

**Text of Address by
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**Canada-US Relations
Our Common Cause Agenda in a Perilous World**

Thank you Dr. Niles (Dr. John Niles) for your introduction.

It is great to be back in Toronto.

My first speech to the Canadian Club goes back some 25 years. You are very kind to invite me again. It is a real tribute to your patience and fore-bearance.

Introduction

Normally in a speech like this, you will hear a discussion of the bilateral tensions and issues between Canada and the United States – how we are trying to settle our differences ... how we are protecting the Canadian national interest.

But our Embassy does work in promoting our national interests by working with the United States on many global and hemispheric issues. That is what I want to focus on today.

We are separate, sovereign entities. We each have our national interests and priorities. Sometimes they differ, regardless of the government in office. But many times they converge, where our shared values put us side by side, where we work together in common endeavour.

That said, we, of course have our own traditions and domestic political drivers. Our histories and formative experiences are different.

The Canada-U.S. Relationship – some observations

The management of this relationship is always a topic of great fascination to most Canadians. Sharing a continent with the world's preeminent military and economic superpower naturally makes most Canadians keenly aware of the bilateral relationship.

But our broad multilateral interests are often critical in setting the tone of the relationship and are essential to our work at the Embassy in Washington and in Ottawa. How and why Canada and the US work together in the world, how and why Canada pursues “common causes” with the US globally.

So I want to focus this lens on areas where we both are seeking to shape a complex and perilous world and protect ourselves in it. At heart, my belief is that Canadians are overlooking this important aspect of our relationship.

We lose sight from time to time of how much Canadian influences is expanded and deepened as a result of working from all parts of the world with our allies – but especially the one closest to us, the country with which we of all others are intimately connected in so many aspects of our daily lives. Yes, they are the superpower and we aren't. That makes the range and possibilities available to the United States in shaping the international agenda very different to those available to Canada. That has its advantages, but also its disadvantages.

We must not diminish in any way the role we are able to play on the world stage. Prime Minister Harper recognizes this. Canada is now stepping up and taking principled positions on important issues facing the world. We are determined to show leadership on the world stage.

Over the years, Canada has been able to establish a strong and proud reputation internationally because we don't have the same range and possibilities as the U.S. Without these, we've had to rely more on diplomatic skills than the exercise of power. But, I would add, we've also been successful because we are seen as being closely connected to the U.S.

We are neighbours and we are friends and allies. We are alike but we are also different.

How does this affect us internationally?

Let us start with the globalized world in which we live. What Prime Minister Harper has said is true for both our countries. "The globe", he said, "is becoming a village. And virtually every significant challenge we face – economic, environmental, demographic, security, health, energy, you name it – contains and important, if not critical, international dimension."

So the question becomes – how do we position ourselves in addressing these challenges? In this globalized world, no country is an island – - (to paraphrase John Donne) – not even those which are islands. What are the areas in which the coincident interests, common objectives and shared values of Canada and the United States in fact reinforce Canada's policies internationally?... and support our national interests.

A little over five years ago, North America was attacked. September 11th changed the world forever. It vividly brought home a new reality: threats to global security and specifically to our security come from terrorism. Since then, we have seen other terrorist attacks in Bali, Madrid and London, and foiled attempts in other countries – including here in Toronto last year. We are not immune.

Within months of 9/11, Canadian troops had teamed up with U.S. forces in Afghanistan. For the first time since the Korean War, Canada and the United States were standing together again in armed combat. Our common goal: to ensure that Afghanistan cannot and will not become a haven for terrorists plotting or executing attacks against our countries and our citizens.

Canada continues to play a key role in Afghanistan. We have commanded the NATO International Security Assistance Force. Our 2,500 soldiers have been at the forefront of this effort to stabilize this troubled country.

We are there in many other ways than military alone. – Canadian diplomats, development workers, experts in governance, and policing. Reconstruction and development are tied inextricably to Canada's presence. In fact, Afghanistan receives more development assistance from Canada than we provide to any other country.

