WHICH SAW THE SUDDEN  
IMPOSITION OF A DOMESTIC IMPORT SURCHARGE IN THIS  
COUNTRY AND WHICH KICKED OFF THE DEVELOPMENT IN  
CANADA OF A POLICY STUDY OF CANADA-US RELATIONS.  
ULTIMATELY, THAT STUDY CALLED FOR THE "THIRD OPTION"  
IN THOSE RELATIONS, THAT OF BUILDING "A LONG-TERM  
COMPREHENSIVE STRATEGY TO DEVELOP AND STRENGTHEN THE  
CANADIAN ECONOMY AND OTHER ASPECTS OF OUR NATIONAL  
LIFE AND IN THE PROCESS TO REDUCE THE PRESENT CANADIAN  
VULNERABILITY". FIRA AND THE NEP ARE IMPORTANT  
ELEMENTS OF THE BASIC DOMESTIC ECONOMIC STRATEGY CALLED  
FOR ALONG WITH OUR CONTINUING EFFORTS TO ENRICH OUR  
RELATIONS WITH OTHER COUNTRIES. TO THE EXTENT THAT  
THESE POLICIES HAVE RAISED AMERICAN OBJECTIONS, A  
COHERENT CANADIAN APPROACH HAS BEEN ESSENTIAL AND THE  
GOVERNMENTAL MACHINERY HAS DEVELOPED FOR THE PURPOSES  
OF COORDINATION AND CENTRAL MANAGEMENT.

RULE 7 HELD THAT THERE WAS NOT A "US POLICY" IN CANADA, OR THE INCREASING INTEREST OF THE PROVINCES IN SEEING THEIR SPECIFIC INTERESTS REPRESENTED IN RELATIONS WITH THE US HAS ALSO CONTRIBUTED TO THE UPGRADING AND CONSOLIDATION OF POLICY AND OPERATIONAL UNITS IN THE CANADIAN GOVERNMENT DEALING WITH US AFFAIRS.

THE US EXPERIENCE DOES NOT APPEAR TO BE QUITE AS FOCUSED BUT AN ANALOGOUS SORT OF DEVELOPMENT HAS BEEN TAKING PLACE IN A MORE RANDOM SORT OF WAY. ECONOMIC RELATIONS WITH CANADA ARE BEING SEEN MORE AND MORE AS A FOREIGN POLICY MATTER TO BE MANAGED IN A FOREIGN POLICY WAY, RATHER THAN AS A STRAIGHT PROJECTION OF INTERESTS ON THE DOMESTIC SIDE OF THE MACHINERY OF GOVERNMENT.

SPECIAL MENTION SHOULD BE MADE HERE OF THE ROLES OF THE TWO RESPECTIVE EMBASSIES WHERE ACTIVITIES AND POLICY CURRENTS COME TOGETHER FOR REPRESENTATION. THERE IS NOW A VERY GREAT DISINCLINATION TO SEE NEGOTIATION OF CONTENTIOUS ISSUES TAKE PLACE BY TELEPHONE BETWEEN RESPECTIVE EXPERTS OR SPECIALISTS IN AREAS OF MAJOR POLICY CONCERN, IN FAVOUR OF SEEING THEM GO THROUGH THEIR RESPECTIVE EMBASSIES AS PART OF THE COURSE OF NATIONAL REPRESENTATION OF INTERESTS.

THE INCREASING INTEREST OF THE PROVINCES  
IN SEEING THEIR SPECIFIC INTERESTS REPRESENTED IN  
RELATIONS WITH THE US HAS ALSO CONTRIBUTED TO THE  
UPGRADING AND CONSOLIDATION OF POLICY AND OPERATIONAL  
UNITS IN THE CANADIAN GOVERNMENT DEALING WITH US  
AFFAIRS.

THE US EXPERIENCE DOES NOT APPEAR TO BE  
QUITE AS FOCUSED BUT AN ANALOGOUS SORT OF DEVELOPMENT  
HAS BEEN TAKING PLACE IN A MORE RANDOM SORT OF WAY.  
ECONOMIC RELATIONS WITH CANADA ARE BEING SEEN MORE AND  
MORE AS A FOREIGN POLICY MATTER TO BE MANAGED IN A  
FOREIGN POLICY WAY, RATHER THAN AS A STRAIGHT PROTECTION  
OF INTERESTS ON THE DOMESTIC SIDE OF THE MACHINERY OF  
GOVERNMENT.

SPECIAL MENTION SHOULD BE MADE HERE OF THE  
ROLES OF THE TWO RESPECTIVE EMBASSIES WHERE ACTIVITIES  
AND POLICY CURRENTS COME TOGETHER FOR REPRESENTATION.  
THERE IS NOW A VERY GREAT DISINCLINATION TO SEE NEGOTIATION  
OF CONTENTIOUS ISSUES TAKE PLACE BY TELEPHONE BETWEEN  
RESPECTIVE EXPERTS OR SPECIALISTS IN AREAS OF MAJOR POLICY  
CONCERN, IN FAVOUR OF SEEING THEM GO THROUGH THEIR  
RESPECTIVE EMBASSIES AS PART OF THE COURSE OF NATIONAL  
REPRESENTATION OF INTERESTS.

RULE 7 HELD THAT THERE WAS NOT A "US POLICY" IN CANADA, OR A "CANADA POLICY" IN THE US, AND THAT, AS I HAVE DESCRIBED ABOVE, IS DEFINITELY NO LONGER THE CASE, AT LEAST UP THERE.

RULE 8 HELD THAT BILATERAL NEGOTIATIONS AT THE POLITICAL LEVEL SHOULD BE LIMITED. IT PROBABLY STILL HOLDS TRUE, AT LEAST IN MOST INSTANCES, GIVEN THE CHARACTER AND COMPLEXITY OF THE ISSUES.

RULE 9 KEPT US FROM ROCKING THE MULTILATERAL BOAT WITH OUR DIFFERENCES ON BILATERAL OR MULTILATERAL ISSUES. WHILE I THINK THAT THE RULE STILL HAS SOME VALIDITY, THERE ARE DIFFERENT APPROACHES ON SOME ISSUES, SUCH AS NORTH/SOUTH QUESTIONS, DISARMAMENT, CENTRAL AMERICAN LAW OF THE SEA AND OTHERS, WHICH DO COME OUT. IT IS NO LONGER POSSIBLE TO CONDUCT FOREIGN POLICY WITHOUT ARTICULATING A NATIONAL POSITION ON THE BASIC ISSUES OF THE DAY. BUT WE ARE CONSCIOUS OF THE NEED NOT TO UNDERCUT THE OTHER'S POSITIONS AND TO CONSULT AS FULLY AS POSSIBLE AND I THINK THAT ON THE BASIC MULTILATERAL ISSUES WE CONTINUE TO BE MUTUALLY SUPPORTIVE ON THE FUNDAMENTALS. THIS WAS, FOR EXAMPLE, VERY MUCH THE CASE AT THE RECENT CANCUN SUMMIT ON NORTH/SOUTH RELATIONS.

CANADA, OF COURSE, HAS A PREFERENCE FOR MULTILATERAL SOLUTIONS TO CONFLICTS. IT SUITS A COUNTRY OF

RULE 1 HELD THAT THERE WAS NOT A "US POLICY" IN CANADA OR A "CANADA POLICY" IN THE US, AND THAT AS I HAVE DESCRIBED ABOVE, IS DEFINITELY NO LONGER THE CASE, AT LEAST UP THERE.

RULE 2 HELD THAT BILATERAL NEGOTIATIONS AT THE POLITICAL LEVEL SHOULD BE LIMITED. IT PROBABLY STILL HOLDS TRUE, AT LEAST IN MOST INSTANCES, GIVEN THE CHARACTER AND COMPLEXITY OF THE ISSUES.