We are making progress – a testament to the will and fortitude of the Afghan people. A new Afghan constitution promotes the rule of the law and respect for human rights, including those of women and children – women now have the right to vote and girls can go to school.

Our troops and all Canadians in Afghanistan deserve our support and our prayers as they work to bring security and democracy to that country.

The importance of our presence, our contribution, our sacrifice in Afghanistan does not go unnoticed. Starting with President Karzai, who used the occasion of his visit to Canada last year to tell Canadians how grateful Afghans are for our help. We are there because the Afghan government needs and wants us; we are there with 34 other countries because UN Security Council resolutions have united the world against the terrorists who had established themselves in Afghanistan. But fundamentally, we are there because it is in Canada's security interests to stop terrorism at its source. And time and again, I hear from Americans from many walks of life, expressing their appreciation for our efforts.

Common endeavour is also very much in evidence in areas of nonproliferation and disarmament.

The possibility of terrorists or rogue states obtaining weapons of mass destruction is a growing risk and must remain one of our central security objectives.

Here we stand four-square with the United States and other allies in trying to stop or roll-back this threat – nuclear, chemical or biological – in the G-8 and the International Atomic Energy Agency, particularly on the challenges posed by North Korea and Iran.

And one of the most significant areas of our common endeavour to reduce the threat on proliferation is the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, established by the G-8 in 2002. The United States and Canada have taken a leadership role in this.

The Global Partnership is not only directed towards stopping the spread of weapons and weapons-making knowledge and materials. What is particularly notable is that it results in actual disarmament. – actual. Actual destruction of stockpiles of chemical weapons held by the former Soviet Union. Cutting up nuclear-powered submarines and disposing safely the fissile material in the nuclear reactors to prevent terrorist acquisition of this dangerous material.

In all these areas, the Embassy plays a key role in advancing this agenda with the U.S. We also highlight these Canadian contributions on Capitol Hill, among Think Tanks and with the media to show how Canada is playing a real, tangible and substantive role on international security issues. It also

means intervening regularly in the policy-making process – for example, during the current Iraq debate, we have worked to ensure that decisions on Iraq would not compromise the U.S. commitment to Afghanistan.

Indeed, we are working with the U.S. to press NATO partners to add troops.

Let me turn now to Latin America and the Western Hemisphere.

Until recently, Canada did not pay sufficient attention to our hemispheric neighbours. This is changing. The government has stated its intention to accord a greater priority here, to a region where we have significant political and economic interests.

Indeed, Canadian investment in Latin America has tripled over the last decade to \$96 billion, exceeding what we have in Asia.

Clearly we have an obligation to our citizens and also to this region. Our North American neighbours welcome our increased interest and have high expectations of an active partnership. This is a region where we can work with the U.S. and Mexico as partners.

What are our objectives? What you would expect... consolidate democratic gains and strengthen freedom, human rights, governance and the rule of the law; enhance security; and protect and grow our economic interests.

As we have seen with the numerous recent elections in Latin America, there is nearly universal democracy but an urgent need to strengthen institutions. There is an active civil society but also a rise of populism and authoritarianism. Poverty is declining, but socio-economic exclusion and gross inequity still persist along with signs of returning protectionism.

Overall, we and the U.S. share common objectives here.

So how do we work together?

We can work together to strengthen regional organizations, particularly the Summit of the Americas process and the Organization of American States, which we have increasingly used as the vehicle for our assistance to the region. Here we work closely with our Embassy to the OAS, which is co-located within our main Embassy – and we both are in constant contact with State Department and other Latin American organizations in Washington to develop views on how Canada can advance this agenda.

Indeed just last week I hosted a working dinner where a number of experts discussed ways in which Canada could make a difference.