RULE 3 KEPT US FROM ROCKING THE MULTILATERAL BOAT WITH OUR DIFFERENCES ON BILATERAL OR MULTILATERAL ISSUES. WHILE I THINK THAT THE RULE STILL HAS SOME VALIDITY, THERE ARE DIFFERENT APPROACHES ON SOME

ISSUES, SUCH AS NORTH/SOUTH QUESTIONS, DISARMAMENT, CENTRAL AMERICAN OF THE SEA AND OTHERS, WHICH DO COME OUT. IT IS NO LONGER POSSIBLE TO CONDUCT FOREIGN POLICY WITHOUT ARTICULATING A NATIONAL POSITION ON THE BASIC ISSUES

OF THE DAY. BUT WE ARE CONSCIOUS OF THE NEED NOT TO UNDERCUT THE OTHER'S POSITIONS AND TO CONSULT AS FULLY AS POSSIBLE AND I THINK THAT ON THE BASIC MULTILATERAL ISSUES WE CONTINUE TO BE MUTUALLY SUPPORTIVE ON THE

FUNDAMENTALS. THIS WAS, FOR EXAMPLE, VERY MUCH THE CASE AT THE RECENT CANCUN SUMMIT ON NORTH/SOUTH RELATIONS.

CANADA, OF COURSE, HAS A PREFERENCE FOR MULTILATERAL SOLUTIONS TO CONFLICTS. IT SUITS A COUNTRY OF

CANADA'S WEIGHT IN THE WORLD, IN THAT WE DISPOSE OF LESS DIRECTLY BILATERAL LEVERAGE OR INFLUENCE; MULTILATERALISM IS ALSO A BUFFER FOR THOSE CANADIANS WHO SENSE THE POTENTIAL FOR VULNERABILITY TO THE ACTIONS OF A VERY MUCH LARGER NEIGHBOUR. WE ALSO ABHOR CONFLICTS BETWEEN THE US AND WESTERN EUROPE WHICH PRESENT US WITH AGONIZING CHOICES. SO WE PRESS FOR MULTILATERAL DISCUSSION, AND CONFLICT RESOLUTION, WHETHER THROUGH THE UN, SUCH EXERCISES AS THE LAW OF THE SEA, OR THROUGH POLICY COORDINATION IN NATO.

THIS IS NOT ON OCCASION AS LOGICAL A ROUTE FOR THE US WHICH HAS ITS SPECIFIC INTERESTS AT PLAY, OFTEN MORE AMENABLE TO UNILATERAL OR BILATERAL RECONCILIATION. YET, THE US SEEMS TO BE INCREASINGLY ACCEPTING RECOURSE TO MULTILATERAL FORA, AS A WAY OF RESOLVING DISPUTES. INDEED, ON THE BILATERAL ISSUE OF SPECIFIC APPLICATION OF THE CANADIAN FOREIGN INVESTMENT REVIEW ACT, THE US HAS SOUGHT RECOURSE TO THE GATT, WHICH WE DO NOT OPPOSE.

ALL IN ALL, IT WOULD SEEM THAT WE DO HAVE MORE FREQUENT DIVERGENCIES MULTILATERALLY BUT THAT THESE ARE SEEN TO BE NORMAL AND I CAN ASSURE YOU FROM PERSONAL

Canada's weight in the world, in that we dispose of  
 less directly bilateral leverage or influence,  
 multilateralism is also a buffer for those Canadians  
 who sense the potential for vulnerability to the  
 actions of a very much larger neighbour. We also  
 abhor conflicts between the US and Western Europe  
 which present us with agonizing choices. So we press  
 for multilateral discussion, and conflict resolution,  
 whether through the UN, such exercises as the Law of  
 the Sea, or through policy coordination in NATO.

This is not on occasion as logical a route  
 for the US which has its specific interests at play,  
 often more amenable to unilateral or bilateral  
 reconciliation. Yet, the US seems to be increasingly  
 accepting recourse to multilateral fora, as a way of  
 resolving disputes. Indeed, on the bilateral issue  
 of specific application of the Canadian Foreign  
 Investment Review Act, the US has sought recourse to  
 the GATT, which we do not oppose.