Similarly with the Security and Prosperity Partnership with the U.S. and Mexico. At the Embassy, we seek to advance thinking on five priority areas agreed by the leaders in Cancun last year: economic competitiveness, coordination on pandemic influenza responses, energy security, emergency management and smart, secure borders.

Prime Minister Harper will host the third summit later this year.

In the Caribbean – Canada and the U.S. will continue to play lead roles in the UN-mandated efforts so support Haiti's slow recovery process. Last week, following regular interactions with the Embassy, the State Department held a high level consultation with Canada to review our respective policies. In addition, we can both encourage and help the Cuban people to decide upon their own future, encouraging support for democracy and economic freedom.

The Embassy has been active in pursuing this issue with different policy makers in Washington and in the States – on how best to support the Cuban people in this uncertain time. Our engagement and the engagement of the Embassy represents the best in common cause issues – how Canada can pursue its perspective and approach and how we can work together towards a common objective. We can both engage Venezuela, Nicaragua and Bolivia and explain why open and transparent market practices are the better avenues for long term stability and prosperity.

In addition to strengthening the Organization of American States, we are working together to promote the implementation on international instruments against corruption, narco-trafficking and organized crime.

Common endeavour abroad with the U.S. extends also to trade. Underlying our cooperation is a common belief in the benefits to be derived from trade liberalization and the merits of a rules-based trade system.

In the World Trade Organizations, Canada and the U.S. seek the same objective: a broad-based and ambitious outcome to the ongoing Doha round of multilateral trade negotiations – as the best opportunity for developing countries to secure economic growth and alleviate poverty.

There are some clear differences in our negotiating positions. But, by and large, because of our advanced economies and similar economic structure, we share much common ground.

In the energy field, Canada and the U.S. have a strong relationship, with the U.S. being the world's largest energy producer, consumer and importer, and Canada the largest foreign energy supplier to the United States of oil, natural gas, uranium and electricity. We both see eye-to-eye on the importance of a market –based approach to energy resource development – our oil sands being a great example, growing from a pipe dream in the early 80's to production today of a million barrels a day, on the way to three million or more by 2015.

We see increasing amounts of oil and natural gas production being by government – Russia, for example, using its energy strength for wider geo-political ends. Nationalization by Venezuela, Ecuador and Bolivia.

At the recent G-8 meeting in St. Petersburg, Prime Minister Harper succeeded in getting the market-based approach to energy resources development agreed in a number of important texts.

In our approach to environmental stewardship, the United States and Canada both afford an important role to technology and innovation as important means of addressing global challenges and finding solutions.

For example, we are already partners, along with other countries and the private sector, in the Weyburn project in Saskatchewan to study the possibility of capturing and storing carbon dioxide in geological forms such as oil fields.

Another area of multilateral cooperation where the Embassy has been active has been the preparedness for pandemics. Canada and the United States are concerned about the potential for a human influenza pandemic that would have significant global health, economic and social consequences. Canada, drawing on our SARS experience, and the United States have worked together to raise international consciousness and preparedness for another pandemic.

While the pandemic threat is global, the coordinated response must be also at the regional and country level. And in this regard, Canada and the United States have each developed its own Influenza Pandemic response plans, which are continually updated and shared. We at the Embassy follow this issue closely.

I would like to add a final area of common endeavour – one closer to home. It is directed towards the most important responsibility a government has. That is, to protect and defend the freedom, independence and sovereignty of our two countries.

NORAD is an emblem of common endeavour. It stands for shared strategic vision for defense of the continent, shared decision-making, and unrivalled interoperability of our personnel, radars and aircraft.

NORAD is evolving in the post 9/11 world. Last year, we renewed the NORAD agreement in perpetuity, ending the previous five-year cycles. The new agreement gives NORAD added responsibility for maritime warning.

We have a proud tradition and history of Canada-U.S. defense cooperation – arguably the most complex in the world. Over 80 treaty-level agreements, and more than 250 memoranda of understanding.