All in all, it would seem that we do have  
 more frequent divergencies multilaterally but that these  
 are seen to be normal and I can assure you from personal

...

INVOLVEMENT THAT CANADIANS AT LEAST, MANAGE THESE THEM,  
WITH AS MUCH CONSIDERATION AS POSSIBLE.

THE 10TH AND LAST RULE WAS TO USE SUMMITS  
SPARINGLY AND SOMETIMES ALMOST CEREMONIALLY.

THIS TOO IS CHANGING, IN THAT RECOURSE TO  
SUMMITRY IS CERTAINLY MORE FREQUENT AND MORE CENTRAL  
TO THE WHOLE RELATIONSHIP. PRESIDENT REAGAN AND  
PRIME MINISTER TRUDEAU HAVE MET FIVE TIMES SINCE  
THE FORMER'S INAUGURATION.

THE SUMMITS HAVE AN IMPORTANT ROLE IN  
SETTING THE POLITICAL CLIMATE FOR THE RELATIONSHIP.

THERE IS ALSO A MANAGEMENT ROLE INVOLVED IN  
THAT ISSUES ARE BROUGHT TO THE POLITICAL SUMMIT, IF  
NOT FOR RESOLUTION, AT LEAST FOR REVIEW AND POLITICAL  
ASSESSMENT OF HOW BEST TO PURSUE THEIR RESOLUTION.  
PERHAPS THEY BEST SIGNIFY THE CHANGES WHICH HAVE  
TAKEN PLACE. THEY ARE FRIENDLY AND SUCCESSFUL. BUT  
THEY ARE ALSO MORE FREQUENT AND MORE HIGHLY CHARGED  
WITH THE ISSUES.

INVOLVEMENT THAT CANADIANS AT LEAST, MANAGE THESE  
WITH AS MUCH CONSIDERATION AS POSSIBLE.

THE 10TH AND LAST RULE WAS TO USE SUMMITS  
SPARINGLY AND SOMETIMES ALMOST CEREMONIALLY.

THIS TOO IS CHANGING, IN THAT RECOURSE TO  
SUMMITRY IS CERTAINLY MORE FREQUENT AND MORE CENTRAL  
TO THE WHOLE RELATIONSHIP. PRESIDENT REAGAN AND  
PRIME MINISTER TRUDEAU HAVE MET FIVE TIMES SINCE  
THE FORMER'S INAUGURATION.

THE SUMMITS HAVE AN IMPORTANT ROLE IN  
SETTING THE POLITICAL CLIMATE FOR THE RELATIONSHIP.

THERE IS ALSO A MANAGEMENT ROLE INVOLVED IN  
THAT ISSUES ARE BROUGHT TO THE POLITICAL SUMMIT, IF  
NOT FOR RESOLUTION, AT LEAST FOR REVIEW AND POLITICAL  
ASSESSMENT OF HOW BEST TO PURSUE THEIR RESOLUTION.  
PERHAPS THEY BEST SIGNIFY THE CHANGES WHICH HAVE  
TAKEN PLACE. THEY ARE FRIENDLY AND SUCCESSFUL. BUT  
THEY ARE ALSO MORE FREQUENT AND MORE HIGHLY CHARGED  
WITH THE ISSUES.

WELL, THOSE ARE THE NEW RULES AS I SEE THEM.

IN FACT, THEY'RE NOT REALLY RULES AT ALL, OF COURSE, BUT TRENDS IN THE WAY OF DOING OUR NATIONS' BUSINESS. THEIR INTEREST TO US IS IN WHAT THEY REVEAL ABOUT HOW THE TWO COUNTRIES VIEW EACH OTHER AND HOW THEY THINK THE PROBLEMS SHOULD BE ADDRESSED. I SEE THE FRAMEWORK OF THE RELATIONSHIP AS HAVING ALTERED A BIT WITH THE TIMES AS A RESULT OF THE GROWING COMPLEXITY OF THE ISSUES, THE DIVERGENCIES OF NATIONAL INTEREST, THE INCREASING NUMBER OF PLAYERS ON BOTH SIDES, THE BREADTH OF THE ISSUES, AND THE ROLE AND EXPECTATIONS OF THE PUBLIC, OR SHOULD I SAY, VARIOUS PUBLICS, INVOLVED IN THE PROBLEMS.

MY PURPOSE IN SKETCHING IT ALL IS MORE THAN ACADEMIC --- IT IS TO PROMOTE UNDERSTANDING OF THESE NATIONAL INTERESTS. IT IS TO PROMOTE ABOVE ALL A SENSE OF THE WHOLE RELATIONSHIP, WHOSE TONE SHOULD BE SET BY A VIEW FROM BOTH SIDES WHICH TAKES ACCOUNT OF THE REALLY ENORMOUS AMOUNT EACH COUNTRY HAS AT STAKE IN ITS RELATIONSHIP WITH THE OTHER, AND ISN'T VULNERABLE TO EACH AND EVERY ACTION, REACTION, AND OVER-REACTION. THE DIFFERENCES BETWEEN US, NATURAL AS THEY ARE, HAVE TO BE KEPT IN THE PERSPECTIVE OF

WELL, THOSE ARE THE NEW RULES AS I SEE THEM.

IN FACT, THEY'RE NOT REALLY RULES AT ALL,

OF COURSE, BUT TRENDS IN THE WAY OF GOING OUR NATIONS'

BUSINESS, THEIR INTEREST TO US IS IN WHAT THEY

REVEAL ABOUT HOW THE TWO COUNTRIES VIEW EACH OTHER AND

HOW THEY THINK THE PROBLEMS SHOULD BE ADDRESSED. I

SEE THE FRAMEWORK OF THE RELATIONSHIP AS HAVING ALTERED

A BIT WITH THE TIMES AS A RESULT OF THE GROWING

COMPLEXITY OF THE ISSUES, THE DIVERGENCIES OF

NATIONAL INTEREST, THE INCREASING NUMBER OF PLAYERS

ON BOTH SIDES, THE BREADTH OF THE ISSUES, AND THE

ROLE AND EXPECTATIONS OF THE PUBLIC, OR SHOULD I

SAY, VARIOUS PUBLICS, INVOLVED IN THE PROBLEMS.

MY PURPOSE IN SKETCHING IT ALL IS MORE THAN

ACADEMIC --- IT IS TO PROMOTE UNDERSTANDING OF THESE

NATIONAL INTERESTS. IT IS TO PROMOTE ABOVE ALL A

SENSE OF THE WHOLE RELATIONSHIP, WHOSE TONE SHOULD

BE SET BY A VIEW FROM BOTH SIDES WHICH TAKES ACCOUNT

OF THE REALLY ENORMOUS AMOUNT EACH COUNTRY HAS AT

STAKE IN ITS RELATIONSHIP WITH THE OTHER, AND ISN'T

VULNERABLE TO EACH AND EVERY ACTION, REACTION, AND

OVER-REACTION; THE DIFFERENCES BETWEEN US, NATURAL

AS THEY ARE, HAVE TO BE KEPT IN THE PERSPECTIVE OF

OF WHAT WE TRULY SHARE. THE HOPES FOR A CONTINENT,  
FOR A CONCEPT OF THE NEW WORLD, AND FOR THE  
ENHANCEMENT OF HUMAN VALUES DEEPLY SHARED BY THE VERY  
CLOSEST FRIENDS.

THANK YOU.

OF WHAT WE TRULY SHARE. THE HOPES FOR A CONTINENT,  
FOR A CONCEPT OF THE NEW WORLD, AND FOR THE  
ENHANCEMENT OF HUMAN VALUES DEEPLY SHARED BY THE VERY  
CLOSEST FRIENDS.

THANK YOU.



LIBRARY E A/BIBLIOTHEQUE A E



3 5036 20024312 2

DUE DATE

DATE DUE  
DATE DE RETOUR

DOCS  
CA1 EA980 82N51 ENG  
Gotlieb, Allan  
Canada/U. S. relations : the rules  
of the game  
43241428