More than 600 members of the Canadian Forces serve in the U.S. and on exchange with U.S. forces. Canadian Forces have the distinction of being the most inter-operable with the United States of any of the NATO allies. We train together, patrol together, serve together.

The Defense Development and Defense Production Sharing Agreements manage defense industry trade, and the related research and development – approximately \$2 billion in trade flows annually. We are an integral part of the U.S. defense industrial and technology base and the largest foreign supplier, contributing to both economic growth and jobs on both sides of the border, and to the interoperability of our forces in the field. One example is the current Joint Strike Fighter project, supporting interoperability but also access to up to \$8 billion in industrial participation opportunities.

The Embassy in Washington plays a key part in this activity – we have an active and robust Defense Liaison Office which interacts daily with our Department of National Defense on policy and operational issues, including cooperation on Afghanistan.

I myself have already visited NORAD twice, and the AWACS base in Oklahoma once, to underscore the importance Canada attaches to this relationship. The Embassy has taken a lead role in addressing the current ITARS problem, in defense procurement, and tomorrow, we host a visit of the Minister of National Defense to his new U.S. counterpart. On Capitol Hill, our job is to make Members of Congress aware of the significant Canadian role in defending the continent and our major contribution to the campaign in Afghanistan.

Before I conclude, I want to come back to perhaps our greatest personal and economic common cause – this being “daily” life along our shared borders – whether it be truckers delivering auto parts between Windsor and Detroit, day shoppers traveling between Montreal and Plattsburg, or friends and family making a spontaneous trip across the border to visit one another in Toronto or Buffalo or Vancouver and Bellingham.

The shared protection and mobility across our shared border is our most important economic bi-lateral common cause issue with the United States. After all, the border is not an imaginary line across the 49th Parallel, it is an ever-evolving complex entity that interconnects our lives, our economies and our continued prosperity.

Canada has seen a gradual thickening of the border over the past 4 years, initiatives that jeopardize our long standing commercial and people to people connections.

Recently we have seen measures introduced in food inspection and WHTI - the new passport rules – both initiatives which, if not implemented carefully, will undermine the foundation of NAFTA, the backbone of our economic integration, as well as our 140 years of shared friendship and family connections.

The air rule for WHTI will be implemented tomorrow. I expect this will go smoothly since passport usage is around 95 % and the U.S. intends to demonstrate flexibility in the implementation.

And while land and sea implementation is still eleven or potentially more months away – we are still encouraging the U.S. to take all of the necessary time required to get this right. We cannot rush into this and have a “cold turkey” implementation without appropriate flexibility and phasing-in. But we are encouraged by recent indications that the Administration and Congress may be more flexible in the implementation of WHTI related to land crossings.

Let me conclude.

I’ve said on a number of occasions, the paradox of the Canada-U.S. relationship is that the steadier it is, the more attention is given to any difference that may arise between us.

Yes, we’ve had disputes. I know when things are bumpy, having lived through the softwood lumber issue. But we solved it.

And yes, we have a problem in the defense cooperation realm. And we're working to solve it.

My point to you is that, if you overlook those areas where things are smooth, you miss the fundamental nature of our relationship. You are looking only at the occasional blemish on the skin, not grasping the basic sinews that connect our two countries – and that give us important strengths and advantages.

You also risk overlooking how Canada's international agenda is supported and how our national interests are furthered by our common cause endeavour with the United States. And that, to me, would do not just a disservice to our neighbours to the south, and our bilateral relationship; it would also impede reaching our national objectives as a country.

So whether it is Afghanistan, weapons of mass destruction, the Western Hemisphere, trade, pandemics, energy and the environment or the defense of North America, there are many ways where the national interest of the United States and Canada converge. This brings real meaning to a recent observation of a senior member of the U.S. Administration – “we often speak of our two countries as being friends, neighbours and allies. Canada is also a good and reliable partner”.

Thank you.